

IPO NOTE – Bharat Coking Coal Limited

8 January 2026

LARGEST COKING COAL PLAYER DOMESTICALLY!!

Bharat Coking Coal Limited (BCCL) a Mini Ratna Public Sector Undertaking and a wholly owned subsidiary of Coal India Limited, stands as India's largest producer of coking coal accounting for ~59% of the India's coking coal output in FY25. It operates 34 mines across Jharkhand and West Bengal, supported by an expanding network of washeries. BCCL commands a vast resource base of 14,865 MMT of geological resources, including 7,910 MMT of coking coal, enabling sustained long-term supply. As of FY25, the company produced 40.50 MMT of coal, dispatching it to marquee clients across the power and steel sectors. With a strategically located asset base, and robust infrastructure, BCCL remains a critical backbone of India's energy and steel value chain.

Dominant coking coal producer with integrated and strategic mine and washery locations:-

BCCL's competitive strength is reinforced by its fully integrated mining-to-beneficiation value chain, enabling consistent volume delivery and quality assurance in India's structurally supply-constrained coking coal ecosystem. With ~59% share of domestic coking coal supply in FY25, the company operates across a broad portfolio of 34 mines and 5 operational washeries, with 3 additional washeries under development, ensuring a progressive shift in the product mix towards higher-grade washed coking coal. BCCL is equipped with a mechanized fleet of 507 Heavy Earth Moving Machinery units, including draglines, shovels, dumpers, dozers, and drilling equipment complemented by the adoption of longwall, continuous miner systems and highwall mining, supporting safe extraction from deeper seams and maximizing recoverability in constrained geologies. Its logistics grid includes networked rail sidings, road-linked dispatch nodes, CHP/CPPs, and surface infrastructure ensuring steady offtake. A diversified revenue strategy spanning Fuel Supply Agreements, FSA-linkage allocations, and MoUs with major consumers helps stabilize realisations despite cyclical price shifts. Taken together, BCCL's scale advantages, integrated mining-washery infrastructure, extensive mechanization and technology-driven productivity framework collectively reinforce its ability to maintain high output reliability, elevate grade consistency and capture operating leverage as steel-sector demand and substitution of imported coking coal accelerates.

Expanding domestic operations and improving efficiency across mining assets:-

BCCL's growth is driven by brownfield expansion, asset monetization and future-energy diversification, creating a balanced expansion pathway with controlled capital outlay. It is actively upgrading mine productivity toward mass-production mining methods and converting technically feasible units into higher-throughput opencast configurations. To optimize capital efficiency, BCCL deploys the Mine Developer & Operator (MDO) and Washery Developer & Operator (WDO) models, which revive discontinued or ageing mines and refurbish older washeries through revenue-share and D&B partnerships. Co. is also planning to commission 3 new washeries which will expand the supply of superior washed coking coal, aligning BCCL with Government's "Mission Coking Coal" initiative and India's expanding crude steel capacity targets. Beyond coal extraction, BCCL is progressing on unlocking its Coal-Bed Methane (CBM) assets in the Jharia field, creating an additional monetization corridor for gas-based industrial users. BCCL's 26.97 MW solar portfolio, alongside its planned renewable scaling, embeds ESG into operations and reduces long-term power costs for energy-intensive mining activities.

Key Risks:- 1) Geographical concentration of mines, 2) Client concentration risk as Top 10 contributes 80%+, 3) High dependence on contractors for mining & handling coal, 4) Contingent liabilities of ~Rs. 3,600 cr.as on H1FY26, 5) Product concentration risk as ~75%+ of revenue is derived only from raw coking coal.

Valuation & outlook:-

BCCL is India's largest producer of Coking Coal with estimated reserves of 7,910 MMT and a network of 34 operational mines and amongst the largest Coking Coal reserve holders in the country. It is having a strong parentage of Coal India Limited and maintains a strong financial profile while planning to restore operations in discontinued underground mines through MDO and exploring opportunities in coal bed methane projects. With India's steel capacity expansion driving long-term coking coal demand, BCCL's integrated operations, modernization initiatives and stable offtake position is favorable for the company. At the upper price band, BCCL is available at a reasonable valuation of ~8.6x FY25 P/E and 5.5x FY25 EV/EBITDA. We have a **SUBSCRIBE** rating to this issue for listing gains.

Rating	SUBSCRIBE
Issue Details	
Issue Opens	9-Jan-25
Issue Closes	13-Jan-25
Face Value (₹)	10
Price Band (₹)	21-23
Bid Lot	600 shares
Issue Size (₹ Cr)	1,071
Market cap at upper price band (₹ Cr)	10,711
Listing	NSE/BSE
BRLMs	ICICI Securities, IDBI Capital Market services
Registrar	Kfin Technologies Ltd.

Shareholding Pattern (%)		
	Pre-Issue	Post Issue
Promoters	100.00	90.00
Public	0.00	10.00
Total	100	100

Issue Structure (In Cr no. of shares)	
Issue size	1,071
OFS	1,071
Break-up of net issue to public (%):	
QIB portion	50.0
Non-Institutional portion	15.0
Retail Portion	35.0

Analyst Details	
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Key Financials (₹ Cr)	Mar-23	Mar-24	Mar-25
Total Income	12,624	14,246	13,803
EBITDA	497	2,087	1,757
EBITDA Margin (%)	3.9	14.7	12.7
PAT	665	1,564	1,240
PAT Margin (%)	5.3	11.0	9.0
Net Worth	3,791	5,355	6,551

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