


<p>कोल इण्डिया लिमिटेड महारत्न कंपनी 3 तल्ला, कोर-2 प्रेमिसेस-04-एमआर, प्लॉट-ए एफ-III, एक्शन एरिया, न्यूटाउन, रजरहट, कोलकाता-700156 फोन 033-23246526, फॅक्स-033-23246510 ई मेल: <a href="mailto:mviswanathan2.cil@coalindia.in">mviswanathan2.cil@coalindia.in</a> वेबसाइट: <a href="http://www.coalindia.in">www.coalindia.in</a></p>		<p><b>Coal India Limited</b> <b>A Maharatna Company</b> <b>(A Govt. of India Enterprise)</b> 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: <a href="mailto:mviswanathan2.cil@coalindia.in">mviswanathan2.cil@coalindia.in</a> WEBSITE: <a href="http://www.coalindia.in">www.coalindia.in</a> CIN- L23109WB1973GOI028844</p>
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Ref.No.CIL:XI(D):04156:2016: :

Dated:14.07.2018

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

**SUB:- Presentation to Institutional Investors Roadshow.**  
**Ref. : Scrip Code 533278.**

Dear Sir,

In terms of Regulation 46(2) (o) of Listing Regulations 2015, we are attaching Corporate Presentation of CIL to be given to Institutional Investors at Roadshow arranged by Merchant bankers of CIL.

This is for your information and records please.

Yours faithfully,

*M Viswanathan*  
14/7/18

(M.Viswanathan/एम.विस्वनाथन)  
Company Secretary/कंपनी सचिव  
& Compliance Officer/कम्प्लायंस ऑफिसर

**Encl:As above**



कोल इण्डिया लिमिटेड  
**Coal India Limited**

भारत सरकार का उपक्रम  
A Government of India Undertaking  
एक महारत्न कंपनी A Maharatna Company

# Coal India Limited Corporate Presentation

JULY 2018



# Industry Overview



## Coal India Ltd. – Genesis, Vision & Mission

### 1975

- Nationalized coal mines under Coal Mines Authority Ltd. re-organised 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 - 567 Mt in FY2018**

### 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 the best practices from mine to market.

### MISSION

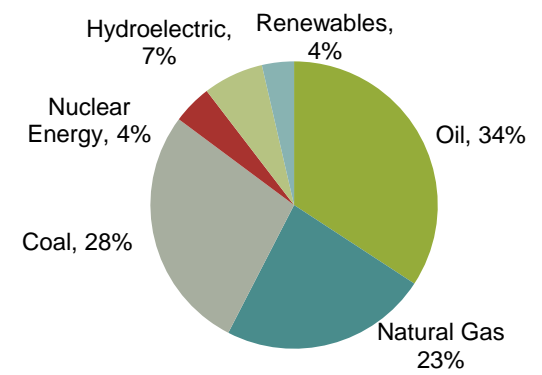
To produce and market the planned quantity of coal and coal products efficiently and economically in an eco-friendly manner with due regard to safety, conservation and quality.



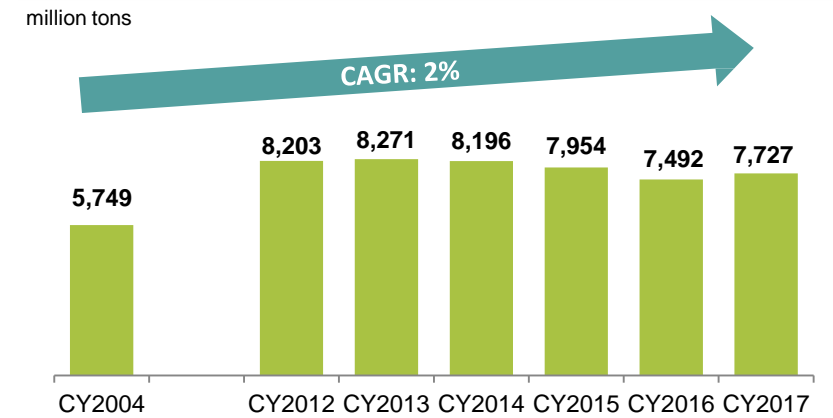
# Global Coal Sector

## Coal – Second Most Used Fuel Globally<sup>(1)</sup>

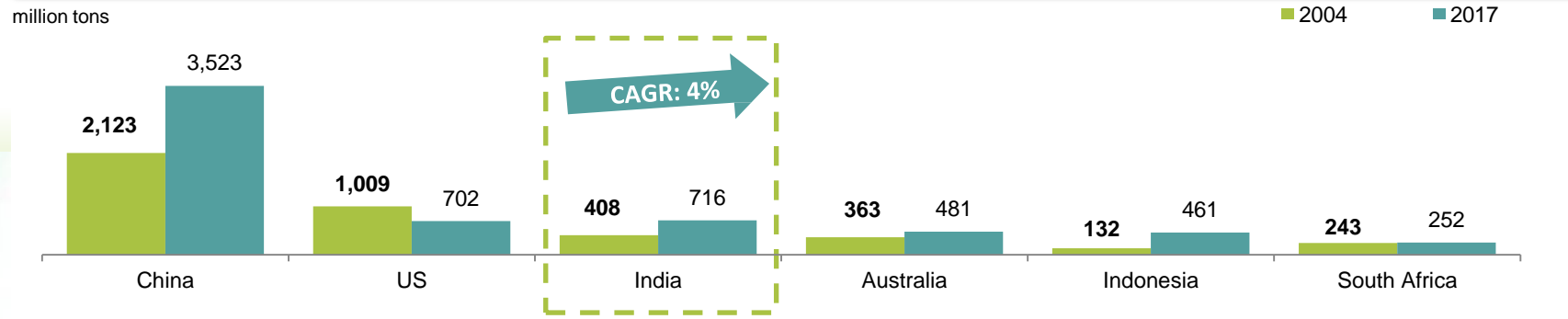
World Primary Energy Consumption (CY2017)



## Steady Growth in Global Coal Production<sup>(1)</sup>



## India was 3<sup>rd</sup> Largest Coal Producer Globally in 2017<sup>(2)</sup>



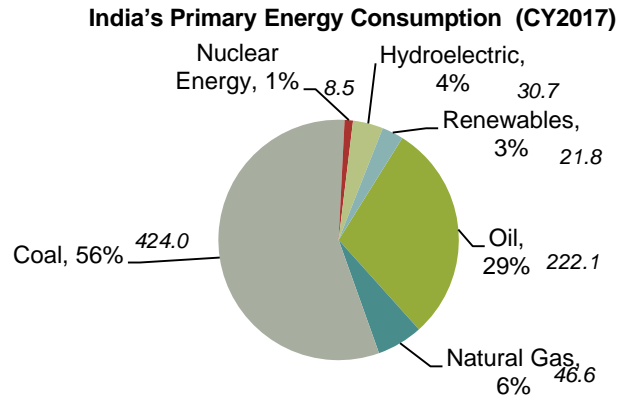
**India's production CAGR of 4% amongst the highest growth rates in the global coal sector**

Source: <sup>(1)</sup> BP Statistical Review 2018; Coal Controller of India for India data <sup>(2)</sup> Production data for India is as per FY2005 and FY2017 as published by the Coal Controller of India (and does not include lignite), for other countries the data is for CY2004 and CY2015 as published in BP Statistical Review 2018



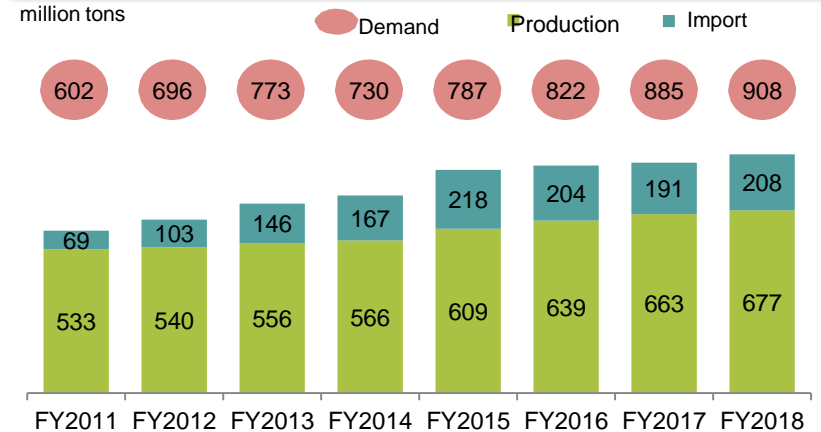
# India's Coal Sector Overview

## Coal – India's Primary Source of Energy<sup>(1)</sup>



Coal provides 56% of Indian energy needs & ~73% of the entire power generated in the country is coal based <sup>(5)</sup>

## Demand Supply Scenario<sup>(2)</sup>



## Inventory of Geological Resources of Indian Coal (upto a depth of 1,200 meters) as on 01-Apr-2017<sup>(3)</sup>

Category	Proved	Indicated	Inferred	Total	% Share
Coking (billion ton)	19	14	2	35	11%
Non Coking including tertiary coal (billion ton)	124	125	31	280	89%
<b>Total (billion ton)</b>	<b>144</b>	<b>139</b>	<b>33</b>	<b>315</b>	<b>100%</b>
% Share	45%	44%	11%	100%	

Coal meets ~29% of the world's energy needs<sup>(1)</sup> and generates 41% of world's electricity<sup>(4)</sup>



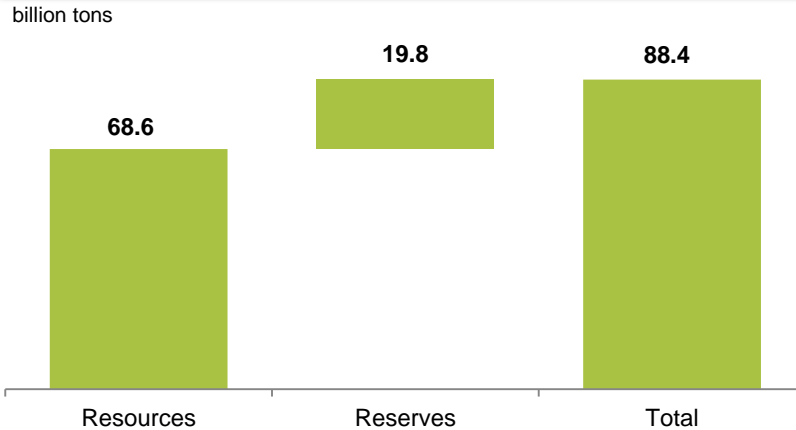
# Coal India Highlights





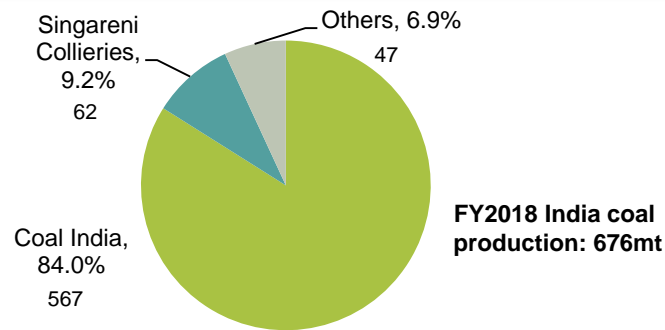
# Coal India: Key to India's Energy Security

## Coal India – Resources and Reserves<sup>1</sup>



- Presence in Mozambique through Coal India Africana Limitada
- 2D / 3D seismic survey methods are being adopted for exploration purpose, enabling faster identification of resources
- Development of Coal Bed Methane (CBM) / Coal Mine Methane (CMM) prospects in collaboration with the Government Agencies
- In addition to 88.4bt of total resources and reserves in CIL blocks, 119 blocks with total geological reserve of 45.5bt have been tentatively assigned to CIL by Gol

## Key to India's Energy Security<sup>2</sup>



- Coal India contributed 84% to India's total coal production in FY18
- Coal accounts for 56%<sup>(3)</sup> of India's primary energy consumption
- Coal India operates 369 mines via 8 coal producing subsidiaries





# Key Company Highlights

## Organizational Commitment to Sustainable Development

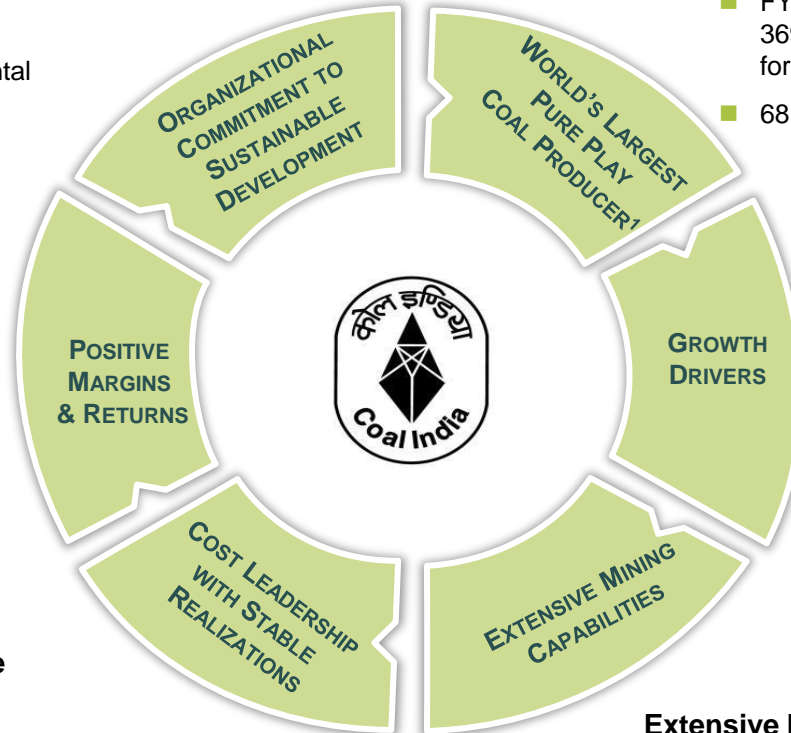
- High focus on social, environmental and health & safety initiatives
- Documented CSR policy

## Positive Margins & Returns

- FY18 EBITDA<sup>3</sup> margin of 16.1%
- FY18 ROAE<sup>3</sup> of 31.7%
- FY18 Dividend Payout Ratio of 145.89%

## Cost Leadership with Stable Realizations

- Higher proportion of open cast mining operations and increasing labor productivity
- Improving productivity & efficiency through use of higher capacity equipment for higher output.



## World's Largest Pure Play Coal Producer<sup>1</sup>

- FY18 production of 567 million tons across 369 operational mines, with ongoing projects for further ramp-up
- 68.6 bt Resources and 19.8 bt Reserves<sup>2</sup>

## Growth Drivers

- Coal accounts for more than 50%<sup>(4)</sup> of the total commercial energy production in India
- Favorable expected demand from key sectors such as power and steel

## Extensive Mining Capabilities

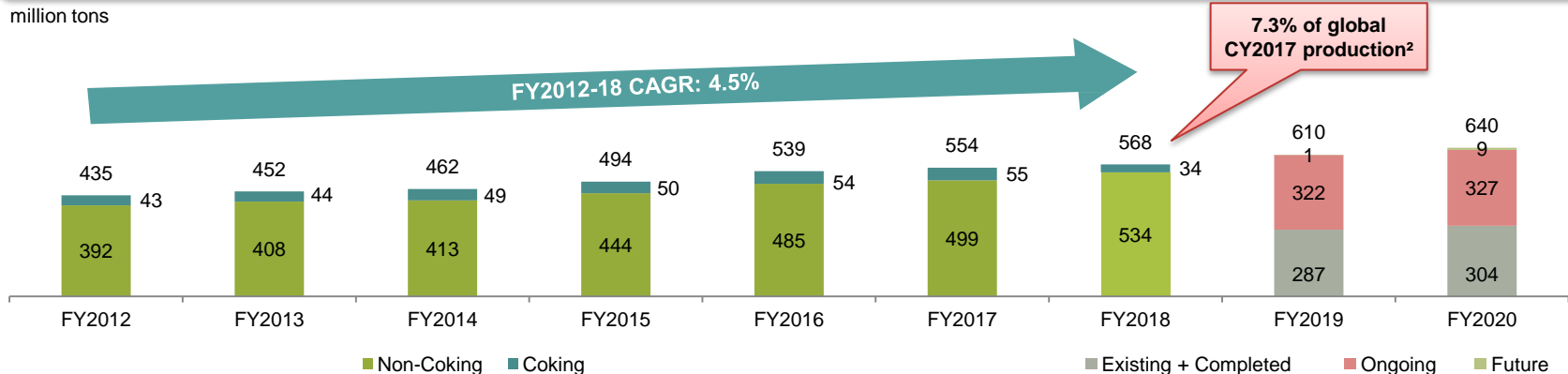
- Advanced technology in open cast mining
- Focus on meeting commitments to the power sector

<sup>1</sup> Largest listed coal company by annual production in FY2017<sup>2</sup> Data as of April 1, 2013 based on the United Nations Framework Classification (UNFC) classification as measured and prepared by CMPDI Ltd, a wholly owned subsidiary of Coal India Limited. Total reserves do not include reserves in Mozambique <sup>3</sup> EBITDA (unaudited) has been calculated by adjusting (adding back) with profit before tax the finance cost, depreciation / amortization/ impairment, provisions, write-offs, prior period adjustments and extra-ordinary items, if any. EBITDA includes other income. EBITDA margin represents EBITDA as a percentage of Total Income (net of excise duty). ROAE FY18 calculated as the ratio of Profit after taxes to the average shareholders' equity for FY18 and FY17. <sup>4</sup> Coal India Annual Report 2017, BP Statistical Review



# 1 World's Largest Pure Play Coal Producer

## Largest Pure Play Coal Producer Globally<sup>1</sup>, Slated for Further Growth



- CIL's trend of growth was affected by introduction of blanket ban by MOEF in 2010.
- With lifting of ban growth restored to 7% in 2014-15, in 2015-16 highest ever growth to 8.9% to reach a level of 539 Mt and ~2% in 2017-18 due to reduction in coking coal production
- Incremental increase in coal production by CIL during last 5 years (FY 2013 - FY 2018) was 115 MTs, compared to incremental increase of 73 MTs during previous 5 years from FY 2008 to FY 2013.

### Ongoing Projects

- 119 major ongoing Coal projects are under implementation:
  - Expected contribution of about 322 Mt in FY 2019; planned to reach level of 378 Mt in FY 2020
  - Operating large project-50 Mty (Kusmunda Opencast) & 70 Mty (Gevra Expansion Project)

### Future Projects

- 65 new projects, with a targeted capacity of 247.66 MTY, have been identified in FY 2014-2015, out of which
  - Project reports of 27 projects are under formulation
  - Out of these 65 future projects, 26 projects having ultimate capacity of 105.29 MTY have been approved

### Other Initiatives

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

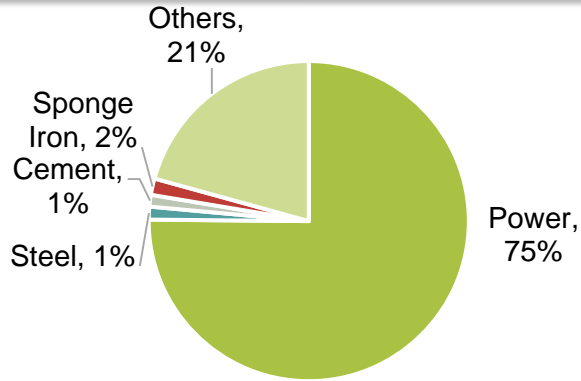
Note: FYE 31-March; Source: BP Statistical Review 2018, XI<sup>th</sup> 5 Year Plan published by the Planning Commission of India

<sup>1</sup> Largest listed coal company by annual production in FY2018; <sup>2</sup> Global production data for year ended 31-Dec; Coal India production data for year ended 31-March; For comparison purposes with global production for Dec-2017, Coal India data for FY2018 has been used.; <sup>3</sup> Production data for FY17, FY18, FY19 and FY20 is based on Company data and not independently verifiable. There can be no assurance that this target / capacity will be reached.

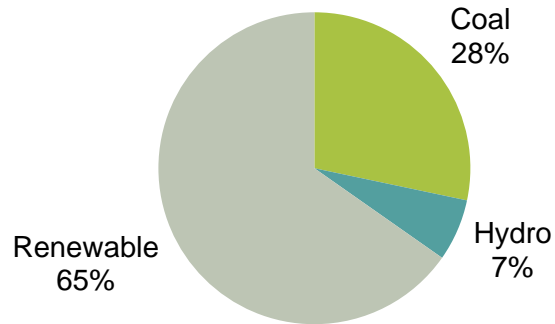


## 2 Growth Drivers In Place

**Sector Wise Demand of Coal\* (FY2017-2018)**



**Most of the Incremental Power Capacity\*\* (FY 2017-18)**



**Demand Growth from End Industries**

- Large energy deficit coupled with low per capita consumption expected to drive significant capacity additions in power sector
- Coal continues to serve the country as its primary commercial energy provider<sup>2</sup>
- Coal is expected to account for most of the incremental power capacity in India
- Besides power, cement and steel industries are also expected to increase coal demand
- Collaboration with State Governments & Railways for 'Railway Linkages' at important coalfields
- Expected favorable demand from power & steel; Country adopts power for all 24x7

Source : \*As per AAP of CIL for 2017-18. Based on all India demand accessed by the Niti Ayog, supply plan of CIL and other coal producing companies are set in the Annual Plan document of the MOC.

\*\*Based on CEA Installed Capacity report comparative w.e.f. 31.10.2017 to 31.03.2018. Gas/LNG sector has witnessed decommissioning of 178 MW during this period, resulting in negative increment. 10



# 3A Extensive Mining Capabilities

## Exploration

- 1.366 million meters of drilling achieved in FY2017-18
- Exploratory drilling in 118 CIL blocks / mines in FY2017-18
- Capacity expansion & modernization of drills, supply orders for 7 Hi-tech Hydrostatic drills have been issued in 2017-18
- Exploration and drilling expenses of INR 7.56 billion incurred in FY2017-18.

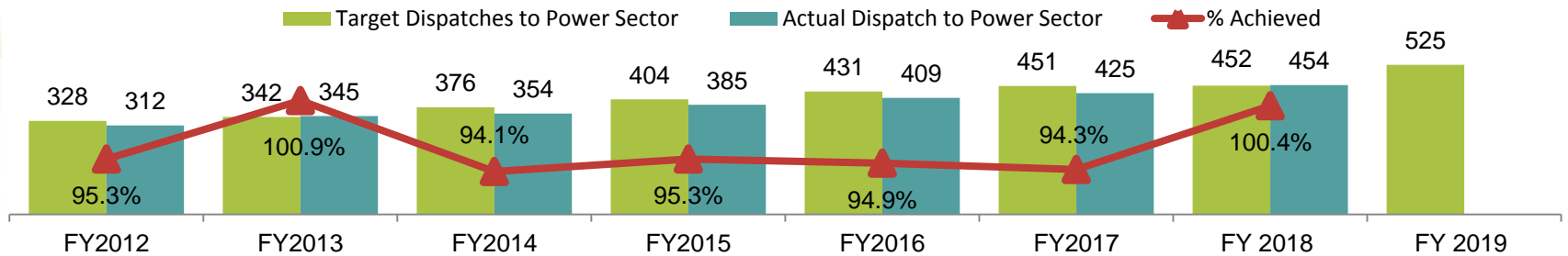
## Mining

- 369 mines owned
  - 177 open cast mines
  - 174 underground mines
  - 18 mixed mines
- Production in FY2018 was 536 million ton from open cast mines and 31 million ton from underground mines

## Beneficiation

- Operates 15 washeries
- 4 non-coking coal beneficiation facilities with throughput capacity of 16.22 mtpa
- 11 coking coal beneficiation facilities with throughput capacity of 20.58 mtpa
- **Future Programme:** 18 new washeries, capacity 95.6 Mty
  - Coking – 9 (28.1 Mty)
  - Non-coking – 9 (67.5 Mty)

## Focus On Meeting Target<sup>2</sup> Dispatches To The Power Sector



Source: Company data and filings

<sup>1</sup> As provided by the Company data and not independently verifiable

<sup>2</sup> Target Dispatches to the Power Sector as per Company's annual reports

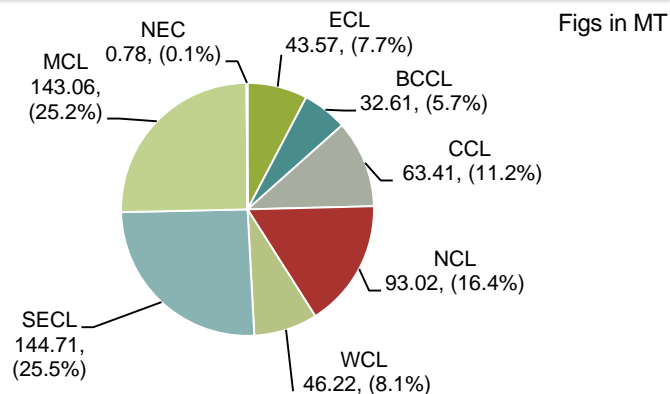
<sup>3</sup> Through in-house and outsourcing resources



3B

## Subsidiary Performance during 2017-18

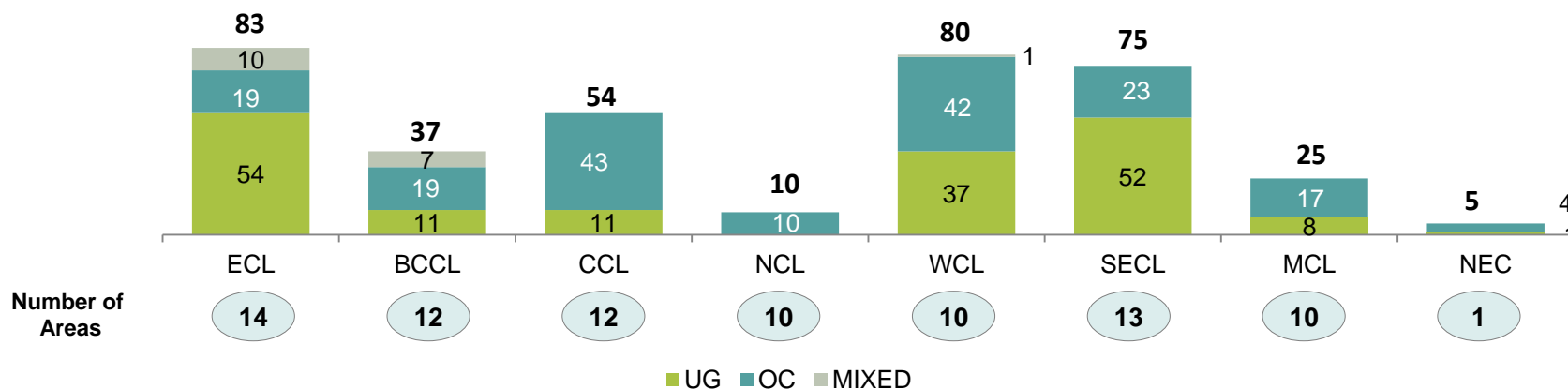
### Production Performance during 2017-18



### Manpower

Sub. Co.	01.04.2018
ECL	61,796
BCCL	48,747
CCL	40,777
NCL	15,032
WCL	45,663
SECL	58,466
MCL	22,431
NEC	1,535
CMPDIL	3,379
CIL HQ	931
<b>TOTAL</b>	<b>2,98,757</b>

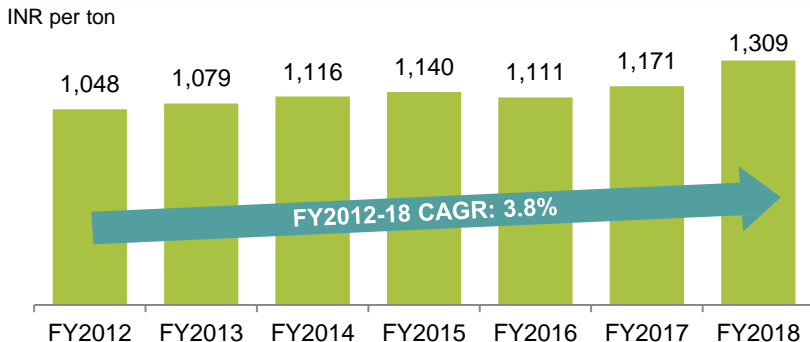
### Subsidiary-wise Number of Mines



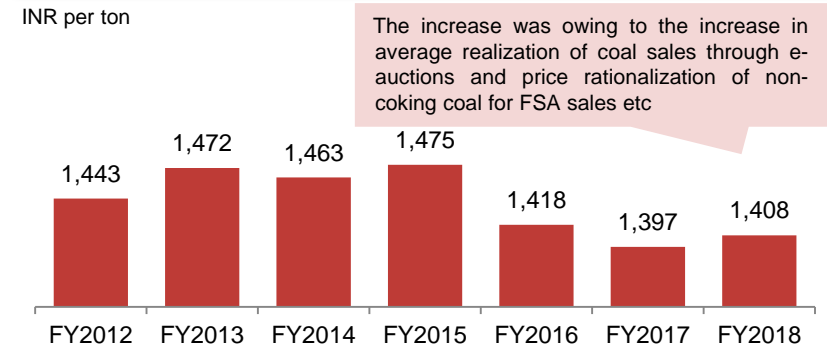


# 4 Cost Leadership With Stable Realizations

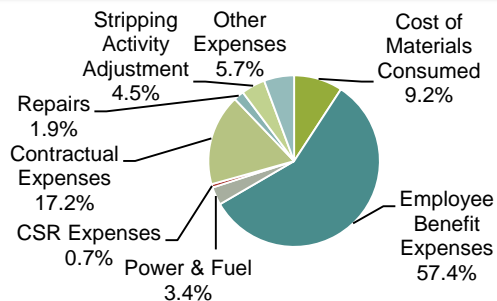
## Low Absolute Operating Cost per Ton<sup>1</sup>



## Stable Average Sales Realizations<sup>2</sup>



## FY2018 Operating Expenditure Profile<sup>3</sup>



## Cost Efficiency Drivers

- Cost per ton in FY18 increased by 11.8% primarily on account of increase in employee benefit expenses which increased by 27% Y-o-Y on account of pay revision and increase in gratuity ceiling
- Bulk of mining operations through opencast mines (OCM).
- Improving productivity & efficiency through use of higher capacity equipment for higher output.
- Introduction of Operator Independent Truck Dispatch System in large OCMs.
- Re-development of manpower & resources for improving capacity utilization.

Note: Consolidated financials; Yearly audited financials upto FY 2015 are prepared as per the then prevailing Indian GAAP, while audited financials from FY 2017 are Prepared as per IFRS compliant Indian Accounting Standards-'Ind AS' and comparatives for FY 2016 were restated as per Ind AS requirement on First Financial Statement. Further, FY 2017 have been regrouped and restated as comparative in audited financial statement of FY 2018, wherever required as per the provisions of Ind-AS.

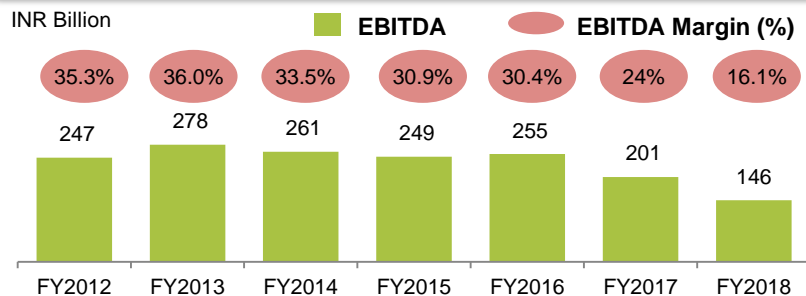
<sup>1</sup> Operating cost per ton calculated as ratio of total expenses adjusted for changes in inventories of finished goods/work in progress and stock in trade, finance costs, depreciation/amortization/impairment, provisions, write offs and excise duty (in FY2018, FY 2017 and 2016, where excise duty is included in total expenses) to total raw coal production

<sup>2</sup> Average realizations calculated as the ratio of net revenues from the sale of coal to the total dispatches during the period. The total sales/dispatches include raw coal, washed coal, coke and other products. <sup>3</sup> Breakup of FY 2018 operating expenses, excludes changes in inventories of finished goods/work in progress and stock in trade, finance charges, depreciation / impairment, provisions, write-offs and excise duty. <sup>4</sup> FSAs are contractual Fuel Supply Agreements with third parties based on Company data

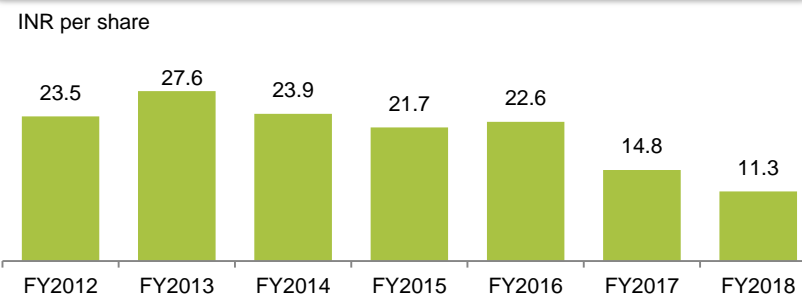


## 5 Positive Margins and Returns

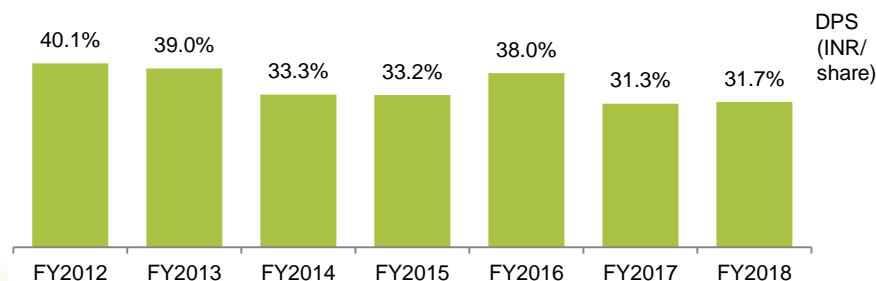
### EBITDA and EBITDA Margin (%)<sup>1</sup>



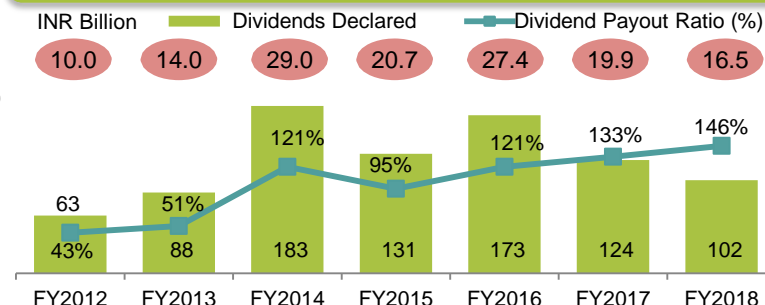
### EPS



### ROAE (%)<sup>2</sup>



### Dividends Declared & Payout Ratio



**Coal India ranked #2 in Coal and Consumable Fuels globally by Platts in 2017<sup>(3)</sup> on the basis of its financial performance**

Note: Consolidated financials; Yearly audited financials upto FY 2015 are prepared as per the then prevailing Indian GAAP, while audited financials from FY 2017 are Prepared as per IFRS compliant Indian Accounting Standards-'Ind AS' and comparatives for FY 2016 were restated as per Ind AS requirement on First Financial Statement. Further, FY 2017 have been regrouped and restated as comparative in audited financial statement of FY 2018, wherever required as per the provisions of Ind-AS.

<sup>1</sup> EBITDA (unaudited) has been calculated by adjusting (adding back) with profit before tax the finance cost, depreciation / amortization/ impairment, provisions, write-offs, prior period adjustments and extra-ordinary items, if any. EBITDA includes other income. EBITDA margin represents EBITDA as a percentage of Total Income (net of excise duty). <sup>2</sup> ROAE calculated as the ratio of Profit after taxes to the average shareholders' equity for the current and the prior fiscal year. For FY 2016, 2017 and 2018 (i.e. in the financial statements prepared as per Ind-AS), profit after tax represents profit for the period attributable to owners of the company.

<sup>3</sup> <https://top250.platts.com/Top250Rankings>





# 6 Organizational Commitment to Sustainable Development

<b>Social</b>	<ul style="list-style-type: none"> <li>■ Coal India's Resettlement &amp; Rehabilitation Policy 2012 provides flexibility to deal effectively with issues and determine packages suited to local needs               <ul style="list-style-type: none"> <li>— Policy accords high priority for minimizing disturbance of the local population while operating new mines and expanding existing mines. The R &amp; R Policy of CIL is under revision in light of the RFCTLARR Act-2013</li> </ul> </li> <li>■ CSR initiatives principally focused on project affected persons and persons living within 25km radius of project sites</li> <li>■ Main focus areas include healthcare, sanitation, education, environmental sustainability and conservation of natural resources, promotion of sports and projects for rural development</li> <li>■ Actual spend of INR 4.8 billion to fund CSR activities in FY2018</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>■ 5 companies are ISO 9001 compliant, 4 companies are ISO 14001 compliant, and 3 companies are OHSAS 18001 compliant and 47 Laboratories are ISO:17025 compliant</li> <li>■ CIL HQ has been granted licence of ISO 9001:2015 (Quality Management System), ISO14001:2015(Environment Management System) &amp; ISO 50001:2011 (Energy Management System)</li> <li>■ Green Commitment letter signed by CIL for producing 1000 MW Solar power by 2019</li> <li>■ 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.</li> <li>■ Planted more than 96.00 million saplings since inception with a survival rate of 80% to 85% with a creation of 38378.98 Ha of estimated forest land</li> </ul>
<b>Safety</b>	<ul style="list-style-type: none"> <li>■ Implementation of internationally adopted practice of Risk Management and Preparation of Safety Management Plan(SMP).</li> <li>■ Formulation of Take Responsibility for Accident Prevention(TRAP) and Disaster Prevention Strategy(DPS) to prevent occurrence of accidents and mine disasters</li> <li>■ Closing of unsafe UG mines, reorganisation of unsafe UG mines to OC patches</li> <li>■ Adoption of Mass Production Technology to minimize exposure of workmen to mining hazards</li> <li>■ Thrust on Skill development by Training on Simulator for truck/dumper operators, preparation of dynamic Standard Operating Procedures(SOPs). &amp; Structured training of front line supervisors</li> <li>■ Mine Virtual Reality System for effective training on mine hazards in collaboration with SIMTARS, Australia</li> <li>■ R&amp;D on Explosibility of coal of various coalfields and Re-entry of mine working area after explosion</li> </ul>



**Working towards increasing acceptability of mining practices**



Source: Company data and filings as on 31<sup>st</sup> March 2018

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



**Thank You**

