IPO Product Note

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Bharat Coking Coal Ltd

Subscribe - Long Term

Issue Highlights	
Issue Open	January 09, 2026
Issue Close	January 13, 2026
Issue Price	Rs 21 - Rs 23 per share
Market Cap.	Rs 9,797.7 Cr - Rs 10,711.10 Cr
Total Issue Size	Rs 1071.11 Cr
Of which	
Fresh Issue	NIL
Offer of Sale	Rs 1071.11 Cr
Face Value	Rs 10 per share
Employee Discount	Rs 1 per share
Market Lot	600 Equity Shares
Issue Type	Book building IPO

Offer Structure	
QIB Category	50%
Retail category	35%
Non-Institutional	15%

Lead Book Running Managers

⇒ IDBI Capital Market Services Ltd.

⇒ ICICI Securities Ltd.

Registrar To The Offer

⇒ Kfin Technologies Ltd.

Research Analyst

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Key Highlights

- **Company background:** Incorporated in 1972, Bharat Coking Coal Limited (BCCL), a wholly owned subsidiary of Coal India Limited, is India's largest producer of coking coal. As of September 30, 2025, BCCL operates 34 mines including opencast, underground, and mixed mines. In FY25, the company contributed 58.5% of India's domestic coking coal production, underscoring its strategic importance. Coal production increased from 30.51 million tonnes in FY22 to 40.50 million tonnes in FY25, reflecting robust capacity expansion. With estimated coking coal reserves of 7,910 million tonnes, BCCL ensures long-term supply visibility for core industries such as steel, power, cement, and fertilizers.
- **Market opportunity:** The company's future market opportunity is anchored in India's structurally rising steel production and increasing emphasis on domestic sourcing of coking coal. With the National Steel Policy targeting 300 million tonnes of crude steel capacity, demand for coking coal is expected to grow steadily, creating long-term volume visibility. Government initiatives such as Mission Coking Coal and Aatmanirbhar Bharat aim to reduce import dependence by increasing the use of domestic washed coking coal. Additionally, technological shifts like stamp charging are expected to improve blending ratios of Indian coking coal, expanding opportunities for beneficiation, washery modernization, and value-added coal supply across the steel value chain.
- **Key strengths:** Bharat Coking Coal Limited is the largest coking coal producer in India, benefiting from large reserves and economies of scale, supported by the strategic importance of coking coal in steel production. The company produces a wide range of coking and non-coking coal grades to meet diverse industrial requirements. Its mines are strategically located and supported by large washeries, making BCCL the market leader in coking coal washery capacity with an operational capacity of 13.65 MTPA. Strong parentage of Coal India Limited provides strategic guidance, technological support, skilled manpower, and financial strength.
- **Key strategies:** The company's strategy focuses on effective resource utilization to sustain and expand operations while improving productivity and cost efficiency. It aims to capitalize on rising demand from the steel and allied industries by scaling output and strengthening operational capabilities. A key priority is transforming discontinued mines into profitable assets through reclamation, resource monetization, and strategic repurposing. The company also plans to monetize, modernize, and renovate its washeries to meet growing demand for washed coking coal. Environmental sustainability remains integral, with initiatives in energy conservation, land reclamation, afforestation, water management, and adoption of energy-efficient technologies, aligning growth objectives with national steel policies and Aatmanirbhar Bharat initiatives.
- **Financials:** Between FY23 to FY25 revenue grew from 12,624 crores to 13802.5 crores. EBITDA grew from 891.31 crores to 2356.06 crores reflecting a CAGR of 62.6% and PAT nearly doubled from 664.78 crores to 1240.19 crores between FY23 to FY25. The sharp rise in profitability, alongside steady revenue growth, reflects enhanced margins and effective operational execution, positioning the company well for sustained cash generation going forward.
- **Valuation:** On a relative valuation basis, Bharat Coking Coal's implied multiples (P/E and EV/EBITDA) appear broadly in line with or slightly below prevailing coal-sector benchmarks which trades at modest valuations due to regulatory, cyclicality, and transition risks. Given the muted sector multiples and the fact that the IPO is an offer-for-sale without fresh growth capital, the IPO pricing appears reasonable rather than richly priced.
- **Key risks:** The company faces heightened risk from the accelerating shift toward renewable energy, which could structurally reduce long-term demand for coal, particularly from the power sector. Increasing policy support for clean energy, tighter environmental and climate regulations, and decarbonization commitments may adversely impact coal consumption and pricing. This transition risk is compounded by dependence on power and steel industries, making the business vulnerable to changes in energy mix and sustainability-driven policy reforms.

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Statements on ownership and material conflicts of interest, compensation– Research Analyst (RA)

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F(a) to F(j) below, are given separately]

S. No.	Statement	Answer	
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? **[If answer is yes, nature of Interest is given below this table]**		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appear-ance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes : ……

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS..No.	Name(s) of RA.	Signtures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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