

एनएमडीसी



# एन एम डी सी लिमिटेड NMDC Limited

(भारत सरकार का उद्यम) (A GOVT. OF INDIA ENTERPRISE)

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए, कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 028.  
Regd. Office : 'Khanij Bhavan' 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.  
नैगम पहचान संख्या / Corporate Identity Number : L13100TG1958 GOI 001674

No. SEA2025017

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<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 <b>Scrip Code - 526371</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C- 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051 <b>Scrip Code - NMDC</b>	<b>The Calcutta Stock Exchange Limited</b> 7, Lyons Range, Murgighata, Dalhousie, Kolkata - 700001 <b>Scrip Code - 24131</b>
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Dear Sir / Madam,

**Sub: Transcript of NMDC Limited post Q4 & FY 2024-25 Results – Analyst / Investors  
Conference Call held on 28<sup>th</sup> May 2025.**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015.**

Reference to the captioned subject, please find enclosed Transcript of NMDC Limited post Q4 & FY 2024-25 Results Analyst / Investors Conference Call held on 28<sup>th</sup> May 2025. The same is also being uploaded on the website of the Company.

The above information is also available on the Company's website:  
<https://www.nmdc.co.in/investors/analyst-meet-and-investors-presentation> .

Please take the above information on record.

Thanking you,

Yours faithfully,  
for **NMDC Limited**

(Pravin Shekhar)  
Company Secretary & Compliance Officer

**Encl.: As above.**



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**NMDC Limited**

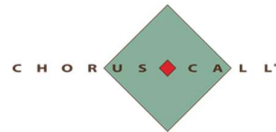
## **“NMDC Limited Q4 & FY25 Earnings Conference Call”**

**May 28, 2025**



एनएमडीसी लिमिटेड  
**NMDC Limited**

**DOLAT CAPITAL**



**MANAGEMENT: MR. AMITAVA MUKHERJEE – CHAIRMAN AND  
MANAGING DIRECTOR – NATIONAL MINERAL  
DEVELOPMENT CORPORATION LIMITED**

**MODERATOR: MR. SUMAN KUMAR – DOLAT CAPITAL MARKETS  
PRIVATE LIMITED**



**Moderator:** Ladies and gentlemen, good day and welcome to the NMDC Limited Q4 and & FY '25 Earnings Conference Call hosted by Dolat Capital Markets Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suman Kumar from Dolat Capital. Thank you, and over to you, sir.

**Suman Kumar:** Thank you, Shruti. Good afternoon, everyone. Thank you for joining us today. Today, we have with us Mr. Amitava Mukherjee, the Chairman and Managing Director of NMDC Limited. Without further ado, I'll hand over to you, sir, for your opening comments and then we can open the floor for questions. Over to you sir.

**Amitava Mukherjee:** Right. Thank you, Suman. These are -- I think our performance despite the challenges in FY '24 -- in FY '25 has been rather commendable. We did lose around 43 or 44 days of production due to industrial issues, but we did in the other days, much more than that was -- we have done previously. And despite all these challenges, our numbers speak for themselves.

We have a growth in PAT on an annual or a year-on-year 12-month basis of around 19% and PBT after exceptional item of around 16%, which is indeed commendable. Our production was marginally lower about -- by about 1 million ton and sales was -- did pick up at the end. But we did manage to weather the rough storm and overcome that.

And as we say that our -- this is the first year in the block of 4 to 5 years where we plan to take NMDC from 50 million tons approximately to about 100 million tons. And in that way, we are progressing. We have seen that the capex was the highest this year, which was INR3,700 crores, highest ever. And we plan to continue much higher capex so that we are able to not only execute, but also commission all the capacity building projects that we have.

A lot of them have already been sanctioned. Some of them have been already tendered out and execution has started. And some of them would be tendered out by this end of this year so that in the next 3 years, we are able to complete all our projects and take NMDC from around 50 million tons to around 100 million tons in the next few years.

This year, financials were good. But coming to April, I think our -- we have shown again record production. And May till date has also been rather encouraging. Once the May numbers come, I hope that they would be much better than what you expect. And we have set ourselves a very, very steep target of 55 million tons, which is exactly 100% of our EC that we will have this year.

So we have taken ourselves on the challenge to meet these aspirational goals. And up to May, we are fairly on track. The growth -- the actual numbers suggest that we are fairly on track. And going forward, you will see transformed NMDC. We are actively looking for assets abroad and we are evaluating many, many assets, which obviously cannot be discussed in the public domain.



But the good thing is that we have been able to open an office at Dubai so that our Africa -- the assets that we look at -- are looking in Africa is easily coordinated. And our gold operations in Legacy, which we -- the first year was -- obviously, any first year mining project will not make profit, where we had made some losses. And we have also stabilized Legacy in the last 2 months, 3 months.

And hopefully, in this financial year, Legacy would also be showing us good profits. As you know, we have entered into a conversion of pellets with -- conversion agreement of pellets with KIOCL. We have started exploring. It has added to our top line, but not so much to our bottom line.

But this year, we plan to do DRI-grade pellets, which will substantially add to our bottom -- not only to our top line, but also to our bottom line. So that is the business plan for the coming year. And we hope that this year would be the year where our new assets like the two coal blocks and the two iron ore blocks under our JV, NMDC CMDC Limited should also become operational.

We are looking -- so this coming year would be a transformational year for NMDC. And it will be taken as this watershed year where the foundations of the great leap would be put. So thank you. Now let's have the questions, please.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Sumangal Nevatia from Kotak Securities. Please proceed.

**Sumangal Nevatia:**

Sir, first question is on the balance sheet. So we are seeing a very sharp increase in receivables this year to almost INR7,800 crores. So can you share what are the key reasons behind and what are the key accounts where this has gone up? And how are we dealing with it?

**Amitava Mukherjee:**

There are only two accounts. One is RINL, the other is NSL. We don't sell on credit to any other people. NSL, as you know, is just turning around. March was the highest production and dispatch followed by April by another highest dispatch. So we expect the NSL outstandings to be fully liquidated by the end of the year, hopefully, because already they have started some payment of around INR100 crores -- about INR200 crores a month.

I think in the last 2 months, they have paid around INR200 crores a month. So going forward, when NSL is doing much better, obviously, these things will be liquidated. Second is RINL. RINL also, as you know, has turned around that like NSL, which has started making -- generating cash surplus. RINL has also started generating cash surplus.

And we have recommenced the -- what you call the bill discounting thing. And over and above the bill discounting, they have started paying us back. So the stagnancy has been removed. Both these outstanding accounts have become active in terms of liquidation of the outstanding. So going forward, by the end of this year, you will see a much truncated number.

**Sumangal Nevatia:**

Understood, sir. Sir, then any reason why we have taken some INR50-odd crores of provision, if we are seeing recovery in these accounts?



- Amitava Mukherjee:** We had done the modelling on expected credit loss on these things. Once the amounts are, I think -- realized, I think it will be reverted back to income.
- Sumangal Nevatia:** Understood. Understood. Sir, my second question is with respect to RINL. We've entered into some long-term lease and extended some INR500-odd crores. So can you explain what is the use? And what -- I mean, what is the business purpose on long-term basis?
- Amitava Mukherjee:** We have taken 1,167 acres from RINL, which shows in the capex. About -- it has cost us about INR1,500 crores. 1,167 crores -- acres, it is just next to Gangavaram port. So we expect three assets. It's all in our plan of the 100 million ton expansion plan that is within that larger plan. One is to -- the slurry pipeline that is likely to come from Kirandul, Nagarnar to Vizag, will terminate there, and we'll have to make an 8 million ton pellet plant there. That is envisaged.
- Second is, of course, the blending yard that we are envisaging that as you know that I have told in multiple fora that we will end mine head sale and start selling from blending yard and stockyard. So a mega blending yard of around 20 million, 25 million, 30 million tons will be made there in that land.
- And the third is in future, if we are to mine lithium somewhere or some expansion plan is there, then we may need some land to -- for processing of such minerals. So we are keeping a provision for that. But that is something that is -- the surety of which is not there today. The rest two, the pellet plant, the termination of the slurry pipeline and the blending yard would obviously be -- are much more certain to come.
- Sumangal Nevatia:** Okay. And sir, for these two things, I mean, a few hundred acres should be enough, right? I mean we have around 1,100 acres?
- Amitava Mukherjee:** About 1/3 becomes green area. So 1,167 out of around, let us say, 400 goes straight away to green area, straight away. Your blending yard would require around 250 to 300 acres. And pellet plant would require another 200 to 300 acres. And about 100 acres is spare for future growth. So we have taken that because that land is very strategically located because we border the Gangavaram port. So whatever we do, we'll have access to the entire Gangavaram port.
- Sumangal Nevatia:** Understood. And just one last question. Sir, what is our sales volume guidance for FY '26? And given that Lloyds Metals mine in Maharashtra is coming up with some expanded capacity, do we see that as some sort of a higher competition for us given it is...
- Amitava Mukherjee:** No, I don't think Lloyds is a competition for us in the -- their competition -- a little competition for us at the Raipur area. But Raipur for us accounts for around 4 million tons of ore only. So that's less than 10% of our entire sales is Raipur. Obviously, our access to the other markets, whether it is at Vizag or West Coast, we have an advantage.
- So -- and anyway, the -- our customer base is also growing very hugely, both in terms of number and our existing major customers are also expanding their capacities very, very substantially. So I don't think that's going to be effect. I think the size of the cake is increasing. And I think everybody can take a larger piece, including us.



- Sumangal Nevatia:** Sir, what is the guidance for volumes for '26?
- Amitava Mukherjee:** Around 55.4 million tons is what we are targeting. This is the EC capacity -- max EC capacity that we will have. Both the production and sales, we are trying to reach that. Remember, notionally, we didn't -- if we didn't have a strike -- of two strikes of around IR issues of around 40 days, 45 days so we would have reached -- 45 days is 1.5 months, which is around more than 6 million to 6.5 million tons.
- So we would have reached to 50 million this year itself notionally. So 55 million would be 10% growth from whatever it is notional that we could have done last year.
- Sumangal Nevatia:** Got it. Thank you so much, sir and all the best.
- Moderator:** Thank you. The next question is from the line of Satyadeep Jain from Ambit Capital. Please proceed.
- Satyadeep Jain:** Yes. First question on the long-term capacity outlook, you mentioned it's 200 million tons. Previously, you had mentioned INR50,000 crores capex. Just wanted to see any update. And when you look at '26, '27 capex, maybe can you provide an update what kind of capex you're looking at for next '26, '27 and overall figures?
- Amitava Mukherjee:** This year, FY '26, most of the efforts would be on sanctioning the works and getting them off the ground. So actual capex would be -- we expect around INR4,000 crores this year. But our already sanctioned work now we have around -- INR40,000 crores of works have already been sanctioned by the Board, which are either being under execution.
- It's -- around INR8,600 crores of works are already under execution. INR20,000 crores has been sanctioned by the Board and it is making -- we are in the stage of making the packaging philosophy and the tender documents and all those sort of things. And around INR12,000 crores, we will be sanctioning in the next couple of months.
- Apart from that, we have around INR2,000 crores where we call it the partnership model where people will invest in creation of assets. So that is something that we were there. And another INR31,000 crores or INR32,000 crores of project we are having a close look, which includes 2 slurry pipelines, one from Kirandul to Bacheli and the other is from Nagarnar to Vizag, which the DPR, etcetera, is being prepared.
- So that's a long one, but that is -- the 2 taken together should be around INR20,000 crores. And apart from that, the total, which is at the drawing board level, is around INR32,000 crores.
- Satyadeep Jain:** So just -- so you're saying sanctioned is about INR40,000 crores. There is...
- Amitava Mukherjee:** Sanctioned is about INR28,000 crores, INR29,000 crores. Another INR12,000 crores will be sanctioned in a couple of months. So you can take sanctioned by July or August, is around INR40,000 crores. Another INR2,000 crores is under various sort of what you call is on BOO basis and other things.



So around INR43,000 crores is what you'll have by the middle of this year, by the Q2 already sanctioned and at various stages. And another INR31,000 crores, INR32,000 crores is on the drawing board where DPRs are being made and other things are being done.

**Satyadeep Jain:** DPR, I know all these will take some time, but the one that is sanctioned, when you have greater visibility on the sanctions. So this year you're saying INR4,000 crores...

**Amitava Mukherjee:** INR4,200 crores...

**Satyadeep Jain:** '27-'28, we should be looking at more than INR10,000 crores annualized...

**Amitava Mukherjee:** Yes because all those tenders will be awarded and it takes around 6 months after the tenders being awarded to be -- to capex to start flowing in. Because the first 6 months, even if I were to award INR10,000 crores tender, the capex flow will start around 6 months after the award of the tender. So next year -- next fiscal mid where we'll hit the capex flows.

**Satyadeep Jain:** Next fiscal -- so '27, '28 is when you start picking it up. But the capacity increase would be busted up at about -- you'll see most of the capacity increase coming towards '29, '30?

**Amitava Mukherjee:** Yes, obviously, obviously, when these -- most of these projects finish off, only then -- a little bit would happen earlier also because there are at least three, four major projects that are in execution, the screening plant 2 at Donimalai, which is about INR1,000 crores. That is already under execution since the last 2, 3 years -- last 4, 5 months.

Then SP 3, screening plant 3, is under execution at Kirandul. The downhill conveyor at Kirandul, which is about INR1,000 crores that -- we have awarded that around 2, 3 months back. So that will start -- that will get commissioned in 2 to 3 years. But yes, all this quantum jump on a -- it will not be a smooth graph. It will not be -- it will be hop step jump. So the maximum jump would come when these capex projects are completed at various stages.

**Satyadeep Jain:** Okay. On the -- recently, there's been some news around NMDC exploring coking coal assets in Australia, Indonesia. Just wanted to understand what is the thought? You already had some coal blocks within India, Rohne coal blocks and all. So this -- what is the thought at -- looking at coking coal? What kind of expansion? Is it like producing or exploration assets? Just the thought on diversifying into coal and specification?

**Amitava Mukherjee:** Our diversification and international policy is very clear. It has been sanctioned by the Board. And in consultation with the ministry, we've made a very clear-cut policy that we'll be looking at 10 minerals only, of which met coal or coking coal is one of the most important ones. Apart from that, we'll be looking at copper, lithium, cobalt, nickel, gold, the bauxite. So we are looking at 10 minerals only. That's one.

Of course, we would like a portfolio to have all 3 types of assets. Some would be exploration stage assets where the risk would be less -- risk would be great, but the investment would be less. Some assets would be at the DPR and preproduction stage where the risk would be much lesser, but the prices would be higher and some where we would be taking stakes in operational



mines where the risk would be almost still, but obviously -- the prices would be obviously much higher.

So coking coal, most of it would be on the stage 3 assets, which would be operational. There's no point in taking coking coal, which are at the exploratory level. So most of the assets that we are looking at, negotiating at various levels. Obviously, we cannot name them, but they are across the geographies.

Of course, Indonesia is one geography, Australia is another geography. There are other geographies as well where we are looking at coking coal. But so far, yes, I can take a lithium mine, which is at the exploration stage, but coking coal, I would prefer mostly operational stage assets.

I don't mind paying much more because the way the steelmaking is going to grow in India and the way the blast furnace capacities, most of it is to be blast furnace capacity. So India is -- which imports around 55 million, 60 million tons is likely to go up to 150 million to 160 million tons of import for India in terms of coking coal.

So we see a big opportunity there as a miner and as what you call is a company which is on hyper aggressive expansion mode. I think coking coal fits the bill, and it has been one of those minerals where we have been mandated to look very closely and aggressively.

**Satyadeep Jain:**

Just wanted to understand, I mean, as a country, there have been various attempts at acquiring international coal assets by 5 state players across different minerals. And you obviously mentioned the Legacy iron ore portfolio. Just wanted to understand your own success in the -- with the Rohne because we've not -- what is the update there on the coal blocks and generally...

**Amitava Mukherjee:**

Rohne should get operational by the end of this financial year. I think we have already done Section 5 and the Section 7 notification for Rohne has already been done -- sorry, Section 9 notification is pending. Section 7 is over, 8 is over. So Section 9, we have been requesting the ministry to issue that. And then after Section 9, the land comes in our possession and Section 11 is where the mining lease is given.

So hopefully, in another 4 to 5 months, we will be able to commence Rohne. There was an issue regarding animal corridor, which has just been settled. And hence, there was a delay. And Rohne, remember, is mostly forest land. So there's hardly any private land that requires to be operational. So the washery will take some time to come up, but the coal mining operation will -- should commence any time this financial year in the second part, let us say, Q3 or Q4, that is where we are targeting.

**Satyadeep Jain:**

Okay. So just last follow-up. Just last question on -- maybe an update on the doubling of KK line and also the Nagamar plant has been -- the losses widened. You're saying it's generating cash. So is it EBITDA positive? And what led to this loss again in FY '25? Just the overall Nagamar performance and doubling of KK line?

**Amitava Mukherjee:**

The first question was what?





- Satyadeep Jain:** Doubling of KK line, what's the update?
- Amitava Mukherjee:** Only two sections are left out of 131 kilometers, 20 kilometers is left. One is Kamalur to Bhansi, other is Bhansi to Bacheli. Rest of them has been completed. So that's a difficult one. Railways have told us that they should be able to do it by December, but I think it will take a couple of months more. But by the end of this financial year, I think that should be completed. Around 20 kilometers left. Two sections is only left out of the entire 150 kilometers.
- Nagarnar, of course, we had our issues where the -- in the mill, the R1 roughing stand one had broken down. It has come back to operation. It was put back in January. And from February, we have had our regular production. But mainly in Nagarnar, the problem that was there was of dispatch. So if you see, we were dispatching around 125,000 per month, which has gone up to 230,000 in the month of March and around 215,000 in the month of April.
- So that's a growth of more than 50%, which consequently has led a growth of our production, which was hovering around 110,000 to 120,000 to it has now gone up to 180,000, 190,000. Our cash collection, which was about approximately INR1,000 crores has gone up to around INR1,400 crores in March and around INR1,500 crores in April.
- So the turnaround is almost there. It's fully there. Back of the envelope calculation also shows that we have become EBITDA positive on a monthly basis on March and April. So that's a positive thing to have that we are a cash surplus now on a monthly basis in the last 2 months, since the turnaround has happened.
- And that is why I was so confident, while I was saying that in my introductory speech and subsequently thereof, that we will be able to -- Nagarnar would be able to liquidate the outstanding that is with NMDC this year. So you will see a much reduced figure by the end of next year when it comes to the creditors there.
- Satyadeep Jain:** Okay. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Pallav Agarwal from Antique Stock Broking. Please proceed.
- Pallav Agarwal:** So first question was on the domestic pricing outlook. So we've seen that international prices have been broadly reach-bound on the Chinese prices, whereas domestic prices, we've also taken a price hike. So are these price hikes sustaining? And what is leading to -- is it the safeguard duty on steel? Is that helping the iron ore pricing outlook as well?
- Amitava Mukherjee:** Yes. The safeguard duty on steel initially did help the market to look up. And that after a long period of depressed and gloomy market, I think the safeguard duties did kick in some buoyancy in the market. We all know the numbers. So yes, it was there. But subsequently, I think the prices have remained rather stable, both in terms of international.
- If you see it's been hovering around INR99 to INR102 only for the past several weeks. So there has been some sort of a stability coming in. But of course, domestic prices, I see again, non-



HRC, that is the -- basically the sponge and the other things, they seem to have come down a little bit.

So -- but the HRC segment is doing fairly well to that extent. So the market, I think in the steel market, is behaving a little differently for various segment of products. So far as iron ore is concerned, pricing -- our pricing is concerned because we cater to all sorts of customers having everything. So we have to keep our pricing in tune after taking into account all these factors. We are trying to come into index-based or a formula-based pricing.

That's the first time we did last month after 3, 4 months of research. That is why we delayed the pricing a lot. This time, it will be the second time and let us see going forward, what lessons do we learn because the idea is to have more predictive pricing and more frequent pricing so that the market dynamics are factored into pricing on a regular basis rather than on a -- with a great amount of time lag.

And also when -- in NMDC, because we aspire to sell from various depots rather than from our ex-mines. So unless we enter into some sort of a formula-based pricing where we -- in 3 years from now, where we'll have multiple point pricing and multiple product pricing, it might not be possible to do it manually every time that we do.

So we are -- we have started the exercise. We hope that we get enough feedback in the next 1 or 2 years to fine-tune that system and be ready for the 100 million ton sales also through a much transparent, autonomous and current mechanism.

**Pallav Agarwal:** Sure, sir. So also, I think this quarter, we saw a pretty sharp jump in employee expenses and other expenses. So is this the run rate that will be there for this -- for the next year or this includes some performance-related pay or sort of one-off in this quarter?

**Amitava Mukherjee:** This quarter, you'll have the actual valuation, so that will be a jump so -- because that is only done in the Q4. So that -- the jump that you see is essentially for the actual valuation. Otherwise, I don't think there has been a quantum jump on a year-to-year basis. I think that remains fairly stable and predictably almost the same.

**Pallav Agarwal:** Sure, on the other expenses, any -- apart from the expected credit loss, any other things contributed to the jump?

**Amitava Mukherjee:** Other expenses, obviously, you'll have -- because we have started 2 things. One, we have started exporting pellets. So obviously, the cost of pellets will be an expenses. So that's around INR250 crores. Then we have a marketing tie-up with NSL also. So that -- obviously, the purchase cost of that would also be under the other expenses only. So that is why you'll see a substantial jump.

That itself was around INR200 crores. So naturally, you'll see -- because of these 2 new verticals that you will have a jump in the other expenses.

**Pallav Agarwal:** Sure. But this -- I mean, this purchase of coil would also lead to higher revenues. So part of that...



- Amitava Mukherjee:** Yes, it has led to around -- we have not made much of a profit here, but we have not lost money. We have sold around, I think, around INR 200 crores of coils. And because the markets are not good and the purchase was around INR190 crores or something, so we've made, I think, from that business, INR5 crores or INR6 crores only.
- I think -- how much was that? The pellet business accounted for around INR448 crores and HR coil this year was around INR200 crores. Wasn't it? Around that.
- Pallav Agarwal:** Sure, sir. So we are still making a positive contribution from the export of pellets this year?
- Amitava Mukherjee:** Yes, but the game changer will be when we go to 3 million tons this year. We hardly did 0.5 million tons. The game changer will be when we do the entire capacity of 30 million tons and when we start producing DRI grade pellets. We are in talk with AGPL right now to do the logistics of 3 million tons and how to crush it and have higher growth, then that will be the real game changer.
- These are all in preparation towards that goal. This was just to ensure to get a sort of break in to the system of making pellets and exporting, etcetera. Now that we have done it for around 5 lakh tons. This year, our target is to do 30 lakh tons or 3 million tons, which is the full capacity of the KIOCL plant. We also need to improve the grades to improve our realization. We expect at least a premium of \$30 to \$40 by selling high-grade pellets in the international market. So that would be a game changer. Hopefully, the sooner, the better.
- Pallav Agarwal:** Sure, sir. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Ashish Kejriwal from Nuvama Institutional Equities. Please proceed.
- Ashish Kejriwal:** Sir, three questions from my side. One, when we are talking about 55 million tons, do we have proper infrastructure on evacuation in place? Second question is on account of the huge expansion plans, which we are targeting around INR70,000 crores plus, do you think that we need to take any further -- any debt on that or our cash flows will be sufficient to fund all the capex? And third, we are talking about this pellet plant conversion from KIOCL. And what about our plant, which is there at Karnataka where we are in the operation?
- Amitava Mukherjee:** Your first question was? Sorry.
- Ashish Kejriwal:** The first question was, do we have proper infrastructure on the evacuation because...
- Amitava Mukherjee:** The evacuation is not the issue. The plants are an issue. We will have to run our plants at around 105% capacity, which is possible. Some of the -- there are a few bottlenecks. Rest of the plants are okay because there are conveyor belts, let us say, which can do 3,000 TPH, where we have been doing around, let us say, 1,200 TPH only because the downhill at some place, there was a restriction of that. So the entire system got choked.
- And we are in the -- right in the middle of debottlenecking such things. And I think if we can flog our plants to around 95% to 105% capacity, we should be able to easily achieve that.



Evacuation is not an issue. Railways are willing to give us rigs, and we have the loading capacities.

We have installed one RWLS, which the FOD is there of the SP 3 part, which is the fine iron ore handling area. Once that is commissioned in a couple of months, we'll be able to dispatch many more rigs from there. We are also having -- trying to develop a manual siding at Bacheli, route number 5. If that comes in, so that will be two rigs another.

You see last year, we have commissioned three manual sidings. One is route number 13, which is now route number 15 in Kirandul and route number 4 in Bacheli and now route number 5. So this will give us an incremental of seven to eight rigs a day, which translates to 9 million to 10 million tons. So I don't think dispatch is a problem. The focus that we are putting in is on the plants, which is the downhill conveyor and the crushing and the screening plants where we need to use them optimally to ensure that we reach this one.

**Ashish Kejriwal:** So that means, sir, you're saying that if we can produce, we can entirely sell. That's not...

**Amitava Mukherjee:** That's not a problem. Selling is not a problem. The second part of your question was?

**Ashish Kejriwal:** Any debt you plan to take on their new capacity expansion or entire thing...

**Amitava Mukherjee:** One more calculation, we can expect most of it would be internally financed, but whether we should -- considering our expansion plans beyond India, one call has to be taken about a year from now or about 1.5 years from now that do we leverage our balance sheet even for our domestic expansion plan.

That's a call that we need to take, but not today, maybe about a year from now or 1.5 years from now to -- once our evaluation of a couple of properties abroad is finalized and once we are able to have some number to those particular tie-ups that we can going to have and only then we can take a call.

Otherwise, we are -- we have a fair amount of cash to see our -- this capex through because some of these, we are actually also doing on an NPB basis, what is called the partnership basis on the BOO basis. And our pellet plant in Karnataka is one such example, where we are giving a full O&M contract of the pellet plant.

I think that contract should come -- should be notified in another 7 to 10 days and finalized in another 2 months. So I think that will start getting operational. Our Nagarnar pellet plant will also get operational by December or January this year. So a lot of happenings likely to be this year.

**Ashish Kejriwal:** Understood. And sir, lastly, with pellet and HRC, which you are collaborating with NMDC Steel as well as KIOCL, how is the system work? I mean obviously, we must be working on some fixed margin or how it is?

**Amitava Mukherjee:** I didn't understand.

**Ashish Kejriwal:** So we are producing -- we are selling iron ore fines to KIOCL and internally...



- Amitava Mukherjee:** That job work for job. We're not selling.
- Ashish Kejriwal:** So how much we can make on a per ton basis?
- Amitava Mukherjee:** If you sell high-grade pellets, it will be huge. Right now, we are just about making a very few amount of money. We are just neck to neck. But once we start selling high-grade pellets, then we should be able to make at least a margin of \$30 per ton in the international market.
- Ashish Kejriwal:** Okay. Thank you sir and all the best.
- Moderator:** Thank you. The next question is from the line of Vikash Singh from PhillipCapital. Please proceed.
- Vikash Singh:** Sir, I just wanted to understand when you are talking about an EC limit of roughly about 55 million tons, we had this option to mine 20% extra from some of the mines. So are you taking...
- Amitava Mukherjee:** This is after those.
- Vikash Singh:** Okay. It's including all those basically. And...
- Amitava Mukherjee:** Deposit 10 is -- sorry, deposit 5 is 10 million tons. So we are factoring in 12 million tons there because we have already applied for that 2 million ton extra. So we hope that, that will come. So these are all after those 20% extra.
- Vikash Singh:** Understood. So sir, what is the EC limit increase visibility beyond this 55 million tons in the next 1 to 2 years?
- Amitava Mukherjee:** The ECs and the capacities will come online together only, I think. We have applied for this EC in Bailadila for NMDC, would be around 55 million tons only in Bailadila and -- 55 million to 60 million tons. And I think 17 million tons in the Karnataka sector. So that will be around 82 million taken together -- sorry, 72 million taken together. And we have applied for EC of around 7 million tons in deposit 4, which is under NCL, where the FSC meeting has been held last week only.
- Hopefully, we will get it. And then deposit 13, where the EC needs to be transferred to us. So that's another 13 million tons there, which needs to be increased to around 18 million tons.
- Moderator:** Hello sir we think the participant line got disconnected. We will take the next question the next question is from the line of Tushar Chaudhari from Prabhudas. Please proceed.
- Tushar Chaudhari:** Sir, this INR662 crores in segmental revenue, which you have given, you have given the breakup, it is INR200 crores for selling of coil and INR400 crores for pellets. Am I right or you're referring to FY '23...
- Amitava Mukherjee:** I just have to get the numbers right. I give you an approximate number. I'll just let you know what the numbers are exactly and just give me a minute. What was the pellet sales and what was the -- you just showed it to me. Show me what was the pellet sales and what was the -- how



much is -- pellet sales was INR448 crores and trading sales was INR199 crores. That is INR647 crores.

**Tushar Chaudhari:** Okay. Secondly, sir, on NSL, why is our RM cost is much higher than industry peers. So basically, if I compare it...

**Amitava Mukherjee:** Because it was not producing at 100%. Because...

**Tushar Chaudhari:** No, raw material cost, I'm asking. Raw material cost is almost 80% plus if I just take RM to...

**Amitava Mukherjee:** It will be there because your coke consumption would be huge, your coal consumption would be huge. So obviously...

**Tushar Chaudhari:** Can you share some operating parameters like coke rate, PCI injection rate?

**Amitava Mukherjee:** Now we have touched -- our coke rate is around 530 right now. Fuel is around 530 -- fuel rate is 530. And now in April and -- March and April, we have touched a PCI rate of 150, which is one of the best in industry standards. It used to be 70 only earlier. So naturally, all these cost metrics has no meaning unless you are producing at 70% or 80%...

**Tushar Chaudhari:** Utilization.

**Amitava Mukherjee:** Now our PCI has touched 150...

**Tushar Chaudhari:** Iron ore...

**Amitava Mukherjee:** Our PRP has become 15 megawatt and our fuel rate has come down to 530, which used to be around 580. So all those techno-economics have -- which were -- had earlier gone for a toss. Now with the volume increase, they all come back to where they should be.

**Tushar Chaudhari:** And what will be the ratio between sinter and lump mix?

**Amitava Mukherjee:** Right now, it is much more because we are not having the sinter plant. There's a problem of -- the granulator shaft being broken for the last 3, 4 months. So it is right -- instead of being 20%, 80%, it is around 30% to 68%. So that is one of the reasons that, again, your raw material cost has gone up. That is again because we are putting in 20 to 25 -- sorry, around 12% more lumps.

But hopefully, the granulator shaft will be repaired by July. And the new granulator shaft will come only by October. But by July, I think once the granulator shaft is repaired, so we will go back to the 80%, 20% as a consequence the -- so despite all this, the fact that we have broken even on a back-of-the envelope calculation basis, in the month of March, monthly -- on a monthly basis in March and April.

And we will do the same in May, is a substantial, substantial achievement for a new steel plant. And I think this is one of the fastest ramp-ups if you see. Touching around 90% capacity utilization on a monthly basis is one of the fastest ramp-up for a new Greenfield plant.

**Tushar Chaudhari:** Understood. Thanks a lot, sir. I will come back in the queue.



- Moderator:** Thank you. The next question is from the line of Shweta Dikshit from Systematix Group. Please proceed.
- Shweta Dikshit:** So a few questions on the guidance for FY '26. When we say that we are targeting 55 million ton EC enhancement that includes 2 million ton enhancement that we're looking at for the deposit side. So is this the right guidance for FY '26 in terms of sales or should we look at a number which is moderate than 55 million tons for FY '26?
- Amitava Mukherjee:** That's an aspirational target we also understand because our plant capacities will have to be worked at around 100%, 102%, 105% -- some of the plant at 105%, some of them at 95%. But that is what we are taking on. Sales, I had actually answered in the previous question, that sales is not a problem because we have now much huger dispatch capacities.
- We have opened, as I said, three new sidings, which will account for at least 6 rigs a day, and with RWLS, it will be another three, four rigs additional. We do three there. We'll be able to do five to six there. So around 8 to nine rigs on an additional basis, which is 12 million to 13 million tons of capacity of dispatch.
- So dispatch is not the issue here. The issue here is the plant. Excavation will also not be an issue. The issue would be, of course, the plant in terms of downhill conveyor and the screening plant and the loading plant.
- Shweta Dikshit:** Understood. And sir, on the other expenses, since we talked about 2 new segments contributing to the other expenses, one is export of pellets and the second is the marketing tie-up benefit. So how do we see these 2 numbers moving forward? Marketing expenses, are they supposed to remain at this level going forward? And how is that...
- Amitava Mukherjee:** There is very substantial increase because we intend to increase our revenues. This is, remember, only 0.5 million tons of pellets, okay? About 500 -- so we plan this year to have around 2.5 million to 3 million tons of pellets. So these are likely to increase very, very substantially, so would our revenues and so would our profits be.
- So it's a consequential increase in other expenses because all these expenses are shown under the head of other expenses in the operations. So that's -- we need to, I think, reclassify some of the expenditure heads as well when these become very substantial. I think next year on, we'll have to show them as a separate line item so that there will be much more clarity.
- Shweta Dikshit:** Then that would be very helpful, sir. This was INR250 crores of expenses that was for the export pellet segment, right, in the other expenses?
- Amitava Mukherjee:** Hold on. KIOCL was INR250 crores and there were other expenses related to -- and other expenses, CSR is about INR141 crores. And what is that -- and hiring of mining machinery was around INR61 crores.
- Shweta Dikshit:** And we are targeting 2.5 million to 3 million tons for FY '26 in pellet sales?



- Amitava Mukherjee:** Yes, yes. And high-grade pellets. So what we have been selling is 62, 63 grade. We need to sell 66 to 67, which is basically a DRI grade, which gives us a premium of \$30 to \$50 a ton.
- Shweta Dikshit:** And sir, last question, could you just highlight what was the realization for pellets this year? And what could it be once you go to high-grade pellets?
- Amitava Mukherjee:** The average realization for the 62, 63 grade pellet has been around \$105 -- \$108 to \$110 this year, except for a couple of consignments where we had to sell it a little less. That's been the average in dollar terms. If we are selling high grade, this average will go up to around \$140 to \$150 as per the current market situation. Our realization is, I don't know. But yes, currently, if I were to sell that, so that would be the difference.
- Shweta Dikshit:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Nidhi from BigMint Limited. Please proceed.
- Nidhi:** I just want to know that there have been reports that NMDC is considering index-based pricing for its iron ore. Can you please explain a bit more on this regarding methodology and all?
- Amitava Mukherjee:** So the methodology is not in public domain right now because we are ourselves on a learning process on this one. But going forward, as I said, the philosophy is that because we will be selling from various stock yards and blending yards and because we will be selling various types of products, even that we do blended products, which we don't make as of today.
- And because -- so that's having a manual pricing regime and because we want to price -- do pricing more frequently to take -- so that our prices are in tandem with the market movements almost on a current basis. So having this philosophy, it is very clear that some sort of an automated platform has to be built for pricing.
- And so we have taken our first baby steps in terms of index-based pricing. We will -- as and when we go learn, obviously, this will be not in public domain as, for example, the Platts formula is not in public domain. But that is something that we want to develop for ourselves, having in view a 100 million ton business and a distributed business and a segmented business.
- So this is the first baby steps that we have taken. It's a matter of faith that where we want to go. And let us see how -- because this itself is a learning process for us. We've just done it for 1 month, and let's see how it goes and how we fine-tune our approach to this.
- Nidhi:** Okay. Thank you so much, sir.
- Moderator:** Thank you. The next question is from the line of Sanjay Jain, an Individual Investor.
- Amitava Mukherjee:** I have five more minutes, so if you can...
- Sanjay Jain:** And my question is on Nagarnar steel plant. I think some of this was discussed in one of the earlier questions. What I wanted to understand is what was the production sales in the last quarter, in the third quarter. Production and sales from that Nagarnar steel plant?





- Amitava Mukherjee:** Production and sales last quarter, I'm just telling you. Production was -- Q4 was 443 lakh tons - - sorry, 443 -- what is 1,000 tons -- so it is 443,000 tons. And the sale was 501,000 tons, which is a substantial growth. I believe that's more than a 15% growth as far as Q3 is concerned.
- Sanjay Jain:** Yes. So second question is how much more -- like what is the max production that we can achieve from this plant for the year?
- Amitava Mukherjee:** We will be doing this year around 2.6 to 2.7, which is about 98% capacity utilization of HR coils. That will do.
- Sanjay Jain:** That's great.
- Amitava Mukherjee:** Our problem was dispatch. Now that has been reasonably solved. We have taken 6 LSFTO rigs from 1 company. So that has really added to our dispatch capacities. We are taking 20 more rigs in future on **[inaudible 54:17]** basis, so which will completely change the scenario for...
- Sanjay Jain:** Okay. In one of the notes, it's mentioned that you've done some arrangement with SAIL for the sales of...
- Amitava Mukherjee:** Currently, because we thought that creating depots everywhere is a very expensive and time-consuming in a different way. So we have entered into arrangement with SAIL. And I think 60% of our total sales as of date is routed through SAIL because we send it to their stocking yard. They already have it. They are a sister concern. So based on the user charge, they also market our products. 40% still we market directly in terms of HR coils.
- Sanjay Jain:** Can you share the commercial arrangement there? Like how much -- what cuts they are taking? I mean, how much we are...
- Amitava Mukherjee:** That is a commercial arrangement that I cannot disclose in the -- here, but there is a commercial arrangement between us and SAIL where SAIL does that to us.
- Sanjay Jain:** Okay. If I can ask one last question. In the question which was asked by Tushar earlier, as a percentage -- raw material cost as a percentage of sales, like it was 80% plus in the fourth quarter, and it was even higher earlier quarter. And when we benchmark this with the private players like the international...
- Amitava Mukherjee:** I have already given that answer in much, much detail. There was no...
- Sanjay Jain:** Yes, I got -- directionally, you mentioned that. But my question was, see, the gap is huge. Like they are between 50%, 55% comparable business model and we are at 80% plus. So I mean, when everything is right, are we going to go to...
- Amitava Mukherjee:** See, everything got right from March onwards. Earlier to that, I am still putting in 32% lumps instead of 20% lumps. So that will obviously cost be much huger. The lump prices are 30% higher than the fines. So naturally, that will be huge. So...
- Sanjay Jain:** My question was more on -- I get your point. My question was more on -- is that a right benchmark? Like can we reach to those?



- Amitava Mukherjee:** No, certainly not. But if you see the benchmark of March and April, as I said, our coke rate, our fuel rate, everything has come down. We are waiting for our granulator to be okay. Despite all this, on -- we were cash positive in April, we were cash positive in March. So that's something...
- Sanjay Jain:** Yes, that's good to hear.
- Amitava Mukherjee:** It will be much better in Q1. When you see the Q1 results, I think that is from where we can start the techno-economic comparisons with different plants. Earlier to that, I don't think it was a correct comparison to make.
- Sanjay Jain:** Yes, yes, I understand. In the ramp-up phase, yes. But like what my question was that ultimately, when everything is right, let's say, after two quarters, three quarters, when we run at full blast and all the things are fine. So can we also expect that our -- this raw material cost as a percentage of revenue reach towards that?
- Amitava Mukherjee:** Yes. Please, you would be happy to hear that our blast for this capacity is 9,650 per day. And at least in the month of April, we have run it on 5 to 6 days, I think, at a capacity of more than 10,000. One day, we run it at 11,000. So we know now that ramp-up is possible. And once you ramp it up, your -- every cost comes down, raw material, your overheads, your electricity cost, everything comes down, things improve.
- But I think that it's better to make those comparisons after Q1 when that hopefully is the first quarter where we'll be running it at around 80% plus capacity utilization on an average. So that is there...
- Sanjay Jain:** And do we still run the steel plant under O&M contract or like now...
- Amitava Mukherjee:** No, we run it ourselves.
- Sanjay Jain:** Okay. Thank you so much for answering my questions.
- Amitava Mukherjee:** I think this has been an hour. I have another commitment.
- Moderator:** Thank you. Due to time constraints, that was the last question. I would now like to hand the conference over to the management for the closing comments. Over to you, sir.
- Amitava Mukherjee:** Well, thank you all for joining in. I can assure you that this year will be much more substantially action packed in terms of NMDC, of course. We hope to open new mines within India, coal and iron ore. Outside India, we hope to acquire a few mines. And so this will be a year where it will be fully action packed and we expect to cross comfortably the psychological barrier of 50 million tons this year. So very comfortably, we expect to do that.
- We will also be setting the foundations for our entire growth plan of 100 million tons, where the sanctions are already in process and we hope to kick start the execution this year itself. So this is going to be the watershed year of NMDC and we are committed to ensure that we redeem our promise that we are making to our stakeholders.



NSL, of course, is another story that would be told for years because we have -- it is the fastest ramp-up that is happening in the history. I understand for a Greenfield plant in the history of India. And we hope that NSL has turned its corner. A couple of problems remain, like I said, the center plant, granulator, etcetera.

But despite all those constraints, I think we will be able to log in much better performance for NSL and our full efforts and we are confident that this year, it will turn green. The numbers would be in green rather than in red. So thank you very much for joining in. Really appreciate your time and attention. Thanks.

**Moderator:**

Thank you. On behalf of Dolat Capital Markets Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.