

कोल इण्डिया लिमिटेड

महारत्न कंपनी

3 तल्ला, कोर-2

प्रेमिसेस-04-एमआर, प्लॉट-ए एफ-III,  
एक्शन एरिया-1A, न्यूटाउन, रजरहट,

कोलकाता-700156

फोन 033-२३२४६५२६,

फैक्स-033-२३२४६५१०

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वेबसाइट: [www.coalindia.in](http://www.coalindia.in)



**Coal India Limited**  
**A Maharatna Company**  
**(A Govt. of India Enterprise)**

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CIN- L23109WB1973GOI028844

Ref.No.CIL:XI(D):04156:2017: 15903.

Dated: 10<sup>th</sup> March'2017

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

**SUB:- Investors Meet**  
**Ref. : Scrip Code 533278.**

Dear Sir,

In terms of Regulation 46(2) (o) of Listing Regulations 2015, we are attaching presentation to be made to Investors meet to be held during 13<sup>th</sup> to 15<sup>th</sup> March'2017 at Hong Kong and Singapore.

This is for your information and records please.

Yours faithfully,

  
10/3/17

(M.Viswanathan/एम.विस्वनाथन)

Company Secretary/कंपनी सचिव  
& Compliance Officer/कम्प्लायंस ऑफिसर

**Encl:As above**



# COAL INDIA LIMITED

## CORPORATE PRESENTATION

13<sup>th</sup> to 15<sup>th</sup> March, 2017



# Coal India Ltd. - Genesis, Vision & Mission

## 1975

- Nationalized coal mines under Coal Mines Authority Ltd, re-organized as Coal India Limited.
- Coal production ~ 79 Mt

## Today

- Largest pure play coal producer in the world.
- CIL was awarded prestigious 'Maharatna\*' status by GOI
- Coal production – 539 Mt in FY 2016

## Vision

To emerge as a global player in the primary energy sector committed to provide energy security to the country by attaining environmentally & socially sustainable growth through best practices from mine to market.

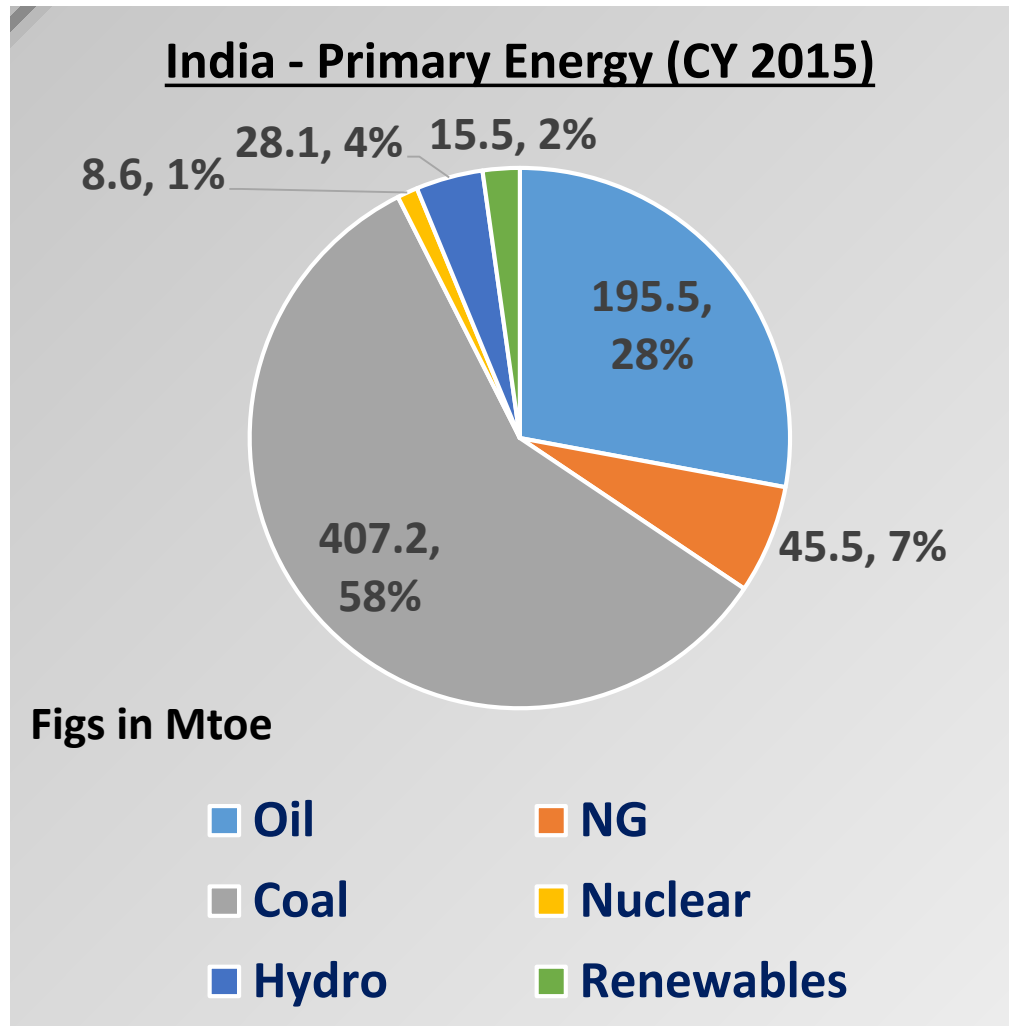
## Mission

To produce and market the planned quantity of coal and coal products efficiently and economically in an eco-friendly manner with due regard to safety, conservation and quality.

\*Maharatna Status implies greater autonomy in operations and has been conferred to only 7 PSUs of the country.



# Coal – India’s Primary Source of Energy<sup>1</sup>



- Coal provides 30% of global energy needs & generates 41.1% of world’s electricity.<sup>2</sup>
- Coal provides 58% of Indian energy needs & generates 60% of India’s electricity.
- India is the world’s 3<sup>rd</sup> largest coal producer.
- Share of Coal is greater than combined share of Oil & Gas.

Source : (1) BP Statistical Review of World Energy June’16 – 65<sup>th</sup> edition, (2) World Coal Association, Coal Facts, 2015



# Inventory of Geological Resources of Indian Coal\*

(as on 01.04.2016)

Figs in Bt

Type	Proved	Indicated	Inferred	Total	% Share
Coking	18	14	2	34	11
Non -Coking	120	125	30	275	89
Grand Total	138	139	32	309	100
<i>% Share</i>	<i>45</i>	<i>45</i>	<i>10</i>	<i>100</i>	

**\* Upto a depth of 1200 Meters**



# Inventory of Geological Resources of Indian Coal\* (as on 01.04.2016)

Figs in Bt

Depth Range (m)	Proved	Indicated	Inferred	Total	% Share
0-300	104	67	9	180	58
300-600	18	58	16	92	30
0-600 (for Jharia Only)	14	-	-	14	5
600-1200	3	14	6	23	7
Total	138	139	32	309	100

**\* Upto a depth of 1200 Meters**



# Coal India – Reserves, Resources & Exploration

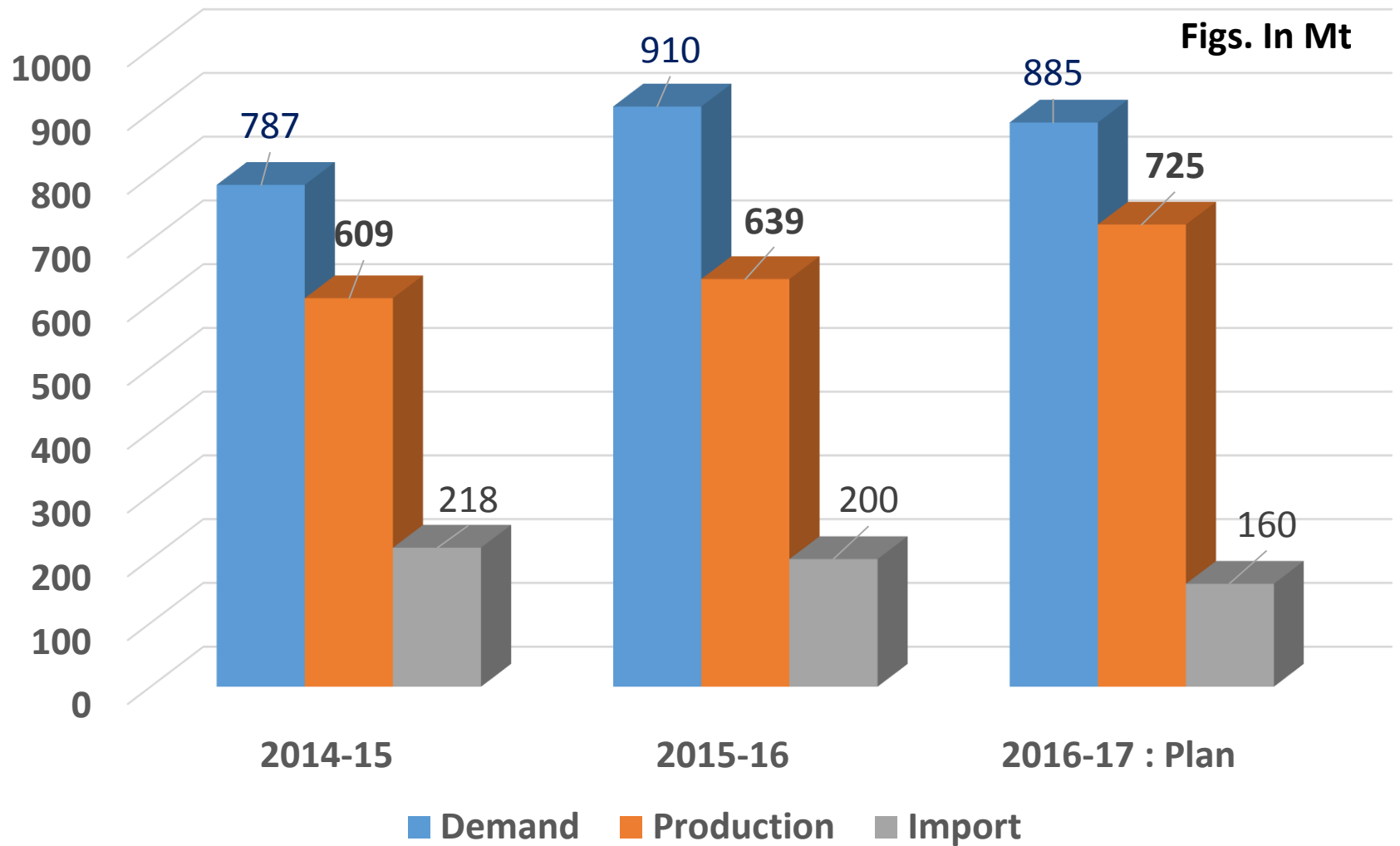
Reserves & Resources <sup>1</sup>		• Exploration
Parameter	In Billion tonnes	
Resources	68.6	<ul style="list-style-type: none"><li>• 0.994 million m of drilling done in FY 2016.</li><li>• Expenditure on Exploration in FY 2016 – INR 4.75 billion.</li><li>• Cumulative drilling for last 5 years 3.58 million m, 10 years 5.02 million m, 15 years 6.07 million m.</li><li>• 2D/3D seismic survey being adopted for exploration.</li></ul>
Reserves	19.8	
Total	88.4	

In addition, 119 coal blocks with total geological reserve of 42.9 Bt have been tentatively assigned to CIL by GOI.

1) Based on UNFC Classification as on 1.4.13



# India - Demand Supply Scenario<sup>1</sup>

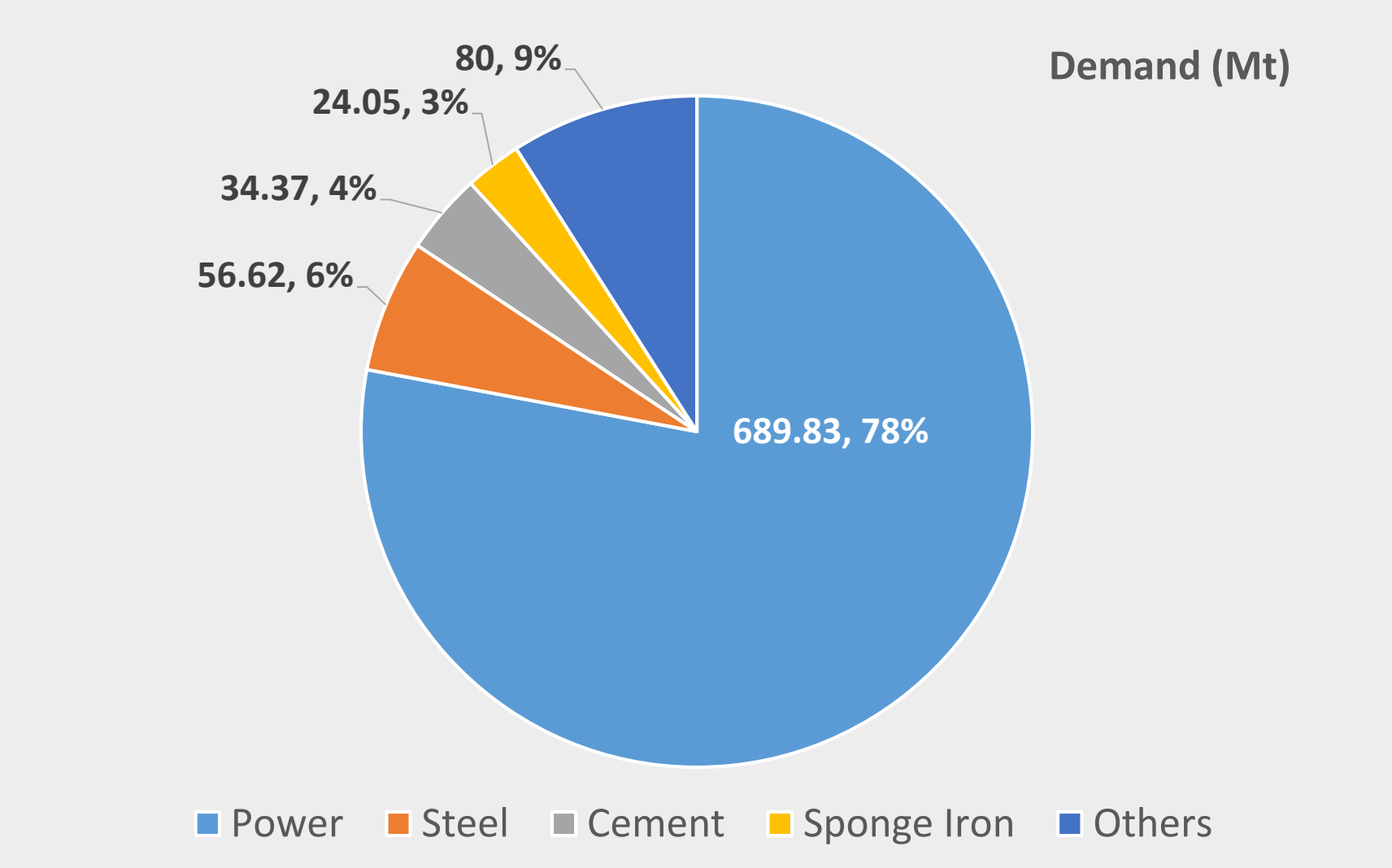


Source : (1) Source : CCO's Coal Directory of India : 2014-15 and Provisional Coal Statistics : 2015-16 and MOC Annual Plan documents





# India - Sector Wise Demand of Coal<sup>1</sup> (FY2016-17)

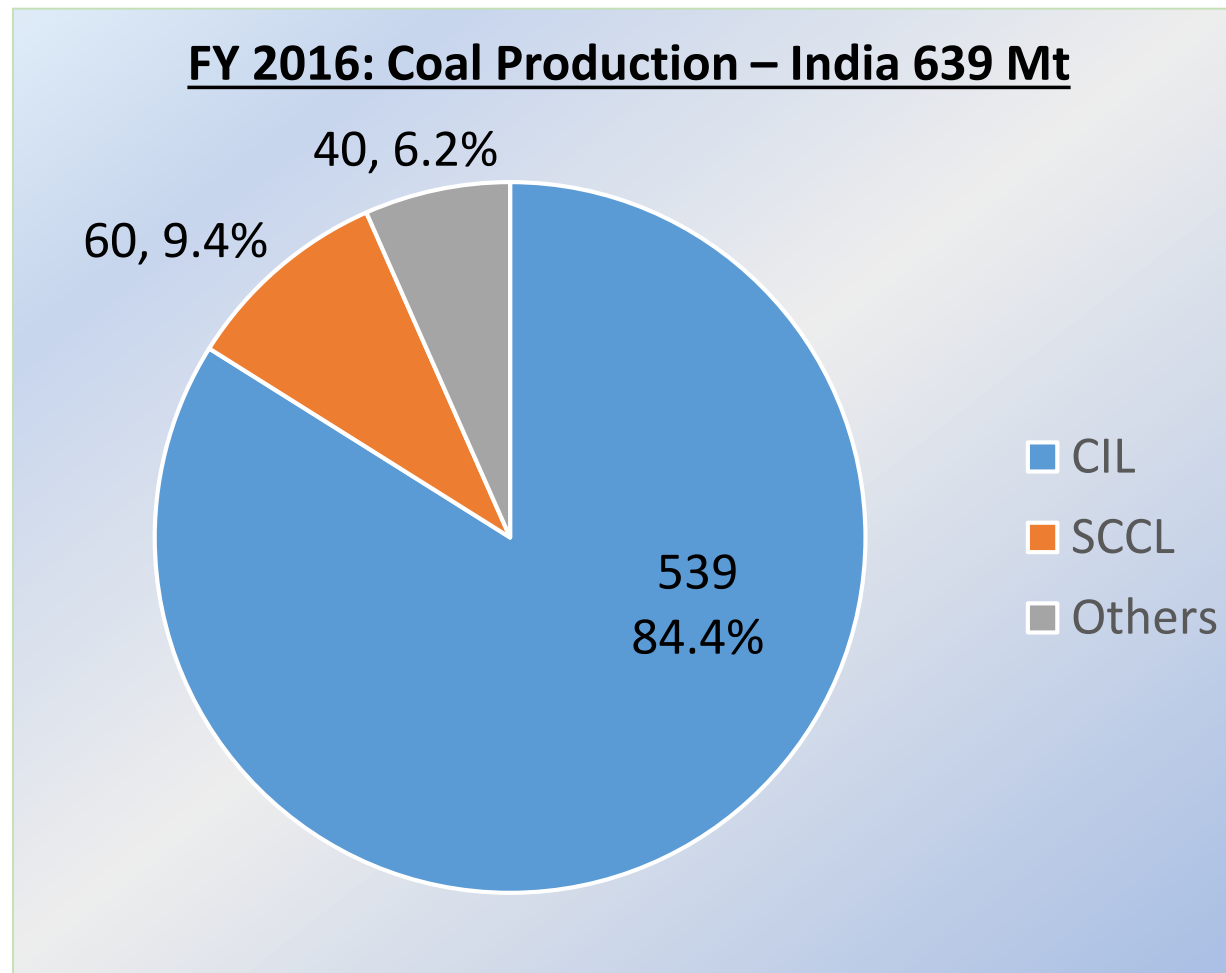


<sup>1</sup> Annual Plan of Ministry of Coal, 2016-17  
Others includes Bricks, Fertilizers, Aluminium.



## Coal India: Key to India's Energy Security

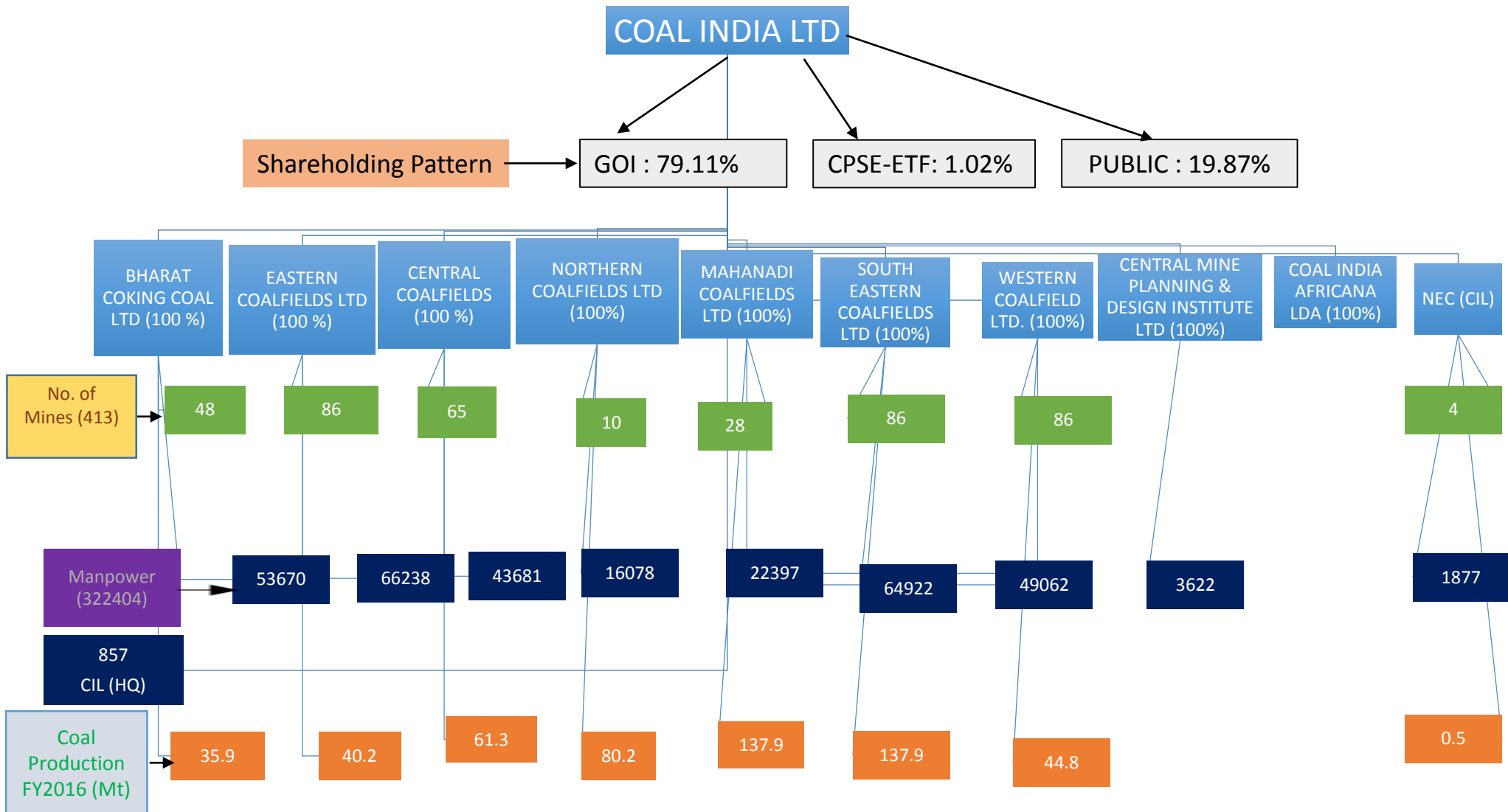
Coal India contributed 84% to India's total coal production in FY 2016



Others includes DVC, TISCO & Captive Blocks



# Corporate Structure





## Coal India - Key Highlights

World's Largest Pure Play Coal Producer	<ul style="list-style-type: none"><li>• FY16 production of 539 million tonne across 413 operational mines, with ongoing projects for further ramp-up.</li><li>• 68.6 bt Resources and 19.8 bt Reserves</li></ul>
Growth Drivers	<ul style="list-style-type: none"><li>• Expected favorable demand from power &amp; steel sectors.</li><li>• Country adopts power for all 24x7.</li></ul>
Extensive Mining Capabilities	Advanced technology in mining through large size HEMM, satellite based OITDS, reclamation, etc.
Cost Leadership with Stable Realizations thru FSAs	<ul style="list-style-type: none"><li>• Focus on meeting commitments to the power sector.</li><li>• Higher productivity through Opencast operations.</li></ul>
Positive Margins & Returns	<ul style="list-style-type: none"><li>• FY16 EBITDA margin of 30.7%</li><li>• FY16 ROAE of 38.4%</li><li>• FY16 Dividend Payout Ratio of 121%</li></ul>
Organizational Commitment to Sustainable Development	<ul style="list-style-type: none"><li>• R&amp;R Policy 2012 allows flexibility suited to local needs.</li><li>• Focus areas - Healthcare, Sanitation, Education.</li><li>• Environmental sustainability &amp; conservation</li></ul>



# Competitiveness of Coal India

- **Cost Comparison in Energy Terms:**

- Pit head price of average CIL coal of G12 Grade (3700 -4000 Kcal/Kg) on GAR basis works out to Rs. 391 per Gcal.

This includes all taxes & levies including clean energy cess but excluding CST/VAT.

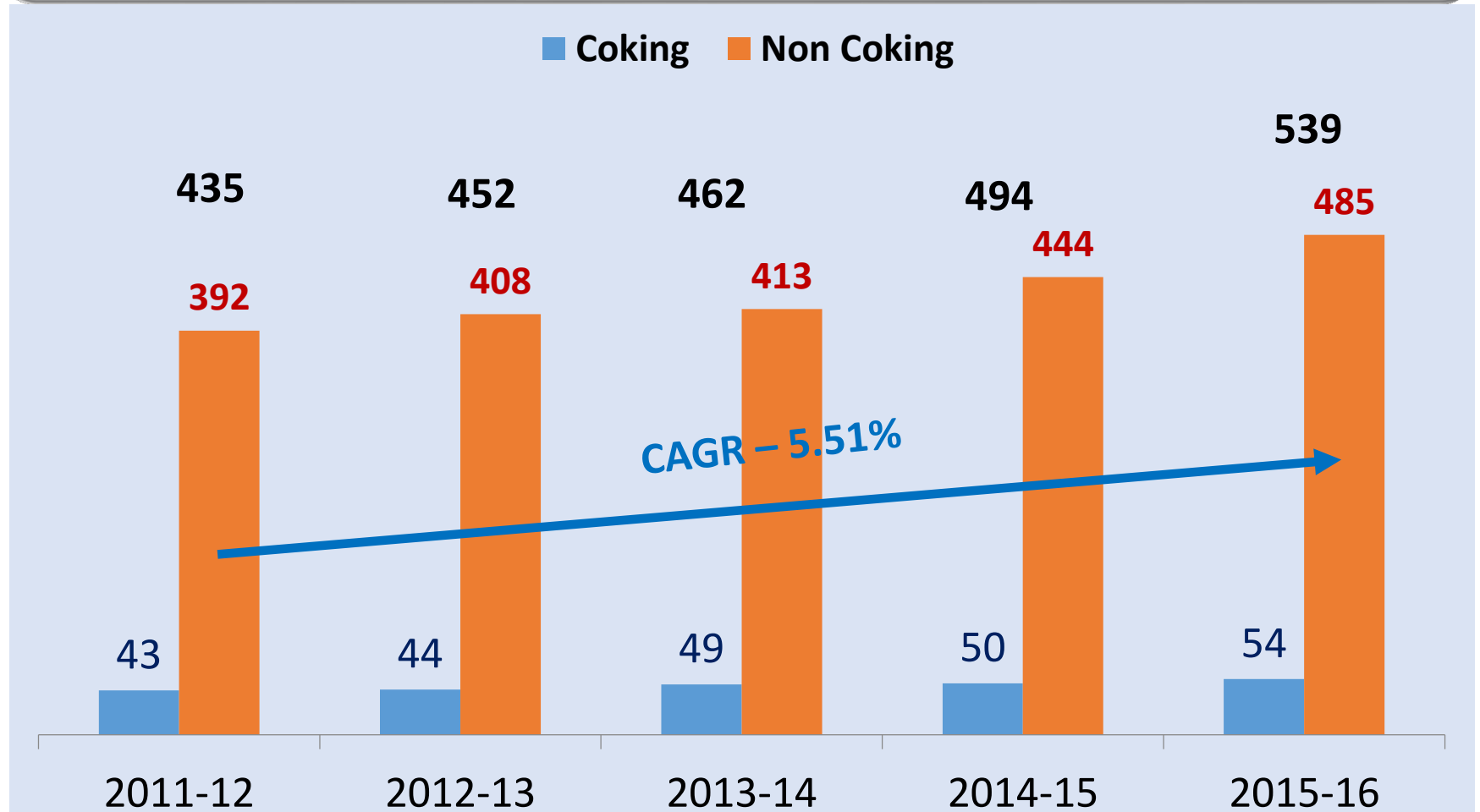
- FOB price of Indonesian coal of 3400 Kcal/Kg works out to Rs. 640 per Gcal.

This does not include ocean freight, port handling charges, CVD, clean environment cess, excise duty and CST/VAT.

- In other words, price of CIL coal is less when it is compared with FOB price in energy terms.



## Coal India Ltd - Coal Production Trend (Mt)



1. CIL's trend of growth was affected by introduction of blanket ban by MOEF in 2010.
2. With lifting of ban growth restore to 7% in 2014-15 , in 2015-16 highest ever growth to 8.9% to reach a level of 539 Mt
3. However during first half of the current year due to supply constraints to power utility for higher stock at their end, growth halted, partly extended to 3<sup>rd</sup> quarter.
4. Recently production growth has resumed around 2.4% .



# Coal India Limited : Ongoing Projects

- 121 major ongoing coal projects are under implementation:
  - Expected contribution of about 400 Mt in FY 2017; planned to reach a level of 561 Mt in FY 2020
  - Operating large projects – 50 Mty (Kusmunda) & 70 Mty (Gevra Expansion Project).

<b>FUTURE PROJECTION OF PRODUCTION FROM PROJECTS (Mt)</b>						
<b>PROJECTS</b>	<b>14-15 (Actual)</b>	<b>15-16 (Actual)</b>	<b>16-17</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>
Existing + Completed	237.47	238.80	247.45	177.24	177.64	164.96
Ongoing	256.76	299.94	349.43	437.56	502.65	561.48
Future	-	-	1.73	45.89	93.40	181.66
<b>TOTAL</b>	<b>494.23</b>	<b>538.74</b>	<b>598.61</b>	<b>660.68</b>	<b>773.70</b>	<b>908.09</b>





## Coal India Limited : Future Projects

- 65 new projects, with a targeted capacity of 302.88 Mty, have been identified in FY 2014-15, of which :
  - Project Reports for 57 projects have been formulated.
  - Out of these 57 Projects, 22 projects having ultimate capacity of 180.51 Mty have been approved.

### Other Initiatives

- Investment in logistics and infrastructure for coal offtake 3 major railway infrastructure projects to improve offtake from 3 growing coalfields in 3 subsidiaries.
- Investment in larger size heavy earth moving machinery.
- Operator Independent Truck Dispatch Systems have been installed in 11 large projects in 4 subsidiaries.
- Continuing satellite surveillance on restoration of reclamation of land.

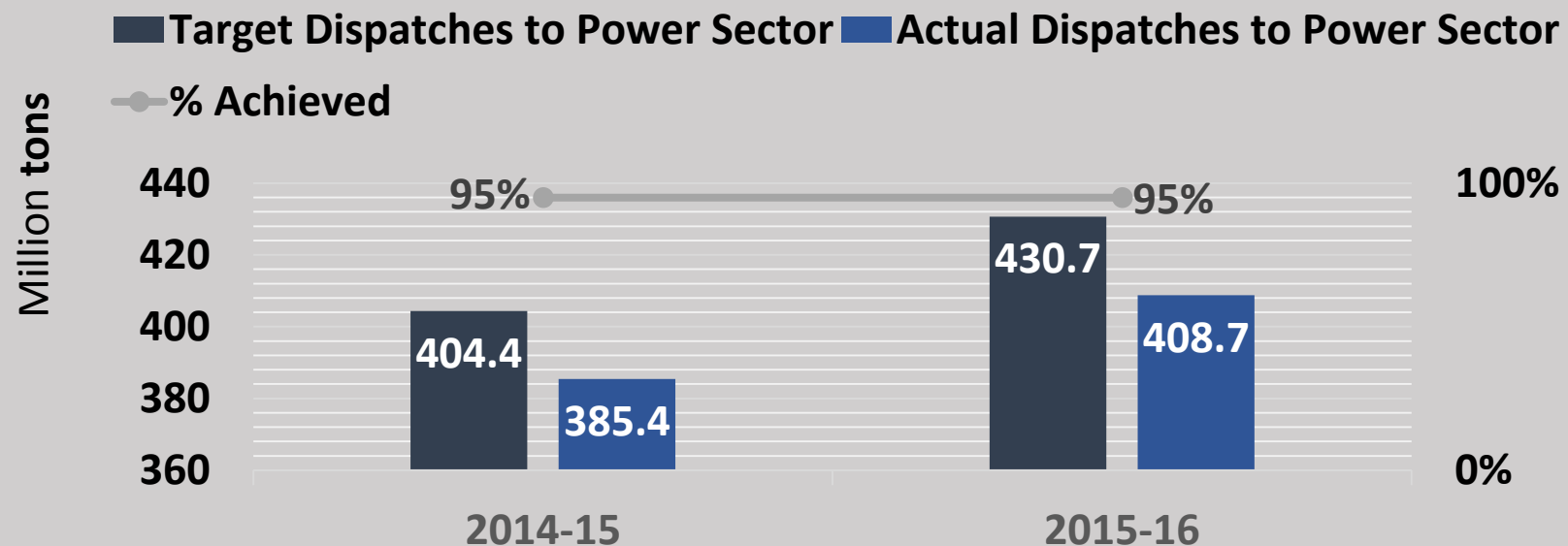


# Focus on Meeting Customer Needs

## Beneficiation

- ❖ CIL currently operates 15 washeries
- ❖ 3 Non-coking coal washeries with feedstock capacity of 13.5 mtpa
- ❖ 12 Coking coal washeries with feedstock capacity of 23.3 mtpa
- ❖ **Future Programme:** 27 new washeries, capacity 120.18 mtpa,
  - Coking 18 washeries – 48.2 mtpa & Non-coking 9 – 75.5 mtpa.

## Focus On Meeting Target Dispatches To The Power Sector



## Focus on Meeting Customer Needs

	2011-12	2012-13	2013-14	2014-15	2015-16	CAGR (%)
Production in OC	397	414	426	459	505	6.20%
Production in UG	38	38	36	35	34	-2.74%
Total Production	435	452	462	494	539	5.51%
Production from Surface Miner	120	156	171	198	234	18.17%
Production from Surface Miner as % of OC Production	30.23%	37.68%	40.14%	43.14%	46.34%	

Introduction of surface miner has changed the production process to a greater extent resulting in getting quality and sized coal.



# Marketing Strategy

To retain & grow the consumer base through:

- Long-term supply contracts (20 year) to power segment (75% of total market)
- Medium-term supply contracts (5 year) to non-power segment
- Flexible commercial packages as per market requirement
- Quality assurance

Engaging with new consumers in non-power segment for entering into 5-year supply contracts through transparent and market driven electronic bidding.

Identifying market segments for coal pricing and evolving different consumer friendly e-auction schemes to cater to the various target segments.

Encouraging partnership with large consumers having long-term contracts in order to develop dedicated logistics for coal movement – development of captive market.

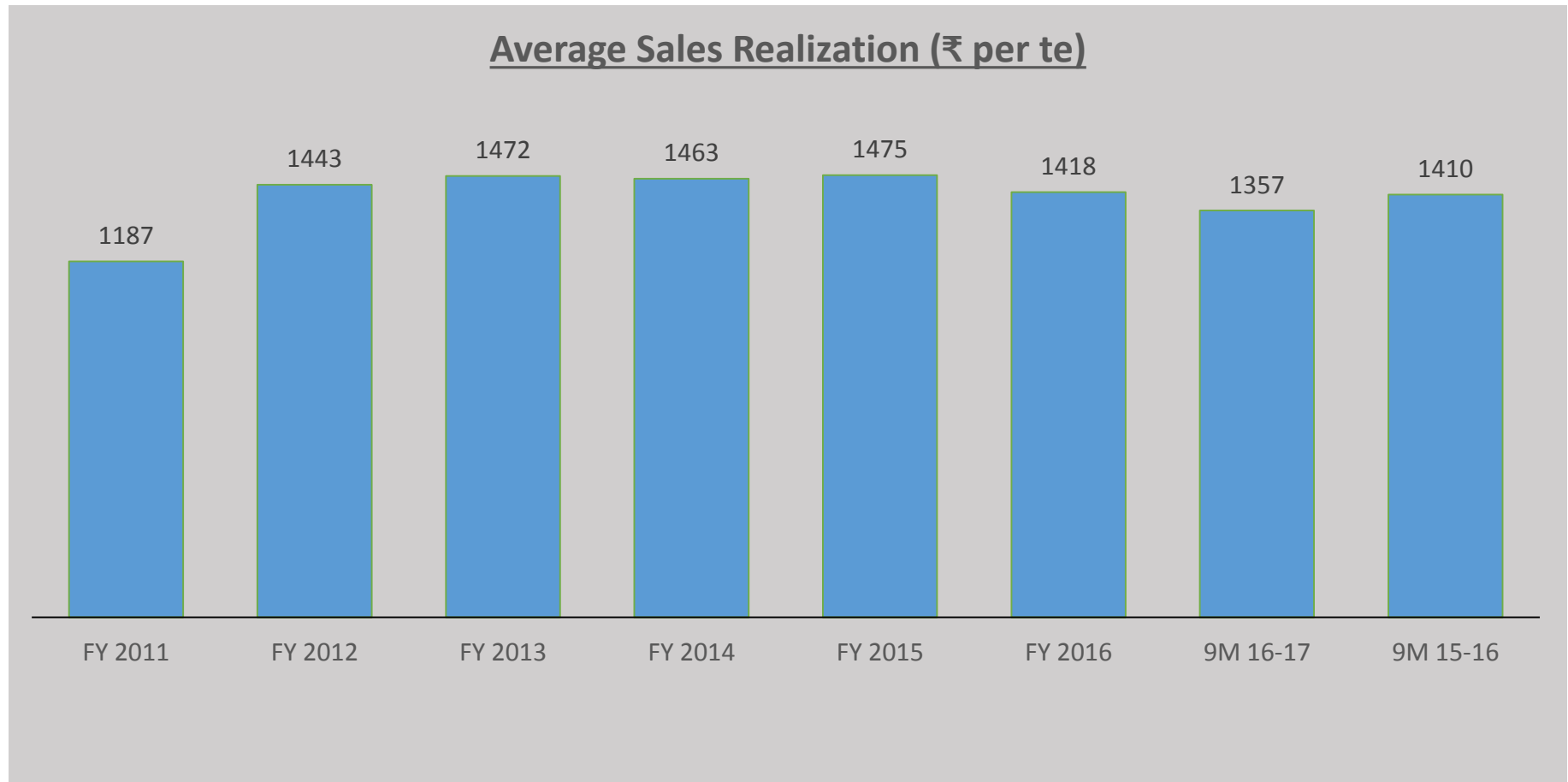
Engaging logistics providers for creating matching coal movement infrastructure.

Introduction of third party sampling .

Introduction of Special Auction Scheme for power and Exclusive Auction Scheme for non power consumers.



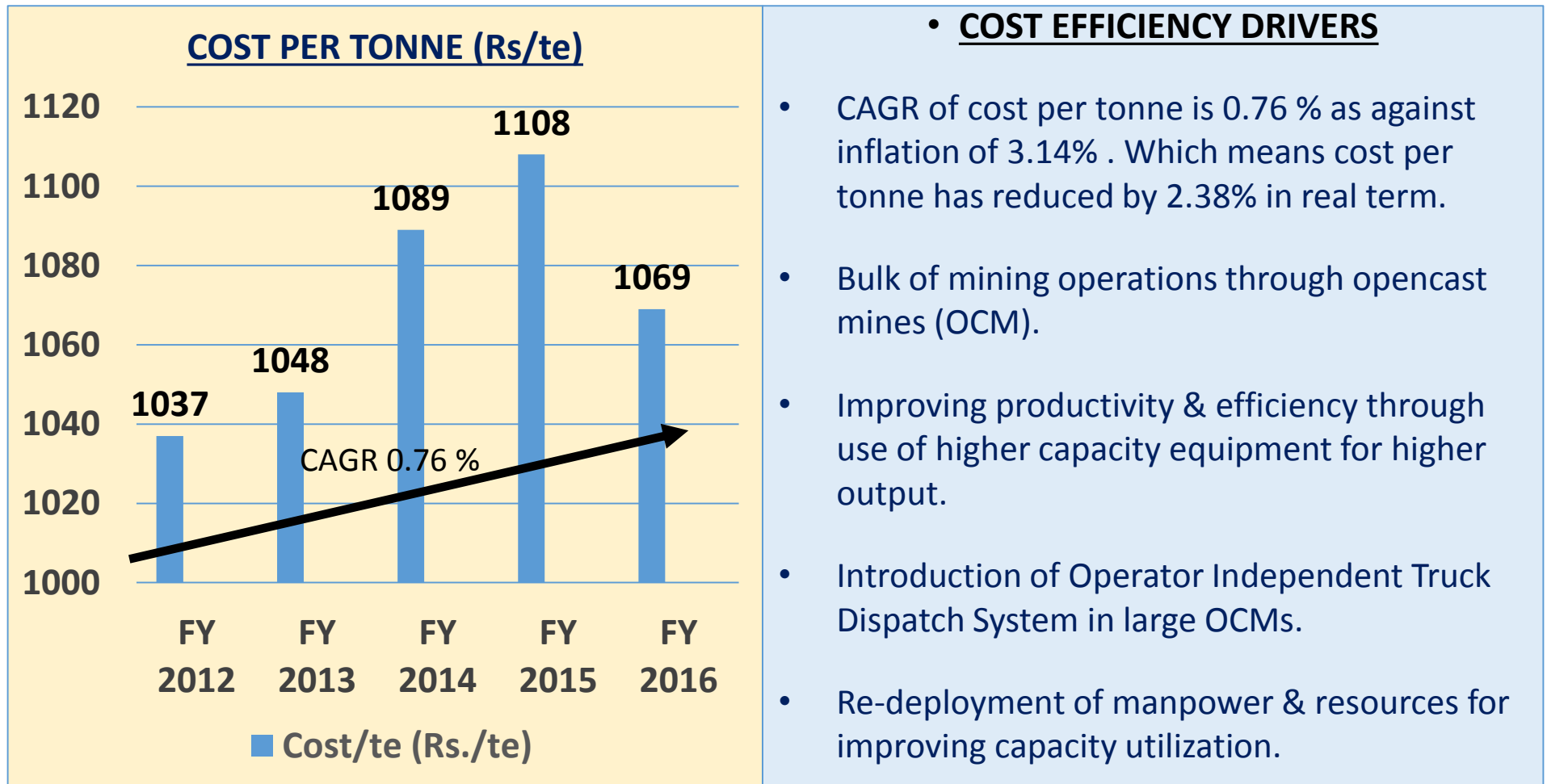
# Average Sales Realisation per tonne



Drop in e-auction realization due to sharp reduction in imported coal price leads to reduction in average sales realization.



# Low Cost Operations





## High Factor Productivity

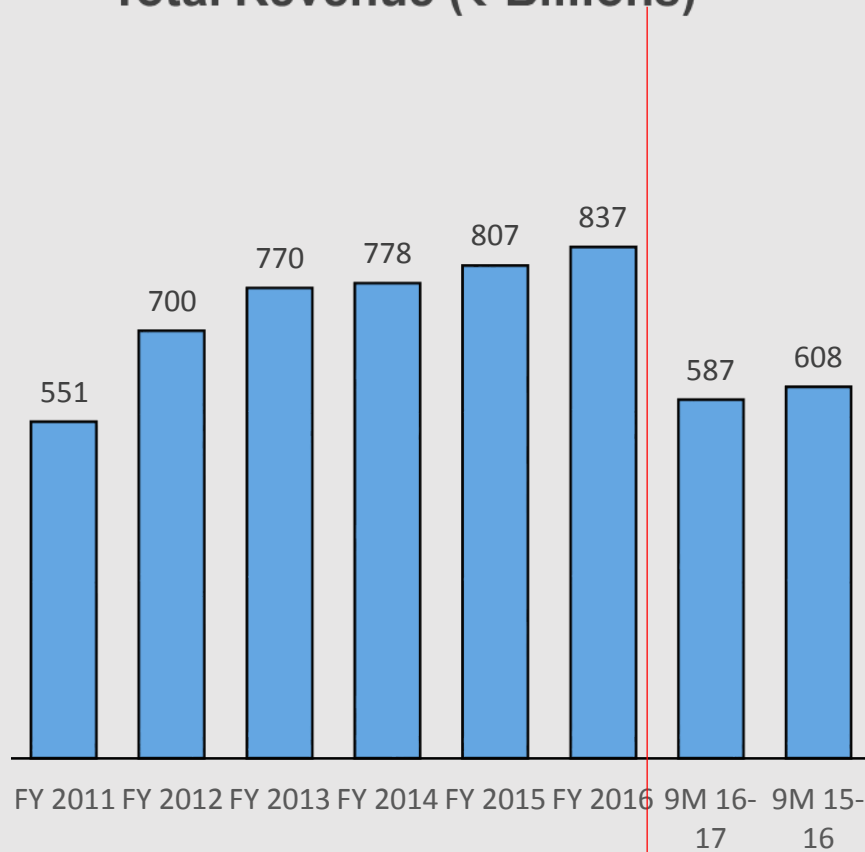
- Average cost of production for CIL is USD 16 per tonne @ Rs.68 per USD. This includes high cost of UG coal comprising 6% of production.
- UG cost is much higher than OC cost.
- Hence, OC cost per unit is at the lower end of the global cost curve.
- In other words, the operation are low cost.
- Conversely the total factor productivity is high.



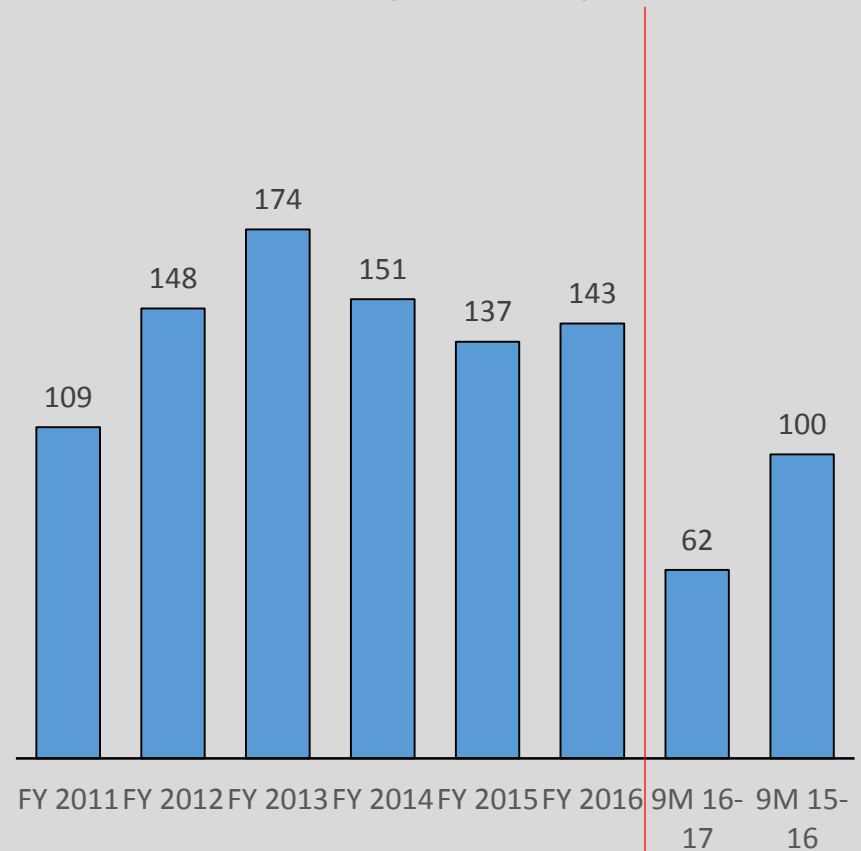


## Total Revenue & Net Income (Rs. Billions)

### Total Revenue (₹ Billions)

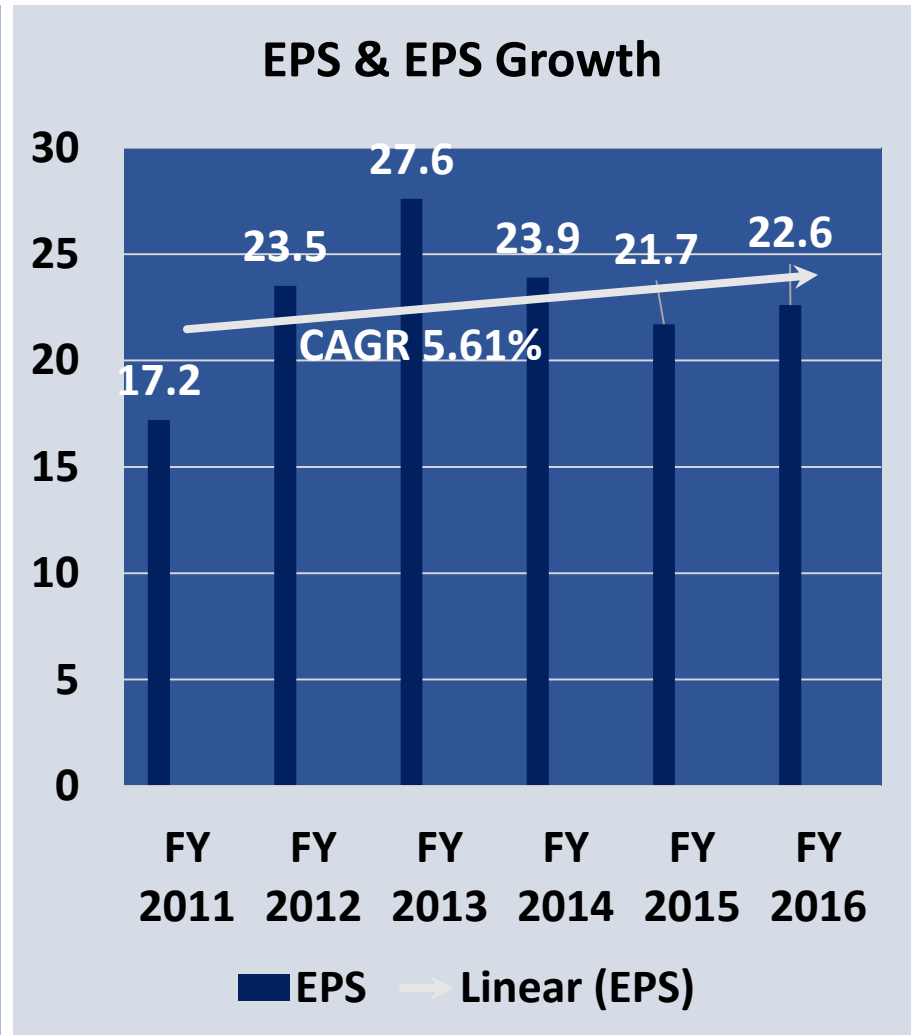
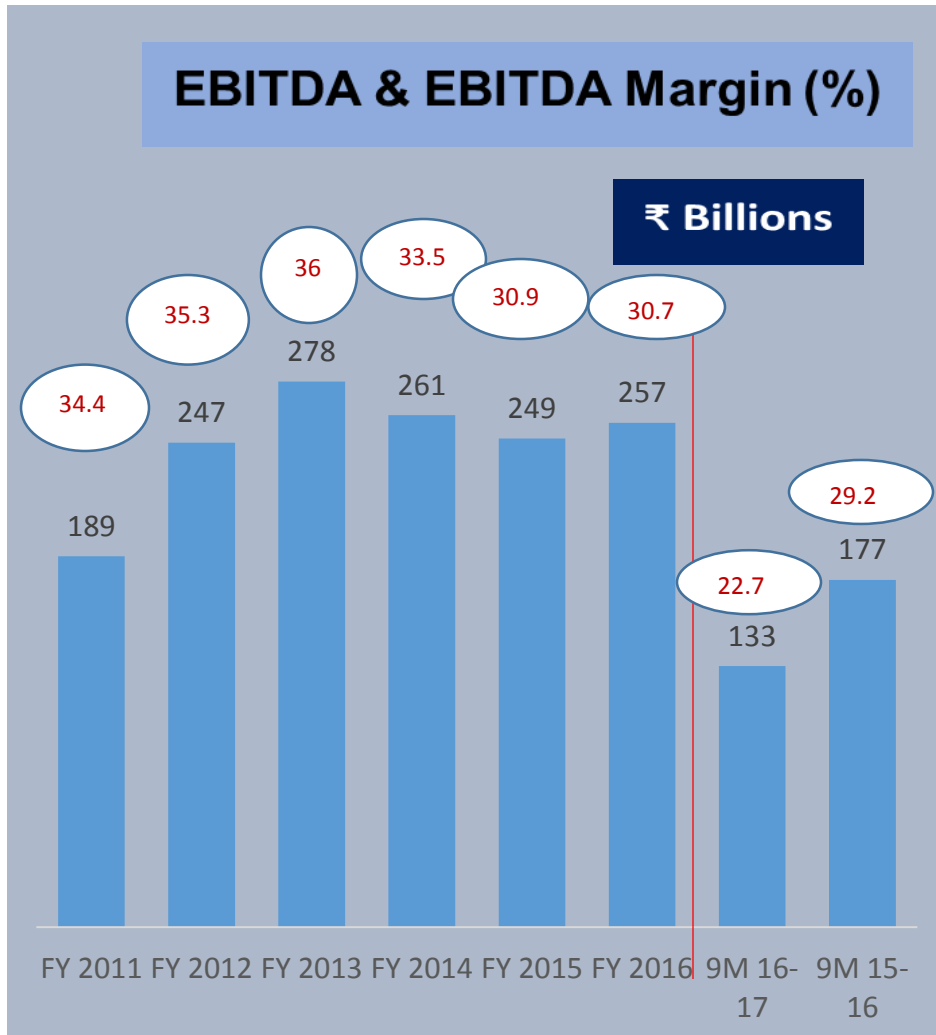


### Net Income (₹ Billions)



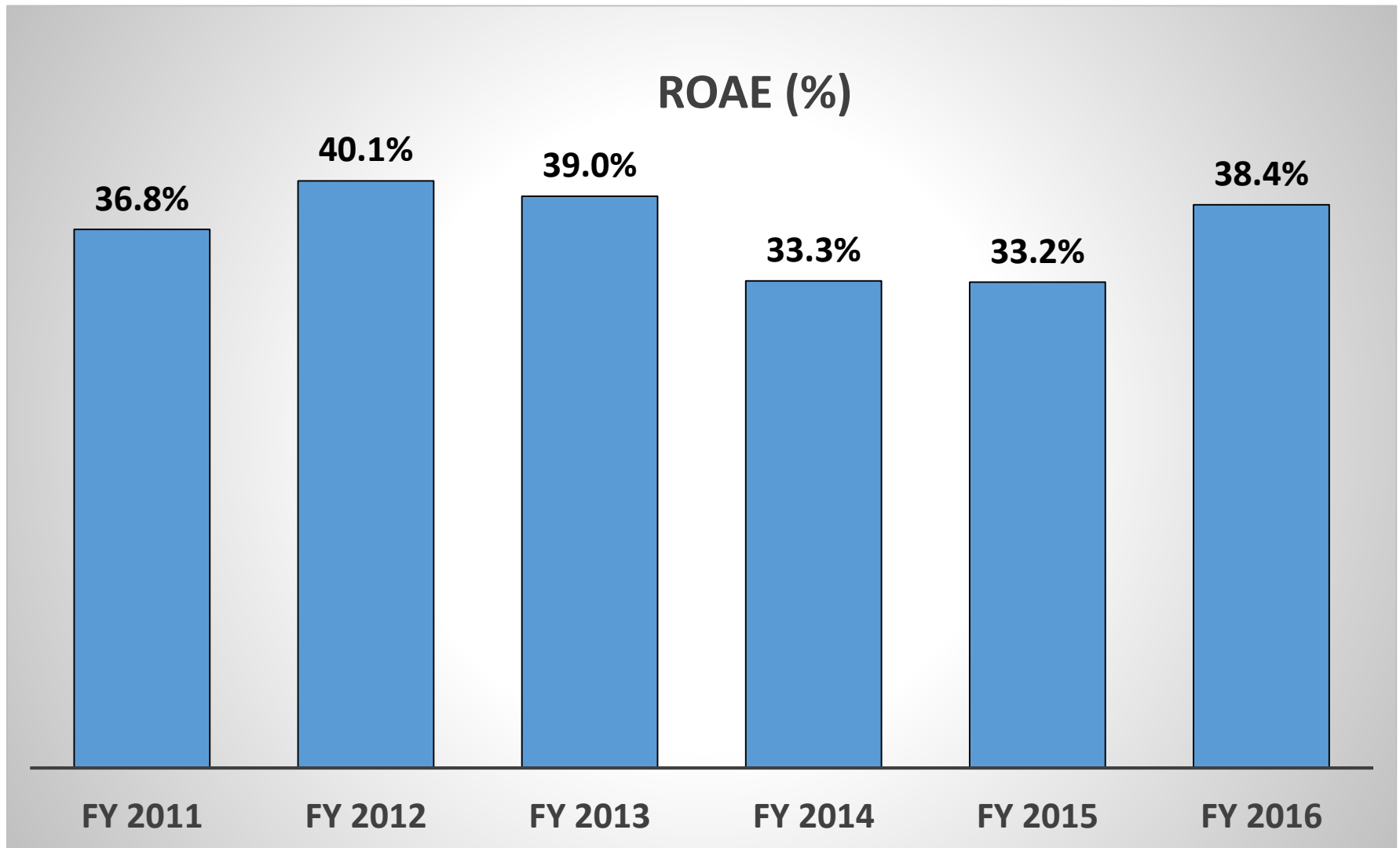


## Positive Margins & Returns



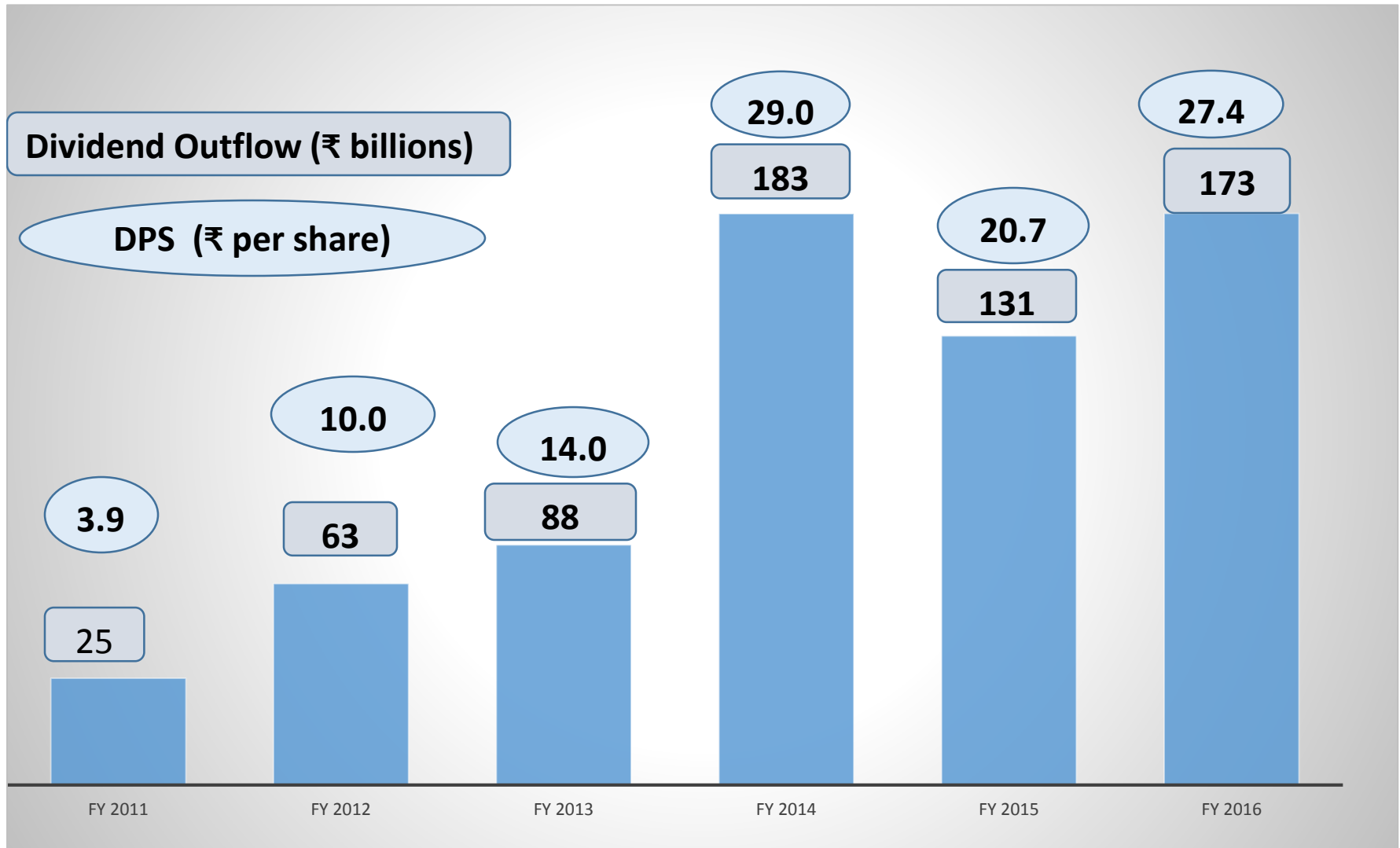


## Positive Margins & Returns





## Positive Margins & Returns

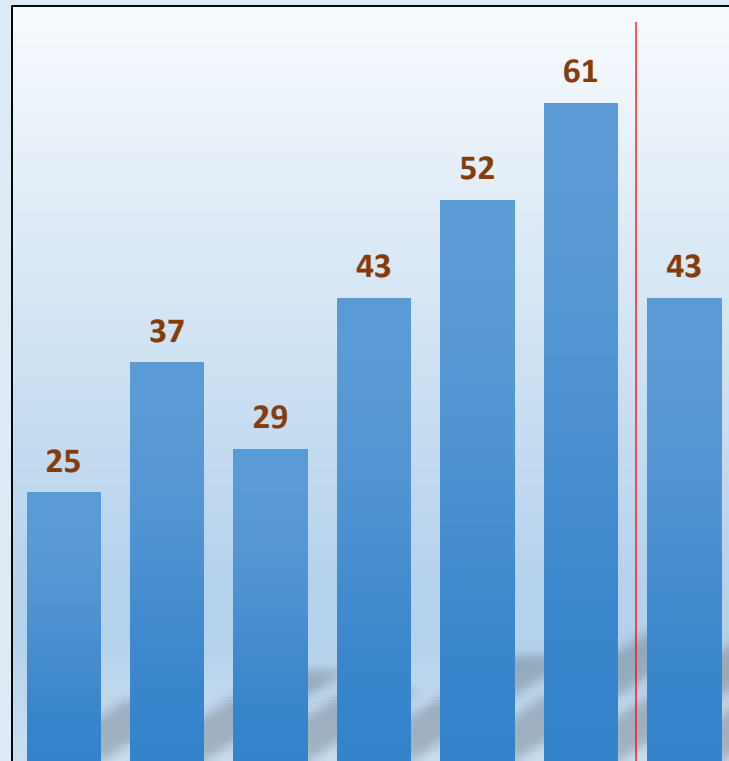




# Capital Expenditure

## Capital Expenditure

₹ Billions



FY 2011 FY 2012 FY 2013 FY 2014 FY 2015 FY 2016 9M 16-17

- Capital expenditure in FY 2016 was mainly on account of Land, R&R issues, P&M, Exploration & Mine Development.
- In FY 2017, CIL envisages a capital expenditure of Rs.77.65 billions.
- Keeping in view the target of 908 Mte in 2020, capital investment would have to be done in infrastructure & evacuation .
- Capital Investment is also envisaged in sustainable initiatives like Solar Power, Surface Coal Gasification, Coal-Bed-Methane, etc.
- Land costs are on the rise as coal mining areas are being contemplated in semi-urban & populous areas.



# Organizational Commitment to Sustainable Development

## Social

- Coal India's Resettlement & Rehabilitation Policy 2012 provides flexibility to deal effectively with issues and determine packages suited to local needs
  - Policy accords high priority for minimizing disturbance of the local population while operating new mines and expanding existing mines
- CSR initiatives principally focused on project affected persons and persons living within 25km radius of project sites
- Main focus areas include Healthcare, Sanitation, Education, Environmental sustainability and conservation of natural resources, promotion of sports and projects for rural development



Source: Company data and filings as on 31<sup>st</sup> March 2014

<sup>1</sup> Units are defined as mines, washeries, workshops, hospitals, training institutes etc.



## Sustainable Development

- **ISO 9001 compliance** – 46 units & 2 subsidiaries are entirely compliant
- **ISO 14001** – 22 units & 2 subsidiaries are entirely compliant.
- **OHSAS 18001** – Two entire subsidiaries & 5 units are entirely compliant.
- **CIL HQ** has been granted licence of **ISO-90001:2015** (Quality Management System) & **ISO 50001:2011** (Energy Management System).
- **Green Commitment** letter signed by CIL for producing 1000 MW Solar power by 2019; tendering completed for one 2x100 MW Project;
- CIL HQ has an installed capacity of 2.35 MW of Solar Power.
- **CIL has planted 92 million saplings since inception with a survival rate of 80% to 85%.**

**Total estimated forest land created 36896 Ha.**

**Total forest land diverted 33602 Ha.**

- **Since 2008-09, Satellite Surveillance was introduced by CIL to assess status of backfilling, plantation in reclaimed areas including OBs, Social forestry, Distribution of waste land etc.**
- CIL has adopted a well-defined Safety Policy for sustainable enhancement of safety in its coal mines.



**Thank You**