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

ईमेल: mviswanathan2.cil@coalindia.in

वेबसाइट: www.coalindia. In

CIN- L23109WB1973GOI028844



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-

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Dated: 12th Sep'2018

CIN- L23109WB1973GOI028844

Ref.No.CIL:XI(D):4156/4157:2018: 21728

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

Scrip Code 533278

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

ISIN - INE522F01014

Sub: AGM Proceedings of Coal India Limited for the financial year 2017-18

Dear Sir,

Further to letter No.CIL:XI(D):04156/4157:2018 dated 10th Aug'2018, **44th** Annual General meeting of Coal India Limited was held on **Wednesday**, **the 12th September'2018 at 10.30 A.M** at the **Science City**, Main Auditorium, JBS Haldane Avenue, Kolkata-700046. As per the AGM notice, Eight **(8)** proposals were proposed as under:-

- (1) Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2018 including Audited Balance Sheet as at March 31, 2018, Profit & Loss Account for the financial year ended on that date together with the Reports of Directors'and Statutory Auditor and Comptroller & Auditor General of India.
- (2) Confirmation of Interim dividend paid @ Rs. **16.50** per share for the financial year 2017-18 as final dividend for the year 2017-18.
- (3) Re-appointment of **Shri Rajesh Kumar Sinha** [DIN-05351383] who retired by rotation in terms of Section 152(6) of the Companies Act, 2013, Article 39(j) of Articles of Association of the Company and being eligible, offered himself for reappointment.
- (4) Appointment of **Shri B. L. Gajipara**, [DIN:07947068] as an Independent Director of the company with effect from 22nd September' 2017 for the balance period of his tenure i.e upto 5th September' 2020 or until further orders from Govt. of India, whichever is earlier.



- (5) Appointment of **Shri Binay Dayal** [DIN- 07367625], as a Whole Time Director to function as Director(Technical) of the Company with effect from 11th October' 2017 and to hold office upto 31st January' 2022 i.e the date of his superannuation or until further orders from Govt. of India, whichever is earlier.
- (6) Appointment of **Shri R P Srivastava** [DIN-08036468], as a Whole Time Director to function as Director (Personnel) of the Company with effect from 31st January' 2018 and to hold office upto 31st January' 2021 i.e the date of his superannuation or until further orders from Govt. of India, whichever is earlier.
- (7) Appointment of **Shri A.K. Jha** [DIN-06645361], as a Whole Time Director to function as Chairman cum Managing Director of the Company with effect from 18th May' 2018 to hold office upto 31st January' 2020 i.e the date of his superannuation or until further orders from Govt. of India, whichever is earlier.
- (8) Ratification of remuneration payable to M/s Balwinder & Associates, Cost Auditor (Registration Number 000201) who was appointed as Cost Auditor by the Board of Directors of the Company to conduct audit of the cost records of CIL (Standalone) for the financial year ended 31st March, 2018.

First three proposals were under Ordinary Business and balance 5 proposals were under Special Business.

CIL has provided remote e-voting facilities through NSDL from 8th Sep'2018 to 11th Sep'18. 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 14th Sep'18 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, in website of NSDL, www.evoting.nsdl.com and also communicated to Stock Exchanges.

We are also enclosing copy of Chairman's Speech delivered at the 44th 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. Viswanathan/एम॰विस्वनार्थन)

Company Secretary/कंपनी सचिव

& Compliance Officer/कम्प्लायंस ऑफिसर

Enc: As above

CHAIRMAN'S SPEECH

Dear Shareholders,

I am delighted to welcome you all to the 44th Annual General Meeting of Coal India Limited. The Directors' Report and the Financial Statements for the year ended 31st March' 2018 together with the report of Statutory Auditors and report and review of Comptroller & Auditor General of India are already with you. I am sure you are fully aware of the financial & physical health of your company.

1. Importance of coal and Coal India Limited

India is on a high orbit growth trajectory expanding industrially and economically. Concurrently, with this exponential transformation, the country's energy need is also on the increase. This is where coal steps in. You all are aware that in India coal is the ready answer to escalating energy demand as around 56% of the India's primary commercial energy is met by coal alone. Around 73% of the entire power generated in the country is coal based. 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 energy especially solar. This is certainly a welcome move as it would supplement coal's role, if not entirely substitute it. 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 India coal stood at 319 Billion tonnes as on 1st Apr'18 (upto a depth of 1200 mtrs).

Against this backdrop, you will be proud to know that your company spearheads the country's coal production and produces around 84% of the nations's entire coal output. It is only Coal India Limited which virtually fuels and empowers the power sector in the country. Around 78% of the company's entire coal supply is catered to power sector. It would not be an exaggeration to state that CIL is synonymous with India's energy scenario. Notwithstanding the extraneous factors, CIL is committed to increase its coal supply and meet the coal demand in the country with a pledge to do better on all fronts and make a difference.

With the rural electrification programme and 24X7 power for all, your company is poised to play a greater and more responsible role as energy supplier in fulfilling the noble cause of the Government.

For the development and growth of the nation, we have to accept the fact that both coal and renewables have to coexist and complement each other in the years to come. Only then, we will be able to chart a course, for sustainable, efficient, effective and competitive India.

On one hand, it will require us to reduce the development risks and constraints to coal mining and on the other, ensure that the coal industry in India continues its focus on environment and sustainability practices. There has been significant growth on all parameters of environment and sustainability in coal mining in India – land reclamation, water conservation, forest and wildlife conservation, adoption of renewables, safety, community development, R&R, etc. However, more needs to be done and being the vanguard of the Indian coal industry, CIL is committed to do more than what is expected from it.

2. Notable Achievements of 2017-18

The performance of your company was commendable during financial year 2017-18. The company had created 'many new highs' as under:-

- Achieved an all-time high off-take of 580.28 Million Tonnes with 6.8% growth compared to the last year.
- In fact, coal off-take had surpassed the production by a margin of 12.9 Million Tonnes with Ministry of Coal, Ministry of Railways and CIL synergizing their efforts to push more coal into the system with increased loading of rakes.
- Power Sector, the largest coal-consuming segment was supplied with 454.24 Million Tonnes of coal, the highest ever off-take so far to this segment. The growth was again 6.8% compared to the last year's achievement of 425.40 Million Tonnes.

- > Coal production of 567.36 Million Tonnes showed an increase of over 13 Million Tonnes in absolute terms compared to the last fiscal clocking a growth of 2.4%.
- ➤ Besides ensuring highest coal production till date, coal inventory as on 1st April 2018 stood at 55.55 MTs against 68.42 MTs of last year, thereby resulting in stock liquidation of about 13 MTs.
- Commissioned two long pending major rail infrastructure projects Tori- Balumath section (in Tori- Shivpur division under jurisdiction of CCL) and Jharsuguda- Barpali- Sardega section (under jurisdiction of MCL) which were built on deposit basis. I am happy to announce these sections are now operational.
- Two coking coal washeries, Dahibari washery with a capacity of 1.6 MTY and Patherdih washery with 5 MTY were commissioned. Plans are on the anvil to set up a non-coking coal washery in the Ib-Valley for which letter of award was issued.
- Two new Coal Handling Plants with Rapid Loading System in Khadia of 6 Million Tonnes Per Annum in Northern Coalfields Limited and of 15 Million Tonnes Per Annum in Bharatpur of Mahanadi Coalfields Limited have been commissioned.
- ➤ 10 coal projects with an ultimate capacity of 41.39 Million Tonnes per year with sanctioned capital of Rs. 1524.27 Crores have been completed.
- ➤ 24 Environment clearances were received by CIL and its subsidiaries for a total of 237.22 Million Tonnes of coal per annum. Besides this, 14 (Stage-I) Forest Clearances covering an area of 1919.49 Ha and 7 (Stage-II) Forest Clearances covering an area of 832.55 Ha were also secured during the year.
- In the calendar year 2017, fatalities in CIL and its subsidiaries have decreased by 33% and serious injuries by 9% as compared to 2016.
- The 10th Wage Agreement benefitting over 3 lakh workers across the country was finalised in the 10th meeting of JBCCI consisting of representatives of both CIL Management and of Central Trade Unions on 10th October 2017 much to the satisfaction of the employees who received a 20% wage increase.

3. Financial Performance:

Your Company is one of the highest contributors to the Government exchequer both – Central and State Governments. Coal India paid corporate taxes of Rs. 7,432.89 crores to Government of India in financial year 2017-18.

Your Company and its subsidiaries had also paid/adjusted Rs.44,046.57 crores in Royalty, GST, Cess, District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET) and other levies.

During 2017-18, Coal India earned a pre-tax profit of Rs.10,726.44 crores and a Profit after Tax of Rs. 7,020.22 crores.

Your company had paid an interim dividend of Rs.10,242.24 crores @ Rs.16.50 per share. Of the total dividend, the share of Govt. of India was Rs.8,044.86 crores and the rest Rs.2,197.38 crores was given to other shareholders.

4. Strategies for Growth

Coal India is tasked with meeting challenging targets in the years ahead. Going forward, in order to meet the production targets, Coal India needs to step up its growth rate.

- A total of 11 coal blocks have been allotted to Eastern Coalfields Limited, Bharat Coking Coal Limited and Western Coalfields Limited put together. These new blocks will help these subsidiaries produce more than 100 Million Tonnes of coal per annum in near future.
- ➤ 4 coal mining projects with an ultimate capacity of 24.60 Million Tonnes per year and total capital investment of Rs. 4,155.46 Crores were approved by CIL Board which would help maintain Coal India's production growth tempo.

To further sustain the growth momentum in its production and offtake in future, Coal India has formulated following multi-pronged strategies:-

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

In order to achieve the planned growth in production and evacuation in future, CIL has undertaken major Rail Infrastructure Projects. These projects will be implemented either by Railways or through Joint Venture Companies formed with IRCON (representing Railways), Subsidiary Company (representing CIL) and concerned State Government.

13 projects for coal evacuation have been identified:

- 3 funded by coal companies.
- 4 funded by Special Purpose Vehicles.
- 6 funded by Railways.

On deposit Basis by CIL (3 Nos)

- 1. Tori Shivpur (Double BG Line).
- 2. Jharsuguda- Barpalli-Sardega Rail link (SECR) Commissioned on 05.04.2018.
- 3. Rail Connectivity Lingaraj Silo with existing Deulbeda siding at Talcher Coalfields of MCL.

To be taken up by Railways (2 Nos)

- 1. Singrauli-Shaktinagar via Karaila Road (Doubling of the line) (EC Railways).
- 2. 4th line in Jharsuguda-Bilaspur (SECR).

Through JVs/SPVs by CIL (1 No)

1. Angul- Balram rail link (through MCRL).

The balance 7 rail lines that are likely to facilitate coal evacuation are envisaged to come up in the future as under:

Through JVs/SPVs by CIL (3 Nos)

- 1. Shivpur-Kathautia Railway Line.
- 2. East Corridor through CERL.
- 3. East-West Corridor through CEWRL.

To be taken up by Railways (4 Nos)

- 1. Third line Barkakana-Barwadih-Garhwa Road.
- 2. DFC- Dadri to Sonenagar & extension upto Koderma.
- 3. Third and fourth lines from Talcher to Budhapunk (10 km) and
- 4. Third line from Budhapunk to Rajatgarh (62 km).

(ii) Acquisition and Possession of land:

In all subsidiaries of Coal India, the major portion of land is acquired under Coal Bearing Areas (Acquisition & Development) Act, 1957. During 2017-18, notification under section 9 (1) has been issued for 10,688.904 Ha and notification under section 11 (1) has been issued for 11,899.112 Ha.

During 2017-18, 3,687.61 Ha of land has been taken into possession in different subsidiaries of Coal India Limited.

(iii) WEB Based Online Monitoring System:

Monitoring of 69 coal-mining projects costing more than Rs. 150 Crores with Project monitoring software MS Project have been started in Coal India limited during the year 2016-17. Apart from regular interactions with subsidiaries, regular workshops are also being organized to train the executives in MS Project software.

CIL in association with CMPDI recently launched a Mine Data Base Management System (MDMS) portal to monitor the ongoing projects costing Rs 20 Crores and above in CIL.

Crucial issues are also being uploaded by CIL and its subsidiary companies on the Ministry of Coal e-CPMP portal and Ministry of Coal is vigorously following up with the State Governments and other associated ministries by holding meetings with concerned officials to accelerate EC & FC approvals.

(iv)Technology Development

Exploration capacity is being augmented with more use of hydrostatic drills, geophysical loggers, 2D/3D Seismic Survey Technology and Optimization of number of coring/non-coring boreholes based on the complexity of geology of the block. State-of-the-art 'Paradigm software' for seismic data processing and interpretation has successfully been commissioned to enhance the

quality processing of data and its utilization. Sercel make 'mini vibrator seismic energy' source has been procured which will enable to record seismic traces from depths in the range of 800-1000 metre with better resolution and thereby advancing coal exploration.

➤ CIL has introduced high capacity Heavy Earth Moving Machineries, Operator Independent Truck Dispatch System (OITDS), in-pit crushing & conveying to augment its coal production and operational efficiency. Other technologies like High Angle Conveyor and Pipe conveyor are proposed for coal transportation which will reduce the operational cost of the mine. For slope stability, CIL is using slope stability radar and is planning to introduce this technology in all open cast mines, for improving the safety and consequently, productivity of the mine. Drones were used for the first time in CIL for benchmarking its capabilities in various technical applications like generation of contours, ortho photos and computation of stock pile volumes.

➤ Introduction of Continuous Miner Technology on large scale including Bolter Miners and Low Height Continuous Miners, Long Wall Technology at selected places, Man Riding system in major mines and Use of Tele-monitoring techniques continue to receive priority to increase production from underground mines. Multi Utility Vehicles (MUV) and Free Steered Vehicles (FSV) are also being deployed for quick, safe and efficient transport of material and men respectively in mechanised underground mines.

(v) Other Improvement Areas

- > To synergize the total operational processes and further facilitate effective decision making, Enterprise Resource Planning (ERP) is being implemented in Coal India. This will ensure cohesive, cogent and efficient inputs into the system resulting in rationalisation of resources and finally cost reduction.
- The Union Government has recently allowed Coal India to extract natural gas, Coal Bed Methane from coal seams. Earlier Coal India had to apply for a license to Ministry of Oil and Natural Gas to extract CBM from its coal seams. With this move, Coal India and its subsidiaries no longer require such permission. CIL is planning to set a coal based methanol plant at Dankuni Coal Complex of SECL. In the fiscal 2017-18, the licensors for supply of coal gasification technology have been pre-qualified and a Pre-Feasibility Study for producing 6.76

Lakh metric tonnes per annum of methanol has been completed. The methanol to be produced at DCC will likely find a definitive market in the eastern states of India once the policy of Government for blending of methanol with petrol comes into practice.

- ➤ Vision 2030 for Coal Sector has been deliberated with the subsidiaries. A workshop with the stakeholders has also been conducted and with the recommendation of CIL Board, it was sent to Ministry of Coal for initiation of further action.
- ➤ CIL and its subsidiaries have introduced various initiatives using information technology (IT) to increase transparency and for optimum utilisation of resources. E-office, a solution from NIC was implemented to ensure paperless office. An e-portal was launched by CIL for quality monitoring of its coal by the customers. CIL has also launched mobile apps like SEVA and GSKV for its customers, Biometric attendance has been introduced in CIL and its subsidiary companies.

(vi) Customer Satisfaction

- i.For enhanced customer satisfaction, special emphasis has been given to Quality Management of coal from mine to dispatch point.
- ii.Continuing with the steps for independent assessment of grades of mines through various academic institutes of national repute, annual grade declaration of 2018-19 has been finalized by Coal Controller Office. A total of 386 mines were re-assessed and out of these 61 mines were downgraded and 42 mines were up-graded.
- iii.In order to monitor coal quality, a portal UTTAM (Unlocking Transparency by Third Party Assessment of Mined Coal) has been launched by CIL to capture entire life cycle of sample. With the help of the portal, information of coal quality on regular basis will be accessible to both Coal companies and Consumers.

5. Green Initiatives

Environmental and eco-system restoration is a conscious effort in Coal India. Your company is aware of the importance of environmental issues and tries to the extent possible to restore the environment and Nature to its original pristine condition. Mandatory obligations apart, Coal India takes it upon itself as a moral obligation.

To promote Green Initiatives taken by Government of India, CIL had submitted Green Energy Commitment letter to MNRE for developing 1000 MW Solar Power Projects. For implementation of these projects, CIL has signed MoU with Solar Energy Corporation of India (SECI).

In the 1st phase, tender was floated for setting up of 2x100 MW Solar PV Project in the state of Madhya Pradesh. But, due to downward trend in prices of solar projects and availability of land in Madhya Pradesh Solar park, the tenders were cancelled and SECI is in the process of retendering the same in the state solar park of Madhya Pradesh.

CIL has taken initiatives for installation of more than 3000 MW capacity Solar Power Plants to become a 'Net Zero Company'.

Plantation and Green belt are developed through extensive tree plantation programme every year by the subsidiaries of Coal India. The subsidiaries of CIL have planted around 96 million plants covering an area over 38378 Ha. During 2017-18, 1.99 million saplings have been planted covering an area of 821.52 Ha.

6. Safety - Always a priority

Safety at work is always our utmost priority. Safety is engrained in our mission statement and is one of the most influential factors in our inclusive business strategy. Your Company has framed a well-defined safety policy to ensure safety in all its mines and establishments. All our operations, systems and processes are meticulously planned and designed with due regard to safety, conservation, sustainable development and environment. Our best endeavours are continued for achieving 'Best Safety Practices and Preventive Safety Culture'. CIL has adopted internationally recognized advanced tool for Risk Management in its mines. Your company encourages and promotes a proactive participatory safety culture to improve safety awareness at all levels. This year we have introduced "Safety Flag" as a symbol for CIL's endeavour in fortification of Mine Safety and observation of ILO's "World Day for Safety and Health at Work" to promote, enhance and instill awareness and appreciation on the importance of occupational safety and health and to stimulate mutual cooperation and support amongst all stakeholders of safety.

Over the years, the safety standard of our mines have improved appreciably due to sincere commitment and mutual efforts, continuous and sustainable safety awareness drives, imparting the best training and application of the technology. Our accident statistics - the relative indicator for mine safety, have touched to an all time lowest figures in 2017 since inception of CIL in 1975. However, we are not complacent and our sincere efforts are persisted for further improvement in safety standard to achieve 'Zero Accident'.

7. Corporate Social Responsibility

Apart from improving the quality of lives of people, your company's Corporate Social Responsibility initiatives also take them along towards company's goal by partnering with them. While pursuing enhancement of Coal production, CSR is being undertaken for inclusive growth of community as a whole. Your Company had spent Rs. 483.78 crores in FY 2018 on CSR initiatives. Major activities undertaken are:

- 1. Cure and better management of disease in Thalassemia patients by way of financial assistance of Rs. 10 lakhs per patient through Christian Medical College, Vellore, Tata Medical Centre, Kolkata, Rajiv Gandhi Cancer Institute and Research Centre, New Delhi, All India Institute of Medical Sciences, New Delhi and Post Graduate Institute of Medical Education and Research, Chandigarh.
- 2. Different development works in Purulia, West Bengal through The Energy and Resources Institute (TERI):-
- a. Promoting renewable solutions for the energy needs of the households Installation of Integrated Domestic Energy Systems and Solar Street Lights
- b. Agriculture, greening and capacity building initiatives.
- c. Sanitation Construction of Individual Household toilets in 5,660 households.
- d. Education through Knowledge cum Resources Centers in 40 schools.
- 3. Construction of Medical College and hospital Mahanadi Institute of Medical Science and Research (MIMSR) by MCL at Talcher, Odisha.
- 4. CCL KE LAL / CCL KI LAADLI an initiative aimed at facilitating the meritorious students of PAPs (Project Affected People)

residing in the command areas of CCL by providing them coaching from experts with lodging, boarding and formal schooling for Classes 10 & 12 to prepare them for appearing in admission in premium Engineering colleges like IIT, NIT and other prestigious colleges of the country.

- 5. Adoption of Green Highway by SECL Roadside plantations (around 100km) along NH-78 from Shahdol to MP/CG Border implemented through NHAI.
- 6. Treatment of villagers through Mobile Medical Vans by BCCL more than 1.19 lakh beneficiaries.
- 7. Financial support towards setting up of Indian Institute of Liver and Digestive Sciences (IILDS) at Kolkata by CIL by way of procurement of advanced medical equipment.

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 Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. As required under the 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 was subjected to Secretarial Audit for 2017-18, as required under Companies Act 2013 and the Secretarial Audit Report is enclosed as a part of Directors report.

9. Vision

Coal India'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 contemporary, professional, consumer friendly and successful 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 an affordable and environmentally friendly manner. Your company aims to be not only a valued company but a company with values.

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, Auditors, Consumers, Suppliers and all other stakeholders for their continuous co-operation.

Anil Kumar Jha Chairman

Kolkata

Date: 12th September' 2018