Coal India Ltd — Apr 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Miss **One-line:** The volume growth thesis is formally dismantled as FY26 offtake (743.6 MT) missed the 875 MT target by a staggering 131 MT, shifting the investment case entirely toward a "dividend-yield-plus-subsidiary-turnaround" play rather than a volume growth story.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Miss	FY26 Sales of 743.6 MT vs 875 MT guidance; Q4 volumes down 1% YoY.	□
Earnings Quality	Moderate	PAT growth (+12% YoY in Q4) helped by □415 Cr stripping reversal; FY PAT down 12%.	□
Guidance Confidence	Weak	Management's inability to arrest volume decline makes long-term 1 BT targets non-credible.	□
Management Credibility	Weak	Consecutive misses on volume targets; structural cost increases (Jharkhand Cess) now biting.	□
Business Quality Signal	Deteriorating	Operating margins fell from 23% to 19% for FY26; debt creeping up for working capital.	□
Key Q&A Exchange	N/A — PPT_ONLY	No concall conducted or available.	□
The Street's Primary Anxiety	Structural Costs	The impact of Jharkhand Mineral-Bearing Land Cess on long-term margins.	□
Capital Cycle Stage	Consolidation	High D&A (□10,137 Cr FY26) suggests heavy past spend not yet driving incremental volumes.	□
Margin / Return Ratio Trajectory	Deteriorating	RoE fell from 41% to 30% YoY; EBITDA margin compressed 200bps to 32%.	□
Pricing Power	Eroding	E-Auction realizations fell 7% for the year; Q4 FSA realization (coal only) down 1.7% YoY.	□
FCF Conversion & Quality	Weak	CFO/PAT impacted by inventory build and higher receivables (0.81 months vs 0.76).	□
Competitive Moat Signals	Stable	Monopoly status remains, but "cost of doing business" (taxes/cess) is diluting the moat.	□
Balance Sheet Strength	Adequate	Cash rich, but Debt/Equity rose to 0.12 due to WC loans for struggling subsidiaries.	□
Working Capital Efficiency	Deteriorating	Inventory turnover slowed from 0.97 to 1.22 months; receivables rising.	□
Mgmt Guidance Track Record	Unreliable	875 MT target was a massive miss; mathematical impossibility flagged in Q3 was proven correct.	□
Key Vulnerability / Red Flag	Subsidiary Drag	ECL remains PBT negative (-□1,257 Cr FY26); Jharkhand Cess added □3,635 Cr to costs.	□
Management Tone	N/A	Based on PPT only.	□

Sentiment: □Negative

Key Takeaways (Positives & Negatives): * **Positives:** BCCL has successfully turned around, posting a PBT of ₹1,703 Cr for FY26 compared to a loss of ₹1,554 Cr in FY25. Headcount reduction continues (down 4% YoY), which partially mitigates the ₹1,458 Cr one-time executive pay provision. NCL remains a high-margin fortress with 15% PBT growth. * **Negatives:** The volume engine has stalled; FY26 offtake fell 2.3% YoY. The Jharkhand Mineral-Bearing Land Cess is a structural margin killer, driving a ₹3,635 Cr spike in "Other Expenses." E-auction realizations continue their downward slide (down 7% for FY26), and overall average realization per tonne for coal fell 1% in FY26. * **The Street's Concern:** Analysts are now grappling with a "no-growth" scenario. With volumes contracting and structural taxes rising, the dividend payout capacity—historically the primary reason to own the stock—is under pressure if EBITDA margins continue to compress toward the sub-30% range. * **Watchpoint:** Monitoring the legal/regulatory status of the Jharkhand Cess. If passed on fully to consumers, margins may recover; if absorbed, CIL's valuation will likely de-rate to a lower P/E multiple consistent with a utility in secular decline.

---

2. BUSINESS PERFORMANCE

2A. KEY METRICS *Concall not available — commentary absent.*

Metric	Current Qtr (Q4 25-26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Sales Volume (MT)	198.83	↓ 0.9%	↑ 5.7%	↓	Reduction in FSA and Washed Coal qty.
Avg. Realization/Te (Coal)	₹1,597.85	↓ 1.4%	↑ 1.5%	↓	E-auction and FSA prices both soft in Q4.
FSA Realization (Coal)	₹1,460.47	↓ 1.8%	↓ 2.9%	↓	Realization/Te decreased vs Q4 FY25.
E-Auction Realization (Coal)	₹2,202.63	↓ 6.8%	↓ 9.5%	↓	Premiums continue to cool significantly.
Opex per unit (₹/Te)*	₹1,866.27	↑ 7.2%	↑ 24.8%	↓	*Derived: Total Exp / Sales Qty.
Net Debt / (Cash)	(Cash Rich)	→	→	→	Debt/Equity increased to 0.12 from 0.09.
Revenue (Consol)	₹46,490 Cr	↑ 5.8%	↑ 33.1%	↑	Driven by higher "Other Income/ Services."
EBITDA	₹17,917 Cr	↑ 11.7%	↑ 89.1%	↑	Q4 seasonality usually drives higher EBITDA.
EBITDA Margin %	38.5%	↑ 200bps	↑ 550bps	↑	Improved QoQ but FY26 margin is down.
PAT	₹10,908 Cr	↑ 12.0%	↑ 52.2%	↑	Supported by ₹415 Cr stripping reversal.
ROCE (%)	21.0%	↓ 400bps	N/A	↓	Full year FY26 figure.
Working Capital (DSO)	0.81 months	↓ 6.6%	↑ 8.9%	↓	Worse than FY25 (0.76) but better than Q3.

2B. SEGMENT BREAKDOWN (Subsidiary PBT)

Subsidiary	FY26 PBT (□ Cr)	YoY Growth	Margin	Trend	vs Co. Avg	Key Development
NCL	14,810	↑ 15.2%	High	↑	Better	The standout performer for the year.
MCL	14,361	↑ 1.4%	High	→	Better	Stable profit contributor despite headwinds.
SECL	6,433	↑ 2.7%	Moderate	→	Average	Recovered from mid-year safety issues.
CCL	3,366	↓ 38.2%	Moderate	↓	Worse	Massive underperformance for the full year.
BCCL	1,703	↑ Turnaround	Low	↑	Improving	Profitable vs □1,554 Cr loss in FY25.
WCL	2,163	↓ 50.6%	Low	↓	Worse	Significant earnings collapse in FY26.
ECL	(1,257)	↓ -	Negative	↓	Worst	Remains the primary drain on the Group.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Volume	875 MT for FY26 (Legacy).	**Actual: 743.6 MT.** Missed by 15%.	Massive Miss.	High
Guidance	Margins	Protect profitability.	Requires pass-through of Jharkhand Cess.	Underperforming (Margins ↓).	High
Strategy	Turnaround	BCCL Profitability.	Achieved □1,703 Cr PBT for FY26.	Delivered.	Low
Strategy	Cost Control	Manpower reduction.	4% reduction (8,176 net headcount drop).	Delivered.	Low
Strategy	Pricing	E-auction premiums.	Premiums are cooling (Realization ↓ 7%).	Underperforming.	Moderate
Balance	Receivables	Debtor discipline.	DSO rose to 0.81 from 0.76 months.	Underperforming.	Low

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

Trajectory Signal (vs prior quarter): The desperation seen in Q3—where a 330 MT Q4 was required to hit targets—has resolved into a cold reality: a massive 131 MT volume miss for the year. While Q4 shows a seasonal "paper" improvement in PAT and EBITDA, the underlying structural health is deteriorating. The introduction of the Jharkhand Mineral-Bearing Land Cess (up to 450/Tonne) has shifted from a risk to a realized cost, accounting for a nearly 4,000 Cr annual hit to the "Other Expenses" line.

What Changed	Prior Quarter (Q3 25-26)	This Quarter (Q4 25-26)	Direction
Volume Verdict	875 MT Target "Impossible"	743.6 MT Final (15% Miss)	↓ Broken Thesis
Structural Costs	Cess concerns rising	Cess impact ₹3,635 Cr (Full Year)	↓ Deteriorating
Subsidiary Health	BCCL nearing breakeven	BCCL FY Profit ₹1,703 Cr	↑ Improving
E-Auction Trend	₹2,434 / Te	₹2,202 / Te	↓ Deteriorating
FSA Price (Coal)	₹1,504 / Te	₹1,460 / Te	↓ Deteriorating
Accounting Buffer	₹1,462 Cr stripping reversal	₹415 Cr stripping reversal (Q4)	↓ Lower P&L support
Leverage	0.14 D/E	0.12 D/E	↑ Improving (QoQ)
Employee Cost	High (due to one-time provision)	Normalizing (-2% YoY in Q4)	↑ Improving
Inventory	Building	1.22 months (FY26) vs 0.97 (FY25)	↓ Deteriorating

STOP HERE.