

No.43011/27/2006-CPAM
Government of India
Ministry of Coal

New Delhi, the 8th October, 2007.

To

The Chairman-cum-Managing Director
Coal India Limited,
10-Netaji Subhash Road,
Kolkata.

Subject Nigahi Opencast Expansion Project of NCL from
10 Mty to 15 Mty - sanction for

Sir,

In pursuance of Article 38 of the Articles of Association of Coal India Limited, the President is pleased to sanction:-

- (i) Nigahi Opencast Expansion Project of Northern Coalfields Limited (a subsidiary of Coal India Limited) from 10 Million tonnes per year (Mty) to 15 Mty for an additional capital investment of Rs. 259.40 crore (Rupees two hundred and fifty nine crore and forty lakh only) for incremental coal production capacity of 5 Mty by departmental operations and removal of corresponding overburden through outsourcing.
- (ii) Flexibility in the implementation stage within the approved cost estimates to respond to improvements in technology and equipments which would result in improved profitability and productivity parameters.

2. The project will be funded entirely from the internal resources of the company.

3. The break up of the head-wise capital investment of the Nigahi Opencast Expansion Project for incremental coal production of 5 Mty is given below :

Amount in Rs Crore		
Sl No.	Particulars	Capital Investment for incremental production of 5.0 Mty capacity
1	Land	57.92
2	Building	-
3	Plant & Machinery	
	a) HEMM	2.17
	b) Other than HEMM	117.67
4	Furniture & Fittings	0.30

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Cam Ccl/Cam (Proh)
Cam, Nigahi
09/10/07

NCL

Sl No.	Particulars	Amount in Rs Crore
		Capital Investment for incremental production of 5.0 Mty capacity
5	Railway Siding	44.87
6	Vehicles	0.50
7	Exploration	1.94
8	Development	
8.1	Capital Outlay in Mines	8.70
8.2	Roads and Culverts	4.22
8.3	Water Supply & Sewerage	16.61
8.4	Scientific Research	0.50
8.5	PR Preparation Cost	3.08
9	Revenue Expenditure capitalized during Development period	-
10	Land reclamation	0.92
	Total	259.40

4. Other Parameters of the Nigahi Opencast Expansion Project of 5.0 Mty incremental production are given below:-

- Year of achieving target production- 2011-12
- Manpower (Nos) - 212 (additional for incremental coal production of 5 Mty)
- Output per manshift (OMS) - 21.01 tonnes

5. Year wise phasing of the estimated capital cost is furnished below:-

Additional Capital for 5 Mty	(Rs. in Crore)				
	07-08	08-09	09-10	10-11	11-12
259.40	84.71	122.20	51.52	0.97	-

6. Phasing of coal production and overburden removal is furnished below:-

Year	Figures in Mt.					
	06-07 (Actual)	07-08	08-09	09-10	10-11	11-12
Coal Production(Mt)	11.10	11.00	11.00	12.00	14.00	15.00
OB Removal(Mm3)	33.55	37.50	41.10	49.41	54.13	54.00
Stripping Ratio(m3/t)	3.02	3.41	3.74	4.12	3.87	3.60

7. Commencing from the next month, this project should be included in the progress reports to be submitted by the company to the Ministry and other agencies as part of the Management Information System.

8. The present approval is based on the cost estimates submitted by the coal company for consideration, to the Ministry as per the decision taken by the Public Investment Board in its meeting held on 21.4.2006. The guidelines contained in Ministry of Finance O.M. No.1(2)/PF-II/2003 dated 7.05.2003 circulated vide this Ministry's letter No.43011/13/2003-CPAM dated 29.09.2003 are to be strictly adhered to.

9. This issues with the approval of Integrated Finance Division.

Yours faithfully,

(D.N. Prasad)

Director (Technical)

(For and on behalf of the President of India)

Copy to :

1. The Cabinet Sectt. (Shri K.L. Sharma, Director (Cabinet)), Rashtrapati Bhawan, New Delhi w.r.t. their Memo No. CCEA/ 30 /2007 dated 25.9.2007.
2. Secretary (Expenditure), Deptt. of Expenditure, Ministry of Finance, New Delhi.
3. Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
4. Secretary, Dept of Economic Affairs, Ministry of Finance, New Delhi.
5. Principal Adviser (Energy), Planning Commission, Yojana Bhawan, New Delhi.
6. Adviser (PAMD), Planning Commission, Yojana Bhawan, New Delhi.
7. Adviser (Transport), Planning Commission, Yojana Bhawan, New Delhi.
8. Secretary, Ministry of Statistics and Programme Implementation, Sardar Patel Bhawan, New Delhi.
9. Chairman-cum-Managing Director, NCL, Singrauli P.O, Singrauli Colliery, Distt. Sidhi (M.P).
10. Chairman-cum-Managing Director, CMPDIL, Gondwana Place, Kanke Road, Ranchi- 834008
11. Dy. Controller of Accounts, Ministry of Coal, New Delhi.
12. Principal Director of Audit, Economic & Service Ministry, AGCR Building, New Delhi.

Copy also to :

1. PS to MOS (Coal)
2. Sr. PPS to Secretary (Coal)
3. Sanction folder

(D.N. Prasad)

Director (Technical)

(For and on behalf of the President of India)