


<p>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- <u>L23109WB1973GOI028844</u></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: <u>mviswanathan2.cil@coalindia.in</u> WEBSITE: <u>www.coalindia.in</u> CIN- <u>L23109WB1973GOI028844</u></p>
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Ref.No.CIL:XI(D):4156/4157:2019: 23441

Dated: 21st Aug'2019

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 2018-19

Dear Sir,

45th Annual General meeting of Coal India Limited was held on **Wednesday, the 21st August'19 at 10.30 A.M** at the **Science City**, Main Auditorium, JBS Haldane Avenue, Kolkata-700046. As per the AGM notice, Ten (10) proposals were proposed as under:-

- (1) Audited Financial Statements (**Standalone and Consolidated**) of the Company for the financial year ended March 31, 2019 including Audited Balance Sheet as at March 31, 2019, 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 1st & 2nd Interim dividends paid @ Rs. **13.10** per share for the financial year 2018-19 as final dividend for the year 2018-19.
- (3) Re-appointment of **Smt. Reena Sinha Puri** [DIN-07753040] 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 Smt. Loretta M.Vas, [DIN:02544627] as an Independent Director of the Company, who was appointed by the Board of Directors as an Additional Director for a period of one year from 17th November'2018 or until further order from Govt. of India, whichever is earlier.She is not liable to retire by rotation
- (5) Appointment of Dr. S. B. Agnihotri, [DIN:03390553] as an Independent Director of the Company, who was appointed by the Board of Directors as an Additional Director for a period of one year from 17th November'2018 or until further order from Govt. of India, whichever is earlier. He is not liable to retire by rotation.

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- (6) Appointment of Dr. D.C. Panigrahi, [DIN:07355591] as an Independent Director of the Company, who was appointed by the Board of Directors as an Additional Director for a period of one year from 17th November'2018 or until further order from Govt. of India, whichever is earlier. He is not liable to retire by rotation
- (7) Appointment of Dr. Khanindra. Pathak, [DIN:07348780] as an Independent Director of the Company, who was appointed by the Board of Directors as an Additional Director for a period of one year from 17th November'2018 or until further order from Govt. of India, whichever is earlier. He is not liable to retire by rotation.
- (8) Appointment of CA Vinod Jain, [DIN:00003572] as an Independent Director of the Company, who was appointed by the Board of Directors as an Additional Director for a period of one year from 17th November'2018 or until further order from Govt. of India, whichever is earlier. He is not liable to retire by rotation.
- (9) 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, 2019.
- (10) Appointment of **Shri Sanjiv Soni** [DIN-08173548], as a Whole Time Director, who was appointed by the Board of Directors as an Additional Director to function as Director (Finance) of the Company with effect from 10th Jul'19 and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Companies Act,2013 proposing his candidature for the office of the Director for the remaining term of his tenure. He is liable to retire by rotation.

First three proposals were under Ordinary Business and balance 7 proposals were under Special Business.

CIL has provided remote e-voting facilities through NSDL from 18th Aug'19 to 20th Aug'19. 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 Aug'19 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 45th 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,

Mk
21/8/19

(M.Viswanathan/एम॰विस्वनाथन)

Company Secretary/कंपनी सचिव
& Compliance Officer/कम्प्लायंस ऑफिसर

Enc: As above

एम. विस्वनाथन / M. Viswanathan
कंपनी सचिव / Company Secretary
कोयला इंडिया लिमिटेड / Coal India Limited
ब्लॉक भावन, 3rd फ्लोर, कोर-2 / Coal Bhawan, 3rd floor, Core-2
कोयला इंडिया लिमिटेड, कोलकाता-700156

CHAIRMAN'S SPEECH

At the 45th Annual General Meeting held on Wednesday, August 21, 2019



Coal India Limited

A Maharatna Company

www.coalindia.in

CIN: L23109WB1973GOI028844

Dear Shareholders,

I am delighted to welcome you all to 45th Annual General Meeting of your company i.e. Coal India Limited. The Directors' Report and Financial Statement for the year ended 31st March'2019 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

In India, Coal is irreplaceable as prime energy and it would continue to be so in the foreseeable future. Coal accounts for around 55% of the India's primary commercial energy. Nearly 72% of the entire power generated in the country is coal based, which is a testimony to the importance of coal. Admittedly, a conscious impetus is laid on alternative clean and renewable energy sources, especially solar. India targets to add renewable energy capacity to 175 GW by 2022 and 275 GW by 2027. This move is in accordance with Paris protocol and certainly a welcome step as it would supplement coal's role, if not entirely substitute it. World over, many countries are migrating from coal to cleaner forms of renewable energy sources but in India, the situation is different from the world scenario. The question is can renewables take over coal completely in our country? Not in the near future at least. It would not be an exaggeration to state that CIL is synonymous with India's energy scenario.



In India, the current power demand is being met predominantly by coal and through a lesser extent by Solar, Wind, Hydel and natural gas. For the past couple of years, India accounted for around 11% of the global coal consumption. India remains the second largest coal consumer in the world.

With Coal holding such a large sway in the Indian energy sector, your company spearheads the country's coal production and produces around 83% of Nation's entire coal output. During 2018-19, around 81% of the company's entire coal supply was catered to power sector. Importantly, Coal India ascertained that as of 1st April 2019 there was not a single coal fired power station in the country that was in critical or super critical condition for want of coal. Notwithstanding the extraneous factors, your company 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.

India's energy use is projected to grow at a rapid pace to fuel economic development, increased urbanization, improved electricity access, manufacturing base and rural electrification programme. This is where your company is poised to play a greater and more responsible role as energy supplier in fulfilling the noble cause of the nation.

Renewables and coal have to co-exist for some time before renewable can significantly contribute to a larger share of India's energy basket. At some point of time in future this is bound to happen but till such time coal remains the dominant energy source in the country.

2. Notable Achievements of 2018-19

The performance of your company was excellent during the financial year 2018-19. The company's high orbit performance had created 'many new highs' as under:-

- Your company had breached 600 Million Tonne (MT) mark in coal production and off-take ending FY 2019 by producing 606.89 MTs of coal and supplying 608.14 MTs, clocking growths of 6.97% and 4.8% over previous year respectively.
- The upbeat production tempo of your company in the recent years was evident in the fact that it leaped from 500 MTs production to 600 MTs in a mere three years, whereas it took the company seven years to migrate from 400 MTs production to that of 500 MTs.
- NCL went past its production target of 100 MTs, 5 days ahead of the closure of the fiscal, in the process becoming the third subsidiary of CIL to join the coveted 100 MTs producing companies after SECL and MCL. In another new high, SECL became the first subsidiary company of CIL to cruise over 150 MTs production mark. ECL and WCL have become 50 MTs plus companies for the first time.
- Scripting a new high in coal supplies to thermal power plants of the country, CIL's sources supplied 491 MTs of coal against 454 MTs supplied last fiscal the increase in volume terms being approximately 37 MTs clocking a year-on-year growth of 8.2%.
- The synergy between Railways, Ministry of Coal and Ministry of Power resulted in overall rake loading

(including Washeries and Goods-shed) evincing a growth of 5.6% during FY 2019 compared to previous year as CIL on an average loaded 280.7 rakes/day during the fiscal, against 265.8 rakes last fiscal. The increase in absolute number is 14.9 per day.

Coal India Limited and NLC India Limited (NLCIL), coming together in a significant step, have inked a Memorandum of Understanding (MoU) in October 2018 for formation of Joint Venture (JV) Company for Solar Power Generation of 3,000 MW and Thermal Power Projects of 2,000 MW capacity.

Coal India Limited on 3rd October'18 has aligned itself as corporate partner of International Solar Alliance (ISA) through a contribution of 1 Million (US \$), a little over Rs. 6.75 Crores, to ISA's corpus fund. This significant step entails the company to take advantage of technical know-how in renewable energy field using ISA's digital platform while implementing its solar power projects. As a part of taking its green initiatives further combined with climate mitigation commitment, CIL has taken steps for installation of 3,000 MW capacity Solar Power Plants to become a 'Net Zero Company'.

Coal India Limited has fast tracked the process of procuring various types and sizes of high capacity Heavy Earth Moving Machinery (HEMM) that would be pressed into operation in its opencast mines – the major source of coal production.



Shri Anil Kumar Jha, Chairman

- CIL Planted 18.1 Lakhs saplings in 733 Ha Land in mine leasehold area during 2018-19.
- Dahibari Washery with a washing capacity of 1.6 MTY commissioned in August 2018 has achieved 51% capacity utilization during FY 2019.
- Two major rail links funded by CIL subsidiaries - Jharsuguda- Barpali- Sardaga in Odisha and Tori - Shivpur in Jharkhand have become operational.
- MDMS (Mine Data Management System) portal has been designed by PMD in technical collaboration of ICT Division, CMPDI to store all the salient features of PR, data of ongoing projects and their performance against PR provision. Based on this information, reports can be generated facilitating various management decisions.
- All the subsidiaries of CIL had earned Profits during the year.
- Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) the measure of a company's operating performance has been restored to 30% after a long gap.
- Your Company and its subsidiaries had also paid/adjusted Rs. 44826.43 crores in Royalty, GST, Cess, District Mineral Foundation (DMF), National Mineral Exploration Trust (NMET) and other levies.

4. Strategies for Growth

To meet the increased coal demand of the country, 9 Mining projects with capacity of 69.88 MTY having a Sanctioned Capital of Rs. 9093.07 Crores were approved by CIL Board. In addition, 2 Non Mining Rail

Highlights for Financial Year 2018-2019

- As on 01.04.19, not a single power plant in country was in critical, super critical list of CEA for want of coal.
- CIL has paid / adjusted ₹ 44826.43 crores to Government Exchequer.

Gross Sales
₹ 140603 Cr
(up 11%)

PBT
₹ 27,125.46 Cr
(up 152%)

PAT
₹ 17462.18 Cr
(up 148%)

3. Financial Performance 2018-19:

- Your company achieved an unprecedented financial performance, for FY 2018-19 which was the best ever on many fronts since the inception. CIL had created many significant milestones.
- Profit After Tax for 2018-19 zoomed upto Rs. 17,462.18 Crores against Rs. 7,038.44 Crores the previous year registering a 148% growth, while Profit Before Tax at Rs. 27,125.46 Crores for FY 2018-19 grew by 152% against Rs. 10,770.31 Crores for FY 2017-18.
- CIL as a whole had recorded highest ever Gross Sales of Rs.1,40,603 Crores and Net Sales of Rs. 92,896.08 Crores.

Projects with a sanctioned capital of Rs. 6656.33 Crs have been approved by CIL Board.

18 proposals with 4110.418 Ha Forest land were granted Stage-I Clearance & 7 proposals having 1045.47 Ha were granted Stage-II Clearance.3398 Ha land has been possessed in different subsidiaries of CIL.

5. Other Development Areas

ERP- Coal India Limited, on 18 September'18 inked a Rs. 270 Crore contract with Tech Mahindra for design and implementation of a robust, state-of-the-art Enterprise Resource Planning (ERP) and Hospital Management system in CIL and its subsidiaries. The effort is aimed to integrate all aspects of business operations into a single easy to use system and

effectively plan, manage and optimize all the organizational resources through standardization of business processes and best practices. The project has already kicked off and will Go-live in 24 months i.e. by Sep'2020.

Important Project Milestones accomplished till date include commissioning of ERP Centre at CIL, HQ and setting up of rental cloud infrastructure hosting 300 SAP licenses for Development and Training Phase.

6. Safety

For assessing safety of mines, Safety Audit of most of the operating mines of subsidiaries has been conducted through multi-disciplinary Inter-Area Safety Audit teams in 2018. Safety Committee members and other mine officials have been directly sensitized on the process of Risk Management by SIMTARS, Australia accredited executive trainers of CIL.

Mine Rescue Team of WCL, a subsidiary of CIL achieved "Most Active Team" Award in the International Mines Rescue Competition (IMRC) 2018 held at Yekaterinburg, Russia. An in-house Rock Testing Laboratory established in Nagpur, WCL for determination of Rock Mass Rating (RMR) of strata was accredited with NABL certificate.

7. Make in India Initiative

Under the 'Make in India' initiative of Govt of India, CIL had placed trial order on M/s. BEML, to indigenously develop 190T and 150T dumpers. These dumpers have since been supplied and commissioned and resulted in savings of foreign exchange of Rs. 22.15 Crores (approx.)

8. Agreement For High Speed Diesel (HSD)

CIL had concluded agreements with Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited for availing a uniform discount of Rs. 900/KL on supply of HSD to all subsidiaries/units of CIL. This positive move is expected to save an approximate Rs 75.73 Crores for the two-years period from 01-02-2019 to 31-03-2021.

9. Extension of Long Term Agreement (LTA):

In order to have an assured and uninterrupted supply of Bulk explosives, CIL had renewed the Long Term Agreement with Indian Oil Corporation Limited (IBP Division) for a further period of 5 years i.e. from 1st August 2018 to 31st July 2023 for supply of 30% of the total requirement of Bulk explosives to CIL.

10. CSR

Under the CSR Project "Cure and better management of disease in Thalassemia Patients", 105 Bone Marrow Transplantation Operations have been conducted upto Jun'19 at six prominent hospitals giving relief to the patients.

Another project of prominence is the Rural Development Project of TERI in Purulia District for holistic development of the region. As of now 8,891 Solar Home Lighting System, 100 solar street lights, 7,342 improved cook stoves have been installed. In sanitation, around

5,500 toilets are completed till June 2019.

Plans to sign an MoU with CPCB are on the anvil for setting up of Air Quality Monitoring Station in 16 cities of the country at a total project cost of Rs.65.26 crores.

A 300 bedded hospital has been provided financial assistance in Godda, Jharkhand. A medical college and hospital are coming up in Talcher with financial assistance of MCL.

11. 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 for compliance of conditions of Corporate Governance has been obtained from a practising Company Secretary.

Your company has conducted Secretarial Audit for 2018-19, as required under Companies Act 2013 and obtained an unqualified report and the same is enclosed as a part of Director's Report. As stipulated by SEBI, your company also conducted Secretarial Audit by a practising Company Secretary of compliance of SEBI Regulations and circulars/guidelines during 2018-19 and received an unqualified report.

12. 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 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.

13. 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.

Date: 21st August 2019
Kolkata

Anil Kumar Jha
Chairman

