

<p>कोल इण्डिया लिमिटेड महारात्न कंपनी 3 तल्ला, कोर-2 प्रेमिसेस-04-एमआर,प्लॉट-ए एफ-III, एक्शन एरिया-1A, न्यूटाउन, रजरहट, कोलकाता-700156 फोन 033-23246526, फैक्स-033-23246510 ईमेल:mviswanathan2.cil@coalindia.in वेबसाइट: www.coalindia.in</p>		<p>Coal India Limited A Maharatna Company (A Govt. of India Enterprise) 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, FAX; 033-23246510 E-MAIL: mviswanathan2.cil@coalindia.in WEBSITE: www.coalindia.in CIN- L23109WB1973GOI028844</p>
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Ref.No.CIL:XI(D):04156:2016: 14763 .

Dated: 21st Sep'2016

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

Sub: AGM Proceedings of Coal India Limited for the financial year 2015-16
Ref. : Scrip Code 533278.

42nd Annual General meeting of Coal India Limited was held on **Wednesday, the 21st September'2016 at 10.30 A.M** at the **Science City**, Main Auditorium, JBS Haldane Avenue, Kolkata-700046. As per the AGM notice (including two Addendums) Twelve (12) proposals were proposed as under:-

- (1) Audited Financial Statements (**Standalone and Consolidated**) of the Company for the financial year ended March 31, 2016 including Audited Balance Sheet as at March 31, 2015 and Statement of Profit & Loss for the year ended on that date and Reports of the Board of Directors, Statutory Auditor and Comptroller and Auditor General of India thereon.
- (2) Confirmation of Interim dividend of **Rs. 27.40** per share on face value of Rs. 10/- per share as final dividend for the financial year 2015-16.
- (3) Re-Appointment of Shri C.K.Dey [DIN-03204505] who retired by rotation in terms of Section 152(6) of the Companies Act, 2013 and Article 39(j) of Articles of Association of the Company and being eligible, offered himself for reappointment.
- (4) Appointment of Ms. Loretta M. Vas as an Independent Director of the company, to hold office for the balance period of her appointment i.e. upto 16th November'18 from the date of this General Meeting or until further order from Govt. of India, whichever is earlier.
- (5) Appointment of Dr. Satish Balram Agnihotri as an Independent Director of the company, to hold office for the balance period of his appointment i.e. upto 16th

11/16

November'18 from the date of this General Meeting or until further order from Govt. of India, whichever is earlier.

- (6) Appointment of Dr. D.C.Panigrahi as an Independent Director of the company, to hold office for the balance period of his appointment i.e. upto 16th November'18 from the date of this General Meeting or until further order from Govt. of India, whichever is earlier.
- (7) Appointment of Dr. Khanindra Pathak as an Independent Director of the company, to hold office for the balance period of his appointment i.e. upto 16th November'18 from the date of this General Meeting or until further order from Govt. of India, whichever is earlier.
- (8) Appointment of CA. Vinod Jain as an Independent Director of the company, to hold office for the balance period of his appointment i.e. upto 16th November'18 from the date of this General Meeting or until further order from Govt. of India, whichever is earlier.
- (9) Appointment of Shri Shyam Nandan Prasad as a Whole-time Director of the company, to hold office upto 30th November' 2019 i.e. the date of his superannuation from the date of this General Meeting or until further order from Govt. of India, whichever is earlier.
- (10) Authorise Director (Finance) or Company Secretary to charge from the members such amount as may be deemed fit as an advance amount being equivalent to the estimated **actual expenses** for delivery of the documents to the members in a mode specified by the member.
- (11) Appointment of Shri Vivek Bharadwaj as a Part Time Official Director of the Company to hold office from the date of this General Meeting or until further order from Govt. of India, whichever is earlier.
- (12) Appointment of Shri Rajesh Kumar Sinha as a Part Time Official Director of the Company to hold office from the date of this General Meeting or until further order from Govt. of India, whichever is earlier.

CIL has provided remote e-voting facilities through NSDL from 18th Sep'2016 to 20th Sep'16. In addition Tab based voting was provided at the AGM venue through NSDL. The results of remote e-voting would be clubbed with Tab based voting results and declared within 23rd Sep'16 at the registered office of the Company. The result will also be uploaded in Company's website, www.coalindia.in and also in the website of M/s. Alankit Assignments Limited, www.alankit.com and in website of NSDL, www.evoting.nsdl.com and also communicated to Stock Exchange.

M/E

We are also enclosing a copy of Chairman's Speech delivered at the 42nd Annual General Meeting of the Company.

This is for your information and records please. This is as per Regulation 30 of SEBI(LODR) regulations 2015.

Yours faithfully,

M. V.
21/9/16

(M. Viswanathan/एम.विस्वनाथन)

Company Secretary/कंपनी सचिव
& Compliance Officer/कम्प्लायंस ऑफिसर

Enc: As above

CHAIRMAN'S SPEECH

Dear Members,

I am indeed pleased to welcome you today, on behalf of the Board of Directors of your company, Coal India Limited, at its 42nd Annual General Meeting. My sincere thanks to all of you for being with us on this occasion.

The Annual Report for the Financial year ended 31st March, 2016 along with Director's Report, Audited Financial Statements and Statutory Auditor's report are already with you and with your permission I assume them to be taken as read.

1. Importance of coal and Coal India Limited

As our country is expanding industrially and economically, so are her energy needs. In India, coal is the ready answer to escalating energy demand. The country's planners, however, are alternatively exploring to shift from being a largely fossil driven energy economy to one that is powered by clean and renewable form, especially solar. But as base fuel for power coal is expected to retain its position in the foreseeable future. What makes coal such a preferred energy fuel, is its abundance, availability and affordability. The estimated geological resource of Indian coal stood at 306.59 Billion Tonnes as of 1st April, 2015. Around 72% of the entire power generated in the country is coal based.

Against this backdrop, you will be proud to know that your company, spearheads the country's coal production and produces over 84% of the country's entire coal output. It is Coal India Limited which virtually fuels and empowers the power sector in the country.

2. Notable Achievements and other positives: 2015-16

For the first time, Coal India's production and off-take have exceeded Half-a-Billion Tonne mark.

During FY 2015-16 Coal India as a whole recorded coal production of 538.75 Million Tonnes (MTs) registering a growth of 9.01%. You will be pleased to know that the company has stepped into higher growth trajectory with 44.51 MTs increase in production - the highest ever incremental increase in a single financial year since the inception of the company.

Removed 1148.91 Million Cubic Metres of Over Burden, an important performance criterion in exposing coal seam for future mining, with a growth of 29.6%. This is more than three-fold increase on a year-on-year comparison. In fact, the target of Over Burden Removal has been achieved more than a month ahead of the closure of the fiscal, on 24th February 2016 itself.

Raw coal off-take during FY 2016 was 534.5 MTs, an increase of 45.11 MTs on a year-on-year comparison registering a growth of 9.22%. As in production, all subsidiary companies of Coal India have registered positive growth in off-take.

Criticality and Supercriticality of power plants for lack of coal supplies disappeared during the year.

Power Utilities of the country, the major coal consuming sector, were supplied with 408.75 MTs of coal FY ending 2016 against 385.39 MTs in previous fiscal, registering a growth of 6.1% and achieving 95% of the target. Coal supplies to NTPC (Including the NTPC JVs) have registered a materialization level of 90%.

Owing to the improved despatch and better quality of thermal coal, there was a marked decline in import of non-coking coal by 17.7 MTs, during FY 2016, resulting in substantial saving in foreign exchange to the Nation.

Coal India for the first time had surpassed the magical figure of Rs.1 Lakh Crores in Gross Sales recording Gross Sales of Rs.1,08,150.03 Crores during 2015-16.

You may be happy to note that contrary to the popularly held convention that coal mine areas are the places to keep away from, Western Coalfields Limited, the Nagpur based subsidiary of Coal India Limited started an eco-friendly mine tourism which gained wide popularity. You will be glad to know that the Hon'ble Prime Minister of India in his 'Mann Ki Baat' programme aired on 27th March, 2016 made a special mention of this.

Financial Performance:

Coal India Limited is one the highest contributors to the government ex-chequer in the country to both- Union and State Governments. Coal India paid a corporate tax of Rs.7,012.35 Crores to Government of India during FY 2016.

Coal India and its subsidiaries have also paid/adjusted Rs. 29,084.11 Crores towards Royalty, Cess, VAT and other levies.

During 2015-16, your company earned a pre-tax profit of Rs. 21,589.09 Crores and a Profit After Tax of Rs. 14,274.33 Crores.

Your company had paid an interim dividend of Rs. 27.40 per share for FY 2015-16.

3. Strategies for Growth

Your company is faced with meeting challenging targets in the years ahead. Going forward, in order to meet the production targets, Coal India needs to step up to a double digit growth rate from that of around 9% achieved during FY 2016. It is with a feeling of satisfaction, I share with you that during the first four months of FY 2017, Coal India's production growth was more than 6 million tonnes over the same period last year.

To sustain the growth momentum in its production and off-take in the future, your company has formulated the following multi-pronged strategies.

(i) Critical Railway Links - Collaboration with State Governments & Railways

For speedy commissioning and implementation of critical rail lines in CCL (Jharkhand), MCL (Odisha) and SECL (Chhattisgarh), Joint Venture companies have been formed in a

tripartite partnership arrangement between State Nodal Agencies, respective Coal India subsidiary companies and IRCON synergizing the efforts. Once commissioned, these lines are expected to play a key role in the evacuation of coal.

(ii) Technology Development

A. Geology

In geological exploration, hydrostatic drilling is the state-of-the-art technology. CMPDIL has deployed 12 hydrostatic drills for coal exploration by replacing the conventional mechanical drills. Plans are on the anvil to procure 7 more hydrostatic drills in 2016-17. These drills help improve efficiency of operation significantly to achieve higher productivity.

There have been remarkable technological strides in Geophysical Survey. The number of Geophysical Loggers are poised to get doubled to 10 by 2016-17 from that of 5 that were available during 2015-16.

5 Resistivity Imaging Systems were introduced in 2015-16. One more will be procured for sub-surface geological investigation during 2016-17.

Your company proposes to introduce a new technology for shallow depth investigation with high precision by utilizing Ground Probing Radar system (GPR). Plans are on for introduction of Gravity Survey equipment for high depth basement studies of coalfields. Manual hammering technique will be replaced with high power electro-mechanical vibrating source for generating acoustic wave (Vibroiseis) for greater depth of geological investigation in 2D/3D Seismic Survey.

B. Opencast Mining

The latest version of Geovia Minex Software has been put to use facilitating state-of-the-art resource planning through pit design, pit optimization, scheduling of resources and dumps etc.

Laser Scanners such as Terrestrial Laser Scanner (TLS) used for measurement of overburden and mine face entail significantly higher accuracy levels and speed. It is also proposed to use drones with laser scanner for survey purpose.

A wide variety of Heavy Earth Moving Machineries (HEMM) have been provisioned in coal mining projects. Higher size HEMM, that is, Electric Rope Shovels of 42 Cum together with Dump Trucks of 240 T have been introduced in our mines. Surface Miners of varying sizes are being used and proposed as well for new mines, wherever suitable. Dozers fitted with rippers are being proposed for band and thin seam removal in many of the projects. For better management and control of HEMM fleet, GPS based truck dispatch system has been introduced in large OC mines.

The use of silos with rapid loading system in large mines have been stepped up for faster and environment friendly loading in the sidings. Global Positioning System (GPS) and General Packet Radio Services (GPRS) technology are operational for vehicle tracking system for better surveillance.

C. Underground Technology

In underground mines efforts are on to use mass production technologies wherever geo-technical conditions permit. During 2015-16 a powered support long-wall set of planned production capacity of 0.7 Million Tonnes/Year (Mty) has been installed in Moonidih XVI seam and another long-wall set for Jhanjra mine, having a planned production capacity of 1.7 Mty is under installation. The long-wall set at Moonidih commenced operation during the year.

4 continuous miners have been added and put into operation during the year in three more mines of your company with total planned capacity of 1.84 Mty. More continuous miners are expected to be deployed in the coming years to enable enhancement of production and productivity from underground mines.

In 2015-16 the first ever diesel operated Free Steered Vehicle (FSV) has been introduced in Jhanjra mine of ECL for transportation of men and material. Additionally, 8 numbers of man-riding system have been installed, in demanding and long distant mines of your company, for enhancing safety and productivity in underground mines. It is envisaged to install more man riding systems in the near future.

(iii) Role of HR

Human Resource has to play an active role if your company has to achieve the challenging targets of the future. Coal India had identified various areas to supplement its efforts in invigorating manpower and is charting out a plan for recruiting multi-disciplinary professionals apart from skill upgradation of existing employees and identifying key areas of improvement.

Your company had signed a Memorandum of Understanding with National Skill Development Corporation (NSDC) to promote special education and employment enhancing vocational skills among children, women, elderly, and the differently abled. The beneficiaries would include Project Affected Persons (PAPs).

4. Other Improvement Areas

(i) Coal Washing - A step towards Quality improvement

At present, your company has a total coal washing capacity of 36.8 Million Tonnes per year (MT/Y) through its 15 existing washeries, of which 12 are coking coal washeries and 3 non coking coal with 23.30 MT/Y and 13.50 MT/Y capacities respectively.

In addition, your company plans to set up further 15 washeries with state-of-the-art and innovative technologies in coal beneficiation with an aggregate throughput capacity of 112.6 MT/Y. Out of these, 6 are coking coal washeries, with a cumulative capacity of 18.6 MT/Y, and the rest 9 are non-coking coal washeries with a total capacity of 94 MT/Y.

(ii) System Improvements

Ease of doing business:

Your company has already adopted a host of Information and Communications Technology initiatives to make internal processes IT driven and to enhance all round system efficiency and transparency for greater employee, customer and vendors' satisfaction. Towards this, E-procurement has been universalized and more effectively implemented.

- The Reverse Auction on e-procurement platform has been implemented in Coal India and its Subsidiaries from January, 2016 for tender values of Rs. 1.00 Crore and above.
- Procurement of imported HEMM on Carriage and Insurance Paid (CIP) basis has been introduced, thereby, the vendor has to supply the complete equipment along with spares at site. Submission of Earnest Money Deposit (EMD) by various modes including electronic transfer and BG has been introduced.
- Arrangements have been made for multi-bank refund system to unsuccessful bidders within 2 days of the finalization of the tender.
- A bill tracking system has been introduced to facilitate the third parties including vendors/suppliers/consumers to track the status of processing and payment of their bills.
- In a step towards consumer friendly approach and transparency, launched a Web Portal 'Coal Allocation and Monitoring System' during FY 16 aimed for the benefit of Small & Medium Sector Consumers. The web portal is for distribution of coal by State Nominated Agencies (SNA), which would provide small and medium consumers access to information about SNAs, availability, booking/supply distribution of coal in public domain.
- Rolled out linkage auction for non-regulated sector consumers like captive power plants (CPPs), cement plants, Sponge Iron Units, fertilizer, chemical and many other industrial units, not having linkages or whose Fuel Supply Agreements have expired. The benefits include option of choosing specific grade of coal, preferred source of supply, mode of transport etc.
- Quality of all supplies would be assured through Third Party Sampling through a government nominated agency.

Your company has put in place electronic surveillance initiatives to keep watch on its coal stock and to keep a track on movement of coal loaded vehicles. Major initiatives include:

- a) GPS/GPRS based VTS (Vehicle Tracking System) on coal transport vehicles.
- b) OITDS (Operator Independent Truck Dispatch System).

- c) Installation of CCTV at vulnerable points like entry/exit points, coal stock yards, railway sidings, material stores, explosive magazines and important offices.
- d) Radio Frequency Identification (RFID) based boom barriers.
- e) Wide Area Networking for connecting all the Mines, Projects, Sidings, Weigh Bridges and HQ through dedicated network for data transfer and Coalnet implementation.
- f) Installation of in-motion Weigh Bridges with RFID tags.
- g) Weigh Bridge connectivity for weight tracking.
- h) Geo-fencing of mine areas.

Your company is also adopting improved measurement system of coal and OB through 3D Terrestrial Laser Scanner System for greater accuracy. Other initiatives include project monitoring system, land management system, integrated business solutions, document digitization management and archival system, amongst others.

For greater employee satisfaction, initiatives such as Grievance Management System, Executive Information System, Online filing of Annual Performance Reports and Online Performance Appraisal Reports, Online Vigilance Clearance System, Online Coal India Post-Retirement Medical Scheme for Executives have been undertaken.

5. Green Initiatives

Your company is conscious of its commitment towards the environment and its ecosystem. It strives to give back to Nature, to the best extent possible, what has been pried away from her. Your company does this by taking appropriate measures to mitigate the impact of mining and associated activities in accordance with Environmental Impact Assessment, Environmental Management Plan of each project.

Your company has created a green wealth of about 92.35 million trees covering an area over 36,896.26 Hectares till March 2016. Of this, 1.68 million trees have been planted over 719 Hectares in FY 2016. Satellite surveillance has been adopted for monitoring reclamation activities of 50 major OCPs, producing 5 Million Cubic Metres or more of coal and over burden every year. And, for other OCPs the same is once in three years. It is evident from satellite surveillance that reclaimed land area has increased by 9.63 Sq. Km during FY 2016 in 50 major OCPs compared to FY 2015.

Study by National Remote Sensing Centre (NRSC), ISRO, Hyderabad in 2013 revealed that the fire area in Jharia Coalfields has reduced from 8.9 Sq. Km (as assessed in Master Plan) to 2.18 Sq. Km while implementing the Master Plan.

6. Safety – Always a priority

Safety of miners and mines remain the top priority concern for your company. In pursuit of higher production, no compromise would be made on the safety front. The company has a well-defined safety policy to ensure safety in all mines and establishments. There are many preventive measures against accidents and these are being strictly followed. Safety can be increased with improved training, skill development and approaching the issue in a scientific and holistic manner. So, safety personnel are also exposed to the best practices internationally. Your company is also constantly enhancing and monitoring safety culture and attitude. The fatality rate per million tonne of coal produced has reduced by 22.2% and

serious injury rate per million tonne has reduced by 28.9% in 2015 compared to its previous year. The endeavour is to elevate safety standards radically further, since in this regard there could be only 'Zero Accident' as the goal.

7. Corporate Social Responsibility

Apart from improving the quality of lives, your company's Corporate Social Responsibility initiatives also endeavor to take Project Affected People towards the company's goal by partnering with them. While pursuing the enhancement of coal production, CSR is being undertaken for inclusive growth of villagers and the nearby affected communities.

(i) During FY ended 2016 the total expenditure on CSR in pursuance to Section 135 of the Companies Act, 2013 was Rs.1076.07 crore and further Rs.6.00 crore was donated towards Nepal Earthquake relief fund totaling Rs.1082.07 crore against Rs. 298.10 crore during FY 2014-15.

(ii) Your company has taken an initiative towards SwachhVidyalayAbhiyaan by constructing 53,412 toilets. A total of Rs.820.44 Crores has been spent on the construction of these toilets ending March'2016.

(iii) In a tie-up with Tata Medical Centre (TMC), your company has sanctioned Rs. 41.11 Crores for the construction of "Premashraya", a ten storied building which provides housing facilities for the economically weak and outstation patients visiting TMC for treatment. The facility also extends to the relatives of the patients who accompany them. Apart from patient stay units, the building also has palliative care cubicles, child care centres, counselling rooms and physiotherapy facility.

(iv) Your company has executed different development works through The Energy and Resources Institute (TERI), New Delhi in 40 villages of the backward district of Purulia, West Bengal as identified by the Planning Commission.

(v) Your company has funded –

1. Construction of Aquatic sports hostel at Kolkata at a cost of Rs.1.14 Crores.
2. Traffic Department, Kolkata Police for conducting awareness programmes among school children towards road safety at a cost of Rs.69.85 Lakhs.
3. West Bengal Housing Infrastructure Development Corporation, Kolkata towards purchase of 3 electric buses and 1 small electric service maintenance vehicle at a cost of Rs. 5 Crores.

8. Corporate governance

Your company has complied with the conditions of Corporate Governance, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Government of India and Clause 49 of the Listing Agreement as well as Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges except for appointment of two Independent Directors. As required under the said guidelines

and provisions, a separate section on Corporate Governance has been added to Directors' Report and a Certificate regarding compliance of conditions of Corporate Governance has been obtained from a practising Company Secretary.

Your company has conducted Secretarial Audit for 2015-16, as required under Companies Act 2013 and the Secretarial Audit Report is enclosed as a part of Directors report.

9. Vision

Your company's vision is to ensure that there is no shortage of coal in the country and to make the country self-reliant in coal. Coal India envisions to be a commercially viable company and endeavours to move ahead as a professional, consumer friendly, forward looking corporate entity committed to national developmental goals. The vision also extends to dedicate itself to the service of the countrymen in providing the primary commercial energy in affordable and environmentally friendly manner. Your company aims to be not only a valuable company but a company with core values through constantly focusing on stakeholder friendly measures.

10. Acknowledgement

On behalf of your Company's Board of Directors, I wish to convey my deep gratitude to you, our valued shareholders, for your continued support and trust. This motivates us to excel in all our pursuits and constantly create value for you as well as for the Nation.

I appreciate the unstinted support and valuable guidance received from the Ministry of Coal, Government of India. I also express my sincere thanks to other Central Government Ministries and Departments, State Governments, all employees, Trade Unions, consumers and suppliers for their continuous co-operation.

Thank you,

Jai hind!

Sutirtha Bhattacharya
Chairman