Bharat Coking Coal Ltd.

9th January 2026

Recommendation	SUBSCRIBE
Price Band	Rs 21-23
Bidding Date	09 Jan–13 Jan 26
Book Running Lead Manager	IDBI Cap, ICICI sec
Registrar	KFin Technologies Ltd
Sector	Mining

Minimum Retail Application- Detail At Cut off Price	
Number of Shares	600
Minimum Application Money	Rs. 13800
Payment Mode	ASBA

Financials (Rs Cr)	FY24	FY25
Total Income	14,246	11,318
EBITDA	2087	1757
PAT for the year	1564	1240

Valuations (FY25)	Upper Band
Market Cap (Rs Cr)	9,780
Adj EPS	3
PE	9
EV/ EBITDA	5.6
Enterprise Value(Rs Cr)	9814

Post Issue Shareholding Pattern	
Promoters	90%
Public/Other	10%

Offer structure for different categories	
QIB	50%
Non-Institutional	15%
Retail	35%
Post Issue Equity (cr)	4657
Issue Size (Rs in cr)	1071
Face Value (Rs)	10

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BACKGROUND

Bharat Coking Coal Limited (BCCL) is a subsidiary of Coal India Limited and the largest domestic producer of coking coal in India, accounting for ~59% of indigenous output, with operations concentrated in the Jharia coalfields of Jharkhand, the country's only source of prime coking coal. The company produces ~35–42 MTPA of coal, supplies the steel sector with coking coal, and monetises non-coking coal and washery by-products through the power sector, while ongoing 7 MMT washery expansions are aimed at improving product mix, realisations and reducing dependence on imported coking coal for steel sector.

Details of the Issue:

The public issue consists of Offer for Sale aggregating up to Rs. 1071 Cr.

Investment Rationale:

- India's Leading Coking Coal Producer with Strategic Mining Footprint.
- Well Positioned to Benefit from India's Growing Coking Coal Demand.
- Strong parentage of Coal India Limited

Valuation and Recommendation:

BCCL offers a compelling investment opportunity in India's structurally constrained coking coal market, supported by its position as the largest domestic producer, strong parentage under Coal India Limited, and long-term demand visibility from India's 300 MTPA steel capacity target by FY2031. With 7,910 MMT of geological reserves and ~40 MMT annual production, BCCL is well placed to meet rising domestic demand, while washery expansions are expected to improve product mix and margins over the medium term. Despite temporary H1 FY26 disruptions due to heavy rains, the company has demonstrated stable revenues and a sharp EBITDA margin expansion from 4% in FY23 to 13% in FY25, supported by a near-zero net debt balance sheet. Valuations at 5.6x FY25 EV/EBITDA remain reasonable, leading us to recommend **Subscribe** to the issue.

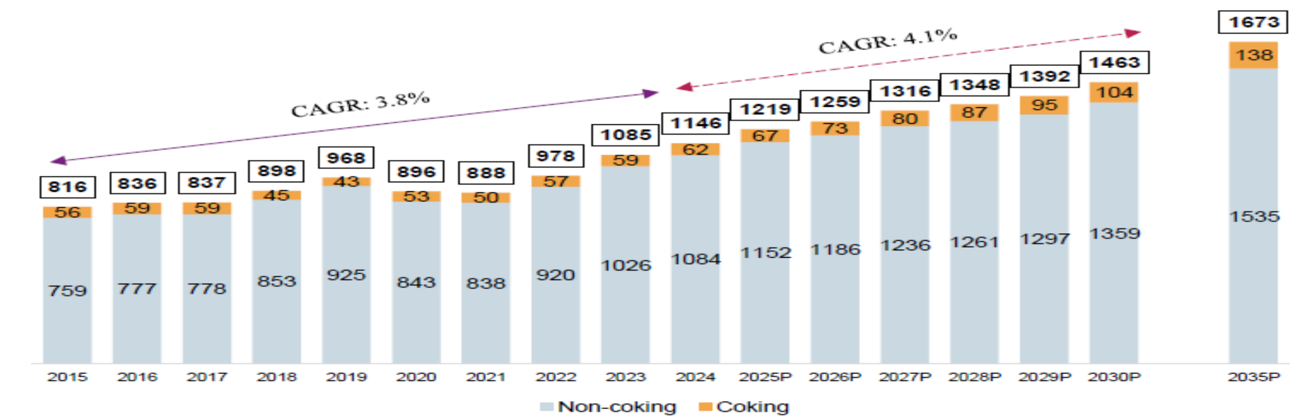
Financials	FY23	FY24	FY25
Net Revenues	12,624	14,246	13,803
Growth (%)	-	12.8%	-3.1%
EBITDA	497	2,087	1,757
EBITDA Margin (%)	3.9%	14.7%	12.7%
PBT	530	2,092	1,703
Adjusted PAT	665	1,564	1,240
EPS	1.43	3.4	2.7
ROCE	14.6%	38.8%	26.5%
EV/Sales	0.8	0.7	0.7
EV/EBITDA	19.8	4.7	5.6

Source: Company data, NBRR

Industry Overview and Company Background

The Indian coal industry is a critical pillar of the country's energy and industrial ecosystem, with coal accounting for nearly 70–75% of electricity generation and India being the second-largest coal producer globally, with annual production of around 1 bn tonnes. While the country is largely self-sufficient in thermal coal, coking coal constitutes only about 10–12% of total coal consumption, and domestic production meets just 15–20% of India's coking coal requirement, resulting in import dependence of 80–85%, primarily to support the steel sector. Prime coking coal reserves are geographically concentrated in the Jharia coalfields of Jharkhand, making public sector producers under Coal India Limited, which accounts for 80% of domestic coal output, strategically important for the steel value chain. With the steel sector consuming nearly 85–90% of coking coal demand and India's steelmaking capacity expected to expand significantly over the medium to long term, demand for coal particularly coking coal is expected to remain resilient, alongside increased focus on beneficiation, efficient utilization of domestic resources, and monetization of washery by-products to reduce import dependence.

Overall coal demand in India – thermal coal (non-coking) and coking coal (MMT)



Source: Company Data, NBRR

Bharat Coking Coal Limited is a Government of India enterprise and a subsidiary of Coal India Limited, and is India's largest domestic producer of coking coal, accounting for around 59% of the country's indigenous coking coal output, with operations primarily concentrated in the Jharia coalfields of Jharkhand, the only source of prime coking coal in India. BCCL produces around 35–42 MMT of coal annually, of which 90-95% is coking coal, supplying critical raw material to the steel sector, while the non-coking coal and washery by-products such as middlings and rejects is largely sold to the power sector, which contributes ~78% of revenue by end-use. The company operates an integrated mining to dispatch model encompassing opencast and underground mines, coal washeries, captive power generation and rail-based evacuation, enabling monetisation of both high-grade coking coal and lower-grade by-products. BCCL is strategically important to India's steel value chain, helping reduce import dependence on coking coal while maintaining stable volumes and regulated pricing under linkage and e-auction mechanisms.

1972	**7,910**	**58.50%**	**288.31 sq-km**	**34**	**Coal India**
Year of Incorporation	Million Tonnes of estimated reserve[1]	Of domestic coking coal production of India	Total leasehold area	Operational mines[2] (4 Underground, 26 Opencast, and 4 Mixed)	Subsidiary Coal India is the largest coal producing company in the world

Source: Company Data, NBRR

Investment Rationale

India's Leading Coking Coal Producer with Strategic Mining Footprint

Bharat Coking Coal Limited is India's largest domestic producer of coking coal, contributing approximately 59% of indigenous coking coal output, with mining operations strategically located in the Jharia coalfields of Jharkhand, the country's only source of prime coking coal. This strategic location provides proximity to key steel plants, established rail infrastructure and access to scarce reserves, creating durable entry barriers. In addition to its mining strength, BCCL is undertaking capacity expansion and modernisation of its coal washeries, three upcoming washeries with a total capacity of 7 MMT per year which is 13.65 MMT currently, aimed at increasing beneficiation capacity, improving yield and ash reduction, and enhancing the supply of washed coking coal to the steel sector. With steel-sector realisations being three to four times higher than power-sector realisations, BCCL's increased focus on the steel segment should drive meaningful improvement in profitability. These washery expansions are expected to support higher value realisations, better utilisation of mined coal and improved operational efficiency. Details in relation to the planned washeries:

Name of Washery	Location	Capacity (MMT)	Status
Moonidih (Old)	Dhanbad, Jharkhand	1.60	Under renovation
Bhujudih	Purulia, West Bengal	2.00	Ready to be commissioned
Patherdih-II	Dhanbad, Jharkhand	2.50	Under construction
Moonidih (New)	Dhanbad, Jharkhand	2.50	In tendering process

Source: Company Data, NBRR

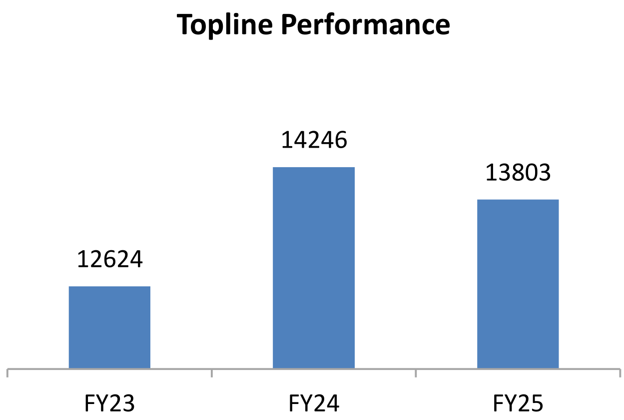
Well Positioned to Benefit from India's Growing Coking Coal Demand

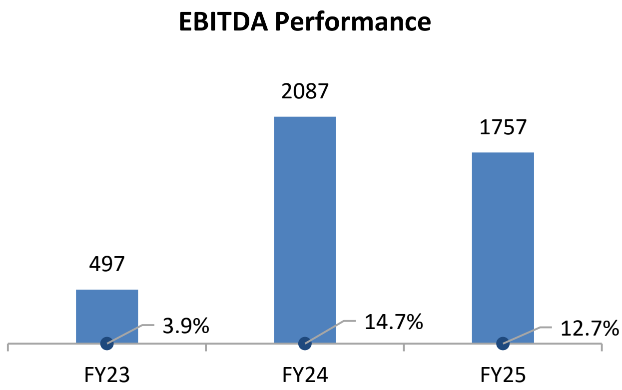
India's steel sector, which accounts for 85–90% of coking coal consumption, is expected to drive sustained growth in coking coal demand, even as domestic production meets only 15–20% of requirements, resulting in 80–85% import dependence. Under the National Steel Policy 2017, India's target of 300 MTPA crude steel capacity by FY2031 implies coking coal demand of 161 MMT, while the Government's Aatmanirbhar Bharat and Mission Coking Coal initiatives project domestic washed coking coal demand of 40 MMT by FY2030 assuming 25% blending with imports which could increase to 56 MMT if stamp charging technology enables higher blending of Indian coking coal to 35%. Meeting this demand would require washing of higher volumes of raw coking coal, creating a significant beneficiation opportunity. In this context, BCCL, as the largest domestic coking coal producer with 59% share of indigenous output, and with operations concentrated in the Jharia coalfields, is well positioned to increase the supply of washed coking coal to the steel sector through ongoing washery expansions.

Strong parentage of Coal India Limited

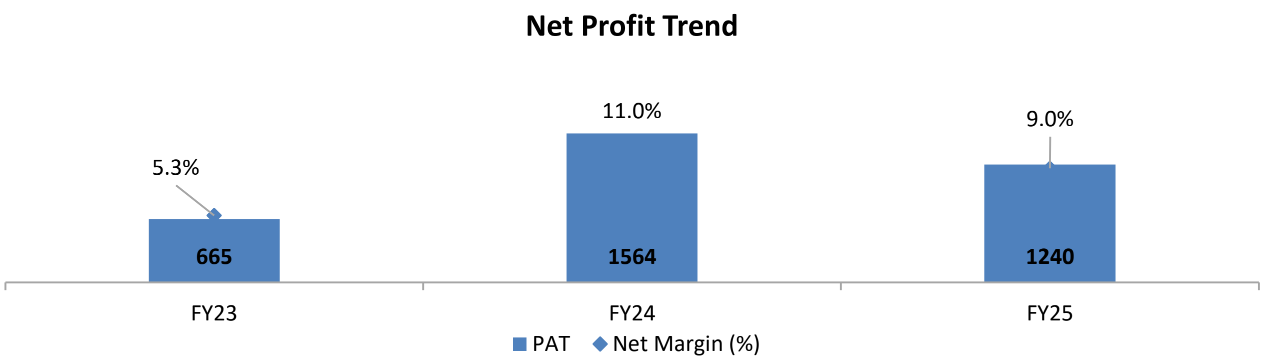
BCCL's association with Coal India Limited (CIL), the world's largest coal producer, provides it with a strong strategic foundation and access to extensive operational, technical and financial resources. As a subsidiary of CIL, BCCL benefits from group-level support in the form of advanced mining technologies, experienced manpower and robust financial backing, enabling the execution of large-scale mining and washery projects in a timely and efficient manner. In addition, support from CMPDIL, CIL's specialised exploration and R&D arm, enhances BCCL's capabilities in geological surveys, mine planning, safety standards and resource optimisation, contributing to improved productivity and sustainable mining practices. The centralised oversight and regular transfer of executives across CIL subsidiaries facilitate knowledge sharing and adoption of best practices. BCCL's affiliation with Coal India Limited also enhances its market credibility and customer confidence, supporting long-term relationships and reinforcing its leadership position in India's domestic coking coal industry.

Financial Performance





Source: Company Data, NBRR



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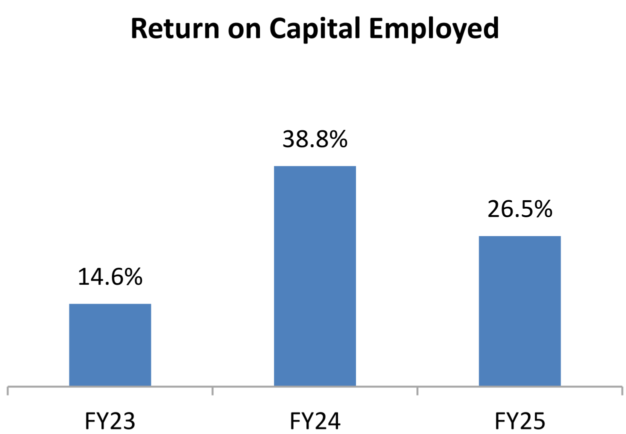
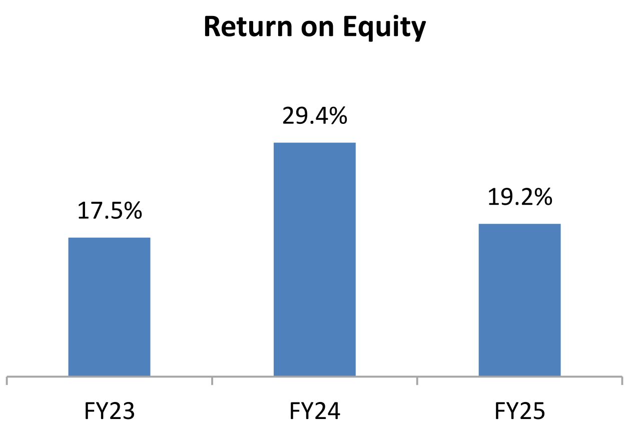




Source: Company Data, NBRR

Risk/Concerns

Structural constraints at Jharia Coalfields

BCCL's operations are heavily concentrated in the Jharia coalfields, which face legacy challenges such as mine fires, land subsidence, rehabilitation and resettlement issues, and land acquisition constraints. These factors can restrict production growth, delay project execution (including washeries), and increase operating costs. Given the limited availability of alternative prime coking coal reserves in India, any prolonged disruption at Jharia could materially impact BCCL's volumes and profitability.

High dependence on regulated pricing and policy framework

A significant portion of BCCL's sales is under linkage/FSA mechanisms, where pricing is not fully market-linked and remains subject to government policies, regulatory interventions, and periodic revisions. While this provides volume stability, it limits pricing flexibility and margin upside, particularly during periods of high international coking coal prices. Any adverse change in coal pricing policy, allocation norms, or e-auction mechanisms could affect realisations and earnings.

Execution risk in washery expansion and product mix shift

BCCL's strategy to improve profitability is increasingly linked to expansion and modernisation of coal washeries to raise the share of washed coking coal supplied to the steel sector, which commands materially higher realisations. Delays, cost overruns, or underperformance of these washeries could limit the expected improvement in product mix and margins. Additionally, failure to scale beneficiation capacity in line with projected domestic coking coal demand would constrain BCCL's ability to capitalise on long-term structural opportunities.

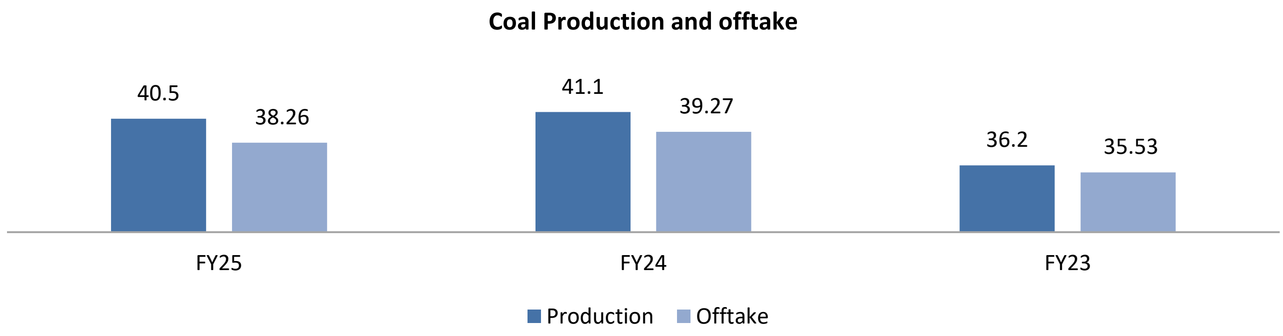
Dependence on steel sector demand and import substitution dynamics

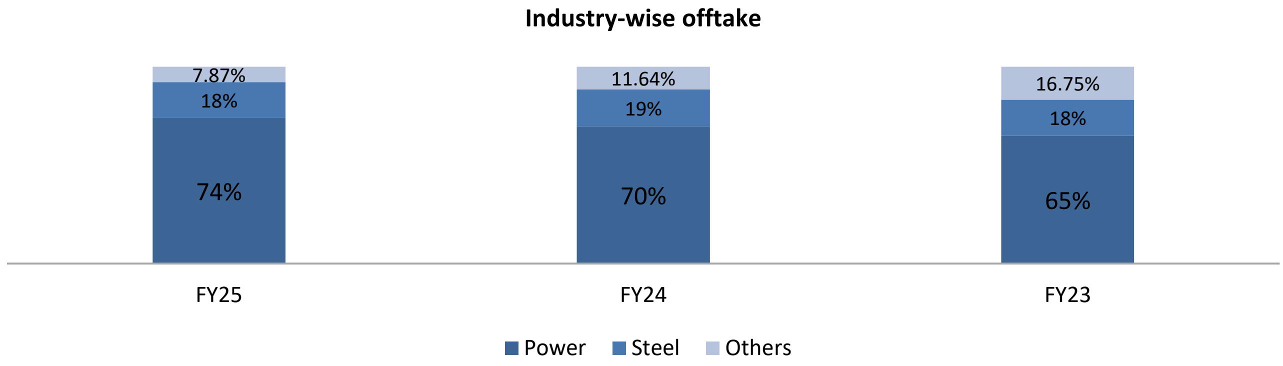
Coking coal demand for BCCL is closely linked to the performance and capacity utilisation of the domestic steel sector, which accounts for the majority of coking coal consumption. Any slowdown in steel production, delays in capacity expansion, or a shift towards alternative steelmaking technologies with lower coking coal intensity could adversely impact demand. In addition, despite government initiatives to increase domestic supply, imported coking coal often remains superior in quality, and higher availability or more competitive pricing of imports could limit the extent to which domestic coking coal can substitute imports, thereby constraining volume growth and realisation improvement for BCCL.

Valuation and Recommendation

BCCL represents a strategic play on India's structurally constrained coking coal market, backed by strong operating scale and parentage under Coal India Limited. The company is the largest domestic producer of coking coal, positioning it as a critical supplier to the steel sector at a time when India is targeting 300 MTPA crude steel capacity by FY2031, implying sustained long-term demand for coking coal. With 7,910 MMT of geological coal reserves and annual production of ~40 MMT, BCCL is strongly positioned to sustainably meet rising domestic coking coal demand over the long term. Financially, BCCL has demonstrated revenue stability in the range of FY23–FY25, despite sectoral cyclicality, and delivered a sharp improvement in operating profitability in FY24–FY25, with EBITDA margins expanding from 4% in FY23 to 13% in FY25, driven by better product mix, cost rationalization and higher contribution from washed coal. While H1 FY26 profitability is temporarily impacted due to heavy rains, the company's washery expansion strategy, aimed at increasing supplies to the higher-realisation steel segment, is expected to support margin normalisation over the medium term. BCCL has demonstrated strong return metrics, with ROE improving to 19.2% and ROCE to 26.5% in FY25, reflecting enhanced operating efficiency and better capital utilization. Strong balance sheet metrics, with near-zero net debt and support from Coal India Limited, further strengthen BCCL's ability to execute capital-intensive projects and sustain operations in a constrained resource environment.

BCCL's valuation is supported by its strategic asset base, strong balance sheet and improving profitability profile. Based on FY25 financials, the company trades at 5.6x EV/EBITDA, which appears reasonable. Considering the above factors we recommend **Subscribe** to this issue.





Source: Company Data, NBRR

Financials

Bharat Coking Coal Ltd.

P&L (Rs. Cr)	FY23	FY24	FY25	H1 FY26
Net Revenue	12624	14246	13803	5659
% Growth		*13%*	*-3%*	
Cost of goods sold	3367	3394	3618	1850
% of Revenues	*26.7%*	*23.8%*	*26.2%*	*32.7%*
Employee Cost	7148	6951	6542	3038
% of Revenues	*56.6%*	*48.8%*	*47.4%*	*53.7%*
Other expenses	1613	1814	1886	964
% of Revenues	*12.8%*	*12.7%*	*13.7%*	*17.0%*
EBITDA	**497**	**2,087**	**1,757**	**-193**
EBITDA Margin	***3.9%***	***14.7%***	***12.7%***	***-3.4%***
Depreciation	305	340	581	201
Other Income	395	407	599	652
Interest	56	62	72	60
Exceptional item	0	0	0	0
PBT	**530**	**2,092**	**1,703**	**199**
Tax	-135	527	463	75
Tax rate	*-25%*	*25%*	*27%*	*38%*
Adj PAT	**665**	**1,564**	**1,240**	**124**
% Growth		*135%*	*-21%*	*-90%*
EPS (Post Issue)	**1.4**	**3.4**	**2.7**	**0.3**

Balance Sheet (Rs. Cr)	FY23	FY24	FY25	H1 FY26
Share Capital	4657	4657	4657	4657
Other Equity	-853	665	1806	1007
Instruments entirely equity i	0	0	0	0
Networth	**3,804**	**5,322**	**6,463**	**5,664**
Total Loans	213	230	233	1808
Other non-curr liab.	2536	3224	3489	3819
Trade payable	913	1234	2173	2865
Other Current Liab	5848	4718	4926	4556
Total Equity & Liab.	**13,313**	**14,728**	**17,283**	**18,711**
Property, Plant and Equipme	2908	3439	4264	4936
CWIP	1300	1368	1617	1842
Goodwill/Other Intangible a	171	176	237	60
Non Currrent Financial asse	706	887	1019	1171
Other non Curr. assets	1669	1574	1605	1627
Inventories	1029	1382	1960	1952
cash and cash equivalents	545	286	168	429
Bank bal	609	659	962	650
Trade receivables(debtor)	1251	1333	1848	2203
Other Current assets	3125	3625	3603	3841
Total Assets	**13,313**	**14,728**	**17,283**	**18,711**

Ratios & Others	FY23	FY24	FY25	H1 FY26
Debt / Equity	0.1	0.0	0.0	0.3
EBITDA Margin (%)	4%	15%	13%	-3%
PAT Margin (%)	5%	11%	9%	2%
ROE (%)	17%	29%	19%	2%
ROCE (%)	15%	39%	27%	3%

Turnover Ratios	FY23	FY24	FY25	H1 FY26
Debtors Days	36	34	49	142
Inventory Days	30	35	52	126
Creditor Days	26	32	57	185
Asset Turnover (x)	3.1	2.6	2.1	0.8

Valuation Ratios	FY23	FY24	FY25	H1 FY26
Price/Earnings (x)	16	7	9	86
EV/EBITDA (x)	20	5	6	-51
EV/Sales (x)	1	1	1	2
Price/BV (x)	3	2	2	2

Cash Flow (Rs. Cr)	FY23	FY24	FY25	H1 FY26
Profit Before Tax	530	2,092	1,703	199
Provisions & Others	750	-173	-227	-734
Op. profit before WC	**1,281**	**1,919**	**1,476**	**-535**
Change in WC	437	-505	-319	200
Less: Tax	-18	-115	-360	0
CF from operations	**1,699**	**1,299**	**796**	**-335**
Purchase/Sale of fixed asset	-1008	-1195	-830	-289
Purchase/Sale of Investment	-746	-403	-91	161
Interest, dividend and other	48	114	138	63
CF from Investing	**-1,706**	**-1,484**	**-782**	**-65**
Proceeds from issue of Equit	0	0	0	0
Proceeds/ Repayment Long-t	0	0	0	1278
Payment of lease liabilities	-43	-72	-87	-28
interest & div paid	0	-1	-45	-870
CF from Financing	**-43**	**-74**	**-132**	**380**
Net Change in cash	**-50**	**-259**	**-118**	**-20**
Cash & Bank at beginning	594.96	545	286	168
Cash & Bank at end	545	286	168	148

Source: Company Data, NBRR

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