

Recommendation	SUBSCRIBE	
Price Band	Rs 163-172	
Bidding Date	20 Mar-24 Mar 26	
Book Running Lead Manager	IDBI Cap, SBI Caps	
Registrar	KFin Technologies Ltd	
Sector	Consultancy	
<b>Minimum Retail Application- Detail At Cut off Price</b>		
Number of Shares	80	
Minimum Application Money	Rs. 13760	
Payment Mode	ASBA	
Financials (Rs Cr)	FY24	FY25
Total Income	1,733	2,103
EBITDA	727	841
PAT for the year	503	667
Valuations (FY25)	Upper Band	
Market Cap (Rs Cr)	12,281	
Adj EPS	9	
PE	18	
EV/ EBITDA	13	
Enterprise Value(Rs Cr)	11201	
<b>Post Issue Shareholding Pattern</b>		
Promoters	85%	
Public/Other	15%	
<b>Offer structure for different categories</b>		
QIB	50%	
Non-Institutional	15%	
Retail	35%	
Post Issue Equity (cr)	142.8	
Issue Size (Rs in cr)	1842	
Face Value (Rs)	2	

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## BACKGROUND

Central Mine Planning & Design Institute Limited (CMPDIL) is a government-owned mining consultancy and a subsidiary of Coal India Limited, providing end-to-end services across the mining lifecycle, including exploration, mine planning, environmental, and geospatial solutions. It plays a key role in India's coal sector by supporting mine development and maintaining geological data, while gradually expanding into non-coal minerals and advanced technologies, with revenue primarily driven by consultancy-based projects.

### Details of the Issue:

The public issue consists of Offer for Sale aggregating up to Rs. 1842 Cr

### Investment Rationale:

- Integrated Mining Consultancy & Engineering Services Platform
- Long-Standing Partner to Coal India Limited with a Growing and Diversified Client Mix
- Strong Exploration Execution Capabilities Backed by Advanced Infrastructure

### Valuation and Recommendation:

CMPDIL is strengthening its core coal consultancy business while diversifying into non-coal minerals, renewable energy, and Coal Bed Methane (CBM), supported by digital and international expansion. The company has delivered strong growth of 23% CAGR with improving margins (EBITDA 40%, PAT 32%) and robust return ratios (ROE 33%, ROCE 43%), backed by a debt-free balance sheet. While working capital remains elevated and dependence on Coal India Limited persists, the valuation at ~18.4x FY25 P/E appears reasonable versus peer average of 21x. Overall, it is a high-quality, cash-generating PSU consultancy with improving growth visibility, and we recommend a **Subscribe** for long-term investors.

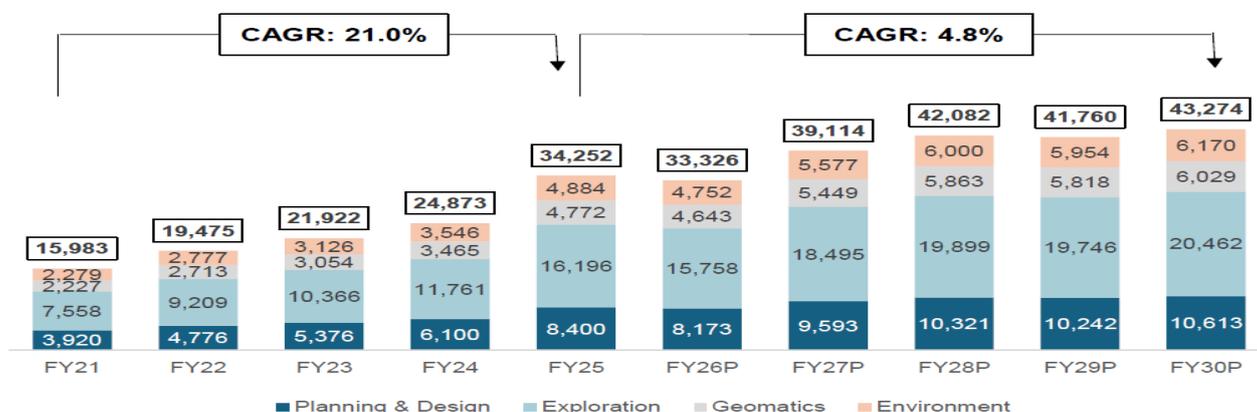
Financials	FY23	FY24	FY25	9M FY26
Net Revenues	1,386	1,733	2,103	1,490
Growth (%)	15%	25%	21%	9%
EBITDA	383	727	841	540
EBITDA Margin (%)	27.6%	42.0%	40.0%	36.2%
PBT	367	733	882	569
Adjusted PAT	297	503	667	425
EPS	4.15	7.0	9.3	5.96
ROCE	30.1%	46.0%	43.2%	35.2%
EV/Sales	8.1	6.5	5.3	6
P/E Ratio	41.4x	24.4x	18.4x	21.7x
EV/EBITDA	29.2x	15.4x	13.3x	15.6x

Source: Company data, NBRR

**Industry Overview and Company Background**

The Indian mining consulting services industry provides end-to-end technical and advisory services across the mining lifecycle, including exploration, geological assessment, mine planning and design, environmental clearances, and digital/geospatial solutions. The industry is closely linked to government policies and mineral demand, with strong dependence on coal due to India’s energy needs, but is gradually expanding toward non-coal and critical minerals such as bauxite, lignite, and rare earths. It is characterized by high entry barriers due to the need for technical expertise, specialized equipment (like drilling rigs), and access to geological data, with players ranging from government-backed entities like CMPDIL to private and global consultants. Growth is supported by increasing focus on domestic resource security, commercial mining, and infrastructure development, while rising environmental regulations and adoption of advanced technologies (GIS, remote sensing, data analytics) are reshaping service offerings and improving efficiency.

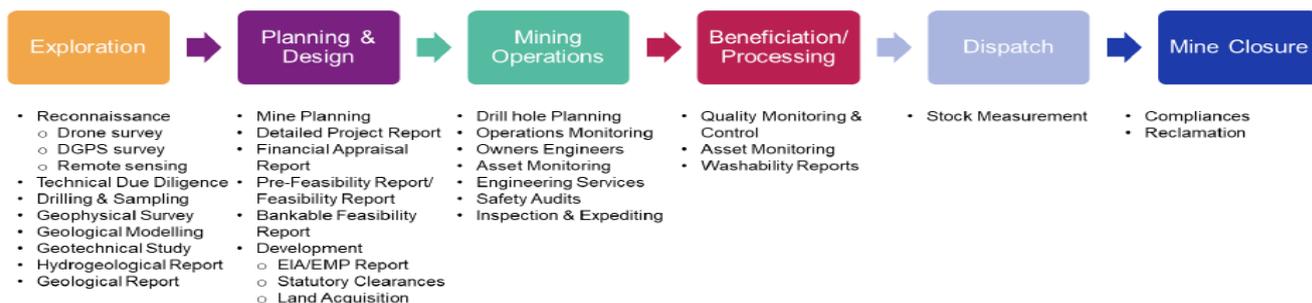
**Estimated sector wise market for mining consultancy (₹ million)**



Source: Company Data, NBRR

CMPDIL is a leading government-owned mining consultancy and engineering services company, and a subsidiary of Coal India Limited, primarily engaged in providing end-to-end technical solutions across the mining lifecycle. The company offers services such as geological exploration, resource estimation, mine planning and design, environmental consultancy, and geospatial (geomatics) solutions, acting as the technical backbone for coal and other mineral projects in India. CMPDIL plays a critical role in supporting India’s coal sector by maintaining geological data, assisting in mine development, and enabling regulatory approvals, while also gradually expanding into non-coal minerals and advanced technologies like remote sensing and data analytics. With a dominant position in coal mining consultancy and long-standing relationships with government and mining clients, CMPDIL operates through a network of regional institutes and derives the majority of its revenue from consultancy and service-based contracts.

**Value chain of mining process showing scope of consultancy services**



Source: Company Data, NBRR

## Investment Rationale

- Integrated Mining Consultancy & Engineering Services Platform**

The company is a multidisciplinary mining consultancy providing end-to-end services across the mining lifecycle, including exploration, mine planning, environmental, geomatics, and mine closure solutions. As a subsidiary of Coal India Limited, it plays a key role in supporting India's energy sector, where coal demand remains strong. The company benefits from its position as the custodian of India's coal and lignite data. Leveraging its strong relationships with government utilities and its technical expertise, CMPDIL delivers holistic, efficient, and risk-mitigated mining solutions, while also expanding into non-coal mineral exploration (such as bauxite, copper, and zinc) through initiatives supported by the National Mineral Exploration and Development Trust (NMEDT), reinforcing its role in the sustainable development of India's mineral resources.

Particulars	Percentage of revenue from operations		
	FY25	FY24	FY23
Geological Exploration and Resource Evaluation	46%	39%	39%
Mine Planning and Design Services	21%	27%	26%
Environment Services	17%	18%	20%
Geomatics and Survey services	16%	16%	15%

Source: Company Data, NBRR

- Long-Standing Partner to Coal India Limited with a Growing and Diversified Client Mix**

CMPDIL provides a wide range of consultancy services to Coal India Ltd and its subsidiaries across domains such as coal exploration, mine planning and design, environmental services, beneficiation, engineering, ICT, and remote sensing, while also serving a diversified and growing client base across government bodies, PSUs, and private sector players. The company has steadily expanded its clientele from 38 clients in FY23 to 76 clients as of Dec 25, reflecting increasing diversification beyond its core Coal India dependency, with strong repeat business from key clients. This diversification has translated into rising external revenues from non-Coal India clients in FY25, highlighting CMPDIL's strengthening position as a leading mining consultancy across India's coal and broader mineral sector.

Particulars	Percentage of revenue from operations		
	FY25	FY24	FY23
Revenue from Coal India	67%	80%	83%
Revenue from others	33%	20%	17%

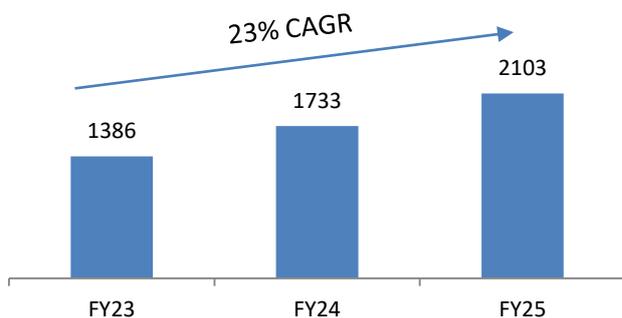
- Strong Exploration Execution Capabilities Backed by Advanced Infrastructure**

The company has built strong expertise in executing complex exploration projects over nearly five decades, having delivered 700+ geological reports in the past decade and 300+ hydrogeological studies since 2021 for the mining sector. The company has also expanded its footprint globally with projects such as the Benga Coal Project and Zambeze coking coal project in Mozambique, demonstrating international capabilities. CMPDIL supports its project execution with advanced infrastructure and technical capabilities, including one of the largest fleets of exploratory drilling equipment in India, along with sophisticated tools such as geophysical loggers, seismographs, GPR systems, and specialized modelling software like Minex, Vulcan, and ArcGIS for accurate resource evaluation. Its capabilities are further strengthened by well-equipped chemical and petrography laboratories, NABL-accredited testing facilities, and strong R&D support, enabling high-quality environmental and mineral analysis. The company operates through a network of strategically located regional institutes across key mining regions, ensuring

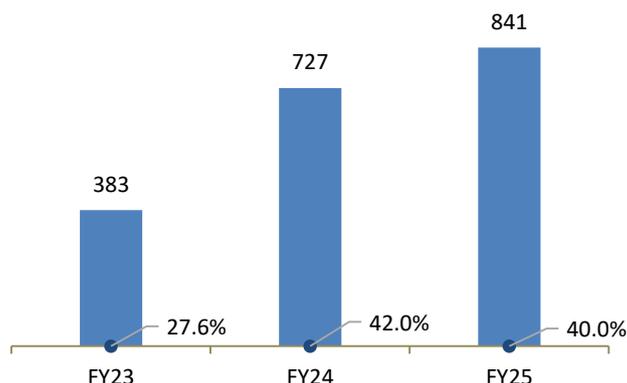
operational efficiency and responsiveness, while its multiple certifications (ISO, NABET, CGWA accreditations) and role as the custodian of India’s coal and lignite data reinforce its position as a leading, technology-driven mining consultancy provider.

## Financial Performance

### Topline Performance

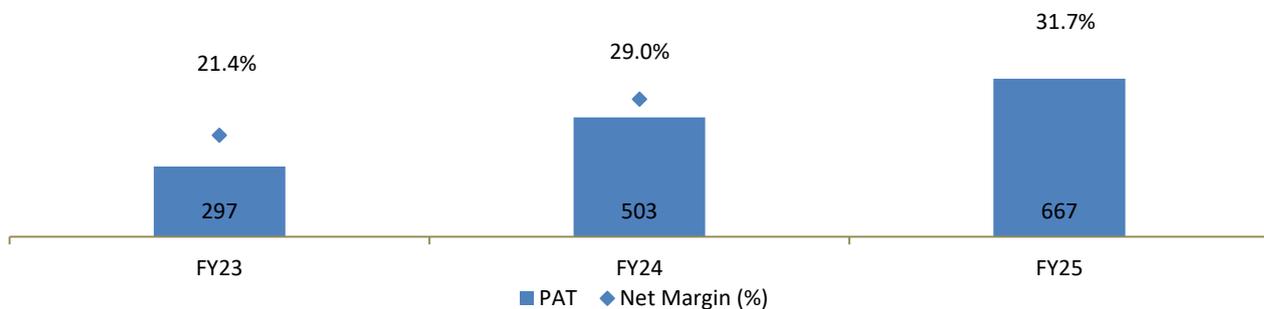


### EBITDA Performance



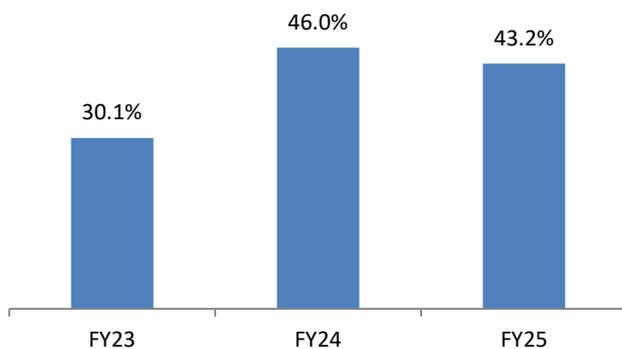
Source: Company Data, NBRR

### Net Profit Trend

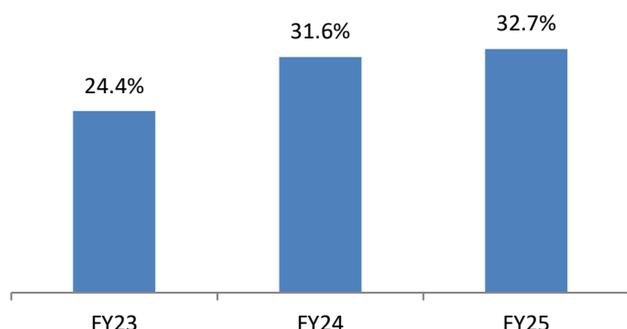


Source: Company Data, NBRR

### Return on Capital Employed



### Return on Equity



Source: Company Data, NBRR

## Risk/Concerns

- **High Client Concentration with Significant Dependence on Coal India Limited**

The company faces high client concentration risk, with its top 10 clients contributing over 93–96% of total revenue, and a significant portion derived from Coal India Limited and its subsidiaries (around 66–83% in recent periods). This heavy reliance means that any reduction in business from key clients, particularly Coal India, due to lower capex, policy changes, or reduced outsourcing, could materially impact the company's revenue, profitability, and cash flows.

- **Government Policy & Regulatory Risk**

The company is exposed to government policy and regulatory risks as its operations are closely linked to the mining sector and government led projects. Changes in mining regulations, environmental norms, or delays in statutory approvals such as environmental and groundwater clearances can impact project timelines and execution. Additionally, shifts in government policies regarding coal production or allocation of exploration work could adversely affect the company's order inflow and overall business performance.

- **Project Execution & Order Concentration Risk**

CMPDIL faces project execution and order concentration risk, as a significant portion of its revenue is derived from a limited number of large, technically complex projects. Any delays in execution, cost overruns, or challenges in obtaining timely approvals can impact revenue recognition and profitability. Additionally, dependence on a concentrated order book increases vulnerability to fluctuations in project flow, and the loss or slowdown of key projects could materially affect overall financial performance and cash flows.

- **Dependence on Coal Sector & Energy Transition Risk**

CMPDIL is highly dependent on the coal sector, which exposes it to long-term risks from the global shift toward cleaner energy. Increasing focus on renewable energy, stricter environmental regulations, and decarbonisation initiatives could reduce coal demand over time, potentially impacting the need for exploration and mining consultancy services. As a result, any structural decline in coal's share in India's energy mix may adversely affect the company's growth prospects unless it successfully diversifies into non-coal minerals and related services.

## Valuation and Recommendation

CMPDIL is strengthening its core coal consultancy business while steadily diversifying into non-coal minerals, renewable energy (solar), and alternative resources like Coal Bed Methane (CBM), supported by investments in digital mining technologies and gradual international expansion. The company has demonstrated strong financial performance over FY23–FY25, with revenue growing from Rs. 1,386 Cr to Rs. 2,103 Cr (~23% CAGR), driven by improved project execution and operating leverage. Profitability has expanded materially, with EBITDA margins increasing from 28% to 40% and PAT margins reaching 32%, highlighting a highly efficient, asset-light model. Return ratios remain robust (ROE 33%, ROCE 43%) and are supported by a debt-free balance sheet and healthy cash generation. However, working capital intensity remains relatively high, with debtor days at 164, reflecting dependence on timely payments from large clients.

From a valuation perspective, CMPDIL is priced at 18.4x FY25 P/E, which appears reasonable compared to the peer average of 21x, considering its strong margins, return profile, and balance sheet strength. While risks such as client concentration and dependence on the coal sector persist, the company's ongoing diversification and strategic positioning provide a cushion over the medium to long term. Overall, CMPDIL stands out as a high-quality, cash-generating PSU consultancy with strong fundamentals and improving growth visibility, and we recommend a **Subscribe** for long-term investors.

FY 25	Engineers India Ltd	RITES Ltd	Average	CMPDIL
Revenue	3,088	2,218	2653	2,103
CAGR (FY23-25)	3%	0%	1%	23%
EBITDA Margin	17%	23%	20%	40%
Asset Turns (x)	1.2	0.8	1	1
Working Capital Days	56	280	168	131
ROCE	24%	20%	22%	43%
ROE	22%	14%	18%	33%
Debt/Equity	0.0	0.0	0	0.0
EV/EBITDA	18.2	11.9	15.0	13.3
P/E	18.1	23.8	21	18.4

Source: Company Data, NBRR

## Financials

### Central Mine Planning & Design Institute Ltd.

P&L (Rs. Cr)	FY23	FY24	FY25	9M FY26
Net Revenue	1386	1733	2103	1490
<b>% Growth</b>	<b>15%</b>	<b>25%</b>	<b>21%</b>	<b>9%</b>
Cost of goods sold	33	31	31	18
<b>% of Revenues</b>	<b>2.4%</b>	<b>1.8%</b>	<b>1.5%</b>	<b>1.2%</b>
Employee Cost	692	638	609	456
<b>% of Revenues</b>	<b>49.9%</b>	<b>36.8%</b>	<b>28.9%</b>	<b>30.6%</b>
Other expenses	278	336	623	476
<b>% of Revenues</b>	<b>20.1%</b>	<b>19.4%</b>	<b>29.6%</b>	<b>32.0%</b>
<b>EBITDA</b>	<b>383</b>	<b>727</b>	<b>841</b>	<b>540</b>
<b>EBITDA Margin</b>	<b>27.6%</b>	<b>42.0%</b>	<b>40.0%</b>	<b>36.2%</b>
Depreciation	29	32	33	25
Other Income	13	37	75	54
Interest	0	0	0	0
Exceptional item	0	0	0	0
<b>PBT</b>	<b>367</b>	<b>733</b>	<b>882</b>	<b>569</b>
Tax	70	230	215	143
<b>Tax rate</b>	<b>19%</b>	<b>31%</b>	<b>24%</b>	<b>25%</b>
<b>Adj PAT</b>	<b>297</b>	<b>503</b>	<b>667</b>	<b>425</b>
<b>% Growth</b>		<b>70%</b>	<b>33%</b>	<b>9%</b>
<b>EPS (Post Issue)</b>	<b>4.2</b>	<b>7.0</b>	<b>9.3</b>	<b>6.0</b>

Ratios & Others	FY23	FY24	FY25	9M FY26
Debt / Equity	0.0	0.0	0.0	0.0
EBITDA Margin (%)	28%	42%	40%	36%
PAT Margin (%)	21%	29%	32%	29%
ROE (%)	24%	32%	33%	26%
ROCE (%)	30%	46%	43%	35%

Turnover Ratios	FY23	FY24	FY25	9M FY26
Debtors Days	217	207	164	170
Inventory Days	4	3	2	3
Creditor Days	38	22	35	41
Asset Turnover (x)	1.1	1.1	1.0	0.7

Valuation Ratios	FY23	FY24	FY25	9M FY26
Price/Earnings (x)	41	24	18	22
EV/EBITDA (x)	29	15	13	16
EV/Sales (x)	8	6	5	6
Price/BV (x)	10	8	6	6

Source: Company Data, NBRR

Balance Sheet (Rs. Cr)	FY23	FY24	FY25	9M FY26
Share Capital	143	143	143	143
Other Equity	1075	1449	1899	2011
Instruments entirely equity i	0	0	0	0
<b>Networth</b>	<b>1,218</b>	<b>1,592</b>	<b>2,042</b>	<b>2,154</b>
<b>Total Loans</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Other non-curr liab.	104	102	88	91
Trade payable	145	105	200	224
Other Current Liab	454	373	353	441
<b>Total Equity &amp; Liab.</b>	<b>1,920</b>	<b>2,171</b>	<b>2,683</b>	<b>2,911</b>
Property, Plant and Equipme	229	238	241	232
CWIP	15	12	8	30
Goodwill/Other Intangible a	14	9	6	5
Non Currrent Financial asse	4	4	5	6
Other non Curr. assets	58	18	22	27
Inventories	16	14	14	16
cash and cash equivalents	357	254	279	329
Bank bal	113	343	801	886
Trade receivables(debtor)	822	984	944	922
Other Current assets	290	294	363	459
<b>Total Assets</b>	<b>1,920</b>	<b>2,171</b>	<b>2,683</b>	<b>2,911</b>

Cash Flow (Rs. Cr)	FY23	FY24	FY25	9M FY26
Profit Before Tax	367	733	882	569
Provisions & Others	21	-2	-22	-25
<b>Op. profit before WC</b>	<b>387</b>	<b>731</b>	<b>860</b>	<b>543</b>
Change in WC	114	-320	-6	80
Less: Tax	-102	-164	-183	-200
<b>CF from operations</b>	<b>399</b>	<b>246</b>	<b>671</b>	<b>423</b>
Purchase/Sale of fixed asset	-44	-32	-42	-38
Purchase/Sale of Investment	-65	-230	-458	-85
Interest, dividend and other	7	32	55	49
<b>CF from Investing</b>	<b>-101</b>	<b>-230</b>	<b>-445</b>	<b>-74</b>
Proceeds from issue of Equit	0	0	0	0
Proceeds/ Repayment Long-t	0	0	0	0
Payment of lease liabilities	0	0	0	0
interest & div paid	-94	-119	-201	-300
<b>CF from Financing</b>	<b>-94</b>	<b>-119</b>	<b>-201</b>	<b>-300</b>
<b>Net Change in cash</b>	<b>204</b>	<b>-103</b>	<b>25</b>	<b>50</b>
Cash & Bank at beginning	153	357	254	279
Cash & Bank at end	357	254	279	329

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