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● EXPENDITURE RISES THREEFOLD IN THREE YEARS

CIL capex grows 8.5% to ₹4,700 crore in April-July

Big investments in evacuation infra, land and mining machinery

MITHUN DASGUPTA
Kolkata, August 16

STATE-RUN COAL MINER Coal India (CIL) on Wednesday said its capital expenditure grew 8.5% year-on-year (y-o-y) during April-July of the current financial year at ₹4,700 crore as the company continues to invest heavily in evacuation infrastructure, land and mining machinery.

The capital expenditure utilisation during the first four months of FY24 was nearly 100% of the progressive target of ₹4,754 crore and 28.3% of annual target of ₹16,600 crore, the company said.

"At a time when the Centre has been directing the Central Public Sector Enterprises (CPSEs) to scale up their capital expenditure for economic revival, CIL in a span of three years has stepped up its capex by three-fold (197%). From

KEY TAKEAWAYS

■ The capital expenditure utilisation during the first 4 months of FY24 was nearly **100%** of the progressive target



■ Capex on construction of rail sidings, corridors and coal handling plants/silos, was **₹664 cr and ₹572 cr** respectively

■ For FY24, the coal behemoth's proposed capex is **₹16,600 cr**

■ CIL's production rose **10.7% y-o-y** to **229.1 MT** by July in the current FY

₹6,270 crores in FY20 the capex shot up sharply to ₹18,619 crore in FY23," said a senior official of CIL.

Typically, the capex starts slow in the first quarter with the company laying out the expenditure plans at the beginning of the fiscal and gradually builds up in the subsequent quarters. "What makes the 8.5% capital expenditure growth in April-July FY24 significant was it came over a high base of ₹4,332 crore of same period FY23, the year when CIL's capex peaked to an all-

time high of ₹18,619 crore," the company said.

"Capital expenditure of CIL has registered a phenomenal growth of 20.90% over previous year. This helped your company spend ₹18,619.27 crore in FY23 compared to ₹15,400.96 crore in FY22," according to its annual report for the last financial year.

For FY24, the coal behemoth's proposed capex is ₹16,600 crore. During the first four months of this fiscal land was the major expenditure head at ₹1,311 crore, account-

ing for 28% of the total capex spend during the period. This was closely followed by the procurement of heavy earth moving machinery that took up ₹1,083 crore or 23% of the expenditure during the period.

Notably, land acquisition and strengthening the modernised mining fleet are twin essentials for sustaining the production tempo, especially when the company is faced with stiff targets. Capex on construction of rail sidings, rail corridors and coal handling plants and silos, for faster evacuation of coal, was ₹664 crore and ₹572 crore respectively.

Underscoring the company's resolve to shore up evacuation infrastructure, the budgeted provision for construction of rail sidings and corridors at ₹4,169 crore was the highest among the capital expenditure heads for the entire FY24.

A total amount of ₹2,907 crore was identified for land acquisition during this fiscal. While construction of CHPs (coal handling plants)/silos is pegged at ₹2,174 crore, procurement of heavy earth moving machinery (HEMM) would take up ₹1,965 crore in FY24.

CIL capex grows 8.5% to ₹4,700 cr in Apr-July FY24

Our Bureau
Hyderabad

Coal India Ltd (CIL)'s continued investment in evacuation infrastructure, land, and mining machinery, has seen capital expenditure grow 8.5 per cent on-year to ₹4,700 crore in the April-July period of FY24.

Capex utilisation during the period was nearly 100 per cent of the progressive target of ₹4,754 crore and 28.3 per cent of the annual target of ₹16,600 crore.

Typically, capex starts slow in the first quarter, with the company laying out expenditures plans at the beginning of the fiscal, and gradually building it up in the subsequent quarters, the company said, adding that "What makes the 8.5 per cent capex growth significant is that it came on a high base of ₹4,332 crore in the same period of FY23, the year when CIL's capex peaked to an all-time high of ₹18,619 crore."

"At a time when the Centre has been directing CPSEs to scale up their capital expenditure for economic revival, CIL has stepped up its capex three-fold or 197 per cent in three

years. From ₹6,270 crore in FY20, capex has shot up sharply to ₹18,619 crore in FY23," said a senior CIL official.

MAJOR EXPENDITURE

Land was the major expenditure head at ₹1,311 crore, accounting for 28 per cent of the total capex spend closely followed by procurement of heavy earth moving machinery for ₹1,083 crore or 23 per cent.

Capex on construction of rail sidings and rail corridors and coal handling plants and silos, for faster evacuation of coal, was ₹664 crore and ₹572 crore, respectively.

The budgeted provision for construction of rail sidings and corridors at ₹4,169 crore is the highest among the capital expenditure heads for the entire fiscal, the company said.

For land acquisition, a total of ₹2,907 crore was identified for the ongoing fiscal year. "Our production is poised to increase substantially in the ensuing years and it is vital to align it with seamless coal transportation. This necessitates heavy investment in coal evacuation infrastructure and first mile connectivity projects with CHP/silo combination," said the official.

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CIL capex on course

A STAFF REPORTER

Calcutta: Coal India on Wednesday said it has achieved a 28.3 per cent of its planned annual capital expenditure of Rs 16,600 crore in 2023-24 in the first four months, giving the public sector miner an early head start as it looks to scale up production for the fiscal.

Capex during the April-July period stood at Rs 4,700 crore, registering an 8.5 per cent growth over Rs 4,332 crore during the same period in FY23. A large part of the capex is towards putting up evacuation infrastructure, land acquisition and procurement of mining machinery.

Coal India in a statement on Wednesday said that typically the capex starts slow in the first quarter with the com-

RISING GRAPH

CIL Capital expenditure
(Figures in Rs Cr)



pany laying out expenditure plans at the beginning of the fiscal. "What makes the 8.5 per cent capex growth significant was it came over a high base of Rs 4,332 crore of the same period of FY23, the year when CIL's capex peaked to an all-time high of Rs 18,619 crore," the company said.

A senior Coal India offi-

cial said that the company in a span of three years has stepped up its capex from Rs 6,270 crore in FY20 to Rs 18,619 crore in FY23 (see chart) and this comes at a time the Centre has been directing the CPSEs to scale up their capex for economic revival.

Land was the major expenditure head at Rs 1,311 crore, accounting for 28 per cent of the total capex spend of April-July 2023. This was followed by the procurement of heavy earth moving machinery at Rs 1,083 crore or 23 per cent. Capex on the construction of rail sidings and rail corridors and coal handling plants and silos for faster evacuation of coal was Rs 664 crore and Rs 572 crore, respectively.

CIL has earmarked Rs 2,907 crore in the ongoing fiscal year to buy land.

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CIL capex rises 8.5% to ₹4,700 cr in April-July

ENS ECONOMIC BUREAU @ New Delhi

COAL INDIA LIMITED (CIL) on Wednesday said its capital expenditure grew 8.5% year-on-year to ₹4,700 crore in April to July period of fiscal 2024 on account of continuous investment in evacuation infrastructure, land, and mining machinery.

Its capex utilisation during the referred period was nearly 100% of the progressive target of ₹4,754 Crores and 28.3% of annual target of ₹16,600 crore of FY24. "At a time when the Centre has been directing the CPSEs to scale up their capital expenditure for economic revival, CIL in a span of three years has stepped up its capex by three fold or 197%" said a senior official of CIL.

Date- 21.08.23

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CIL's in-house e-auction platform trial successful

THE TRIALS FOR Coal India's in-house e-auction platform have been carried out satisfactorily, and the mechanism can have a full-fledged rollout across the company's coal-producing subsidiaries, officials said Sunday. A total of seven trial auctions involving nearly 18 million tonnes of coal have been conducted, they said.