

# Coal India may Extend Rally on Strong Growth

**HIGH PERFORMER** Miner delivered over 50% return in year-to-date period among all Nifty50 stocks

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**ET Intelligence Group:** Coal India (CIL), one of the least preferred stocks until a year ago, has turned out to be the top gainer with nearly 52% 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-auc-

tion 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.

Higher interest income on cash in hand from rising interest rates will also add to the earnings. At Friday's closing price of ₹221.7, the stock was traded at eight times FY22 dividend yield and 7.6 times FY22 earnings. The stock is expected to remain on investors' radar given the strong business prospects.



## Coal India



Date - 17-08-2022

Publication - The Economic Times

## 'Coal Stocks at Thermal Power Stations Enough for 17 Days'

**Nagpur:** Union coal secretary Anil Kumar Jain on Tuesday said that thermal power stations have coal stocks that will last for the next 17 days and Mahagenco has stocks for eight to 10 days. Jain addressed a press conference along with Coal India Ltd (CIL) chairman Pramod Agrawal at the Western

Coalfields Limited (WCL) during their visit to Nagpur. A major decision has been taken with regards to the pension scheme of coal mine workers, Jain said.

The CIL gives Rs 10 per tonne of coal production towards pension scheme to coal mine workers, and likewise, the CIL gave approximately Rs 622 crore towards pen-

sion scheme out of the total production of 622 million tonnes last year, he said.

As private coal companies were not contributing this way, the coal ministry was planning to make a law wherein such firms will have to contribute around Rs 20 per tonne coal towards pension fund, Jain said.—PTI

Date - 18-08-2022

Publication - Business Standard

# Centre plans to produce 900 mt coal in FY23, CIL to offer 700 mt

The ministry of coal is targeting production of 900 million tonne (mt) this financial year while Coal India (CIL) would produce 700 mt, Union coal minister Pralhad Joshi said on Wednesday.

"During the last four months, CIL has set a new record by producing around 207 mt of coal. Indian economy is growing at a very fast pace and coal-based power generation has recorded 16.8 per cent rise this year while the production of domestic coal has gone up by 22 per cent. By 2030, India's coal requirement will be of 1.5 billion tonne," Joshi said.

**BS REPORTER**

Date - 22-08-2022

Publication - Western Times

## Rise in power demand leads to 17% hike in coal supply to electricity generating plants in July

**New Delhi:** The supply of coal to electricity generating plants increased by 17.09 per cent to 58.45 million tonnes in July due to rise in power demand,



the government data said.

The government in the last few months has taken various measures to ensure adequate availability of coal for power stations. The total coal dispatch to power utilities stood at 49.92 million tonnes (MT) in July last fiscal, according to provisional data of the coal ministry. Overall

dispatch of coal in the country went up by 8.51 per cent to 67.81 MT last month compared to 62.49 MT in the corresponding month of previous fiscal. The overall coal production also went up by 11.37 per cent to 60.42 MT in July as against 54.25 MT in the year-ago period. Earlier, the government had mandated Coal India (CIL) to import coal as an emergency measure to avoid the fuel shortage at power utilities and build up buffer stock. The state-owned firm accounts for over 80 per cent of India's coal output. Subsequently, CIL awarded the contract for supply of 7.91 lakh tonnes of imported coal to PT Bara Daya Energy Ltd. (consortium) to power generation companies (gencos) during August and September.