

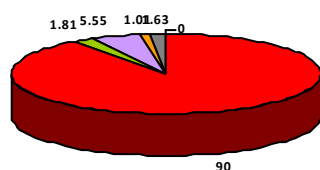


BSE code	533278
NSE code	COALINDIA
Bloomberg code	COAL IN
Current price	349
Target Price	370
MCap Rs bn	2157.67
MCap US\$ mn	42348.75
52 WK H/L	422.30 / 293.75
Face value	10
2 WAv vol ('000)	4069.41

### Financial Snapshot

Rs Mn	FY 09	FY 10	FY 11
Sales	3176.2	4427.2	4644.4
% Ch	17.02	39.39	4.91
OPM	-197.98	-71.25	-75.86
PAT	32953.8	37799.2	46961
% Ch	34.30	14.70	24.24
EPS	0	0	7.43
PER	0	0	46.72
BV	0	0	28.21
P/BV	0	0	12.3
EV / EBIDTA	-52.60	-181.13	-

### Share holding pattern



■ PROMOTERS ■ DII ■ FI ■ BODIES CORPORAT ■ RETAIL ■ CUSTODIANS

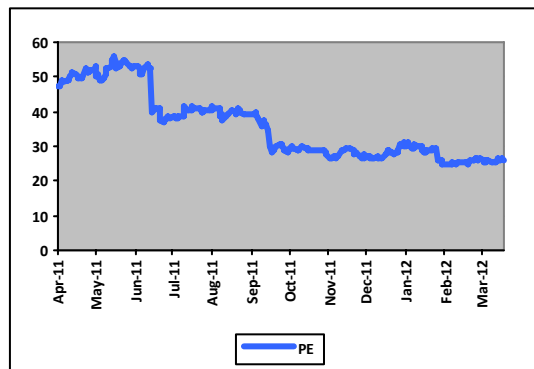
Sameer Dalal  
91-22-4213-4444  
sameer@natverlal.com

Coal India has been trading in a range over the past 3 months. The stock has faced severe headwinds by some government policies over the past month. In the budget the government asked them to sign long term contracts for supply of coal. If they were not able to meet those contracts there would be some penalties for the company. Today there has been a statement that the penalties if implemented would be limited. This has helped the stock break out of its trading range.

Looking at the daily chart of coal India we can see a symmetrical triangle formation following a correction. This was a good consolidation period for the company. The resistance level was at Rs345. Today the stock has broken above this resistance and moved up to Rs349. If the stock were to maintain this level we believe the stock has a good trading move up to 370 levels. This would be an upside move of Rs20 or 7% from the current level. Given the strong fundamentals of the company and the growing demand of coal over a longer term as well we believe coal India would be able to generate strong returns. However for the shorter term we are giving a Technical, trading buy call at Rs350 with a target of Rs370

Chart attached on the next page.

## PE Ratios



## Coal India Daily chart.

Although the chart does not have the break up move as it happened today it has broken above the resistance which is at Rs345



## Financials

### Profit & Loss

In Rs million	FY 09	FY 10	FY 11
Net sales	3176.2	4427.2	4644.4
YoY (%)	17.02	39.39	4.91
Total expenses	4827.8	5079	6079.3
EBIDTA	-1568.3	-585.1	-1349.5
YoY (%)	7.22	-62.69	130.64
EBIDTA (%)	-49.38	-13.22	-29.06
Other income	42943.3	41955.9	50842.5
PBIDT	41375	41370.8	49493
Depreciation	61.7	89.9	55.7
PBIT	41313.3	41280.9	49437.3
Interest	4736.5	2576.9	2203.7
PBT	36576.8	38704	47233.6
Tax	3623	904.8	272.6
Tax/ PBT	9.91	2.34	0.58
PAT	32953.8	37799.2	46961
Extra-ordinary	0	0	0
Net Profit	32953.8	37799.2	46961
YoY (%)	34.30	14.70	24.24

### Cash Flow

In Rs million	FY 09	FY 10	FY 11
Net profit	36576.8	38704	47233.7
Deprn and w/o	66.3	94.9	60.7
Deferred tax			
Change in wrkg cap	-17995.2	-16201	-22943.3
Other income	14.2	373.6	806.9
Operating cash flow	17458.7	22936	24206.2
Other income	17609.3	23138.4	24760.1
Capex	-150.6	-200.3	-527.9
Investments	0	-2.1	-26
Investing cash flow	-2719.8	-2738.2	-1993.3
Dividend	-17054.2	-22100	-22091.2
Equity	0	0	0
Debt	-0.3	0	0
Financing cash flow	-14274.9	-19415.2	-20651.8
Others			
Net change in cash	464	782.6	1561.1

### Disclaimer

The information provided in the document is from publicly available data and other sources, which we believe are reliable. It also includes analysis and views expressed by our research team. The report is purely for information purposes and does not constitute an investment recommendation/advice. Investors should not solely rely on the information contained in this document and must make investment decisions based on their own investment objectives, risk profile and financial position. Efforts are made to try and ensure accuracy of data however, Natverlal & Sons Stockbrokers Pvt Ltd. And / or any of its affiliates and / or employees shall not be liable for loss or damage that may arise from any error in this document. Natverlal & Sons Stockbrokers Pvt Ltd and / or any of its affiliates and / or employees may or may not hold positions in any of the securities mentioned in the document. This document is not for public distribution and should not be reproduced or redistributed without prior permission.

Natverlal & Sons Stockbrokers Pvt Ltd. Fairy Manor, 13 Rustom Sidhwa Marg Fort Mumbai 400001. Tel 91-22-22658737  
Email [research@natverlal.com](mailto:research@natverlal.com)

### Balance Sheet

In Rs million	FY 09	FY 10	FY 11
Equity capital	63163.6	63163.6	63163.6
Reserves	76970.2	92669.3	114996.5
Net worth	140133.8	155832.9	178160.1
Total borrowings	17866.3	14643	13704.3
Deferred tax	0	0	0
Total liabilities	158000.1	170475.9	191864.4
Net block	949.8	934.1	983.7
CWIP	18.1	139.2	556.7
Investments	63163.6	63165.7	63191.7
Current assets	158430.2	175462.6	211818.3
Inventories	217.3	288	376.1
Debtors	0.2	0	0
Cash	64627.7	91333.6	116595.2
Loans and advances	93585	83841	94847
Current liabilities	57451.1	62412.2	74527.5
Provisions	7110.5	6813.5	10158.5
Net current assets	93868.6	106236.9	127132.3
Misc expenses	0	0	0
Total assets	158000.1	170475.9	191864.4

### Key Ratios

In Rs million	FY 09	FY 10	FY 11
EPS (Rs)	521.72	5.98	7.43
CEPS (Rs)	522.7	6	7.44
Book value (Rs)	2218.58	24.67	28.21
DPS (Rs)	270	3.5	3.9
Debt-equity (x)	0.12	0.11	0.08
ROCE	27.79	25.13	27.29
ROE	24.93	25.54	28.12

### Valuations

PE (x)	0	0	46.72
Cash PE (x)	0	0	46.63
Price/book value (x)	0	0	12.3
Dividend yield			
Market cap/sales	0	0	468.1
EV/sales (x)	-14.72	-17.32	449.9
EV/EBDITA (x)	29.82	131.07	-1548.36

