CAPSTOCKS

Mahanadi Coalfields Ltd IPO

Issue Date: 19 Nov 26– 23 Nov 26 Price Range: ₹129 to ₹ 136 Market Lot: 110 (based on upper band) Face Value: 2	Sector: Coal Location: Sambalpur, Odisha Issue Size: ₹8981

Incorporated in April 1992, Mahanadi Coalfields Limited is India's largest coal producer in terms of production, primarily engaged in the mining and production of non-coking coal. The Company operates mainly in the Talcher and Ib Valley coalfields in Odisha and produces various grades of coal, including washed and beneficiated coal, catering primarily to the power sector as well as industries such as cement, sponge iron, steel, aluminium and paper. The Company is a wholly owned subsidiary of Coal India Limited and was established to enhance coal production and meet India's growing energy requirements. Its operations include a network of opencast and underground mines, supported by coal handling plants, rapid loading systems, silos and coal evacuation infrastructure. As of June 30, 2026, the Company operated 17 mines, including 14 opencast mines and three underground mines.

Mahanadi Coalfields follows a highly mechanised mining model, with extensive deployment of surface miners, enabling efficient coal extraction while reducing the use of explosives, ground vibration, dust and noise. Its predominantly opencast mining operations, mechanisation and strategic location have supported efficient production and cost management. The Company also operates the Ib Valley Coal Washery, which has a capacity of 10 million tonnes per annum and produces washed coal with lower ash content for high-efficiency power stations. Its coal evacuation network is supported by extensive railway connectivity, dedicated coal corridors, roads, rapid loading infrastructure and access to ports on India's eastern coast.

The Company derives a significant portion of its revenue from long-term Fuel Supply Agreements (FSAs) and serves customers across multiple states in India, including major power utilities. It is also focused on research and development, operational efficiency, technological advancement and environmentally sustainable practices, including the installation of solar power projects. As of September 30, 2026, Mahanadi Coalfields had 20,526 permanent employees, comprising executives, workmen, staff and supervisors across mining, engineering, excavation, finance, human resources, environment, marketing and other operational functions.

Competitive Strengths

- Strong financial performance and experienced management and workforce.
- Well-positioned to benefit from India's long-term demand for non-coking coal.
- Large resource base and reserves supporting long-term non-coking coal production.

- Low-cost and highly mechanised mining operations in strategically located coalfields.
- Focus on research, technology, operational efficiency and sustainable mining practices.
- Integrated coal evacuation infrastructure supported by strong rail and port connectivity.
- Extensive deployment of surface miners and predominantly opencast mining operations.
- India's largest coal producer with significant coal reserves and long-term production potential.
- Wholly owned subsidiary of Coal India Limited, benefiting from its strategic support and resources.
- Strong customer relationships with major power utilities and geographically diversified customer base.

Objects of the Issue

- The Mahanadi Coalfields Ltd. IPO is a 100% Offer for Sale (OFS), so the company will not receive any funding and the entire IPO proceeds will go to the selling shareholders.

Mahanadi Coalfields Ltd Financials

Mahanadi Coalfields Ltd.'s revenue increased by 3% and profit after tax (PAT) dropped by 1% between the financial year ending with March 31, 2026 and March 31, 2025.

Amount in ₹ Crore

Period Ended	30-Sep-26	31-Mar-26	31-Mar-25	31-Mar-24
Assets	57711.68	55358.27	53590.53	50687.79
Total Income	17107.83	33899.28	33028.65	33590.34
Profit After Tax	4880.66	10698.12	10825.12	11841.55
EBITDA	7463.98	16084.93	15331.11	16636.91
NET Worth	22399.8	21371.23	18343.49	16119.91
Reserves and Surplus	20945.38	19932.31	16873.51	14700.91
Total Borrowing	2.76	3.16	3.35	3.95

Our Rating: (19 - Good)

Rating Procedure

	Criteria for giving points	Points	Out Off
Business Risk	Lesser risk higher points	3	5
Financial Risk	Lesser risk higher points	3	5
Market Risk	Lesser risk higher points	3	5
Objective of IPO	Growth & expansion gets more points	3	5
Price	Fair price will get more points	7	10
Total		**19**	**30**

A	21 &Above 21	Best to apply
B	18 to 20	Good
C	15 to 17	Average

D	11 to 14	Poor
E	10 & Below 10	Very Poor

Remarks: The issue is fully priced. Investors with medium-to-long-term view and willing to get stable revenue from dividend can subscribe Mahanadi Coalfields Ltd IPO.

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