BHARAT COKING COAL LIMITED

January 08, 2026

SMC Ranking

★★★☆☆ (3/5)

Issue Highlights

Industry	Capital Goods - Electrical Equipment
Offer for sale (Shares)	465,700,000
Net Offer to the Public	465,700,000
Issue Size (Rs. Cr.)	977-1071
Price Band (Rs.)	21-23
Employee Discount	Rs. 1
Offer Date	9-Jan-26
Close Date	13-Jan-26
Face Value	1
Lot Size	600 Shares

Issue Composition

	In shares
Total Issue for Sale	465,700,000
QIB	232,850,000
NIB	69,855,000
Retail	162,995,000

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	100.00%	90.00%
QIB	0.00%	5.00%
NIB	0.00%	1.50%
Retail	0.00%	3.50%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The company will not receive any proceeds from the Offer (the "**Offer Proceeds**") and all the Offer Proceeds will be received by the Promoter Selling Shareholder after deduction of Offer related expenses and relevant taxes thereon, to be borne by the Promoter Selling Shareholder.

Book Running Lead Manager

- IDBI Capital Markets & Securities Limited
- ICICI Securities Limited

Name of the registrar

- KFin Technologies Limited

About the company

Incorporated in 1972, Bharat Coking Coal Limited (BCCL) is engaged in the production of coking coal, non-coking coal, and washed coal. The company is a wholly-owned subsidiary of Coal India Limited. As of September 30, 2025, BCCL operates a network of 34 mines, comprising four underground, 26 opencast, and four mixed mines. Its primary product is coking coal, serving the steel and power sectors. As of April 1, 2024, BCCL has an estimated coking coal reserve of approximately 791 crore tonnes. In Fiscal 2025, the company contributed 58.50% of India's total domestic coking coal production. Operations span Jharia, Jharkhand, and Raniganj, West Bengal, over a total leasehold area of 288.31 square kilometres. BCCL's portfolio includes opencast and underground mining projects, coal washeries, monetisation of idle washeries via the Washery Developer and Operator (WDO) model, reopening discontinued underground mines under the Mine Developer and Operator (MDO) model, and solar power projects with self-consumption and grid injection. Coal production grew from 3.051 crore tonnes in Fiscal 2022 to 4.050 crore tonnes in Fiscal 2025. In Fiscal 2024, the company produced 3.911 crore tonnes of coking coal and 0.199 crore tonnes of non-coking coal.

Strength

Largest coking coal producer in India with extensive reserves: BCCL is India's largest coking coal producer, contributing over 50% of domestic coking coal output. It holds 791 crore tonnes of coal reserves, making it the primary source of prime coking coal in the country. This extensive reserve ensures a steady supply of coking, non-coking, and washed coal to key industries, while providing economies of scale and cost advantages in a resource-constrained sector. BCCL holds mining lease rights over 28,830.95 hectares of land until 2050, supporting long-term strategic planning and development.

Strategically located mines with large washeries: BCCL's mines extract multiple coal types, supporting revenue diversification. Its operations in Jharia and Raniganj coalfields offer strong logistical advantages, skilled local labour, and established supply chains. The company operates five coking coal washeries, employing advanced technology to reduce ash and produce metallurgical coal, along with washed power coal tailored to customer requirements. Significant investments have been made in upgrading and expanding washeries, including 5.0 MTPA and 2.5 MTPA units, with another 2.5 MTPA facility proposed.

Well-positioned to meet India's rising coking coal demand: India's coking coal demand, estimated at 6,700 crore tonnes, is expected to reach approximately 13,800 crore tonnes with growth in the steel and power sectors. BCCL's secure resource base, strategic mine locations, and efficient supply chain position it to meet this increasing demand. Long-standing customer relationships reinforce its status as a preferred supplier, supporting India's long-term industrial growth.

Strong parentage of Coal India Limited: As a subsidiary of Coal India, BCCL benefits from strategic, technical, and financial support. Access to advanced mining technology, experienced professionals, and financial resources enables the execution of large-scale projects. Association with Coal India also enhances credibility and strengthens stakeholder trust.

Experienced management and committed workforce: BCCL's management team comprises skilled professionals with decades of experience in mining, operations, and administration. Their deep industry knowledge helps align strategies with organizational goals, making the management team a key asset.

STRATEGIES

Efficient utilization of resources to drive growth: To capitalize on rising steel and allied industry demand, BCCL is investing in advanced technologies, including high-capacity HEMM and highwall mining to access previously unreachable reserves. Overburden is being repurposed into construction sand through initiatives at the Damoda plant, improving efficiency and resource utilization.

Transforming discontinued mines into profitable ventures: BCCL aims for sustainable growth by reopening discontinued mines under revenue-sharing models. Six of ten identified underground mines have been awarded to private operators under company supervision. Reorganization of the Jharia coalfields is unlocking trapped coal and enhancing production capacity.

Monetizing and modernizing washeries: The company plans to expand and modernize washery infrastructure through public-private partnerships, setting up new facilities and renovating existing units. Washery capacity is being increased to 7.0 MTPA by modernizing old units and commissioning new ones.

Implementing energy-efficient and environmentally sustainable practices: BCCL prioritizes environmental sustainability through afforestation, efficient water use, and adoption of energy-efficient technologies. Solar power projects, energy-efficient washeries, and rooftop/ground-mounted solar plants reduce dependence on conventional energy and advance carbon neutrality goals.

Optimizing resources in the Jharia coalfields: By enhancing production, washing, and coal quality, BCCL maximizes the value of Jharia coal resources. Modernization and expansion of mines and washeries with advanced technology, along with relocation of critical infrastructure from unstable areas, further strengthen operations.

Exploring coal bed methane (CBM) projects: BCCL is pursuing CBM projects to harness untapped energy, reduce environmental impact, and diversify its energy portfolio. By awarding a Jharia block to a private partner under a revenue-sharing model, the company brings in private expertise for methane production and technological enhancement.

Risk Factor

- BCCL's operations are concentrated in specific regions, exposing the company to location-based risk and the possibility of underutilizing existing reserves.
- A significant portion of BCCL's revenue comes from raw coking coal production; any decline in this segment could materially impact financial performance.
- Certain contingent liabilities, if realized, could adversely affect BCCL's business and operations.
- BCCL depends on the availability and pricing of raw materials, which can fluctuate significantly due to factors beyond the company's control.
- The company faces customer concentration risk, as a large share of its business comes from its top 10 clients.
- BCCL relies on a limited number of vendors; any disruption in their supply could negatively impact operations.
- As a wholly-owned subsidiary of Coal India, changes in Coal India's strategy or policies could materially influence BCCL.
- BCCL's business performance is closely tied to the steel and power sectors; adverse developments in these industries may affect its operations and revenue.

Peer Comparison

As there are no Indian listed companies of comparable size and operating in a similar line of business, Warrior Met Coal, Inc. and Alpha Metallurgical Resources, Inc., both listed on the New York Stock Exchange ("NYSE"), were identified as industry peers based on the nature and scale of their operations. However, since the analysis is restricted to Indian listed peers, peer comparison data has not been included in the report.

Valuation

Considering the P/E valuation on the upper price band of Rs.23, TTM EPS and P/E are Rs.2.02 and 11.40 multiple respectively and at a lower price band of Rs. 21, P/E multiple is 10.41. Looking at the P/B ratio on the upper price band of Rs.23, book value and P/B are Rs. 13.91 and 1.65 multiple respectively and at a lower price band of Rs. 21 P/B multiple is 1.51. No change in pre and post issue EPS and Book Value as the company is not making fresh issue of capital.

Industry Outlook

Coal and iron ore are the bedrock of India's mineral wealth, playing a critical role in driving the nation's industrial and economic progress. These minerals not only fuel the country's energy needs but also support the backbone of its manufacturing sector, particularly in steel production. (Source: CRISIL Report, Industry Overview on page 162) In Fiscal 2025, the coking coal demand is 67 MMT and is expected to reach 138 MMT in Fiscal 2035. The total coking coal supply shows a surplus in most years, which is not the case as very limited coking coal is directly being used in steel industry owning to the inferior quality of Indian coking coal. Going ahead, though the coking coal supply is expected to be more than the demand, demand of coking coal for steel is expected to increase.

Outlook

BCCL, India's largest coking coal producer with ~7.91 billion tonnes of reserves, is well-positioned to meet rising domestic demand from the steel and power sectors. Strategic mine locations, modern washeries, and advanced technology adoption enhance operational efficiency and resource utilization. Initiatives like reopening discontinued mines, expanding washeries, and exploring coal bed methane diversify revenue and support sustainable growth. However, the six months ended September 2025 saw a decline in revenue from operations and profitability, primarily due to lower coal production and reduced sales volumes/dispatch caused by heavy rainfall disruptions, low washery capacity utilization, operational challenges like equipment downtime and logistics bottlenecks, and mining-washery synchronization issues; this amplified per-unit costs amid high fixed expenses and sector demand fluctuations, though partially offset by higher non-operating income. While location concentration, raw coal dependency, and customer/vendor risks remain, strong parentage, experienced management, and robust supply chains provide resilience and long-term growth potential.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	09-January-26
BID/ISSUE CLOSES ON	13-January-26
Finalisation of Basis of Allotment with the Designated Stock Exchange	14-January-26
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	15-January-26
Credit of Equity Shares to Demat Accounts of Allottees	15-January-26
Commencement of trading of the Equity Shares on the Stock Exchanges	16-January-26

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Sep-25 (6 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	5659.02	13802.55	14245.86
Total expenditure	5851.58	12045.57	12158.64
Operating Profit	**-192.56**	**1756.98**	**2087.22**
OPM%	-3.40	12.73	14.65
Other Income	652.49	599.08	406.67
Total Net Income	**459.93**	**2356.06**	**2493.89**
Interest	60.05	72.49	61.83
PBDT	**399.88**	**2283.57**	**2432.06**
Depreciation	200.54	580.68	340.39
PBT	**199.34**	**1702.89**	**2091.67**
Tax	43.38	290.03	180.33
Deferred tax	32.08	172.67	346.88
Profit & Loss	**123.88**	**1240.19**	**1564.46**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Sep-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	4936.21	4264.41	3438.57
Capital Work In Progress	1842.47	1616.78	1367.81
Exploration and Evaluation Assets	52.43	227.82	163.29
Intangible assets	7.95	9.49	12.66
Financial assets			
Loans	0.14	0.00	0.00
Other financial assets	1170.99	1018.90	886.62
Deferred tax assets (Net)	557.27	562.83	717.08
Other non-current assets	1069.68	1042.65	856.90
Total non-current assets	**9637.14**	**8742.88**	**7442.93**
Current asset			
Financial Assets			
Inventories	1951.76	1960.14	1381.58
Investments	0.00	0.41	266.52
Trade receivables	2202.52	1847.76	1333.25
Cash and cash equivalents	428.87	167.54	285.82
Bank balances other than (ii) above	650.19	962.31	658.81
Other financial assets	390.93	234.19	73.70
Current Tax Assets (Net)	155.22	198.54	102.85
Other current assets	3294.50	3169.71	3182.27
Total current assets	**9073.99**	**8540.60**	**7284.80**
Total Assets	**18711.13**	**17283.48**	**14727.73**
Non-current liabilities			
Financial liabilities			
Lease Liabilities	165.75	143.06	152.73
Other financial Liabilities	388.60	357.93	324.17
Provisions	2387.56	2324.71	2017.51
Other Non- current Liabilities	1042.56	805.94	882.63
Total Non- Current liabilities	**3984.47**	**3631.64**	**3377.04**
Current liabilities			
Financial Liabilities			
Borrowings	1559.13	0.00	0.00
Lease Liabilities	82.62	90.11	77.50
Trade Payables			
- Total outstanding dues of MSME	5.75	23.63	8.71
- Total outstanding dues of creditors other than MSME	2859.29	2149.64	1224.82
Other financial Liabilities	2316.34	2339.28	1946.00
Other current liabilities	1415.60	1534.08	1587.29
Provisions	824.41	1052.37	1184.65
Total - Current Liabilities	**9063.14**	**7189.11**	**6028.97**
Total Liabilities	**13047.61**	**10820.75**	**9406.01**
Net worth represented by:			
Equity share capital	4657.00	4657.00	4657.00
Other equity	1006.52	1805.73	664.72
Total Equity	**5663.52**	**6462.73**	**5321.72**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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