

ABOUT THE COMPANY:

The company is the largest coking coal producer in India in FY25, contributing 58.50% of domestic coking coal production. It holds estimated coking coal reserves of about 7,910 million tonnes as of April 1, 2024. Its product portfolio includes coking coal, non-coking coal, and washed coal catering mainly to steel and power sectors.

SUBSCRIBE

OUR VIEW:

- The company has had a good financial performance where topline has grown from 12,624 Cr to 13,802 Cr from FY 23 to FY 25 with a CAGR of 4.6%, EBITDA has grown from 891 Cr to 2,356 Cr from FY 23 to FY 25 with a CAGR of 62% and PAT has grown from 665 Cr to 1240 Cr from FY 23 to FY 25 at 36% CAGR.
- At the upper price band, the issue is valued at 9 X PE and 2 X PB, there are no comparable Indian peers.
- The company is the largest producer of coking coal in India, which has a key application in the steel sector. The coal produced in India is of inferior or because of the low vitrinite content and that is why only 6% of Indian coal is blended with imported coal for the production of steel, this will increase gradually to 25%.
- The company has planned to increase the capacity of washeries by 7 MTPA.
- With the parentage of Coal India, a thriving steel sector and strong fundamentals we remain positive on Bharat Coking Coal.
- However concern remains regarding seasonal fluctuations as seen in first half of this year, the reported numbers were not at par due to heavy rainfall in the Dhanbad region.
- We recommend “**SUBSCRIBE**” the issue for long term gains for investors with “**Medium to High**” risk appetite.

ISSUE DETAILS	
Price Band (in ₹ per share)	21 - 23
Issue size (in ₹ Crore)	1071.11
Fresh Issue (in ₹ Crore)	-
Offer for Sale (in ₹ Crore)	1071.11
Issue Open Date	09-01-2026
Issue Close Date	13-01-2026
Tentative Date of Allotment	14-01-2026
Tentative Date of Listing	16-01-2026
Total Number of Shares (in lakhs)	4657.00
Face Value (in ₹)	10
Exchanges to be Listed on	BSE & NSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	600	13,800
Retail (Max)	13	8400	1,93,200
S-HNI (Min)	15	9000	2,07,000
S-HNI (Max)	72	43200	9,93,600
B-HNI (Min)	73	43800	10,07,400

BRLMs: IDBI Capital Markets and Securities Limited, ICICI Securities Limited

PROMOTERS: PRESIDENT OF INDIA, COAL INDIA LIMITED

BRIEF FINANCIALS

PARTICULARS (Rs. Cr) *	6M FY 26	FY25	FY24	FY23
Share Capital	4657.00	4657.00	4657.00	4657.00
Net Worth	5830.89	6551.23	5355.47	3791.01
Revenue from Operations	5,659.02	13,802.55	14,245.86	12,624.06
EBITDA	459.93	2356.06	2493.89	891.31
EBITDA Margin (%)	7.29	16.36	17.02	6.85
Profit/(Loss) After Tax	123.88	1240.19	1564.46	664.78
EPS (in Rs.)	0.54 [^]	2.66	3.36	1.43
Net Asset Value (in Rs.)	12.52	14.07	11.50	8.14
Total borrowings	1559.13	0.00	0.00	0.00
P/E [#]	10.65	8.65	NA	NA
P/B [#]	1.84	1.63	NA	NA

*restated financials #At upper price band of 23 ^ Annualized

OBJECTS OF THE OFFER

Issue is entirely Offer for Sale, so the company will not receive any proceeds from the issue

FINANCIAL STATEMENTS

Profit & Loss Statement

Particulars (In Crores)	FY2023	FY2024	FY2025
INCOME			
Revenue from operations	12624.06	14245.86	13802.55
Other Income	394.51	406.67	599.08
Total Income	13018.57	14652.53	14401.63
YoY Growth (%)	-	12.55%	-1.71%
Cost of Materials Consumed	989.16	742.17	640.92
Changes in inventories of finished goods, stock in trade and work in progress	-13.72	-332.13	-562.58
Employee Benefit Expenses	7147.93	6950.67	6542.37
Stripping Activity Adjustment	0	-185.17	-772.3
Contractual Expense	2391.35	3168.64	4311.51
Other Expenses	1612.54	1814.46	1885.646
EBIDTA	891.31	2493.89	2356.06
EBIDTA Margin (%)	6.85%	17.02%	16.36%
Depreciation and amortisation expense	305.43	340.39	580.68
EBIT	585.88	2153.50	1775.38
EBIT Margin (%)	4.50%	14.70%	12.33%
Finance cost	55.69	61.83	72.49
Profit before tax	530.19	2091.67	1702.89
Tax expenses			
Current tax	1.31	180.33	290.03
Deferred tax	-135.90	346.88	172.67
Total tax expenses	-134.59	527.21	462.70
Profit for the year	664.78	1564.46	1240.19
PAT Margin (%)	5.11%	10.68%	8.61%
Earnings per share			
Basic earnings per share (₹)	1.43	3.36	2.66

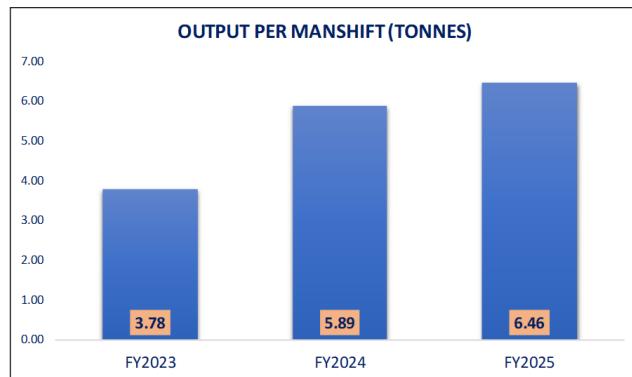
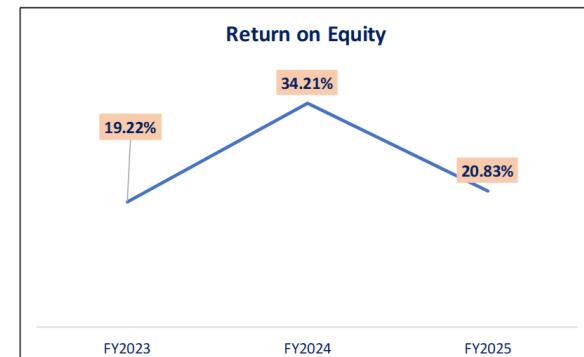
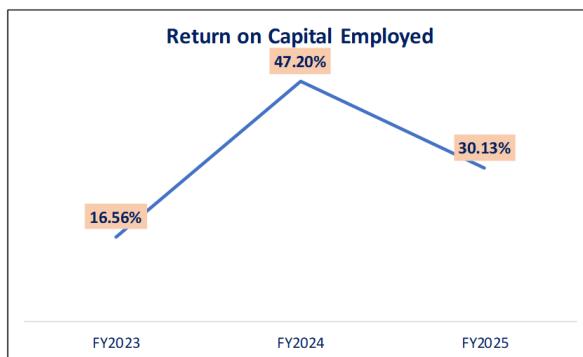
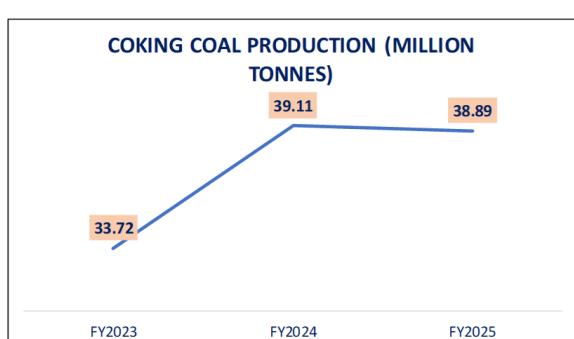
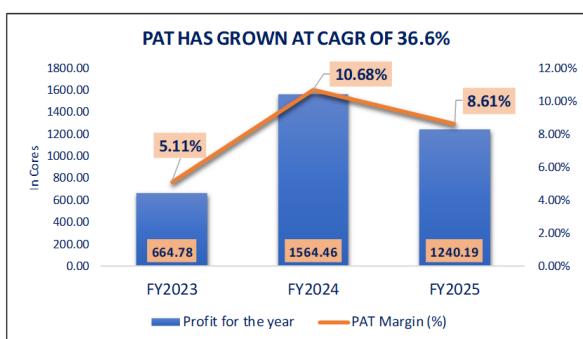
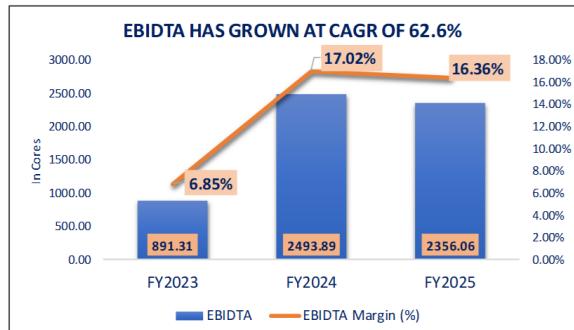
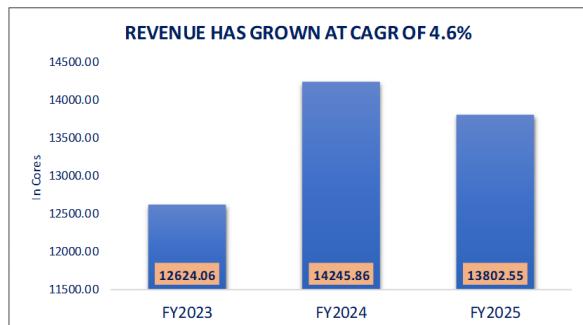
Cashflow Statement

Particulars (In Crores)	FY2023	FY2024	FY2025
Cash generated from Operations	1717.22	1413.75	1156.94
Income Taxes Paid	-18.44	-114.61	-360.45
Net cash generated from operating activities	1698.78	1299.14	796.49
Net cash used in investing activities	-1705.83	-1484.42	-782.31
Net cash used in financing activities	-42.97	-73.84	-132.46
Net increase/ (decrease) in cash and cash equivalents before effect of rate exchange	-50.02	-259.12	-118.28
Balance as at beginning	594.96	544.94	285.82
Cash and cash equivalent as at year end	544.94	285.82	167.54

Balance Sheet

Particulars (In Crores)	FY2023	FY2024	FY2025
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment	2907.81	3438.57	4264.41
(b) Capital Work in Progress	1299.83	1367.81	1616.78
(c) Exploration and Evaluation Assets	155.36	163.29	227.82
(d) Intangible Assets	15.68	12.66	9.49
(e) Intangible Assets under Development	-	-	-
(f) Financial Assets			
(i) Investments	-	-	-
(ii) Loans	-	-	-
(iii) Other Financial Assets	705.86	886.62	1018.90
(g) Deferred Tax Assets (Net)	1048.27	717.08	562.83
(h) Non-Current Tax Assets (Net)	-	-	-
(i) Other non-current assets	620.85	856.90	1042.65
Total Non-Current Assets (A)	6753.66	7442.93	8742.88
Current Assets			
(a) Inventories	1029.06	1381.58	1960.14
(b) Financial Assets			
(i) Investments	79.72	266.52	0.41
(ii) Trade Receivables	1251.15	1333.25	1847.76
(iii) Cash & Cash equivalents	544.94	285.82	167.54
(iv) Other Bank Balances	609.26	658.81	962.31
(v) Loans	-	-	-
(vi) Other Financial Assets	58.99	73.70	234.19
(c) Current Tax Assets (Net)	168.57	102.85	198.54
(d) Other Current Assets	2817.51	3182.27	3169.71
Total Current Assets (B)	6559.20	7284.80	8540.60
Total Assets (A+B)	13312.86	14727.73	17283.48
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	4657.00	4657.00	4657.00
(b) Other Equity	-853.10	664.72	1805.73
Equity attributable to equity-holders of the company	3803.90	5321.72	6462.73
Non-Controlling Interests	0.00	0.00	0.00
Total Equity (A)	3803.90	5321.72	6462.73
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Lease Liabilities	153.79	152.73	143.06
(iii) Other Financial Liabilities	296.51	324.17	357.93
(b) Provisions	2089.30	2017.51	2324.71
(c) Deferred Tax Liabilities (Net)	-	-	-
(d) Other Non-Current Liabilities	149.82	882.63	805.94
Total Non-Current Liabilities (B)	2689.42	3377.04	3631.64
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Lease Liabilities	58.85	77.50	90.11
(iii) Trade payables			
Micro, Small & Medium enterprises	13.57	8.71	23.63
Other than Micro, Small & Medium enterprises	899.34	1224.82	2149.64
(iv) Other Financial Liabilities	1448.41	1946.00	2339.28
(b) Other Current Liabilities	1968.63	1587.29	1534.08
(c) Provisions	2430.74	1184.65	1052.37
(d) Current Tax Liabilities (Net)	-	-	-
Total Current Liabilities (C)	6819.54	6028.97	7189.11
Total Equity and Liabilities (A+B+C)	13312.86	14727.73	17283.48

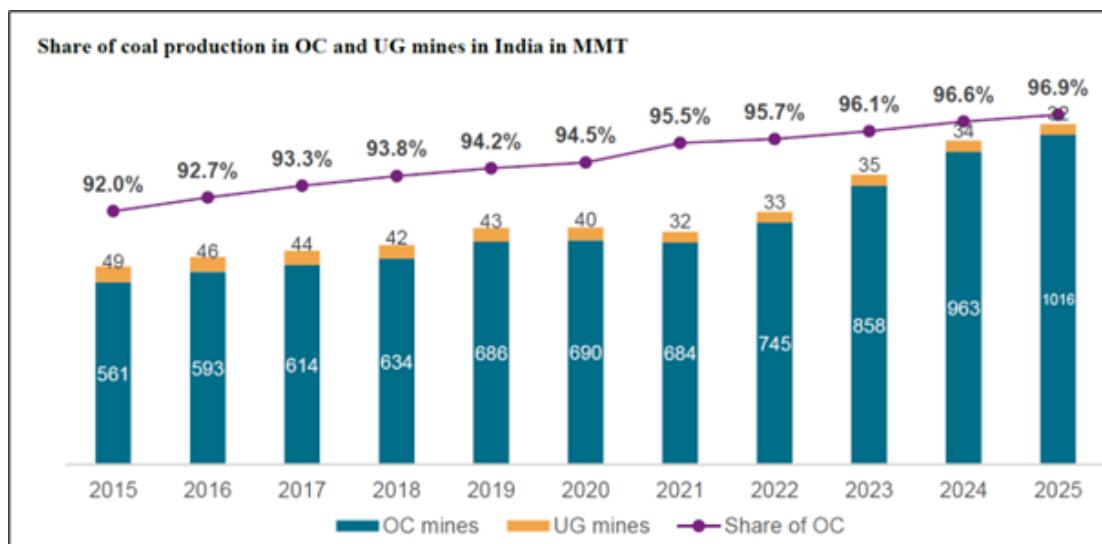
PERFORMANCE THROUGH CHARTS



INDUSTRY REVIEW

INDIAN COAL MINING INDUSTRY OVERVIEW

- The main minerals mined in India are coal, iron ore, and limestone, which are intricately linked to the country's power, steel, and cement industries. Coal, the primary source of fuel for India's thermal power plants, accounts for over 75% of the country's electricity generation.
- 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.
- The value of minerals mined in India is approximately evenly split between the coal and non-coal minerals. Coal is undeniably the most crucial mineral for India, accounting for approximately 50% of the total value of minerals mined in the country in Fiscal 2025.
- Coking coal, also known as metallurgical coal possesses unique property of forming coke when heated in the absence of air at a temperature of 1030- 1060. Coke is a hard, porous substance essential for the blast furnace process in steelmaking.
- Broadly, coal mining is classified into Open-Cast (OC) Mining and Underground (UG) Mining, each with distinct methodologies, advantages, and challenges. In India coal is mined using both UG and OC methods. However, the majority of the coal extracted in India is through the OC method.
- The international trade in coking coal is driven by the demand from the steel industry. With global crude steel production rising to 1892 million tonne in 2023 from 1433 million tonne in 2010 at a CAGR of approximately 2%, the demand for coking coal has increased significantly. Asian countries, particularly China, Russia, India, Japan and South Korea, dominate the demand side, accounting for nearly 90% of the international market share.



BUSINESS INSIGHTS

- **Market Leadership :** BCCL is the largest coking coal producer in India, accounting for 58.50% of the domestic coking coal production in Fiscal 2025. As of September 30, 2025, the company operates 34 operational mines, including 4 underground, 26 opencast, and 4 mixed mines. Its operations are concentrated in a total leasehold area of 288.31 square kilometers, with 252.88 sq. km in the Jharia coalfield and 35.43 sq. km in the Raniganj coalfield.
- **Synergies with Parent Company:** As a wholly-owned subsidiary of Coal India Limited, BCCL leverages the vast resources of the world's largest coal-producing company. BCCL relies on CMPDIL (a fellow CIL subsidiary - Central Mine Planning & Design Institute Limited) for specialized technical expertise, geological surveys, mine planning, and resource assessment. The company benefits from financial, technical, and human resources allocated by CIL, including executive manpower seconded directly from the parent company. Agreements for essential materials like explosives are executed at the CIL level, allowing BCCL to procure supplies based on group-wide allocations.
- **Future Expansion in Washeries :** BCCL is a market leader in coal washing, with an existing owned operational capacity of 13.65 MTPA. To meet the rising demand for metallurgical coal in the steel sector. Three new washeries are in progress with a combined capacity of 7.00 MTPA: Patherdih-II (2.5 MTPA), Bhojudih (2.0 MTPA), and Moonidih-New (2.5 MTPA). The existing Moonidih washery is being renovated to double its capacity from 0.80 MTPA to 1.60 MTPA. BCCL is using the Washery Developer and Operator (WDO) model to revive old, less efficient facilities through private sector partnerships.
- **Outsourcing, Manpower Reduction, and Cost Dynamics:** The company has undergone a significant shift toward outsourcing, which has altered its cost structure. Total permanent employees decreased from 37,037 in Fiscal 2023 to 31,389 by September 30, 2025. This led to a reduction in employee benefit expenses from ₹71,479.30 million to ₹65,423.74 million between Fiscals 2023 and 2025. Coal extraction conducted by third-party contractors grew from 72.04% in Fiscal 2023 to 84.21% in the six months ended September 30, 2025. Contractual expenses surged from ₹23,913.50 million (Fiscal 2023) to ₹43,115.10 million (Fiscal 2025). This increase is primarily driven by higher spending on outsourcing coal production and over-burden removal to replace or augment departmental efforts

COMPETITIVE STRENGTHS OF THE COMPANY

LARGEST COKING COAL PRODUCER

- The company was the largest coking coal producer in India in Fiscal 2025, accounting for 58.50% of domestic coking coal production, and holds 7.91 billion tonnes of coking coal resources. This makes it the only source of prime coking coal in India, ensuring strategic importance for steel and allied industries.
- It produces a wide range of coking, non-coking, and washed coal products catering to power, steel, cement, fertilizer, and other industries. Efficient coal beneficiation, utilization of by-products, and adherence to government policies enable diversified industrial supply and responsible resource use.
- With mining lease rights over 28,830.95 hectares valid up to March 31, 2050, the company benefits from economies of scale and cost efficiency. Its large reserves support long-term planning, financial resilience, and the ability to respond to market demand and industry shifts.

PARENTAGE OF COAL INDIA

- The company benefits from a strong relationship with Coal India Limited, the world's largest coal producer, which provides strategic support, advanced technology, skilled manpower, and financial strength. This backing enables efficient execution of large-scale projects and enhances competitive positioning.
- Technical expertise inherited from Coal India Limited and continued support from its subsidiary CMPDIL strengthen coal exploration, mine planning, resource assessment, and environmental sustainability. These synergies improve operational efficiency, safety standards, and sustainable mining practices.
- Affiliation with Coal India Limited enhances market credibility and customer trust, supporting long-term partnerships and repeat business. Executive oversight and inter-subsidiary transfers promote knowledge sharing, innovation, and sustained industry leadership.

STRATEGICALLY LOCATED MINES AND WASHERIES

- The company's mines are strategically located in the coal-rich Jharia and Raniganj coalfields and it is a market leader in coking coal washery capacity, with 13.65 million tonnes per annum of owned operational capacity. This combination provides a strong competitive advantage through efficient operations and high-quality coal production.
- Proximity to developed infrastructure, railways, highways, and skilled local labour reduces transportation time and costs while ensuring reliable coal supply to key industries. Strong regional presence also supports smoother regulatory compliance, community engagement, and long-term operational stability.
- It operates multiple coking coal washeries equipped with advanced processing technologies and has arrangements to utilize spare capacity at Tata Steel's facilities. These washeries improve coal quality, enhance calorific value, ensure environmental compliance, and allow production of coal with specifications tailored to diverse customer needs.

RISK FACTORS

ESTIMATION OF RESERVES

- The reserve and resource information disclosed is based on estimates, and actual production, revenues, and costs may differ materially due to estimation uncertainties and underlying assumptions. These estimates are prepared under Indian Standard Procedure (ISP) Guidelines, which differ from international standards and have not been fully audited under ISP norms.
- The company's reserve estimates rely on geological, engineering, and economic data compiled by CMPDI and its internal experts, and their reliability depends on familiarity with ISP Guidelines. As these standards differ from global codes like JORC and CRIRSCO, comparisons with other international mining companies may not be meaningful.
- Independent consultant SRK has audited the reserves under the JORC Code and reviewed ISP-based estimates, highlighting inherent risks such as geological variability, regulatory factors, cost assumptions, coal quality, and price fluctuations. Reserve estimation remains subjective and may be revised over time, with no assurance that all reserves will be economically recoverable.

GEOGRAPHICAL CONCENTRATION

- The company's mining and washery operations are fully concentrated in the Jharia coalfield in Jharkhand and the Raniganj coalfield in West Bengal, with 34 operational mines as of September 30, 2025. This concentration makes these regions critical to production and exposes the business to risks arising from reserve depletion and regional disruptions.
- Coal reserves in these areas are finite, and exhaustion or inability to efficiently exploit existing reserves could materially affect business performance, financial condition, and cash flows. Regulatory tightening, environmental constraints, and socio-economic issues such as labour unrest, community opposition, or infrastructure bottlenecks may further increase costs or restrict operations.
- The lack of geographic diversification limits flexibility in responding to adverse events, including natural disasters like floods or earthquakes, which could disproportionately impact operations. Although no material disruptions occurred in recent periods, there is no assurance that similar risks will not affect the company in the future.

CONTINGENT LIABILITIES

- The company has disclosed contingent liabilities amounting to ₹35,985.90 million as of September 30, 2025 in its restated financial information. These liabilities represent potential obligations that may arise depending on the outcome of future events.

Particulars	As of September 30, 2025 (in ₹ million)
Central Government	
Income Tax	3,844.40
Sales Tax: CST	1,527.40
Central Excise	885.30
Service Tax	54.50
Sub-Total	6,311.60
State Government and local authority	
Sales Tax: VAT	1,689.90
GST	2,180.90
Royalty	558.80
Holding Tax	2,522.30
Electricity Duty	231.70
Others Statutory Dues (RE/PE Cess)	82.80
Sub-Total	7,266.40
Central Public Sector Enterprises	
Sub- Total	-
Others	
Suits against the Company under litigation	9,591.80
Arbitration proceedings	11,970.10
Misc (Land)	846.00
Sub-Total	22,407.90
Grand Total	35,985.90

PEER COMPARISON

There are no comparable peers listed in India.



Canara Bank Securities Ltd.
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