MC

MAHANADI COALFIELDS LIMITED

Cement / steel / metals | Mainboard

Rs. 129 - 136

19 Nov 2026 - 23 Nov 2026

Lot 110 shares | Allotment 25 Nov 2026 | Listing 27 Nov 2026

Issue size
Rs. 8,981 cr
from a public aggregator, cross-checked against a second

Where the money goes
All offer for sale
no fresh issue: the company receives none of it

WHAT STANDS OUT IN THE OFFER DOCUMENT

LOOK CLOSER There are cases against the promoters or directors.
2 criminal cases against them and 7 regulatory actions naming the company, its promoters or directors. (p.540)

LOOK CLOSER Claims it may have to pay are large next to its own money.
Contingent liabilities equal 59% of its net worth.

THE FIVE QUESTIONS

1. How it makes money

Rs.69 of every Rs.100 of sales comes from its "Power generation (State, Central GENCO and IPPs)" segment. Rs.61 of every Rs.100 comes from Odisha and Andhra Pradesh.

- Its 10 biggest customers bring in Rs.53 of every Rs.100 of sales.

2. Is it growing, and is profit turning into cash?

Sales fell 3% from 31.03.2024 to 31.03.2026 (Rs.31,634 cr to Rs.30,550 cr). Over 3 years it made Rs.33,365 cr of profit and brought in Rs.26,508 cr of cash from operations.

- Profit fell Rs.1,143 cr from 31.03.2024 to 31.03.2026: core business -Rs.1,946 cr, other income Rs.1,394 cr, depreciation -Rs.653 cr, interest -Rs.23.3 cr, tax Rs.85.1 cr.
- Other income made up Rs.23 of every Rs.100 of last year's profit before tax.
- The biggest cost shift: employees went from Rs.14 to Rs.15 of every Rs.100 of sales.

3. How much cushion does it have?

It owes Rs.0.00 for every Rs.1 of its own money. The line for cement / steel / metals is Rs.2.5.

- Operating profit covers interest 158.4 times.
- Cases against the company involve Rs.11,813 cr (55% of its net worth).

4. What you pay, and who gets the money

The IPO raises Rs.8,981 cr in all. All of it goes to existing shareholders selling; the company gets none.

- At Rs.136, the whole company is valued at Rs.90,010 cr.
- You pay Rs.8 for every Rs.1 of last year's profit.
- That is Rs.2.9 for every Rs.1 of last year's sales.

5. Who controls it, and what is on record?

Promoters own 100% before the IPO. Its litigation summary lists, against the company: 49 criminal cases, 52 regulatory actions and 111 tax matters; against its promoters: 2 criminal cases, 6 regulatory actions and 14 tax matters; against its subsidiaries: 1 tax matter (p.37).

- The promoters also run South Eastern Coalfields Limited and Central Coalfields Limited, in the same line of business.

WHAT THE COMPANY DOES

Mahanadi Coalfields Limited is a coal producing company in India, operating primarily in the Talcher and Ib Valley coalfields in Odisha. The company produces various grades of non-coking coal to cater to industrial needs, predominantly for the power sector as well as sponge iron, steel, cement, aluminium, and paper industries.

PROMOTER HOLDING

Promoters hold 100.0% before the issue (p.114). The document we read does not state their holding after it.

ANCHOR INVESTORS

Rs. 2,295.25 cr from 53 anchor investors, 16,87,68,255 shares at Rs. 136 a share. Domestic mutual funds took 53.0% of it.

Anchor investor	Shares	Of book	Amount
LIFE INSURANCE CORPORATION OF INDIA	4,17,64,690	24.75%	Rs. 568.00 cr
NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND	2,99,56,520	17.75%	Rs. 407.41 cr
TATA AIG GENERAL INSURANCE COMPANY LIMITED	1,47,05,900	8.71%	Rs. 200.00 cr
INVESCO INDIA CONTRA FUND .	1,17,64,720	6.97%	Rs. 160.00 cr
NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON POWER & INFRA FUND	68,08,230	4.03%	Rs. 92.59 cr
WHITEOAK CAPITAL MID CAP FUND	55,57,310	3.29%	Rs. 75.58 cr
HDFC TRUSTEE COMPANY LIMITED-HDFC FLEXI CAP FUND	50,00,050	2.96%	Rs. 68.00 cr
SOCIETE GENERALE - ODI	40,44,068	2.40%	Rs. 55.00 cr

And 45 more, on the issue's page. Half of these shares are locked in until 25 Dec 2026 and the rest until 23 Feb 2027. From the company's anchor allocation letter filed with NSE, shown only because every row and total in it adds up. A large anchor book is not a promise of a good listing.

FINANCIALS, RS. CRORE

	31.03.2024	31.03.2025	31.03.2026	30.09.2026 (interim)	2Y CAGR
Revenue	31,634	31,353	30,550	16,093	**-1.7%**
EBITDA	14,681	13,655	12,735	6,449	—
Profit after tax	11,842	10,825	10,698	4,881	**-5.0%**
Net worth	16,120	18,343	21,371	22,400	—
Total debt	6	6	6	5	—

READING THESE NUMBERS AS CEMENT / STEEL / METALS

What actually diagnoses this business: Capacity utilisation - Realisation per tonne - Cost per tonne - Cycle position.

DOES THE PROFIT TURN INTO CASH

	31.03.2025	31.03.2026	30.09.2025 (interim)	30.09.2026 (interim)
Operating cash flow	7,705	12,478	2,435	8,997
Capital expenditure	1,936	2,211	1,254	1,148
Financing	-8,601	-7,651	-2,951	-3,851

Operating cash flow is 117% of profit after tax. Reported earnings are backed by cash.

THE DOCUMENT'S OWN CASE, FOR AND AGAINST

STRENGTHS IT CLAIMS

1. The largest single coal producing company in India, accounting for 21.00% of domestic coal production in Fiscal 2026, with coal reserves sufficient to sustain around 45 years of production at current levels. (p.125)
2. Benefits significantly from the strategic support and vast resources of Coal India Limited, the largest coal producing company in the world. (p.125)
3. Low-cost, mechanised mining operations in strategically located coalfields, supported by integrated coal evacuation infrastructure. (p.125)
4. Favourable rail-led evacuation network that reduces dependence on road transportation, lowers customer logistics costs, and improves reliability and speed of coal evacuation. (p.125)
5. Strong financial performance, with high EBITDA Margin, Operating EBITDA Margin, and PAT Margin among peer coal producers in India for Fiscal 2026. (p.125)

RISKS IT DISCLOSES

1. Revenues are primarily derived from raw non-coking coal, which accounted for 97.38% of sale of products for 6M ended Sept 30, 2026. (p.24)
2. Business is heavily dependent on sales to thermal power sector, representing 69.64% of sale of products in 6M ended Sept 30, 2026. (p.26)
3. Revenue from government-owned power companies contributed 41.68% of revenue from operations in 6M ended Sept 30, 2026. (p.28)
4. Total contingent liabilities represented 55.86% of Net Worth as at September 30, 2026. (p.28)
5. Business depends upon top 10 customers, which accounted for 51.95% of revenue from operations in 6M ended Sept 30, 2026. (p.30)

Both columns are the offer document's own words, not this page's assessment.

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