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IPO Note
06th January 2026

Bharat Coking Coal Ltd

Subscribe

Rating: Subscribe

Issue Offer

Offer for Sale of INR 10,710 Mn (4,657 Mn shares).

Issue Summary	
Price Band (INR)	21-23
Face Value (INR)	10
Implied Market Cap (INR mn)	1,07,111
Market Lot	600
Issue Opens on	9 January, 2026
Issue Close on	13 January, 2026
No. of share pre-issue	4,65,70,00,000
No. of share post issue	4,65,70,00,000
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≤ 50
NIB Portion	≥ 15
Retail Portion	≥ 35

Book Running Lead Managers

IDBI Capital Markets Services Ltd

Registrar

Kfin Technologies Ltd

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	100%	90%
Public & Others	-	10%

Objects of the issue

The company will not receive any proceeds from the offer and all the offer proceeds will be received by the selling shareholders after deduction of offer related expenses and relevant taxes thereon to be borne by the respective selling shareholders.

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Incorporated in 1972, Bharat Coking Coal Ltd is a wholly owned subsidiary of Coal India Ltd and a leading producer of coking coal in India. As of September 30, 2025, the company operates 34 mines across Jharkhand and West Bengal, with a diversified mix of opencast, underground, and mixed mining operations. BCCL is the largest domestic coking coal producer, accounting for 58.5% of India's coking coal output in FY25. Its integrated operations span mining, coal beneficiation, monetization of idle assets through Washery Developer & Operator model and Mine Developer & Operator models, and renewable energy initiatives enabling steady growth in coal production from 30.5 MT in FY22 to 40.5 MT in FY25 while supporting the steel and power sectors.

Investment Rationale:

Dominant Position in Domestic Coking Coal with Long Reserve Visibility

BCCL is the largest producer of coking coal in India accounting for a majority share of domestic production and holding a substantial portion of India's total coking coal reserves. With mining leases extending up to 2050 and access to over 7.9 billion tonnes of coking coal resources, the company enjoys long-term resource security. This dominant reserve position enables stable production planning, shields operations from raw material constraints and supports sustained supply to core end-use industries such as steel and power.

Strategic Mine Locations and Industry-Leading Washery Infrastructure

Operations are concentrated in the Jharia and Raniganj coalfields, regions with high-quality coking coal and well-developed logistics infrastructure. Proximity to railways and industrial consumers reduces evacuation costs and enhances delivery reliability. Additionally, the company operates the largest coking coal washery capacity in India, with ongoing investments to modernize and expand washeries. This integrated mining-to-beneficiation setup improves coal quality, increases realizations and aligns production with evolving environmental and steel-sector requirements.

Execution Backed by Strong Parentage and Institutional Support

The company benefits from strong parentage and operational backing from Coal India Ltd, the world's largest coal producer. This association provides access to technical expertise, experienced leadership, advanced mining practices and financial support. Regular leadership oversight, shared best practices, and support from specialized subsidiaries such as CMPDIL enhance operational efficiency, governance standards, and project execution capability, significantly de-risking large-scale expansion and modernization plans.

Valuation & Outlook: BCCL is expected to maintain stable growth driven by sustained demand for coking coal from the steel sector and its strong reserve position. Ongoing mine reorganization, expansion of washery capacity and asset monetization through WDO and MDO models are likely to support operational efficiency and volume stability. Backed by Coal India Ltd, the company is well placed to ensure consistent production and cash flows while continuing to strengthen its role in India's domestic coking coal supply chain. **At the upper band of INR 23, the issue is valued at an EV/EBITDA of 4.7x based on FY25 EBITDA. We are recommending a "Subscribe" rating for this issue.**

Financial Information:

Particulars (INR Mn)	FY23	FY24	FY25	H1FY26
Revenue	130,186	146,525	144,016	63,115
Growth (% YoY)		*13%*	*-2%*	
EBITDA	8,913	24,939	23,561	4,599
Margins	*7%*	*17%*	*16%*	*7%*
PAT	6,648	15,645	12,402	1,239
Margins	*5%*	*11%*	*9%*	*2%*
Debt				15,591

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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