Date 25.08.26

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CIL sets up arm in Singapore for critical minerals

New Delhi: Coal India Ltd, India's largest coal producer, has incorporated a new wholly owned Singapore-based subsidiary, CIL Global Pte. Ltd, to explore and develop overseas critical mineral assets. The new subsidiary aims to "enable efficient management of overseas investments and provide structural flexibility for future acquisitions," the company informed the exchanges on Monday. ENS

Date 26.08.26

Publication: Mint (Online)

Coal India plans ₹1 trillion investment in coal evacuation, gasification

B. Sairam, chairman and managing director at Coal India.

SUMMARY

Coal India is targeting 1 billion tonnes of annual output by FY30, while absorbing higher costs but no immediate coal price hike, Chairman B. Sairam says.

Coal India Ltd plans to invest nearly ₹48,000 crore in rail connectivity and mechanized coal evacuation as it works towards producing 1 billion tonnes of coal annually by fiscal year 2030 (FY30), chairman and managing director B. Sairam said in an interview.

The state-run miner is also committing ₹50,000 crore with joint-venture partners to three coal gasification projects and exploring more projects with the governments of Chhattisgarh, Odisha and Maharashtra.

The investment push comes as rising industrial diesel and ammonium nitrate prices linked to the West Asia war put pressure on mining costs. CIL has absorbed the increase so far rather than passing it on through higher coal prices, he said.

CIL accounts for more than 80% of India's coal production and moves about 65% of its output through Indian Railways. India consumes 1.2-1.3 billion tonnes of coal annually, with coal accounting for about 70% of its energy mix.

Building out coal evacuation

CIL's infrastructure programme includes 72 first mile connectivity (FMC) projects, which mechanize coal evacuation and reduce reliance on road transport. The projects will add 994 million tonnes a year of handling capacity at around ₹24,560 crore by FY30, taking CIL's FMC capacity from 432 million tonnes currently.

It is also developing seven major railway links spanning 553 km at an investment of around ₹23,463 crore, in partnership with Indian Railways and the governments of Odisha, Chhattisgarh and Jharkhand. Four of the projects, covering 307 km, have been completed or partly commissioned.

The major rail projects include phase-one of Chhattisgarh East Rail Ltd, comprising the Kharsia-Dharmjaigarh line, three feeder lines and a spur to Gare-Pelma; the Jharsuguda-Barpali Sardega line in Odisha, where doubling is planned; Tori-Shivpur in Jharkhand, which is being tripled; and Gevra Road-Pendra Road in Chhattisgarh.

The infrastructure investments are intended to support CIL's target of producing 1 billion tonnes of coal annually by FY30, compared with its current annual production of about 770 million tonnes.

CIL's expansion comes as input costs have risen sharply. Industrial diesel prices used in mining and logistics climbed as high as ₹155 a litre by the end of May, from around ₹92 a litre for retail diesel, before moderating, Sairam said.

"The impact of the disruption began to reflect from April. While retail diesel prices remained around ₹92 per litre, industrial diesel prices rose sharply, reaching as high as ₹155 per litre by the end of May. We absorbed the entire increase without passing it on through higher coal prices, unlike many other companies. Now the diesel prices have moderated," he said.

CIL consumes about 400,000 kilolitres of diesel and 8 million tonnes of ammonium nitrate annually, according to Sairam. Ammonium nitrate prices have risen as much as 70% to more than ₹72,000 a tonne since February.

“Explosive costs have also risen significantly. Explosives are made of ammonium nitrate, which is derived from natural gas. Ammonium nitrate prices increased by around 60–70%. India produces 12 million tonnes of ammonium nitrate, out of which we use 8 million tonnes for our industrial purposes,” Sairam said.

No coal price hike in sight

Higher coal prices would improve the economics of some of CIL's new mines, Sairam said. About six mines with a combined production capacity of 40 million tonnes are currently borderline on viability and would benefit from a price revision.

Coal prices, however, are not revised regularly in line with input costs. CIL last revised the price of both coking and non-coking coal by ₹10 a tonne effective 16 April 2025. The previous revision in 2023 had followed a five-year gap. In May 2023, the company raised prices of some high grade non-coking coal variants (G2-G10 grades) by about 8%.

Any increase in coal prices is a sensitive issue because coal is a major input for power generation and industries such as steel and aluminium. Coal and lignite account for about 0.7% of the wholesale price index, while electricity, around 70% of which is generated from coal, accounts for 14%.

Sairam said there is currently no proposal to raise prices.

“No proposal for revision of coal prices is currently under consideration. Coal is a critical commodity, and even a marginal increase in its price can have a significant cascading impact on the cost of power and the broader economy. Any decision on price revision would therefore require extensive stakeholder consultation and a comprehensive assessment of broader macroeconomic indicators along with CIL’s cost of production, demand-supply dynamics, prevailing market conditions and the level of coal imports,” Sairam said.

The pricing constraint leaves CIL absorbing higher costs even as it seeks to expand production and bring marginal mines into operation.

Beyond coal mining

CIL is also stepping up its diversification into coal gasification and critical minerals.

The company plans to invest ₹50,000 crore in its first three coal gasification projects with joint-venture partners Bharat Heavy Electricals Ltd, GAIL (India) Ltd and Bharat Petroleum Corp. Ltd. One project has already seen groundbreaking, while the other two are at the detailed project report and tendering stages.

"We are venturing into the three projects, groundbreaking for one project has already happened. The other two projects are in the DPR stage and tendering stage," he said.

CIL is also in talks with state governments in Chhattisgarh, Odisha and Maharashtra to set up additional coal gasification plants.

The company has acquired five domestic critical mineral blocks through Ministry of Mines auctions and aims to begin commercial production from its first such mine within two years. The Oranga–Revatipur Graphite block in Chhattisgarh is at an advanced stage, Sairam said.

"Coal India has made significant progress in diversifying its portfolio beyond coal through the acquisition and development of critical mineral assets. So far, the company has secured five critical mineral assets through auctions conducted by the Ministry of Mines. These are graphite, Rare Earth Elements (REE) & rare metals (RM) blocks in different states. The Oranga–Revatipur Graphite block in Chhattisgarh is at an advanced stage. It will start producing minerals about two years from now," he said.

CIL is also pursuing overseas critical mineral assets in Chile, Argentina and Australia. It has set up a subsidiary in Singapore to facilitate the acquisition, development and management of such assets.

Chile is a particular focus, with CIL exploring a stake in a lithium asset there.

"Chile is one of the key markets we are exploring for lithium assets. We are in discussions with the company stakeholders for the possible acquisition of a stake in one of its assets there. We have held constructive discussions with both the previous government and the new government in Chile to facilitate the transaction, and the response has been positive," Sairam said.

"We are exploring opportunities for acquiring critical mineral assets overseas. We are in discussions with companies in Chile, Argentina and Australia, and have signed Non-Disclosure Agreements with some of them as part of our evaluation of potential investment opportunities," Sairam added.

Coal India has signed memoranda of understanding (MoUs) with Hyderabad-based Nonferrous Materials Technology Development Centre (NFTDC), a research and development institute under the ministry of mines, and Curtin University in Australia to develop processing technologies after mining out ore.

Date 26.08.26

Publication: Mint

Coal India plans ₹1 tn for evacuation, gasification

Rituraj Baruah & Utpal Bhaskar

NEW DELHI

Coal India Ltd (CIL) plans to invest nearly ₹48,000 crore in rail connectivity and mechanized coal evacuation as it works towards producing 1 billion tonnes of coal annually by fiscal year 2030. The state-run miner is also committing ₹50,000 crore with joint-venture partners to three coal gasification projects and exploring more projects with the governments of Chhattisgarh, Odisha and Maharashtra, chairman and managing director B. Sairam said in an interview.

The investment push comes as rising industrial diesel and ammonium nitrate prices linked to the West Asia war put pressure on mining costs. CIL has absorbed the increase so far.

CIL's infrastructure programme includes 72 first mile connectivity projects, which mechanize coal evacuation and reduce reliance on road transport. It is also developing seven major railway links spanning 553 km for around ₹23,463 crore, in partnership with Indian Railways and the governments of Odisha, Chhattisgarh and Jharkhand.

Date 31.08.26

Publication: Mint

यूपी में मिला 600 मेगावाट के सोलर प्रोजेक्ट का 2,831 करोड़ का ऑर्डर

कोल इंडिया ने सोलर से पहली तिमाही में कमाये 5.68 करोड़

सीसीएल: रामगढ़, बरकासयाल और पिपरवार में लग रहा सोलर प्लांट

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