

# Promotion of Coal/Lignite Gasification Projects

February 2024



**Coal India Limited**

A Government of India Undertaking

*A Maharatna Company*

# COAL INDIA –VISION & MISSION , KEY VALUE PROPOSITIONS , OUR GENESIS



## Vision

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

## Mission

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

## Key Value Propositions

Peak Coal Production of 703.2 MT in FY 2022-23 , target to achieve 1BT by FY 2025-26

Manpower productivity to improve significantly

Mechanization & closure of unviable mines to lower costs

Evacuation and transportation infrastructure improvement

Improved ESG compliance and disclosures

Predictable capital allocation

Experienced management team

Aim to be a 'Net Zero Emission' company at the earliest

As per IEA's World Energy Outlook 2023, Global coal production rose above 6 billion tonnes of coal equivalent in 2022, its highest level ever. Energy prices and energy security concerns led China, India, Indonesia and other major coal producers to expand domestic supply.

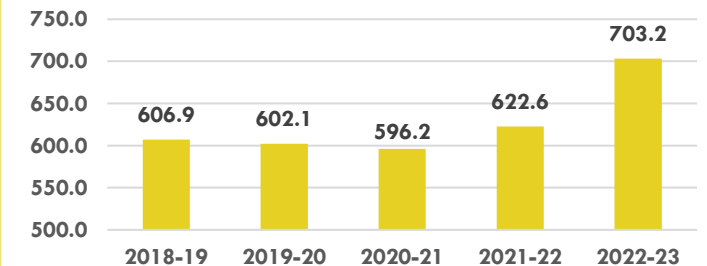
## 1975

- Nationalized coal mines under Coal Mines Authority Ltd. re-organised as Coal India Ltd.
- Coal Production ~ 79 Mt

## 2023

- Largest pure play coal producer in the world
- 'Maharatna'
- Highest ever coal production of 703.2MT in FY 22-23

## Production (In Million Tonnes)



# KEY COMPANY HIGHLIGHTS – RECORD BREAKING 9M OF FY 23-24

## HIGHEST EVER 9M PRODUCTION, OFFTAKE & OBR DURING 9M OF FY 23-24

### HIGHEST EVER 9M PROFIT ,REVENUE FROM OPERATIONS & NET SALES IN 9M 23-24.



1

**Highest ever 9M Coal production of 531.90 MT and OBR of 1404.85 MCuM** was achieved during 9M of FY 23-24 with a growth of 11 % and 22 % respectively against same period last year.

2

**Highest ever 9M Offtake of 552.03 MT** in 9M of FY 2023-24.

**Highest ever 9M dispatch to Power Sector of 454.03 MT** in 9M of FY 2023-24

3

**Highest ever 9M Profit-CIL** recorded highest ever 9M PBT of Rs. 31,937 Crores & PAT of Rs. 23,849 Crores in 9M 23-24. The increase in PBT is Rs. 1,579 Crores i.e. 5% over previous year same period. The increase in PAT is Rs. 1,251 Crores i.e. 6% over previous year same period.

4

**Highest ever 9M Revenue from Operations & Net Sales** - CIL recorded Revenue from Operations of Rs. 1,04,914 Crores in 9M 23-24 an increase of Rs. 4,814 Crores i.e. 5% over 9M 22-23 and Net Sales of Rs. 96,062 Crores in 9M 23-24 an increase of Rs. 3,596 Crores i.e. 4% over 9M 22-23.



# KEY COMPANY HIGHLIGHTS



## Organizational Commitment to Sustainable Development

- ◆ High focus on social, environmental and health & safety initiatives .
- ◆ Documented CSR policy .
- ◆ Committed to improve on all ESG parameters

## Positive Margins & Returns

- ◆ EBITDA<sup>1</sup> margin of 34% in 9M 23-24 & 32% in FY 22-23.
- ◆ FY 22-23 RoAE<sup>2</sup> of 56%.
- ◆ Last 5 year avg Dividend Payout Ratio<sup>3</sup> of 55%

## Cost Leadership with Stable Realizations

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

## World's Largest Pure Play Coal Producer

- ◆ Highest ever production of 703.20 million tonnes in FY 22-23 & highest ever 9M production of 531.90 MT in FY 23-24 across 322 working mines.
- ◆ 178 billion tonnes of resources and 54 billion tonnes of reserves

## Growth Drivers

- ◆ Favorable demand expected from key sectors such as power and steel.
- ◆ Highest ever offtake of 694.69 million tonnes in FY 22-23 & highest ever 9M offtake of 552.03 million tonnes in 9M of FY 23-24 .

## Extensive Mining Capabilities

- ◆ Advanced technology in open cast mining.
- ◆ Focus on meeting commitments to the power sector.
- ◆ Tapping capabilities of other players through MDO.

### Notes:

1. EBITDA has been calculated by adjusting (adding back) with profit before tax the finance cost, depreciation / amortization / impairment and deducting interest income. EBITDA margin is EBITDA to Net Sales.
2. RoAE FY 22-23 is calculated as the ratio of Profit after taxes to the average shareholders' equity for FY 22-23.
3. Dividend payout ratio is the ratio of dividend declared to PAT.

# KEY CHALLENGES IN THE SECTOR



# OVERVIEW OF SCG PROJECTS – 2 THROUGH JV ROUTE



Subsidiary	MCL	ECL
<b>Product/ Capacity</b>	Ammonium Nitrate (0.66 MMTPA)	SNG (1.83 MMSCMD)
<b>Mines</b>	Lakhanpur (G12-G13) > 40% Ash	Sonepur Bazari (G4-G5) 24% Ash
<b>Coal (MT)</b>	1.3 MMTPA	1.9 MMTPA
<b>Project Cost (₹)</b>	11,782 Cr.	13,053 Cr.
<b>Mode of Implementation</b>	<b>CIL-BHEL JV</b>	<b>CIL-GAIL JV</b>
<b>Land</b>	Required: 350 Acres Acquisition Complete: 350 Acres (CBA acquired land) Possession to be done	Required: 250 Acres Acquisition Complete: 190 Acres (LA acquired land) Remaining: 60 Acres
<b>Water</b>	10058400 m <sup>3</sup> Source: Intake Jetty near OPGCL (10 km)	12854200 m <sup>3</sup> Source: Pipeline from Damodar River (13 km)

# STRUCTURE OF THE PROPOSED CIL-BHEL JV



- Company Type: Private Limited, Registered Office: Sambalpur, Odisha
- Share Holding of Promoters: 51% (CIL)– 49%(BHEL)
- Authorised Share Capital: Rs. 100 Crore,
- Initial BoD : 6 Nos.,
- Land: MCL to provide Land to JVC on leased hold basis
- Dispute Resolution: Basis of Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD)

# STATUS : CIL BHEL JV PROJECT



Updated status of activities	Next Planned Activities	
	Activities	Timeline
<p><b>Formation of JVC</b></p> <ol style="list-style-type: none"> <li>Draft JV Agreement approved by CIL Board on 29.12.2023 and BHEL Board on 23.01.2024.</li> <li>Proposal to obtain approval of NITI Aayog and DIPAM sent by MoC on 17.10.2023. Queries replied to NITI Aayog on 22.12.2023.</li> <li>Cabinet approved proposal for investment by CIL beyond of equity investment limit on 24.01.2024</li> </ol>	<ol style="list-style-type: none"> <li>Submission of Draft Tender document by PDIL</li> <li>Floating of Tenders</li> <li>Pre bid, clarifications and opening of tender</li> <li>Evaluation of technical bid</li> </ol>	<ul style="list-style-type: none"> <li>22.04.2024</li> <li>24.06.2024</li> <li>3.10.2024</li> <li>24.2.2025</li> </ul>
<p><b>Preparation of DFR</b></p> <ol style="list-style-type: none"> <li>Work Order issued to PDIL for PMC on 15.01.2024 for pre project activities and pre award Consultancy work</li> <li>Kick-off meeting with PMC held on 19.01.2024.</li> <li>Pre tender meeting with licensors and EPC agencies held on 24-25.01.2024.</li> </ol>	<ol style="list-style-type: none"> <li>Opening of price bid and acceptance of bid by owner</li> <li>Finalization of DFR</li> </ol>	<ul style="list-style-type: none"> <li>21.04.2025</li> <li>28.07.2025</li> </ul>





# STRUCTURE OF THE PROPOSED CIL-GAIL JV

## Key points:

- JVC to be formed after finalization of DFR
- Share Holding of Promoters- 51% (CIL) :49% (GAIL)
- Authorized Share Capital: [ to be discussed]
- Initial BoD : 6 Nos.
- Key position : Chairman, CEO/MD, CFO to be nominated from Promoter Cos by rotation.
- Company Type: Private Limited
- Registered Office : to be discussed
- ECL's Land cost (valuation on Fair Market Values + PAP cost basis) to be converted to equity
- Dispute Resolution: Basis of Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD)

# STATUS : CIL GAIL PROJECT



Updated status of activities	Next Planned Activities	
	Activities	Timeline
<p><b>Formation of JVC</b></p> <ol style="list-style-type: none"> <li>JVC to be formed after finalization of DFR</li> <li>Proposal to obtain approval of NITI Aayog and DIPAM sent by MoC on 17.10.2023. Queries replied to NITI Aayog on 22.12.2023</li> <li>Cabinet approved proposal for investment by CIL beyond of equity investment limit on 24.01.2024</li> </ol> <p><b>Preparation of DFR</b></p> <ol style="list-style-type: none"> <li>Scope of work for PMC for pre project, pre award and DFR preparation finalized by JWG on 14.12.2023.</li> <li>Final PMC offer submitted by PDIL on 29.12.2023.</li> </ol>	<ol style="list-style-type: none"> <li>Award of PMC work to PDIL by GAIL</li> <li>Finalization of DFR</li> <li>JVC to be formed after DFR</li> </ol>	<ul style="list-style-type: none"> <li>Feb 2024</li> <li>Feb 2025</li> <li>March 2025</li> </ul>

# Assistance sought for Coal Gasification Projects



**Department of Chemical  
and Fertilizer**

- Securing Life-of-the-Plant long term (25 year) supply agreement in Fertilizer industry for SNG

**MoP&NG**

- De-linking the Coal-based SNG price from imported LNG prices

**DIPAM & NITI Aayog**

- Concurrence for JV Formation

**THANK YOU**