

<p>कोल इण्डिया लिमिटेड कंपनी सचिवालय 3 तल्ला, कोर-2, प्रेमिसेस-04-एमआर, प्लॉट-ए एफ-III, एक्शन एरिया-1A, न्यूटाउन, रजरहट, कोलकाता-700156, फोन 033-२३२४६५२६, ईमेल: comsec2.cil@coalindia.in वेबसाइट: www.coalindia.in सी आई एन - L23109WB1973GOI028844</p>	 <p>एक महारत्न कंपनी A Maharatna Company</p>	<p>Coal India Limited Company Secretariat Regd. Office: 3rd floor, Core-2 Premises no-04-MAR, Plot no-AF-III, Action Area-1A, Newtown, Rajarhat, Kolkata-700156 PHONE; 033-2324-6526, E-MAIL: comsec2.cil@coalindia.in WEBSITE: www.coalindia.in CIN- L23109WB1973GOI028844</p>
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Ref.No. CIL:XI(D):4157/4156:2024:

Dated: 21.02.2024

To,
Listing Department,
Bombay Stock Exchange Limited,
14th Floor, P.J. Towers, Dalal Street,
Mumbai – 400 001
Scrip Code 533278

To,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.
Ref: ISIN – INE522F01014

Sub: - Transcript of Investors' meet for CIL's post Q3 FY24 Results as per Regulation 46 of Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing regulations 2015")

Dear Sir,

Further to our letter no CIL:XI(D):4157/4156:2024: dated 19th Feb'24, we are enclosing transcript of Investors' meet held on 19th Feb'24 for "CIL's post Q3 FY24 Results" as **Annexure**.

This is for your information and record.

Yours faithfully,

(बी पी दुबे/B. P Dubey)

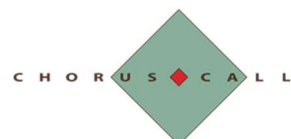
Company Secretary/कंपनी सचिव

& Compliance Officer/कम्प्लायंस ऑफिसर

Encl: As above



“Coal India Limited
Q3 FY '24 Earnings Conference Call”
February 19, 2024



MANAGEMENT: **MR. P.M. PRASAD – CHAIRMAN – COAL INDIA LIMITED**
MR. MUKESH CHOUDHARY – DIRECTOR MARKETING – COAL INDIA LIMITED
MR. MUKESH AGRAWAL – DIRECTOR FINANCE – COAL INDIA LIMITED
MR. B.P. DUBEY – COMPANY SECRETARY – COAL INDIA LIMITED

MODERATOR: **MR. AMIT DIXIT – ICICI SECURITIES LIMITED**



Moderator: Ladies and gentlemen, good day, and welcome to Coal India Limited Q3 FY '24 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Dixit from ICICI Securities. Thank you, and over to you, sir.

Amit Dixit: Good afternoon, everyone, and thanks for attending the call today. At the outset, I would like to thank the management of Coal India for giving us an opportunity to host this call. From the management side today, we have Shri P. M. Prasad, Chairman of Coal India; Shri. Mukesh Choudhary, Director Marketing; Shri. Mukesh Agrawal, Director, Finance; and Shri. B.P. Dubey, Company Secretary.

So the format of the call will be that management will open with a few remarks on the company's performance and outlook. And post which, we will open the call for an interactive Q&A. Without much ado, I would like to hand over the call to Mr. Dubey to take it forward. Over to you, sir.

B P Dubey: Good afternoon, Mr. Amit. At outset, I welcome all the participants. The copy of corporate presentation has already been uploaded in NSE and BSE and also in company's websites. Post completion of meeting, the copy of transcript and video recording should also be uploaded in NSE and also in website. Before we formally start the meeting, I would just love to read the cautionary statement.

Kindly note that some of the matters to be discussed today are forward-looking relating to implementation of strategic actions and other information on a future business development and commercial performance. In this regard, a number of these uncertainties and other important factors may cause actual development and results to vary materially from expectations.

Accordingly, CIL undertakes no obligation to publicly revise any forward-looking statements to reflect in future events or circumstance as the case to be. The duration of this call is around 50 to 60 minutes. I will -- before we start, I would request Chairman for his opening remarks, sir.

P M Prasad: Before that, just make a correction, Shri. Mukesh Choudhary is Director Marketing. Good afternoon, all. And the first 9 months report, you see, it is highest ever 9 months coal production of 531.90 million tons and overburden of 1,404.85 million cubic meter with a growth in coal production 11%, and in overburden, it is 22%. Similarly, offtake also, there is a growth of around 8%. It is our highest to power dispatches 454.03 million tons, highest ever 9 months profit.

It is PBT of INR31,937 crores and PAT of INR23,849 crores. This is also increase of PBT, INR1,579 crores, that is 5% over previous year during the same period. Highest ever 9 months revenue from operations and net sales, highest ever revenue from operations of INR1,04,914 crores in 9 months, an increase of INR4,814 crores, that is 5% over previous year. Net sales also there is an increase of 4%. Besides this, capex also we have achieved, CIL achieved a capex of INR5,702 crores compared to [INR4,773 0:03:54] crores last year, in the last quarter. And



overall, also, we are set to achieve INR16,500 crores in this financial year. And CIL has backed around 300-megawatt of solar projects of Gujarat Industrial Power Corporation at Khavda, Gujarat through e-auction held on January 25, '24.

And besides this, there is other things. Market capitalization of Coal India stood at INR2,31,719 crores on 31st December 2023. And the Board has also approved, we all know, a second interim dividend of INR5.25 per share. With this total interim dividend for financial year '23, '24 is INR20.50 per share that is 205% of face value.

This is all about up to the first 9 months. Now we are open. You can ask any questions.

B P Dubey: Yes, Mr. Amit, you can firmly start the interaction, please.

Amit Dixit: Yes, please start the question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Alok Deora from Motilal Oswal.

Alok Deora: Sir, congratulations on very good numbers. Sir, just had -- first question was on the volume side. So the volume so far has been very strong and we had guided for around 780 million tons. Any change on the numbers or we would largely be achieving that?

P M Prasad: We are -- kept a target another 39 days to go. 780 million tons is our target, and we are all set to go. But there is one company, SECL, five companies are already ahead of the target. One company, SECL, there is due to some land shortage initially, now there is no issue, but around 8 million tons to 9 million tons we are a little bit lagging behind. That comes to around 171 million tons around right now.

But we are -- some few mines, the EC clearance is also being ended, so we are trying for 10% growth is already there to keep and to keep the momentum. Five companies, for sure, it is achieving targets. In SECL, there is an issue in initially mega projects, two projects. And hence, though there is a growth in that company, more than 10%, 12%, 13% growth. But the target set is to achieve 197 million tons.

Last year, they could achieve 162 million tons, previous year 147 million tons. So 147, 162, there is a huge jump last year, FY '23. Again, 25 million, again, huge jump, but there may be some little around 10 million, 8 million to 9 million gap may be there. But we are trying to make up another 2, 3 companies at least 1 million to 2 million. So approximately around 770 million, it is there, for sure, but we are trying to keep so that last 39 days, if everything goes well, we will try to minimize the gap also.

Alok Deora: Sure. And next year, again, 850 million, we'll largely maintain that target?

P M Prasad: 850 million, now ministry has 838 million because of huge stocks. In Talcher field, we are adding every day 1 lakh tons stock. So our -- the overall stock, it has grown more than 38 million tons. It is also highest ever by this time in any previous year. Since we want this rack supplies



also to be smooth, somehow 4 to 5 racks at Talcher and 4 to 5 racks at Korba field, they're getting a little less.

However, for them also, there is a growth. With that growth also, coal stock at both powerhouse and at our side, both have increased this time. So with that -- keeping that 838 million tons, one target is kept in the 850 million. So that it will again be reviewed in the first week of April in financial year.

Alok Deora: Sure. And sir, this e-auction volume, if we see this quarter was close to -- or quite less than what we had given as a target for second half of 15% of the volumes, which we'll be doing through the e-auction route. So any comments there because we are looking at a 15% e-auction volume in second half. So are we -- how do we see it in the fourth quarter now? And why has it been a little lower, side?

P M Prasad: In February, it is 17%, till February -- till 15th February, it is 17%. It is close to that 15%, whatever you are telling it is close to that. But subject to the demand, it may vary, a little plus/minus. It may increase also in March.

Management: It was 13% in January and then it has increased to 17% in February, from 1st to 15th February. It is further increasing and as the production is increasing, it may reach 20% also.

Alok Deora: Got it. So 4Q will be close to 15% or so?

Management: Yes.

P M Prasad: Around it.

Alok Deora: Okay. Just last question. In -- so the premium -- e-auction premium, we saw a pretty sharp jump in the third quarter of close to -- moving close to 117% or so. So that will again now come down because you're increased in the volume of -- through the e-auction route? How do we see the e-auction premium moving?

P M Prasad: Slightly, it will come down.

Alok Deora: Okay. Okay. And how has it been in Jan and Feb, if you can just indicate some number?

Management: Around 36% to 48%, it is varying, but we are having it in that range.

Alok Deora: 36% to 48%?

Management: Yes. For the full year, the average is around 80%. And for Jan and Feb, the premiums are less.

Moderator: The next question is from the line of Meet Parikh who's an Individual Investor.

Meet Parikh: The first question I wanted to ask is, again, regarding e-auction premium, so as volumes approach 1 billion tons in 2 years. So what kind of e-auction premium movement do you expect? And once this 1 billion tons target is hit, it seems very imminent. So after that, what is the --



could you give some guidance on that? Because all these FMC projects, all you are doing, it seems very possible next year. So that is the question one.

P M Prasad: This e-auction premiums may vary subject to the demand quarter-to-quarter, number one, which is 1 million target, what you are referring, 1 million shortfall, regarding shortfall or...

Meet Parikh: 1 billion.

P M Prasad: 1 billion. 1 billion, we are on course. Next year, it is 838 million tons. It is just revised but are subject to the demand. 850 initially 1 BT, it is 850. Recently due to the present scenario of our coal stocks, coal stocks at power plants and subject to demand, it is kept as 838 million tons instead of 850 million next year.

So we are on course to achieve this and preparations are going both for monsoon preparation also in '24 monsoon. Also, we are working on it. Our tenders are in place and all the arrangements to face the monsoon by May 31 will be in place. So that monsoon also, there will be smooth production and dispatches and we will try to achieve 838 million next year.

Meet Parikh: Sir, I meant to ask in the way that since 1 billion tons will come online, so that will be huge coal stock. So will that affect the demand of e-auction coal bringing the premium down overtime is what I was asking?

P M Prasad: Definitely. If stocks at power plants, if it piles up and our side also if stocks are there, as per the demand appetite, it is vis-a-vis related with the appetite that auction premiums.

Meet Parikh: Sir, the second thing I wanted to ask was the dividend policy. So what is the dividend on which you would like -- the policy on which you decide dividend, is it like PAT plus noncash expenses, including OBR and you reduced capex on that?

Management: Capex is not reduced. Dividend policy is already hosted on the website. So the dividend, we are deciding based on the requirements and the capex in the future year. Accordingly, we are balancing the shareholder expectation as well as the complete capex program.

Meet Parikh: Okay. And sir, last question I wanted to ask was Indian coal in comparison to international coal, could you give a comparison of what is gross calorific value there? And what kind of -- what is the benchmark that you use for comparing our prices to international coal?

P M Prasad: Regarding ash content, you should understand, Indian coal is predominantly high ash content. Say, in companies like Mahanadi, some part of SECL, CCL, it may be around 42%. Internationally, if you see some countries, there may be 8% to 10%. So same level comparison cannot be there, number one.

And even if we import also, import also, there is a band. Band-wise calorific value only, either it is Indonesian coal, Australian coal, you see particular bands, a particular GCV that is being -- the rates are being numbered. So it cannot be, but in India also in ECL, there are -- there is good quality G6 to G8 band is there, where we -- our quality is also very good. Similarly in Mahanadi, it is a little inferior, but it is very much friendly to thermal power plants. So it varies.

- Meet Parikh:** Okay. Okay, sir. And what is the benchmark you use for that to compare the international price, like is it that band-wise? Or is it like a common benchmark that you observe?
- P M Prasad:** Band-wise. Calorific value is definitely taken into account along with ash percentage.
- Moderator:** The next question is from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited.
- Dixit Doshi:** Sir, firstly, just a clarification. You mentioned for January and February, the e-auction premium has come down to 30%?
- Management:** It's around 36% to 50%. In different companies, we are getting different this thing. February is still going on, so it's initial days only. But around 50% was there in January. And in Feb, for the first...
- Dixit Doshi:** Okay. So for the first 15 days, it's more than 100% in the Q3, right?
- Management:** More than 100%, no. Our Q3, yes. Yes.
- Dixit Doshi:** Okay. Okay. Now second question is regarding the rare earth and lithium and other mines. So are we doing something in the Australia and also in India also, government is going to provide such mines in J&K and other parts of India. So what we are planning over there?
- P M Prasad:** In India, first, I will tell. In three blocks, we are going to participate for auction, for exploration first. We are going to drop this auction originally, the date was 21st. Now it is revised to 26th. Ministry of Mines is conducting a e-auction, so we are participating in three blocks, number one. In Australia, our team has visited and seen one or two areas, and they are in different talks, so it is in the preliminary stage only.
- Dixit Doshi:** Okay. In India, you mentioned three blocks. These are of which mineral?
- P M Prasad:** It is these critical minerals only, all the three.
- Dixit Doshi:** Okay. So these are the J&K or some other part?
- P M Prasad:** It is not exactly J&K, different states, it is spread over.
- Dixit Doshi:** Okay. And this last date you mentioned is 26th Feb?
- P M Prasad:** 26th Feb.
- Moderator:** The next question is from the line of Indrajit from CLSA.
- Indrajit:** In the press release, you have mentioned that you're looking to change the accounting policy for stripping activity adjustment. So if you can highlight what exactly are we trying to do here? And what could be the impact?
- P M Prasad:** This is in correspondence to international accountancy standards, so there is some observations going on the last 3 to 4 years. We wanted to rectify and follow the international accounting



policy, so we have adopted this and we are going to comply the standards, as mentioned in the International Standards of Accounting and along with in Indian context and Chartered -- Indian Institute of Chartered Accountants also, we have referred, we have taken opinion and we are following that.

Indrajit: So in that case, sir, OBR stripping activity adjustment amount will go to 0? Or how will it happen?

P M Prasad: For 3 years -- preceding 3 years, we have taken into account for correction, and going forward, we -- by implementing the standards mentioned, we will be taking the course and we are following this as per the -- we have consulted the Institution of Chartered Accountants and with their advice and this legal advice we have taken, and we are following that.

Indrajit: And lastly, sir, on the stripping activity adjustment because it's a noncash provision, do we get tax shield on this? Is it an allowable expenses under tax -- income tax act?

Management: Actually, this is a case, different companies are situated in different states and different income tax authorities has taken a different view. In some of the cases, it has already been disallowed, so we had already paid the tax. And in some of the cases, it has been allowed.

So overall, it will be some impact on the taxation front, but it will be not much impact because of some of the cases it has been allowed, in some of the cases it has been not allowed -- disallowed. So it will be a mix. So some impact will be there when we will assess what will be the total quantum at the year-end. Accordingly, taxation can be worked out.

Indrajit: And lastly, on the balance sheet, there is a significant liability we have on this, right? So if and when that gets reversed, there could be a tax implication on that as well, right?

P M Prasad: As I already mentioned that impact will -- we are working on it. And if the reversal will take place, then naturally, some income tax impact will come in the current year.

Moderator: The next question is from the line of Amit Lahoti from Emkay.

Amit Lahoti: Sir, what is your capex target for FY '24 and '25?

P M Prasad: It is almost INR17,500 crores. This year...

Amit Lahoti: For both the years?

P M Prasad: It is INR16,500 crores, and INR1,000 crores more, INR17,500 crores.

Amit Lahoti: And my second question is on the strike that happened last week. So do we have any update there? What is going on?

P M Prasad: Strike only for 1 single day. Some 4 unions have given. This is with respect to the national level issues also, not primarily to Coal India. As country's some other issues, they have in -- for 1 day, they have gone -- as per their party's instructions, they have participated, but almost 80% to 85%

production, at some subsidiaries, it is even 95% also, we achieved. Only marginal impact was there.

Moderator: The next question is from the line of Venkatesh Subramanian from Logitree Investment Advisors.

Venkatesh Subramanian: Yes, sir. Congratulations on a good performance, and we are actually quite impressed with the way Coal India is evolving as a company. It's such a large company performing so beautifully, best wishes to you, sir. That's one. And my question is, in terms of the e-auction premiums, I know that we can't really measure it quarter-on-quarter.

But until December, we had 116% premium in terms of e-auction and suddenly, you're talking about 40% to 50%. Is there any particular reason why it's happening that way? And what do you estimate it for the fourth quarter going forward? I mean, the next quarter?

Management: Actually, the premiums, they are linked -- they were earlier being linked with the imported coal prices. So when the imports coal prices for this band of 4,200 went up and down, the premiums also moved in tandem with them. Now with increased availability of domestic coal, the premiums have started now actually getting away from the linkage with the imported coal prices.

And 48% was from 1st January to 15th February, we have received. So maybe in the month of January, somewhere it was around 60% or so. And going ahead, we think this is going to be the order of the day, somewhere around 40% to 50%. So that's why we have actually started the non-regulated sector linkages once again, which we used to do every year.

Now we have started twice in a year. So after completion of the 6th tranche, we already started 7th tranche and sponge iron, cement, these subsectors have already been completed and CPP sector is right now going on. So in order to look for more non-power consumers, we are offering more rounds of NRS linkages, and we are conducting them even more frequently.

Venkatesh Subramanian: Okay. So which means that, so far, our realization is broadly the blended realization is about INR1,724 per ton. So considering that going forward, the auction premiums might moderate downwards would you still have some strategy internally to maintain the overall realization, sir, in FY '25?

Management: The overall realization means we have to offer more coal to the non-regulated sector where the premiums are very high. We are getting logged in at around 48% or so. Now with around 30% to 40%, which earlier used to be somewhere around 10% to 20%, and volumes are going to help us.

Venkatesh Subramanian: Okay. So broadly, we should be able to maintain because also we have quite a lot of capex plans, so I don't think it's a cause for worry according to you, yes.

Management: Yes.

P M Prasad: Yes, definitely.

Venkatesh Subramanian: Okay, super. So second question is INR80,000 crores of capex you planned over the next few years. Most of it will be internal accruals, sir?

P M Prasad: It is other. One is land acquisition and this FMC projects, railway lines, and the coal gasification is also coming. Once this is materialized, one coal gasification along with BHEL, we're in a JV. One is with GAIL, we are in a JV. All this comes to -- and solar, we are going for initially 3,000 megawatts, subsequently we'll increase.

Management: Primarily, diversification projects will be a basket of the internal export and debt, whereas all the expansion in the coal mines will be met from the internal accruals.

Venkatesh Subramanian: Okay. But considering that the kind of projections we have for FY '25 and FY '26, predominantly, I think internal accruals should take care of most of our needs. Would that be the right assumption, sir?

Management: Yes, you are right because we had just started the renewal, so not much debt will come in the '25. But in the coming year, debt will increase in the renewal and gasification projects.

Venkatesh Subramanian: Okay. And do you have any plans going forward once we have coal, we have CIL energy and then we have -- we're investing a lot in terms of alternative energy as well. Would you have that as a separate demerged entity or something in the future?

Management: We had already -- some verticals are there for the renewable energy and other projects, for that we had already subsidiaries companies are there. We had already formed the joint ventures and the new companies, so those we'll pursue that. We are not going to create any new subsidy. It is not in our discussion right now.

Venkatesh Subramanian: Okay. So my last question is, sir, as per your internal blueprint strategic thinking, sir, where do you expect the broad price trend of coals over the next 1 or 2 years, just a broad estimate. Not looking for accurate figures because it's market determined, but what is your internal estimate where you think it will settle down, sir, coal prices?

Management: It's likely to stabilize at the current levels and then it will depend on many future events also, which are coming. In 2036, which country is going to be the country where Olympics are going to be hosted and many other issues are there. But as of now, we understand that the current levels have stabilized and it should -- this trend should continue at least for a year or so.

Moderator: The next question is from the line of Amit Murarka from Axis Capital.

Amit Murarka: My question is a bit longer term. So recall at our level, we are looking to raise coal production to 1 billion tons and then we have a lot of private captive coal mines, which are also seeing rise in production over the next couple of years. So if, let's say, like what I understand is you're saying that there is some -- coal stocks have increased.

So in years ahead when more captive production comes in, like how do you think there will be marketability of all this increased production that you have? And could it lead to like a structural decline in e-auction premiums in the country, just some thought on that?



P M Prasad: Demand is increasing. You should understand. The overall demand is there. So temporarily, sometimes the auctions -- sometimes the accumulation is there and the monsoon also will be coming. So for sure, demand is also at this pace of growing, and we are also doing 10% growth. Even other players also come in, they have to meet the demands. This impact -- imports can be reduced.

Management: 80,000 megawatts plants.

P M Prasad: 80,000 megawatts power plants are coming by 2030.

Management: And already, we are asked to do 50 million tons more to power this year.

P M Prasad: This year, we are giving more to power plants. And next year also power plant projection is 50 million tons more. So there is demand. So there may be a temporary phases in the supply of racks. But overall, you can see appreciate, in the last 2 years, Coal India is growing in double digits.

Amit Murarka: Absolutely. I completely appreciate that and congratulations. But my question was more on that side only that if supply is growing more than 10%. And obviously, there is growth of renewables and all, so coal demand per se, like -- can it meet the supply growth? Or like will it lag the supply growth? Is there some thought that you have or some work that you've done on that?

P M Prasad: Then it will not lag. It will be definitely meeting the demands. And you can appreciate, imports are not increased in thermal coal.

Management: 200 million tons, we need to...

Management: One more factor will play in the coming year. As the economy is growing, all round, infrastructure is growing. The demand of the power is going to bound to increase. So one factor is, increasing demand per capita will lead to this factor. And on the other hand, new power sectors, which are coming, will also multiply the demand. So ultimately, it will increase the demand for the coal.

Amit Murarka: Sure. Understood. And also on import substitutability, like how much of coal is coming from Indonesia or wherever you think, and can be replaced with domestic coal?

Management: Yes, around 50 million tons of coking coal, which is coming to the country may probably continue because of the limited availability of high-grade coking coal required by steel sector. And there are certain plants on the coast, which are actually based on imported coal for their generation, their boilers are designed accordingly. So these plants may also continue to have imported coal.

But other than that, we are still looking for a target of somewhere around 175 million to 200 million tons of coal, which is a substitutable type of coal, which if available at the right prices and the right time, so we'll be able to substitute that. So not only the current domestic demand, but also the 200 million tons, 225 million tons, which the country is importing, that also is being targeted by us so that we reduce our reliance on imports.



Amit Murarka: The entire that 150 million tons, 200 million tons is replaceable because a lot of that will be like coastal plants and all, as you said?

Management: This is what you said, 225 million tons. So out of that 225 million tons, somewhere around 50 million tons we'll get for coking coal and another 25 million to 40 million tons may be somewhere for coastal plants or maybe some of the consumers who require specifically very high -- so in case of high grade also, we have now started offering high-grade coals from our site to non-regulated sector consumers who want high-grade coal like cement sector, etcetera. So this also in a planned way, we are targeting those consumers who are actually importing high GCV coal.

Amit Murarka: Got it. Got it. And just the last one, like could -- and some logistics and all will also need to be improved, whatever rack availability and all those issues that we've seen in the past?

P M Prasad: Logistics are under -- improving regularly, whether it is commissioning of railway lines and sidings, FMC projects. Similarly, in land and environmental clearances also, we are almost continuously pursuing. And all the -- overall, we are going to make it. Under the National Coal Logistics plan, it is being implemented, it is under implementation.

Moderator: The next question is from the line of Siddharth Gadekar from Equirus.

Siddharth Gadekar: So first one, the washery part. So can you give an update on what is happening on that side of the business? And when can we see some higher volumes on the beneficiated coal part?

P M Prasad: Washeries part, we are having a few washeries under construction. One Madhuband washery is recently completed, commissioned. Right now, we are doing 5,000 tons per day, new washery. And 2 more washeries in BCCL are under construction, one Bhojudih. Bhojudih, it may be commissioned by July. So once it is completed next year, there will be increase in washing part. And one more washery is under started, under construction, Patherdih II.

But after a period of 2 years, that coking coal share will be green. Last year -- we are around 10% to 12% more than last year, but a significant increase will be coming after the commissioning up new washeries. In CCL also, two washeries, we have given LOA, both the Dhori and Kathara, some EC and other statutory complaints are underway. Once this is done for 2 years, it will be constructed.

Maybe FY '27, there will be a growth from present level of 1.5 million to 2 million wash coal, we will be going to around 6 million to 7 million after 2 years. In Mahanadi, 1 non-coking coal washery just recently commissioned in Lakhanpur. That is a 10 million ton non-coking coal washery. There is demand and agreement with APGENCO and other GENCOs. So it has -- trial run has completed, so it will be a 10 million ton non-coking coal washery is added in our kitty.

Siddharth Gadekar: So once all these capacities come online maybe FY '27, '28, what could be the peak of beneficiated coal that we can produce? Tentative number.



- P M Prasad:** Our target is around 8 million tons by FY '30, but FY '27, '28, it may be around 6 million coking coal. Other than this non-coking coal, which I mentioned in Lakhapur that is already commissioned, it will add in this '24-'25. FY '25, it will be doing its complete as per capacity.
- Siddharth Gadekar:** All right. Sir, secondly, on the e-auction part, what has driven the e-auction rise in the third quarter? Because if you look at international prices also, they were relatively subdued during 3Q. So why did the e-auction premium jump very sharply in the third quarter?
- Management:** Third quarter, if you see the power plant stock has come down to the bare minimum in the month of September, it has gone down below 90 million tons. And the peak demand in the country at that point of time has hit 240 gigawatts, which was the highest ever. So there was a substantial pull at that point of time.
- Moderator:** The next question is from the line of Ashish Kejriwal from Nuvama Wealth Management.
- Ashish Kejriwal:** Many congratulations for the work, which we have been doing for the last few years. Sir, 3 questions from my side. One is, obviously, employee cost we had guided earlier at -- we end up with around INR46,000 crores.
- So are we still maintenance the guidance? Or is there any change for this year? And if you can get a sense -- give us a sense on next year, what could be the global employee cost depending on the situation that now 4% to 5% employees are retiring every year. That's my first question, sir.
- Management:** As the superannuation and attrition of employees are taking place, it is bound to come down. We are expecting this year, employee cost will be less than the last year to the tune of around INR2,000 crores. And it will continue, the trend will continue in the near future also.
- Ashish Kejriwal:** Okay. So it's fair to assume that FY '25 employee cost would be equal to FY '24 or less?
- P M Prasad:** Yes, yes, you can say it.
- Ashish Kejriwal:** Okay. Okay. And secondly, sir, when we are talking about INR17,500 crores capex target for FY '25, is it possible to give some kind of breakdown between power and non-power -- between coal and non-coal?
- Management:** Right now, it is not available, we will forward it.
- Ashish Kejriwal:** Okay. Great. And sir, thirdly, for e-auction price. We mentioned that, I think, Jan, the average e-auction premium was something like 54%, but in absolute terms, I think it's around INR2,700 per ton. So when we are talking about 36%, 40% premium, is it possible to quantify on an absolute term? Because sometimes because of the grade also things change materially, so is it possible to quantify on absolute terms what's happening in February?
- Management:** It's difficult to quantify in absolute terms because in the last quarter, we have asked the coal companies to offer around 20% of their monthly production there. And the monthly production in absolute numbers, what we are getting is, it's huge in Mahanadi coal fields and SECL where the grades are not very high. So as of now, it will be very difficult to quantify it in absolute

numbers. Going ahead, maybe by middle of March or so, we'll be in a position to get those numbers.

Ashish Kejriwal: Okay. So you mean to say that because the grades are low, volumes are high, and that's the reason premium could be lower.

Management: Yes, yes.

Moderator: The next question is from the line of Ketan Jain from Avendus Spark.

Ketan Jain: This 838 metric tons of target next year, is it production or dispatch target?

P M Prasad: It is production. Dispatch also at the same range, it will be there. Now also it is 780, 780, so it is almost the same.

Ketan Jain: Okay. And next year also 15% of the dispatch will be e-auction, right?

P M Prasad: Around, around.

Management: Yes, maybe even more because if you are able to meet the demand, then the additional coal, we'll definitely take it out in the e-auctions.

Ketan Jain: Okay. And the possibility of giving that 15% within that how much will be regulated portion and nonregulated portion by volume?

Management: As of now, we have got a requirement of 661 million tons for the regulated power sector. And then we have got FSA commitments, fuel supply agreement, long-term commitments of somewhere roughly around 100 million tons for non-regulated sector.

And the balance quantities are always there, but it depends out of the 100 million ton also, it depends on the demand and supply position for the consumer side. So you can say out of 838, 661 is our commitment for regulatory sector. The rest all should go to non-regulated sector under different modes, either FSA or through e-auctions.

Ketan Jain: Okay. Understood. And when you're talking about the capex for 2025 at INR17,500 crores, when I compare this number with the number given in the interim budget, that came in the beginning of this month for Coal India, it said INR15,500 crores as the capex in that interim budget. So what is the reason for the difference between INR15,500 crores?

P M Prasad: It may vary because solar also, we are going and other new initiatives, it is just INR1,000 crores in a year. It can be slightly.

Management: The previous have been submitted some 3, 4 months before. Later on, we had a fine tune.

Ketan Jain: Okay. Okay. So the actual number would be INR17,500 crores?

Management: Yes, around. It is optimistic.



- Ketan Jain:** Right. And just to get a sense of the overall coal dispatch or production volume that Coal India does, what proportion would be this majority of the grade that we produce, which is grade 5, 6, 7 -- sorry, grade 9 -- 8, 9, is -- 9, 10, 11 is what we produce the most, what will be the proportion of these grades on the overall volumes?
- P M Prasad:** 11, 12. 11 to 17 is 70%. That is the most abundant quantity going for the thermal plants.
- Ketan Jain:** Okay. 11 to 17 is the most abundant at 70%. And typically, how -- what grade is e-auction coal that we sell?
- P M Prasad:** All grades, all grade.
- Management:** All subsidiaries offer some quantity from their production. So all grades have been offered depending on the volumes which have been produced.
- Ketan Jain:** So I'm asking e-auction, which is the predominant grade?
- Management:** Naturally, because of that only the G11 to G17 because -- everything is being offered on a proportionate basis. So...
- Ketan Jain:** Okay. So the same 70% proportion is in e-auction also?
- Management:** Exactly, as of now, I don't have those figures, but it should go accordingly because all subsidiaries are offering some around 10% to 20% of their annual production for e-auction.
- Ketan Jain:** No, what I'm asking is in e-auction also the grade mix is the same. That is G11 to G17 makes up 70% of sales through e-auction also?
- P M Prasad:** I can explain. Say in MCL, there is no G7, G6 grade. So 100%, whatever in their 15%, it is 100%, it is G11 to G17. Similarly, if you go to ECL, may be -- it maybe varying G6, G7, G8, their production in Sonepur Bazari. So it is a subsidiary specific. But overall, as a Coal India, you can see 15% in general what we are offering, grades may vary, percentage.
- Ketan Jain:** Okay. My next question is on employee cost...
- Moderator:** Sorry to interrupt. May we request you to return to the question queue for the follow-up questions as there are several...
- Ketan Jain:** But you let many people ask several questions. You should have restricted them also right?
- Moderator:** So there are still several other...
- Ketan Jain:** I know. What I'm asking is, you let others also ask 5, 6 questions.
- Moderator:** Sir, I am not stopping you to ask...
- Ketan Jain:** No, I understand. This is Bharani from Avendus. I understand, but...
- P M Prasad:** Mr. Ketan, can you make it just fast, please?

- Ketan Jain:** Yes. So just asking when we would be expecting the employee cost hike, next?
- P M Prasad:** Not now. Definitely, not in these 2 years.
- Moderator:** The next question is from the line of Anupam Gupta from IIFL Securities.
- Anupam Gupta:** Sir, just one question I have. In your presentation in the balance sheet, receivables has jumped quite a bit versus INR13,000 crores start of the year to INR17,000 crores now. What is driving that? And where do you think it will settle given that you have excess inventory at your hand at the past months as well?
- P M Prasad:** We are trying to pursue with all the agencies, whether it NTPC, DVC, we are in continuous than we want to realize also. But some -- at places, we have recently settled long pending in case of Jharkhand, similarly with the DVC, WPDCL, we are in constant -- Mahagenco, we're in constant touch, so it is -- more or less, it will be in the same range, not much of accumulating more than that.
- Moderator:** The next question is from the line of Prachi Chopra from Citigroup.
- Prachi Chopra:** Just on the e-auction, is there a cap on what -- how much you can sell in the e-auction market?
- Management:** Normally, Coal India is mandated to offer at least 10% of the production for e-auctions in order to develop the spot markets. But if the requirements of power sector and the linkage consumers of non-power is met, then this volume can increase up to 20% of their production.
- Prachi Chopra:** Okay. And on the linkages in the FSA, so for the power and non-power sector, your -- you get penalized at below 80% or below 90% mark?
- Management:** 75%. Both consumer as well as...
- Prachi Chopra:** Power sector as well?
- Management:** Yes.
- Prachi Chopra:** So long as you supply 75% on either, there is no penalty, that's what you're basically required to supply?
- Management:** Yes, on both sides.
- Prachi Chopra:** So just -- sorry, just to take this a little forward. So the fact that your e-auction volumes are going up, obviously, it means that you are supplying closer to the ACQ, right, not 75%?
- Management:** Yes.
- Prachi Chopra:** Okay. And just last question on the target that you have for 838 million tons next year, what is the breakup of the power and non-power as well as -- I mean, from a growth perspective, breakup or growth either?

P M Prasad: 661 power, we have already mentioned. NRS, it is 100. Balance 67 also, will be going to the same NRS sector.

Management: So out of power regulated sector prices is 661 is the requirement they have given and the balance will go to non-power. In 661 also, we -- some of the coal we sell under Shakti for auctions are short-term power, etcetera. So -- but that basket is different.

Prachi Chopra: And what is our number for the 780 for this year, what is the power requirement?

P M Prasad: 610 was the power requirement. We are going to supply more than that.

Moderator: The next question is from the line of Jitaksh Gupta from Tikri Management.

Jitaksh Gupta: Sir, I have two questions. One is that your target is 838 million tons based on the demand projections. In case if the demand goes up beyond 838 million, will Coal India will be in a position to supply more?

P M Prasad: Definitely. Coal India will be in a position. We are continuously pursuing other clearances and other logistics. We are having 100 million -- maybe 85 million stock by this March. So we have to see the dispatches also in place.

So based on our stock position at our end, power plant end and 838, whatever is given, 838 is also, almost it is 8% to 9% growth. If demand is there, then definitely, we will also try to liquidate the stock and we'll meet the demand.

Jitaksh Gupta: Sir, my second question is that the FSA coal price increase was in 2018. Is there any proposal to increase it -- the FSA coal price?

P M Prasad: No. Right now, there is nothing.

Management: 8% we increased from G1 to G10. That's it.

Moderator: The next question is from the line of Shweta Dikshit from Systematix Group.

Shweta Dikshit: I just wanted to, can you please repeat the capex number and the capex plan for next 2 years, like FY '25 and '26? And any visibility on the volume numbers for FY '26, is there a target set?

P M Prasad: It is more or less in the same range with a slight increase. Once our coal gasification and other things materialize, it may be 18,000, 18,500 range. This depends on the project execution, fixation of the operator whomever gets it. And once it is started, every year, we will be increasing till the finishing of that project.

Shweta Dikshit: So we can assume like if you say -- I mean, we expected to remain flat or we can take a nominal growth of around 4% to 5% or lower than that?

Management: Madam, initially, when the project starts, at that time, the capex growth very sharp rise. But after 2 to 3 years in the power sector, when the project is about to commission, then the capex goes down. And similarly, in the solar, when the project is going, first 2 years, the capex will be very

fast. And then they will slow down. It will be almost increasing for next 3 to 4 years. And then after that, it will come down.

Shweta Dikshit: Sir, sorry, sir, I was talking about volumes for FY '26. That is where I was assuming a growth number?

P M Prasad: As you are telling, INR17,500 crores next year. In FY '26, it will be around INR18,000 crores.

Moderator: The next question is from the line of Anupam Gupta from IIFL Securities. Mr. Gupta, your line is un-muted. You can proceed with your question.

Management: Probably, we may take the last question as we are running short of time, okay?

Moderator: The next question is from the line of Darshan Gangar from First Water Capital.

Darshan Gangar: Sir, can you throw some light on your upcoming thermal power plant? And whether the capex you mentioned includes that capex or it's different?

P M Prasad: In MBPL, some capex is included next year in MBPL. In MPPGCL, once into 660 megawatts, we have right now not included. That is why that INR1,000 crores numbers may vary subject to the progress of the project. In both the projects, we are in touch with the state governments.

And here, land acquisition is also going on in MBPL. In MPPGCL, our final -- PMC, NTPC, we are fixing a PMC consultant in both the cases. But in MPPGCL, it has -- progress is a little less, but MBPL, the progress is going on. Subject to that finalization of the contract in a year's time, then once they start then the capex may vary in the next 2, 3 years.

Darshan Gangar: Okay. So total is around 4,000 megawatts of capacity when they come?

P M Prasad: No, 4,000 we are not -- MBPL also, first phase, it is only 2 x 800 megawatts, 1,600 megawatt only.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments.

P M Prasad: So thank you all for your questions-and-answers from our side. We thank all and you can see the first 9 months performance and we are optimistic to achieve this -- to maintain the double-digit growth in production and dispatches. Definitely, we are trying to -- though 39 to 40 days are left for this financial year to close, the 10 million tons also, we are trying to make up from others to whatever extent is possible, but with maintaining with almost close to 10% growth in case of production and dispatch is also 8%. Power plant target -- for dispatches, we are ahead of the target. Similarly, overburden, almost 19% growth is there so that we are preparing for next year also. Thank you.

Management: Thank you.

Moderator: Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us. You may now disconnect your lines.