Tuesday, 6 January 2026 CM RATING **45 /100**

Bharat Coking Coal

Largest domestic producer of coking coal

Dominant position, production ramp up and healthy demand environment to aid strong performance ahead

Bharat Coking Coal (BCCL) produces coking coal, non-coking coal, and washed coal. BCCL is India's largest producer of coking coal and operates primarily in the Jharia coalfields of Jharkhand and the Raniganj coalfields of West Bengal. It is the wholly-owned subsidiary of Coal India and was conferred with Mini Ratna status in 2014.

The primary product is coking coal, catering to the steel and power industries. BCCL had an estimated coking coal reserve of approximately 7,910 million tonnes (mt) as of 01 Apri 2024. It accounted for 58.50% of the total domestic coking coal production in India in FY 2025.

Operations are across a total leasehold area of 288.31 square kilometers, covering 252.88 square kilometers of the Jharia coalfield and 35.43 square kilometers of the Raniganj coalfield. BCCL operated a network of 34 operational mines, including four underground, 26 opencast, and four mixed mines, as of 30 September 2025.

Operations have expanded significantly over the years, with BCCL's coal production increasing from 30.51 mt in FY2022 to 40.50 mt in FY2025, an increase of 32.74% over FY2022. Further, the company has outlined plans to increase production from about 40 mt to 54 mt by FY2030. Alongside this, coal washing capacity is expected to almost double from 13.65 mt to about 27 mt, aided by three new washeries.

BCCL has also ventured into coal bed methane (CBM) production and solar energy projects, diversifying its portfolio and contributing to sustainable development. It had installed and commissioned 26.97 MW solar power plant including 6.97 MW roof top projects and 20 MWground mounted projects at different locations as of 30 September 2025.

Objects of the offer

The offer is a pure offer-for-sale (OFS) of up to 46.57 crore equity shares of face value Rs 10 each by Coal India. At the upper price band of Rs 23 per equity share Caol India will raise Rs 1,071 crore.

The IPO includes a reservation of up to 2.32 crore equity shares for eligible employees and up to 4.66 crore shares for eligible shareholders of Coal India under the shareholder reservation portion.

Strengths

BCCL is the dominant and India's largest domestic producer of coking coal, with output of 40.5 mt. This accounts for nearly 58.5% of the country's total coking coal production. The company also has close to 8 billion tonnes of reserves, translating into more than 100 years of mine life at current production levels.

BBCL is the market leader in coking coal washery capacity in India, with an owned operational capacity of 13.65 mtpa. Further its strategically located mines (Jharia coalfields of Jharkhand and the Raniganj coalfields of West Bengal) and large washeries represent a significant competitive advantage that enhances operational efficiency, reduces costs, and ensures high-quality coal production.

Demand for coking coal will remain resilient as it is structurally tied to steelmaking. With India's steel capacity projected to nearly double by 2030, the requirement for coking coal is expected to stay strong over the medium to long term. The demand for coking coal in India is expected to rise substantially, driven by the growth of the steel and powerindustries. The coking coal demand is expected to increase from 67 mt in FY2025 to 104 mtin FY2030 at a CAGR of 9.2%.

Being a wholly owned subsidiary, BCCLis likely to benefit significantly from their strategic support and vast resources of Coal India. This includes access to advanced technologies, a pool of skilled professionals, and robust financial backing. These resources enable BCCL to undertake large-scale projects with confidence, ensuring timely and efficient execution. Its ability to leverage these assets sets it apart from its competitors and positions the company for continued success.

Weaknesses

BCCL's mines and washeries are concentrated in Jharia, Jharkhand and Raniganj, West Bengal and the eventual exhaustion of coal reserves in these areas or the company's inability to successfully exploit existing reserves may adversely affect its business.

Around 75% of the revenue is derived from raw coking coal and any decline in demand for raw coking coal could have an adverse impact on the company's financials.

Customer concentration risk, as more than 80% of the revenues are derived from top 10 customers.

Dependent on a limited number of vendors to provide contractual services and any disruptions in their supply of services could adversely affect the operations of the company.

More than 70% of the coal production and coal handling operations are conducted through third party contractors, risking fluctuations in contractual costs and risks relating to the quality of their services.

The ability to negotiate coal distribution and allocation is significantly influenced by the regulatory framework established by the Government of India under the New Coal Distribution Policy.

The business is dependent on the performance of, the power and steel industries and these industries in-turn are prone to cyclicality.

Contingent liabilities stood at Rs 3598.59 crore as of 30 September 2025.

Valuation

Sales were down 17.3% to Rs 5659.02 crore in H1FY2026 over H1 FY 2025. Revenue declined sharply due to exceptionally heavy rainfall that disrupted mining operations and weaker global coking coal prices. The actual impact on volumes was limited to about a mt. Losses at the operating levels stood at Rs 192.56 crore as against OP of Rs 1128.96 crore in H1FY2025. PBIDT was down 66.5% to Rs 459.93 crore. OI increased by 166.9% to Rs 652.9 crore. Eventually,net profit was lower by 83.5% to Rs 123.88 crore when compared with Rs 748.70 crore.

Sales were down by 3.1% to Rs 13802.55 crore in FY2025. OP decreased by 15.8% to Rs 1756.98 crore. OI increased 47.3% to Rs 599.08 crore. Interest costs rose 17.2% to Rs 72.49 crore and depreciation inclined 70.6% to Rs 580.68 crore. Net profit declined by 20.7% to Rs 1240.19 crore as against net profit of Rs 1564.46 crore in FY2024.

At the higher price band of Rs 23, the offer is made at a TTM P/E of 17.40 times TTM EPS of Rs 1.32.

The company does not have exact listed players in India.

Bharat Coking Coal: Issue Highlights	
Fresh issue (in Rs crore)	-
Offer for sale (in Rs crore)	977.97-1071.11
Offer for sale (in number of shares)	
- in Upper price band	465700000
- in Lower price band	465700000

Price Band (Rs)	21-23
For Fresh Issue Offer size (in no of shares)	
- in Upper price band	-
- in Lower price band	-
Post issue capital (Rs crore)	
- in Upper price band	4657
- in Lower price band	4657
Post issue Promoter and Promoter Group shareholding	
-On higher price band (%)	90%
-On lower price band (%)	90%
Bid Size (in No. of shares)	600
Issue open date	09/01/2026
Issue close date	13/01/2026
Listing	BSE, NSE
Rating	**45/100**

Bharat Coking Coal: Standalone Financials

	2303 (12)	2403 (12)	2503 (12)	2409 (6)	2509 (6)
Sales	12624.06	14245.86	13802.55	6846.19	5659.02
OPM (%)	3.94	14.65	12.73	16.49	-3.40
OP	496.80	2087.22	1756.98	1128.96	-192.56
Other inc.	394.51	406.67	599.08	244.51	652.49
PBIDT	891.31	2493.89	2356.06	1373.47	459.93
Interest	55.69	61.83	72.49	32.19	60.05
PBDT	835.62	2432.06	2283.57	1341.28	399.88
Dep.	305.43	340.39	580.68	217.24	200.54
PBT	530.19	2091.67	1702.89	1124.04	199.34
Exceptional items	-	-	-	-	-
PBT After EO	530.19	2091.67	1702.89	1124.04	199.34
Total Tax	-134.59	527.21	462.70	375.34	75.46
Net Profit	664.780	1564.46	1240.190	748.70	123.88
EPS (Rs)*	1.43	3.36	2.66	#	#

EPS is on post issue equity capital of Rs 4657 crore of face value of Rs 10 each

EPS is not annualised due to cyclicality of business

Figures in Rs crore

Source:Bharat Coking Coal Issue Prospectus