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CCI arm fast tracks approvals for 11 power projects

These projects have been waiting for an FSA since 2009



Breaking the four year jinx in signing a fuel supply agreement in the country, the Coal Ministry yesterday gave a commitment for FSAs for eleven power projects with an investment of Rs 52,349 crore.

These have been waiting for fuel supply agreements since 2009.

The end to their wait came yesterday as they were among the 18 power projects taken up for clearance by the newly formed arm of the Cabinet Committee on Investment formed to fast track projects with investment more than Rs 1,000 crore.

The arm called the project monitoring group discussed these projects with a sub group representing Coal Ministry today, resulting in the approvals for FSAs. These clearances are final, a government official said. The projects which could not be cleared would be taken up afresh.

There has been no FSA by the domestic coal supplier Coal India since 2009 and projects worth 78,000 mw are in the queue, waiting for FSAs thanks to short supply of domestic coal.

A recent decision of the Cabinet Committee of Economic Affairs to allow pass through of the cost of imported coal to recipients is said to have triggered confidence for fresh FSAs. All the FSAs are to be signed by August 31, sources said.

The beneficiaries of the decision include Adani Power, DB Power Ltd, GMR Kamalanga Energy Ltd, Talwandi Power Ltd, Lanco Babandh Power Ltd. The plants are located in Uttar Pradesh, Bengal, Orissa, Maharashtra, Madhya Pradesh and Chattisgarh. Of these the biggest are in Uttar Pradesh and Punjab while the total capacity that will be generated by the 11 projects is 10,390 mw.

The decision is expected to cheer up banks whose funds have been stuck in these projects. The banks who have lend funds include Axis Bank, State Bank of India, ICICI Bank, IDBI Bank, Indian Overseas Bank.

While there were four Adani projects of 1,980 mw taken up today, only one of them with a 800 mw capacity got approval as it had prior coal linkage, sources said.

Projects fell flat where land issues dogged them. A project in Chattisgarh belonging to SKS Power could not qualify for FSA as it had land related problems, according to an official. In the case of a project owned by Neyveli Lignite in Tuticurin, the FSA could not be okayed as it still needed

environment clearance. The land on which the project has come up included forest land and clearances were pending, sources said. FSA comes only when all other clearances are there.

Coal agreements for 11 power projects

Project/Company	Capacity	Cost in Rs	Place
Bandh Khar project	300 mw	1,456 crore	Chattisgarh
TRN Energy Ltd	600 mw	2,844 crore	Chattisgarh
Korba West Power Co Ltd	600 mw	2,872 crore	Chattisgarh
DB Power Ltd	1200 mw	5,792 crore	Chattisgarh
Jhabua Power Ltd	600 mw	3,000 crore	MP
Adani Power Ltd	800 mw	4,000 crore	Maharashtra
GMR Kamalanga Energy Ltd	1050 mw	6,000 crore	Orrisa
Lanco Babandh Power Ltd	660 mw	3,500 crore	Orrisa
Talwandi Power Ltd	2000 mw	9,977 crore	Punjab
Prayagraj Power Generation Co	1980 mw	9,500 crore	UP
Haldia Energy Ltd	3408 mw	3,408 crore	Bengal