



COAL INDIA LTD.

Sector

Mar 16, 2026

Buy at CMP: Rs 466.5 | Target: Rs 532 (14%) | SL: Rs 435

Mining

Coal India is primarily involved in the mining and production of Coal. The major consumers of the company are the power and steel sectors. The company is currently executing a variety of projects, ranging from mining, washery, evacuation projects, etc.

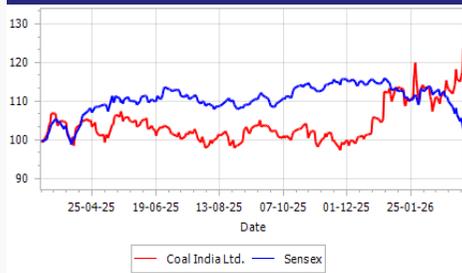
Script Details

| | |
|--------------------------------|-----------|
| BSE Group | A |
| BSE Code | 533278 |
| NSE Code | COALINDIA |
| Bloomberg Code | COAL IN |
| Market Cap (INR Cr.) | 2,89,741 |
| Free Float (%) | 36.9% |
| 52wk Low/High | 474/350 |
| Beta (1yr Nifty 50) | 0.84 |
| Face Value (INR)/ D. Yield (%) | 10/5.6 |
| Total paid Up Shares (Mn.) | 6162.7 |

Share Holding Pattern (%)

| FII's | DII's | Public |
|-------|-------|--------|
| 45.0% | 20.8% | 34.2% |

Share Price Relative Performance



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Investment Rationale

- ◆ **CIL to sustain sector dominance amid rising coal demand and higher production targets.** : CIL has a dominant position in India's coal industry, holding ~49% of the country's proven coal reserves and contributing 74-80% of domestic coal production during FY23-FY25, supported by over 5 decades of operational expertise. The company continues to scale production, reaching 781.06 MT in FY25, with targets of 875 MT in FY26 and 915 MT in FY27, which should further strengthen its market leadership. Although commercial mining by private players has increased since 2020, CIL is expected to retain a near-monopoly due to India's rising power demand and continued reliance on coal, with large coal imports highlighting the supply gap. Given the lack of cost-effective and reliable alternatives in the medium term, coal is likely to remain the dominant component of India's energy mix, supporting sustained demand and stable long-term growth prospects for CIL.
- ◆ **CIL diversification beyond coal could drive a long-term rerating:** CIL is evolving from a pure coal producer to a diversified energy and natural resources company through expansion into renewables, critical minerals, and power generation. The company has partnered with UPRVUNL for a 500 MW solar project, secured a Rare Earth Elements block, and collaborated with Hindustan Copper for critical minerals, while its JV with Damodar Valley Corporation strengthens downstream integration. Additionally, the listing of BCCL and dividends from Hindustan Urvarak & Rasayan Limited highlight value unlocking and JV monetisation.
- ◆ **Strong balance sheet and stable cashflow supporting capex:** CIL is net debt-free with cash of ₹32,597 Cr against debt of ₹13,786 Cr in 2HFY26 and strong operating cash flow of ₹29,200 Cr. The company plans annual capex of ₹16,000-₹16,500 Cr for FY26-FY28 toward coal beneficiation, mining expansion, first mile connectivity, rail evacuation infrastructure, and investments in solar, thermal power, and fertilizer plant revival supporting capacity expansion to 915 MT by FY27 through internal accruals and selective debt.
- ◆ **Valuations:** We model a Revenue/PAT CAGR of 9%/11% and estimate COALINDIA to clock PAT of Rs 45,879 Cr by FY28E. COALINDIA is trading at forward P/E(x) of 6.3x and we value at 7.2(x) FY28E and Recommend BUY on COALINDIA with TP Price of Rs. 532 (14%).

| Year | Revenue | EBITDA | PAT | PE Ratio (x) | EV/EBITDA (x) |
|-------|----------|--------|--------|--------------|---------------|
| FY23 | 1,39,143 | 40,577 | 31,202 | 9.3 | 6.6 |
| FY24 | 1,44,648 | 48,735 | 37,834 | 7.7 | 5.5 |
| FY25 | 1,41,707 | 45,246 | 33,142 | 8.7 | 5.9 |
| FY26E | 1,54,461 | 46,338 | 38,615 | 7.5 | 5.8 |
| FY27E | 1,68,362 | 50,509 | 42,091 | 6.9 | 5.3 |
| FY28E | 1,83,515 | 55,054 | 45,879 | 6.3 | 4.9 |

Source: Company Data, Ace Equity, GEPL Research

TECHNICAL VIEW

Observation

- Coal India Ltd has witnessed a breakout above its nine-week high, supported by a strong bullish candlestick and notable volume expansion above the 20-week average, indicating renewed buying interest.
- The stock is also demonstrating strong relative strength compared to the broader market, despite prevailing volatility, suggesting the trend remains positive.
- On the monthly timeframe, the stock appears to be forming a base pattern, while the MACD indicator has delivered a bullish crossover, signaling improving long-term momentum.
- On the weekly scale, prices continue to trend higher, indicating a pickup in upward momentum.
- Given this robust alignment across multiple timeframes, the stock looks poised to advance toward an upside target of 532, while a closing-basis stop loss at 435 is advised to manage risk effectively.

Coal India Ltd. · 1W · NSE O439.00 H476.00 L433.75 C463.70 +23.25 (+5.28%) Vol79.06M



 TradingView

Source: Tradingview.in, GEPL Research

Inference & Expectations

- Considering these factors, it can be inferred that COALINDIA stock is set to continue uptrend.
- Going ahead we expect the prices to move higher till 532 level.
- The stop loss must be at 435 level, strictly on the closing basis.

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