

BONANZA WEALTH MANAGEMENT RESEARCH



8 January 2026

Bharat Coking Coal Ltd.- Subscribe

Company Overview

Bharat Coking Coal Limited (BCCL) is India's largest producer of coking coal and a wholly owned subsidiary of Coal India Limited. Incorporated in 1972, BCCL operates under the Ministry of Coal and was granted Mini Ratna status in 2014, reflecting its strategic importance and operational scale.

The company is primarily engaged in the mining and supply of coking coal, while also producing non-coking coal and washed coal. Its products cater mainly to steel and power producers, with additional supply to fertiliser and other industrial users. BCCL holds estimated coal reserves of ~7.91 billion tonnes (as of April 2024), placing it among the largest coking coal reserve holders in India.

Investment Rationale

- BCCL accounts for ~58.50% of India's domestic coking coal production in FY25, making it the single most critical supplier to the steel industry. It holds ~7.9 billion tonnes of reserves (as of Apr'24), representing ~21.5% of India's total coking coal resources, cementing its status as the largest and most strategic coking coal asset in the country.
- BCCL operates 5 coking coal washeries with an aggregate capacity of ~13.7 MTPA, the largest washery capacity in India. Washing is not optional anymore—it's essential for reducing ash content in coking coal, thereby rendering it suitable for utilization in steel industry.
- With the Government of India targeting 300 MT crude steel capacity by FY31, total coking coal demand is estimated at ~161 MT. Of this, ~40 MT is expected to be domestic washed coking coal (assuming ~25% blending with imports). This creates a long-duration, policy-backed demand runway for BCCL-rare visibility in a commodity business.
- To capture incremental demand, BCCL plans to commission 3 new washeries (7 MTPA combined capacity) and monetise / renovate legacy washeries (including Moonidih). BCCL is reviving discontinued underground mines via Mine Developer & Operator (MDO) mode on a revenue-sharing basis. 6 out of 10 identified mines have already been awarded, enabling production revival without balance-sheet stress.

Valuation

Bharat Coking Coal Limited (BCCL) is India's largest coking coal producer, accounting for ~58.5% of domestic output in FY25, with ~7.91 bn tonnes of reserves and 34 operational mines, placing it among the largest coking coal reserve holders in the country. The company has delivered a revenue/EBITDA/PAT CAGR of 4.6% / 88.1% / 36.6% over FY23–FY25, driven by operating leverage, and is now expanding washery capacity from 13.65 MTPA to 20.65 MTPA, including the Moonidih washery expansion from 0.8 MTPA to 1.6 MTPA, which should structurally improve realisations and reduce import dependence. At the upper price band of ₹23, the issue is valued at 6.4× EV/EBITDA (post-issue), which appears reasonable given BCCL's dominant market position, long-term demand visibility from the steel sector, and strong parentage, **We recommend a SUBSCRIBE rating for both listing gains and long-term investment.**

IPO Details

Industry	Mining
Issue Open Date	09 th January 2026
Issue Close Date	13 th January 2026
Price Band (Rs.)	21 – 23
Issue Size*	Rs. 10,710 Mn
Issue Size (Shares)	46,57,00,000
Bid Lot	600 Shares
Listing Exchanges	BSE and NSE
Face Value (Rs.)	Rs. 10.0/-

* At highest price band

Issue Details

Sale Type	Offer for Sale
Issue Type	Book Building
Book Running Lead Manager	IDBI Capital Markets & Securities Ltd, ICICI Securities Ltd
Registrar	KFIN Technology Ltd
Issue structure	QIB: 50.0% Non Institutional: 15.0% Retail: 35.0%
Credit of Shares to Demat Account	14 th July 2025
Issue Listing Date	16 th January 2025

Objective of Issue

This is a pure **Offer for Sale (OFS)**, meaning no funds from the issue will flow into the company. The entire proceeds will be received by Coal India, the promoter, with no capital deployment at the company level.

Shareholding Pattern

Shareholding (%)	Pre(%)	Post(%)
Promoter	100.0	90.0
Public & Others	0.0	10.0

Business Highlights

- Bharat Coking Coal Limited (BCCL) is the undisputed leader in India's coking coal sector, operating as the largest domestic producer of coking coal with the country's largest commercial coking coal washing capacity. As a subsidiary of Coal India Limited, it holds a strategic monopoly on the nation's resources, being the only company in India possessing reserves of prime coking coal.
- The company commands a dominant market position, accounting for approximately 58.50% of India's total domestic coking coal production in Fiscal 2025. This leadership is underpinned by a massive resource base of nearly 7,910 million tonnes and a robust production trajectory that reached 40.50 million tonnes in Fiscal 2025.
- BCCL operates a concentrated yet diversified asset base in the Jharia and Raniganj coalfields, comprising 34 operational mines (opencast, underground, and mixed) and multiple washeries. Its product portfolio, which includes various grades of coking coal, non-coking coal, and washed coal, is critical for national infrastructure, primarily catering to the steel and power generation industries.
- To maximize operational efficiency and resource extraction, the company utilizes a mixed production model that integrates departmental operations with Mine Developer and Operator (MDO) partnerships. This approach allows BCCL to cost-effectively restart discontinued underground mines and maintain its position as the primary supplier to India's growing steel sector.
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Financials

Particular (Rs./Cr.)	FY23	FY24	FY25	1HFY26
Revenue	12,624	14,246	13,803	5,659
EBITDA	497	2,087	1,757	-193
EBITDA Margin (%)	3.9	14.7	12.7	-3.4
Net PAT	665	1,564	1,240	124
PAT Margin (%)	5.3	11	9	2.2
Reported EPS (Rs.)	1.4	3.4	2.7	0.3

Risk & Concern

- A decline in imported coking coal prices or higher effective domestic pricing could shift demand away from BCCL, especially given its relatively higher ash content.
- Heavy reliance on third-party contractors for ~80%+ of coal extraction exposes operations to cost inflation, execution lapses, and regulatory or litigation-related disruptions.
- High dependence on a concentrated PSU customer base, with top 10 clients contributing over 80% of revenues, increases vulnerability to policy, budgetary, and procurement delays.
- Stricter climate policies, rising environmental compliance costs, and a long-term shift toward renewables could structurally constrain coal demand and profitability.

Graphs & Charts

Figure 1: Revenue Trend

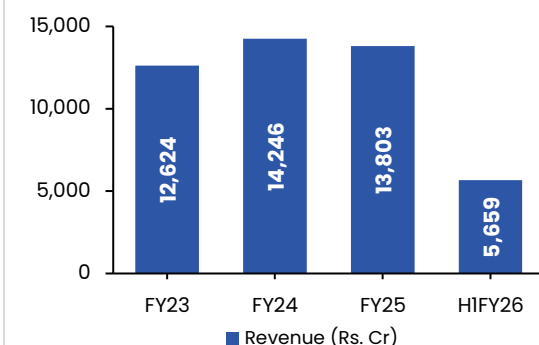


Figure 2: EBITDA & EBITDA Margin Trend

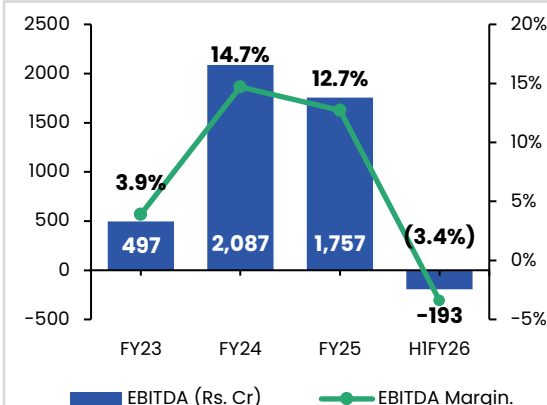


Figure 3: PAT Trend and Margin

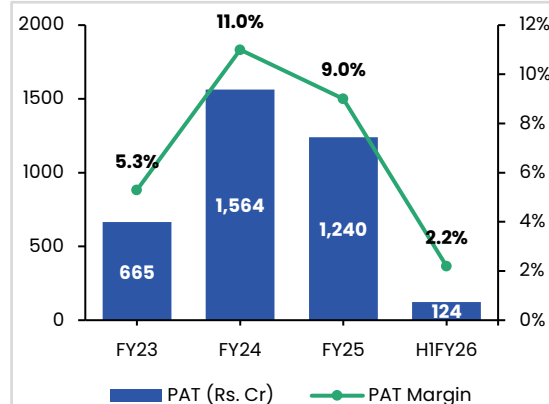
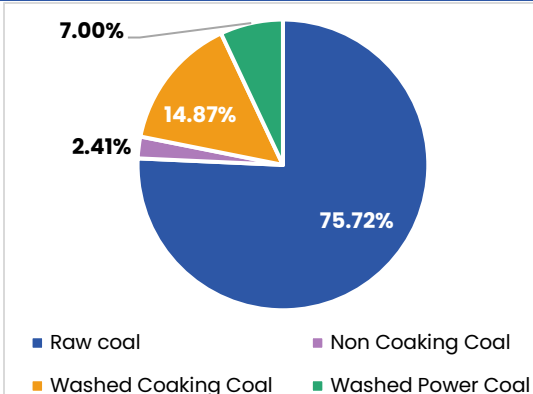


Figure 4: Revenue Mix



Name	Designation
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