Bharat Coking Coal Ltd.

Price Band: ₹ 21-23

UNRATED

January 6, 2026

Eminent market leader in domestic coking coal space

About the Company: Bharat Coking Coal (BCCL) is the largest coking coal producer in India. It's a wholly owned subsidiary of Coal India and conferred with 'Mini Ratna' status in 2014, operating under aegis of Ministry of Coal.

- Engaged in producing various grades of coking coal, non-coking coal and washed coals, catering to power, steel, fertilisers and other industries.
- Operations spanning across 34 mines in Jharkhand and West Bengal, including 26 opencast mines, 4 underground mines, and 4 mixed mines.

Key triggers/Highlights:

- BCCL contributes 58.5% of the domestic coking coal production in FY25 and have estimated reserves of ~7.9 billion tonnes (as of April'24), thereby making it as one of the largest coking coal reserves in India.
- Operating five coking coal washeries with a capacity of ~13.7 million tons per annum (MTPA), being the largest coking coal washery capacity in India.
- With the government targeting a crude steel capacity of 300 MT by FY31, coking coal demand is expected at ~161 MT wherein projected demand for domestic washed coking coal is pegged at ~40 MT (considering 25% blending with imported coal for steel making); long term demand driver
- To seize the growth opportunity, BCCL is also aiming to commission 3 new washeries with combined capacity of 7 MTPA and monetizing old washeries to enhance operational efficiency.
- BCCL has entered into an agreement with Tata Steel to utilize its spare washeries capacity for washing coking coal for BCCL. Moreover, SAIL has entered a MOU (Memorandum of Understanding) with BCCL for getting the supply of 1.8 MT of washed coking coal from BCCL's washeries.
- BCCL is planning to restore operations in discontinued underground mines through MDO (Mine Developer and Operator) mode on a revenue sharing basis, with 6 out of 10 mines awarded to private players and third parties.
- BCCL is also exploring opportunities in coal bed methane (CBM) projects to diversify its energy portfolio and reducing greenhouse gas emissions.

Our View & Rating

- Sales/PAT at BCCL has grown at a CAGR of 5%/37% respectively over FY23-25. BCCL clocked EBITDA margins of 12.7% in FY25 with RoCE at 18.2%. IPO of BCCL is priced at ~5.5x EV/EBITDA and ~8.6x P/E on FY25.
- We assign **UNRATED** rating on Bharat Coking Coal (BCCL).

Key risk & concerns

- Any potential depletion of coal reserves impacting operating performance
- Client concentration risk with top 10 clients contributing >80% of revenues
- Increase in share of renewables to impact coal demand over the long term

IPO Details

Issue Details	
Issue Opens	9th January'26
Issue Closes	13th January'26
Issue Size	~ ₹ 1,071 crore
QIB (Institutional) Share	50% of issue
Non-Institutional Share	15% of issue
Retail Share	35% of issue
Issue Type	Offer for Sale
Price Band (₹/share)	₹21 - ₹23
Market Lot	600 shares
Face value (₹/share)	₹ 10
Listing Market Cap @ Upper price band	~₹10,711 crore

Shareholding pattern

	Pre-Issue	Post-Issue
Promoters	100.0	90.0
Public	0.0	10.0
Total	100.0	100.0

Objects of the issue

The issue is a pure play OFS (offer for sale) and no proceeds from the issue will get deployed with the company. Coal India, (promoter of the company) is the sole recipient of the proceeds from the issue

Research Analyst

Shashank Kanodia, CFA
shashank.kanodia@icicisecurities.com

Manisha Kesari
Manisha.kesari@icicisecurities.com

Key Financial Summary

Key Financials (₹ crore)	FY23	FY24	FY25	H1FY26	2 year CAGR (FY23-25)
Net Sales	12,624	14,246	13,803	5,659	5%
EBITDA	497	2,087	1,757	(193)	88%
EBITDA Margins (%)	3.9	14.7	12.7	(3.4)	
Net Profit	665	1,564	1,240	124	37%
Reported EPS (₹)	1.4	3.4	2.7	0.3	
P/E	16.1	6.8	8.6	NA	
RoNW (%)	17.5	29.4	19.2	NA	
RoCE (%)	5.0	32.8	18.2	NA	

Source: RHP, ICICI Direct Research; Valuation at upper limit of price band i.e. ₹23.

RATING RATIONALE

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Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Unrated: No View on applying for the IPO

Subscribe only for long term: Apply for the IPO only from a long-term investment perspective (>two years)

Pankaj Pandey **Head – Research** **pankaj.pandey@icicisecurities.com**

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agarwal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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