



Coal India Limited

A MAHARATNA COMPANY

Registered Office:- Coal Bhawan, Core-2, 3rd Floor,

Premises No.04 MAR, Plot No.AF-III,

Action Area-1A, New Town, Rajarhat, Kolkata 700156.

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CIN - L23109WB1973GOI028844

Ref. No.CIL:XI (D):04112:2016: 13148 .

Dated 30th March'2016

To
GM(PMD),
Coal India Limited,
Coal Bhawan, Plot No.AF-III, Action Area-1A,
New Town, Rajarhat, Kolkata 700156.

Sub: Minutes of 325th CIL Board Meeting held on 5th March'2016.

Dear Sir,

Reproduced below is the relevant extracts from the minutes of 325th meeting of Board of Directors of Coal India Limited held on 5th March'2016 at CIL(HQs), Kolkata with regard to the following item:-

"ITEM No.325: 4(I)

Sub:- Project Report of Gevra Expansion OCP (from 35 Mty to 70 Mty), SECL

Director (Technical) apprised the Board that this project was recommended by ESC of CIL board for evaluation in its meeting held on 10th Feb.'16. He also apprised the salient features of the Project Report. This project would be the biggest coal mine project in India and the estimated life would be around 22 years. The average stripping ratio is 1.62 Cum./Te and the entire OB will be dumped internally with a maximum height upto 90 Mtrs above ground level. Development of East-West Rail Corridor is the critical activity for the project. The calender programme for excavation and dispatch of coal from the proposed Gevra Expansion had been planned matching with the implementation of East-West Rail Corridor Rail Project.

The Board also deliberated funding of highly profitable project and opined that company should avail loan for financing the project which will give better financial leverage. Board advised a concept paper be placed for its review for financing the project.

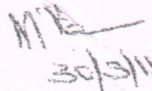
M/E
L. Arakinda
for 4/4. 3/2

It was also apprised to the Board that the project was financially evaluated by M/s. Pricewaterhouse Coopers Pvt. Ltd. who had recommended the project is financially viable. However, they have opined that project is sensitive to capacity utilisation, selling price and increase in capital. The IRR at 85% capacity for Option-II i.e. coal contractual and OB removal by departmental comes to 28.45%.

In view of the above and as recommended by ESC of CIL Board, Board accorded its approval for Project Report of Gevra OCP for a rated capacity of 70 MTY at an estimated capital investment of Rs.9943.55 crores (Rupees Nine thousand nine hundred forty three crores and fifty five lakhs) for implementation by Option-II partial outsourcing i.e. coal by out-sourcing and OB by departmental means as brought out in the agenda note."

This is for your information and taking necessary action please.

Yours faithfully,


30/3/14
(M. Viswanathan),
Company Secretary