

IPO Note

BHARAT COKING COAL LIMITED

Jan 09th, 2026

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Details of the Issue	
Price Band	₹ 21 - ₹ 23
Issue Size	₹ 1,071 Cr
Face Value	₹ 10
Bid Lot	600
Listing on	BSE,NSE
Post Issue Mcap	₹ 10,711.10 Cr
Investment Range	₹ 12,600 - ₹ 13,800

Important Indicative Dates (2025)	
Opening	09 - Jan
Closing	13 - Jan
Basis of Allotment	14 - Jan
Refund Initiation	15 - Jan
Credit to Demat	15 - Jan
Listing Date	16 - Jan

Lead Manager	
IDBI Capital Market Services Ltd	
ICICI Securities Ltd	

Offer Details	
Offer Size	₹ 1,071 Cr
Fresh Issue	-
OFS	₹ 1,071 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	536	233	255	50
NII	161	70	77	15
Retail	375	163	179	35
Employ.	-	-	-	-
Total	1,071	466	510	100

Invest Now**Company Profile**

Bharat Coking Coal Limited was incorporated in 1972 and is primarily engaged in the mining and supply of coking coal. It is one of the largest producers of coking coal in India, accounting for 58.5% of domestic coking coal production in FY25. As of September 30, 2025, the company operates 34 mines, comprising four underground, 26 opencast, and four mixed mines. BCCL produces various grades of coal, including coking coal, non-coking coal, and washed coal, which are mainly used in the steel and power industries. The company has coking coal reserves of ~7,910 million tonnes as of April 2024, with mines located in the Jharia coalfield (Jharkhand) and the Raniganj coalfield (West Bengal), covering a total leasehold area of 288.31 sq. km. BCCL reported a 32.74% increase in coal production, rising from 30.51 million tonnes in FY22 to 40.50 million tonnes in FY25. As of September 2025, coal production stood at 15.75 million tonnes, compared with 19.09 million tonnes in FY24.

GEPL's Insights & Investment Thesis:

- Bharat Coking Coal Ltd has the largest coking coal reserves in India with an estimated reserve of ~7.91 billion tonnes as of April 1, 2024. The company is also the largest producer of coking coal in India, accounting for approximately 58.5% of the domestic coking coal production in FY2025.
- The company is installing three new washeries with a combined capacity of 7 MTPA in Patherdih-II, Bhojudih, and Moonidih-New. The existing washery in Moonidih is undergoing renovation, and its capacity will increase from 0.8 MTPA to 1.6 MTPA.
- Based on the FY25 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 8.64x. We believe that the company has India's largest coking coal reserves, has a strong parentage from Coal India, and is expanding its capacity. Therefore, we recommend a "Subscribe" rating for the issue.

Business Highlights & Services

Bharat Coking Coal Limited was the largest coking coal producer in India in FY25, holding 19% of the country's coking coal resources (7.91 billion tonnes out of 36.8 billion tonnes) and accounting for 58.5% of India's coking coal production. The company produces a wide range of coking and non-coking coal to meet diverse industrial requirements coking coal primarily serving the steel industry, while non-coking coal is used across power, cement, fertilizer, and glass manufacturing. BCCL's revenue is largely driven by raw coal (77.7%), followed by washed coal (13.7%) and other by-products (8.6%), with power (75.5%) and steel (18.5%) being the key end-use industries. The company holds mining leases and rights over 28,830.95 hectares, including 25,385.68 hectares valid till March 31, 2050, and an additional 812.33 hectares for the Kapooria underground project under the Coal Bearing Areas Act, 1957.

BCCL's large coal reserves provide a strong competitive advantage in the industry by enabling long-term planning and strategic expansion without supply constraints. Large-scale production helps lower per-unit costs, driving operational cost efficiency and economies of scale, which in turn support higher profit margins and financial stability during periods of price volatility. Additionally, the strength of its reserves offers flexibility to respond swiftly to evolving market trends, such as rising demand for high-quality coking coal in the steel sector and cleaner coal for power generation.



BCCL is the market leader in coking coal washery capacity in India, with an owned operating capacity of 13.65 million tonnes per annum. As of September 2025, the company operates five coking coal washeries at Moonidih, Madhuband, Dahibari, Patherdih I, and Madhuband NLW, with annual production capacities of 0.80, 1.25, 1.60, 5.0, and 5.0 million tonnes respectively. The company has a total planned capex of INR 1,159.83 crore, with INR 384.60 crore allocated for a 2 MTPA Bhojudih washery nearing completion, INR 334.27 crore for a 2.5 MTPA expansion at Patherdih II, of which INR 142.28 crore has already been spent, and a new 2.5 MTPA Moonidih washery currently at the tender stage. Concurrently, the existing Moonidih washery is undergoing renovation with an investment of INR 138.9 crore, doubling its capacity from 0.8 MTPA to 1.6 MTPA. These expansions are expected to improve coal quality by reducing ash and impurities, while enabling the company to meet diverse customer requirements. Strategically located in regions with developed infrastructure and close to railway lines, the washeries benefit from efficient logistics, reduced transportation costs, and timely, reliable supply of coal to critical industries such as power generation and steel manufacturing.

The Indian coking coal market is expected to grow at a 7% CAGR from FY25 to FY35, with demand projected to rise to 138 million tonnes from 67 million tonnes by FY35, driven primarily by expanding steel manufacturing and power generation industries. With access to 36.8 billion tonnes of coal reserves and strategically located mines in the coking coal-rich Jharia Coalfield, BCCL is well positioned to capitalize on this industry growth. Its ability to meet rising demand is further supported by well-developed infrastructure, including operational coal mines, transportation networks, and evacuation facilities. A strong market presence and reputation for consistent coal quality and reliable supply underpin a loyal customer base, while rising international coking coal prices enhance BCCL's domestic competitiveness, reinforcing its position as the preferred supplier of coking coal in India.

The company plans to enhance production capacity through multiple strategic initiatives, including investments in Heavy Earth Moving Machinery (HEMM), conversion of aging underground mines into opencast mines to achieve higher output, and deployment of underground mining techniques to access deeper coal reserves. BCCL is also reorganising the Jharia Coalfield into seven large opencast blocks (A-G) to enable efficient, large-scale mining operations. In addition, the company is reviving operations at discontinued underground mines under the Mine Developer and Operator (MDO) model on a revenue-sharing basis, with six out of ten identified mines already awarded to private and third-party operators. Collaborations with mining partners allow BCCL to leverage external expertise while retaining strategic oversight, production planning, and compliance monitoring. Collectively, these initiatives are expected to unlock additional coal seams, recover coal locked in barriers, and materially enhance overall production capacity.

The company is well positioned to benefit from India's steel-led growth, with rising coking coal demand driven by the National Steel Policy, higher domestic blending potential, and strong policy support under Aatmanirbhar Bharat and Mission Coking Coal. It is pursuing a capital-efficient growth strategy by expanding and modernising washery capacity through WDO/BOM/ROM models, monetising legacy assets, and adding new high-capacity washeries to improve coal quality and create steady, annuity-like revenues. Leveraging large Jharia reserves, adopting advanced technologies, and implementing the Revised Jharia Master Plan ensure sustainable production and operational continuity, while CBM projects provide diversification and incremental value. Parallel investments in renewable energy, environmental restoration, and community engagement strengthen long-term sustainability, making the company a structurally strong beneficiary of rising domestic washed coking coal demand with scalable and efficient growth.

Product wise revenue breakup

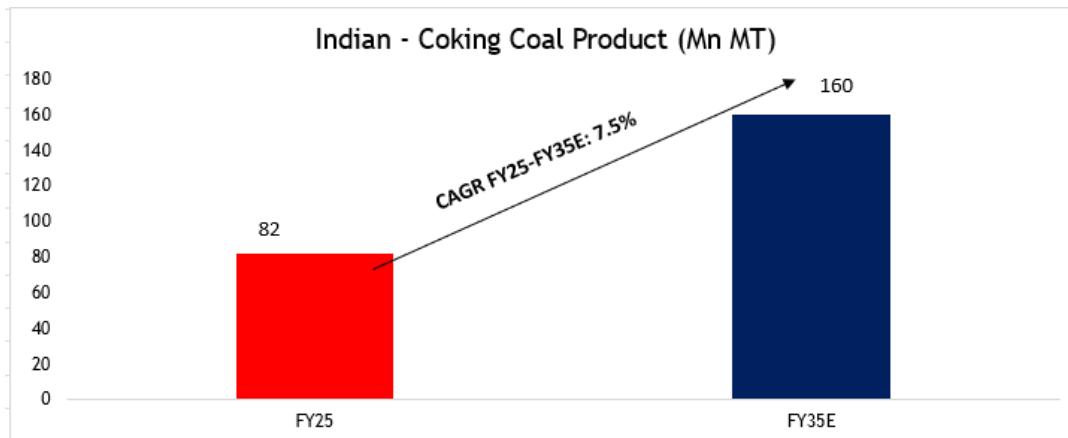
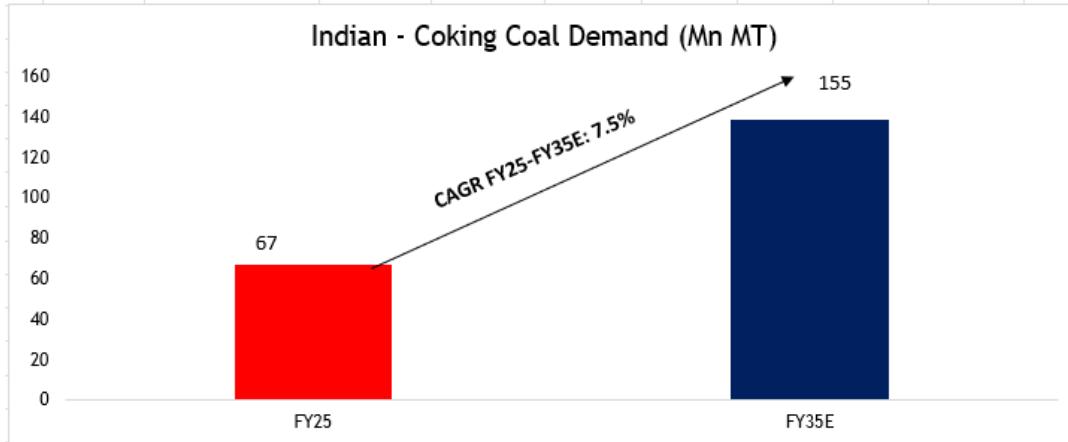
Particular	1HFY25		FY25		FY24		FY23	
	Amount (In Cr)	%						
Raw coal	4,176	79%	10,169	77.73%	10,178	77.34%	9,593	77.68%
Washed coal	697	13%	1,911	14.61%	2,045	15.54%	1,689	13.68%
Other by-products	388	7%	1,003	7.67%	938	7.12%	1,067	8.64%
Total Revenue	5260	100%	13083	100%	13161	100%	12349	100%

Industry wise revenue breakup

Particular	1HFY25		FY25		FY24		FY23	
	Amount (In Cr)	%						
Power Industry (Including CPPs)	3,969	75.45%	9,679	73.98%	9,172	69.69%	8,018	64.93%
Steel Industry	972	18.48%	2,375	18.15%	2,459	18.68%	2,262	18.31%
Fertilizer Industry	69	1.30%	105	0.80%	128	0.97%	101	0.82%
Cement industry	2	0.04%	14	0.11%	19	0.15%	2	0.02%
Other non-regulated sectors	248	4.72%	911	6.96%	1,384	10.52%	1,965	15.92%
Total Revenue	5,260	100%	13,083	100%	13,161	100%	12,349	100%

Operational & Upcoming Washeries

Sr. No	Name of Washery	Location	Type of Washery	Capacity (MTPA)	Status
Operational					
1	Moonidih*	Dhanbad, Jharkhand	Coking	0.8	Operational
2	Madhuband	Dhanbad, Jharkhand	Coking	1.3	Operational
3	Dahibari	Dhanbad, Jharkhand	Coking	1.6	Operational
4	Patherdih-I	Dhanbad, Jharkhand	Coking	5.0	Operational
5	Madhuband (NLW)	Dhanbad, Jharkhand	Coking	5.0	Operational
Upcoming					
1	Patherdih-II	Dhanbad, Jharkhand	Coking	2.5	Under Construction
2	Bhojudih (new)	Purulia, West Bengal	Coking	2.0	Under Construction
3	Moonidih (new)	Dhanbad, Jharkhand	Coking	2.5	Tender to be floated

Industry Outlook

Peers Comparisons

Name of the company	Face Value	Total Revenue (In Cr)	EPS	P/E (x)	NAV (In INR)	RoNW(%)
Bharat Coking Coal Ltd	INR 10	13,803	2.66	NA	14.07	20.83
Peers Group (International)						
Alpha Metallurgical Resources, Inc	USD 0.01	25,320	1,223	14.87	11,182	11.48
Warrior Met Coal, Inc	USD 0.01	13,059	410	19.44	3,423	12.82

Company's Competitive Strength

- Largest coking coal producer in India with access to large reserves.
- Strategically located mines with large washeries.
- Well positioned to capitalize on demand for coking coal in India.
- Strong parentage of Coal India Limited.
- Consistent track record of growth and financial performance.
- Experienced management team supported by committed employee base.

Key Strategies Implemented by Company

- Utilize the resources effectively to sustain and expand operations, driving growth and maximizing efficiency.
- Transform discontinued mines into profitable ventures through resource monetization, and strategic repurposing.
- Monetize, modernize, and renovate the washeries.
- Implement energy conservation methods to enhance operational efficiency and reduce environmental impact.
- Leverage the resources in the Jharia coalfields to drive growth.
- Explore opportunities in coal bed methane projects to harness untapped energy resources.

Particular (INR in Cr)	1HFY26	FY25	FY24	FY23
Equity Capital	4,657	4,657	4,657	4,657
Reserves and Surplus	1,007	1,806	665	-853
Net Worth	5,664	6,463	5,322	3,804
Revenue	5,659	13,803	14,246	12,624
Growth (%)		-3%	13%	
EBITDA	-192	1,753	2,094	492
EBITDAM (%)	-3%	13%	15%	4%
PAT	124	1,242	1,567	669
PATM (%)	2.2%	9.0%	11.0%	5.3%
ROE (%)	-	19.2%	29.4%	17.5%
ROCE (%)	-	27.5%	40.5%	15.4%



Notes

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