



Retail Research	: IPO Note
Sector	: Mining & Natural Resources
Price Band (INR)	: 21 to 23
Issue Type	: Bookbuilding

About The Company

Ye company India ki sabse badi coking coal producer hai, jo FY25 me India ki total domestic coking coal production ka 58.5% produce karti hai—matlab har 100 tonne Indian coking coal me se lagbhag 59 tonne isi company se aata hai. Coking coal steel banane ke liye critical raw material hota hai, isliye steel industry ke liye ye company strategically bahut important hai. Company ke paas ~7,910 million tonnes ke massive coking coal reserves hain, jo ise long-term planning, raw material security aur import dependency reduction ka strong advantage dete hain. Ye company sirf coking coal hi nahi, balki non-coking coal, washed coal aur by-products bhi produce karti hai, jisse power, cement, fertilizer aur glass jaise multiple industries se demand aati hai aur revenue diversified rehta hai. Coal India Limited ki 100% subsidiary hone ke naate, Mini Ratna status ke saath isse strong government backing, credibility aur operational support milta hai.

Operationally, company ne FY22 ke 30.51 MT se FY25 me 40.50 MT tak production badhakar ~33% growth dikhayi hai, jisme advanced machinery aur pehle se kiya gaya overburden removal future production ko smooth banata hai. Jharia aur Raniganj jaise rich coal belts me 288 sq km lease area, 32 mines aur close geography ki wajah se logistics cost kam aur supply reliable rehti hai. Quality ke front par, company ke paas India ki highest washery capacity (13.65 MTPA) hai, jo steel makers ko better quality coal provide karke import substitution aur Atma Nirbhar Bharat ko support karti hai. Financially stable PSU hone ke bawajood scale bada hai, cash flows stable hain aur technology adoption (longwall, highwall mining, solar, CBM) cost, safety aur sustainability improve karta hai. Aage chal kar steel industry growth ke saath coking coal demand FY30 tak 104 MT tak pahunchne ka estimate hai, jisme limited domestic supply aur costly imports ke beech ye company natural long-term beneficiary ban kar ubharti hai.

Issue Details	
IPO Open Date	09-Jan-26
IPO Close Date	12-Jan-26
Price Band (Rs)	21 to 23
Lot Size	600 Shares
Issue Size (Rs Cr)	46,57,000 shares
Face Value	RS 10 per share
Sales Type	Foffer For Sale
Issue Type	Bookbuilding IPO
Listing At	BSE, NSE
Share Holding Pre Issue	4,65,70,00,000 shares
Share Holding Post Issue	4,65,70,00,000 shares
QIB	50.00%
Retail Share	35.00%
NII Share	15.00%
Promoter Holding Pre Issue	100.00%
Promoter Holding Post Issue	90.00%

Promoters	No. of Equity Shares held as on the date of this Draft Red Herring Prospectus	Percentage of the Equity Share capital (%) as on the date of this Draft Red Herring Prospectus
Coal India Limited	4,657,000,000	100

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RISK

- Reserve & Resource Estimate Risk: Coal reserves sirf estimates hain (ISP-based), international standards/audit se fully validated nahi— actual production, cost aur revenue materially differ kar sakte hain.
- Geographical Concentration Risk: Saare major mines & washeries Jharia (Jharkhand) aur Raniganj (WB) me coal exhaustion, regulatory ya environmental issues se direct impact.
- Revenue Concentration Risk: ~76% revenue raw coking coal se; steel cycle slowdown hua to profits sharply hit.
- Customer Concentration Risk: Top-10 customers se ~88% revenue customer loss ya payment delay se cash flows stress me aa sakte hain.
- Raw Material Price & Supply Risk: Prices/availability government policy aur markets par dependent margin volatility possible.
- Vendor & Contractor Dependence: Limited contractors par reliance cost escalation, quality lapses aur disruptions ka risk.
- Third-Party Contractor Risk: Outsourced mining/handling service quality, safety aur cost fluctuation risks.
- Industry Dependency Risk: Steel & power sectors par dependence slowdown ya renewables shift se demand impact.
- Mining Hazard Risk: Accidents, fire, collapse, environmental damage operations suspension aur penalties ka risk.
- Receivables Collection Risk: PSU/Govt customers se payment delays working capital pressure.
- Operational Risk: Machinery failure, geology surprises, weather issues production aur costs par impact.
- Parent Company Dependency: 100% Coal India subsidiary strategy/pricing/capex decisions minority interests se misalign ho sakte hain.
- Manpower & Union Risk: Labour-intensive; strikes, wage hikes cost aur output impact.
- Insurance Coverage Risk: Industry-standard insurance gap large uninsured losses possible.
- Labour Law & Compliance Risk: Wage/training norms tight hue to margins pressure.
- Key Management Risk: Secondment executives leadership continuity risk.
- Machinery & Equipment Risk: HEMM/washery breakdowns efficiency aur output hit.
- Legal & Regulatory Risk: Ongoing cases adverse outcomes se financial/reputation damage.
- Contingent Liability Risk: ₹41,887 crore liabilities actualize hui to net worth/cash flow impact.
- Government Transaction Risk: Policy changes, scrutiny, payment delays profitability impact.
- Past BIFR Reference Risk: Historical stress future downturn me recurrence ka risk.
- MDO Model Execution Risk: Private MDO alignment/delays expected production shortfall.
- Energy Transition Risk: Long-term coal demand decline sales/cash flows pressure.
- Mine Closure & Reclamation Risk: Cost overruns unexpected cash outflows.
- Competitive Risk: Domestic/imported coal competition pricing power erosion.
- Trade Union Dispute Risk: Strikes/work stoppage production loss.
- Board Experience Risk: Limited listed-company experience governance challenges post-listing.
- Capex & Financing Risk: Timely funding/cost of borrowing growth slowdown risk.
- Working Capital Risk: Inventory/receivables strain liquidity tightness.

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RISK

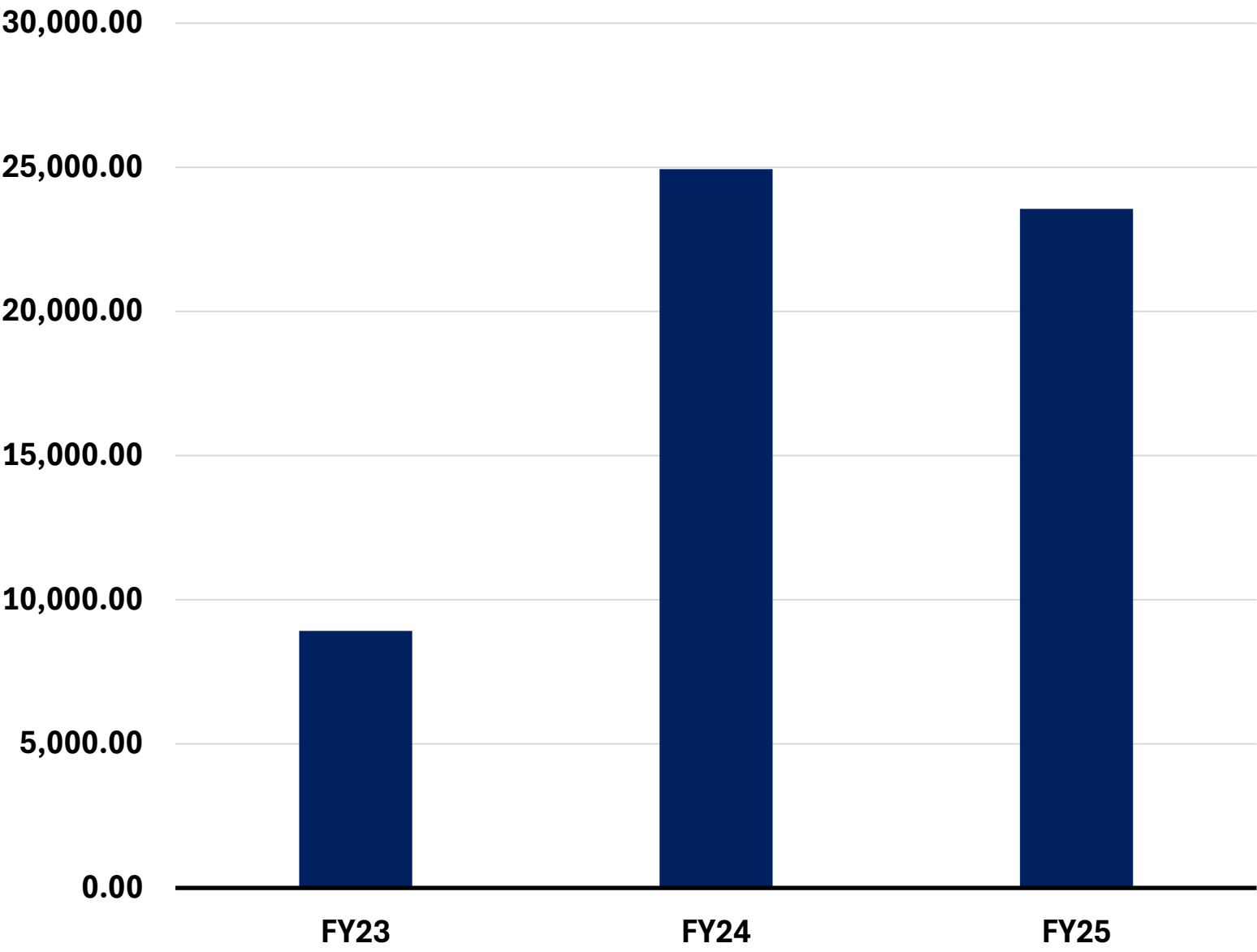
- Power & Fuel Supply Risk: Power cuts/fuel price spikes operating cost surge.
- Imported Coal Price Risk: Imported coal sasta hua to demand shift; low-grade mix risk.
- IT & Cyber Risk: System failure/data loss operations & reporting impact.
- Health & Safety Regulation Risk: Non-compliance penalties, halts, reputation damage.
- Licenses & Approvals Risk: Renewal delays/failures operations disruption.
- Transportation & Evacuation Risk: Rail/road bottlenecks offtake delay, revenue loss.
- Government Control Risk: Public-interest pricing/decisions financial returns impact.
- Historical Records Risk: Incomplete old records regulatory scrutiny risk.
- Promoter Cost vs Offer Price Risk: Sentiment & selling pressure post-listing.
- Trademark & Brand Risk: Unregistered brand dispute risk.
- IP Risk: Infringement/misuse legal/competitive impact.
- Coal Fire & Subsidence Risk: Jharia/Raniganj risks heavy costs, resource diversion.
- SEBI/Companies Act Compliance Risk: Post-listing compliance pressure.
- Growth Management Risk: Execution lapses cost overruns, low returns.
- Talent Retention Risk: Skilled manpower shortage operations & safety impact.
- Promoter Control Risk: Minority shareholder interest misalignment.
- Illegal Mining & Theft Risk: Revenue leakage, safety hazards.
- CAG Audit Risk: Qualifications/observations market sentiment hit.
- Auditor Emphasis Risk: Accounting judgement concerns investor confidence impact.
- Statutory Dues Risk: Delays penalties, interest, reputation damage.
- Coal India Brand Risk: Parent-level negatives ka spillover.
- Seasonal & Weather Risk: Monsoon/extremes production slowdown.
- CBM Project Risk: Tech/geology uncertainty viability impact.
- Related Party Transactions Risk: Conflict of interest concerns.
- OFS-only IPO Risk: No fresh funds for growth capex.
- Restrictive Covenants Risk: Fund-raising flexibility limited.
- Dividend Uncertainty: Earnings/capex dependent no guarantee.
- CRISIL Report Reliance Risk: Optimistic assumptions possible.
- Fraud & Misconduct Risk: Financial/reputation damage.
- Internal Control Failure Risk: Errors/misreporting.
- Non-GAAP Metrics Risk: Comparability issues.

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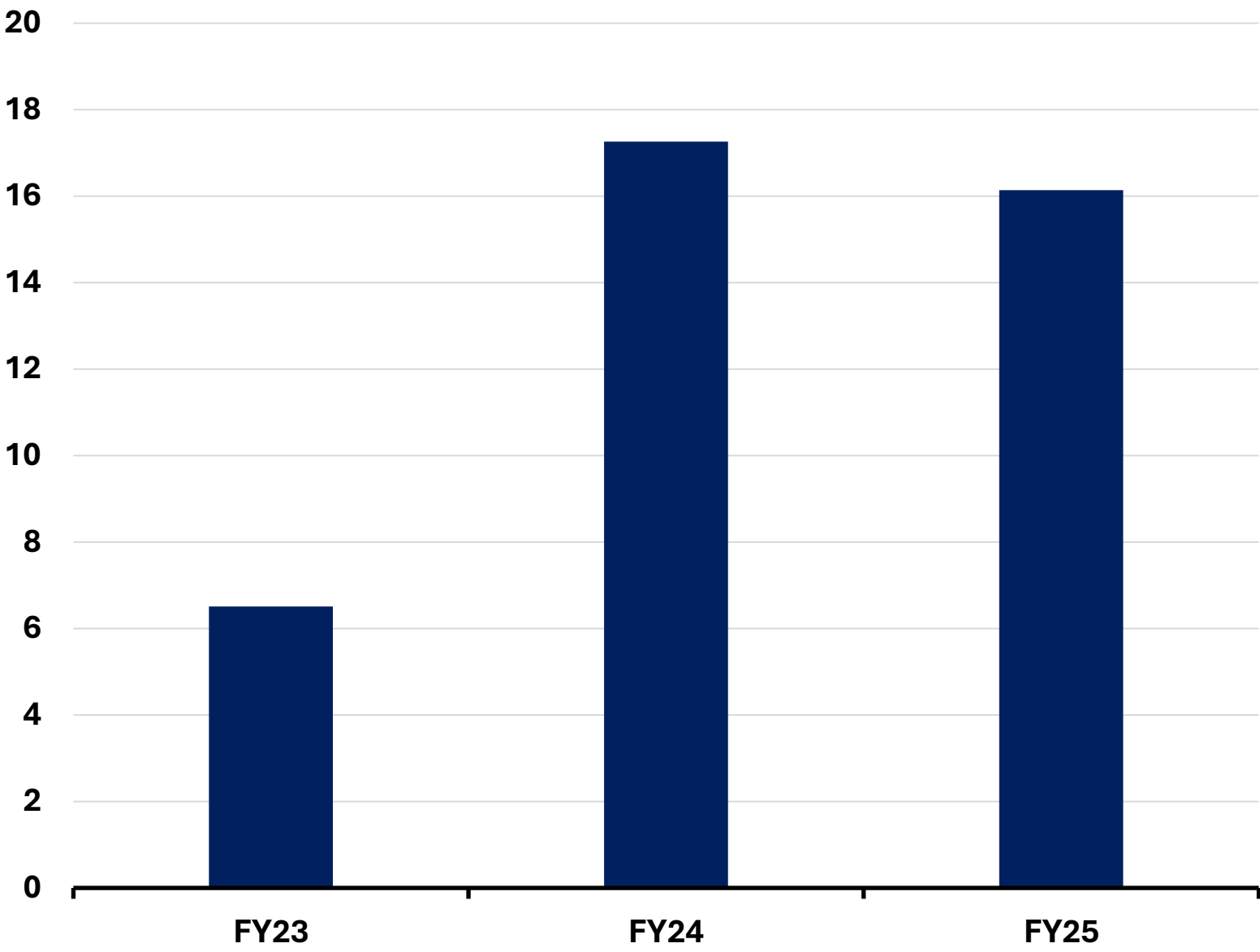


FINANCIAL ANALYSIS (in INR million)

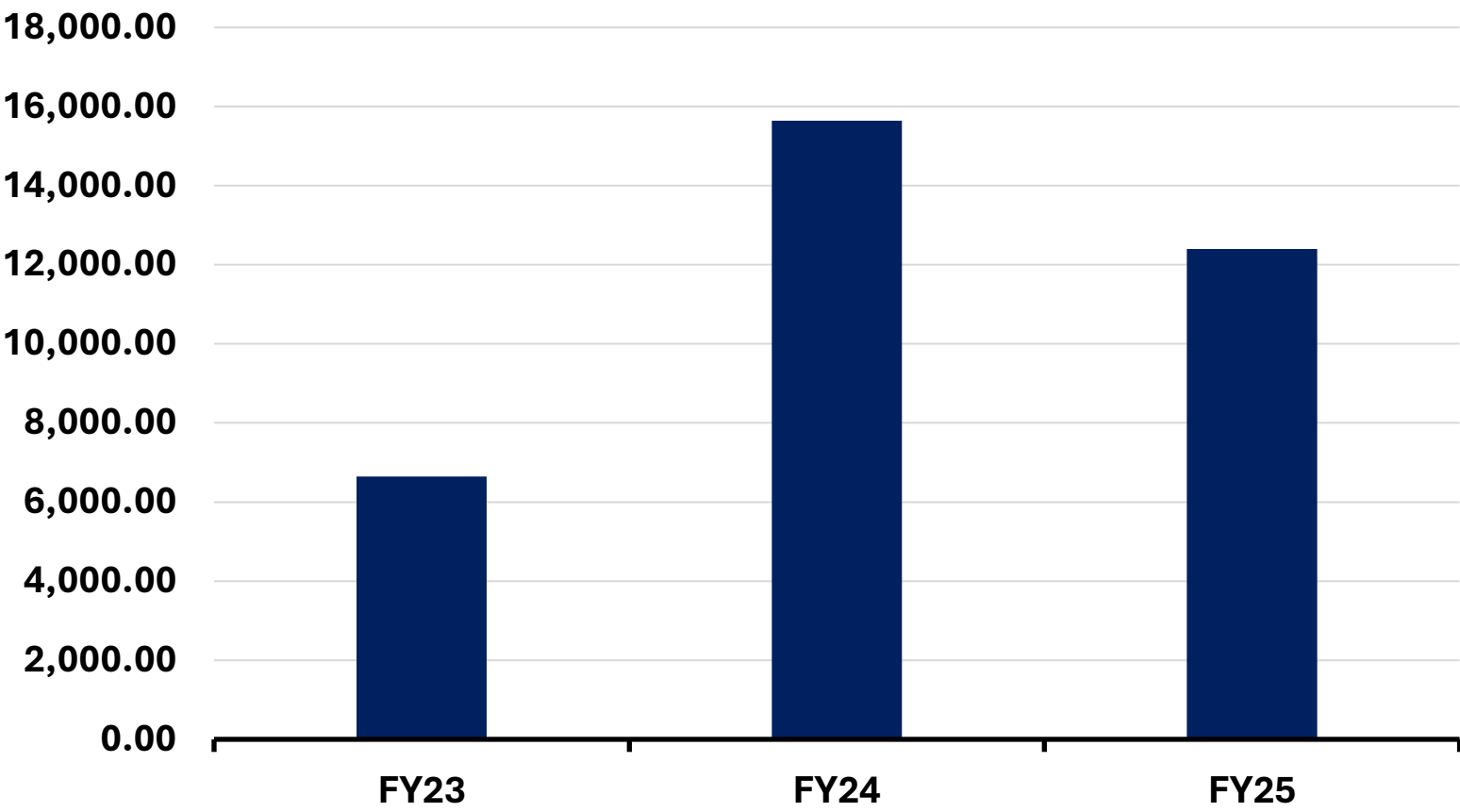
EBITDA



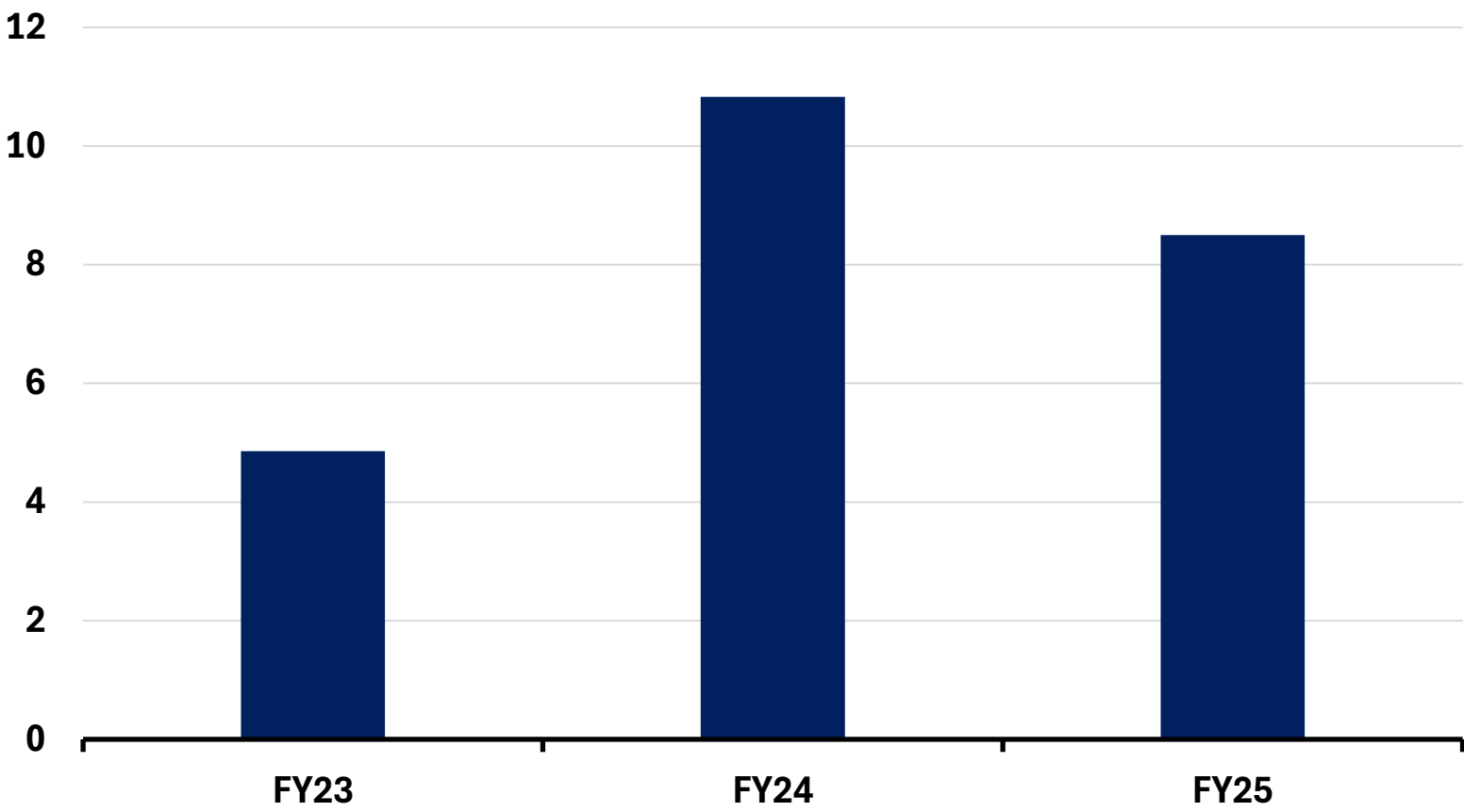
EBITDA Margin%



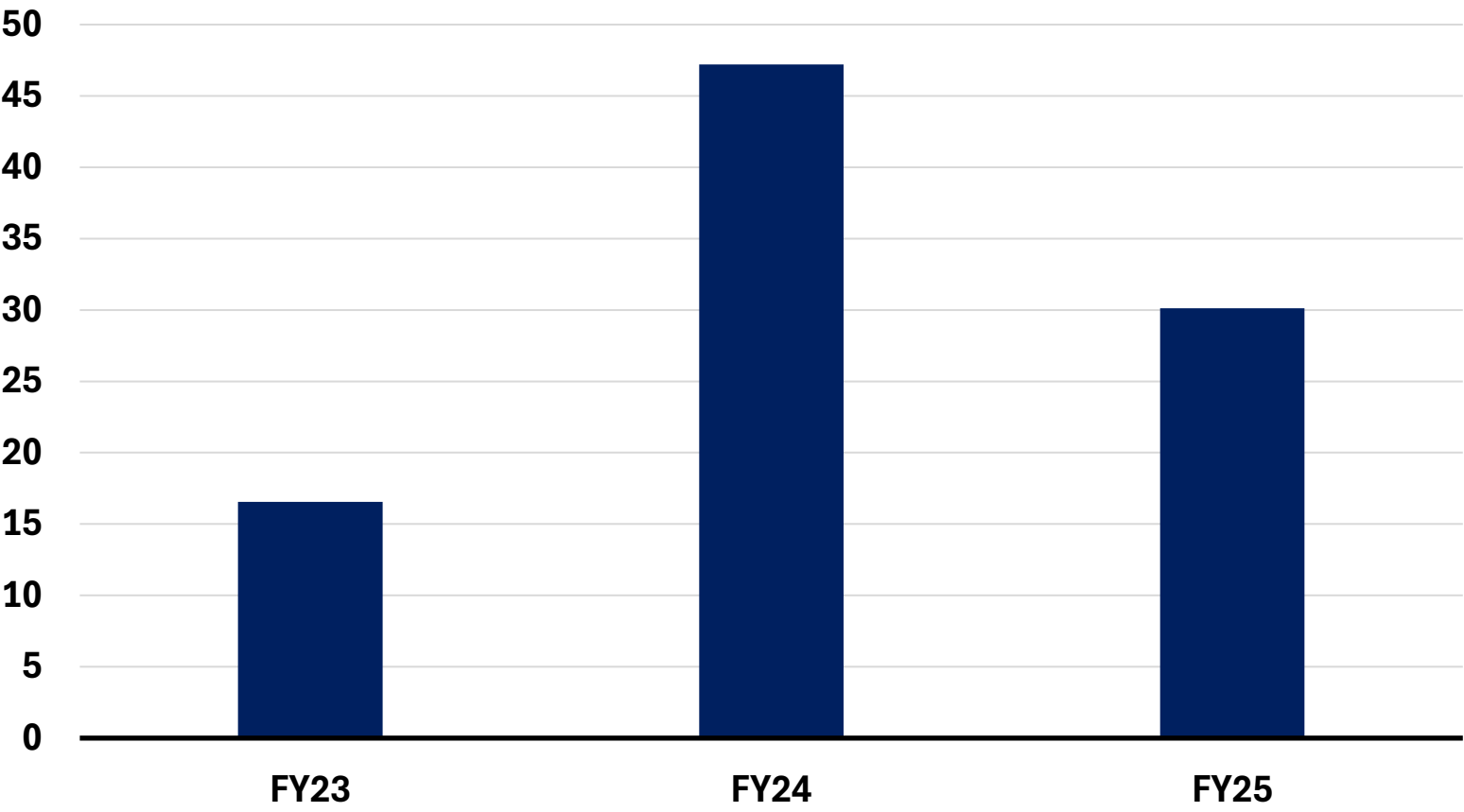
Net Profit



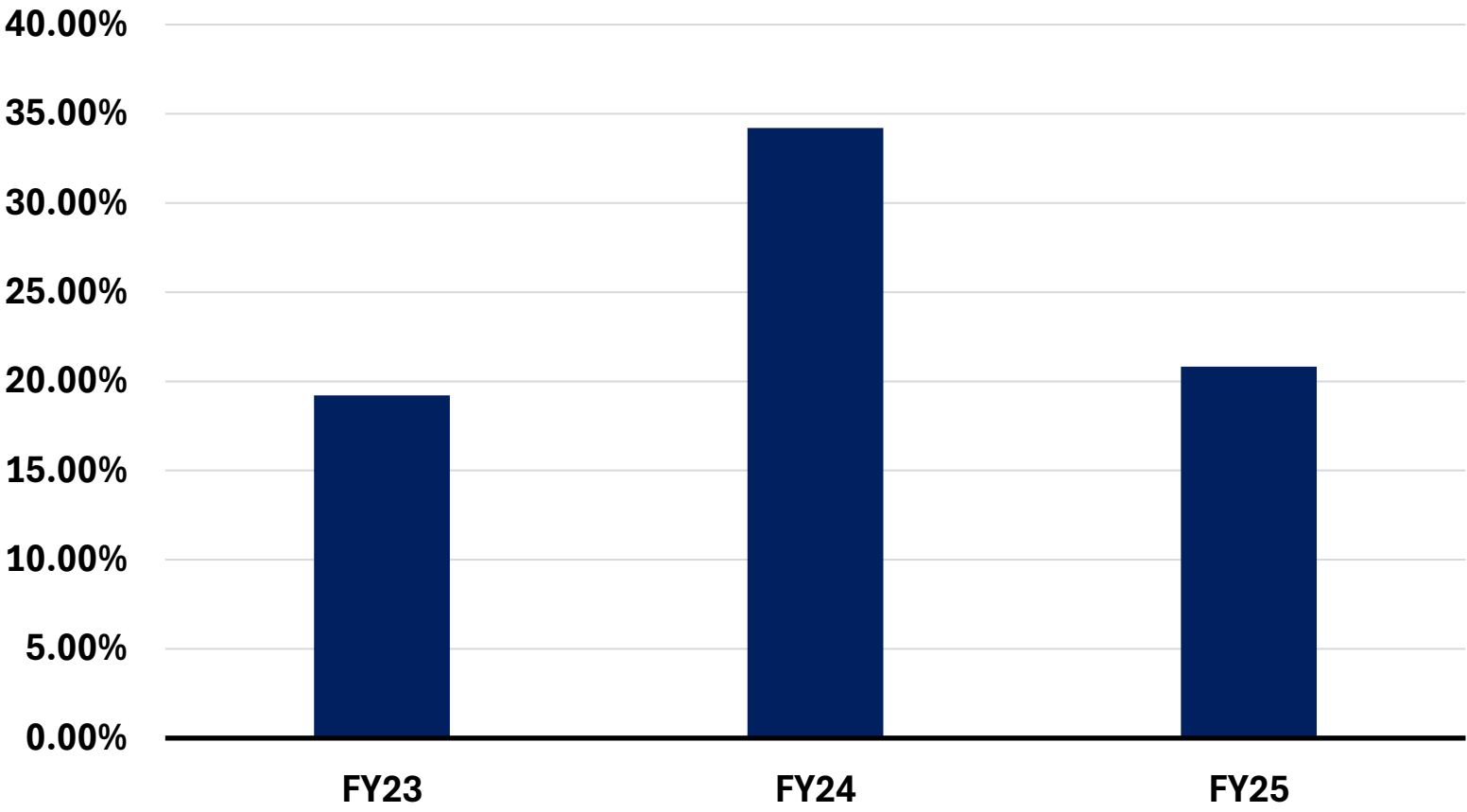
Profit Margin%



ROCE %



Return on Net Worth (%)



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