Bharat Coking Coal

08-January-26

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Issue Details:

Issue Details	
Issue Size (Value in ₹ million, Upper Band)	10,711.1
Fresh Issue (No. of Shares in Lakhs)	-
Offer for Sale (No. of Shares in Lakhs)	4,657
Bid/Issue opens on	9-Jan-26
Bid/Issue closes on	13-Jan-26
Face Value	Rs. 10
Price Band	21-23
Minimum Lot	600

Objects of the Issue:

- **Offer for Sale: ₹ 10,711.1 million**

Book Running Lead Managers
IDBI Capital
ICICI Securities
Registrar to the Offer
Kfin Technologies Limited

Capital Structure (₹ million)	Aggregate Value
Authorized share capital	51,000
Subscribed paid up capital (Pre-Offer)	46,570
Paid up capital (post-Offer)	46,570

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	100.0	90.0
Public	0	10.0
Total	**100.0%**	**100.0%**

Financials:

Particulars (₹ In million)	3M FY26	FY25	FY24	FY23
Revenue	5,659	13,803	14,246	12,624
Operating expenses	5,852	12,046	12,159	12,127
EBITDA	(193)	1,757	2,087	497
Other Income	652	599	407	395
Depreciation	201	581	340	305
EBIT	259	1,775	2,154	586
Interest	60	72	62	56
PBT	199	1,703	2,092	530
Tax	75	463	527	(135)
Consolidated PAT	124	1,240	1,564	665
EPS	0.27	2.66	3.36	1.43
Ratios		**FY25**	**FY24**	**FY23**
EBITDAM	-3.4%	12.7%	14.7%	3.9%
PATM	2.2%	9.0%	11.0%	5.3%
Sales growth		-3.1%	12.8%	

Company Description

- Bharat Coking Coal is the largest producer of coking coal in India in Fiscal 2025. Their production accounted for 58.50% of the total domestic coking coal production in that year. Their primary product is coking coal, and as of April 1, 2024, they had estimated reserves of about 7,910 million tonnes, making them one of the largest holders of coking coal reserves in India. They produce different grades of coking coal, non-coking coal, and washed coal, mainly for use in the steel and power industries**.**
- Bharat Coking Coal is the 100% subsidiary of Coal India Limited (CIL) and were granted Mini Ratna status in 2014. The company was established in 1972 to mine and supply coking coal from coalfields located in Jharia (Jharkhand) **and** Raniganj (West Bengal)**.** Over the years, they have expanded their operations significantly. Their coal production increased from 30.51 million tonnes in Fiscal 2022 **to** 40.50 million tonnes in Fiscal 2025, showing a growth of 32.74%**.**
- During the six months ending September 30, 2025**,** their coal production was 15.75 million tonnes, compared to 19.09 million tonnes in the same period in 2024. In Fiscal 2024, they produced 39.11 million tonnes of coking coal and 1.99 million tonnes of non-coking coal, which was higher than their earlier production records.
- Since Fiscal 2021**,** they have steadily increased production by adding more capacity, mainly by using heavy earth-moving machinery (HEMM)**.** This strategy helped them achieve continuous growth, with production reaching a record high in Fiscal 2024. Their raw coking coal production in Fiscal 2024 was 10.96% higher than the previous peak recorded in Fiscal 2017.
- They also recorded their highest raw coal offtake of 39.27 million tonnes in Fiscal 2024, showing their focus on improving operations and efficiency. In Fiscal 2025, they achieved a record level of overburden (OB) removal, which means removing the rock lying above coal seams in opencast mines. At the same time, they maintained their second-highest coking coal production, just slightly lower than the peak achieved in Fiscal 2024.
- They carried out advance OB removal by using equipment ahead of time to prepare coal seams for future mining. This strategy helps in many ways: it ensures coal is ready for future production, reduces delays between removing overburden and extracting coal, and improves the efficient use of heavy earth-moving machinery (HEMM) and other equipment.
- Their large coal reserves, along with their strategic location in the Jharia and Raniganj coalfields, ensure a steady and reliable supply of high-quality coking coal. Most of the coal reserves are located within a 40-kilometer radius, which helps support continuous operations for steel plants and other industries that depend on coking coal.
- They supply raw coal to many industries, including the power, steel, and fertilizer sectors. They also use their raw coal in their washeries to improve its quality and produce washed coking coal and other by-products. Coal demand is expected to continue growing until Fiscal 2035, according to industry estimates. To prepare for any possible long-term decline in coal demand, they have diversified their operations. While coal demand for power generation may reduce in the future, coking coal will remain essential for steel production.
- As part of their operations, they supply washed coking coal and some other by-products to the steel industry. In Fiscal 2025, their production of washed coking coal reached its highest level in the last 17 years. This achievement helped reduce dependence on imported coal and supported national initiatives such as Atma-Nirbhar Bharat.

Valuation & Outlook:

- Bharat Coking Coal, with a strong market share in the industry valued at ~8.64x P/E on FY25 earnings (at the upper band) is valued fairly. Considering the company's consistent track record & superior financial metrics, the valuation is **fully priced in.** Hence, we recommend subscribing to the IPO for listing gains.

- **Description of Business:**
  - Bharat Coking Coal is the largest producer of coking coal in India in Fiscal 2025. Their production accounted for 58.50% of the total domestic coking coal production in that year. Their primary product is coking coal, and as of April 1, 2024**,** they had estimated reserves of about 7,910 million tonnes, making them one of the largest holders of coking coal reserves in India**.** They produce different grades of coking coal, non-coking coal, and washed coal**,** mainly for use in the steel and power industries**.**
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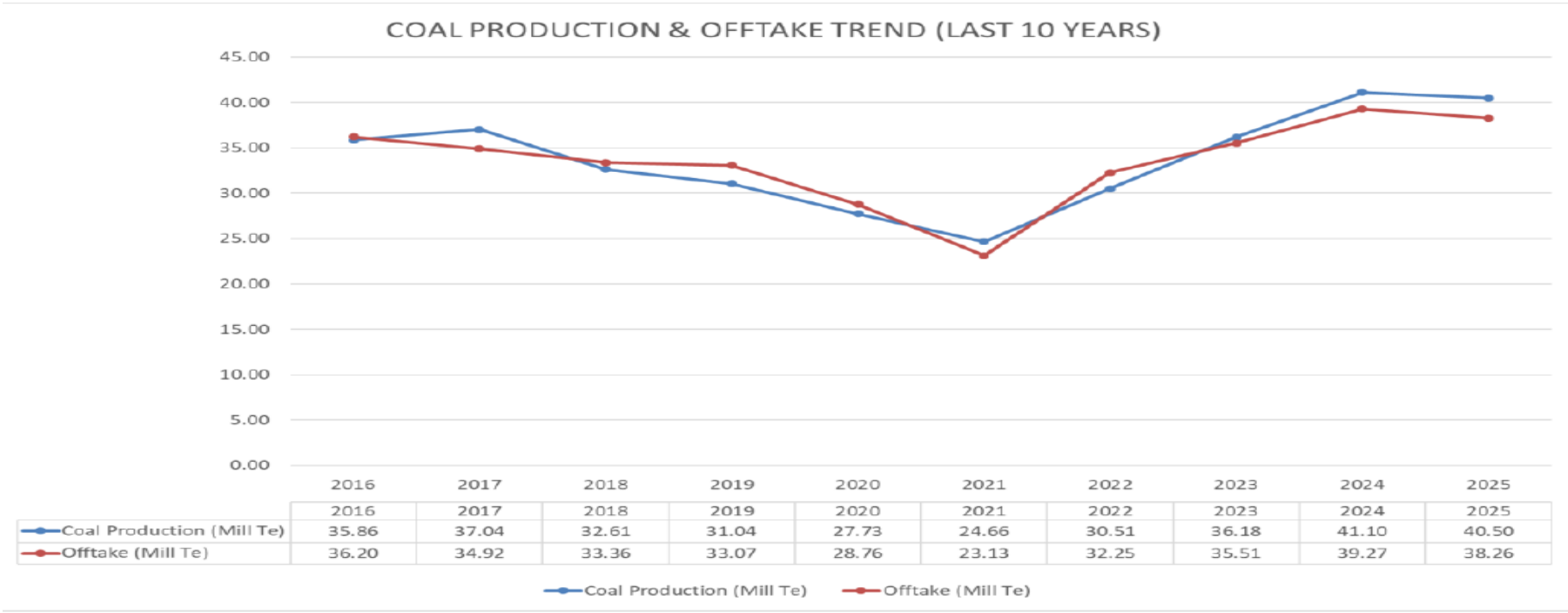
  - Since Fiscal 2021, they have steadily increased production by adding more capacity, mainly by using heavy earth-moving machinery (HEMM). This strategy helped them achieve continuous growth, with production reaching a record high in Fiscal 2024. Their raw coking coal production in Fiscal 2024 was 10.96% higher than the previous peak recorded in Fiscal 2017.
  - Over the last three financial years, they have maintained stable growth in coking coal production, with a compound annual growth rate (CAGR) of 5.80% from Fiscal 2023 to Fiscal 2025. The graph below shows their coking coal production and offtake trends over the past ten years**.**



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Coal Production (Mill Te)	35.86	37.04	32.61	31.04	27.73	24.66	30.51	36.18	41.10	40.50
Offtake (Mill Te)	36.20	34.92	33.36	33.07	28.76	23.13	32.25	35.51	39.27	38.26

  - They also recorded their highest raw coal offtake of 39.27 million tonnes in Fiscal 2024, showing their focus on improving operations and efficiency. In Fiscal 2025, they achieved a record level of overburden (OB) removal, which means removing the rock lying above coal seams in opencast mines. At the same time, they maintained their second-highest coking coal production, just slightly lower than the peak achieved in Fiscal 2024.
  - They carried out advance OB removal by using equipment ahead of time to prepare coal seams for future mining. This strategy helps in many ways: it ensures coal is ready for future production, reduces delays between removing overburden and extracting coal, and improves the efficient use of heavy earth-moving machinery (HEMM) and other equipment.
  - They operate over a total leasehold area of 288.31 square kilometers, which includes 252.88 square kilometers in the Jharia coalfield and 35.43 square kilometers in the Raniganj coalfield. Their operations include:
    - Opencast and underground mining projects
    - Coal washeries
    - Monetising old and unused coal washeries through the Washery Developer and Operator (WDO) model
    - Restarting closed underground mines through the Mine Developer and Operator (MDO) model

    In addition, they earn value from their solar power projects by using the power themselves and by supplying excess electricity to the grid. As of September 30, 2025, we operate a network of 34 operational mines, including 4 underground mines, 26 opencast mines, and 4 mixed mines. Set forth below is certain information in relation to our coal production for the periods/years indicated:

Particulars	Six Month period ended September 30, 2025		Six Month period ended September 30, 2024	
	Production (million tonnes)	Percentage of total Coal Production	Production (million tonnes)	Percentage of total Coal Production
Open Cast mines	15.41	97.9%	18.54	97.1%
Underground mines	0.33	2.1%	0.56	2.9%
Total	**15.74**	100.0%	**19.10**	100.0%

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Production (million tonnes)	Percentage of total Coal Production	Production (million tonnes)	Percentage of total Coal Production	Production (million tonnes)	Percentage of total Coal Production
Open Cast Mines	39.36	97.2%	40.33	98.1%	35.49	98.1%
Underground mines	1.14	2.8%	0.77	1.9%	0.69	1.9%
	40.50	**100.0%**	**41.10**	**100.0%**	**36.18**	**100.0%**

In the six-month periods ending September 30, 2025 and September 30, 2024, and in Fiscal 2025, 2024, and 2023, their coking coal production was 15.05 million tonnes, 18.39 million tonnes, 38.89 million tonnes, 39.11 million tonnes, and 33.72 million tonnes, respectively. During these periods, coking coal made up 95.56%, 96.33%, 96.02%, 95.16%, and 93.20% of their total coal production.

Their large coal reserves, along with their strategic location in the Jharia and Raniganj coalfields, ensure a steady and reliable supply of high-quality coking coal. Most of the coal reserves are located within a 40-kilometer radius, which helps support continuous operations for steel plants and other industries that depend on coking coal.

As of September 30, 2025, they operated five coal washeries to reduce the ash content in coking coal and make it suitable for use in the steel industry. They are also developing three new coal washeries with a total capacity of 7.00 million tonnes per year to increase their washed coal production. Their coal washing activities support the initiatives of the Ministry of Coal (MoC), including the Atma-Nirbhar Bharat vision, by helping reduce coal imports and strengthen India's energy security.

Period/Fiscal	Raw Coal			Washed Coal	
	Coking Coal		Total	Washed coking coal	Washed power coal
	(million tonnes)				
Six-month period ended September 30, 2025	15.1	0.7	15.8	0.7	1.5
Six-month period ended September 30, 2024	18.4	0.7	19.1	0.8	1.5
Fiscal 2025	38.9	1.6	40.5	1.7	3.2
Fiscal 2024	39.1	2.0	41.1	1.5	2.8
Fiscal 2023	33.7	2.5	36.2	1.4	2.5

They supply raw coal to many industries, including the power, steel, and fertilizer sectors. They also use their raw coal in their washeries to improve its quality and produce washed coking coal and other by-products. Coal demand is expected to continue growing until Fiscal 2035, according to industry estimates. To prepare for any possible long-term decline in coal demand, they have diversified their operations. While coal demand for power generation may reduce in the future, coking coal will remain essential for steel production.

To meet the expected growth in steel demand, they are expanding their washery capacity to increase the supply of washed, higher-quality coal.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Production (million tonnes)	Percentage of total Coal Production	Production (million tonnes)	Percentage of total Coal Production	Production (million tonnes)	Percentage of total Coal Production
Power Industry (including CPPs)	29.69	77.6%	30.81	78.5%	27.51	77.4%
Steel Industry	0.85	2.2%	1	2.5%	1.16	3.3%
Fertilizer Industry	0.39	1.0%	0.49	1.2%	0.39	1.1%
Own Washery	5.72	15.0%	4.93	12.6%	4.42	12.4%
Others	1.61	4.2%	2.04	5.2%	2.05	5.8%
	38.26	**100.0%**	**39.27**	**100.0%**	**35.53**	**100.0%**

As part of their operations, they supply washed coking coal and some other by-products to the steel industry. In Fiscal 2025, their production of washed coking coal reached its highest level in the last 17 years. This achievement helped reduce dependence on imported coal and supported national initiatives such as Atma-Nirbhar Bharat.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Qty (million tonnes)	Percentage of total Dispatch	Qty (million tonnes)	Percentage of total Dispatch	Qty (million tonnes)	Percentage of total Dispatch
Washed Coking Coal	1.71	30.7%	1.46	29.9%	1.42	30.7%
Washed Power Coal	2.89	51.9%	2.77	56.8%	2.49	53.9%
Other by-products	0.97	17.4%	0.65	13.3%	0.71	15.4%
	5.57	**100.0%**	**4.88**	**100.0%**	**4.62**	**100.0%**

We achieved net sales of ₹ 130,832.60 million in Fiscal 2025, reflecting an increase from ₹ 123,491.40 million in Fiscal 2023. Further, we achieved net sales of ₹ 52,602.90 million in six months period ended September 30, 2025, reflecting a decrease from ₹ 63,686.80 million in six months period ended September 30, 2024. Table below sets forth details of our sales for the periods/years indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (in $ million)	Percentage of total sales	Amount (in $ million)	Percentage of total sales	Amount (in $ million)	Percentage of total sales
Raw Coal	101,690.4	77.7%	101,784.1	77.3%	95,925.9	77.7%
Washed Coal	19,111.3	14.6%	20,450.9	15.5%	16,892.6	13.7%
Other by-products	10,030.9	7.7%	9,376.0	7.1%	10,672.9	8.6%
	130,832.6	**100.0%**	**131,611.0**	**100.0%**	**123,491.4**	**100.0%**

Their network of mines is supported by well-developed infrastructure, including rail and road transport and coal evacuation facilities. As of September 30, 2025, their operations were supported by advanced infrastructure such as longwall mining technology and 507 heavy earth-moving machines (HEMMs), including draglines, shovels, dumpers, dozers, and drills. This strong infrastructure helps them deliver coal to customers on time and ensures efficient use of resources from production to delivery.

Their facilities allow them to supply high-quality coal to industries such as steel, power, fertilizer, and others, while keeping costs under control. They improve coal quality through internal processes like crushing coal to below 100 mm, which helps maintain consistent quality and match the declared coal grade. Recently, they began production at their amalgamated Block-II Opencast Project (OCP) using highwall mining technology for the first time. This method allows them to extract coal that was previously difficult to access, improves safety by reducing underground work, and has a lower impact on the environment.

They are committed to strengthening their research and development (R&D) efforts to improve efficiency and technology. Their R&D activities are supported by Central Mine Planning & Design Institute Limited (CMPDIL), a subsidiary of Coal India Limited. These efforts focus on developing better mining methods, improving coal washing processes, and finding new ways to extract resources. By using modern technology and working with leading research institutions, they aim to lower costs, increase productivity, and ensure worker safety. Their focus on R&D helps them stay competitive and supports the long-term growth of the coal industry.

They are also strongly committed to sustainability and environmental protection. Their environmental policy focuses on sustainable development, pollution control, and conserving natural resources. They regularly monitor and reduce the environmental impact of their mining activities by following environmental laws and using effective management plans.

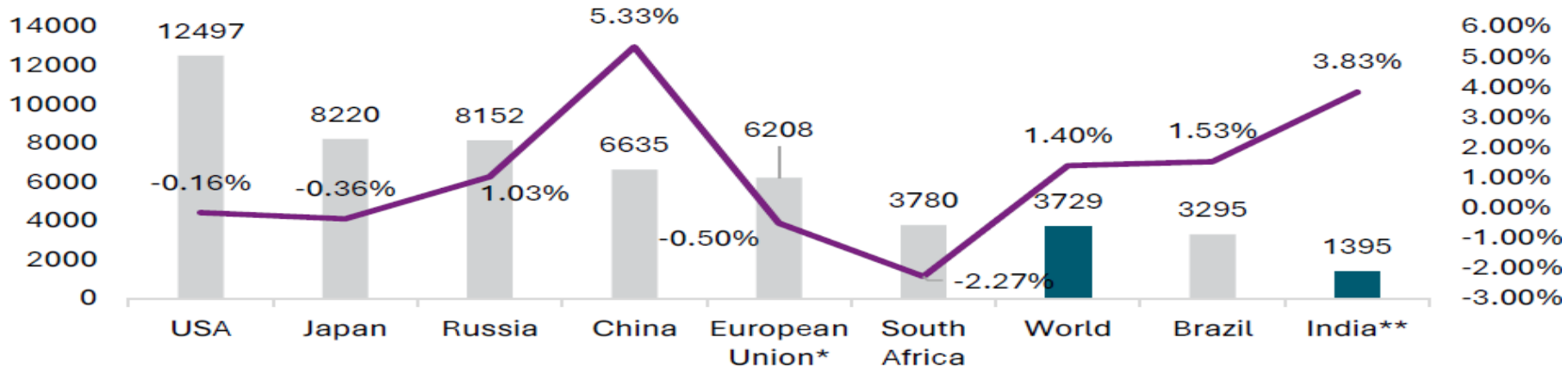
To support India's net-zero target for 2070, they have installed rooftop and ground-mounted solar power projects at several locations. As of September 30, 2025, they had installed 26.97 MW of solar capacity, including 6.97 MW rooftop projects and 20 MW ground-mounted projects. They also work on restoring mined-out areas, promoting biodiversity, and creating green spaces.
In addition, they aim to reduce their carbon footprint by adopting energy-efficient practices and using renewable energy sources. They have also started coal bed methane (CBM) projects in Jharia, Jharkhand, which help capture methane gas from coal seams and reflect their commitment to sustainable and responsible mining.

They are guided by the expertise of Coal India Limited and their team of experienced professionals. Their Board of Directors, which includes representatives from Coal India Limited, provides guidance on operations and growth strategies while ensuring good corporate governance.
Samiran Dutta, Chairman-cum-Managing Director, has extensive experience in the coal sector, having previously held important positions in the company, Coal India Limited, and other related organizations. Debasish Nanda, Director (Business Development) at Coal India Limited and a nominee director on their Board, plays a dual role in planning, development, and strategy, helping drive innovation and operational efficiency.

Industry Overview:

- The world's electricity use has been steadily increasing over the years, mainly because of growing populations, urbanization, and industrial growth. As of 2023, global electricity consumption is about 29,925.9 terawatt-hours (TWh)**.**
- India, being the most populous country in the world, is a major contributor to this global electricity use. Electricity use in India has been growing quickly due to its expanding economy, rising industrial activity, and higher household incomes. In 2023, India's electricity consumption was 1958.1 TWh, which is around 7% of the global total**.** This makes India the third-largest electricity consumer in the world, after China (32% of global share) and the United States (15% of global share)**.**
- In terms of per person electricity use, India is still behind many developed countries. As of Fiscal 2024, each person in India uses about **1,395** kWh per year, up from 1,331 kWh per person in Fiscal 2023. However, this number is expected to rise significantly in the coming years because the government is working to provide electricity to all households and support economic growth.
- Comparing electricity use across major countries shows India's growth potential. In the United States, each person uses 12,497 kWh per year**,** almost ten times more than in India. In China, per person electricity use is 6,635 kWh, which is five times India's level.
- Over the past decade, India's per person electricity use has grown significantly, increasing 46% from 2013 to 2023, which is a compound annual growth rate (CAGR) of 3.83%.

Per capita electricity consumption in CY2023 in kWh/ person and CAGR (10 year) from 2013 to 2023



- India's energy demand is growing quickly, driven by economic growth and population increase. In Fiscal 2024, total electricity demand is expected to be about 16,29,670 million units (MU), growing at 6% per year from Fiscal 2020. Demand is expected to keep rising faster in the coming years, reaching around 23,77,763 MU by 2030, with a 6.4% annual growth rate from Fiscal 2025 to 2030. Looking at electricity demand from 2020 to 2030, it shows a steady increase, with faster growth in the later years. Peak demand – the highest electricity needed at any given time – has also been rising steadily:

Fiscal 2020: 1,83,804 MW, with a shortfall of 1,271 MW

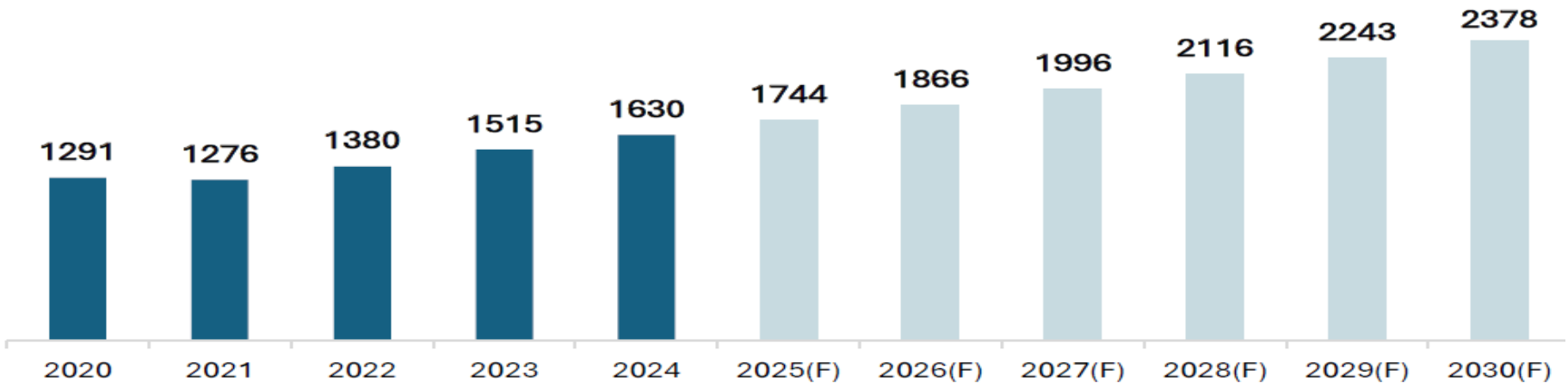
Fiscal 2021: 1,90,198 MW, with a shortfall of 803 MW

Fiscal 2022: 2,03,014 MW, with a shortfall of 2,475 MW

Fiscal 2023: 2,15,888 MW, with a shortfall of 8,657 MW

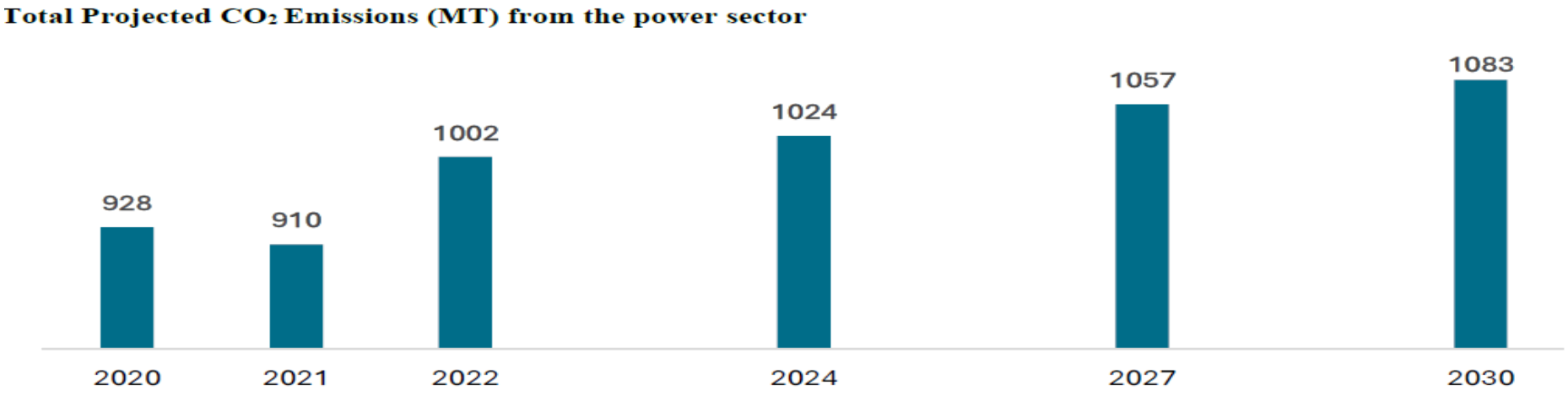
The steady rise in peak demand shows that India needs more power generation capacity to meet growing electricity needs.

India's electricity demand in Billion Units

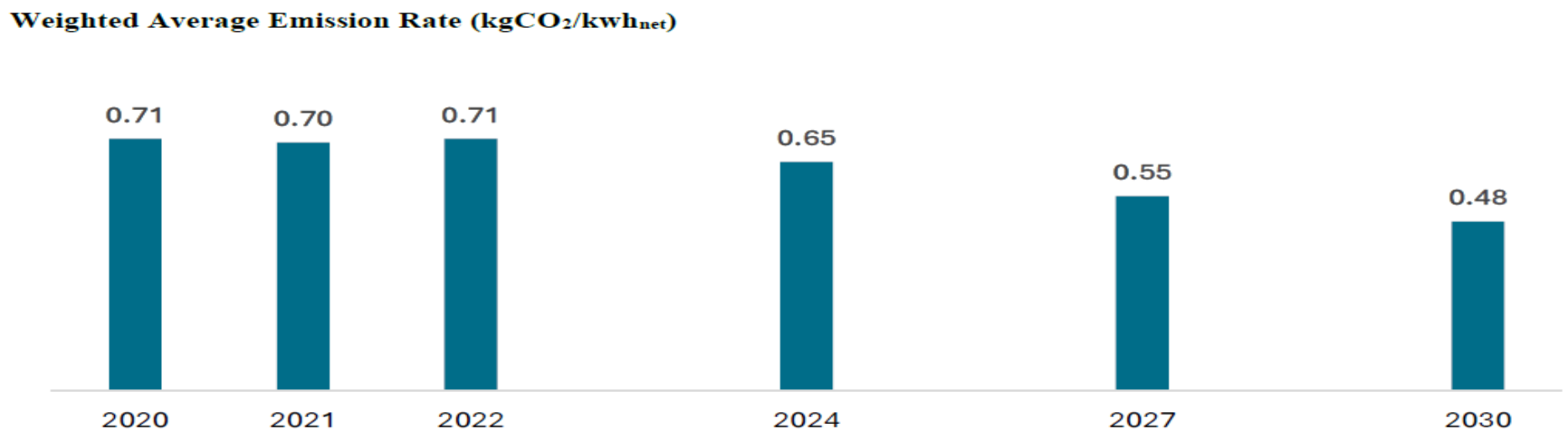


Fiscal year	Peak Demand (MW)	Peak Demand (MW)	Demand not Met	
			MW	%
2020	183804	182533	1271	0.7%
2021	190198	189395	802	0.4%
2022	203014	200539	2475	1.2%
2023	215888	207231	8657	4.0%
2024	240174	239978	196	0.1%

- Coal is the biggest source of carbon emissions from fossil fuels, making up about 41% of the world's CO_2 emissions. In 2023, the countries that emitted the most CO_2 from coal were:
  - **China:** 55.5% (8,550 million tons)
  - **India:** 13.2% (2,031 million tons)
  - **United States:** 5.0% (776 million tons)
  - **Russia:** 2.8% (428 million tons)
  - **South Africa:** 2.1% (330 million tons)
- These emissions mainly come from using coal for electricity, industry, and heating. Coal emissions not only worsen climate change but also harm health by causing air pollution. India's National Electricity Plan (NEP) expects CO_2 emissions from electricity to rise to around 1,100 million tons by 2032 because the country's energy demand is growing. However, the amount of CO_2 produced per unit of electricity is expected to fall, thanks to more efficient power plants and a shift to cleaner energy. India aims to get 50% of its power from renewable sources by 2030.

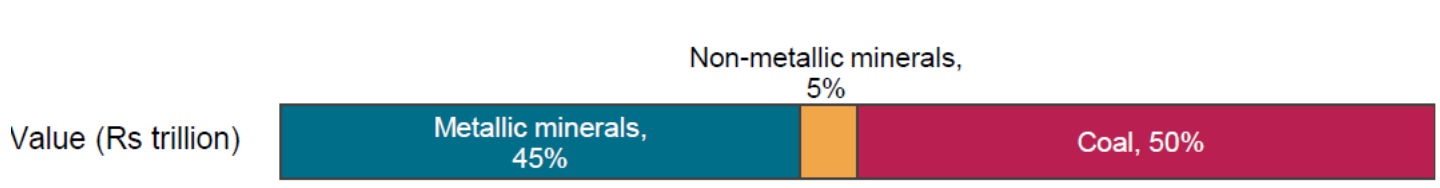


According to India's National Electricity Plan (NEP), the share of electricity from non-fossil sources (like solar, wind, and hydro) is expected to grow from about 42.5% in 2023 to 57.4% by 2027, and 68.4% by 2032. Using more renewable energy will help reduce the amount of CO_2 produced for each unit of electricity. Better power plant technologies and energy-efficient practices will also lower emissions. Even for coal power, using advanced technologies like supercritical and ultra-supercritical plants will make coal use more efficient, cutting emissions to around 0.42 kg of CO_2 per kWh by 2032.



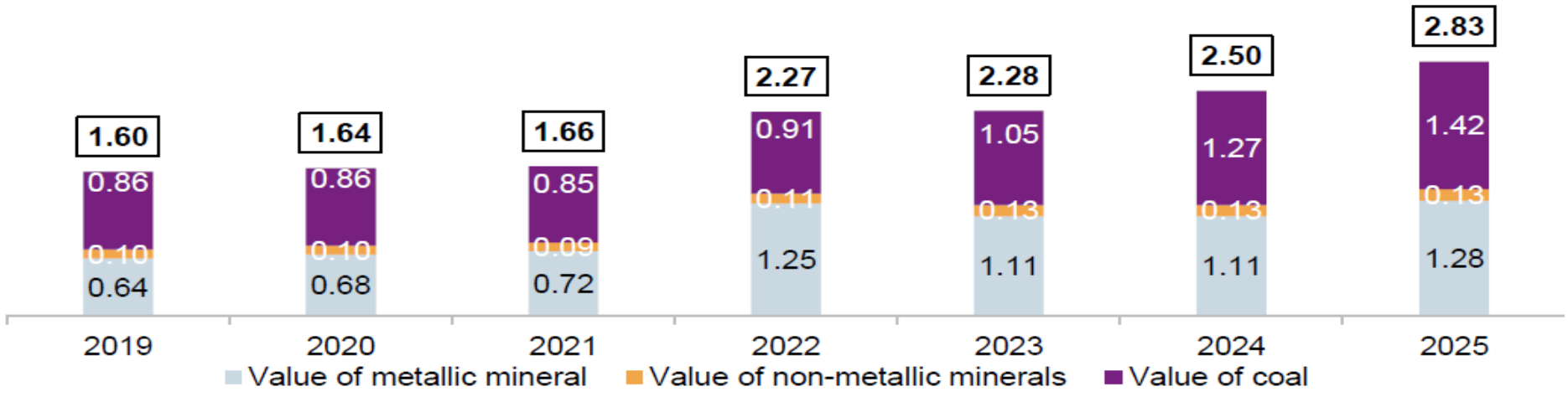
In 2020, India's steel industry released about 240 million tons of CO_2, which is around 12% of the country's total emissions. CO_2 emissions from steel are expected to grow by about 6.5% per year, reaching 450 million tons by 2030. Making steel produces a lot of CO_2—around 1.8 to 2.2 tons for every ton of steel. Most of this comes from the DRI-EAF method of steel production, while using scrap-based EAF produces much less CO_2. India is an important part of the global economy because of its diverse industries, large consumer market, and strategic location. As one of the fastest-growing major economies, India is expected to grow around 6–7% per year this decade, increasing its share of global GDP. The mining sector is very important, contributing about 20% to India's GDP. Mining provides raw materials for key industries like power, steel, cement, and infrastructure.

- India mainly mines coal, iron ore, and limestone, which are very important for the power, steel, and cement industries. Coal is the main fuel used in thermal power plants and produces more than 75% of India's electricity. Because of this, the power sector depends heavily on coal. Electricity is also essential for making steel and cement, which links the power, steel, and cement industries closely together.

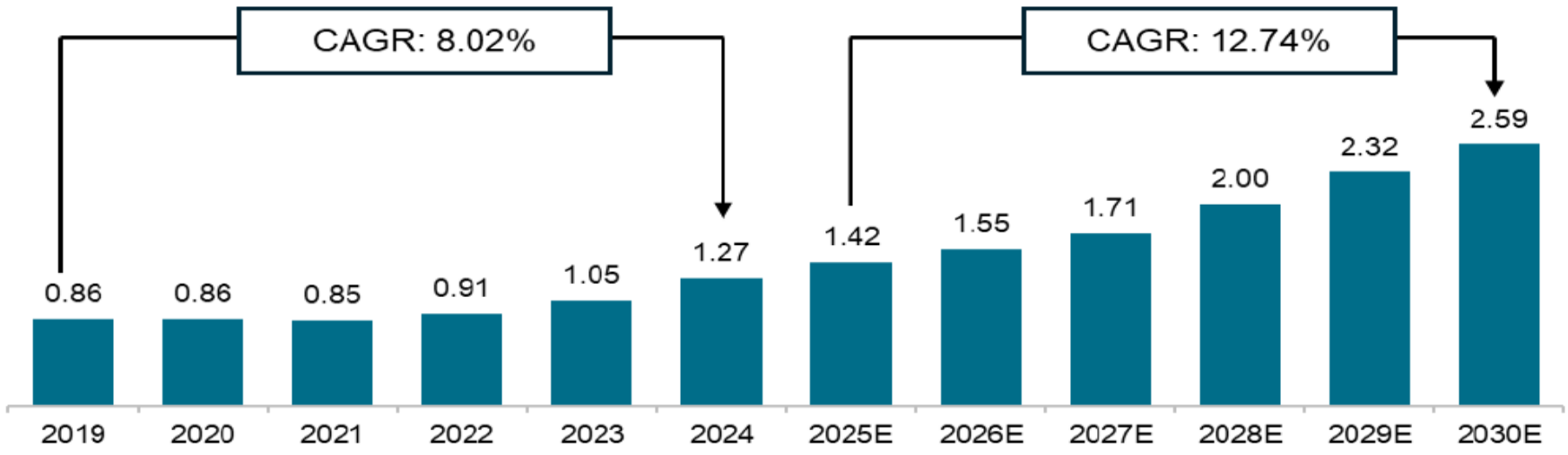


- Coal and iron ore form the foundation of India's mineral resources. They play a major role in supporting the country's industrial growth and economic development. These minerals not only meet India's energy needs but also support manufacturing, especially steel production.
- The total value of minerals mined in India is almost equally divided between coal and non-coal minerals. Coal is the most important mineral, making up about 50% of the total value of minerals mined in Fiscal 2025. With India having the world's largest population (about 1.44 billion people) and a fast-growing economy, energy demand is rising quickly. This makes coal very important for maintaining energy security. Coal is also widely used in many industries, such as cement and chemicals, which adds to its importance.
- Metallic minerals contribute around 45% of the total value of minerals mined in India. Among them, iron ore is the most important, accounting for about 34% of the total mineral value. Iron ore makes up nearly 76% of the value of all metallic minerals. Since India is the second-largest steel producer in the world, the demand for iron ore continues to grow.
- The mining sector contributes about 2.1% to India's Gross Value Added (GVA)**.** Coal and iron ore together make up around 84% of the mining sector's GVA, showing how important these two minerals are to India's economy.

Value of minerals (coal and major minerals) in India (Rs trillion)

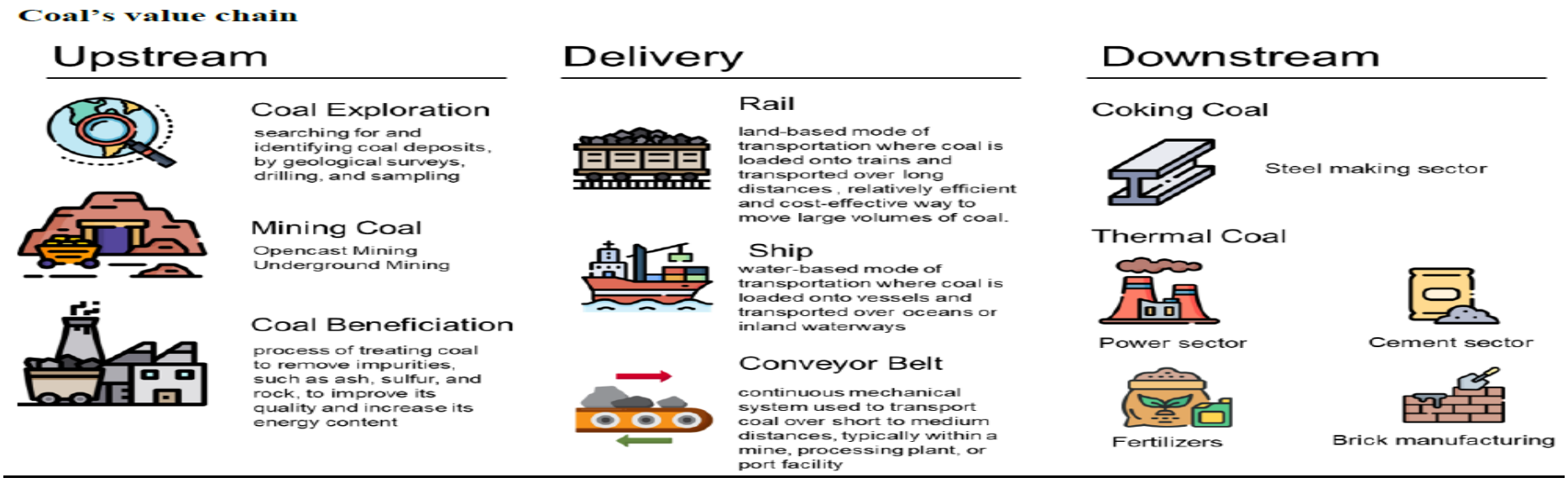


Value of coal produced in India and expected future value (Rs trillion)



- India's mining sector is key to its economic growth, helping provide the energy and minerals needed for industries. The country relies on its mineral reserves to supply affordable energy and support industrial development. With global uncertainties and supply chain disruptions, India is working to reduce dependence on imported minerals. By developing and protecting its own resources, India aims to secure critical industries like electronics, renewable energy, and defense from global supply risks.

Coal's value chain



- **Types of Coal:** Coal has been used by humans for many centuries. It is a black or dark-brown rock that can burn easily, because it contains a high amount of carbon. Coal is mainly used to produce electricity, run industries, and for heating purposes.

  Based on how much coal has changed over time (called coalification), there are five main types of coal:

  - Anthracite
  - Bituminous
  - Sub-bituminous
  - Lignite
  - Peat

- Coal is also broadly divided into coking coal and non-coking coal based on its use.

  - **Coking Coal:** Coking coal, also called metallurgical coal, has a special property. When it is heated at very high temperatures (about 1030–1060°C) without air, it turns into coke. Coke is a hard and porous material that is essential for making steel in blast furnaces.This ability to

form coke makes coking coal different from non-coking coal. According to India's Ministry of Coal, coking coal is classified mainly based on its ash content.

- **Non-Coking Coal (Thermal Coal):** Non-coking coal, also known as thermal coal, is mainly used to generate electricity and in industries that need heat. It does not form coke. Thermal coal is classified based on:

  - **Energy content**
  - **Ash content**
  - **Sulfur content**
  - **Moisture content**

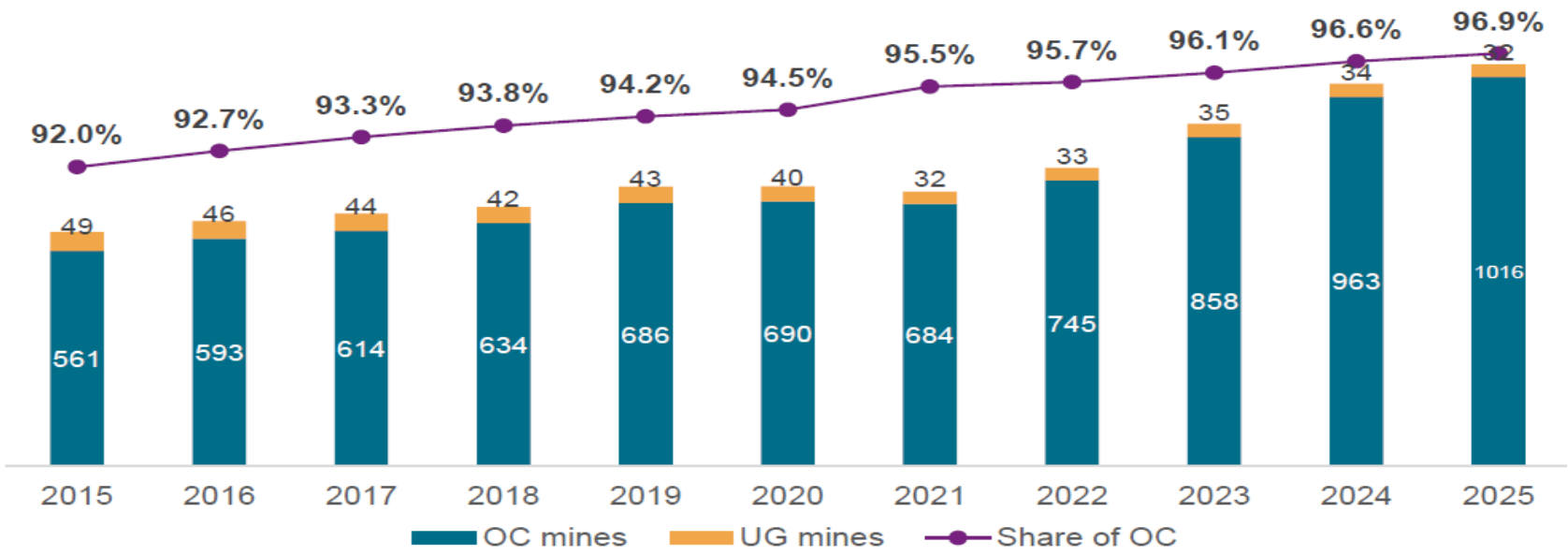
  In India, the most important factor for classifying thermal coal is its Gross Calorific Value (GCV). GCV shows how much energy the coal produces when burned. Coal with a higher GCV is better for power generation. Low ash content is preferred because it improves efficiency and reduces waste. Coal with high moisture content produces less usable energy.

- **Coal Mining:** Coal mining is mainly done in two ways:

  - Open-Cast (OC) Mining
  - Underground (UG) Mining

  Both methods are used in India, but most coal in India is mined using open-cast mining because it is easier and more cost-effective.

Share of coal production in OC and UG mines in India in MMT



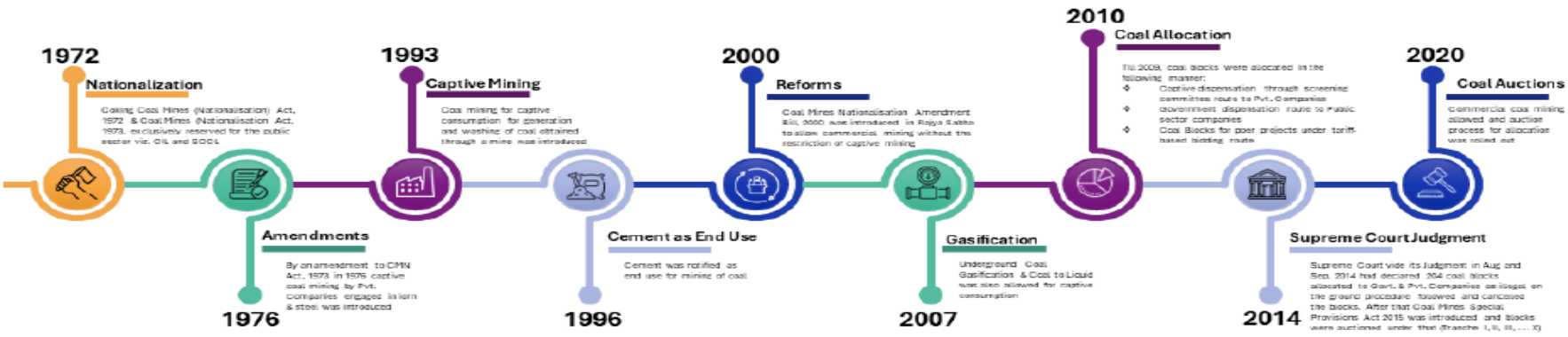
  - Most of India's coal now comes from open-cast (OC) mines because they cost less and recover more coal. Since 2020, coal production has grown, with OC mining dominating the industry. In 2025, India produced 1,016 million tons of coal from OC mines and 32 million tons from underground (UG) mines. Underground mining has been declining—from 49 million tons in 2015 to 32 million tons in 2025—because it is more expensive and harder to operate. OC mining is expected to remain the main method for coal extraction in India.
  - India's coal reserves are found at different depths:
    - 0–300 meters: 206.28 billion tons (53%)
    - 300–600 meters: 127.63 billion tons (33%)
    - 0–600 meters (other category): 15.41 billion tons (4%)
    - 600–1,200 meters: 40.10 billion tons (10%)
  - Most of India's coal (about 80%) is in four states: Odisha, Jharkhand, Chhattisgarh, and West Bengal. These states are the backbone of India's coal production.

Total coal resource across India in Billion Metric Tonnes as on 1st April 2024

State	Resource (BT)	Resource (%)
Odisha	99.2	25%
Jharkhand	91.8	24%
Chhattisgarh	82.7	21%
West Bengal	34.0	9%
Madhya Pradesh	32.8	8%
Telangana	23.2	6%
Maharashtra	13.4	3%
Others	12.4	3%
India Total	389.4	100%

- **Analysis of regulatory frameworks and policies governing coal sector:**

Coal sector: From nationalisation to commercialisation



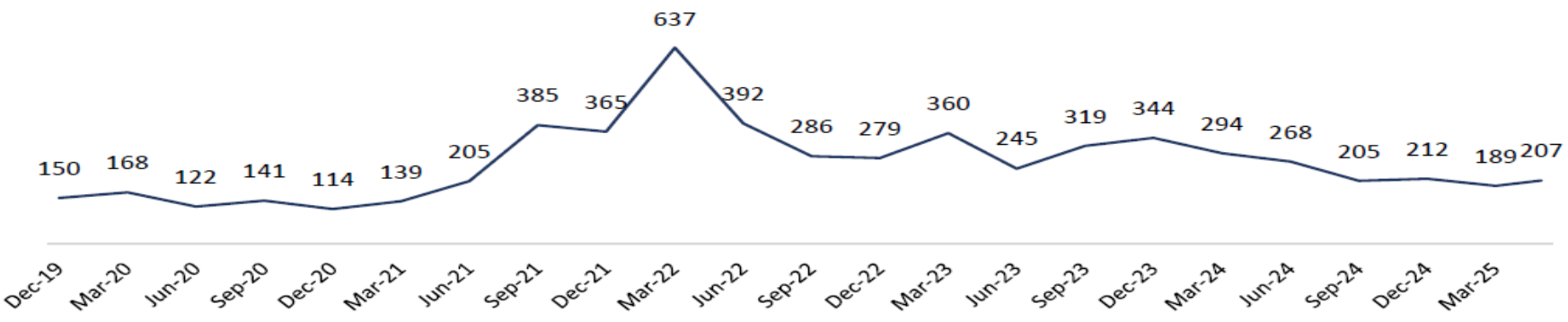
- Now, anyone—including international companies—can participate in India's coal block auctions, not just captive users. In August 2020, 100% foreign investment (FDI) was allowed, removing the last major regulation in coal mining. Existing captive coal owners can sell up to 50% of their production in the open market if they meet their own plant's needs. So far, twelve commercial coal block auctions have been completed, resulting in 134 successful block allocations. The 13th and 14th rounds started in August and October 2025 and are currently ongoing.

Key policies influencing the coal market

National Coal Distribution Policy 2007	Guiding policy for sale and distribution of coal in India, introduced Letter of Assurance (LoA)-Fuel Supply Agreement (FSA) regime, sale via nominated agencies and e-auction of coal
CMSP Act 2015	Auctions for allocation of coal block to end-users introduced
Linkage Auction Policy 2016	Policy for allocation of linkages to non-regulated sectors via auctions, prior FSAs are not renewed after the policy
SHAKTI Policy 2017	Policy for allocation of linkages to power plants, objective of fading away of LoA-FSA regime
MMDR Amendment Act 2020	Coal block auctions opened-up to commercial players as well and up to 50% of sale allowed from captive coal blocks

- **Pricing trends of Coking Coal:** The global trade in coking coal is mainly driven by the steel industry. Worldwide steel production grew from 1,433 million tons in 2010 to 1,892 million tons in 2023, raising the demand for coking coal.Most of the demand comes from Asian countries—China, Russia, India, Japan, and South Korea—making up about 90% of the market. The main suppliers are Australia, the U.S., Mongolia, Russia, and Canada, with almost 90% shipped by sea. Australia provides about half of global exports, while China consumes roughly two-thirds of the world's coking coal. Prices are usually based on high-quality Premium Hard Coking Coal (PCC), which is used to make metallurgical coke for steel.

CNF Paradip, Premium HCC, Australia Origin (US$ per Ton)



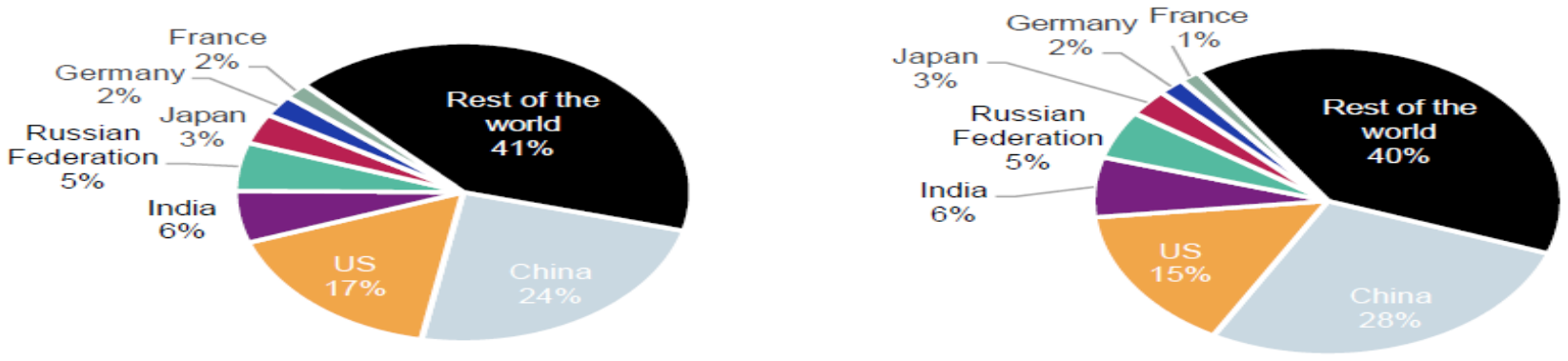
- In late 2021, coking coal prices jumped due to supply problems and a rebound in steel demand after the pandemic. In February 2022, the Russia-Ukraine war caused another price spike and panic buying. In 2023, steel mills cut production because profits were low, which reduced coking coal demand.

Price Outlook: Coking coal prices are expected to come down slightly as supply in Australia increases through mine expansions and new approvals, while demand stays steady, with India being a key factor.

India's energy requirements: India aims to become a developed country by 2047, its 100th year of independence. This means higher incomes, better living standards, access to basic needs, no energy poverty, self-reliance, and more jobs for working-age people. As the population grows and urbanization and industrialization increase, energy demand will rise. Manufacturing is expected to drive much of this growth to make

India more self-sufficient and resilient to global shocks. Globally, energy use has grown steadily, from 506 exajoules in 2010 to 635 exajoules in 2024, at an average annual growth of 1.6%.

World's energy consumption (EJ) by major countries in CY2018 and CY2024

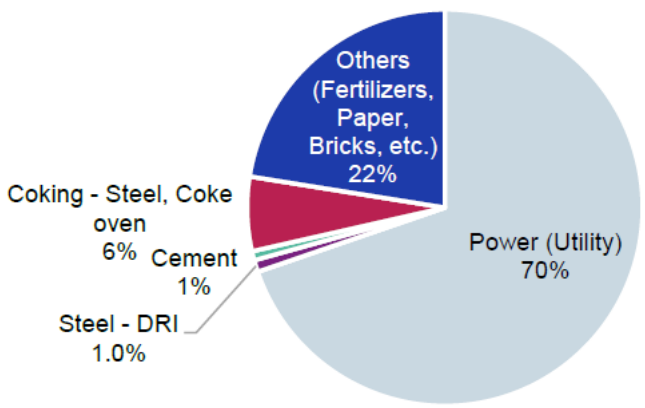


Coal's dominance in India's energy and power sectors: India's coal use has grown along with its economy over the past decade. As industries and infrastructure expanded, the demand for energy—especially coal—also increased. By 2024, India accounted for about 14% of global coal consumption, making it the second-largest consumer after China, which uses about 56%. In absolute terms, India's coal consumption rose from 14.4 exajoules in 2013 to 23.0 exajoules in 2024, showing a strong rise in energy demand.

Coal Market Structure in India: India's energy system still depends heavily on fossil fuels, with the country using about 13% of the world's coal. Coal-based power plants remain the main source of electricity, providing around 73% of power generation in 2024. The coal industry in India has many players, but a few large companies dominate production. Coal India Limited (CIL), with 313 operating mines, and Singareni Collieries Company Limited (SCCL), with 40 mines, are the main producers. In 2025, CIL supplied about 74% of India's coal and SCCL about 7%. Together, they provided around 81% of the country's total coal supply. The remaining 19% came from captive and other commercial coal mines.

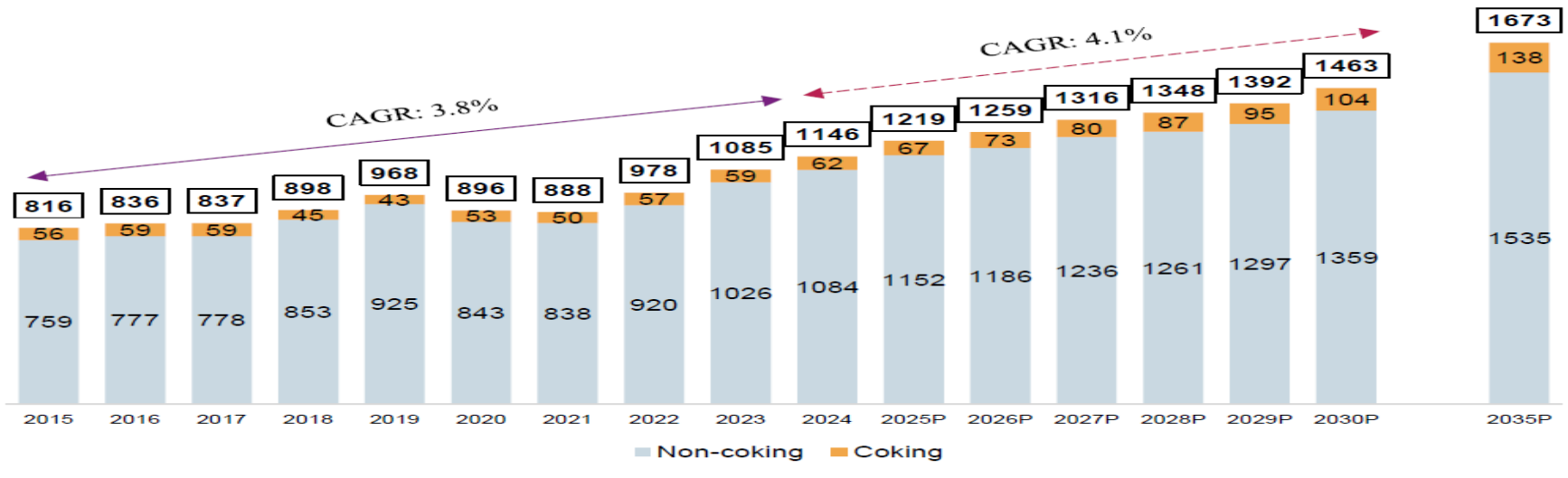
Demand for Coal: Coal is an important energy source not only for power generation but also for industries like steel, direct reduced iron (DRI), sponge iron, cement, and brick making. In 2024, the power sector—including power utilities and captive power plants—used about 70% of India's total coal consumption, making it the key driver of coal demand in the country.

India's coal demand by end-use sectors Fiscal 2024



Coal demand grew at an average rate of 3.8% per year between 2015 and 2024. It is expected to grow slightly faster, at about 4.1% per year, from 2024 to 2030. By 2030, more than 60% of coal demand is expected to come from the power sector, including thermal power plants and captive power plants.For demand estimates, coal of grade G10 has been assumed. In reality, actual raw coal demand will be higher because most coal produced is of lower grade (G11), and coal quality is expected to decline further. Only non-coking coal has been adjusted this way, while coking coal is counted at actual levels. Coal demand is expected to keep growing until around 2035.

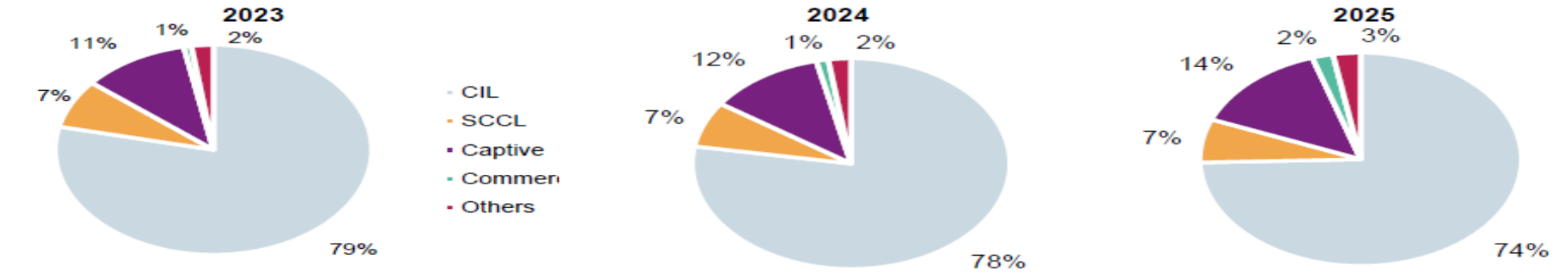
Overall coal demand in India – thermal coal (non-coking) and coking coal (MMT)



Coal demand keeps changing and is influenced by several factors, such as rising electricity needs, expansion of thermal power plants, and increased investment in industries like steel, aluminium, and cement due to government infrastructure projects. Despite these changes, coal is expected to remain an important part of India's energy sector for at least the next few years.

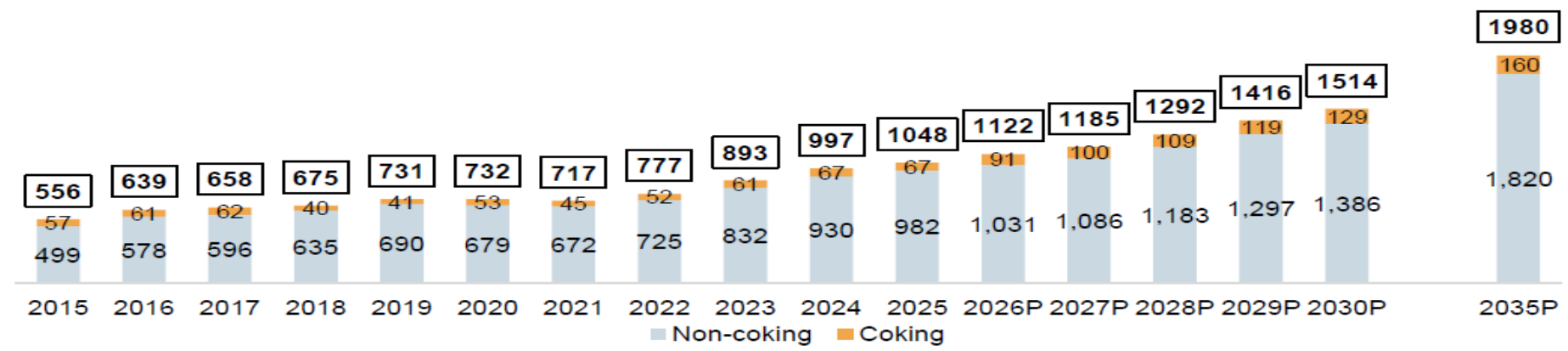
Supply of coal: On the supply side, India mainly relies on two sources of coal: domestic production and imports. In 2025, India produced about 1,048 million tons of coal, a 5% increase from 997 million tons in 2024. Coal production has grown strongly over the last decade, rising from 556 million tons in 2015 at an average annual growth rate of about 6.5%. Most of the coal produced in India is non-coking coal, which is used mainly for power generation and industrial purposes. In 2025, non-coking coal made up about 94% of total production. Coking coal accounted for the remaining 6% and is mainly used in steel production through the blast furnace route.

India's raw coal supply sources

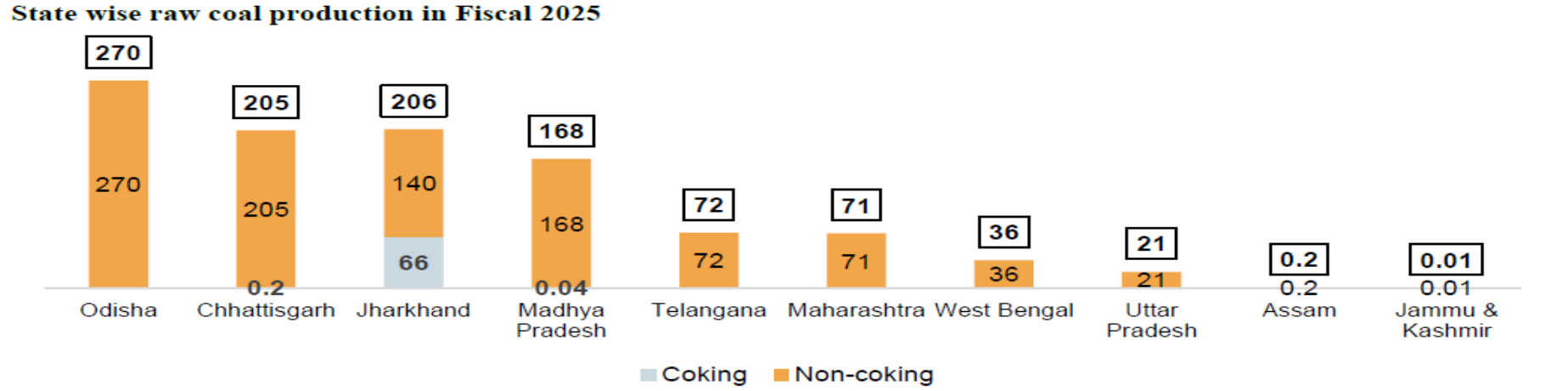


In 2025, India produced about 66.5 million tons of coking coal out of a total raw coal production of 1,048 million tons. According to CRISIL Intelligence, India's raw coal production is expected to grow to around 1,514 million tons by 2030, increasing at an average rate of about 7.6% per year between 2025 and 2030.

India's raw coal production coal type wise – non-coking and coking (MMT)

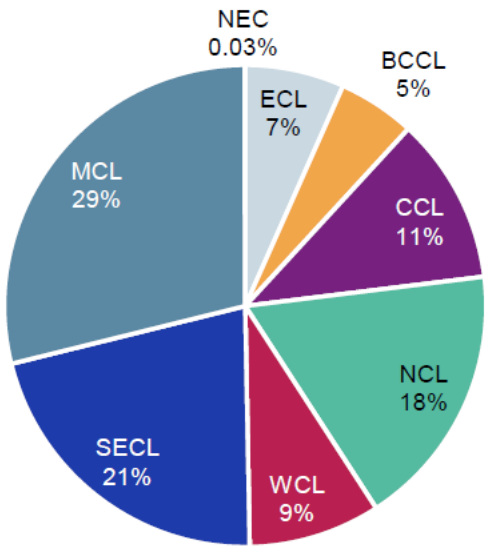


State wise raw coal production in Fiscal 2025

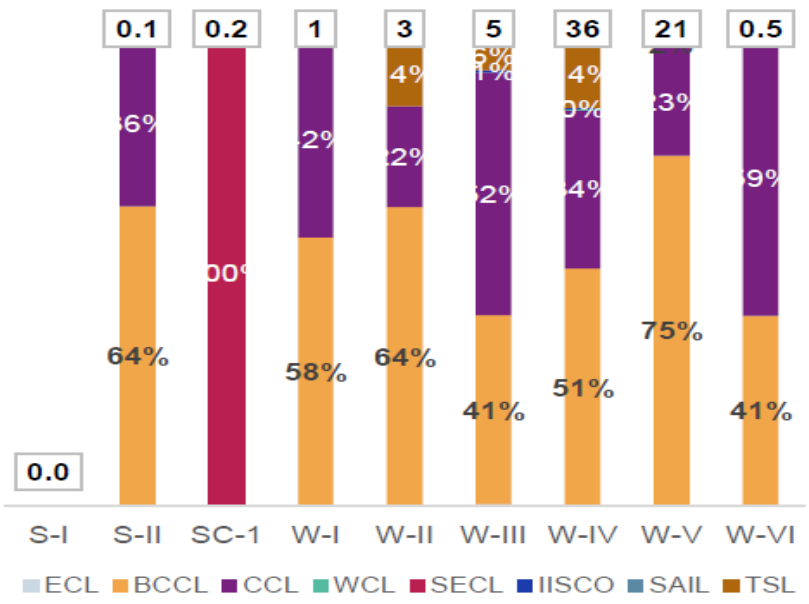


In 2025, most of India's coal production came from a few key states. Odisha was the largest producer with 270 million tons (26%), followed by Jharkhand with 206 million tons (20%), Chhattisgarh with 205 million tons (20%), and Madhya Pradesh with 168 million tons (16%). Together, these four states produced about 82% of India's total coal. The remaining 18% came from other states such as Telangana, Maharashtra, West Bengal, Uttar Pradesh, Assam, and Jammu & Kashmir. Within Coal India Limited (CIL), most coal is produced by a few subsidiaries. Mahanadi Coalfields Limited (MCL) is the largest producer, contributing about 29% of CIL's total production. This is followed by South Eastern Coalfields Limited (SECL) at 21% and Northern Coalfields Limited (NCL) at 18%. Other contributors include Central Coalfields Limited (CCL) with 11%, Western Coalfields Limited (WCL) with 9%, Eastern Coalfields Limited (ECL) with 7%, Bharat Coking Coal Limited (BCCL) with 5%, and North Eastern Coalfields (NEC) with a very small share of about 0.03%.

CIL subsidiary wise raw coal supply in Fiscal 2025



Grade wise raw coal production of coking coal by different companies in Fiscal 2025

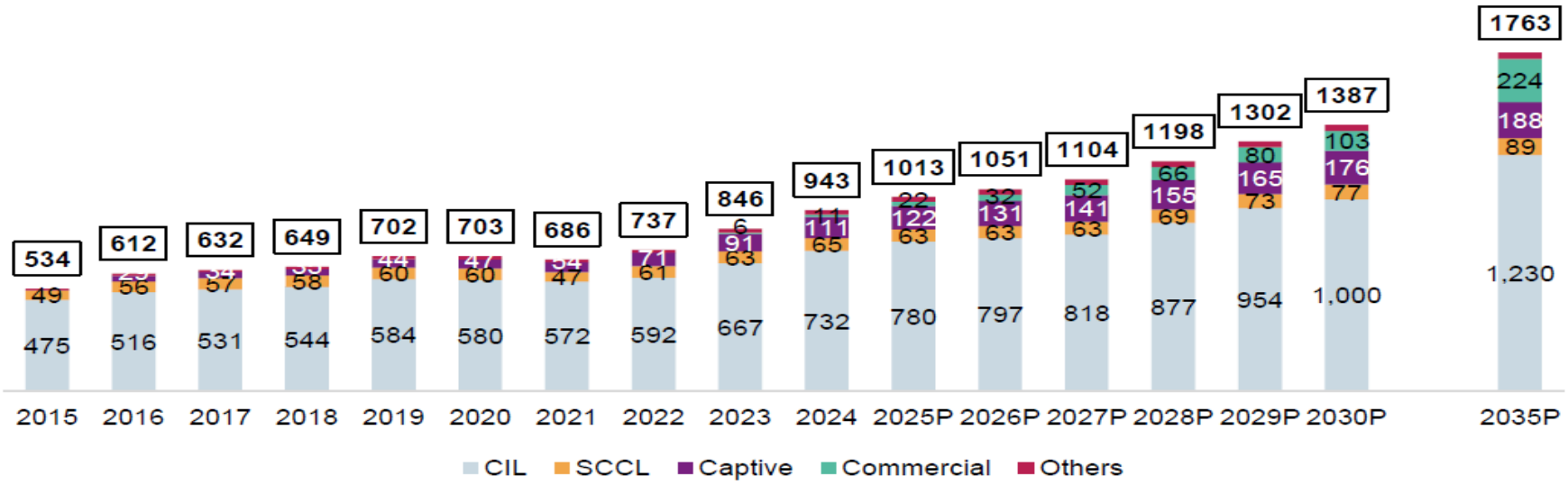


Company	S-II	SC-1	W-I	W-II	W-III	W-IV	W-V	W-VI
ECL	-	-	-	-	0.02	-	-	-
BCCL	-	-	0.40	3.44	1.28	18.23	15.54	-
CCL	0.15	-	1.20	0.81	3.54	11.08	3.64	0.11
SECL	-	0.22	-	-	-	-	-	-
IISCO	-	-	-	0.01		0.00	-	-
SAIL	-	-	-	-	-	-	0.49	-
TSL	-	-	-	0.83	0.34	4.91	.14	-
Total	0.1	0.2	1.6	5.1	5.2	34.3	19.8	0.1

Source: Ministry of Coal-Coal Directory of India for 2024-25

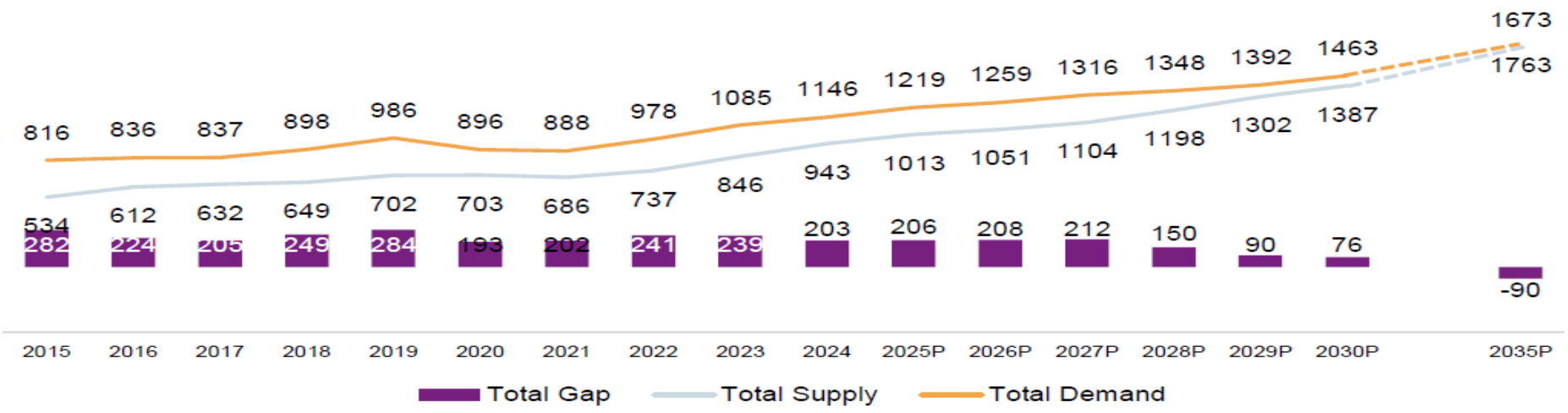
Coal production has been adjusted to a standard grade (G10) to compare with demand. After this adjustment, production in 2025 is about 1,013 million tons, slightly less than the actual 1,048 million tons. By 2035, production is expected to reach 1,763 million tons, while demand is around 1,673 million tons. Although this shows a small surplus, the market is expected to balance itself, preventing oversupply.

India's levelized (at G10) raw coal production scenario from different sources (MMT)



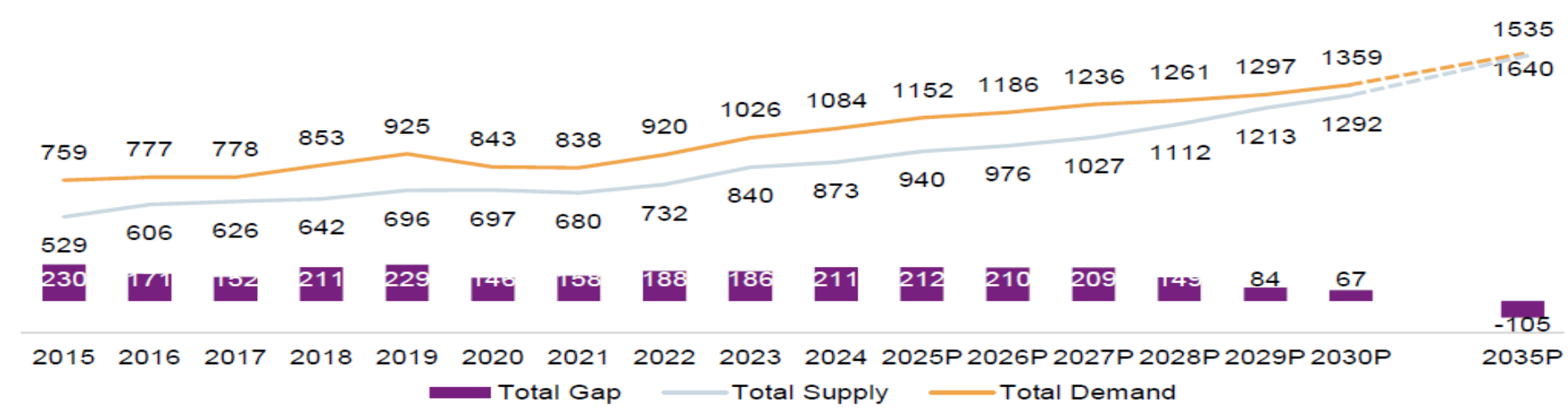
Analysis of coal demand-supply: Coal demand has been rising steadily over the years, while supply has also grown but more slowly, creating a gap. This gap is expected to shrink from 206 million tons in 2025 to 76 million tons by 2030. By 2035, coal supply is expected to exceed demand.

India's demand-supply gap of coal (MMT)



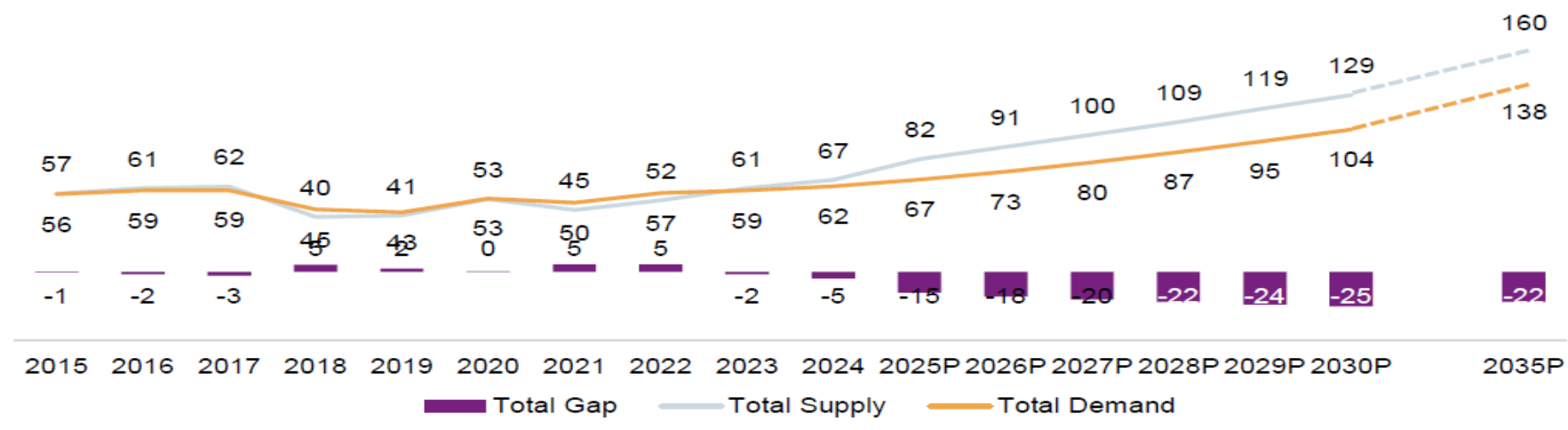
Coal demand varies by region, with the largest gaps in the northern, southern, and north-eastern parts of India. This is because most coal is produced in the eastern and western states—Odisha, Chhattisgarh, Jharkhand, and Madhya Pradesh. Non-coking coal demand has been rising steadily, while supply has grown more slowly, creating a persistent gap. This gap is expected to shrink to 67 million tons by 2030, and by 2035, supply is expected to exceed demand.

India's demand-supply gap of non-coking coal (MMT)



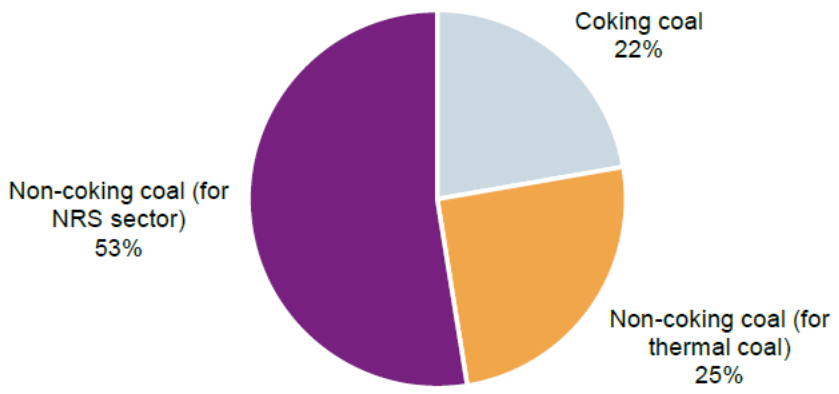
In 2025, India's coking coal demand is 67 million tons and is expected to rise to 138 million tons by 2035. Although overall coking coal supply appears to be more than demand, only a small portion is suitable for steel production due to the lower quality of Indian coking coal. Going forward, the demand for coking coal in steel making is expected to grow, even if total supply exceeds overall demand.

India's demand-supply gap of coking coal (MMT)

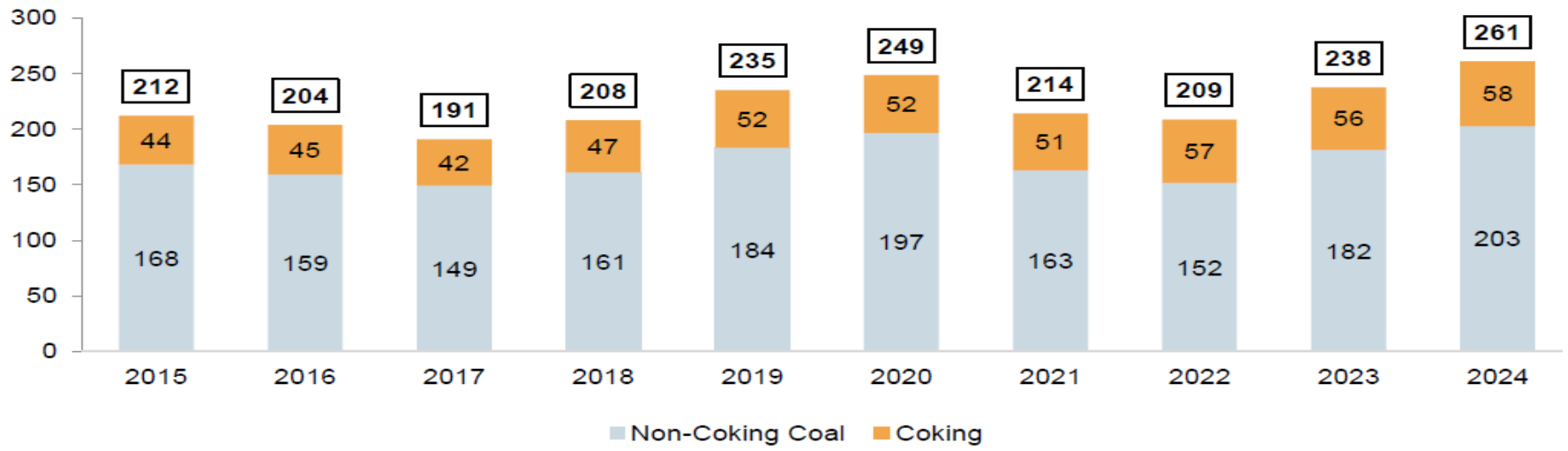


Historical coal imports trends: India's domestic coal production is not enough to meet total demand, so the country relies on imports. India is the second-largest coal importer, accounting for about 18% of global non-coking coal imports. In 2025, India imported around 244 million tons of coal. Both power and non-power sectors use imported coal. Some coastal power plants, with a combined capacity of about 18,000 MW, cannot use domestic coal and depend on imported coal for blending.

India's type-wise coal imports in Fiscal 2024



Coal imports by India since Fiscal 2015 (MMT)



To become self-reliant, the government is working to increase coal supply. This involves exploring new coal resources, bringing more mines into operation, hiring private contractors (MDOs) to boost production, expanding CIL's mining capacity, and improving transport and logistics to deliver coal to end-use plants. Domestic coal meets about 76% of India's needs, while around 24% is imported each year (average from 2020–2024).

➢ **Competitive Strengths*:***

- Largest coking coal producer in India with access to large reserves: They are the largest producer of coking coal in India. In Financial Year 2025, they produced 58.5% of India's total coking coal.India has about 389.4 billion tonnes of coal resources, out of which 36.8 billion tonnes are coking coal. As of April 1, 2024, they own 7.91 billion tonnes of coking coal reserves, making them the only producer of prime coking coal in India. Because of their large coal reserves, they can supply coking coal consistently to many industries. Their customers include steel plants, power plants, cement manufacturers, and fertilizer companies, all of which depend on coal as a key raw material or fuel. Being the largest producer allows them to benefit from large-scale operations, especially since coking coal is essential for steel production.

Wide Range of Coal Products

They produce different types and grades of coal to meet the needs of various industries:

- **Coking coal**: Mainly used in the power sector due to its high ash content.
- **Non-coking coal**: Used in power generation, cement, fertilizer, and glass industries.
- **Washed coal and washed power coal**: Have lower ash content and are used in steelmaking and power generation.
- **By-products of coal washing**: Used in power plants and other industrial facilities.
- Coal waste from processing is handled according to the rules set by the **Ministry of Coal, Government of India**.
- By efficiently using their resources and adapting to customer needs, they support **industrial growth, energy security, and sustainable economic development** in India.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (in $ million)	Percentage of total sales	Amount (in $ million)	Percentage of total sales	Amount (in $ million)	Percentage of total sales
Power Industry (including captive power plants)	96,787.0	74.0%	91,715.8	70.1%	80184.22	61.3%
Steel Industry	23,751.5	18.2%	24,585.1	18.8%	22615.5	17.3%
Fertilizer industry	1,051.1	0.8%	1,274.9	1.0%	1014.3	0.8%
Cement Industry	137.7	0.1%	192.1	0.1%	23.74	0.0%
Other non-regulated sectors	9,105.3	7.0%	13,843.1	10.6%	19653.64	15.0%
	130,832.6	**100.0%**	**131,611.0**	**100.6%**	**123491.4**	**94.4%**

They acquired 25,385.68 hectares of mining lease rights under the Coking Coal Mines Nationalization Act, 1972 and the Coal Mines Nationalization Act, 1973. These leases are valid until March 31, 2050. They also inherited 2,632.94 hectares of mining lease rights that were earlier acquired by the National Coal Development Corporation under the Coal Bearing Areas (Acquisition and Development) Act, 1957. In addition, they acquired mining lease rights over 812.33 hectares for the Kapooria Underground Project under the same Act. Altogether, they hold mining lease rights over 28,830.95 hectares of land.

Their large coal reserves give them a strong position in the market. Since coal availability is limited in the industry, these reserves allow them to plan for the long term and develop strategically. Large reserves also help them achieve economies of scale, as producing and processing coal in high volumes lowers the cost per unit and improves cost efficiency. This cost advantage helps them maintain higher profit margins and remain financially strong, even during periods of market uncertainty or price changes. This flexibility allows them to respond quickly to market trends and new opportunities, such as rising demand for high-quality coking coal in the steel industry or cleaner coal for power generation. By effectively using their extensive coal reserves, they support long-term planning, improve cost efficiency, and strengthen business stability. This forward-looking approach helps them optimize production, stay profitable, and benefit from changing industry needs.They have undertaken the construction and modernization of several coal washeries, investing significant capital to strengthen their coal processing infrastructure and support self-reliance in coking coal.

- **Strategically located mines with large washeries:** Their mines are strategically located in the Jharia and Raniganj coalfields, which have large coal reserves.They are a market leader in coking coal washery capacity in India, with an owned operational capacity of 13.65 million tonnes per annum. Their well-located mines and large washery capacity provide a strong competitive advantage. This improves operational efficiency, lowers costs, and ensures the production of high-quality coal. Each of their mines has different coal seams, which allows them to extract various types of coal. This helps them diversify revenue streams from their mining operations.Their mines in the Jharia and Raniganj coalfields are located in areas with well-developed infrastructure and strong logistics networks. This location reduces transportation time and costs, as the mines are close to major transport routes such as railways and highways. For example, being close to railway lines allows coal to be transported efficiently to customers, reducing delays and ensuring timely delivery. This is especially important for industries such as power generation and steel manufacturing, which require a steady and reliable supply of coal.Their locations also allow them to access local labor and resources. By operating in areas with a skilled workforce and established supply chains, they are able to improve operations and reduce overhead costs. They have also used their regional presence to build strong relationships with local communities and regulatory authorities, helping ensure smooth operations and better compliance with environmental and safety standards. Their strategic location supports long-term operational stability and helps them meet growing market demand effectively. As of September 30, 2025, they operated coking coal washeries at five locations: Moonidih, Madhuband, Dahibari, Patherdih I, and Madhuband NLW. They have also entered into an agreement with Tata Steel Limited to use spare capacity at Tata Steel's washeries in Jamadoba and Bhelatand to wash their coking coal. Their washeries play a key role in improving the quality and market value of their coal products. These facilities use advanced technologies such as Programmable Logic Controller (PLC) systems and Variable Frequency Drive (VFD) motors to efficiently remove impurities. They use flotation methods for fine coal processing and proven technologies like spiral separators for coarse coal.The washeries are designed to process raw coking coal and produce metallurgical coal as the main product and washed power coal as a secondary product. This process improves the coal's energy value while meeting environmental standards. The washeries also allow them to produce coal with different specifications to meet various customer needs. By reducing ash content and removing impurities, their washeries help significantly reduce environmental impact. They have undertaken the construction and modernization of several washeries, investing significant capital to strengthen their coal beneficiation infrastructure and promote self-reliance in coking coal. Their 5.00 million tonnes per annum Madhuband washery, approved at a capital cost of ₹3,004.90 million, commenced commercial operations in November 2023. The 2.00 million tonnes per annum Bhojudih washery, which is nearing completion, was approved at a capital cost of ₹3,845.69 million.The 2.50 million tonnes per annum Patherdih-II washery, currently under construction, has an approved capital cost of ₹3,342.74 million, of which ₹1,422.82 million has already been spent. In addition, a new 2.50 million tonnes per annum Moonidih coking coal washery is at the tender stage and is designed to produce coking coal with 14% ash content.At the same time, their existing Moonidih coal washery is being renovated at a planned cost of ₹1,389.89 million, which will increase its operating capacity from 0.80 million tonnes per annum to 1.60 million tonnes per annum.Together, these projects represent a total sanctioned or committed capital investment of ₹11,598.32 million, highlighting their strategic commitment to improving coal quality, ensuring environmental compliance, and achieving self-reliance in coking coal.
- **Well positioned to capitalize on demand for coking coal in India:** The demand for coking coal in India was 67 million metric tonnes in Fiscal 2025 and is expected to reach 138 million metric tonnes by Fiscal 2035. This growth will be driven mainly by the steel and power industries They are well-positioned to benefit from the rising demand for coking coal in India, particularly due to the growth of the steel industry. Their large resource base strengthens their position as a major player in the Indian coking coal industry, making them less vulnerable to resource depletion. The strategic location of their mines in the Jharia coalfields, which are rich in prime coking coal allows for efficient extraction and supply. Their ability to meet increasing demand is further supported by well-developed infrastructure, including coal mines, transport networks, and evacuation facilities.They have an established market presence and a strong reputation for consistent coal quality and supply, which helps maintain a loyal customer base. Rising international coking coal prices also strengthen their domestic market position, making them a preferred supplier.Their ability to adapt to global trends while supporting India's industrial and energy growth demonstrates a forward-thinking approach and a strong sense of responsibility. This holistic commitment not only strengthens their market position but also contributes positively to the economy and society.
- **Strong parentage of Coal India Limited:** Their relationship with Coal India Limited provides a solid foundation and access to extensive resources that are key to their success. Coal India Limited is the largest coal-producing company in the world (Source: CRISIL Report, Industry Overview on page 200). They benefit significantly from Coal India Limited's strategic support and vast resources, including access to advanced technologies, a pool of skilled professionals, and strong financial backing. These resources allow them to undertake large-scale projects efficiently and on time. Their ability to leverage these assets sets them apart from competitors and positions them for continued success. They draw on Coal India Limited's technical expertise in coal mining, resource management, and environmental sustainability, ensuring that they remain at the forefront of industry standards and deliver high-quality coking coal. Their technical capabilities are a direct result of the knowledge and experience passed down from their parent company. Their association with Coal India Limited also enhances their market recognition and credibility, building trust with customers, which translates into long-term partnerships and repeat business, supporting sustained growth. This relationship fosters synergies and collaborative opportunities**.** Additionally, they receive consistent support from Coal India Limited's subsidiary, CMPDIL**,** which plays a key role in coal exploration and research and development. CMPDIL's advanced

methodologies in geological surveys, mine planning, and resource assessment enhance operational efficiency. Through joint projects and innovative solutions, CMPDIL helps them optimize coal extraction, improve safety standards, and maximize resource utilization, contributing to sustainable mining practices and overall industry growth. Their executive manpower is directly overseen by Coal India Limited. Regular transfers and postings of executives from other Coal India Limited subsidiaries encourage the exchange of ideas and experiences, improving efficiency, supporting the adoption of new technologies, and bringing fresh insights into operations. Overall, the strategic support, technical expertise, market recognition, collaborative opportunities, and innovation provided by Coal India Limited and its subsidiaries enable them to deliver exceptional services and maintain a leadership position in the Indian coal industry.

- **Consistent track record of growth and financial performance:** They have maintained a consistent track record of financial performance, which reflects their operational excellence and long-term viability. Their financial position is strong, with no long-term debt, demonstrating financial stability. They have shown a commitment to achieving and exceeding targets, supported by effective cost management, which helps optimize expenses and maintain healthy profit margins even during fluctuating market conditions or industry challenges. Their longstanding relationships with key stakeholders and clients generate repeat business, further strengthening their reputation as a reliable and trusted leader in the industry. This financial resilience allows them to invest in innovative projects, support sustainable growth, and maintain operational excellence.
- **Experienced management team supported by committed employee base:** Their management team consists of professionals with extensive experience across mining, operations, administration, and strategic decision-making. These individuals bring expertise from areas such as mining, electrical and mechanical engineering, environmental management, corporate governance, and human resources. Many have spent decades in the mining industry, gaining deep insights into operational efficiency, safety standards, and regulatory compliance.The senior management team's experience extends beyond operational expertise. They have been instrumental in implementing sustainable practices, managing stakeholder relationships, and aligning the company's strategies with the broader goals of Coal India Limited. Their understanding of the Indian coal industry and evolving global standards positions BCCL as a key player in the sector. The strength and experience of their Board and management team positions them to capitalize on future growth opportunities. They also have a large pool of skilled employees, including technically qualified professionals with relevant industry experience. As of September 30, 2025, they had 31,389 employees, including 1,811 executives and 29,578 non-executive employees. The combined strength of their experienced management team and dedicated workforce fosters a culture of integrity, competence, and commitment. This combination ensures stable operations, drives sustainable growth, upholds ethical practices, and reinforces their reputation as a trustworthy and successful player in the industry.

➢ **Key Strategies:**

- **Utilize our resources effectively to sustain and expand operations, driving growth and maximizing efficiency:** The growing production capacity of the steel and allied industries in India presents significant growth and expansion opportunities for coal mining companies (Source: CRISIL Report, Industry Overview on page 214). They intend to capitalize on these opportunities by leveraging their resources to enhance operational capacity, market presence, and profitability through strategic initiatives focused on sustainable growth and increased production. To fully utilize their vast resource base, they are implementing significant technological advancements, including:

  - Procurement of high-capacity HEMM (Heavy Earth Moving Machinery)
  - Adoption of mass production technologies such as longwall and continuous miner packages
  - Introduction of highwall mining technology to access previously inaccessible reserves.

  They are also transitioning legacy underground mines to opencast mines and using mass production underground mining techniques to extract deep-seated coal reserves. As part of this strategy, they have planned the reorganization of coal blocks in the Jharia coalfields into seven large-scale opencast blocks (A through G), taking into account critical surface features and essential infrastructure.Their approach includes identifying and adding new producing patches through HEMM deployment, which quickly increases production capacity and replaces depleted reserves. They are also promoting sustainable practices, such as converting overburden into construction sand via a planned sand extraction plant at the Damoda open cast coal project, optimizing resource use and reducing waste.Their strategic plan also involves expanding washery operations to supply higher-grade coking coal. They have three upcoming washeries with a combined capacity of 7.00 million tonnes per annum. They consider their primary assets to be manpower, machines, and mines, and have been actively working to upgrade and safeguard these resources. They maintain a dedicated human resource development department, consisting of 56 employees as of September 30, 2025, which oversees workforce training through skilled professionals. They also support their workforce by facilitating attendance at various training and management institutes, ensuring employees acquire updated knowledge and new skills across different areas. They have strategically focused on recruiting specialized workforce while reducing reliance on unskilled and semi-skilled positions, leveraging the synergy between machinery and manpower. Despite a reduction in workforce over the years due to factors such as superannuation, they have successfully enhanced productivity levels.

- **Transform discontinued mines into profitable ventures through resource monetization, and strategic repurposing:** They aim to ensure sustainable growth, continued revenue generation, and operational efficiency by transforming discontinued mines into profitable ventures through reclamation, resource monetization, and strategic repurposing. Their goal is to fully harness their resource base and capacities to secure future profitability. As part of their diversification strategy, they have taken steps to restore operations in discontinued underground mines through the MDO (Mine Developer and Operator) model on a revenue-sharing basis. As of the date of this Red Herring Prospectus, six out of ten identified mines have been awarded to private players and third parties to make them operational. They collaborate with various mining partners, who take full responsibility for planning and operations under their supervision. This approach allows them to leverage external expertise while focusing on strategic oversight, production targets, and compliance monitoring. Their ability to convert discontinued mines into profitable ventures through resource monetization and strategic repurposing provides them with a strategic, operational, and financial advantage.As part of this strategic shift, they are working to increase coal production through the reorganization of coal blocks in the Jharia coalfields. Taking into account important surface features such as rivers, and surface infrastructure like railways and roads, the Jharia coalfield is proposed to be reorganized into seven opencast blocks. This reorganization will facilitate coal extraction and the dousing of fires north of the Dhanbad-Chandrapura railway line.This strategic approach is expected to increase coal production by unlocking additional coal seams and recovering coal that was previously inaccessible, thereby enhancing overall production capacity.

- **Monetize, modernize, and renovate our washeries:** They have significantly increased the sale of beneficiated and higher-quality coal by modernizing and renovating aging washeries, commissioning new washeries with a combined capacity of 7.00 million tonnes per year, and monetizing old washeries to improve operational efficiency.They have awarded the renovation contract for the 1.60 million tonnes per year Moonidih coal washery, which will enhance their existing washing capacity. Additionally, they have engaged a private player as a washery developer-cum-operator to redevelop the old Dugdha washery under a monetization scheme. This initiative is expected to create a new revenue stream and increase the share of their coking coal supplied to the steel sector.These expansions in washery operations are anticipated to enable the supply of higher-grade coking coal, improving product quality and meeting growing market demand. They are also in the process of developing and commissioning three new washeries with a combined capacity of 7.00 million tonnes per year. By expanding their washing facilities, they aim to optimize resource utilization, improve cost-efficiency, and support sustainable industrial growth. This approach aligns with their commitment to contributing to India's economic development and achieving self-sufficiency in coking coal production.
- **Implement energy conservation methods to enhance operational efficiency and reduce environmental impact:** They focus on environmental sustainability through a comprehensive strategy that includes progressive land reclamation, afforestation, efficient water management, and adoption of energy-efficient technologies. Their commitment to energy conservation enhances operational efficiency while minimizing environmental impact. By integrating sustainable practices into core operations, they reduce energy consumption, lower costs, and promote eco-friendly practices, aligning economic performance with environmental stewardship to support long-term operational excellence and sustainability.To balance economic viability with ecological preservation, they actively engage with local communities, ensuring that mining activities respect cultural values while contributing to collective economic well-being.They have introduced solar plants and additional washeries to enhance energy efficiency and reduce reliance on traditional energy sources. These initiatives improve operational performance while contributing to environmental sustainability.They have also undertaken solar power projects to offset carbon emissions and utilize existing energy resources more efficiently, with the long-term goal of achieving carbon neutrality. This includes rooftop and ground-mounted solar projects, with several already commissioned and others under development. Additional solar power plants are planned to expand their renewable energy portfolio. Furthermore, they are developing eco-parks over degraded mined-out areas and overburden dumps, demonstrating a strong commitment to environmental stewardship and sustainable development.
- **Leverage our resources in the Jharia coalfields to drive growth:** They aim to effectively leverage their vast coal resources in the Jharia coalfields. By optimizing coal production and washing to maximize yield, they intend to enhance washing capacity and improve coal quality. They plan to modernize and expand their mines and washeries, ensuring these facilities are equipped with advanced technologies to boost efficiency and environmental performance.The Revised Jharia Master Plan, approved by the Cabinet Committee on Economic Affairs, Government of India on June 25, 2025, will be implemented to manage fires through targeted measures and allocate necessary funds, funded through the internal resources of Coal India Limited (CIL). This plan also includes rehabilitating affected families with appropriate support and amenities. They also intend to shift critical infrastructure from unstable areas, coordinating closely with relevant departments. By engaging stakeholders transparently, they aim to build community trust and ensure active participation in rehabilitation efforts. Sustainable practices and advanced technologies are being adopted to promote eco-friendly operations and data-driven decision-making. They are aligning their operations with national policies and engaging with regulatory bodies to streamline processes and ensure compliance. This comprehensive strategy will ensure sustainable production, efficient processing, and responsible rehabilitation, enhancing their operational efficiency and market position to meet projected coking coal demands.
- **Explore opportunities in coal bed methane projects to harness untapped energy resources:** We aim to explore opportunities in coal bed methane ("CBM") projects to enhance our operational efficiency,reduce environmental impact, and diversify its energy portfolio. We believe that CBM projects offer substantialbenefits for our operational longevity, including enhanced energy production, reduced greenhouse gas emissions,and improved mine safety.In aim to leverage our advanced technology available in the market and strategic partnerships to develop CBMprojects. We have awarded a block in Jharia, Jharkhand to a private player on a revenue-sharing basis forcommercial methane production from the coal seam through drainage. Additionally, we have also identifiedanother block in Jharia for development of CBM, with our Board of Directors having approved the projectfeasibility report for the same. We aim to utilize the latest advancements in drilling and gas capture technologies to maximize methane recovery while minimizing environmental impact.

➢ **Peer Comparison:**

There are no Indian listed industry peers of comparable size and similar line of business of the Company, Warrior Met Coal, Inc. and Alpha Metallurgical Resources, Inc., both listed on New York Stock Exchange ("**NYSE**") have been considered as the Industry Peers (the "**Listed Industry Peers**") considering the nature and size of business of the Companies.

Particulars		Warrior Met Coal Inc					Alpha Metallurgical Resource Inc				
		As at & for period ended					As at & for period ended				
	Units	Half year June 30, 2025	Half year June 30, 2024	December 31, 2024	December 31, 2023	December 31, 2022	Half year June 30, 2025	Half year June 30, 2024	December 31, 2024	December 31, 2023	December 31, 2022
Revenue from operations	$ in million	597.47	900.04	1525.22	1676.63	1738.74	1082.23	1668.04	2957.29	3471.42	4101.59
Revenue CAGR	%	-6.34					-15.09				
EBITDA	$ in million	89.25	315.55	441.92	696.74	929.82	38.67	291.62	381.89	989.25	1684.17
EBITDA CAGR	%	-31.06					-52.38				
EBITDA margin (% of total income)	%	14.68	34.39	28.36	40.57	53.08	3.55	17.4	12.83	28.4	40.96
PAT	$ in million	-2.56	207.7	250.6	478.63	641.3	-38.9	185.9	187.58	721.96	1448.55
PAT CAGR	%	-37.49					-64.01				
PAT Margin (% of total income)	%	-0.42	22.64	16.08	27.87	36.61	-3.57	11.09	6.3	20.73	35.23
ROCE (%)	%	0.03	11.23	13.48	30.15	55	-3.06	12.84	13.25	56.36	129.43
RONW (%)	%	-0.12	10.59	12.64	28.82	55.3	-2.32	11.25	11.32	47.24	141.51

➢ **Key Risk:**

- The mines and washeries are concentrated in Jharia, Jharkhand and Raniganj, West Bengal and the eventual exhaustion of coal reserves in these areas or their inability to successfully exploit existing reserves may adversely affect their business, results of operations, financial conditions and cash flows.
- A significant portion of their revenues is derived from production of raw coking coal, which accounted for 77.20%, 74.13%, 75.72%, 75.75% and 74.79% of our revenue from operations in the six months period ended September 30, 2025 and 2024 and Fiscals 2025, 2024 and 2023, respectively. Any decline in demand for raw coking coal could have an adverse impact on their business, results of operations, financial condition and cash flows.

- They have certain contingent liabilities that have been disclosed in the Restated Financial Information (₹ 35,985.90 million as of September 30, 2025), which if materialize, may adversely affect business, results of operations, financial condition and cash flows.
- They are dependent upon the pricing and continued supply of raw materials, the costs and supply of which can be subject to significant variation due to factors outside their control.
- The business largely depends upon the top 10 customers which accounted for 83.89%, 82.46%, 88.88%, 80.79% and 83.10% of revenue from operations in the six months period ended September 30, 2025 and 2024 and Fiscals 2025, 2024 and 2023, respectively. The loss of any of these customers could have an adverse effect on their business, financial condition, results of operations and cash flows.
- It depends on the limited number of vendors to provide contractual services and any disruptions in their supply of services could adversely affect the business, results of operations, financial condition and cash flows.
- The mining operations involve activities which are inherently hazardous in nature and could result in a suspension of operations and/or the imposition of civil or criminal liabilities which could adversely affect their business, results of operations, cash flow and financial condition.
- If the price of imported coal decreases, or the effective price of the coal to the customers increases, the customers may elect to meet a larger proportion of their coal requirements from imported coal rather than coal sourced from them. Further, most of the coking coal produced by them is low grade which is used primarily in the power generation sector.
- The business is manpower intensive which may be adversely affected by work stoppages, increased wage demands by the employees, or an increase in minimum wages, and if they are unable to engage new employees at commercially attractive terms.

➢ **Valuation & Outlook:**

- Bharat Coking Coal, with a strong market share in the industry valued at ~8.64x P/E on FY25 earnings (at the upper band) is fairly valued. Considering the company's consistent track record & superior financial metrics, the valuation is **fully priced in.** Hence, we recommend subscribing to the IPO for listing gains.

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