

Price Band	Rs.21-23
Recommendation	Neutral
The Issue	
Type of Issue	Issue size Rs.mn
Fresh Issue	-
Offer for Sale	10,711
Total	10,711
Post issue mkt cap*	1,07,111
Lot size	600
Issue Break-Up	
Reservation for	% of Issue
QIB	50%
NIB	35%
Retail	15%
Total	100%
Indicative Offer Timeline	Indicative Date
Bid/Offer Opening Date	09 th January, 2026
Bid/Offer Closing Date	13 th January, 2026
Finalization of the Basis of Allotment	14 th January, 2026
Initiation of refunds	15 th January, 2026
Credit of shares	15 th January, 2026
Listing Date	16 th January, 2026
Use of Proceeds (Rs.mn)	
Offer for Sale	
Coal India Ltd	Rs.10,711
BRLM's and Registrar	
Manager:	IDBI Capital, ICICI Securities
Registrar:	KFin Technologies Ltd

Source: Indsec Research, RHP

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Coking Coal Powerhouse, But High Ash Limits Direct Use

Business Overview:

- **Bharat Coking Coal Ltd (BCCL)** is India's largest producer of coking coal, accounting for 58.5% of domestic coking coal production in FY25.
- A wholly owned subsidiary of Coal India Ltd, BCCL was incorporated in 1972 to mine and supply coking coal, with operations concentrated in the Jharia coalfield (Jharkhand) and the Raniganj coalfield (West Bengal).
- As of H1 FY26, BCCL operates 34 mines, including 26 opencast mines, 4 underground mines, and 4 mixed mines.
- Beyond mining, BCCL adds value through coal washing, brings idle assets back to life, revives closed underground mines, and also generates solar power, balancing traditional energy with renewables.
- Company supplies raw coal to various industries such as power (~77%), steel (~3%) and fertilizer (~1.5%) industries, and also use its raw coal in their washeries (~16%) for beneficiating the coal to produce washed coking coal and other by-products.

Investment Rationale:

- **Market Leadership:** BCCL holds a 58.5% market share in FY25 and controls coking coal resources of 7.9 BT, representing 21.5% of India's total resources of 36.8 BT.
- **Strong Parentage:** As part of Coal India Ltd, the world's largest coal producer, BCCL benefits from deep technical expertise, efficient resource management and support from Central Mine Planning and Design Institute Ltd (CMPDIL) in exploration and R&D.
- **Washeries Expansion:** As of H1 FY26, BCCL operates 13.65 MTPA of washery capacity, accounting for 41% of India's total. An additional 7 MTPA is planned with a capex of Rs.11.6 bn, which will improve the share of steel-grade coking coal and support higher realizations.
- **Monetizing Old mines, discontinued mines and washeries:** BCCL is converting discontinued mines and washeries into productive assets through resource monetization, regulatory clearances and modern mining techniques, unlocking stranded resources and enhancing capacity utilization.

Valuation and View: At the upper price band of Rs.23, BCCL is valued at 26.3x EV/TTM EBITDA, which appears stretched, largely due to muted H1 earnings from lower volumes and realizations, compared with 5.6x on FY25 EV/EBITDA. BCCL is India's largest coking coal producer with a 58.5% share and commands 41% of domestic coal washing capacity. With India targeting 300 MT of steel capacity by FY30, demand for coking coal is set to rise (63 MT in FY24 to 138 MT in FY30). While domestic coal's high ash content limits direct use, BCCL's strong washery presence positions it well to benefit from higher washing and blending requirements. We assign a "**Neutral**" stance given the elevated TTM valuation, though increased blending of domestic coking coal at steel mills and transforming key mines and washeries remains a key upside trigger.

Shareholding Pattern, Selling Shareholders in OFS & Issue Bifurcation

Share Holding Pattern	Pre Issue		Post Issue - Cap	
	No. of Shares (in mn)	% Holding	No. of Shares (in mn)	% Holding
Promoters	4,657.0	100.0%	4,191.3	90.0%
Public	-	0.0%	442.4	9.5%
Employee	-	0.0%	23.3	0.5%
Total	4,657.0	100.0%	4,657.0	100.0%

Selling Shareholders	Type	of Shares (in mn)	OFS* (in Rs.mn)
Coal India Ltd	Promoter	466	10,711
*At upper price band			

Particulars	No of shares		Rs in mn	
	Floor	Cap	Floor	Cap
Fresh Issue	0	0	0	0
<i>Offer for Sale (OFS)</i>	<i>46,57,00,000</i>	<i>46,57,00,000</i>	<i>9,780</i>	<i>10,711</i>
Total Offer	46,57,00,000	46,57,00,000	9,780	10,711
<i>Employee Reservation Portion</i>	<i>2,32,85,000</i>	<i>2,32,85,000</i>	<i>489</i>	<i>536</i>
<i>Shareholder Reservation Portion</i>	<i>4,65,70,000</i>	<i>4,65,70,000</i>	<i>978</i>	<i>1,071</i>
Net Offer	39,58,45,000	39,58,45,000	8,313	9,104
QIB Portion (50% of Offer)	19,79,22,500	19,79,22,500	4,156	4,552
<i>Total Anchor portion (60% of QIB)</i>	<i>11,87,53,500</i>	<i>11,87,53,500</i>	<i>2,494</i>	<i>2,731</i>
Net QIB Portion	7,91,69,000	7,91,69,000	1,663	1,821
<i>QIB Portion reserved for MF (5% of Net QIB)</i>	<i>39,58,450</i>	<i>39,58,450</i>	<i>83</i>	<i>91</i>
<i>Balance Available QIB Portion (95% of Net QIB)</i>	<i>7,52,10,550</i>	<i>7,52,10,550</i>	<i>1,579</i>	<i>1,730</i>
Non-Institutional portion (15% of Offer)	5,93,76,750	5,93,76,750	1,247	1,366
Retail portion (35% of Offer)	13,85,45,750	13,85,45,750	2,909	3,187

Source: Indsec Research, RHP

Strategies

Transform discontinued mines into profitable assets

Discontinued mines are being transformed into profitable ventures through reclamation, resource monetization, and strategic repurposing, with several underground mines revived under a revenue-sharing MDO model. Mining partners handle operations while oversight ensures production and compliance. Coal production is being increased in the Jharia coalfield by reorganizing it into seven opencast blocks, unlocking additional seams, recovering trapped coal, and addressing underground fires, thereby boosting overall capacity.

Selected mines — peak rated capacity, revenue share & status				
Name of Mine	Location	Peak Rated Capacity (MT)	% of Rev	Status
ASGKCC	Jharkhand	1.4	9.00%	Under preparation
PB Project	Jharkhand	2.7	6.00%	Coal production commenced
Loyabad	Jharkhand	1.28	7.29%	Mine operator has requested termination of agreement
Kharkharee	Jharkhand	1.2	12.02%	Under preparation
Madhuband	Jharkhand	1.5	5.40%	Under preparation
Amlabad	Jharkhand	0.3	4.10%	Under preparation

Monetize, modernize, and renovate their washeries

The company is strategically monetizing non-performing mines and older, less efficient coking coal washeries through the WDO model and private sector partnerships, generating long-term revenue while optimizing asset utilization without incurring operating costs. It is focused on identifying new production patches through contractual arrangements, establishing new washeries under the build-operate-maintain model, and renovating existing ones under the renovate-operate-maintain model. These initiatives aim to expand domestic washed coking coal supply, reduce import dependence, and ensure a reliable, high-quality product for the steel sector.

Washery list (existing / status summary)			
Name of Washery	Location	Capacity (Million TPA)	Status
Moonidih (Old)	Jharkhand	1.6	Under renovation
Bhojudih	West Bengal	2	Ready to be commissioned
Patherdih-II	Jharkhand	2.5	Under construction
Moonidih (New)	Jharkhand	2.5	In tendering process

Exploring coal bed methane projects to unlock untapped energy potential

The company is actively pursuing coal bed methane (CBM) projects to enhance operational efficiency, reduce environmental impact, and diversify its energy portfolio. CBM initiatives provide multiple benefits, including increased energy production, lower greenhouse gas emissions, and improved mine safety. A Jharia block in Jharkhand has been awarded to a private partner on a revenue-sharing basis for commercial methane extraction, while another block has been identified for development, with the Board approving its project feasibility.

Source: Indsec Research, RHP

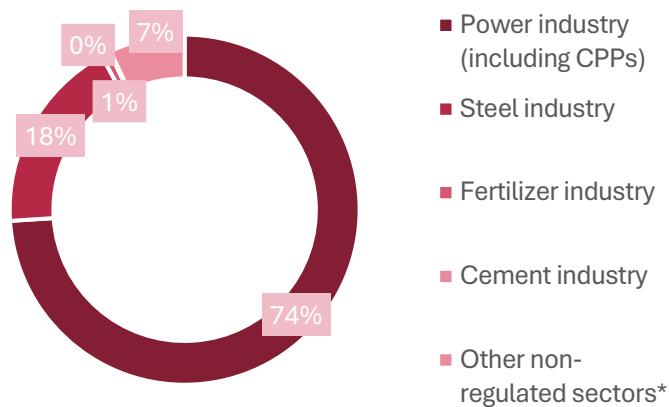
Key Risks

Contingent Liabilities:

As of H1FY26, company has contingent liabilities of ~Rs. 36bn, this translates to 26% of the FY25 revenue. These liabilities include mix of tax orders from the state & Centre, litigation and arbitration.

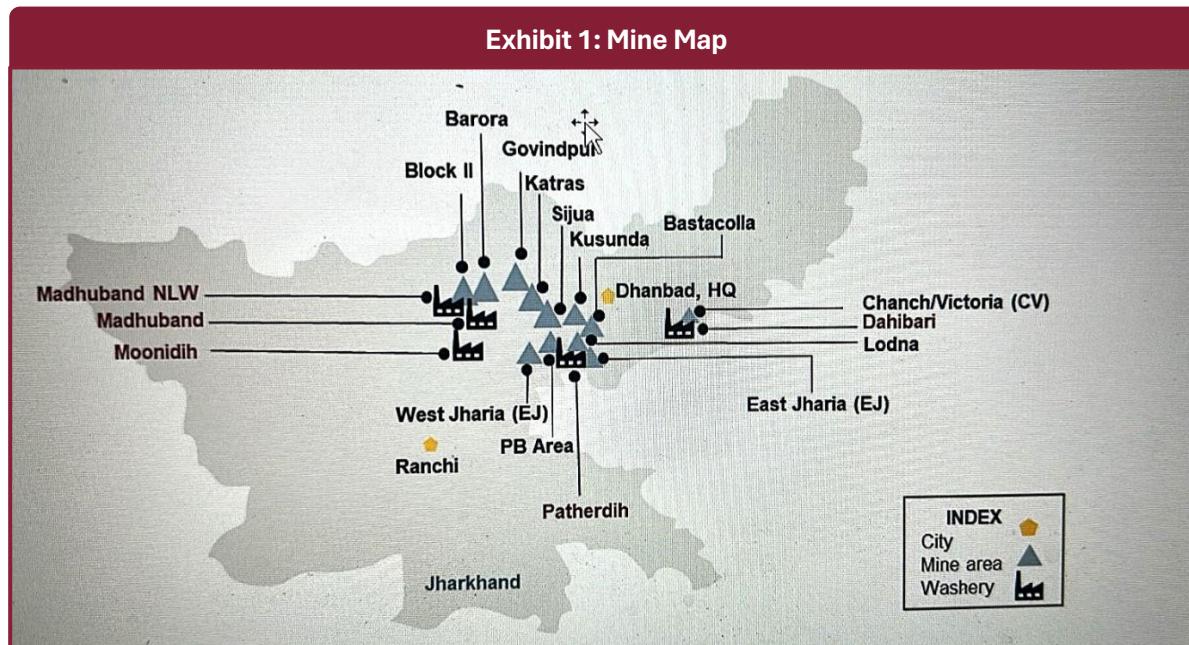
Dependence on Power and steel:

Company is heavily reliant on the Power & Steel industry contributing 93.4% of the revenue as of H1FY26. Any changes in the conditions affecting these industries can adversely impact their business.



Source: Indsec Research, RHP

Mining Operations



Source: Indsec Research, RHP

Mining Operations & KPI's

Exhibit 3: Resources by quality (MT)

Quality	Proved Reserve (Mt)	Probable Reserve (Mt)	Total Reserve (Mt)	Measured Resource (Mt)	Indicated Resource (Mt)	Inferred Resource (Mt)	Total Resource (Mt)
Coking Coal	1,017.40	123.3	1,140.70	1,777.60	5.5	0	1,783.10
Thermal Coal	301.1	53.6	354.7	502.3	0	0	502.3
Coking + Thermal	1,318.50	176.9	1,495.40	2,279.90	5.5	0	2,285.40

Exhibit 4: Mining Capacity (MT)

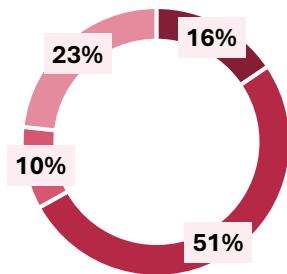
Type of Mine	Fiscal 2025		
	Normative Production Capacity (MT)	Actual Production (Million Tonnes)	Coal Capacity Utilization (%)
Underground	8.69	1.14	13.12%
Opencast	68.8	39.36	57.21%
Total	77.49	40.5	52.26%

Exhibit 5: Washeries (MT)

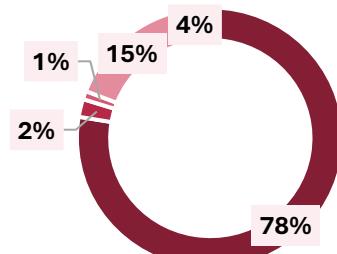
Washery Name	Fiscal 2025			
	Installed Capacity (MT)	Operable Capacity (MT)	Raw Coal Feed (MT)	Capacity Utilization (%)
Moonidih	1.6	0.8	0.7	87.50%
Madhuband*	2.5	1.25	0.17	13.60%
Dahibari	1.6	1.6	0.44	27.50%
Patherdih	5	5	1.58	31.60%
Madhuband	5	5	1.15	23.00%
Total	15.7	13.65	4.04	29.60%

Source: Indsec Research, RHP

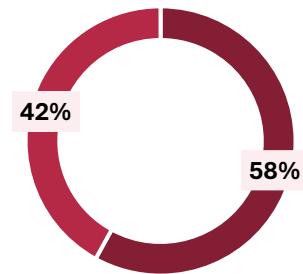
Mining Operations & KPI's

Exhibit 6: Sales by modes of Production (%)


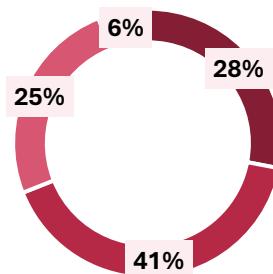
- Departmental production
- Hired HEMM patches
- MDO model
- Revenue from washeries*

Exhibit 7: Revenue by industry (%)


- Power Industry
- Steel Industry
- Fertilizer Industry
- Own washery
- Others*

Exhibit 8: Coking Coal Market Share (%)


- BCCL
- Others

Exhibit 9: Washerries Company-wise share (%)


- Tata Steel
- BCCL
- CCL
- SAIL

Source: Indsec Research, RHP

Industry Overview

Exhibit 10: India Coking Coal supply deficit to continue (MT)

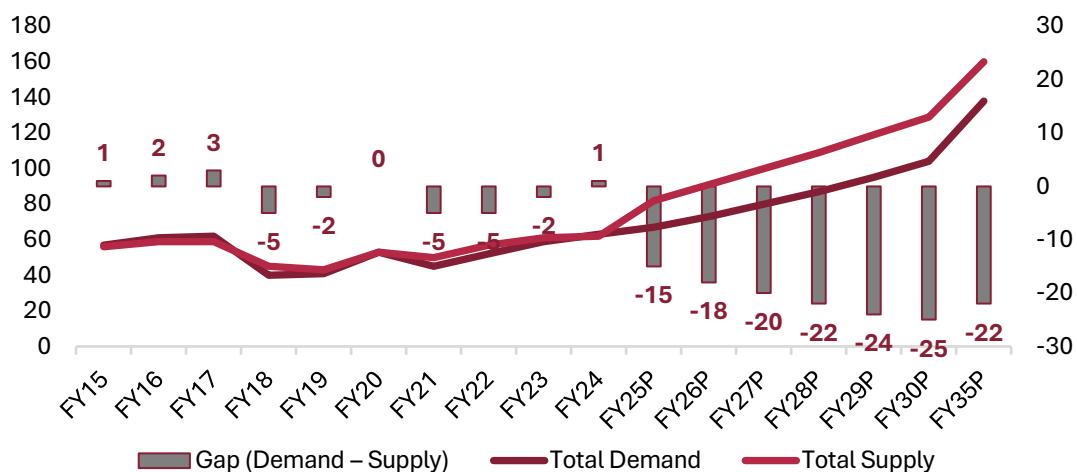


Exhibit 11: Coking Coal Prices declined as China demand turned soft

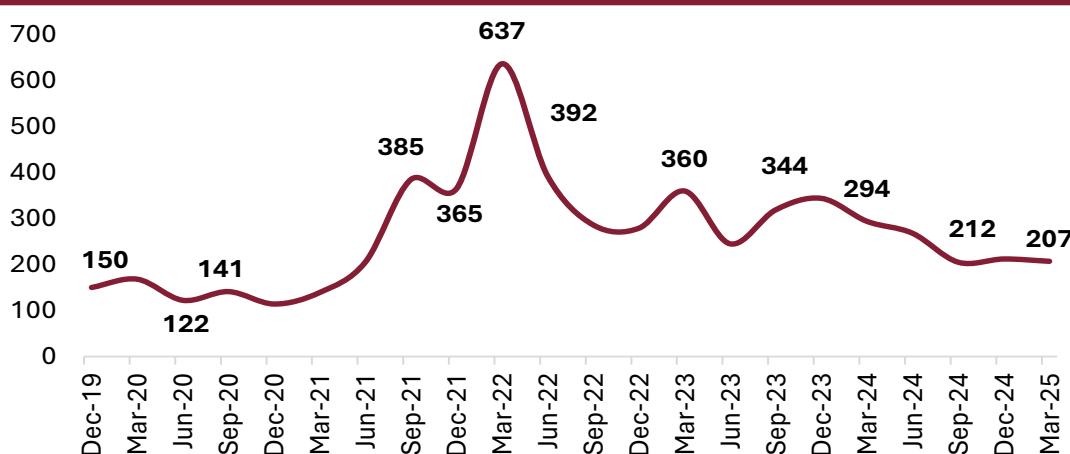


Exhibit 12: Major Exporters of Coking coal (MT)

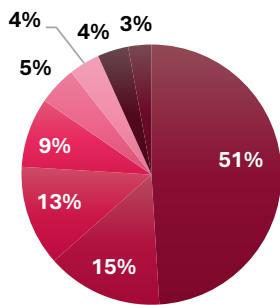
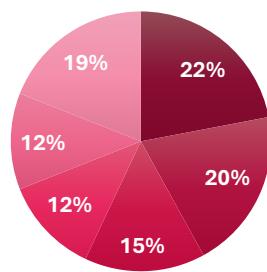


Exhibit 13: Major Importers of Coking Coal (MT)



█ Australia █ USA █ Singapore █ Russia
█ Canada █ Mozambique █ Indonesia █ Others

█ China █ India █ Japan
█ South Korea █ European Union █ Others

Source: Indsec Research, RHP

Industry Overview

Exhibit 14: India reliant of imports of both coking as well as non-coking coal

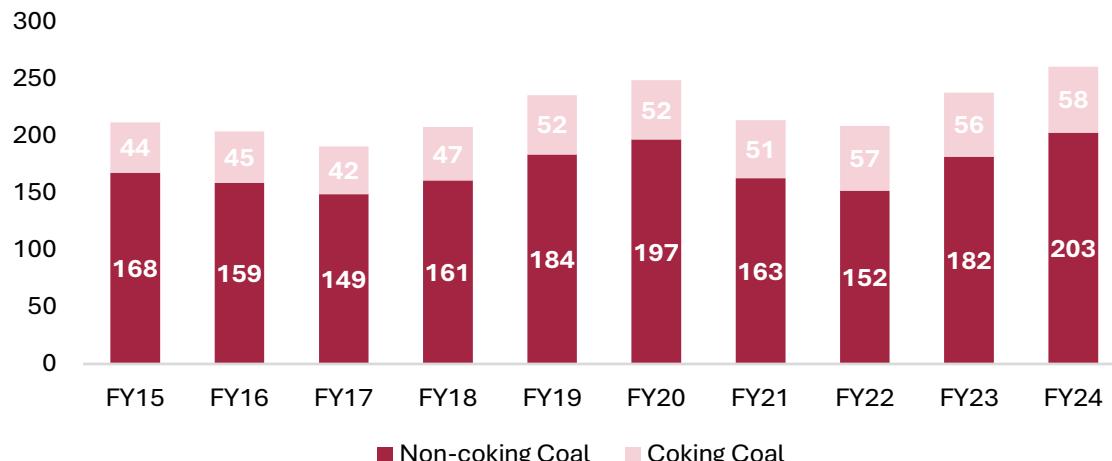
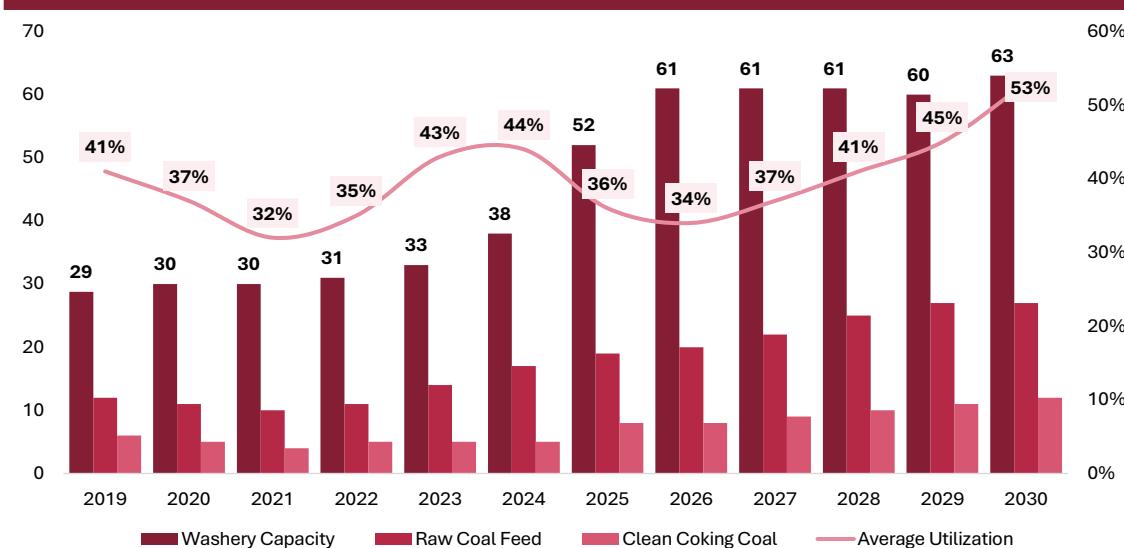


Exhibit 15: Indian Coking Coal Washery Capacity (MT)



Source: Indsec Research, RHP

Financials

SUMMARY INCOME STATEMENT					
(Rs. in mn)	FY23	FY24	FY25	H1FY25	H1FY26
Total Revenue	1,26,241	1,42,459	1,38,026	68,462	56,590
YoY		12.8%	-3.1%		-17.3%
RM Cost	9,754	4,100	783	1,839	3,764
Gross Profit	1,16,486	1,38,358	1,37,242	66,623	52,826
Gross Margin	92.3%	97.1%	99.4%	97.3%	93.3%
Employee benefits expense	71,479	69,507	65,424	33,363	30,375
Stripping Activity Adjustment	0	-1,852	-7,723	-5,023	-5,855
Contractual Expense	23,914	31,686	43,115	18,323	20,588
Other expenses	16,125	18,145	18,856	8,670	9,643
EBITDA	4,968	20,872	17,570	11,290	-1,926
EBITDA Margin	3.9%	14.7%	12.7%	16.5%	-3.4%
Other Income	3,945	4,067	5,991	2,445	6,525
Net Interest Exp.	557	618	725	322	601
Depreciation	3,054	3,404	5,807	2,172	2,005
Exceptional Items	0	0	0	0	0
PBT	5,302	20,917	17,029	11,240	1,993
Tax	-1,346	5,272	4,627	3,753	755
Net Profit	6,648	15,645	12,402	7,487	1,239
Associate/Minority Interest	0	0	0	0	0
Adj. PAT	6,648	15,645	12,402	7,487	1,239
NPM	5.3%	11.0%	9.0%	10.9%	2.2%
EPS	1.4	3.4	2.7	1.6	0.3

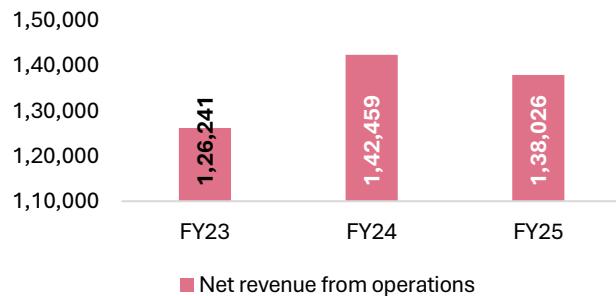
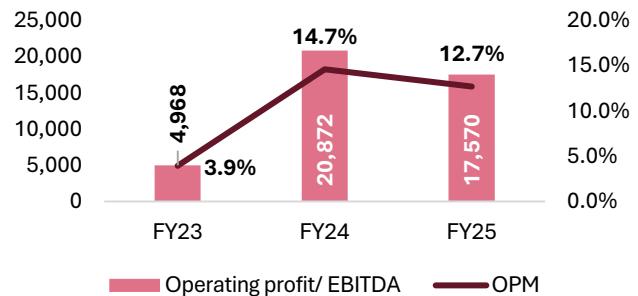
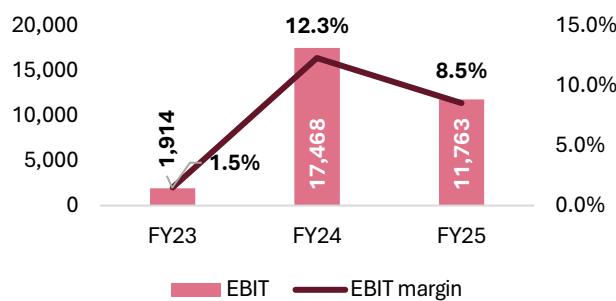
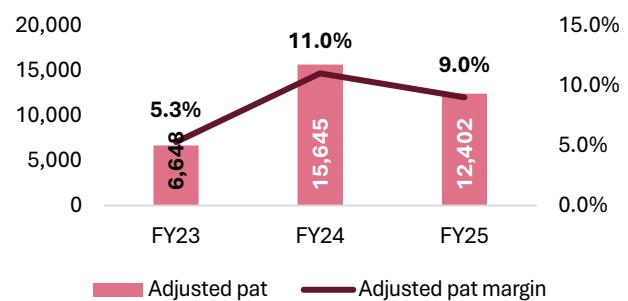
SUMMARY CASH FLOW STATEMENT					
(Rs. in mn)	FY23	FY24	FY25	H1FY25	H1FY26
Profit Before Tax	5,302	20,917	17,029	11,240	1,993
Depreciation & Amort.	3,054	3,404	5,807	2,172	2,005
Before Working capital adjustments	4,449	-5,131	-8,078	-6,903	-9,346
Working Capital adjustments	4,367	-5,052	-3,189	4,485	1,998
Taxes	-184	-1,146	-3,605	-846	-1
Cash Flow from Operating	16,988	12,991	7,965	10,148	-3,349
Capital Expenditure	-10,072	-11,869	-7,650	-9,768	-2,890
Cash from Investing Activities	-17,058	-14,844	-7,823	-7,881	-652
Cash from Financing Activities	-430	-738	-1,325	-891	3,804
Net Change in Cash	-500	-2,591	-1,183	1,376	-197
BF Cash	5,950	5,449	2,858	2,858	1,675
END Cash	5,449	2,858	1,675	4,234	1,479

SUMMARY BALANCE SHEET					
(Rs. in mn)	FY23	FY24	FY25	H1FY25	H1FY26
Assets					
Net Block	29,078	34,386	42,644	38,849	49,362
Other Non current Assets	38,459	40,044	44,785	43,571	47,009
Total Non-Current Assets	67,537	74,429	87,429	82,420	96,371
Inventories	10,291	13,816	19,601	15,140	19,518
Trade receivables	12,512	13,333	18,478	14,491	22,025
Cash and cash equivalents	5,449	2,858	1,675	4,234	4,289
Bank Balance	6,093	6,588	9,623	7,710	6,502
Other current assets	31,248	36,253	36,029	32,188	38,407
Total Current Assets	65,592	72,848	85,406	73,763	90,740
Current Liabilities & Provisions					
Trade payables	9,129	12,335	21,733	11,797	28,650
Short-term provisions	24,307	11,847	10,524	13,810	8,244
Other current liabilities	34,759	36,108	39,635	36,611	38,146
Total Current Liabilities	68,195	60,290	71,891	62,218	75,040
Net Current Assets	(2,603)	12,558	13,515	11,545	15,700
Total Assets	64,933	86,988	1,00,944	93,965	1,12,071
Liabilities					
Share Capital	46,570	46,570	46,570	46,570	46,570
Other Equity	-8,531	6,647	18,057	11,843	10,065
Total Shareholders Funds	38,039	53,217	64,627	58,413	56,635
Minority Interest	0	0	0	0	0
Total Debt	0	0	0	0	15,591
Lease Liabilities	1,538	1,527	1,431	1,690	1,658
Long Term Provisions	20,893	20,175	23,247	21,112	23,876
Other Current Liabilities	4,463	12,068	11,639	12,750	14,312
Total Liabilities	64,933	86,988	1,00,944	93,965	1,12,071

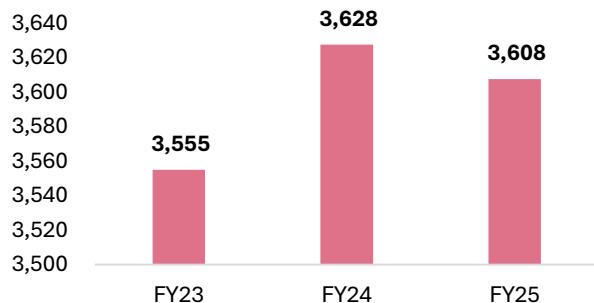
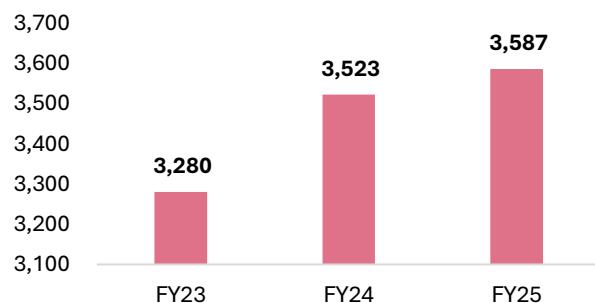
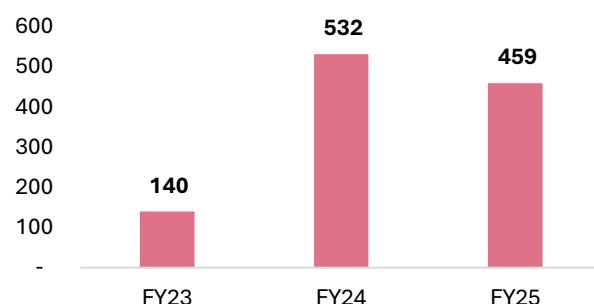
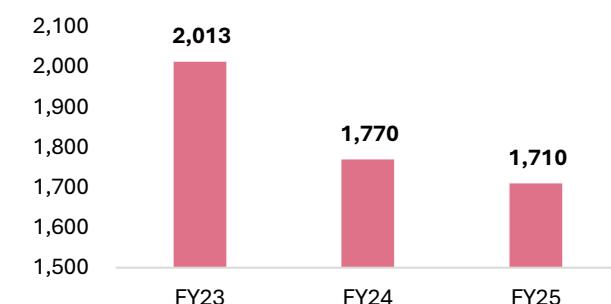
SUMMARY RATIOS		
	FY23	FY24
Profitability		
RoA	5.0%	10.6%
RoCE	17.5%	29.4%
ROE	17.5%	29.4%
Margin Analysis		
Gross Margin	92.3%	97.1%
EBITDA Margin	3.9%	14.7%
Net Income Margin	5.3%	11.0%
Valuation Ratios		
P/S	0.8	0.8
P/B	2.8	2.0
Short-Term Liquidity		
Current Ratio	1.0	1.2
Quick Ratio	0.8	1.0
Avg. Days Payables	26.4	31.6
Avg. Days Inventory Outstanding	29.8	35.4
Avg. Days Sales Outstanding	36.2	34.2

Source: Indsec Research, RHP

Financial Story in Charts (Rs.mn)

Exhibit 16: Revenue (Rs.mn)

Exhibit 17: EBITDA & OPM (%)

Exhibit 18: EBIT & EBIT margins (%)

Exhibit 19: Adj.PAT & Adj.PAT margins (%)

Source: Indsec Research, RHP

Per Ton Analysis (Rs/t)

Exhibit 20: NSR/t

Exhibit 16: Gross Profit/t

Exhibit 20: EBITDA/t

Exhibit 20: Staff Cost/t


Source: Indsec Research, RHP

Peer Comparison

Particulars	Bharat Coking Coal Ltd	Warrior Met Coal, Inc. (CY24)	Alpha Metallurgical Resources, Inc (CY24)
Production of Raw Coal	40.5	7.5	15.7
<i>Coking Coal</i>	<i>38.9</i>	<i>7.5</i>	<i>14.6</i>
<i>Non-Coking Coal</i>	<i>1.6</i>	<i>0.0</i>	<i>1.1</i>
Production of Washed Coking Coal	1.7	0.0	0.0
Offtake (Raw Coal)	38.3	7.2	17.1
Revenue	1,38,026	1,30,589	2,53,203
EBITDA	17,570	37,837	32,698
<i>EBITDA margin (%)</i>	<i>12.7%</i>	<i>29.0%</i>	<i>12.9%</i>
PAT	12,402	21,457	16,061
<i>PAT margin (%)</i>	<i>9.0%</i>	<i>16.4%</i>	<i>6.3%</i>
ROCE	19.2%	13.5%	13.3%
ROE	19.2%	12.6%	11.3%
EV/EBITDA	26.3^	23.05*	16.12*

*Bloomberg

^ TTM Based Multiple

Source: Indsec Research, RHP

RATING SCALE

IPO Recommendation (For NOT RATED Reports)	
Recommendation	Comments
SUBSCRIBE	We advise investor to subscribe to the issue
SUBSCRIBE FOR LONG TERM	We advise investor to subscribe to the issue on the basis of intact long-term prospects of the company/sector
NEUTRAL	We don't have any recommendation for the issue
AVOID	We advise investor to avoid subscribing to the issue

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