

<p>कोल इण्डिया लिमिटेड कंपनी सचिवालय 3 तल्ला, कोर-2, प्रेमिसेस-04-एमआर, प्लॉट-ए एफ-III, एक्शन एरिया-1A, न्यूटाउन, रजरहट, कोलकाता-700156, फोन 033-23246526, ईमेल: comsec2.cil@coalindia.in वेबसाइट: www.coalindia.in सी आई एन - L23109WB1973GOI028844</p>	 <p>एक महारत्न कंपनी A Maharatna Company</p>	<p>Coal India Limited Company Secretariat 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, E-MAIL: comsec2.cil@coalindia.in WEBSITE: www.coalindia.in CIN- L23109WB1973GOI028844</p>
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Ref.No. CIL:XI(D):4157/4156:2023:

Dated:23.11.2023

To,
Listing Department,
Bombay Stock Exchange Limited,
14th Floor, P.J. Towers, Dalal Street,
Mumbai – 400 001
Scrip Code 533278

To,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.
Ref: ISIN – INE522F01014

Sub: - Transcript of Investors' meet for CIL's post Q2 FY24 Results as per Regulation 46 of Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing regulations 2015")

Dear Sir,

Further to our letter no CIL:XI(D):4157/4156:2023: dated 22.11.2023, we are enclosing transcript of Investors' meet held on 21st Nov'2023 for "CIL's post Q2 FY24 Results" as **Annexure A**.

This is for your information and record.

Yours faithfully,

(बी पी दुबे/B. P Dubey)

Company Secretary/कंपनी सचिव

& Compliance Officer/कम्प्लायंस ऑफिसर

Encl: As above



“Coal India Limited
Q2 FY '24 Earnings Conference Call”
November 21, 2023



MANAGEMENT: MR. P.M. PRASAD – CHAIRMAN – COAL INDIA LIMITED
MR. DEBASISH NANDA – DIRECTOR BUSINESS DEVELOPMENT AND DIRECTOR OF FINANCE, ADDITIONAL CHARGE – COAL INDIA LIMITED
MR. MUKESH CHOUDHARY – DIRECTOR MARKETING – COAL INDIA LIMITED
MR. S.K. MEHTA – CHIEF FINANCIAL OFFICER, ED FINANCE – COAL INDIA LIMITED
MR. B.P. DUBEY – COMPANY SECRETARY – COAL INDIA LIMITED

MODERATOR: MR. ROHIT NATARAJAN – ANTIQUE STOCK BROKING

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY '24 Earnings Conference Call of Coal India hosted by Antique Stock Broking. There will be an opportunity for you to ask questions after the presentation concludes.

I now hand the conference over to Mr. Rohit Natarajan from Antique Stock Broking. Thank you, and over to you, sir.

Rohit Natarajan: Thank you, Zico. Good evening all, and thanks for logging in the call. We are pleased to host Shri P.M. Prasad, Chairman CIL, for the investor call post Q2 FY '24 earnings and to discuss his views on the coal sector. Along with him, we have Shri Debasish Nanda, Director Business Development and Director of Finance, Additional Charge; Shri Mukesh Choudhary, Director Marketing; Shri S.K. Mehta, CFO, ED Finance; Shri B.P. Dubey, Company Secretary.

Now I hand over the call to Shri B.P. Dubey, Company Secretary, CIL. Over to you, sir.

Bijay Prakash Dubey: Thank you, Mr. Natarajan. I extend a warm welcome to all the participants to the conference call. CIL's top management led by Shri P.M. Prasad is there to address all the queries. The corporate presentation is in NSE and BSE website and also on the website Coal India Limited. The con call is expected to have a duration of around is 1 hour. I request all the participants to kindly adhere to the time line.

I request Mr. Natarajan to kindly -- before the meeting, I request the Chairman for his opening remarks.

P M Prasad: Mr. Natarajan and all the participants, Jai Hind, a very good evening. And we welcome from Coal India. And we are ready, and whatever queries we are ready to answer. And with the encouraging H1 results both in coal production, dispatches and overburden removal and overall dispatches and also to powerhouses. Almost as per schedule, we are going, both Q1 and Q2. Our H1 is completed. And even month of October and November, Q3 is also, as per schedule we are growing. And as per the target of 780 million tons this year, we are progressing. Now over to you, we can...

Bijay Prakash Dubey: Mr. Natarajan, you can probably start with Q&A session. I request participants to kindly introduce themselves one by one. Thank you.

Moderator: Thank you. Our first question is from the line of Amit Dixit from ICICI Securities. Please go ahead.

Amit Dixit: Yes. Congratulations for a good set of numbers. I have 2 questions. The first one, if I look at the subsidiary-wise volume for this year, so until October, what we have seen that MCL's volumes have remained quite flat, I mean, say, 1% growth YTD October. And I just wanted to understand what's going on over there because MCL was a subsidiary that showed very good growth over the past 2 years. So have we hit a plateau or something? Or what kind of long-term growth plans you have for the subsidiary? Also if you could highlight the incremental volume growth we can expect for BCCL? That would be great. This is my first question, sir.



P M Prasad: Number one, in MCL, there was a land issue in 1 of the fields, Basundhara coalfield. From July 2 to almost July 27, almost 26 days, that field was stopped by villagers in demand of higher compensation of the land and other things, employment. We are -- immediately, from 2nd from 3rd, it was flagged Chief Secretary, Odisha and Ministry of Coal. But somehow, it was -- almost 3.5 weeks it has taken to settle. And the Team MCL and Team Coal India quite sure that target of 204 million will be ensured. And MCL, initially, it was lagging even in August, September, but now it has turned around and the company is in a growth trajectory. And we are pretty sure that it will do 204 million. There is no doubt, number one.

Number two, overburden, it is doing well. And other land issues, small issues, we are taking care. In case of BCCL, yes, it is in last 2 years, it is also stellar growth in the company, 36.18 million last year and 41 million this year we have to do. And with a growth of 11%, it is quite on course. There is, right from first month onwards. BCCL has steady growth. And BCCL will let you all the 3 parameters: production, coal dispatches to railway sector, power plants and also OBR, all 3 it's going well.

Amit Dixit: So basically, you mentioned 41 million tons is the target for the year?

P M Prasad: Yes.

Amit Dixit: Okay. Sir, the second question is on e-auction. So what is our targeted e-auction volume for the second half of the year? And if you could highlight the latest e-auction premium over notified price that is currently going on, on an average?

P M Prasad: It is a percentage of premium was -- notified price, it is 90% at -- overall as Coal India as a whole. In BCCL it is 56%; ECL, 71%; CCL, 114%; NCL, 114%; Mahanadi, 107%. It is almost 90% premium over notified price whereas [Quanti] offered in that -- whatever we offer, what the 51 million, 45.6 million was booked. So primarily, we have to supply these power plants and then we have to balance this e-auction. Both goes together. In power plant, we are supposed to give 610 million. We are quite sure that we will be committing and we will be fulfilling 610 million. And after that, this e-auction and other than that, supplies to RINL also we are taking care.

Amit Dixit: What do you expect e-auction volume to be for second half of the year, H2?

P M Prasad: 15% of production, you can say, roughly.

Amit Dixit: 15% of production. Okay. And the current e-auction premium, you are saying is 90%?

P M Prasad: 90%.

Amit Dixit: Okay, fine. Thanks a lot. I will come back in the queue. And all the best. Thanks.

Moderator: Thank you. Our next question is from the line of Alok Deora from Motilal Oswal. Please go ahead.



- Alok Deora:** Sir, I just had a couple of questions. Firstly, on the e-auction premium, which you mentioned about 90%, it has been a little volatile, where it went to around 50%, 60% in a few months back. So how do we see the e-auction premium moving ahead for this financial year?
- P M Prasad:** Right now, it is moving ahead quite well, but it depends on many factors: one is the demand; and number two is other international prices, markets, import quantities. But as of now, the demand is there and we are quite sure the price consideration of imports is also being taken care. We are looking into that also. But the quantities are almost being booked.
- Alok Deora:** Got it. And sir, this offtake has been pretty robust this year. So could you just comment on how the demand is right now in the last couple of months? How is it -- is the momentum continuing? Or any change you have seen in the demand pattern from across the MDO segment?
- P M Prasad:** It is in October month alone, 33% coal-based power growth is there. And it is -- but for sure, until monsoon, it will continue. The way, the demand and the railways, power sector and our coal sector being build up, almost weekly twice or thrice the subgroup meetings are being held regularly to monitor that there is no shortage on account of coal supplies. And we are taking care. And almost it is every week, at least twice or thrice the subgroup, with all the 3 ministries, it is being taken care.
- Alok Deora:** Got it, sir. Sir, just 1 last question. You actually mentioned about the e-auction volume for second half. So that 15% you mentioned is for the second half, right?
- P M Prasad:** Yes, H2.
- Alok Deora:** Okay. That's all from my side. Thank you.
- Moderator:** Thank you. Our next question is from the line of Digant Haria from GreenEdge Wealth. Please go ahead.
- Digant Haria:** So my question is, sir, the last time in the call, you said that the improved profitability that we have seen over the last 4, 5 quarters is not because of abnormal profits on e-auction, but it is because of efficiency in the whole Coal India ecosystem. Sir, can you just elaborate more that is this efficiency just coming out of the lower employee cost? Or is our mining operation getting more and more efficient? And how much more can we get out of just this efficiency part? That's my question one, sir.
- P M Prasad:** In the case of explosives and diesel, we are incurring less cost compared to previous year. This is one thing. Employee cost, though there is wage revision is there, that we have taken into consideration. But other factors, it is being curtailed. And the employee, overall manpower, we are having a slight reduction. Though the sales -- wages is there, but other factors like sales realization, it is there. And cost per ton, there is not much increase whether it is -- decrease of 1% cost per ton produced.
- Volumes -- since volumes have increased, both in case of dispatches, so our sales realization is being done and the overall production so that our stocks are also improving at our end. And



recently, last 15 days trend, in this month, particularly, about three million-plus power plant side also, the coal stocks are also being increased.

Digant Haria: Okay. Okay, sir. Sir, and the second question was that if we do reach our target of 1,000 million by -- in the next two, three years, do you see that there will be enough demand for so much coal in India itself? Or we'll also have to look for more routes like export or something?

P M Prasad: Enough coal -- enough coal for this up to 2030. There is absolutely -- there is no doubts. Future is very secured and there is a heavy demand.

Digant Haria: Sir, so basically, whatever we can mine, we can sell. That is what you are trying to say, right?

P M Prasad: Definitely. Next six to seven years, absolute, there is no issue. But rather, I will say, it is up to 2040 also. But immediately, we will keep up to 2030 the projections, for next six, seven years.

Digant Haria: Okay. Okay, sir. Sir, and lastly, like do we see this 1,000 million this target by March '26, March '27, where do we see this -- our company reaching this goal?

P M Prasad: Yes. We are progressing. Last year, 622 to 703, we are there. And again, in this year, 44 million in first seven and half to eight months, it is -- we are witnessing. So 780 -- so next year it is 850. So incrementally, we are growing 11%, 12%.

Digant Haria: Right. Okay, sir. All the best. Thank you.

Digant Haria: Thank you.

Moderator: Thank you. Our next question is from the line of Hardik Jain from Whitestone Financial Advisors Pvt Ltd. Please go ahead.

Hardik Jain: Yes, good evening, sir. Thank you for the opportunity. Sir now we have two subsidiaries, CIL Solar PV Limited and CIL Navikarniya Urja Limited. So how much capital are we planning to infuse in the subsidiaries over the next two to three years? And what are our capex plans there over the next two to three years in these two subsidiaries?

P M Prasad: Yes. See, much is being increased because this is in a solar we are entering, basically. Our net zero is, we have to go by 3,000 megawatts. So by this year-end, 250 megawatts we will be doing out of these 3,000. And one we have given in Gujarat, 100 megawatt. And one in Rajasthan, we are in discussions. But due to the elections, last two, three months, it is getting delayed. They're about 119 megawatts we have to -- we are in discussion. And 900 megawatts they already agreed if we install at INR2.64.

So it is in different stages and identification of land banks, especially 300 acres at two places in the WCL and few places in SECL. And floating solar with the UPRVUNL in this Rihand dam, Similarly, one place in Hirakud also, we are in talks with Orissa. So we are in different stages of planning, and we will be increasing. So capex as a whole for Coal India, it is INR16,500 crores. But with these two subsidiaries since the last three years only, we have started this solar, we will be going in a phased manner.



- Hardik Jain:** Okay. So this, say, over the next four to five years, if we have to do this 3,000 megawatt solar projects into two subsidiaries, which will be broadly around INR15,000 to INR18,000 crores just in solar, where equity contribution will be around, say, 30%, INR5,000 crores, INR6,000 crores, INR7,000 core. And rest will be, I think subsidiaries will take the debt for the capex, right?
- P M Prasad:** It's not exactly subsidiaries. First, we will get the orders. Coal India as a whole, I told INR16,500 crores is this year's capex. In this maybe, as a whole, if you see, maybe INR500 crores, INR600 crores to -- as we ramp up the solar, that we will take care of this capex.
- Hardik Jain:** Right. Okay. And sir, in the annual report, you mentioned that our production target for FY'25 is 840 million tons. So for next year, what will be our FSA commitment? So what I understand is, as we incrementally increase our production, our proportion of e-auction will increase or our quantity of e-auction -- the quantity that we offer for e-auction should increase over and above our FSA commitment?
- P M Prasad:** Yes, yes. It is going to increase 10% to 15% to 20% range, it will be there. So that we have to first fulfil parallelly the commitments of our sector. And parallelly, we will see this 15% to 20% range in each FSA.
- Hardik Jain:** Yes. So you mentioned that our FSA commitment for this year is, say, 610 million ton, which may increase a little bit next year. So if next year, we produce 840 million tons. So our e-auction increase in a good way, right?
- P M Prasad:** It will increase. It will increase in the same pro rata percentage, 15% to 20%.
- Hardik Jain:** Okay. And sir, government recently, we read in newspapers, they want to mine other metals like say, lithium, cobalt and other rare earth minerals. So how do you see this opportunity for Coal India? And are we doing anything to tap this opportunity?
- P M Prasad:** There are plenty of opportunities. This is a new field. Our team is also visited twice to Australia, Director BD and the team has visited. And that is at different stages. One is fully explored, that typical minerals, and others is to be explored and entirely greenfield. So the opportunities are there. Due diligence is being done at our level.
- Hardik Jain:** Okay. And sir, as we increase our production, most of this increment will be contributed by open cast mining? Or we'll have to do underground mining also as we move forward and increase our production?
- P M Prasad:** At present, our underground share is very less, 25 million tons only. So there is a target of increasing from this 25 million tons to 100 million tons by 2030. So we are focusing on underground especially with continuous mines -- this mass production technology, increasing mass production technology. So that much portion, environmental angle also is taken care.
- Hardik Jain:** But the cost -- what would be the cost difference in, versus open cast mining versus underground mining?



P M Prasad: The cost difference is definitely there. If it is 1,000 tons our cost of production, if it is open cast, 8,000 tons to 9,000 tons -- underground maybe 2,100, 22,00. But we have to see the deeper deposits have to be done by underground only. There is initially our mechanization was a little lagging. But now with the mass production technology with continuous miners, two mines like Jhanjra and this Moonidih. Similarly, in SECL, a few mines are there, continuous miner, and Churi underground one single continuous miner is also doing at least seven lakh tons per annum, and with proper care of the environment. There the dust pollutions are less. The land degradation is almost nil, zero.

Hardik Jain: Right. And sir, last question is we have already started doing e-auction our own platform, coaleauction.co.in. So going forward, we'll do all our e-auctions on our own platform or we'll be using third-party platforms from companies like MSTC?

P M Prasad: We are using our platform and we are going to be independent of that. Partly MSTC right now, we are taking their help, but we are also developing from CMPDL, our -- from Ranchi. By next year, we will be phasing out.

Hardik Jain: Okay. Thank you, sir. Thank you.

Moderator: Thank you. Our next question is from the line of Ashish Kejriwal from Nuvama Wealth Management. Please go ahead.

Ashish Kejriwal: Yes, hi. Good evening, everyone. Thanks for organising this call. That's really appreciated. Sir, a few questions from my side. You have mentioned about volume target, which is something like 12% Y-o-Y growth. So you are talking about, first of all, it's on a production target or offtake target? Because YTD, we have seen offtake increasing by just 9.5%. So and now the base will also increase from November onwards. So it is just some of the increase also seems to be difficult. Then what could be our realistic volume target for this year? That's my first question.

P M Prasad: Volume target-wise target is 780 million ton coal production. 780 million ton dispatch also we are supposed to do. But till now production target is -- production achievement is around 12%, and uptake is 9% only, as you have rightly seen and noticed. Because of the rainy season, there will be generally -- July, August, September, there will be a little less.

Right now, we are peaking up and almost the festival season is almost ended. And up to Holi there is no distractions. The volumes of dispatches is also going to pick up, and it is being picked up in MCL, SECL, where the high volume of dispatches is expected. We are right now peaking it. And we will be achieving our dispatches target also.

Ashish Kejriwal: Sir, reason being why I'm saying so because on an average also, on a month, we can do 60, 65 million tons maybe in a month. And if I do that calculation, our growth rate because of the high base of last year, it should come down by -- come down to 5% to 6% rather than 10% or 12%, which is required at least. So that's why -- what could be the probable or a realistic target, which we can achieve by looking at the monthly run rate which we have achieved so far?

P M Prasad: First thing you have to understand, this dispatch target, it depends on other factors also, other power plants lifting come outside other than the railway. In railway and at two areas, in Korba



district, in SECL, three more mega projects are there. In Mahanadi, there is a little shortage of a rakes on a daily basis. Even in rainy season, we are supposed to load end number of rakes, we are getting in both these coalfields only, five, five rakes less.

So everyday loss is a loss at that particular place. But however, in CCL, BCCL, ECL, NCL, from railways end, there is no issue. Only at two fields in SECL, MCL, there is an issue. But it will be peaking up. And overall, if you do, say, 67, 65 even by your understanding also, if we can start, will be increased at our end. Right now, it is 40, 41 million. Last year, it has went up to almost 65 to 69 million. Now it is 41.

So this 30 million, even if it ends -- even if it builds up at our end. And more plant side also, it is 20 million right now. Our target is to build there also at around 38 million. If we are there at 38 million. So at least 18 to 19 days, 20 days stock will be there. So in any case, first volumes has to come -- move from beneath the ground to surface and vis-a-vis from there to power plants. And we should focus and we will focus.

Ashish Kejriwal:

Sure. So second question is on the basis of the current evacuation facility, how much maximum we can sell?

P M Prasad:

You question about facility I am just telling you. In three, four subsidiaries, as such, there is a facility where there is no issue. There's CCL, I'm just telling an example. Tori-Shivpur line, second line has been commissioned, third line is also going to be commissioned. There, the company is doing 84 million, but we have developed at least 110 million evacuation facility whereas in some subsidiaries, a little less. So almost we will be targeting right now about 320 rakes per day. So it will be gradually, we will be touching up to 330 rakes, 340 rakes.

Evacuation, wherever it is less, even CERL, one line at Raigarh, which has been recently commissioned by -- Honourable PM has inaugurated. Similarly, the third line is also be commissioned in Jharsuguda-Barpali. In MCL, one line is being under construction. Similarly, CEWRL -- Chhattisgarh East West -- CEWRL. So different railway lines under different subsidiaries are also under construction. And one BT for us to achieve these railways connections and the other railway sidings and FMCs, almost all parallel activities are being undertaken. For that also yearly target, quarterly and half-yearly targets, developmental activities is also being monitored. If those are taken care, this evacuation wise there will not be any problem.

Ashish Kejriwal:

Okay. So sir, to sum it up, I think from the evacuation side, if demand purchase, we can do 780 as well as 840 also next year. That's right?

P M Prasad:

Definitely.

Ashish Kejriwal:

Okay. The second question is on the employee cost. Though we have already renegotiated and everything has been more or less done, but there was some issue on account of offices and non-offices. So first of all, the status of that? And secondly, is it possible to guide us on the total employee cost which one can expect this year?



Management: The employee cost about -- it will be 46%, 46,000 crores. And percentage-wise also 40% -- overall less than last year.

P M Prasad: So employee cost-wise, there is no issue with the growing volumes. And that is a settled thing. That is internal -- there was some DP circular -- some conflict is there. But that is being taken care of and we are also addressing this. So about INR46,000 crores is the employee most of the total volume.

Ashish Kejriwal: That's great. And then lastly, while we are doing fantastic in terms of First Mile Connectivity project, we are investing close to INR25,000 crores in that. So though it is beneficial from the environmental side as well as increasing the evacuation facility properly. But is it possible to share some kind of savings in terms of numbers, what we can earn or what kind of payback period we can have on this investment of INR25,000 crores?

P M Prasad: INR24,700 crores in a six years to seven years' period. Right now, we are having an installed capacity up to 2.8 million. And every year it will be adding -- by NEERI, National Environment Engineering Research Institute of Nagpur has done the study in two projects. One is in Kusmunda and one is in Lingaraj. In both the fields, only two projects after that commissioning, we are saving, say, in one project INR25 crores and another project INR50 crores for one year only. More than that, the dust emissions and NOx both nitrous and other carbon emissions, there was controlled -- it was reduced by 75% to 80%. That is huge.

So it is not that only capex recovery are -- this thing, but this environmental factors play a greater role. So in each area, whenever this tipper density is reduced, number one, safety is increased. And this dust pollution and other diesel savings, everything is there. So the payback period-wise, parallelly every six months, three months, it will be the -- whatever cost we are incurring, it will be recovered. And it will help not only in environmental, safety-wise also it is increasing. So there is a dense population is also going through. So the CHPs are coming nearer, track lines are coming nearer. So safety aspect other than environmental also comes into the picture.

Moderator: Thank you. Our next question is from the line of Kirtan Mehta from BOB Capital Markets. Please go ahead.

Kirtan Mehta: One question coming back to the evacuation capacity. If we look at the 840 million ton production target for next year and the current evacuation capacity, where are the subsidiaries where we will need capacity -- evacuation capacity increase to deliver on the next year's target?

P M Prasad: Primarily, it is the MCL and SECL. In SECL, also, we are focusing in both the fields -- at least, there is a need the increase of 40 to 50 rakes. So one portion of MCL is this Jharsuguda-Barpali-Sardega. Sardega initially with two sidings we have started, one more siding is being added. And one more -- from Garden Reach, there is one more Laikera siding. We are taking that siding around four rakes, four rakes means 4 million. If we add 50 rakes in a subsidiary, almost it is 50 million tons. So Jharsuguda-Barpali, that side field, we'll be targeting about 25 million to 30 million -- 25 million. And similarly, in the [inaudible 0:28:57] side also another 15 million, 20 million.



And silos are also being commissioned, that's first mile connected. Once this is commissioned, the rake loading time from 3.5 hours, 4 hours, it will be reduced to 45 minutes. Turnover of the rakes will also be increased. Similarly, in SECL also, there is first mile connectivity projects are under execution. Similarly, CERL, as I told, in Raigarh coalfield, there will be an increase there about 10 million to 15 million. Similarly, CERWL, the East-West Railway corridor. That will also take one more year. But with that this 1BT also it will be taken care. And if that company SECL -- this year, it is 197 million. Next year, it is 220 million. After that, '25, '26 it is almost 250 million, 260 million.

So next 50 million to 60 million growth in both the companies are being taken care of this construction of this railway lines, silos and belt conveyers. So in one project, Hingula, there is a belt conveyer is under construction. It is a pipe belt conveyer. Completely eliminating that with that belt conveyer to silo loading, around 5 kilometers, 6 kilometers. Similar other MGRs, these are in place.

Kirtan Mehta:

One more question about the MDO operations that we have started. So we have started a projection at three projects at this point of time. So what is the production run rate that we are achieving? And what would be the exit rate from the MDO production by the end of this year and the next year?

P M Prasad:

Total 15 projects in the last one-year period we initiated Out of 15, there are open cast and underground, mixed. One project CERWL has started production. Subhadra awarded Stage 1 -- even just by simply awarding MDO also does not serve. But we should get EC, FC. So one underground project of SECL, MDO has started. One in open cast, we have started in CERWL in MCL. Similarly, under execution, two mines in CCL. One is KBP mine. Stage 1 clearance we have got. Environment clearance we have got. Maybe by next year, it will start a marginal production of 1 million, '24-'25 -- FY '25.

But '25-'26, that KBP, similarly Chandragupta almost ECA one-time hearing is done. And FCA, it is in MoEF office pending. So maybe in another eight months to 10 months, another four, five MDOs will start operating. So an incremental from these MDOs in '24-'25, maybe about 20 million, 25 million. But '25-'26, but for sure, it will be around 60 million, 55 million to 60 million.

Moderator:

Thank you. Our next question is from the line of Bharani Vijay Kumar from Spark Capital. Please go ahead.

Bharani Kumar:

So I just want to know the split of the dispatches in first of FY '24 between power sector and non-power sector.

P M Prasad:

Total, our H1 uptake is 360 million tons, 360.66 million tons. And power sector is 295.36 million tons, around 80%. 60 million is a gone to non-power.

Bharani Kumar:

Okay. So around 80% of e-auction would also be roughly to power sector?

P M Prasad:

E-auction is fully non-power.



- Bharani Kumar:** Okay. So the e-auction volume of around 32 million tons in 1H is fully non-power?
- P M Prasad:** The power can participate, but generally it is non-power bidding.
- Bharani Kumar:** Okay. What is our dispatch target for FY '25, sir?
- P M Prasad:** FY '25, it is around 850-odd million. Whatever we are producing, we are keeping that much. Maybe production at some point in February, March, it is more. At that time, there may be adding of stocks, about slightly 10 million, 15 million maybe less dispatches. But it will be adding our stocks, and that will take care in monsoon.
- Bharani Kumar:** Okay. My next question is on the capex. So this INR16,500 crores capex. Can you give a split of what is the end use of this capex broadly? Like how much goes to equipment, how much goes to non-equipment? And within equipment, what are the main equipments that we are buying?
- P M Prasad:** It is total -- out of INR16,500 crores, one is under -- one major head is land. Other than land, there is -- the FMC projects are there [inaudible 0:34:15] equipments we are going to buy. But HEMM -- under the head of HEMM and some E&M [inaudible 0:34:22] and this other construction activities of power line substations. But primarily, these are distributed in the major heads of land, FMC, watch base, infrastructure development and railway projects. This railway, we are doing under deposit schemes are also, one is directly deposit. And another is JV route, subsidiary of railway, either IRCON or RITES. This is primarily IRCON, along with the state government local and subsidiary company.
- And other than this, solar projects and this power plant, one power plant, we are going to some MBPL. For that also in this INR16,500 crores, it is being incurred. And a few diversification projects like HURL and TFL -- Talcher Fertilisers and HURL.
- Bharani Kumar:** Okay. Can you give a split of land and equipment alone in the INR16,500 crores sir?
- P M Prasad:** Land is about INR2,000 crores to INR2,500 crores. But it is as per the demand. It some times if the land acquisition -- last year, it is INR4,000 crores -- last year it has gone -- it is INR4,000 crores. This time it is INR3,000 crores, INR3,500 crores we're anticipating.
- Bharani Kumar:** And equipment, sir?
- P M Prasad:** Equipment this year, it is not much. This year, it is our activities are much. But otherwise, it is also around -- INR2,000 crores -- it is INR2,000 crores -- INR1,965 crores, equipment.
- Bharani Kumar:** Okay. My final question is on the employee cost. Of course, we put the last revision in FY '23. Can you refresh us basically on when is the next revision is due for the non-executive and the executive cadre?
- P M Prasad:** Non-executive, '26. Executive cadre, it is '27.
- Moderator:** Thank you. Next question is from the line of Vipulkumar Shah from Sumangal Investment. Please go ahead.



Vipulkumar Shah: Congratulations for a very good set of numbers. Sir, on slide 16, if I see MCL and NCL, we are producing very high production with less number of employees. So why this cannot be applied to other subsidiaries? So what is the reason for that? In MCL, we have produced 89.4 million tons with just 21,523 employees.

P M Prasad: MCL has formed out in 1992, it was carved out from SECL, the deep coal field, and Talcher is from Central Coalfields. So relatively new mines, open cast mines, stripping ratio is very less. The overburden and coal, the ratio is very less. And the number of underground mines is only two to three are operational. Whereas if you see in SECL, the number of underground mines is maybe 30. Even in ECL, it is around 30, 35. So underground, old manpower is there. So we cannot just get rid of them.

So as a company, we are having a policy. Right now, it is like 2,35,000 employee strength. In a five years to 10 year period, almost every year, 5% is being the attrition with this natural retirements and other things. So SECL, WCL, ECL, BCCL, it is manpower-wise high. So overall, it is 2,35,000. So MCL is the lowest, maybe around 15,500. Next is Mahanadi. Mahanadi's overburden is very less. There are less cover and number of mines are very limited and highly productive mines.

Vipulkumar Shah: And my second question is regarding volume of washed coal. So over the next two years, three years, what kind of increment we can see in the volume of washed coal?

P M Prasad: Non-coking for next two years, 10 million tons, we are adding in Lakhanpur. It is under a trial run. Immediately, it will come up. This 10 million straight is being added. In coking coal both in BCCL and CCL. BCCL, it will be added almost two to three washeries have come up and they will be significantly increasing year-on-year. And in CCL, we are just awarded. It will take two years to three years. So FY '26-'27, it will be added. The construction period is two years to three years in both BCCL and CCL, but in a phased manner, about seven to eight washeries, coking coal washeries are being added. So the moment it is done, it will be producing.

Vipulkumar Shah: So every year, what type of volume increase we can see in million tons?

P M Prasad: You can -- in coking coal last two years, the incremental of 20% it is already there. And next two years to three years also, you can predict that 20% to 30% coking coal washeries, it will be added. And in non-coking coal, only one washery at Ashoka Piparwar. In CCL -- is under implementation, under operation. Now this Lakhanpur, 10 million ton washery is being added. So this 10 million is straightly it will be added to the non-coking coal also from this year. This year, it may be balanced months, maybe 2 million. But for next year, it will be 10 million.

Moderator: Our next question is from the line of Noel Vaz from Union Asset Management.

Noel Vaz: My questions have been answered.

Moderator: Our next question is from the line of Amit Dikshit from ICICI Securities.

Amit Dixit: Yes. I have two questions again. The first one is on the possible FSA price hike. So traditionally, we have seen that the FSA price hike given to us is just enough to cover the wage cost, but it



was not so this time around. Now since e-auction premium has also come off from that time. So do we expect to get some additional FSA price hike anytime soon?

P M Prasad: Exactly not right now. In the near future -- we are not seeing anything up to the next 7, 8 months.

Amit Dixit: Okay. Until election time, maybe?

P M Prasad: For non-power prices, maybe we can see. But for power sector, we are not going to touch in the next 1 year.

Amit Dixit: Okay. So considering whatever we have as of now in terms of railway lines, in terms of FMC, while the long-term targets are very well appreciated, what kind of evacuation capability in all do we have as of now in FY '24? And what would be our evacuation capability in FY '25?

P M Prasad: FY '25, 850 million, we are capable Here, we have to understand whether it is FMC project or whether it is railway line. EC, FC, land clearances and the greenfield projects obtaining, the time will be taking for any forest bit if it is there. So we have to provide proponent has to apply, it will go to MoF to state. And there is parallel activities coming. So the 850 million in FY '25, we don't see any difficulty. 100%, it will be achieved.

Amit Dixit: Okay. So 850 million ton we'll be having in FY '25. But, I mean, the slide you have mentioned that FMC, this capability would only come to 930 million tons by FY '28-'29. And given our target is 1 billion ton, I think, for FY '27, so I mean, that 1 billion ton target is still intact, right, FY '27 contingent on demand?

P M Prasad: That is intact. And surface miner, this minus 100 mm also we're increasing year by year so that instead of crushing by deploying more surface miners, environment friendly, we are increasing that production also. So directly, it can go to power plants. So wharf wall loadings, we are eliminating in an orderly manner with this silo loadings. So the construction time of 1 to 2 years, it is being taken. So right now, it is 228 million. Within 2 years, it's maybe touching 450 million. And wherever we are -- these crushers and silos, where it is taking time, but surface miner production can be directly fed to the wharf wall and it is also being dispatched. Dispatches 1 BT is on course, there is no issue.

Moderator: Our next question is from the line of Indrajit Agarwal from CLSA.

Indrajit Agarwal: I have one question. When we look at the non-power FSA that we have, is it now all moved to the new mechanism of auction based? Or do we still have some old mechanism FSA, which is price-based as per the old pricing mechanism?

P M Prasad: 11 million ton through CPSC. That is there. But the prices are indexed. Indexed with that. But other than that, we are going through this new trend. Auctions also will be there. All others are auctions only. Other than this 11 million ton.

Indrajit Agarwal: So right now, of the non-power FSA that we sell, how much is still under the old mechanism, which can still move to like an auction mechanism and hence lead to higher prices for us?

P M Prasad: We are selling 11 million tons.



- Moderator:** Our next question is from the line of Mr. Rohit Natarajan from Antique Stock Broking.
- Rohit Natarajan:** So the railway joint venture that we have with IRCON, I see that there is a slippage of the commissioning date as such. What could possibly be the realistic time frame in which you could conclude the project?
- P M Prasad:** In IRCON, in three places we are working, more than three also. But Shivpur-Kathautia is on time in CCL. There, you have to understand the state government has demanded land cost along with market rate. So there is bankers problem is also there for getting loans. So we have requested state government, we cannot go on market rate. It should be on this government land rate, maybe aggregated into 1.5x. That is being considered at Chief Secretary level.
- Similarly in CERL and CEWRL, that is being taken care. So there are some issues sometimes it comes up. So by and large, if you see railway projects on a deposit basis are the joint venture, it may take 3, 4 months this way, that way. But it is more or less in tandem it is going on. The moment these hurdles, somewhere it is forest clearance or these other issues with the state governments.
- Once it is cleared, the actual laying and other things, the contractors are in place. Only if you make them the land available, then the other things will be parallelly it is being executed. Somewhere some minor bridges, major bridges are also to come from rainy seasons and peak seasons, there may be 2 to 3 months issue. But as I tell in Jharkhand, the project is on time.
- Moderator:** Next question is from the line of Ashish Kejriwal from Nuvama Wealth Management.
- Ashish Kejriwal:** Sir, to lead to 1 billion ton target, how much capex is required for our production, power, land acquisition or our evacuation facilities to reach to the target? A ballpark figure will also do?
- P M Prasad:** Every year, say, this year, INR16,500 crores. Next year maybe INR18,000 crores to INR19,000 crores. It is around that range -- it will be around INR19,000 crores. But once we complete this First Mile Connectivity projects, after 5, 6 years -- for the next 4, 5 years, it is on that range, even some coal gasification projects are also has to come. If a successful bidder will come, then it will be in this range only, INR18,000 crores to INR20,000 crores.
- Ashish Kejriwal:** Sir, my question is not to different projects, only projects which will lead to 1 billion ton of our coal production per year, which includes, obviously, First Mile Connectivity. So how much...
- P M Prasad:** First Mile, INR24,700 crores in the next 5 years, First Mile only. But in railway, there is other works are also going on. So some railway deposit works are going on, some railway joint venture with IRCON -- and some local sidings we have to develop. That is parallel activities. Maybe that also, per year, if you split this INR24,700 crores, say, in 5 years, maybe INR5,000 crores per year. Similarly, railway also maybe INR2,000 crores to INR3,000 crores per year. And MDOs will be in place, capex will be reduced.
- Ashish Kejriwal:** So sir, is it safe to assume that for next 5 years, we can do capex of something like INR80,000 crores?



- P M Prasad:** 5 years you put together? Yes.
- Ashish Kejriwal:** 5-year put together. And that will help us in evacuating 1 billion ton provided demand there?
- P M Prasad:** Even -- the demand is definitely there. From our side, we are selling 20 years -- 15 to 20 years. But for projection side, we are only talking up to '25.
- Ashish Kejriwal:** Understood. So sir, my question was that in next 5 years, we will achieve 1 billion ton target. And obviously, we don't want to go much beyond that. And thereafter, maybe we can start moving in a non-coal areas where your capex will continue to be INR1,500 crores to INR2,000 crores per year for foreseeable future. Or something else is there in our mind in order to divert it from fossil fuel?
- P M Prasad:** In solar, in coal to gasification and other thermal plants, just like MBPL; MPGCL, one more plant along with the state of Madhya Pradesh, we are going in a JV 660 megawatts. So similar things are -- we are also looking after to diversify and to get other incomes from other operations other than coal mining.
- Ashish Kejriwal:** Okay. And sir, next question is in one of your replies earlier, you mentioned, I think that second half, our target for e-auction coal volume is 15% of the production. Am I right?
- P M Prasad:** Yes.
- Ashish Kejriwal:** So if I'm doing -- because power demand, if it's there, because of which only we are very much confident about the volume growth. And in first half, if you see, we have done only 9% of our volume. So do you think that 15% of that entire volume in second half is possible for us? Or is there a demand slowdown which we are facing in the power sector, which will lead to higher offtake in power sector?
- P M Prasad:** It is possible because usually December to March, it is productive months. Demand is increasing day by day. Demand has never reduced or never stagnant. It is continuously -- last 1 month, it is peaking up only, every month. It is -- even in Ministry of Power's projections also it is exceeding.
- Ashish Kejriwal:** That's the reason, sir, I'm asking because power demand is increasing. So can we provide higher volume to e-auction. We were thinking it will be lower than that, but...
- P M Prasad:** We can provide. Power plants, initially, we will meet their targets. We will keep in mind by keeping their targets, and we will be touching this 15% also, both things we will keep in mind.
- Moderator:** Our next question is from the line of Bharani Vijay Kumar from Spark Capital.
- Bharani Vijay Kumar:** Sir, can you help me with the person and the contact details to contact from investors' point of view?
- P M Prasad:** Company Secretary's name is already there, Mr. Dubey. You can put in that mail if anything is needed, any information is needed.
- Bharani Vijay Kumar:** Okay. And that mail ID would be, sir?



- Management:** Yes. You talk to Mr. Natarajan. He will provide you details, okay? It's given there, okay?
- Bharani Vijay Kumar:** Okay. My second question is on e-auction. So what are the different methodology of e-auction that is right now ongoing?
- P M Prasad:** Linkage and spot auction. Dedicated linkages which are there. Spot auctions.
- Bharani Vijay Kumar:** And predominantly, the volume is happening through the spot mode, right, more than linkage mode?
- P M Prasad:** Yes, yes. Auctions mostly for spot only.
- Bharani Vijay Kumar:** Okay. What is the time lag between buyer booking and we actually getting it delivered? And what will be our time period for which we will recognize that revenue? So if booking is done in this month, when we'll actually recognize that as revenue?
- P M Prasad:** We can start 8 to 10 days, and we might take the local clearances from the district mining officer and the Director of Mines of the state government. But 10 days is a sufficient period where we can delivery once he books and clears the auction.
- Bharani Vijay Kumar:** Okay. So when you are telling recent notified price and e-auction premium, over that is 90%. So that would be, say, after -- say, next month itself?
- P M Prasad:** It is 3 months, they can lift it -- they have to lift.
- Bharani Vijay Kumar:** Okay. So maximum 3 months. Okay.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question of a question-and-answer session. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Bijay Prakash Dubey** Thank you, Mr. Natarajan. I'd like to thank all the participants for this conference call, for the excellent reasons. Thank you, and we hope to meet you in the next quarter again. Thank you, once again, to all.
- Moderator:** Thank you. On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.