

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.18(5)/2024-Sectt.

15th February 2025

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

Sub: Transcript of NMDC Limited post Q3 FY 2024-25 Results – Analyst / Investors Conference Call held on 10th February 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 Q3 FY 2024-25 Results Analyst / Investors Conference Call held on 10th February 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



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NMDC Limited

“NMDC Q3 FY'25 Earnings Conference Call”

February 10, 2025



एनएमडीसी लिमिटेड
NMDC Limited

DOLAT CAPITAL



MANAGEMENT: MR. AMITAVA MUKHERJEE – DIRECTOR (FINANCE) & CHAIRMAN-CUM-MANAGING DIRECTOR (ADDITIONAL CHARGE), NMDC

MODERATOR: MR. SUMAN KUMAR – DOLAT CAPITAL MARKET PRIVATE LIMITED



एनएमडीसी लिमिटेड
NMDC Limited

NMDC
February 10, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY25 Earnings Conference Call of NMDC Limited 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suman Kumar – the Vice President from Dolat Capital. Thank you and over to you, Sir.

Suman Kumar: Yes. Thank you, Albuquerque. Good afternoon, everyone, and thank you for joining us today afternoon for NMDC 3Q FY25 Results Call.

We have the senior management with us today, represented by Mr. Amitava Mukherjee – Director, Finance and Chairman-Cum-Managing Director, Additional Charge. So, now I would like to hand over to Amitava sir for his opening comments. Over to you, sir.

Amitava Mukherjee: Good afternoon, everybody and thank you for joining in. Now I believe that this quarter results have been pretty good. Hopefully, it is beyond what the streets expected, both in terms of physical performance and financial performance.

I think it has been very satisfactory, and even then on nine-month basis, we are doing fairly well. So, if you see our performance in terms of production, it has been even higher than Q4 of last year, which indeed is something absolutely unprecedented if I may say so. Financially, of course, despite turned down in the steel prices, we have been able to reasonably hold off prices for iron ore and which shows the results. CAPEX also, we are doing fine. We have locked in approximately 3,112 crores of CAPEX this year which is already we have exceeded last year and we expect to have a CAPEX of around 4,000 crores in this financial year. We should almost be twice as much as we did last year. So, overall, we have had a good run so far in this year including the last quarter.

Also, we have a major vendor conference where about 150 vendors participated, more than 250 people were there where we unveiled our plan for CAPEX of around 70,000 crores for the next five to six years to enable us to reach 100 million tons target. So, these are the major happenings that has happened. And I think response from the vendors were absolutely fantastic where we gave them the understanding of the technology that we are looking for and the major CAPEX programs along the timelines that were there.

So, thank you once again very much for joining and now we can connect to individual people to ask the questions.



- Moderator:** Thank you, sir. We will now begin with the question-and-answer session. Anyone who wishes to ask a question may press “*” and “1” on their touch tone phone. If you wish to remove yourself from the question queue, you may press “*” and “2”. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Amit Dixit from ICICI Securities. Please go ahead.
- Amit Dixit:** Yes. Hi. Good afternoon, everyone, and thanks for the opportunity. Congratulations for a good set of numbers, sir in this quarter.
- Amitava Mukherjee:** Thank you.
- Amit Dixit:** I have two questions. The first one is, if I look at the royalty as a percentage of realization, it's around 46% this quarter, much higher than the last two quarters. So, just wanted to understand have you started making provision for the possible higher royalty in Karnataka? If not, what event or milestone would cause us to do that?
- Amitava Mukherjee:** #1, I like to clarify that we have made no provision for the expected higher royalty in Karnataka.
- Moderator:** Sir, sorry to interrupt.
- Amitava Mukherjee:** Yes, we understood we have not made any provision at all. This is in the contingent liability where we also mentioned that most of it would be recoverable. The higher royalty is on account of higher production that is there, which is about 50 lakh tons increase as compared to Q2. And as you know that royalty provision is made on production, not sales. So, that is why if you match it to sales, it will not give about 20% that you are expecting, so because of about 50 lakh tons. So, I think the production as compared to Q2 has gone up by 60%. So, that is one of the factors for royalty, so if you match it with the sales, it is not necessarily be a straight division. Go ahead.
- Amit Dixit:** Thank you, sir. Very clear. The second question is on NMDC Steel. So, what was the sales volume this quarter at NMDC Steel and how are we ramping up over there?
- Amitava Mukherjee:** This quarter, we did production of around 3,80,000 tons which in December we did about 1,46,000 tons, which is almost near. The problem is dispatches. We are still sort of dispatching 2 to 2.5 rakes. We are able to dispatch around 1.4 rakes essentially because of non-availability of rakes in the circuit. Of course, Indian Railways has just allowed to backboard cold rakes and live rakes that come in, so that would bring some relief. But overall, the major problem is that, but we're trying to solve it by getting somewhere rakes there. So, our sales revenue of course has gone to about 2,120, but unless we sell around 165,000 tons, it will be slightly difficult for us to break even. So, we are now at 130 something... I will just give you the figure, but we see 155 we need at least 2, 2.5 rakes a day, and this quarter we sold around 3,57,000, in terms of monthly basis, that is not adequate enough. So, we



have to do around at least 4,65,000 to 4,80,000 per quarter to have something in a close vicinity of breakeven. Thank you.

Amit Dixit: Okay, sir. So, production wise, there is absolutely no problem, you are just saying that sales wise we are not able to get rakes and there is the bottleneck lie.

Amitava Mukherjee: Yes, I have around 2,00,000 tons of **(Audio Distortion) 9:18**.

Moderator: Sorry to interrupt.

Amitava Mukherjee: I am not able to dispatch because the rakes are not there. My production is going more than the sales. So, that is the problem. Last to last month I sold 1,65,000 product last month for example I sold about 1,3000 and this month it's 1,46,000. So, that is the problem. I produce 1,43,000 in the quarter **(Inaudible) 9:56** 67,000 in the quarter that will be 20,000 to 23,000 and we are carrying a huge backlog. So, the rake availability and the dispatches issue is there.

Amit Dixit: Okay, sir. Thank you so much and all the best.

Amitava Mukherjee: Thank you.

Moderator: Thank you. Mr. Mukherjee, I would request you to come a little closer to the microphone as your voice is a little muffled at times and use the handset as possible.

Amitava Mukherjee: Okay, okay, alright.

Moderator: The next question comes from the line of Saket Kapoor from Kapoor Corporation. Please go ahead.

Saket Kapoor: Namaskar, sir, and thank you for the opportunity. I also missed a lot part of your answer, so we'll take it later from the transcript. Sir, if you could just first explain to us, note #8 of our result and its implication and note #12. The note #12 which speaks about our investment in our subsidiary company, Legacy Iron Ore, what is translating there and what are we exactly eyeing? And for note #8, it's regarding our investment in RNIL to the tune of Rs.1,500 crores for setting up of various facility. So, this is my first question. And second question -

Amitava Mukherjee: Note #8 is advance to **(Inaudible) 11.25** more exactly what you want to know? Are you referring to Note #6 which is outstanding on **(Inaudible) 11.37** kindly be specific what note you are asking?

Saket Kapoor: Sir, the note says that the company has entered into a memorandum of understanding with RINL for setting up various facilities. What are we eyeing and this is a 1,500 crores investment that we are going to make upfront and deposits of 90 crores. If you could just elaborate the project? And also the



receivables to the tune of 3,000 crores something pending from them also. So, will this be adjusted from that or we will be needing to make fresh investment?

Amitava Mukherjee: That is note #7. The Rs. 1,500 crores that has been paid is essentially for buying or leasing 1,167 acres of land which was approved by the RINL Board also, our board this year and finally we had to get the approval of Ministry of Finance. Now that land we have taken possession of that. We are now going to develop the India's biggest bending yard there. We plan to terminate our pipeline phase-II, which is from Nagarnar to Vizag. We were not able to sanction that project because we did not know where this pipeline will terminate. And obviously we are terminating our last pipeline, we will also be setting up at least an 8 million tons pellet plant there. So, blending lot, pellet plant and in future we do some critical minerals like lithium etc., we would keep some land for processing of the same. So, we needed last year parcel of land. We have got it. This is just next to the Gangavaram port, 1,500 crores have been paid to RVNL and we are in the process of registering that land, but as of now we have already taken possession and made the boundary wall, now we are making plans to make investments, the three investments as I said, blending yard, pellet plant and pipeline. These are at least will result in the near-term.

Saket Kapoor: As on December 24, the receivables from RINL is to the tune of 3,400 crores. What is the update?

Amitava Mukherjee: Yes, RINL, we said we have started paying for the supplies around one week back. So, as you know what I understand that RINL has got a grant of around 11,000 crores from the Government of India and we hope that it will facilitate liquidation of our outstanding sooner than later. As of now, the interesting thing is that RINL is doing better and that can be seen in the recent steps that they have taken in paying our outstanding.

Saket Kapoor: Okay. And note #12 is about our Legacy Iron Ore investment. For that, we have done for some trading suspension to be revoked. If you could just explain this Rs.84 crores that we have done for Legacy Iron Ore?

Amitava Mukherjee: There was a liquidity issue and then when we got pending rights infusion by us and by the investors, we have taken a trading halt there because there were liquidity issues and unless we had subscribed to the rights issue and it would not have been possible for Legacy to continue with their operations, because the rights issue would have taken a month to design and fructify, so during that period we had taken voluntary trading halt. Once the rights issue were subscribed, I think we subscribed around 22 million and the subscribers had subscribed their cost. So, thereafter once the subscription was completed, the trading halt was lifted, we requested for lift of trading, which is now lifted, and now trading has commenced in a regular fashion.

Saket Kapoor: I will just take the next question offline, but the point was, what are the benefits you are currently envisaging from this investment? And secondly sir, when you mentioned we are eyeing for 100



million tons five years target of output and we have spoken to our vendors, have we made any presentation being uploaded to the stock exchanges also for our investors to know exactly where are we going to put the money and how are things going to shape up because 70,000 crores in five years is a large number. So, the vendor meet and the update of the same, where can investors find the details of the same?

Amitava Mukherjee: Sir, as of now, each of the projects it will not be possible for us to give it to the investors and others, but that is the direction that the company is moving towards that we have mentioned in various interviews and various press releases and various things. As and when the board approves and as and when the competent authority approves, we will go ahead and you will be intimated.

Saket Kapoor: But can you give an outline for what kind of CAPEX we are envisaging for the next financial year in taking into account this 70,000 crores number, our run rate is 4,000 for this year, so the average should go up significantly from the -

Amitava Mukherjee: Not 4,000, slightly more than that.

Saket Kapoor: What could be our volume for Q4? Considering what we did for Q3, this was the same number we did for last year Q4. So, if you could just give some understanding on how the volume should shape up for the ensuing quarters and also how have been the realization trend as of now?

Amitava Mukherjee: I think the Q4 should be doing much better than last year; I think we should be doing at least 16 to 17 lakh. In last month, January, we have done around more than 5 lakh plus. So, that leaves us to do around 11 to 12 lakhs in the next two months, February and March and hopefully we should be able to achieve that.

Saket Kapoor: Okay. Right, sir. I will join the queue for this follow up and thank you sir. And lastly, this iron ore product services line item wherein we are making losses. What steps sir are in the anvil to mitigate this losses? I know diamond mine is a drag. And earlier also we have alluded to the request that the CAPEX what we have spent, the projects which are under implementation, the projects we are going to complete in one or two years time, we needed the details of the same in our investor presentation. So, kindly look into our request, earlier also we requested during the conference call so that we get an idea of how much we have to spend for the quarter for the nine months or 12 months and what are we eyeing going there in terms of the completion also, the timeline that would give a better idea and save lot of time during the call, sir.

Amitava Mukherjee: Okay.



Moderator: Participants please restrict yourself to two questions if you have any further questions, kindly rejoin the queue. The next question comes from the line of Satyadeep Jain from Ambit Capital. Please go ahead.

Satyadeep Jain: Hi, thank you. Just a follow up to the previous question. You outlined 70,000 crores CAPEX for increasing to 100 million tons whereas the current gross block on the book that you have for 50 million tons is much significantly lower. And previously, you mentioned 50,000 crores CAPEX to get 100 million tons in one of the earlier calls. What has led to this increase in 50 to 70 and maybe can you outline why such high CAPEX compared to the current gross block that you have?

Amitava Mukherjee: You see, this figure will keep on changing till the time we get all the projects. Few of these are at desirable stages. So, this figure of 70 might become 80, this is what we are targeting as of now. When we made a deep dive into each project, then we will know whether this project is required or not and the project cost we are now doing is essentially bulk cement, obviously going to make detailed DPR, etc., the cost themselves go on changing. Sometimes they change the method of execution, for example, we can do it on some what is called partnership mode with the private investor and we now have a board for. NMDC partnership participation policy. So, it can change more of execution from EPC to partnership basis. We are trying to get a few dispatch facilities on the partnership mode, they invest and we pay on a per ton basis. So, these are right now a lot of fluidity more in term of per ton, more in terms of cost and finally in terms of execution methodologies. When we made a little more, it could become 65, could become 50, so, but we have made a long list of items that possibly needs to be done, we have gone through that quite a few times, we feel that, that list is exhaustive, but we might add or delete a couple from them as we go ahead.

Satyadeep Jain: Sir, on that question of why this is much higher than the current gross block, I can understand there will be changes, but what is causing this such high CAPEX, for new CAPEX assuming and I'm not sure if this assumes that you'll give out some MBO, it seems like you are saying some can be contracted, the 70,000 already assume some MDO and why is this CAPEX so high? When you look at CAPEX, you mentioned you're looking at 2030 as the guidepost for 100 million tons, which means possibly from FY27, there's a significant step up in CAPEX. So, what kind of annualized run rate CAPEX do we look at and does it mean you may have to relook at your dividend if the CAPEX is going to be so high in '27-28? All of these questions tied to the CAPEX. These are my only questions.

Amitava Mukherjee: We can speak about Crossing the bridge when we get to the river about '27-28. One thing you must realize is that the production jump comes in when this CAPEX are completed. So, if I am putting a 12 million tons let us say screening pump, about let us say 8,000 crores, so only when the screening pump is completed that I get a one-time one-shot jump as well. It will not be staggered. So, a lot of this from 50 to 100 will come up in a step rather than being a smooth curve up. So, this we realize and it is a project-specific. A lot of investment is related to dispatches where we need to build up a lot of dispatch capacities, both in terms of loading and in terms of evacuation. So, we have to focus



at least 1.5x or at least 2x of our production capacity in terms of evacuation. That is very important. Evacuation methods have to be fungible. So, you must have free capacities for dispatches as well as through weight as well as through conveyors. So, it is a multi-model if I may say so of dispatch capacities which are fairly in excess from production capacities, because we have seen and we have learned the lessons over the years and we believe that we should have enough capacity so that we have flexibility in dispatching and a lot amount of this is related to the dispatch and boarding capacity enhancement.

Satyadeep Jain: Thank you. I will join the queue. Thank you so much.

Moderator: The next question comes from the line of Prateek Singh from DAM Capital. Please go ahead.

Prateek Singh: Hi, sir, thanks for taking my question. Just sort of a hypothetical question. So, as you know, Karnataka bill talks about 1.5x extra royalty of 3x extra royalty depending on when it is granted. I would assume that bulk of this were granted before 2015 when the renewals happening post 2015. So, do we have a sense as to what percentage of our Karnataka production would fall under 1.5x or 3x or is it all under 1.5x as of now?

Amitava Mukherjee: Can you repeat please?

Prateek Singh: So, what kind of tax increase are we looking at if the Karnataka tax bill kind of is passed completely? So, they had asked for 1.5x royalty more or 3x royalty more. Do we fall under the 1.5 slab which means that is status quo, or do you think that some of our mines where before 2015 so we fell with 3x royalty slab right now?

Amitava Mukherjee: It is normal royalty slab going ahead into the future, but yes, retrospectively it is tough period we would like sub-3 kind of royalty. But **(Inaudible) 27.47** that because the still it is likely to have repercussion beyond the borders of the state of Karnataka. I hope the central government takes note of this and our burden of the future and the past is relooked at. That is what we are hoping that it would be done.

Prateek Singh: Sir, just to summarize, the only impact in the worst case would be the retrospective impact, on a run rate basis, there is no incremental royalty impact because we are already paying 1.5, is that the current?

Amitava Mukherjee: There is an agreement of royalty of Rs.100 per ton and I think over and above 1.5x that we are paying. So, what we are saying is 22.5, it will be 45.5 plus 20, it will be 65.5, it will have plus 50 effect as well.



- Prateek Singh:** Understood. Understood. and Sir, if you can shed some light on the current demand/supply scenario in the country, given that you have been able to keep prices elevated despite steel prices going down, how do you see it going ahead, do you think that the supply situation will continue to remain tight and we will be able to hold prices in over the next six, seven months?
- Amitava Mukherjee:** We are not in the six, seven months horizon, we are at least the one month, two months horizon right now. Every day, of course, the steel prices are not very encouraging. We have taken a small price cut about a month back. So, we are headwinds in terms of prices, but we are trying to see what best can be done. So, because the profitability of the company and we will have to take a call in April about the next six months, but right now we are having a very close look of what to do of 31st March. I hope that even if we have to take a cut it will not be very substantial and I hope that we'll be able to go stretch this pricing as long as we are able to. As of now, we are managing our prices. That's what we are looking at on a day-to-day basis. It'll be difficult to speculate right now.
- Prateek Singh:** Understood. Thanks for answering my question sir.
- Moderator:** Thank you. Mr. Mukherjee, I would request you to come a little closer to the microphone and press handset mode so that everyone could hear you a little clearer.
- Amitava Mukherjee:** Okay.
- Moderator:** The next question comes from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.
- Sumangal Nevatia:** Yes. Good afternoon. Thanks for the chance. A couple of follow up questions. One is on the timeline. As far as this uncertainty and the final decision on the Karnataka state government tax is concerned, any sense do we have as far as timeline is concerned?
- Amitava Mukherjee:** No, your guess is as good as mine. As we gather from the newspapers, that the bill work to return that it has again been resubmitted to the governor. All we are hoping is that because there is likely to have a domino effect beyond the state borders of Karnataka, I hope that in the interest of the entire mining community, the central government will possibly have a look at the entire situation that is now developing. So, beyond that I am not privy to any more information on this.
- Sumangal Nevatia:** Understand. Understand. And in case this 150% is being imposed from a prospective basis, do we have any clause under our supply agreement where this is an automatic pass-through or this is something which we will have to -?
- Amitava Mukherjee:** It will be a pass-through. We are very sure about that. All of these are pass-throughs. Even the retrospective of what it is we are hitting pass-through and of course getting it recovered from the customer is a different administrative issue, and that is what we have written in our note if you see



and significant aspect we have said that in terms of LTA and options, if these are the factors introduced in the future are recoverable from customers and bidders. We are very clear. But nonetheless, in terms of the market, individually it might not succeed, but overall if the market crashes the steel producers or customers will have disadvantages and in our dispatches So, that is our point of worry.

Sumangal Nevatia: Okay. Because last time in 2021 there was an additional 22.5% premium we had to absorb it and only gradually depending on the demand/supply situation, we were able to occasionally pass on. So, this time also it will be same, right, I mean it will depend on demand/supply situation rather than any contract pass-through -

Amitava Mukherjee: Last time pricing policy and all inclusive, so we did not put there a separate line item but that we can change at any given point of time. But this is a pass-through, definitely. we can convert our pricing through a pass-through mechanism. So, that's not a problem at all. The way earlier we used to do it for royalty and DMF and NMET, we can do it for this also. So, that's not a major problem that we have. All we need to do is change our pricing structure. We will declare our base price and add on price item and it will be shown. Today, it's an all-inclusive pricing. So, there is no separate line item, so you can't see that, you presume that it will come to the total profit.

Sumangal Nevatia: Alright, thank you.

Moderator: The next question comes from the line of Tushar Chaudhari from PL Capital. Please go ahead.

Tushar Chaudhari: Good afternoon. Thanks a lot for the opportunity. Sir, in the last few quarters, you had given us an update on a few of the projects at mines basically deposit five, deposit 10, where we could increase the capacities by 10% without public hearing. Any incremental info on that?

Amitava Mukherjee: We are expecting it by end of February. Hopefully, the approval for deposit for 2 million tons would come by end of February. It should be at the end of this month or somewhere around middle of next month. Similarly for deposits 14 also, we are expecting that, that it will be coming but those are in the various statutory approvals that are required, but we have not been received, we are pursuing this hard. Hopefully that is why for next year we are factoring in these approvals and we hope to do around 53 million tons next year.

Tushar Chaudhari: In fourth quarter, you said around 14, 15, 16 million tons?

Amitava Mukherjee: 16 should be easily done. We will try into 17, but we have already done five plus in the month of January, as you know we have declared I think 5.15 or 5.25 in the January month. So, that gives us around 11 to 12, that should be possible, it's not impossible.



- Tushar Chaudhari:** Sir, my next question is on the commissioning of the pellet plant which you were confident of finishing by end of FY'25. So, you're saying that from 2 we are configuring this 6 mtpa. So, any update on that for Nagarnar?
- Amitava Mukherjee:** I expect the pellet plant will be commissioned by the end of this calendar year, but what we are executing now and completing is a 2 million tons pellet plant with the provision of upgrading into 6 million tons. All the facilities are common, etc., The upgradation to six would also depend on back-to-back our upgradation if any the Nagarnar facility steel plant and also for the market. So, that to me, as of now, it is not a sanctioned piece of CAPEX. It is included in that 70,000 crores that we are talking about. It is included in that, but as of now it is not a board approved investment to be made. It would be sanctioned hopefully in the next three to four months, then we will decide of improving it from 2 million tons to 6 million tons. But I 2 million tons I think we should be getting done by end of fiscal year.
- Tushar Chaudhari:** Okay. Thanks a lot. Thanks a lot.
- Moderator:** Thank you. The next question comes from the line of Rashi Chopra from Citigroup. Please go ahead.
- Rashi Chopra:** Thank you. Most of my questions are answered. Just could you provide the cash balance as of December?
- Amitava Mukherjee:** As on 31st January was around 7,696 crores. December. I have to recheck and give it to you.
- Rashi Chopra:** Okay. Thank you.
- Moderator:** Thank you. The next question comes from the line of Ronil Dalal from Ficom Family Office. Please go ahead.
- Ronil Dalal:** Yes, hi, sir. Is there any impact of the iron ore consumption due to the recent budget announcement on reduction in steel import duties to 15% from 22.5%? That's my first question.
- Amitava Mukherjee:** Can you ask the question again? I could not understand that please.
- Ronil Dalal:** Is there any impact on iron ore consumption due to the recent budget announcement on reduction in steel import duty to 15% from 22.5%?
- Amitava Mukherjee:** It has been reduced from 22% to 15%.
- Ronil Dalal:** I believe this is announced in the budget right unless I'm mistaken on the steel import duty.



- Amitava Mukherjee:** Steel import duty is I think the different things. That was the maximum rate of steel import duty, not the effective rate of steel import duty. So, the steel import duty I think they are currently around 5% or 7%, that stays. So, that has not affected any steel import and consequently our customers as such domestic production and prices of steel as much. I think that's completely a misnomer. That is the maximum permissible and we are actually much lower than that. So, that having an impact on increased domestic steel production, which constitutes the hyper import impact on iron ore, I don't think it is correct, there is any correlation as of now, none whatsoever.
- Ronil Dalal:** Sure. My second question is that one large private player has announced possible investments of 1 lakh crores for 25 million tons steel plant in Gudchiroli and also some iron ore mining investments. And there is another player also which is expanding its capacity in iron ore mining in Maharashtra as well. These are large kind of capacity increases and investments. Would this have any bearing on the demand/supply dynamics, pricing or even your CAPEX plan over the next two, three years, have you reviewed this development and any impact from the same?
- Amitava Mukherjee:** I would not like to comment on the plans of any other company. So, that is beyond my competence to do, but if there is something big coming up in Gudchiroli, unfortunately, a place that is beyond our service area, there are no evacuation facilities as of now, even bigger plants come out there. Our possibility of making supplies there appears to be rather remote as of now. Future, I do not know. As of now it looks non-viable for us to be a source of supply.
- Ronil Dalal:** Line is not clear, sir.
- Amitava Mukherjee:** What I'm saying is that if in Gudchiroli mega steel plant comes in, I don't think NMDC is going to be affected by that because NMDC is not likely a key source of supplies for such a steel plant. West, of course the other things that coming in from Andhra, the more steel plants coming, the better it is for us as a merchant I will do my best, bigger customers, more customers are always more welcome.
- Ronil Dalal:** Sure. Thank you so much. Thank you. All the best.
- Moderator:** The next question comes from the line of Shweta Dikshit from Systematix. Please go ahead.
- Shweta Dikshit:** Hi, good afternoon. Thank you so much. Most of my questions were answered. Just could you give some outlook on where are we looking at our volume numbers for FY27 like we are expecting EC limit enhancements to take our volume to 53 million tons this year, but that was expected in FY'25 itself, but we did not achieve that number. So, what's the outlook for FY27 from here?
- Amitava Mukherjee:** In FY27 we should be doing if SP-III comes in around 60, next year, it should be around 53, because one major project which is SP-III is going to come on line, that is going to substantially increase our



capacity for processing our ore, and by that time, of course, EC has to be also enhanced in terms of mining required. So, we're looking at that.

Shweta Dikshit: Alright. Thank you.

Moderator: Thank you. The next question comes from the line of Siddharth Gadekar from Equirus. Please go ahead.

Siddharth Gadekar: Hi, sir. My first question is on the coal block. As we are looking to start maybe this year, any updates on that?

Amitava Mukherjee: Yes, I hope that by next year, we should be able to start that. I think that we should start from around December next should be following. Sec. 7 modification of the CP has been already done. And the next is Sec. 8 and 9. I think that is in line of going for the statutory requirement for Sec. 9 and then Sec. 11 take us to the end of this year at least. Those will be statutory timelines that we have to give up each notice. And I think we should be able to do small scale mining and start the mine operational some around the next year.

Siddharth Gadekar: Second, in the Kumaraswamy mine, have you received the EC clearance of 10 million tons?

Amitava Mukherjee: No, currently it's 8.86 something very close to that, I don't remember the exact figure, but it is for 8.86 or 8.92 something like that, I just give you the exact number. Because apart from the EC clearance for which we have for 9.5 or something like that, but there is also another cap in Karnataka which is the MPAP, the maximum permissible annual production, which is there in the Bellary region where we operate. So, when you cap that, it comes to around 8.87 or something or 8.2. The exact number I give you slightly later, but that is the problem. So, the sale we should be doing about 8.62, which is the permissible limit for this year and next year we should be able to do about 8.92 or something like that. Just a second, I will just give you the number. This year is 8.2 for Kumaraswamy, next year it will be 8.91 or 9.

Siddharth Gadekar: Okay. Thank you.

Moderator: The next question comes from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia: Yes, sir. Thanks for the follow up. I just wanted to know on the overall volume o say around 45, 50 million tons. What is the breakup of few large steel companies, JSW, JSPL, Essar and RINL?

Amitava Mukherjee: Generally, all ticket is around 75% 80%, but exact breakup of a customer like for the first nine months, you'll have to give me some time to get back to that. Exactly the customer wise total, I don't think I have right now on hand.



- Sumangal Nevatia:** Approximate range also is fine?
- Amitava Mukherjee:** Four taken together I have this number; for the nine months, AMNS is 56 lakh tons Vizag is 47 lakh tons, JSW is 84 lakh tons, that is 18%, 15% and 26% JSPL is 21 lakh tons which is 7%,
- Sumangal Nevatia:** Understood. Understood. And sir, with respect to NMDC steel plant, I mean, when do we expect the recovery of all the outstanding receivables, the investments and also any monetization timeline for the 10% equity stake we have?
- Amitava Mukherjee:** The 10% equity stake is as and when it is proposed to the disinvestment on which I don't have much of idea as of now. So, that is something as of now a hypothetical question.
- Sumangal Nevatia:** And the receivables and advances and investments, other assets that we have?
- Amitava Mukherjee:** I think we go to break even in that situation and that will only come when we do two or five rakes a month, not earlier than that.
- Sumangal Nevatia:** Understood. Alright. Thank you. Thank you.
- Moderator:** Thank you. The next question comes from the line of Saket Kapoor from Kapoor Corporation. Please go ahead.
- Saket Kapoor:** Thank you for the opportunity. Yes. So, when we look at our finance cost, that has gone up from 29 crores to 61 crores for this quarter and year-on-year the number is up from 32. So, what explains this increase in finance cost?
- Amitava Mukherjee:** Are you talking about NMDC or NMDC Steel Limited?
- Saket Kapoor:** I'm talking about NMDC Limited consolidated accounts.
- Amitava Mukherjee:** Of course, increase is in rate quite substantial. Now that with the finance cost has gone up, we are not investing in NMDC rather liquidating our previous outstanding. So, it is essential of working capital limits that we had substantial increase on that. So, it has gone up by around 55 crores.
- Saket Kapoor:** Come again, sir. The last point was completely muffled.
- Amitava Mukherjee:** Yes. The working capital requirements have gone up and as you know now that we are trying to get this down instead of investing into FDs, our surplus cash, we are now liquidating our working capital loan that has accrued, so that we're taking care of that.
- Saket Kapoor:** Okay, sir. Thank you for all the answers and all the best.



- Amitava Mukherjee:** Thank you.
- Moderator:** The next question comes from the line of Atharva Gupta, an individual investor. Please go ahead.
- Atharva Gupta:** Sir, my question is mainly on NMDC Steel Limited. I read the news the contract would break on. Now, I just wanted to understand, now the operations have been handled by NSL? And secondly, the problem of rakes, have you spoken to the ministry like what is being done to address that, and do we have any sight on when this will get rectified?
- Amitava Mukherjee:** Yes. First of all, the first question is that of course the mecon contract ended on 17th of December and thereafter we have been on our own, we are doing pretty fine without them as well. So, we are having to shift now, we have a new executive director who we have recruited and who has now already joined us. So, we have an expert who's now getting the plant. So, that is some good news. The second question is about rakes, obviously, we are talking to the Indian Railways and they have been trying their best to help. But alternatively we are also talking to the private rake supplier for the LFTO, there are five or six vendors in India and we're trying to get them to supply us rakes. That is something that we are looking at. Hopefully, once we do the tenders, etc., we expect that these rakes at least one per day will be available from the various suppliers, we are targeting to get this somewhere around mid-March, 1st April. I think by that time should we be able to have those private rakes players supplying us. 1, 1.5 from Indian Railways is fine enough, the other one has to come from the private suppliers.
- Atharva Gupta:** Okay. So, once that's done, perhaps in Q1 we target breakeven if this happens by March or April Q1 of financial year '26?
- Amitava Mukherjee:** Yes, definitely there are only five or six suppliers, we have just called a limited tender from them. So, once we give the order also it takes them around a month to organize the rake and supply to us. So, we should be able to give them the order by the end of this month and then we will pursue with them how fast now so they can possibly supply to us. Thank you.
- Moderator:** Thank you. The next question comes from the line of Vikas Singh from PhillipCapital. Please go ahead.
- Vikas Singh:** Good afternoon, sir. Thank you for the opportunity. Sir, I see that our production has been pretty good, but our sales volume had been a little bit laggard. So, just wanted to understand our evacuation or the logistics in place right now and how do we see this improving over the next six or 12 months down the line especially from the Chhattisgarh region?
- Amitava Mukherjee:** Yes, that has been a problem. We have now opened two more newer sidings, but the whole sidings is giving us a major mechanical problem which have been similarly responsible for our numbers



being lower than expected. Yes, it is possibly much higher than last year, but we could have done better, except one mechanical siding in Kirandal Road which is giving us some problems. We are looking at that thing; we are trying to get that in order. But with two new line No.4 in Bacheli and line No.13 in Kirandal Road, are basically on manual download system. We expect that we should be able to move 50 to 53 because even if we take four rakes, that is an incremental loading of at least 6 to 7 million tons from these two sidings. So, we hope to actually achieve better going forward.

Vikas Singh: So, FY26 basically, we could be at 52, 53 million tons range?

Amitava Mukherjee: Yes, it should be.

Vikas Singh: Understood, sir. Sir, any update on the doubling of railway line?

Amitava Mukherjee: I think except for two sections, one between Bacheli and Bailadila the entire line is ready even from Kirandul to Bacheli it should be ready this year March. So, that would leave two sections, about 20 kilometers left out of the 151 kilometers. That is likely to take another six months. Nonetheless, as you know in railways, it is possible to take benefits even of tracks doubling. So, our facility has gone up for these two sections. I think one is 10 kilometers, one is 11 kilometers or something, 21, 22 kilometers I think we have to go somewhere around the end of next year. As you know railways is an executable job, we are following it up with railways very intensely. So, that is a question that we need to address.

Vikas Singh: Understood, sir. That's all from my side.

Moderator: Thank you. The next question comes from the line of Ruchita Maheshwari from Ace Lansdowne. Please go ahead.

R Maheshwari: Hello. Yes. Just want to understand what's your sense on iron ore price movement, which is currently hovering around \$100, \$102 per ton, for next six months, what's your sense, whether this price will move up or it will stabilize or there will be some decline if some guidance is provided that will be great?

Amitava Mukherjee: I don't see it increasing too much, I'm not very optimistic on the medium term prices on iron ore. I think at the current scenario of the global production of steel. I think at even \$102 it is a robust price. I think given the situation now steel production went by \$102 is a fair price. If it holds for sometime I think people should be happy rather than complain. I don't think that even in the medium term it's going to move up north at all.



- R Maheshwari:** Okay. And today there was a news that US imports have 25% kind of a tariff on metals. What's your understanding on this and how it's going to impact the steel prices, iron ore going forward, and do you feel that Trump might revert this stance or it will maintain this?
- Amitava Mukherjee:** Nobody to comment on President Trump's whether he is going to revert or not. I don't think I'm the right person to be answering that question. Yes, there is an import duty of around 25%, but I have not had a good look at the countries exporting to US. I'm sure that from India there is hardly any steel export to US, even it is more sporadic. But I don't think there's a very regular steel export from India to US. So, far as Indian market is concerned, I don't think that's going to impact immediately. I have limited knowledge because I have not read the exact breakup of countries from where US is currently importing its steel. That's the thing that I cannot answer.
- R Maheshwari:** Do you feel that, that will increase the imports in India because if the other countries are not able to export to US because of the tariff?
- Amitava Mukherjee:** Internal report we are very clear from where it is coming so we know how much is coming from FTA countries, how much that includes Japan and Korea and how much is coming from the trade. So, unless we have a clear clarity from there, US was reporting. I don't think we will be able to have a view on that as of now.
- Moderator:** That's the last question now for today, sir. I would now like to hand the conference over to you, Mr. Amitava Mukherjee for the closing comments.
- Amitava Mukherjee:** Yes. Thank you all for being there and asking the questions. I believe that NMDC is poised for good Q4 this year, good FY26 and beyond. The company is poised for a quantum leap. I hope that the investors will be happy with our comments not only in the coming quarter, coming year, but also in the short-term. We are planning very aggressive growth plans, and we are also doing pretty well as you have seen in the recent past. You must realize that this should I say we are in the month of May, we had a 30-day strike. So, what we've done last year in 12 months we are doing in 11 months and had the strike would not have happened we would have easily cross 50 million tons of this year itself, but nonetheless what has happened has happened and I think we should be able to be comfortably locked down 53, 54 next year given the inputs that we are making in terms of operation, in terms of the machineries that which orders are being placed on and are due for delivery and which are in pipeline, I think the future of NMDC is bright and we are hopeful that we will take the company to the new heights in future. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of Dolat Capital Markets Private Limited, that concludes this conference. You may now disconnect your lines.