

Date - 11-08-22

Publication - Business Standard

Coal India's profit trebles to ₹8,834 crore on higher sales

PRESS TRUST OF INDIA
Kolkata, 10 August

Coal India on Wednesday said its consolidated net profit shot up 178 per cent to ₹8,834 crore for the first quarter of the 2022-23 fiscal on the back of higher sales.

The miner posted a net profit of ₹3,174 crore in the same quarter last year.

The company said in a regulatory filing on Wednesday that its sales were 39 per cent higher at ₹32,498 crore during the quarter under review, as against ₹23,293 crore registered in the corresponding period of FY22 (Financial year 2021-22).

Coal India was successful in keeping the total expenses at ₹23,985 crore amid higher production and despatches during the



quarter versus ₹21,626 crore in the June quarter last year. The cost of materials consumed rose to ₹3,057 crore in the quarter under review from ₹1,843 crore in the year-ago period.

Contractual expenses were higher at ₹5,565 crore during the three months ended June 30, 2022, as against ₹4,022 crore in the corresponding quarter of the previous year.

The miner was able to fetch ₹4,340 per tonne from e-auction coal sales, and it sold nearly 21 million tonne through this route during the April-June 2022 quarter. The miner experienced an enhanced demand for the thermal power sector which faced a shortage of fuel owing to sudden surge in electricity consumption. It sold nearly 154 million tonne of coal to the regulat-

ed sector during the April-June 2022 quarter. The price realisation through FSA (Fuel Supply Agreement) route was ₹1,442 per tonne.

The company's output in the April-June period increased to 159.75 million tonne from 123.98 million tonne in the corresponding quarter of the previous fiscal. The offtake was higher at 177.49 million tonne during the quarter as against 160.44 million tonne in the year-ago period.

Coal India accounts for about 80 per cent of domestic coal output. It was aiming at 700 million tonne of production this fiscal and one billion tonne by 2023-24.

Shares of the company settled at ₹219.85 apiece on BSE, up 2.02 per cent from the previous close.

Coal India net jumps 178% on higher e-auction realisation

Net sales on a consolidated basis grew nearly 40% to ₹32,498 crore

OUR BUREAU

Kolkata, August 10

Riding on the back of higher value sales, particularly from e-auction route, Coal India Ltd registered nearly 178 per cent rise in consolidated net profit to ₹8,834 crore for the quarter ended June 30, as compared with ₹3,174 crore same period last year. This is far higher than street expectations, which anticipated 35-40 per cent jump in profit.

Net sales on a consolidated basis grew nearly 40 per cent to ₹32,498 crore (₹ 23,294 crore).

Volumes sold

The state-owned miner witnessed a 29 per cent rise in production at 159.75 million tonne (mt) (123.98 mt). Coal offtake was up around 11 per cent at 177.49 mt (160.44 mt).



While the volume of coal sold through e-auction was lower at 20.91 mt this year (30 mt), the average realisation was more than double at ₹4,339.97 a tonne (₹1,569 a tonne)

CIL sold close to 153.80 mt of coal through FSA (fuel supply agreement) route in Q1 this year (128 mt), clocking net sales of around ₹22,188 crore. The average realisation per tonne was ₹1442.67.

While the volume of coal sold through e-auction route was lower at close to 20.91 mt this year (30 mt), the average realisation was more than double at

₹4,339.97 a tonne (₹1,569 a tonne). CIL clocked net sales of around ₹9,074.65 crore through e-auction route (₹ 4,736 crore).

Moderation in prices

According to Rupesh Sankhe, analyst at Elara Capital India, the jump in profit came primarily on the back of the strong prices in e-auction platform. "Though the volume sale on e-auction was lower, the average realisation was much higher this year. We expect e-auction prices to moderate in the next two-to-three quarters as players are getting Russian coal at much cheaper rates," Sankhe told *BusinessLine*.

Other income increased nearly 46 per cent at ₹995 crore (₹681 crore). Total income increased 39 per cent at ₹36,081 crore (₹25,963 crore). Total expenses went up nearly 11 per cent at ₹23,985 crore. Employee benefit expenses, however, came down nearly 3 per cent at ₹10,073 crore (₹10,394 crore). The company's scrip closed up 2.02 per cent on the BSE on Wednesday.

Date - 11-08-22,

Publication - The Telegraph

Coal India net leaps 178%

A STAFF REPORTER

Calcutta: Coal India on Wednesday reported a 178 per cent year-on-year growth in net profit for the quarter ended June 30, 2022, ahead of market estimates.

Aided by better realisations from the electronic auction of coal, net profit from continuing operations during the quarter was Rs 8,834.22 crore against Rs 3,174.15 crore in the corresponding quarter of the previous year.

The total income of the public sector miner during the quarter was Rs 36,086.68 crore, up 39 per cent from Rs 25,963.13 crore in the corresponding period of the previous year.

Coal India's total supply of coal through the fuel supply agreements (FSA) was 153.80 million tonnes (mt) during the April-June quarter and the average realisation per tonne from the FSA sales was Rs

| BLOWOUT BOTTOMLINE | | | | |
|---------------------------|-----------|----------|------------|------------|
| Quarter ended | | | Year ended | |
| (Rs crore) | June 2021 | Mar 2022 | June 2022 | March 2022 |
| Revenues | 25,282 | 32,706 | 35,092 | 1,09,713 |
| Total income | 25,963 | 34,495 | 36,086 | 1,13,618 |
| Expenses | 21,626 | 25,161 | 23,985 | 89,993 |
| Net profit | 3,174 | 6,775 | 8,834 | 17,374 |
| EPS (Rs) | 5.14 | 10.86 | 74.33 | 28.17 |

1442.67. In the corresponding year ago period (April-June 2021), supply through FSA was 127.48mt and the average realisation per tonne from FSA sales was Rs 1,394.06.

A major contributor to the revenue during the quarter was the e-auction route. Coal India offered a total of 20.91mt through e-auction during the quarter, which is less than 30.19mt in the corresponding quarter previous year. However, the realisation through

e-auction sales during Q1FY23 was Rs 4,339.97 per tonne compared with Rs 1,569.05 per tonne in Q1FY22.

According to market sources, the public sector miner has been able to garner a significant amount of premium through e-auction sales. This comes amid changes introduced earlier this year and is being reflected through better realisations. International coal prices were also trading at a much higher level during the

year-ago period.

A common electronic auction structure instead of sector-specific auctions was cleared by the cabinet in February with an objective to create a level playing field for all consumers with the same price structure and eliminate cartelisation because a wider base of participants.

The growth in revenue was also more than the 10.9 per cent rise in total expenses, which in turn aided the bottomline growth of the miner.

Coal India's total production during the quarter was 159.7mt compared with 123.97mt in the year-ago period. Coal offtake during the quarter was at 177.49mt compared with 160.43mt during the corresponding quarter previous year.

The Coal India scrip at Rs 219.85 was up 2.02 per cent over the previous close on the Bombay Stock Exchange.

Date - 12-08-22,

Publication – BizzBuzz

AS Q1 RESULTS BEAT STREET EXPECTATIONS, STOCK OUTPERFORMS

CIL is Biggest Nifty Gainer, Rally may Continue in Second Quarter

Stock rallies with nearly 50% return in year-to-date period

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: Coal India, one of the least preferred stocks until a year ago, has turned out to be the top gainer with nearly 50% return in the year-to-date period among the Nifty 50 stocks. In the June quarter, the company reported record earnings beating the Street's expectations by a wide margin. Despite the recent rise, the stock still

trades at an attractive dividend yield of 9% on expected FY23 dividends.

The earnings surprise was led by higher e-auction sales with highest ever realisation, which surged 177% year-on-year and 78% quarter-on-quarter on the back of sharp rise in international coal prices. For instance, Australian coal price quadrupled to over \$400 per tonne from its previous year's low. It currently trades at nearly \$350 per tonne. A higher e-auction realisation compensated for a 24% drop in volume though the e-auction route due to higher demand from power companies amid torrid summer. There, the average realisation was one third of the average e-auction realisation of ₹4,340 per tonne for the quarter.

The momentum in the September quarter is also likely to remain robust given the e-auction booking at ₹8,000 per tonne in the previous three months. Its effect will be seen in the current quarter. Also, the volume in e-auction is expected to improve during the quarter.

Overall, the company's revenue increased by 8% sequentially to ₹35,092 crore in the June quarter. The operating profit before depreciation and amortisation (Ebitda) and net profit increased by 37% and 32% to ₹12,251 crore and ₹8,834 crore, respectively. The company has a planned capex of ₹12,000 crore over the next three years amid cash reserves of ₹40,000 crore, which are expected to reach ₹50,000 crore by the end of FY23.