

19th August 2026

Quarterly Result Update

Coal India Ltd



Research Analyst

Abdul Karim

RecoHold

Industry	Coal
LTP (Aug 19, 2026)	Rs. 400
Bull case target	Rs. 500
Time Horizon	4 Quarters

Stock Info

BSE Code	533278
NSE Code	COALINDIA
Bloomberg	COAL IN
Equity Capital (Rs Cr)	6162.7
Face Value (Rs)	10.0
Equity Share O/S (Cr)	616.3
Market Cap (Rs Cr)	246,509
Adj. Book Value (Rs)	193.3
Avg. 52 Wk Volumes	74,955
52 Week High	490.90
52 Week Low	368.55

Share Holding Pattern (%) (Jun'26)

Promoters	61.1
Institutions	32.7
Non-Institutions	6.2
Total	100.0

One Year Price Chart



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Muted profit performance in Q1FY27, however continue to scale its digital infrastructure

- Coal India Ltd. (CIL) CIL's revenue was above expectations and net profit was in line in Q1FY27. Consolidated revenue rose 7.8% YoY to Rs 46,255 crore in Q1FY27. EBITDA declined 4.1% YoY and stood at Rs 12,069 crore in Q1FY27 due to higher operating costs, mainly driven by 27% YoY input cost inflation on explosives, oil & lubricants, and other spare parts. The company was not in a position to pass on higher operating expenses, and EBITDA margin slipped to 26.1% in Q1FY27 vs 29.3% in Q1FY26. The company posted a net profit of Rs 10,910 crore, grew by 1% YoY, and net profit margin stood at 19.1% in Q1FY27, vs. 20.5% in Q1FY26.
- In FY26, CIL produced 768 million tons (MTs) of coal vs 781 MTs in FY25, registering a 1.6% decline. Its production decreased to 169.6 MT in Q1FY27 vs. 183.3 MT in Q1FY26. Its offtake (including purchased coal) stood at 197.9 MT in Q1FY27 vs. 190.96 MT in Q1FY26. FSA sales stood at 168.1 MT vs. 165.77 MT in Q1FY26 and e-auction sales stood at 26.52 MT vs. 21.25 MT in Q1FY26. Average FSA realisation (ex-levies) edged down 2% QoQ to Rs 1,435/t. E-auction volume surged 25% YoY to 26.5 mt.
- A strong power-demand outlook for India and increased coal production could help CIL register sustainable volume growth over the next couple of years. Moreover, cost-control initiatives such as reducing manpower (employee costs account for 53-54% of overall costs) could expand margins. We expect earnings to grow at a 6% CAGR over FY26-28E, following declines in the previous two years.
- CIL has been implementing several measures to increase the production run rate by accelerating coal evacuation to thermal power plants. CIL is focused on expansion initiatives, including a 750 MWh battery energy storage project in Telangana and plans to invest around Rs 3,300 crore in eight coking coal washeries. CIL plans to develop 36 new coal projects over the next five years. The total number of upcoming projects, including coal projects, in the next four to five years stands at 75 and will be executed in four phases. The full benefit of this will be visible in 4-5 years, when the projects are fully executed

Key developments

- The company commenced production at the ASGKCC Mine (Katrass Area, Dhanbad, Jharkhand) under operated under a revenue-sharing Mine Developer and Operator (MDO) model by Bharat Coking Coal Limited (BCCL) and BCCL receiving 9% of the revenue. The mine contributed 11,980 tonnes in its initial production phase in the quarter.
- Bharat Coking Coal Limited (BCCL) operationalised its new Bhojudih Coal Washery on May 26, 2026. This 2.0 million tonnes per annum (MTPA) facility in Purulia, West Bengal, processes medium coking coal for the steel sector.
- CIL commissioned 200 MW of solar capacity at its Khavda project in Gujarat, bringing its total installed solar capacity to 557 MW. The project is executed by KPI Green Energy at the GIPCL Solar Park. CIL has 25-year offtake agreement with Gujarat Urja Vikas Nigam Ltd (GUVNL) for this project. It recorded revenue of Rs 5.7 crore from the sale of energy in the quarter.
- CIL plans to invest around Rs 1,900 crore in research and development (R&D) activities by FY30E as it steps up efforts to drive technological transformation and diversify into advanced energy technologies.

Valuation & Recommendation

With a robust volume outlook, healthy e-auction premiums and lower costs, the outlook for CIL remains positive. Strong summer demand and weak rainfall could help power demand and volumes rise in FY27, while higher global coal prices could support e-auction realisations. Coal India is expected to maintain a strong cash balance, adjusted for high capex and dividend payouts, and this strong cash flow could lead to a re-rating over the next few years. In the near term, employee cost is expected to rise with the next wage revision for non-executives from July-26 onwards. The rise in global coal prices could bring an opportunity to increase domestic coal prices; however, execution probability is negligible.

We had issued a Pick of the Week report ([Link](#)) on Coal India Ltd on March 01, 2026 and recommended to buy in the band of Rs 425-435 and add on dips in the band of Rs 378-386 for a base case fair value of Rs 471 and the bull case fair value of Rs 500 over the next four quarters. The stock achieved its base case target on March 12, 2026. We have an open call on the stock and recommend a "Hold" rating.

Risks & Concerns

- Economic slowdown, volatility in global coal prices and governance challenges
- Lack of pricing power, changes in India's coal policy, pricing policy, land acquisition
- Higher Diesel or petroleum prices
- Captive coal mines of steel and power companies and other industries
- Lower-than-expected volume offtake and realization from e-auction

Financial Summary

Particulars (in Rs Cr)	Q1FY27	Q1FY26	YoY-%	Q4FY26	QoQ-%	FY24	FY25	FY26	FY27E	FY28E
Total Operating Income	46255	42919	7.8	46490	-0.5	1,38,252	1,44,762	1,69,177	1,68,400	1,79,658
EBITDA	12069	12588	-4.1	12673	-4.8	44,232	47,971	47,205	41,242	47,340
APAT	8852	8797	0.6	10839	-18.3	31,763	37,402	35,506	31,094	33,723
Diluted EPS (Rs)	14.4	14.3	0.6	17.6	-18.3	51.5	60.7	57.6	50.5	54.7
RoE-%						61.1	52.1	38.5	28.2	26.3
P/E (x)						7.8	6.6	6.9	7.9	7.3
EV/EBITDA (x)						4.8	4.6	4.7	5.0	5.5

(Source: Company, HDFC sec)

Rating Criteria

Buy - > 15%+ return potential
 Add - +5% to +15% return potential
 Reduce - -10% to +5% return potential
 Sell - >10% downside return potential

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Disclosure:

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