Central Mine Planning and Design Institute - IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
20 March 2026	24 March 2026	₹163 to ₹172	Subscribe

Investment Summary

CMPDI is a Mini Ratna (Category I) PSU and a wholly owned subsidiary of Coal India, serving as India's leading mining consultancy with end-to-end capabilities across exploration, mine planning, environmental services and engineering. It operates an asset-light, knowledge-driven model with strong dependence on Coal India and government projects, ensuring stable revenues and high visibility. The company holds a dominant ~61% market share and plays a strategic role as the technical and R&D arm for the Ministry of Coal. Financially, it has delivered robust growth (23.2% revenue CAGR FY23–FY25) with zero debt and high margins (EBITDA ~42%, PAT ~31%). Its employee-centric cost structure supports operating leverage and strong cash flows. CMPDI is also investing in advanced R&D and expanding into critical minerals like lithium and clean energy segments.

Company Overview

Central Mine Planning & Design Institute Limited (CMPDI) is a Mini Ratna (Category I) public sector enterprise and a wholly owned subsidiary of Coal India Limited. Incorporated in 1975 and headquartered in Ranchi, the company is India's leading mining consultancy organization**,** with core expertise in coal and mineral resource development. The company operates through a pan-India network of regional institutes and exploration camps, catering primarily to government agencies, PSUs and domestic mining companies**,** while also executing select international assignments. It plays a critical institutional role as the principal technical advisor to Coal India and contributes to national level initiatives in resource evaluation and mining policy support. CMPDI provides integrated, end-to-end services across the mining value chain, including exploration and geological modeling, mine planning and design (open-cast and underground), environmental impact assessment and regulatory support and Infrastructure engineering and advanced geomatics It also plays a strategic institutional role**,** acting as key technical advisor to Coal India, R&D arm for the Ministry of Coal and contributor to national mineral resource planning

Business Model

Central Mine Planning & Design Institute Limited (CMPDI) operates a fee-based, technical consultancy model, generating revenue by providing specialised services across the mining value chain, including exploration, mine planning, environmental studies and engineering consultancy. Projects are typically awarded on a nomination basis**,** contractual or especially from group companies .A substantial portion of its revenue is derived from Coal India Limited and its subsidiaries, ensuring stable order inflows and strong revenue visibility, while additional projects are undertaken for government agencies and other mining entities.

The company's operations are execution driven through in-house technical expertise, with a workforce comprising geologists, mining engineers and environmental specialists, resulting in an employee centric cost structure where manpower costs form the primary expense. Unlike asset heavy mining companies, CMPDI requires limited capital expenditure**,** as its services are knowledge based rather than infrastructure driven. This asset light structure allows for high operating leverage, enabling the company to scale revenues through increased project volumes, expansion into new mineral segments and higher value advisory services, while maintaining strong margins and consistent cash flow generation.

Industry Outlook

The Indian mining sector offers stable demand visibility with moderate growth, supported by structural drivers in coal and broader mineral consumption. India's coal demand is expected to grow at 5–6% CAGR, with domestic production targeted to reach 1.5–1.6 billion tonnes by 2030, driven by rising power demand and government focus on import substitution. Coal continues to account for 70% of India's electricity generation, ensuring sustained mining activity and, in turn, steady demand for mine planning, exploration and consultancy services. The sector is also benefiting from policy reforms, with over 100+ coal blocks auctioned for commercial mining and increasing participation from private players, expanding the addressable market beyond PSUs. Additionally, the government has identified 30+ critical minerals and is actively pushing exploration, creating new opportunities for specialised consultancy services in non-coal segments. From a near-term perspective, overall mining sector growth is expected at 3–5% in FY26, impacted by execution timelines and regulatory processes, while long-term growth remains stronger due to infrastructure-led demand. Additionally, technology adoption,such as automation, GIS mapping and data-driven exploration is improving efficiency and creating demand for specialised technical expertise The Indian mining and metals market is projected to grow to $35–40 billion by 2030, supported by industrialisation and energy needs. However, ESG and regulatory factors remain key constraints, with environmental clearances often leading to project delays. Over the long term, while renewable energy penetration is increasing, coal is expected to remain a dominant energy source over the next decade, ensuring continued relevance of mining consultancy services. Overall, the industry provides a steady growth runway for CMPDI, supported by strong coal-linked demand, policy-driven expansion and increasing exploration activity, with growth expected to remain moderate but predictable.

Investment Rationale

Strategic Institutional Positioning:
CMPDI's role extends well beyond that of a conventional consultancy; it is structurally embedded within India's coal ecosystem as the principal technical advisor to Coal India and a key knowledge partner to the Ministry of Coal. Its responsibilities—ranging from maintaining national inventories of coal resources to supporting policy formulation and sectoral planning—place it at the center of decision-making in the coal industry. Additionally, its function as a nodal agency for government-funded schemes and R&D initiatives further reinforces its institutional importance, making it an indispensable entity in the country's energy and mining framework.

Strong Parentage and Revenue Visibility:
As a wholly owned subsidiary of Coal India, CMPDI benefits from a highly stable and predictable business model. A significant portion of its projects are awarded through nomination or long-standing relationships within the group, ensuring consistent order inflows without the uncertainty of competitive bidding. This parentage not only provides revenue visibility but also insulates the company from sharp demand fluctuations, enabling it to maintain steady growth and profitability across cycles.

Integrated End-to-End Service Offering:
CMPDI's ability to provide comprehensive, end-to-end solutions across the mining lifecycle distinguishes it from fragmented consultancy players. From early-stage exploration and geological modeling to mine planning, environmental clearances and eventual mine closure, the company operates as a single-point solution provider. This integrated approach enhances execution efficiency, reduces dependency on multiple vendors for clients and strengthens long-term relationships, thereby improving both client retention and pricing power.

Growth from Critical Minerals and Energy Transition:
While coal remains its core domain, CMPDI is proactively aligning itself with the evolving global energy landscape by expanding into critical minerals such as lithium, cobalt and nickel. These minerals are essential for clean energy technologies, including electric vehicles and battery storage and are increasingly becoming a strategic priority for India. By leveraging its existing expertise in exploration and mining consultancy, CMPDI is well positioned to capture emerging opportunities in both domestic and international markets, creating a credible pathway for long-term diversification and growth beyond coal.

Key Risks

High Customer Concentration and Parent Dependence:
CMPDI's revenue profile remains heavily concentrated, with a dominant share contributed by a limited set of clients, particularly Coal India and its subsidiaries. This creates structural dependence, where any reduction in orders, strategic shifts, or financial stress at the parent level can directly impact CMPDI's revenues. The limited diversification in its client mix also heightens vulnerability to client-specific risks.

Dependence on Government Funding and Policy Environment:
A meaningful portion of CMPDI's project pipeline is linked to government-funded schemes such as CSS and NMET, making its growth contingent on budgetary allocations and policy priorities. Any delays in approvals, funding cuts, or shifts in the government's stance on coal and mining could disrupt project execution and future order inflows.

Operational and Business Concentration Risks:
The company's reliance on specific service segments, particularly geological exploration, along with dependence on a limited vendor base for field operations, introduces operational concentration risks. Additionally, its manpower-intensive model exposes it to wage inflation, labor disruptions and execution challenges, which could impact margins and project timelines.

Contingent Liabilities and Financial Exposure:
CMPDI carries notable contingent liabilities, which, if materialized, could affect its profitability and financial position. While currently off-balance sheet in nature, these obligations represent potential risks that may translate into cash outflows, thereby impacting overall financial stability.

Business Vertical Wise Revenue from Operations

Particulars	FY23		FY24		FY25	
	In Cr	%	In Cr	%	In Cr	%
Geological Exploration and Resource Evaluation(A)	544.94	39.30%	668.70	38.60%	970.84	46.20%
Mine Planning and Design Services (B)	363.06	26.20%	475.03	27.40%	445.28	21.20%
Environmental Services (C)	275.43	19.90%	305.13	17.60%	359.70	17.10%
Geomatics and Surveys Services (D)	202.66	14.60%	283.83	16.40%	326.94	15.50%
Revenue from operations	**1,386.09**	**100%**	**1,732.69**	**100%**	**2,102.76**	**100%**

Financial Snapshot

(In Cr)

Metric	FY23	FY24	FY25
Revenue (₹ Cr)	1,386.09	1,732.69	2,102.76
EBITDA (₹ Cr)	395.65	764.44	915.71
Net Profit (₹ Cr)	296.66	503.23	666.91
EBITDA Margin (%)	28.54%	44.11%	43.54%
PAT Margin (%)	21.40%	29.04%	31.71%
EPS (Basic) (₹)	4.15	7.04	9.34

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Central Mine Planning and Design Institute
IPO Structure	Offer for Sale
Issue Size	Offer for sale: 10,71,00,000 shares (agg. up to ₹1,842 Cr)
Price Band	₹163 to ₹172 per share
Face Value	₹2 per share
Post-Issue Market Cap	₹12,280.80 Cr.
Promoter Holding (Pre/Post)	100%/85%
IPO Opening Date	March 20, 2026
IPO Closing Date	March 24, 2026
Listing	BSE & NSE
Book Running Lead Managers	• IDBI Capital Makets Services Ltd. • SBI Capital Markets Ltd.

Valuation and Recommendation

At the upper end of the price band of **₹172** per share, Central Mine Planning and Design Institute is valued at **18.41x P/E**, implying a post-issue **market capitalisation of ₹12,280.80 crore**. This represents a more conservative valuation comparable to PSU consultancy peers such as Engineers India Limited and RITES Limited, which typically trade at higher multiples, despite CMPDI's superior margins and return ratios. The company holds a dominant **61.0% market share in India's coal and mineral consultancy sector** as of FY 2025 and reports the highest Operating EBITDA margin (40.0%) and PAT margin (31.0%) among its benchmarked peers. The company's 67% revenue dependence on Coal India Limited provides strong earnings visibility, while its asset-light model and zero-debt balance sheet support consistent cash flows. However, the 100% OFS nature of the issue**,** 95–98% government client exposure and concentration in the coal sector may limit near-term re-rating potential. Overall, we recommend **Subscribe** for long term stance**,** given its reasonable valuation, strong return profile and stable business model**,** while expecting moderate listing gains and steady compounding over the medium term**.**

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