

Rating: Neutral

Issue Offer

Total issue size: INR 18,421 Mn (107.1 Mn shares) - OFS of INR 18,421 Mn (107.1 Mn shares).

Issue Summary

Price Band (INR)	163-172
Face Value (INR)	2
Implied Market Cap (INR mn)	1,22,808
Market Lot	80
Issue Opens on	20 March, 2026
Issue Close on	24 March, 2026
No. of share pre-issue	71,40,00,000
No. of share post issue	71,40,00,000
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Book Running Lead Managers

IDBI Capital Markets & Securities Limited
SBI Capital Markets Limited

Registrar

KFin Technologies Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	100%	85%
Public & Others	0%	15%

Objects of the Offer

Exp. Amt
(INR Mn.)

The company will not receive any proceeds from the Offer.

Incorporated in 1974, Central Mine Planning & Design Institute Limited (CMPDI) offers consultancy and support services across the entire spectrum of coal and mineral exploration and mine planning and design. The company's services also include infrastructure engineering, environmental management, specialized technology services, and management systems, primarily for the coal industry and other minerals. They are one of the largest coal and mineral consultancy companies in India, with a market share of 61.0% in Fiscal 2025, and are the preferred consultant for Coal India Limited. The company operates in four verticals- Geological Exploration and Resource Evaluation (accounts for 46.2 % of revenue as of FY25), Mine Planning and Design Services, Environmental Planning and Monitoring Services, Geomatics, Remote Sensing and Survey Services.

Investment Rationale:

Market Dominance with High Concentration Risk: The company holds a commanding 61% market share in the Indian coal and mineral consultancy sector and serves as the primary technical partner for Coal India Limited (CIL). While this provides a steady and predictable revenue stream, over 67% of its revenue is derived from this single client. The stability of the order book is therefore inherently tied to CIL's capital expenditure and procurement policies rather than broad market dynamics.

Near-Term Growth Aligned with National Targets vs. Energy Transition: The company is well-positioned to benefit from India's target to increase raw coal production to 1.5 billion tonnes by 2030, which requires massive exploration and design support. Conversely, the global and domestic shift toward renewable energy acts as a structural ceiling for its core business. Until its newer ventures into "Critical Minerals" and solar energy consultancy contribute a significant portion of total revenue, its valuation remains sensitive to long-term decarbonisation headwinds.

Capital-Light Financials vs. Historic Payout Patterns: The business operates an efficient, consultancy-driven model that consistently generates healthy margins and positive cash flows without requiring heavy machinery investment. However, as a wholly-owned subsidiary of a PSU, the company has historically used its cash reserves for high dividend payouts and buybacks to the promoter. Future growth depends on whether listing will shift this focus from dividend distribution toward aggressive reinvestment in non-coal mineral sectors.

Valuation & Outlook: In the medium term, the company is well-positioned to benefit from India's mandate to enhance energy security through increased domestic coal production and the auctioning of commercial mineral blocks. Its transition toward a "one-stop-shop" consultancy for both coal and non-coal minerals, combined with a capital-light business model, provides a stable foundation for steady cash flow generation. However, this growth potential is balanced by a heavy structural dependence on its parent entity and the overarching long-term risks associated with the global energy transition. **At the upper band of INR 172, the issue is valued at a P/E ratio of 21.65x, based on annualized PAT of FY26 EPS of INR 7.94. We are recommending a "Neutral" rating for this issue.**

Financial Summary:

Particulars (INR Mn)	FY23	FY24	FY25	9MFY26
Revenue	13,988	17,701	21,775	15,439
<i>Growth (% YoY)</i>		26.5%	23.0%	
EBITDA	3,957	7644	9,157	5,939
<i>Margins</i>	28.3%	43.2%	42.1%	38.5%
PAT	2,967	5,032	6,669	4,254
<i>Margins</i>	21.2%	28.4%	30.6%	27.6%

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Stock Rating Scale

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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