

कोल इण्डिया लिमिटेड महारात्न कंपनी 3 तल्ला, कोर-2 प्रेमिसेस-04-एमआर, प्लॉट-ए एफ-III, एक्शन एरिया-1A, न्यूटाउन, राजरहट, कोलकाता-700156 फोन 033-23246526, फैक्स-033-23246510 ईमेल: mviswanathan2.cil@coalindia.in वेबसाइट: www.coalindia.in CIN- L23109WB1973GOI028844		Coal India Limited A Maharatna Company (A Govt. of India Enterprise) Regd. Office: 3rd floor, Core-2 Premises no-04-MAR, Plot no-AF-III, Action Area-1A, Newtown, Rajarhat, Kolkata- 700156 PHONE: 033-2324-6526, FAX: 033-23246510 E-MAIL: mviswanathan2.cil@coalindia.in WEBSITE: www.coalindia.in CIN- L23109WB1973GOI028844
---	---	---

Ref.No.CIL:XI(D):04157:2017:

Dated: 18th April'2017

To
Jiten Patel
Assistant Manager – Listing Compliance
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Sub: Clarification of CIL on media report "177 mines of Coal India downgraded on quality concerns"

Reference: ISIN – INE522F01014

Dear Sir,

We refer to mail dated 17th Apr'17 on the above subject. Our Clarification are as under:-

Coal is a heterogeneous mineral, susceptible to qualitative variation particularly in Indian context because of its origin and formation. As per earlier practice, Annual declaration of grade proposed by coal companies on the basis of own sample collection and analysis at Govt. Accredited laboratories, which was being approved by Coal Controller in due course.

As per Statutory provisions, subject of maintenance of grades requires monitoring which is vested with Coal Controller Organization. Annual declaration of grades is a routine exercise, being carried out by coal companies as per directives and methodology prescribed by CCO. During FY 16-17, 52 mines/ seams were regarded. Again, during reassessment another 22 mines were regarded.

During FY17-18, as per directives of Govt. Coal Controller announced new methodology for declaration of grade. Under revised methodology, sampling and analysis of different seams/ loading points was carried out through Academic Institutions and based on their results, Coal Controller Organization finalized the grades.

B/M

In respect of CIL, these institutions drew samples in respect of 871 size fractions/ sidings of 386 mines. Consequently, 51.55% retained their earlier grade, 40.76% size fractions/ sidings were downgraded, while 7.69% were upgraded in reference to the Grade declaration during 16-17.

In most cases, downgrading has been of one to two grades. Since CIL dispatches most of its coal to Power sector, ultimate realization from sale continues to be derived from the analyzed grade, done through Third Party assessment. Such system has been in vogue since Oct'13. As such, impact on revenue can only be assessed after coal sampling and analysis over a reasonable period of time.

As per prevalent procedure, initial bills are always raised based on declared grades. Adjustment in the bills is made based on results of analyzed grade.

Independent certification of coal grade through CCO and analysis through CIMFR will help CIL to achieve consumers' confidence and satisfaction besides less slippages in future. Recalibration of entire grading methodology is also going to help Govt. in its mission to make cheap power available to common person.

This is as per Regulations 30 of SEBI (LODR) 2015. This is for your information and records please.

Yours faithfully,


18/4/12

 Company Secretary/कंपनी सचिव
& Compliance Officer/कम्प्लायंस ऑफिसर