

# NMDC plans ₹50,000-crore capex to double iron-ore output by FY31

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NMDC, the country's largest iron-ore miner, has earmarked ₹50,000-crore capex, as it plans to double production to nearly 100 million tonnes (mt) over the next five-six years.

The investments are to be made towards mine enhancement, including seeking permissions for deeper drilling, new mine bids and acquisitions, addition of equipment, setting up of slurry pipelines and expansion of other allied facilities.

According to Amitava Mukherjee, Chairman and Managing Director (Additional Charge) and Director (Finance), NMDC approvals are expected by "next year-(fiscal) end," with nearly ₹2,500 crore of capex expected in FY25.

Bunching up or peaking of capex to around ₹8,000-9,000 crore each year, is expected from the "year after next" for "three to four years" — FY27 to FY30.

"So we are on track to double production to 100 mt over the next five-odd years, around FY30/31, with a capex outlay of ₹50,000 crore. Some approvals have been received and we will float tenders for equipment soon, while some projects are in the Detailed Project Report stage. We plan to get all the approvals — at the board level, EC clearances, and even ministerial approvals — by next year. Capex peaking — around ₹9,000 crore a year — will happen for three to four years from the year after next (FY26)," he said during the earnings call.

Apart from expansion of existing mine capacities, NMDC would also look at bidding and acquisition of new iron-ore mines.

The other part of the capex plans include setting up of conveyor belts (of around ₹1,000 crore) and slurry pipelines (expected to cost ₹10,000 crore), pellet plants at ₹2,000 crore, building stockyards (for which consultants like Deloitte, McKinzie and



Amitava Mukherjee, CMD, NMDC

BCG have been engaged) at a cost of ₹10,000 crore.

## PRODUCTION GUIDANCE

NMDC operates mines in Chhattisgarh and Karnataka. In FY24, NMDC iron-ore production stood at over 45 mt.

In FY25, it has guided for a 11 per cent increase in production to 50 mt, FY26 production guidance is another 8 per cent increase to 54 mt.

"Incremental addition to iron-ore production will come from both Karnataka and Chhattisgarh mines, and required permissions (including environmental clearances) for ramp up of production up to 53 mt has been obtained," he said. "Beyond FY26, we have yet not worked out the production guidance," he added.

Mukherjee anticipates demand for iron ore to remain strong, especially on the back of improving domestic consumption of steel. Iron-ore is a key steel-making feedstock.

According to him, apart from NMDC Steel Ltd — the steel unit of NMDC, other big steel-makers JSW and JSPL have already sought additional supplies from the PSU iron-ore mines.

"So if you look at our large clients, JSPL is asking for additional supplies, which we are unable to provide; for JSW, we are supplying 60 per cent of their demand, and 80 per cent of RINL's demand," he added.