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Edition: Kolkata

Coal India production up 14.2% in Feb

KOLKATA, 2 MARCH

Coal India Limited today reported a 14.2 per cent growth in production at 66.26 million tons during the month of February this year.

The state-run coal major's production stood at 58.05 million tons in the same month last year, according to a Press statement issued by Coal India here today.

Coal off-take during the month under review rose to 54.97 million tons, up by 3.51 million tons against 51.46 million tons in the same month last year, registering a growth of 6.8 per cent.

CIL, as a whole, loaded 256.3 rakes a day on an average during the month, an increase of 6 rakes per day, compared to 250.3 rakes in February last year, it said. SNS

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CIL's FY20 Output Seen at 600-610 MT

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Kolkata: Coal India is likely to produce 600-610 million tonnes and sell 590-600 million tonnes this year, about the same as last year, company executives said.

The company needs to raise output by 400 million tonnes to meet its target of 1 billion tonnes by 2024. This requires its compounded annual growth rate to accelerate to 14% from the much slower 3.1% it achieved in the past four years.

"This would be a mammoth task, requiring extensive planning and synchronisation by Coal India and various central and state departments including railways. The company will also require speedy environment and forest clearances to enhance production and meet targets," a Coal India executive said.

This year till February, it produced 517 million tonnes and sold 528 million tonnes, falling 1.9% and 3.7% respectively from the previous corresponding period. Executives expect production in March to be 80-90 million tonnes while sales would be 60-65 million tonnes.

"Production was affected by law and order issues at subsidiaries and unseasonal heavy rains at a large number of

mining locations. Sales were affected by less than anticipated growth in power demand—a sector which constitutes bulk of Coal India's supplies," the executive said.

According to India Ratings & Research, power demand in April-January rose only 1.3% from the previous corresponding period, compared with initial projections of rising 4-4.5%.

In January, energy demand increased 3.5% after declining for five consecutive months. With demand picking up, coal sales are expected to rise in March, helping the company liquidate additional stocks, enhance production and sales.

Between December 2019 and February 2020, Coal India managed to increase production as the weather and demand for power rose. Coal stock at pitheads at end of February was 43.66 million tonnes, almost 25% more than the previous corresponding period.

Stocks at power plants were enough for 21 days on an average at 37 million tonnes, almost 45% more than the previous year.

Top soils at collieries need to be removed to expose coal for future production. In February, the company increased top soil removal by almost 12%, preparing for increased production in the subsequent months.

Date: 7.3.2020

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Edition: Kolkata

CIL pact to speed up rail despatch

A STAFF REPORTER

Calcutta: Coal India has brought in Indian Port Rail Corporation Limited (IPRCL) to upgrade the coal evacuation infrastructure at its major mines across subsidiaries.

The public sector miner has signed a memorandum of understanding with IPRCL on Thursday to execute rail infrastructure works, construction of additional railway sidings and connectivity with railway main lines.

The move will also help CILs first-mile connectivity with mines.

First-mile connectivity is transportation of coal from the pithead to despatch points.

This will be implemented in CIL's 35 coal projects, each having a production capacity of 4 million tonnes per annum. Construction of railway lines is necessary for infrastructure upgrade at these projects.

CIL has also decided to switch over to mechanised coal transportation through piped conveyor belts in its large mines by 2023-24.

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IPRCL to execute rail infrastructure work of CIL

COAL INDIA (CIL) on Friday said it has engaged Indian Port Rail Corporation (IPRCL) to execute its rail infrastructure works, construction of additional sidings, and connectivity with the railway main lines. A memorandum of understanding was signed between the two entities on Thursday. The move will also help CILs first-mile connectivity with mines. 'First-mile connectivity' is transportation of coal from pithead to despatch point. This will be implemented in 35 of CILs coal projects each having production a capacity of 4 million tonne per annum. Infrastructure upgrade at these 35 projects necessitates construction of railway lines. CIL has decided to switch over to seamless mechanised coal transportation through piped conveyor belts in its large mines by 2023-24 replacing the existing road transport of coal. The scope of work of IPRCL includes preparation of the feasibility study report, detailed project report and its approval from railways.

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Edition: Kolkata

Coal India Upgrading Mine Transport Facilities

Move aimed at meeting target of producing 1 billion tonnes by 2024

Our Bureau

Kolkata: Coal India is upgrading transport facilities at mines as part of efforts to meet its target of producing 1 billion tonnes by 2024.

It has hired Indian Port Rail Corp. (IPRCL) to build rail infrastructure, construct more sidings and improve connectivity with Indian Railways' main network. The two companies signed a memorandum of understanding on Thursday.

"The plan is to improve first-mile connectivity so that more coal can be moved in a shorter time from large mines," a Coal India executive said. "Coal India is enhancing production capacity at each of its mines and the plan is to synchronize it with improved evacuation facilities."

First-mile connectivity involves

coal movement from pithead to despatch points. The company has also decided to switch to seamless mechanised coal transportation through piped conveyor belts at large mines by 2023-24. This will replace the existing road transport system for coal.

Conveyor belt projects worth Rs 10,000 crore will be implemented at 35 mines with a production capacity of over 4 million tonnes a year. The infrastructure upgrade at these projects necessitates the construction of railway lines.

IPRCL will undertake feasibility studies, project reports, railway approval, project management consultancy, execution of work, and operation and maintenance of sidings.

Two construction arms of the Indian Railways have been engaged by CIL for developing rail evacuation related infrastructure—IRCON International Ltd for all rail joint ventures with Coal India and RITES for all project monitoring consultancy work from concept to commissioning and all rail infrastructure work.

Date: 13.3.2020

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CIL interim dividend makes govt richer by ₹7,172 crore

COALINDIA ON Thursday announced an interim dividend of ₹12 per share making the government richer by ₹7,172 crore, which it will receive as dividend and dividend distribution tax. The total interim dividend outgo for CIL will be ₹7,395 crore after the company board approved the interim dividend. "The government will get ₹4,890 crore as an interim dividend for their 69.05% shareholding. The total dividend distribution tax outgo will be ₹2,282 crore," a CIL official told PTI.

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CIL to Pay ₹7,395cr of Interim Dividend

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Kolkata: Coal India has decided to pay Rs 7,395 crore of interim dividend at the rate of Rs 12 per share to its shareholders after a round of hard bargaining with the Centre that saw the board meeting postponed from last week to Thursday.

Last year the company paid a total dividend of Rs 13.10 per share totalling Rs 8,105 crore and for this year, the Centre had set a dividend payout target of around Rs 9,000 crore, in case the company managed to produce around 650-660 million tonnes of coal. Following unpredictable rains and a less than expected rise in power demand, Coal India, however, is likely to end the year at around 600-610 million tonnes.

At present, the government holds 66.14% in Coal India and would be entitled to Rs 4,891 crore from the declared dividend. It will receive an additional Rs 2,282 crore on account of dividend distribution tax. In all the government will receive a total Rs 7,173 crore via a mix of dividend and the tax.

Coal India's cash and bank balance positions were comfortable to pay a dividend of about Rs 10,000 crore this year, analysts and experts had indicated, after six out of the total eight India subsidiaries had paid a total divi-

dend of similar amount to Coal India recently. Eastern Coalfields and Bharat Coking Coal did not pay any dividend this time since they have accumulated losses to make good.

After receipt of payment from subsidiaries, Coal India's cash and bank balance stood at around Rs 30,000 crore of which Rs 10,000-12,000 crore would be required for working capital, a top executive said. Another Rs 8,000 crore is earmarked for a specific development fund which cannot be given away as dividend, said the executive. This left around Rs 10,000-12,000 crore for dividend payment.

After paying the announced dividend later this month, the company's cash and bank balance is expected to reduce to Rs 23,000 crore leaving Rs 12,000-13,000 crore for working capital and the specified fund which cannot be used. According to a memorandum of understanding signed between the Centre and the dry fuel supplier, cash and bank balance was predicted at around Rs 20,887 crore by the end of the year.

"The targets for dividend payment and cash balance were set almost a year ago, hence there is bound to be a difference between the actual numbers and the targets," said a Coal India executive.

On Thursday, Coal India hit the lower circuit at Rs 151.50 after trading at a new 52 week low of Rs 150.

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Edition: Kolkata

CIL board clears interim dividend

Kolkata, March 12

The Coal India Ltd (CIL) board on Thursday approved payment of interim dividend for FY 2019-20 at ₹12 a share of the face value of ₹10 each. This will make the government richer by ₹7,172 crore, which it will receive as dividend and dividend distribution tax. The company has fixed March 20 as the 'record date' for the dividend payment. OUR BUREAU

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POWER PLANTS IMPORTED 6.6 MT COAL IN NOV

Higher Coal India Supplies to Help Plants Cut Imports

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Kolkata: Generation costs of plants running on imported coal are likely to fall as Coal India has started supplying them more local fuel which is much cheaper.

In November power plants imported almost 6.6 million tonnes of fuel, highest this fiscal. Imports fell 9.8% next month and another 6% in January as local supply rose.

To help achieve the Centre's aim to stop coal imports by 2023, Coal India is focused on raising supply for import substitution and is in regular talks with power producers.

Imports are expected to fall further in the weeks ahead as local supply increases. Coal India has decided to supply around additional 70-75 tonnes a year to these companies.

A large number of inland plants switch to imported fuel when domestic supply dwindles. Domestic coal, which is 25%-30% cheaper, reduces generation cost, which is passed on to consumers.

"Coal production is on the rise over the last several weeks and

stocks at pitheads are at comfortable levels allowing us to supply increased quantities to generators relying on imported coal," said a senior Coal India executive.

Coal offered through long-term supply contract auctions, spot or forward e-auctions find takers from some particular sources. The plan

is to supply import substitute fuel from sources that will not affect supplies under existing schemes.

This year, under its coal import scheme, Coal India supplied 3.4 million tonnes till December while it supplied 4 million tonnes in 2018-19.

In the current financial year power companies imported 58.09 million tonnes till January 2020, about 16% more than a year ago. NTPC, the largest power generator, imported almost 2 million tonnes, five times more than the previous corresponding period.

Power companies were forced to import more as unseasonal rains reduced domestic production.

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Imports fell 9.8% in December and another 6% in January as local supply rose

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DATA MONITOR

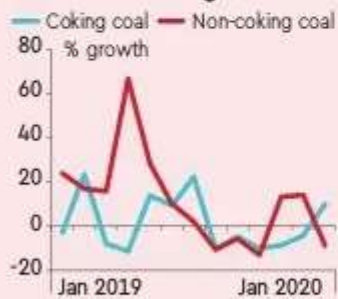
CIL witnesses a turnaround in performance

After reporting de-growth for five consecutive months on y-o-y basis, Coal India's output has registered growth from December 2019 onwards. CIL has been able to largely offset the decline of the first nine months, producing 517.8 MT in the April-February period compared to 527.7 MT a year ago.

Trend in CIL and SCCL's coal production (% growth) ■ CIL ■ SCCL*



Trend in import of coking coal & non-coking coal



Trend in coal prices

