



COAL INDIA LIMITED
A Maharatna Company

Fortifying India's Energy Future





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GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholder,

Pursuant to the initiatives under taken by the Ministry of Corporate Affairs, encouraging the companies to reduce the carbon footprint by enabling them to send the Annual Report etc to the Shareholders through electronic mode, your company has already taken the following steps:-

1. Emails have been sent to all those shareholders who have registered their emails ids with CDSL, NSDL or our Share Transfer Agent intimating them that all future communication including notice of Annual General Meeting and Annual Report shall only be sent to them at their registered email. They were further requested to intimate if they wish to receive these communication physically.
2. Individual letters have been sent to shareholders who have not registered their emails ids and also to those shareholders from whom emails have bounced back requesting them to register their email ids to enable the company to send future communication including Annual report etc through email.

After seeking their response individual emails have been sent to all shareholders who have not exercised the option to receive the Annual Report 2015-16 in physical mode. They have been provided with a link (URL) to the website of COAL INDIA LIMITED for downloading the Annual Report 2015-16.

For members who have not registered their email addresses, physical copy of Annual Report 2015-16 is being sent by the permitted mode.

In case you have not yet registered your email id, we urge you to furnish your email id to NSDL/CDSL/M/s Alankit Assignments Limited(R&T Agent of Coal India Ltd) at their address indicated in the report elsewhere or email at alankit_rta@alankit.com. Please ensure that you have indicated your Folio No/DP & Client ID No as well as your consent to receive future communications from Coal India Ltd including Annual Report etc through email at your registered email address.

Please help us to save the environment.

sd/-

M.Viswanathan
Company Secretary



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.

VISION

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

BOARD OF DIRECTORS



Shri S. Bhattacharya



Dr A. K. Dubey



Shri R Mohan Das



Shri N. Kumar



Shri C. K. Dey



Shri S N Prasad

INDEPENDENT DIRECTORS



Ms. Loretta M Vas



Dr S. B. Agnihotri



Dr D. C. Panigrahi



Dr. Khanindra Pathak



Shri Vinod Jain

PERMANENT INVITEES



Shri R R Mishra



Shri S Saran



MEMBERS OF THE BOARD

as on 11th July, 2016.

Functional Directors:

Shri S. Bhattacharya	: Chairman
Shri R. Mohan Das	: Personnel & Industrial Relations
Shri N. Kumar	: Technical
Shri C. K. Dey	: Finance
Shri S. N. Prasad	: Marketing

Part-Time Official Directors:

Dr A.K.Dubey	: Special Secretary, MoC, New Delhi.
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Independent Directors:

Ms. Loretta M. Vas
Dr S. B. Agnihotri
Dr D. C. Panigrahi
Dr Khanindra Pathak
Shri Vinod Jain

Permanent Invitees:

Shri R. R. Mishra	: Chairman-cum-Managing Director, WCL.
Shri S. Saran	: Chairman-cum-Managing Director, CMPDIL

Company Secretary:

Shri M. Viswanathan



MANAGEMENT DURING 2015-16

Shri S. Bhattacharya : Chairman (From 05.01.2015)

Functional Directors

Shri R. Mohan Das : Director (P&IR) (From 01.06.2007)
Shri N.Kumar : Director (Technical) (From 01.02.2012)
Shri C.K. Dey : Director (Finance) (From 01.03.2015)
Shri S.N. Prasad : Director (Marketing) (From 01.02.2016)
Shri B.K. Saxena : Director (Marketing) [From 19.06.2012 till 01.02.2016]

Part Time Official Directors

Dr A. K. Dubey : Special Secretary, Ministry of Coal (From 03.04.13)
Smt. Sujata Prasad : Joint Secretary & Financial Advisor (From 03.05.13 till 20.06.2016)

Independent Directors

Ms. Loretta M. Vas : (From 17.11.15)
Dr S. B. Agnihotri : (From 17.11.15)
Dr D. C. Panigrahi : (From 17.11.15)
Dr. Khanindra Pathak : (From 17.11.15)
Shri Vinod Jain : (From 17.11.15)

Permanent Invitees

Shri A. K. Debnath : CMD, CMPDI (From 23.04.13 till 31.12.15)
Shri A. N. Sahay : CMD, MCL (From 23.04.13 till 31.10.15)
Shri R. R. Mishra : CMD, WCL (From 06.11.15)
Shri S. Saran : CMD, CMPDI (From 01.01.16)
Shri Kundan Sinha : Addl. Member (Traffic Transportation) Railway Board (From 06.04.15 till 31.01.16)

Company Secretary

Shri M. Viswanathan : (From 14.12.2011)



BANKERS, AUDITORS AND CORPORATE OFFICE

BANKERS

1. STATE BANK OF INDIA
2. PUNJAB NATIONAL BANK
3. UNITED BANK OF INDIA
4. CANARA BANK
5. ALLAHABAD BANK
6. UNION BANK OF INDIA
7. BANK OF BARODA
8. BANK OF INDIA
9. ORIENTAL BANK OF COMMERCE
10. HDFC BANK
11. ICICI BANK
12. HSBC LTD
13. STANDARD CHARTERED BANK
14. BNP PARIBAS
15. CITI BANK
16. DEUTSCHE BANK
17. IDBI BANK
18. UCO BANK
19. CENTRAL BANK OF INDIA
20. BANK OF MAHARASHTRA

STATUTORY AUDITOR

M/s Chaturvedi and Co
Chartered Accountants
60, Bentick Street,
Kolkata-700069

REGISTERED OFFICE

Coal Bhawan, Premises No-04 MAR,
Plot No-AF-III, Action Area-1A,
New town, Rajarhat, Kolkata-700156
Phone-03323246526
Fax-03323246510
E-mail id :
complianceofficer.cil@coalindia.in

WEBSITE

www.coalindia.in

REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignment Limited
Alankit Height, 1E/13,
Jhandewalan Extension,
New Delhi – 110 055
Phone No: 011-4254-1234/
2354-1234
Fax No: 011-4154-3474
E-mail id: alankit_rta@alankit.com
Website: www.alankit.com
Toll Free No. 18601212155



CHAIRMAN'S STATEMENT

Friends,

I am delighted to welcome you to the 42nd Annual General Meeting of Coal India Limited. The Directors' Report and the Financial Statement for the year ended 31st March, 2016 together with the Report of Statutory Auditors and report of Comptroller & Auditor General of India are already with you.

1. Importance of coal and Coal India Limited

As our country is expanding industrially and economically so are its energy needs. In India, coal is the answer to escalating energy demand. The country's planners, however, are alternately exploring to shift from being a largely fossil driven energy economy to one that is powered by clean and renewable form, especially solar. But till such time other forms of energy begin to contribute significantly, coal is and shall remain the most dominant energy fuel in providing energy security to the country. What makes coal such a preferred energy fuel is, its abundance, availability and affordability. The estimated geological resource of Indian coal stood at 306.59 Billion Tonnes as of 1st April, 2015. Around 72% of the entire power generated in the country is coal based.

Against this backdrop, you will be proud to know that your company, Coal India Limited spearheads the country's coal production, and produces over 84% of the country's entire coal output. It is Coal India which virtually fuels and empowers the power sector in the country.

2. Accomplishments 2015-16

For the first time, Coal India's production and off-take have exceeded Half-a-Billion Tonne mark, an indication that the company is on its pursuit of 1 Billion Tonne production by 2019-20.

During FY 2015-16 Coal India as a whole recorded coal production of 538.75 Million Tonnes (MTs). You will be pleased to know that the company has stepped into a higher growth trajectory registering nearly 44.51 MTs increase in coal production during FY 2016 - the highest ever incremental increase in a single financial year since the inception of the company.

Raw coal off-take during FY 2016 was 534.50 MTs, an increase of 45.11 MTs on a year-on-year comparison. As in production, all subsidiary companies of Coal India have registered positive growth in off-take.

Power Utilities of the country, the major coal consuming sector, during FY 2016 were supplied with 408.75 MTs of coal against 385.39 MTs in previous fiscal, registering a growth of 6.1% and achieving 95% of the target. Coal supplies to NTPC (Including the NTPC JV) registered a materialization level of 90%.

Other positives:

- 1) On the financial front, you will be pleased to know that, Coal India for the first time had surpassed the magical figure of ₹1 Lakh Crores in Gross Sales recording Gross Sales of ₹1,08,150.03 Crores during 2015-16.
- 2) Not a single power-utility was in a critical or super-critical condition for want of coal.
- 3) Due to the improved despatch and better quality of coal, there was a marked decline in import of non-coking coal of 17.7 MT during FY 2016, resulting in substantial saving in foreign exchange.
- 4) Significantly the Over Burden Removal (OBR), an important performance criterion in exposing coal seam for future mining, took a quantum leap during FY16 registering a steep growth of 29.60%. This is more than three-fold increase on a year-on-year comparison. OBR also improves the mine geometry and makes mines safer to operate. Coal India had surpassed the target of 1031 Million Cubic Metres, in OBR, more than a month ahead of the closure of the fiscal on 24th February 2016 itself achieving an actual of 1148.908 Million Cubic Metres which is 111% of target satisfaction.



- 5) You may be happy to note that contrary to the popularly held convention that coal mine areas are the places to keep away from, Western Coalfields Limited, a subsidiary of Coal India Limited started an eco-friendly mine tourism which has become highly popular. The Hon'ble Prime Minister of India in his 'Mann Ki Baat' programme aired on 27th March, 2016 made a special mention of this.

Financial Performance:

Coal India is one the highest contributors to the government ex-chequer in the country both- federal and state governments. Coal India paid a corporate tax of ₹7,012.35 Crores to Government of India in FY 2016.

Coal India and its subsidiaries have also paid/adjusted ₹ 29,084.11 Crores towards Royalty, Cess, VAT and other levies.

During 2015-16, Coal India as a whole earned pre-tax profit of ₹ 21,589.09 Crores and a Profit After Tax of ₹ 14,274.33 Crores.

Coal India had paid an interim dividend of ₹27.40 per share. The total outgo from the Company was ₹17,306.84 Crores of which Government of India holding 79.649% of company's shares received ₹13,784.86 Crores.

3. Strategies for Growth

Coal India is faced with meeting challenging targets in the years ahead. Going forward, in order to meet the production targets, Coal India needs to step up to a double digit growth rate from that of around 9% achieved during FY 2016. It is with a feeling of satisfaction, I share with you that during the first four months of FY 2017, Coal India's production growth was more than 6 million tonnes over the same period last year.

To sustain the growth momentum in its production and off-take in the future, Coal India has formulated the following multi-pronged strategies.

(i) Critical Railway Links - Collaboration with State Governments & Railways

There are a few important coalfields in the country which have huge production potential but are without rail linkages for evacuation of coal produced. Among these, 3 rail lines linked to CCL (Jharkhand), MCL (Odisha) and SECL (Chhattisgarh) are critical and expected to play a key role in the evacuation of coal.

For speedy commissioning and implementation of these critical rail lines, Joint Venture companies have been formed in a tripartite partnership arrangement between State Nodal Agencies, respective CIL subsidiary companies and IRCON synergizing the efforts.

(ii) Technology Development

A. Geology

In geological exploration, hydrostatic drilling is the most state-of-the art technology. CMPDIL has deployed twelve hydrostatic drills for exploration of coal by replacing the conventional mechanical drills. We plan to procure seven more hydrostatic drills in 2016-17. These drills are high-tech and improves efficiency of operation significantly to achieve higher productivity.

In 2015-16, the tungsten carbide inserts of Crab Bits were replaced with PCD inserts which enabled higher penetration rate and bit life in Motur formation of WCL. To improve boreholes stability, mud mixer assembly will be introduced within the hydraulic system of mechanical drills for continuous mixing of drilling fluid.

Phenomenal development of technology applied in Geophysical Survey has also been taken place. In 2015-16, five Geophysical Loggers were available. It is planned to expand the application of Geophysical Logging by increasing the strength to ten by 2016-17. This equipment is used for delineation of different formations and in-situ characteristics in a borehole at different depth.

Five Resistivity Imaging System were introduced in 2015-16. In 2016-17, one more will be procured for sub-surface geological investigation.