


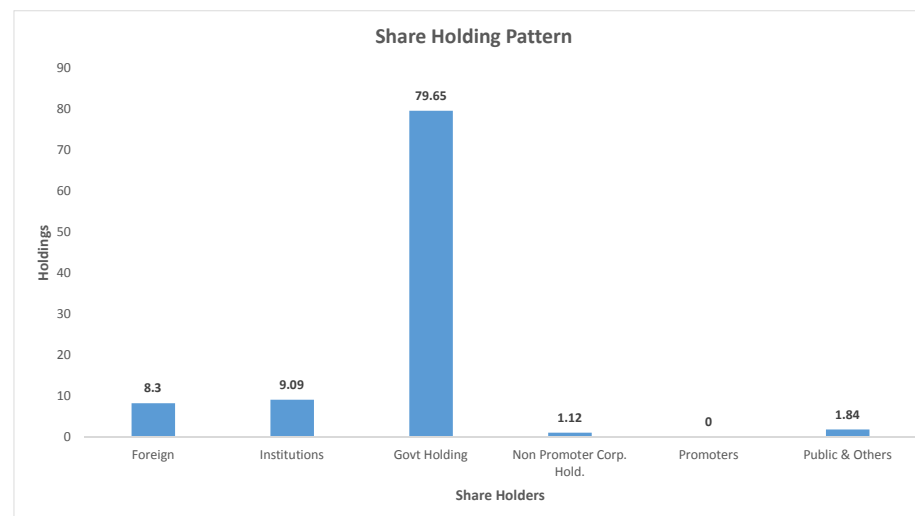
<h2 style="text-align: center;">Research Report</h2>	 Spearhead FinServe <small>PRIVATE LIMITED</small> <small>A subsidiary of Spearhead Services Pvt Ltd</small>																		
<h3 style="text-align: center;">Coal India</h3>	<table> <tr> <td>Recommendation</td><td>Accumulate</td></tr> <tr> <td>Current Market Price</td><td>390</td></tr> <tr> <td>Target</td><td>463.00</td></tr> <tr> <td>Accumulation Price Band</td><td>385-395</td></tr> <tr> <td>Time Frame</td><td>6 Months</td></tr> <tr> <td>Derivative Segment</td><td>Yes</td></tr> </table>	Recommendation	Accumulate	Current Market Price	390	Target	463.00	Accumulation Price Band	385-395	Time Frame	6 Months	Derivative Segment	Yes						
Recommendation	Accumulate																		
Current Market Price	390																		
Target	463.00																		
Accumulation Price Band	385-395																		
Time Frame	6 Months																		
Derivative Segment	Yes																		
<h3 style="text-align: center;">Industry :Energy</h3>	<table> <tr> <td colspan="2">Quick Glance</td></tr> <tr> <td>Share Capital (Rs Cr)</td><td>6,316.36</td></tr> <tr> <td>Market Cap (Rs Cr)</td><td>246,085.56</td></tr> <tr> <td>Entreprise Value (Rs Cr)</td><td>246,085.56</td></tr> <tr> <td>Face Value (in Rs)</td><td>10.00</td></tr> <tr> <td>52 Week High/ Low (in Rs)</td><td>423.70/331.35</td></tr> </table>	Quick Glance		Share Capital (Rs Cr)	6,316.36	Market Cap (Rs Cr)	246,085.56	Entreprise Value (Rs Cr)	246,085.56	Face Value (in Rs)	10.00	52 Week High/ Low (in Rs)	423.70/331.35						
Quick Glance																			
Share Capital (Rs Cr)	6,316.36																		
Market Cap (Rs Cr)	246,085.56																		
Entreprise Value (Rs Cr)	246,085.56																		
Face Value (in Rs)	10.00																		
52 Week High/ Low (in Rs)	423.70/331.35																		
<p>Company Overview</p> <ul style="list-style-type: none"> •Incorporated in 1975,Coal India , a Maharatna public sector enterprise, is engaged in mining coal, the key raw material used in generating thermal power. •Coal India has the largest reserve base among all its peer group companies in the world. •The company supplies coal to sectors like power, steel, cement, defence, fertiliser, etc. •The company enjoys a dominant status in the domestic market wherein it contributes ~81% of India's total coal output 	<table> <tr> <td colspan="2">Financials</td></tr> <tr> <td>EPS (Rs)</td><td>23.92</td></tr> <tr> <td>Book Value (Rs)</td><td>26.04</td></tr> <tr> <td>P/E</td><td>16.30</td></tr> <tr> <td>P/BV</td><td>14.98</td></tr> <tr> <td>ROE</td><td>35.63</td></tr> <tr> <td>ROCE (%)</td><td>53.87</td></tr> <tr> <td>Dividend Yeild (%)</td><td>7.44</td></tr> <tr> <td>Debt - Equity</td><td>-</td></tr> </table>	Financials		EPS (Rs)	23.92	Book Value (Rs)	26.04	P/E	16.30	P/BV	14.98	ROE	35.63	ROCE (%)	53.87	Dividend Yeild (%)	7.44	Debt - Equity	-
Financials																			
EPS (Rs)	23.92																		
Book Value (Rs)	26.04																		
P/E	16.30																		
P/BV	14.98																		
ROE	35.63																		
ROCE (%)	53.87																		
Dividend Yeild (%)	7.44																		
Debt - Equity	-																		
<p>Industry Overview</p> <ul style="list-style-type: none"> •Coal dominates the country's energy mix with contribution of over 50% of India's total primary energy production and is expected to continue playing a crucial role in meeting India's future energy needs. •India has the fifth largest coal reserves in the world. Of the total reserves, nearly 88% are non-coking coal reserves, while tertiary coals reserves account for a meager 0.5 % and the balance is coking coal. •India's ever-increasing demand for coal is expected to touch 980.5 Mt by 2016-17,out of which the demand from the power sector constitutes about 70%. •The country's coal production has increased from~431 MT in 2006-07 to ~554 MT* in 2011-12 an increase of 28.5%. On the other hand, the demand for coal has grown at a CAGR of more than 7% in the last decade and has reached around 600 MT 	<table> <tr> <td colspan="2">Highlights</td></tr> <tr> <td>Debt (Rs Cr)</td><td>171.46</td></tr> <tr> <td>Reserves (Rs Crs)</td><td>36,088.10</td></tr> <tr> <td>FII Holdings (%)</td><td>8.30</td></tr> <tr> <td>MF Holdings (%)</td><td>0.71</td></tr> <tr> <td>Free Float Market Capitaliation (Rs Cr)</td><td>49,272.38</td></tr> <tr> <td>Beta</td><td>0.75</td></tr> <tr> <td>Avg Volume Per day (no. of shares)</td><td>6,003,508</td></tr> <tr> <td>Avg Volume Per Month (no. of shares)</td><td>56,984,360</td></tr> </table>	Highlights		Debt (Rs Cr)	171.46	Reserves (Rs Crs)	36,088.10	FII Holdings (%)	8.30	MF Holdings (%)	0.71	Free Float Market Capitaliation (Rs Cr)	49,272.38	Beta	0.75	Avg Volume Per day (no. of shares)	6,003,508	Avg Volume Per Month (no. of shares)	56,984,360
Highlights																			
Debt (Rs Cr)	171.46																		
Reserves (Rs Crs)	36,088.10																		
FII Holdings (%)	8.30																		
MF Holdings (%)	0.71																		
Free Float Market Capitaliation (Rs Cr)	49,272.38																		
Beta	0.75																		
Avg Volume Per day (no. of shares)	6,003,508																		
Avg Volume Per Month (no. of shares)	56,984,360																		
<p>Key Highlights</p> <ul style="list-style-type: none"> •Coal India plans to invest Rs 5,000 crore in the Railways to procure wagons for speedy transportation of coal . •Coal sold through e-auction increased annually in the March quarter which will improve realizations as coal sold through e-auction gives higher profit margins to Coal India than coal sold through fuel supply agreement 																			
<p>Key Risks</p> <ul style="list-style-type: none"> •A large number of Coal India's proposals are awaiting environmental clearances and any delay in granting environmental clerances will impact the volumes of the company. •Coal India sells its coal at a substantial discount to the equivalent price in international prices, hence, any severe correction in coal price coupled with appreciation of the rupee may hit its profitability 																			

Financial Highlights

Income Statement (Annual)					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Net Sales	68,810.02	68,302.74	62,415.43	50,229.28	53,949.05
Operating Profit	15,963.15	18,083.63	15,667.81	13,477.60	13,649.09
Operating Profit Margin	23.20	26.48	25.10	26.83	25.30
Depreciation	1,996.41	1,812.97	1,969.22	1,765.40	1,375.34
Interest	58.00	45.17	53.98	73.7	285.32
Other Income	8,969.38	8,746.68	7,554.67	4,882.26	4,657.88
PBT	22,879.53	24,979.03	21,272.65	16,463.23	14,037.67
APAT	15,111.63	17,356.36	14,788.20	10,867.35	9,622.45
PAT Margin (%)	21.96	25.41	23.69	21.64	17.84
Earnings Per Share	23.92	27.48	23.41	17.21	15.23

Balance Sheet					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Equity Share Capital	6,316.36	6,316.36	6,316.36	6,316.36	6,316.36
Reserves and Surplus	36,088.10	42,155.63	34,136.66	26,997.84	20,956.28
Net Worth	42,404.46	48,471.99	40,453.02	33,314.20	27,272.64
Deferred Tax Liability :	-	-	-	-	-
Long Term Debt	0	1,077.79	0	32.6	622.55
Short Term Debt	171.46	0	1,333.28	1,333.76	1,464.30
Total Debt	171.46	1,077.79	1,333.28	1,366.36	2,086.85
Current Liabilities	22,412.01	20,360.09	21,280.28	16,303.84	26,571.95
Total Provisions	39,190.82	51,591.29	43,826.43	34,847.59	14,883.31
Total Liabilities	42,639.52	49,613.38	41,839.90	34,713.17	29,359.49
Gross Block	37,907.46	35,937.37	34,940.13	33,431.97	34,945.32
Net Fixed Assets	14,594.93	13,465.76	13,440.29	12,843.31	12,035.44
Investments	3,774.90	2,394.96	1,981.40	1,063.69	1,282.14
Current Assets	81,367.25	102,208.09	88,621.54	69,900.44	55,404.76
Deferred Tax Asset :	0	0	0	0	0
Receivables	8,241.03	10,480.21	5,667.89	3,418.74	2,168.65
Inventories	5,568.07	5,617.83	6,071.28	5,585.61	4,401.77
Cash	52,389.53	62,236.00	58,202.78	45,806.44	3,093.82
Total Assets	42,639.52	49,613.38	41,839.90	34,713.17	29,359.49

Income Statement (Quarterly)								
Particulars (Rs Cr)	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	20,774.22	17,762.88	15,677.98	17,799.54	19,997.98	16,928.13	15,411.49	16,472.42
Operating Profit	5266.83	2912.77	1533.25	3762.63	4523.51	3661.9	2299.04	3482.3
Operating Profit Margin	25.35	16.40	9.78	21.14	22.62	21.63	14.92	21.14
Depreciation	697.96	567.2	536.32	518.32	584.09	441.74	494.93	475.65
Interest	2.89	2.22	1.07	1.14	32.96	9.64	7.96	7.44
Other Income	1726.1	2181.98	2022.14	2180.54	2384.37	2182.61	2182.79	2219.61
PBT	6991.44	5075.57	3559.13	5957.78	6901.6	5823.75	4473.87	5689.45
APAT	4238.54	3262.49	2192.36	4033.22	4434.18	3894.09	3052.36	3731.00
PAT Margin (%)	20.40	18.37	13.98	22.66	22.17	23.00	19.81	22.65
Earnings Per Share	6.71	5.16	3.47	6.39	7.02	6.16	4.83	5.91

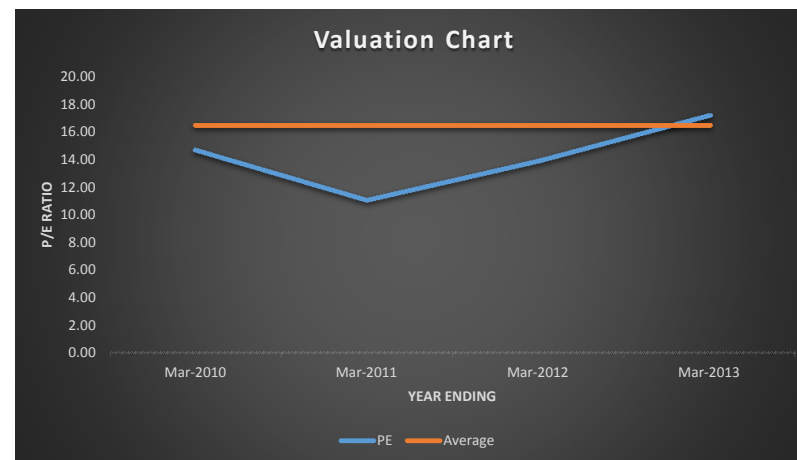
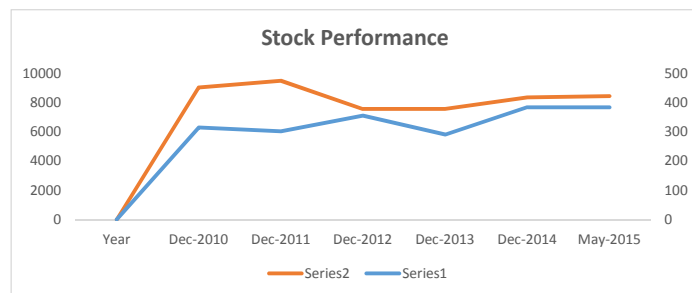


Key Financial Indicators						
Particulars	Units	2014	2013	2012	2011	2010
Revenue	Crs	68,810.02	68,302.74	62,415.43	50,229.28	53,949.05
Operating Profit Margins	%	23.20	26.48	25.10	26.83	25.30
PAT	Crs	15,111.63	17,356.36	14,788.20	10,867.35	9,622.45
PAT Margins	%	21.96	25.41	23.69	21.64	17.84
Revenue Growth	%	0.74	9.43	24.26	(6.89)	12.68
Operating Profit Growth	%	(11.73)	15.42	16.25	(1.26)	153.87
PAT Growth	%	(12.93)	17.37	36.08	12.94	362.91
Gearing	times	-	0.02	0.03	0.04	0.08
ROCE	%	53.87	50.48	50.81	47.82	57.35
ROE	%	35.63	35.8	36.55	32.62	35.28

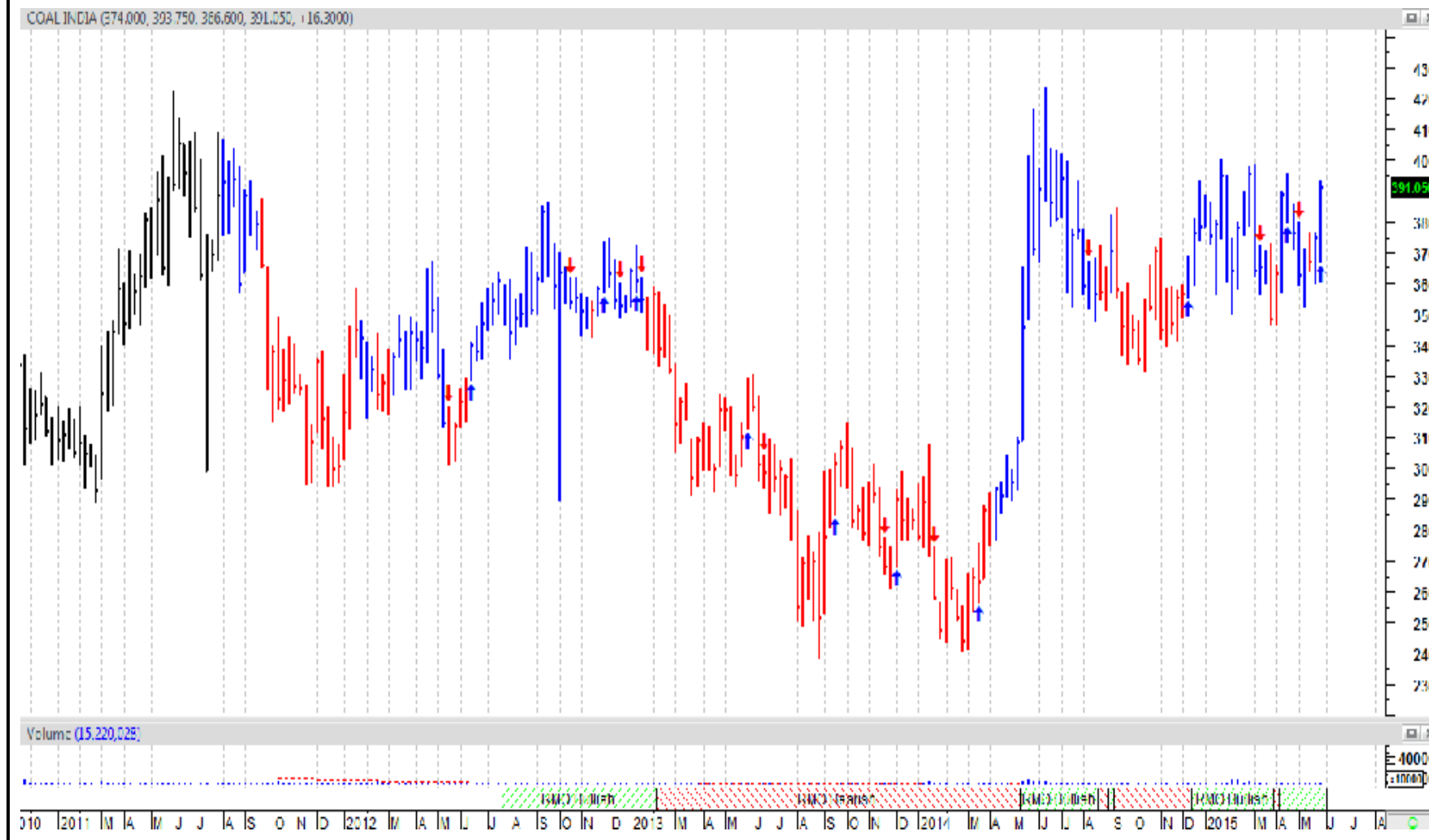
Peer Comparison				
Particulars	Units	Coal India	NMDC	GMDC
Revenue	Rs Cr	68,810.02	12,058.20	1,289.67
Operating Profit Margins	%	23.20	64.45	47.20
PAT	Rs Cr	15,111.63	6,413.08	439.13
PAT Margins	%	21.96	53.18	34.05
Gearing	%	-	-	-
EPS	Rs / Share	23.92	16.18	13.81
PE	times	16.30	8.03	7.24
P/BV	times	14.98	1.71	1.11
ROCE	%	53.87	32.42	21.99
ROE	%	35.63	21.27	15.34
EV/EBITDA	times	9.92	5.17	4.19

Stock Performance vis-a-vis Index

Particulars	Return	
	YTD	QTD
Coal India	3%	8%
CNX Energy	-2%	1%



Technical Outlook



Disclaimer

This report is for the personal information of the authorised recipient and does not construe to be any investment, legal or taxation advice to you. Spearhead FinServe Pvt Ltd is not soliciting any action based upon it. This report is not for public distribution and has been furnished solely for your information and should not be reproduced or redistributed to any other person in any form. The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. Spearhead FinServe Pvt Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any inadvertent error in the information contained in this report. Spearhead FinServe Pvt Ltd or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations. This information is subject to change without any prior notice. Spearhead FinServe Pvt Ltd reserves the right to make modifications and alterations to this statement as may be required from time to time. Nevertheless, Spearhead FinServe Pvt Ltd is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.