IPO REVIEW

# Central Mine Planning & Design Institute IPO

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- The company is engaged in providing consultancy and support services for the entire spectrum of coal and mineral explorations and mine planning/design services.
- The company has marked growth in its top lines for the reported periods.
- It enjoys 61% market share in its field and is the most preferred consultant for CIL.
- It’s a dividend paying PSU following the guidelines for handsome rewards to its stakeholders.
- Based on its recent financial data, the IPO appears fully priced.
- Well-informed investors may park funds for medium to long term.

## About the Company

Central Mine Planning & Design Institute Ltd. (CMPDIL) offers consultancy and support services for the entire spectrum of coal and mineral exploration and mine planning and design services. Its services also include infrastructure engineering, environmental management, geomatics, specialized technology services, and management systems, primarily for the coal industry as well as for other minerals.

It is one of the largest coals and mineral consultancy companies in India in terms 61.0% of market share in Fiscal 2025 and are the preferred consultant for Coal India Limited. (Source: CRISIL Report) Its services span the entire lifecycle of mining operations, ranging from initial exploration to closure of mines. CMPDIL was incorporated on November 1, 1975 as a wholly owned subsidiary of Coal India Limited. It was conferred the status of Mini Ratna (Category II) company in 2009 and were further upgraded to the status of Mini Ratna (Category I) company in 2019. With almost five decades of experience and having published over 320 project reports in the last decade, it has continuously adapted to the changing landscape of the industry, integrating advanced technologies and practices that enhance operational efficiency and safety.

The company has evolved as a pioneer in introducing new and suitable technology in the exploration and mining sectors. (Source: CRISIL Report). The company assists the Ministry of Coal in strategic decisions and initiatives relating to coal-sector at the national level, for instance, through maintaining inventories of coal deposits, coal mining potentials and operations. It also assists Ministry of Petroleum and Natural Gas (“MoP&NG”) for matters related to coalbed methane (“CBM”). CMPDIL functions as the nodal agency on behalf of Government of India (“GoI”) for schemes funded by the Ministry of Coal including science and technology projects, exploration work in non-Coal India Limited blocks and for projects funded by Coal India Limited Research and Development (“R&D”) Board.

It acts as the implementing agency for coal based non-conventional energy resources, including CBM. It serves as the liaison between Ministry of Coal, Coal India Limited, and coal producing companies on technical and operational matters. The company also acts as the in-house consultant and advisor for other coal-producing companies within the Coal India Limited group.

The company also offers a variety of other services including training programs to enhance industrial skills of clients. Its human resource development initiatives focus on continuous learning and professional growth. In addition, it provides management system consultancy for various standards, including ISO 9001, with licensing from the Bureau of Indian Standards. It also offers specialized consultancy that includes degree of gassiness studies in mines, mine air analysis, CBM / Coal Mine Methane (“CMM”) specific studies, ventilation and gas surveys, controlled blasting, performance evaluation of explosives, mining electronics, mine capacity assessment, and nondestructive testing. Additionally, the company develops applications and portals for Coal India Limited and the Ministry of

Coal, enhancing operational efficiency and data management. It specializes in providing complete renewable energy solutions, including the design, supply, installation, commissioning, and testing of grid-connected solar power systems. In addition, it offers ongoing operation and maintenance services to ensure optimal performance and reliability. It also provides contract management services that are designed to ensure seamless execution of mining projects and its comprehensive project management solutions include contract administration, procurement, and logistics support.

As of December 31, 2025, it operated a network of eight well-equipped laboratories located across various coalfields, which are also staffed by a dedicated team with technical experience in coal testing. Its laboratories are dedicated to monitoring air, soil, water, and noise parameters, ensuring that its operations meet the highest environmental standards. Its laboratories are equipped to offer comprehensive testing facilities for both bore core coal samples and run-of-mine coal samples, covering both coking and non-coking coal. Additionally, it has specialized laboratories for various purposes, such as a CBM laboratory equipped with a gas chromatograph instrument, an environment laboratory with ion chromatography capabilities, and a chemical laboratory with an ash furnace.

These facilities enable it to conduct comprehensive research and analysis to support its projects. The company also leverage its laboratories for conducting research in critical areas pertinent to the coal and lignite mining industries. Its exploration division consists of chemical laboratory, petrography laboratory and geophysical laboratory, which play a crucial role in the analysis of geological samples and the assessment of mineral compositions.

It is recognized as an in-house R&D unit by the Department of Scientific and Industrial Research. As the nodal agency for coordinating R&D programs in the coal sector, it assists the Technical Sub-committee of the Standing Scientific Research Committee of the Ministry of Coal, the R&D Board of Coal India Limited and the Apex Committee of the R&D Board of Coal India Limited. CMPDIL’s R&D activities covers a wide range of areas, including methodologies for improvement of the production and productivity of both underground and open-cast mining. It focuses on improving safety, health,

and environmental standards, as well as converting waste to wealth. Its research also focusses on alternative uses of coal and clean coal technologies, coal beneficiation and utilization, and innovative exploration techniques. As of December 31, 2025, it had 2657 employees on its payroll, and additional force of 1599 contract labourers.

## Issue Details / Capital History

The company is coming out with its maiden book building route secondary (OFS) IPO of 107100000 equity shares of Rs. 2 each worth Rs. 1842.12 cr. at the upper cap. The company has announced a price band of Rs. 163 – Rs. 172 per equity shares of Rs. 2 each. The issue opens for subscription on March 20, 2026, and will close on March 24, 2026. The minimum application to be made is for 80 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 15% of the post-IPO paid-up equity capital. This being a secondary issue, no funds are going to the company. The issue is being made to provide partial exit to the promoter group and for unlocking the listing benefits.

The company has reserved 5355000 equity shares worth Rs. 92.11 cr. at the upper cap for its eligible employees and offering them a discount of Rs. 8.00 per share. It has also reserved 10710000 equity shares worth Rs. 184.21 cr. for the shareholders of Coal India Ltd. (parent company). From the rest, it has allocated not more than 50% for QIBs, not less than 15% for HNIs and not less than 35% for Retail investors.

The joint Book Running Lead Managers (BRLMs) to this issue are IDBI Capital Markets & Securities Ltd., and SBI Capital Markets Ltd., while KFin Technologies Ltd., is the registrar to the issue. Investec Capital Services (India) Pvt. Ltd., and SBICAP Securities Ltd. are the syndicate members.

The company has issued entire initial equity shares at par value, the company has also issued bonus shares in the ratio of 1 for 1 in March 2018, and 11 for 4 in October 2020. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 0.30 per share.

Post-IPO, its current paid-up equity capital of Rs. 142.80 cr. will remain same as this is pure secondary issue. Based on the upper cap of the IPO price band; the company is looking for a market cap of Rs. 12280.80 cr.

## Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 1398.78 cr. / Rs. 296.66 cr. (FY23), Rs. 1770.18 cr. / Rs. 503.23 cr. (FY24), and Rs. 2177.53 cr. / Rs. 666.91 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it earned a net profit of Rs. 425.36 cr. on a total income of Rs. 1543.93 cr. There appears to be pressure on margins from FY25 onwards.

For the last three fiscals, the company has posted an average EPS of Rs. 7.70 and an average RoNW of 34.8 %. The issue is priced at a P/BV of 5.70 based on its NAV of Rs. 30.20 as of December 31,

2025, as well as on post-IPO basis.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 21.66. Based on FY25 earnings, the P/E stands at 18.42. Thus, the issue appears fully priced.

For the reported periods, the company has posted PAT margins of 21.2% (FY23), 28.4% (FY24), 30.6% (FY25), 27.6% (9M-FY26), and RoCE margins of 33.2%, 52.2%, 48.6%, 27.1% respectively, for reported periods.

According to the management, they enjoy virtual monopoly in the segment and historically they have better performance in the final quarter with year end adjustments. They are confident of maintaining the trends presented so far, and their asset light model is well set to explore many other opportunities going forward. The company has been a dividend paying company and will continue to pay good dividends in the coming years.

## Dividend Policy

The company has paid dividends of 30% (FY23 & FY24), 45% (FY25) and 52.9% (FY26). It has already adopted a dividend policy in March 2025, based on its financial performance and future prospects.

## Comparison with Listed Peers

As per the offer document, the company has shown Engineers India Ltd., and RITES Ltd., as its listed peers. They are currently trading at a P/E of 13.7 and 22.3 (as of March 17, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

## Merchant Banker's Track Record

The two BRLMs associated with this issue has handled 46 issues in the last three fiscals (including the ongoing one), out of which 14 issues closed below the issue price on listing date.

### Conclusion / Investment Strategy

CMPDIL is engaged in providing consultancy and support services for the entire spectrum of coal and mineral explorations and mine planning/design services. The company has marked growth in its top lines for the reported periods. It enjoys 61% market share in its field and is the most preferred consultant for CIL. It’s a dividend paying PSU following the guidelines for handsome rewards to its stakeholders. Based on its recent financial data, the IPO appears fully priced. Well-informed investors may park funds for medium to long term

## About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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