Initiating Coverage

Choice
Institutional Equities

NMDC Ltd.

Executing Growth with Scale, Discipline and Returns

August 06, 2026

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NMDC Ltd. (NMDC)

Choice Institutional Equities

Sector View: Positive

BUY

August 06, 2026 | CMP: INR 85.8 | Target Price: INR 107.0

Expected Share Price Return: 24.7% I Dividend Yield: 3.0% I Expected Total Return: 27.7%

Company Information

NMDC Limited is **India's largest iron ore producer** and a **Navratna CPSE** under the Ministry of Steel, contributing nearly **18–20% of India's iron ore production**. In **FY26**, it achieved a record **53.15 MnT** of production, becoming the first Indian miner to cross the **50 MnT** milestone. The company targets **110 MnT by FY30**, supported by mine expansion, mechanisation, and digitalisation, positioning it to benefit from India's long-term steel and infrastructure growth.

BB Code	NMDC
ISIN	INE584A01023
Face Value (INR)	1.0
52 Week High (INR)	97.5
52 Week Low (INR)	68.2
Mkt Cap (INR Bn)	754.3
Shares o/s (Mn)	8,791
Free Float	39.2%

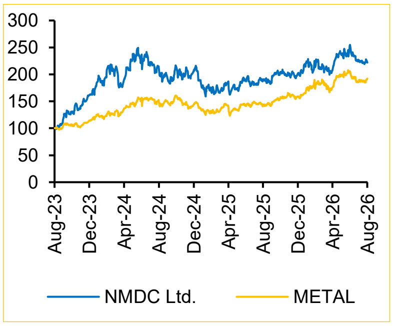
Shareholding Pattern (%)

	Jun-26	Mar-26	Dec-25
Promoters	60.79	60.79	60.79
FIIs	13.59	13.60	13.48
DIIs	13.80	13.76	14.06
Public	11.82	11.85	11.67

Relative Performance (%)

YTD	3 Year	2 Year	1 Year
NMDC	121.7	6.2	18.6
Metal	92.1	29.8	36.7

Rebased Price Performance



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[Bull Bear Case]
[Plant Visit and Management Meet]
[Investors Concerns Answered]

Structural Tailwinds – Capturing India's Infrastructure Growth with High-grade Margin: As India's largest iron ore producer with premium ~64% Fe ore, NMDC is well-positioned to capture incremental demand from a domestic steel supercycle. **India's infrastructure-led expansion is expected to lift crude steel capacity to 300 MnT and iron ore demand by ~50% to ~460 MnT by FY31E**, creating **~150 MnT of incremental ore demand**, with **~98% of mined ore consumed by the steel sector**. **Strategically located assets in Chhattisgarh and Karnataka**, combined with **high-grade ore and domestic auction-linked pricing**, support **healthy realisation (~INR 4,900–5,300/t)** and **resilient EBITDA margin above 35%**, limiting exposure to volatile seaborne iron ore prices.

Execution-led Multi-year Ramp-up – Scaling up Flagship Hubs to ~110 MnT: NMDC is set to double its iron ore capacity, from ~51.6 MnT in FY26 to ~110 MnT by FY30E, across five key hubs. **Secured environmental clearances extending from the mid-2030s to the 2070s** effectively pre-empt regulatory risk, shifting the focus to **execution and evacuation infrastructure**. **Near-term growth is driven by higher-margin Karnataka assets (17 MnT by FY27E) and the NCL JV**. At the same time, **Chhattisgarh's Kirandul (30 MnT) and Bacheli (35 MnT)** emerge as the key volume engines by **FY29–FY30E**, supported by rail and conveyor expansions.

The Capex Super-cycle – Compressing Capital Investment of over 3 Decades into a 5-year Execution Window: We view NMDC's INR 400 Bn capex programme as a key long-term value-creator, supported by **internal accrual funding** and **environmental clearance (EC)-approved capacity expansion**. The planned investments underpin our **FY30E volume and margin assumptions**, while **execution remains manageable,** given the company's **strong balance sheet**. We believe **timely execution of the capex programme will be the key catalyst for sustainable production growth and long-term earnings expansion**.

Optionality: Non-core optionality provides additional long-term upside through **Tokisud coal (2.32 MnT by FY30E), Rohne coking coal (8.0 MnT by FY30E),** while investments in **gold, diamonds and critical minerals** are treated as **long-term value enhancers rather than core valuation drivers**.

Valuation: We initiate coverage on **NMDC with a BUY rating and an SOTP – based [(for detailed Valuation click here)] fair value of INR 107/share (24.7% upside)** having implied FY28E EV/EBITDA of ~6.9x, driven by capacity expansion, from **~53 MnT to ~110 MnT by FY30E**, strong domestic steel demand and a **15.8% EBITDA CAGR** over FY26–FY29E. While the capex cycle may temporarily reduce net cash, the balance sheet remains strong and supports our positive outlook.

Key Risks: Possible lower iron ore prices, delays in capacity expansion, increased capex and adverse regulatory changes could impact earnings.

Key Financials - IND AS

INR Mn	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	2,13,079	2,39,055	3,20,709	2,98,553	3,28,129	3,71,155
YoY (%)	20.6	12.2	34.2	(6.9)	9.9	13.1
EBITDA	72,930	81,487	92,595	1,05,484	1,22,649	1,43,881
YoY (%)	20.5	11.7	13.6	13.9	16.3	17.3
EBITDAM %	34.2	34.1	28.9	35.3	37.4	38.8
PAT	55,761	65,429	74,511	80,792	88,391	98,115
Adj PAT	57,728	65,420	74,504	80,785	88,384	98,108
EPS (INR)	6.3	7.4	8.5	9.2	10.1	11.2
ROE %	45.0	23.6	23.4	21.8	20.4	19.5
ROCE %	31.8	16.7	16.4	15.5	15.1	14.9
EV/EBITDA (x)	9.1	8.5	7.6	6.4	5.8	5.2

Source: NMDC, Choice Institutional Equities

Choice Institutional Equities

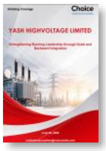
Report Structure

Our recent 'Initiating Coverage' reports

The Great Refinery Migration_Capacity Relocates_Margins Reprice_Refinary Thematic

Lloyds Metals_Initiating Coverage

Monolithisch India_Initiating Coverage



Yash Highvoltage_Initiating Coverage

Naval Shipbuilding Thematic

Convex_Choices_Equity Strategy and High-Conviction Ideas_Quarterly_Q4FY26

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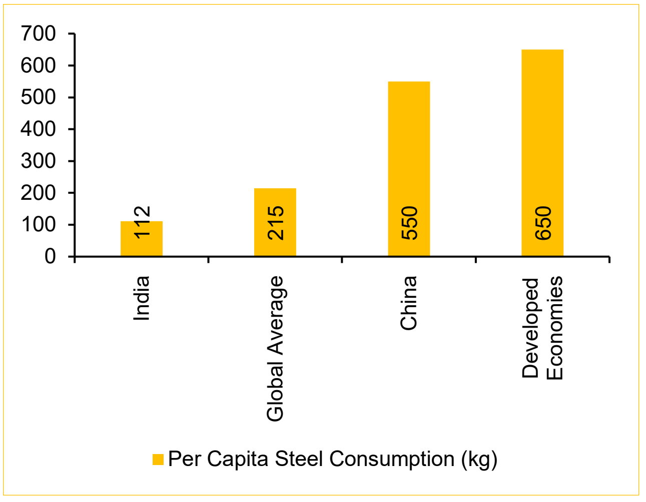
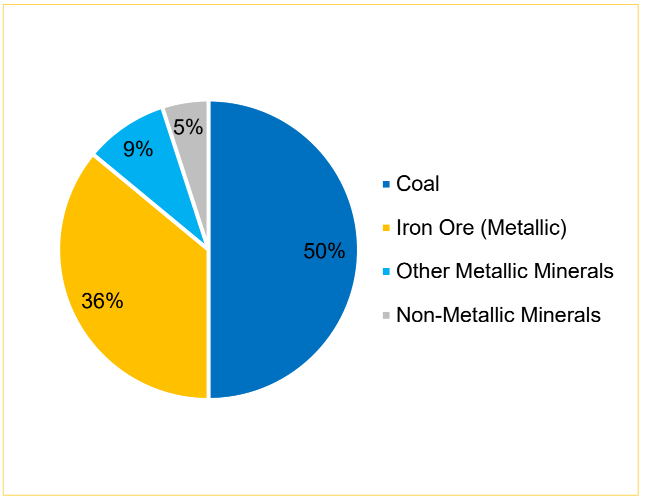
1.1 From Data to Alpha — The Thesis Unfolds

India's Steel Consumption Gap — The Core Demand Driver



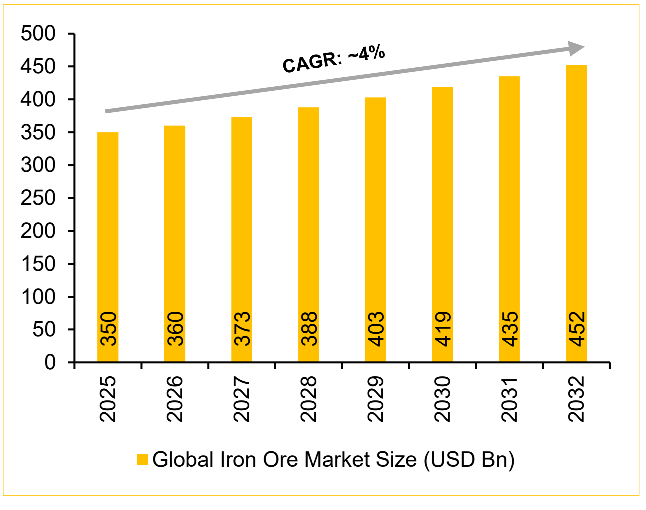
Source: Caliber RHP, Choice Institutional Equities

Iron Ore Remains the Backbone of India's Mineral Economy



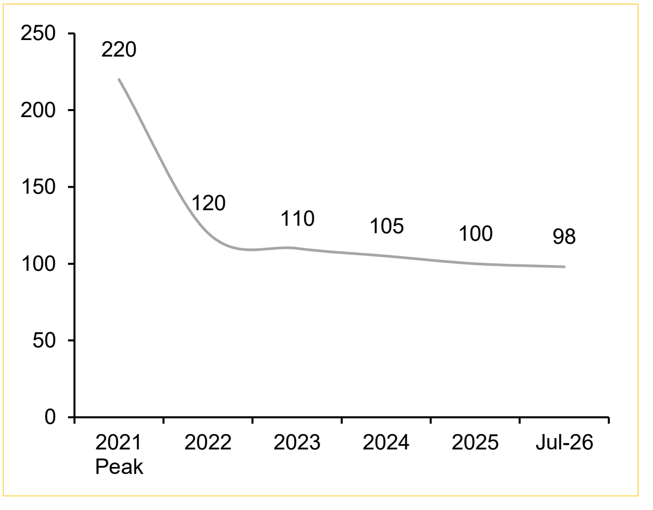
Source: Caliber RHP, Choice Institutional Equities

Global Iron Ore Market Set for Steady Growth to USD 452 Bn by 2032 (CAGR ~4% over 2025-2032)



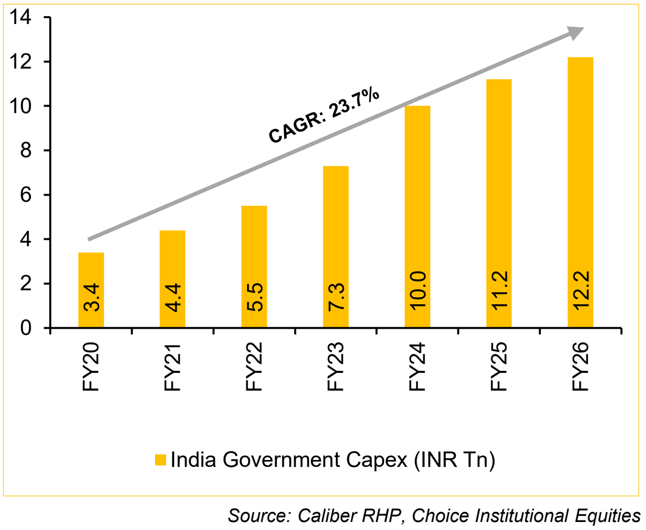
Source: P&S Intelligence, Choice Institutional Equities

Iron Ore Prices Find a Stable Footing After the 2021 Peak



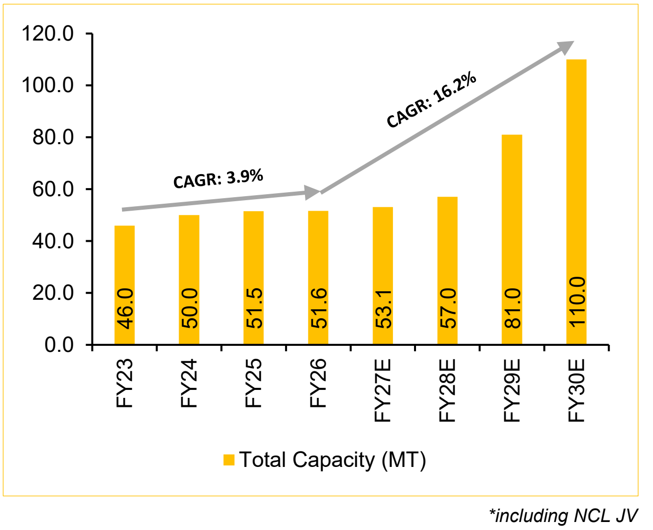
Source: Caliber RHP, Choice Institutional Equities

Government-led Infrastructure Capex Provides a Structural Tailwind for Steel and Iron Ore Demand



Source: Caliber RHP, Choice Institutional Equities

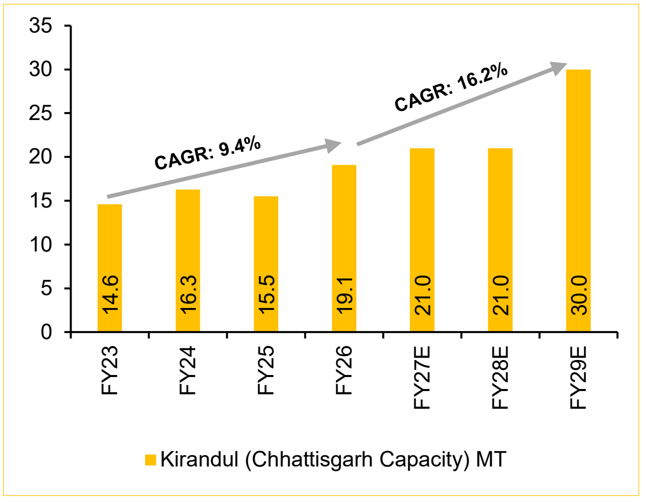
NMDC Embarks on a Multi-year Production Expansion to 110 MnT



**including NCL JV*
Source: NMDC, Choice Institutional Equities

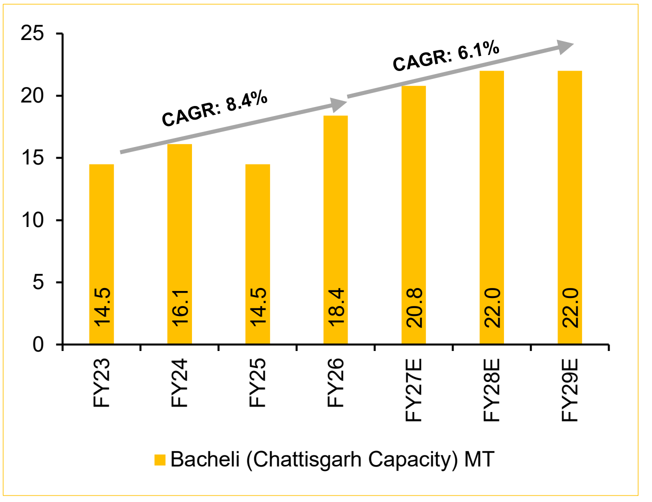
1.1 From Data to Alpha — The Thesis Unfolds

Kirandul Production Set for ~1.6x from FY26, Reaching 30 MnT by FY29E



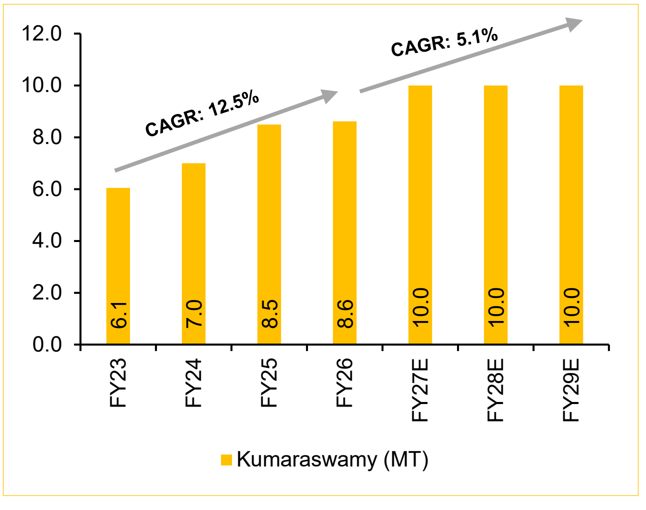
Source: NMDC, Choice Institutional Equities

Bacheli Production Set to Reach 22 MnT by FY29E



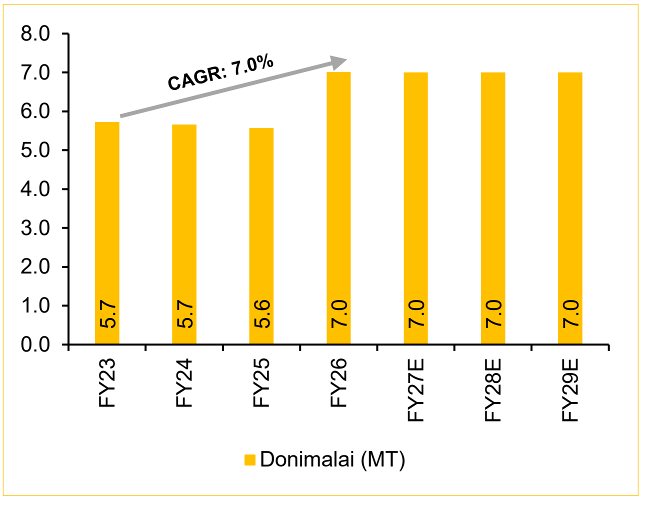
Source: NMDC, Choice Institutional Equities

Production Expansion Positions Kumaraswamy for Sustainable Growth



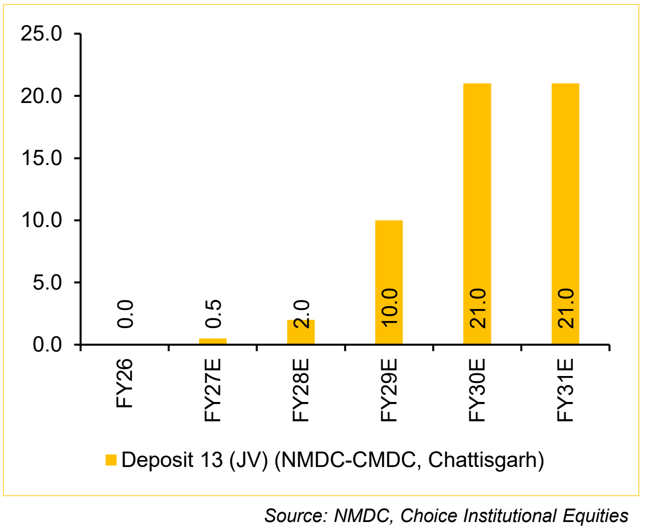
Source: NMDC, Choice Institutional Equities

Donimalai Production Stabilises at 7 MnT from FY26



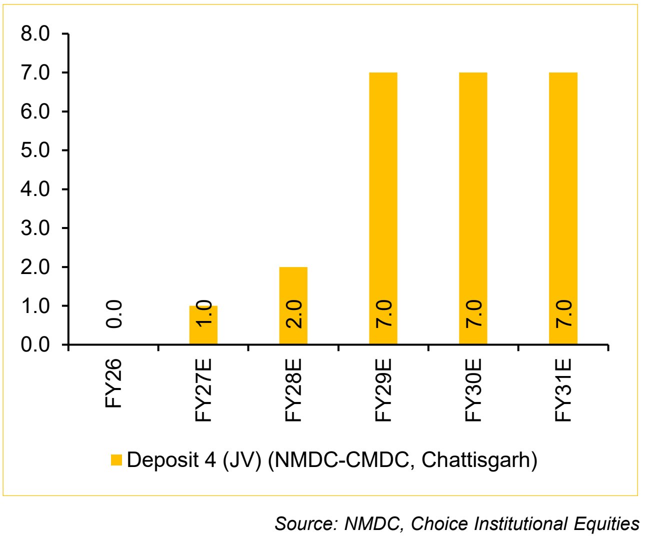
Source: NMDC, Choice Institutional Equities

Deposit 13 Underpins NMDC's Long-term Growth Pipeline



Source: NMDC, Choice Institutional Equities

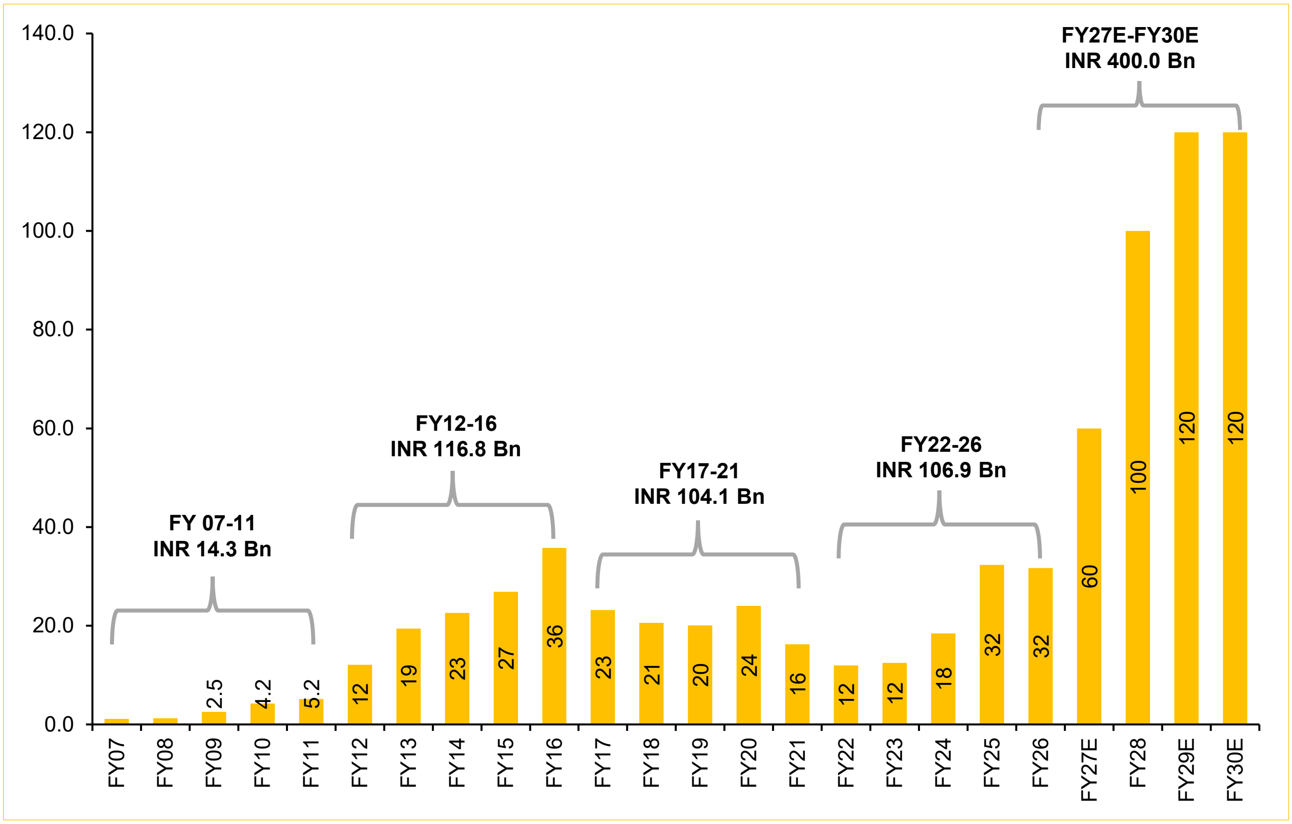
Deposit 4 Scales to Steady-state at 7 MnT Production



Source: NMDC, Choice Institutional Equities

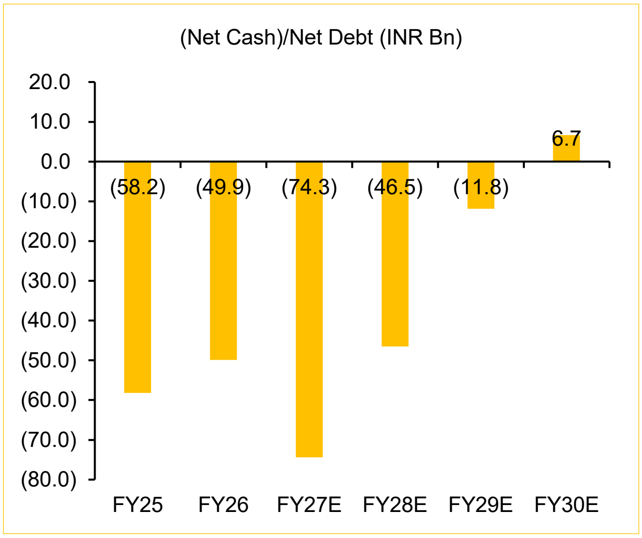
1.1 From Data to Alpha — The Thesis Unfolds

A Structural Capex Reset: Five-Year Spend Equals 3 decades+ of Historical Investment



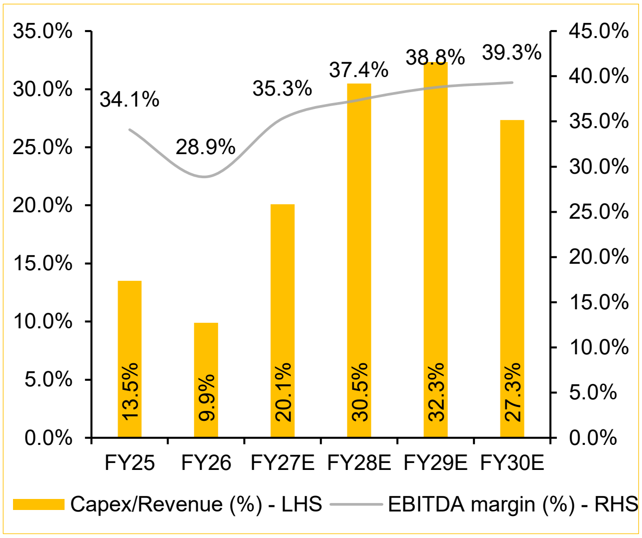
Source: NMDC, Choice Institutional Equities

Net Cash Position Largely Preserved Despite Capex Ramp-up



Source: NMDC, Choice Institutional Equities

Capex Intensity Peaks; Operating Leverage Drives Margin Expansion



Source: NMDC, Choice Institutional Equities

2.1 Structural Tailwinds – Capturing India's Infrastructure Growth with High-grade Margin

As India's largest iron ore producer with premium ~64% Fe ore, NMDC is well-positioned to capture incremental demand from a domestic steel supercycle. **India's infrastructure-led expansion is expected to lift crude steel capacity to 300 MnT and iron ore demand by ~50% to ~460 MnT by FY31E**, creating **~150 MnT of incremental ore demand**, with **~98% of mined ore consumed by the steel sector**. **Strategically located assets in Chhattisgarh and Karnataka**, combined with **high-grade ore and domestic auction-linked pricing**, support **healthy realisation (~INR 4,900–5,300/t)** and **resilient EBITDA margin above 35%**, limiting exposure to volatile seaborne iron ore prices.

Structural Domestic Demand Drivers

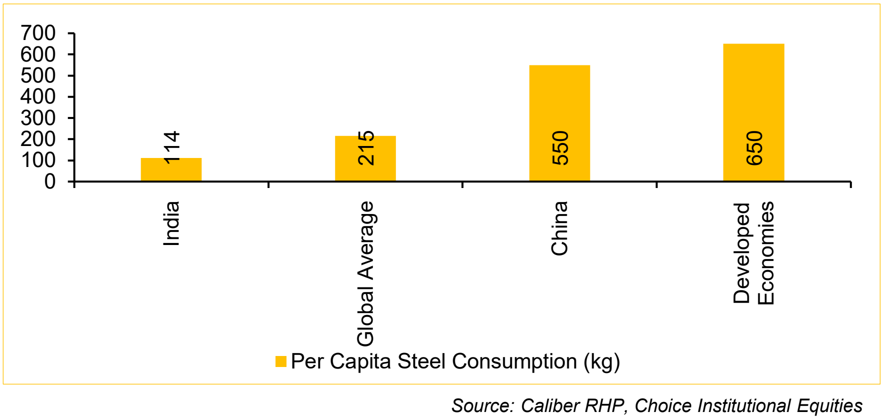
NMDC's investment case is strongly supported by domestic steel supercycle. As **India's largest iron ore producer with the highest average ore grade,** the company is uniquely positioned to capture a significant share of rising domestic demand.

2.1.1 India's Steel Expansion to Drive Long-term Iron Ore Demand

Despite being the world's second-largest steel producer, India's per-capita steel consumption remains significantly below the global average, at **~114 kg versus ~215 kg**. The government's target of **160 kg per-capita consumption and** 300 MnT crude steel capacity by FY31 is expected to drive a **~50% increase in iron ore demand to ~460 MnT (incl. exports of ~30 MnT)**, providing a strong medium-term structural growth catalyst for NMDC.

We believe NMDC is best positioned to capture India's structural iron ore demand growth, supported by its premium-grade reserves, strategic mine locations and dominant domestic market presence. Its low-cost operations and domestic pricing linkage should sustain superior profitability despite global iron ore price volatility

India's Steel Consumption Gap — The Core Demand Driver

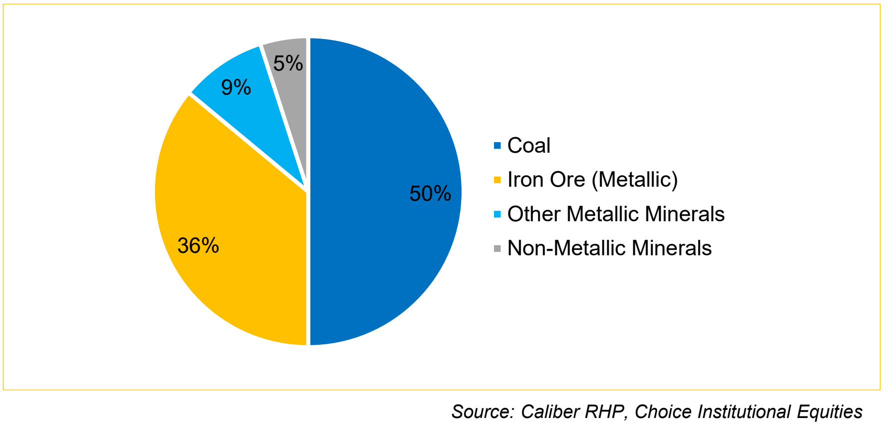


Source: Caliber RHP, Choice Institutional Equities

2.1.2 Iron Ore's Central Role in India's Mineral Economy

Iron ore accounts for ~**36% of total mineral value and ~81% of metallic mineral** output in India. Because steel production absorbs ~98% of all mined iron ore, **domestic steel sector expansion directly guide NMDC's volume trajectory and earnings outlook**.

Iron Ore Remains the Backbone of India's Mineral Economy



Source: Caliber RHP, Choice Institutional Equities

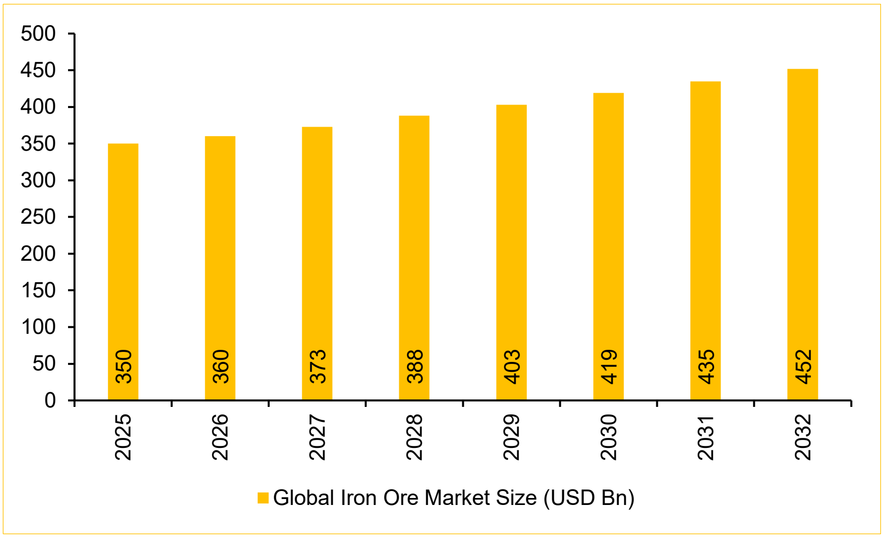
2.1 Structural Tailwinds – Capturing India's Infrastructure Growth with High-grade Margin

2.1.3 Strategic Resource Positioning in India's Richest Iron Ore Belts

NMDC's concentration in India's richest iron ore belts provides a durable competitive advantage through superior resource quality, lower logistics costs and scalable long-term production growth

While the global iron ore **market expands steadily towards USD 452 Bn by 2032**, Indian production remains geographically concentrated in **Odisha (~52%) and Chhattisgarh (~15%). NMDC's prime assets closer to these belts provide notable grade and logistical advantages over dispersed peers.**

Global Iron Ore Market Set for Steady Growth to USD 452 Bn by 2032 (CAGR ~4% over 2025-2032)



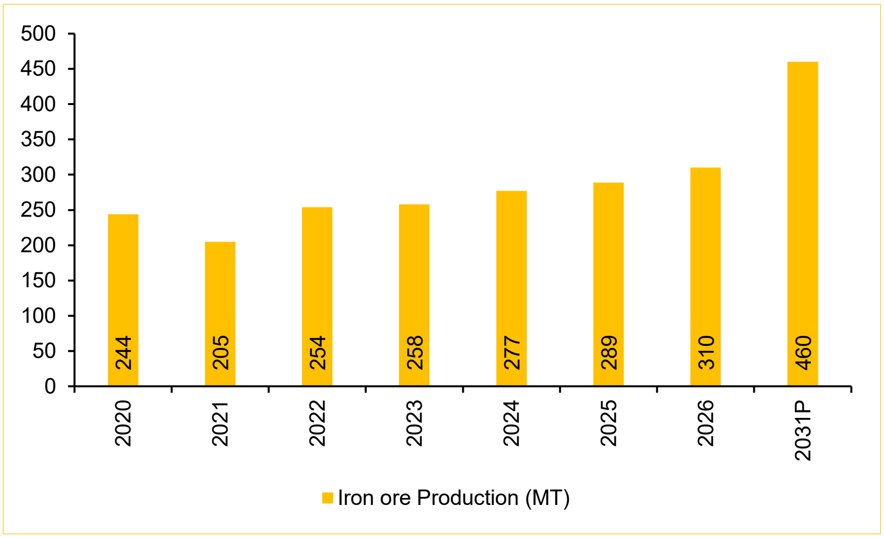
Source: P&S Intelligence, Choice Institutional Equities

2.1.4 Steel Expansion Targets and Incremental Ore Requirement

India's steel capacity expansion provides a structural demand tailwind, positioning NMDC to capture a significant share of the incremental iron ore requirement over the medium term

Achieving the National Steel Policy target of **300 MnT crude steel capacity by FY31 will require ~150 MnT of incremental iron ore supply** based on standard consumption ratios (~1.7 MnT ore per 1 MnT steel). Major mill expansions (including secondary route players) **ensure strong long-term off-take for NMDC's additional volumes.**

Iron Ore Production Set for a Structural Step-up, Supporting India's Steel Growth Story



Source: IBM Monthly Statistics, Choice Institutional Equities

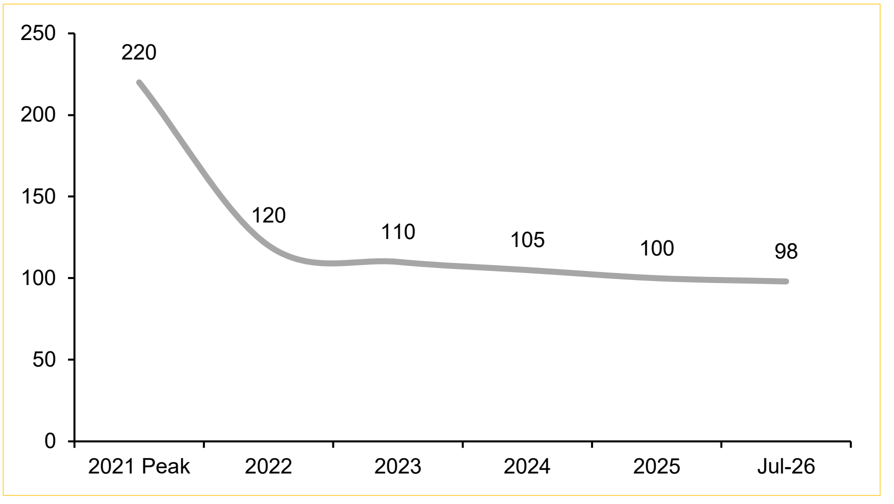
2.1 Structural Tailwinds – Capturing India's Infrastructure Growth with High-grade Margin

2.1.5 High-grade Ore Insulates NMDC from Seaborne Price Volatility

With global 62% Fe CFR China **benchmark prices stabilising in the USD 98–105/MnT range, NMDC remains insulated from pure seaborne volatility.** Its premium high-grade ore (~64% Fe) and domestic monthly auction **mechanics protect realisation (~INR 4,900–5,300/t) and maintain EBITDA margin above 35%.**

NMDC is protected from global iron-ore price swings because its premium high-grade ore (~64% Fe) and domestic auction structure defend realizations (INR 4,900–5,300/t) and sustain EBITDA margins above 35%

Iron Ore Prices Find a Stable Footing After the 2021 Peak



Source: Caliber RHP, Choice Institutional Equities

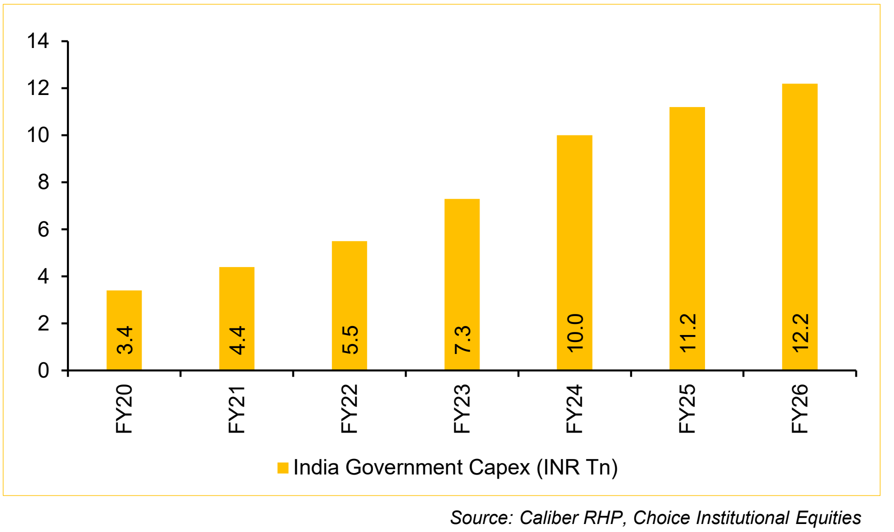
2.1.6 Public Capex Multipliers and Infrastructure Off-take

Government capital expenditure has increased from **INR 3.4 Tn in FY20** to **INR 12.2 Tn in FY26**, supported by **PM Gati Shakti**, the **INR 111 Tn National Infrastructure Pipeline (NIP),** the **Bharatmala** and **Sagarmala** programmes. These initiatives remain **highly steel-intensive**, supporting long-term demand.

As an industry benchmark, **every INR 10 Mn of infrastructure spending generates the demand for 8–12 tonnes of steel**, translating into **higher iron ore off-take** and providing a structural demand tailwind for the sector.

Rising government capex (INR 3.4 Tn in FY20 to INR 12.2 Tn in FY26) across key mega-infrastructure programs (PM Gati Shakti, NIP, Bharatmala, Sagarmala) provides a structural demand tailwind for iron ore, driven by an industry benchmark of 8–12 tonnes of steel required per INR 10 Mn of spending

Government-led Infrastructure Capex Provides a Structural Tailwind for Steel and Iron Ore Demand



Source: Caliber RHP, Choice Institutional Equities

2.2 Execution-led Multi-year Ramp-up – Scaling up Flagship Hubs to ~110 MnT

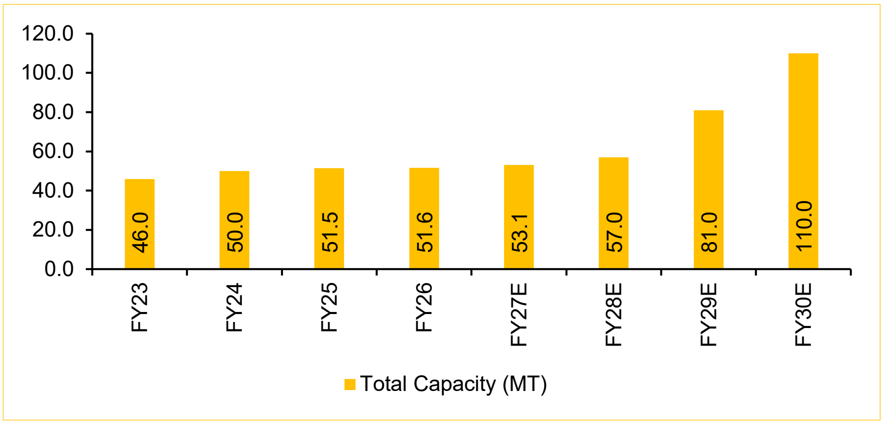
NMDC is set to double its iron ore capacity, from ~51.6 MnT in FY26 to ~110 MnT by FY30E, across five key hubs. **Secured environmental clearances extending from the mid-2030s to the 2070s** effectively pre-empt regulatory risk, shifting the focus to **execution and evacuation infrastructure**. **Near-term growth is driven by higher-margin Karnataka assets (17 MnT by FY27E) and the NCL JV**. At the same time, **Chhattisgarh's Kirandul (30 MnT) and Bacheli (35 MnT)** emerge as the key volume engines by **FY29–FY30E**, supported by rail and conveyor expansions.

Multi-year Capacity Expansion Strategy

NMDC plans to nearly double its **iron ore capacity from ~51.6 MnT in FY26 to ~110 MnT by FY30E** across five production hubs. Unlike typical mining expansions, this growth is heavily de-risked by **existing environmental clearances (ECs)** which span **mid-2030s to the 2070s**. With the regulatory runway largely secured, investment success pivots primarily towards on project execution.

We believe the capacity expansion of NMDC provides strong volume visibility while significantly lowering execution risk. The resulting operating leverage should reinforce **NMDC's low-cost leadership and drive sustained earnings growth over FY27E–FY30E**

NMDC Embarks on a Multi-year Production Expansion to 110 MnT

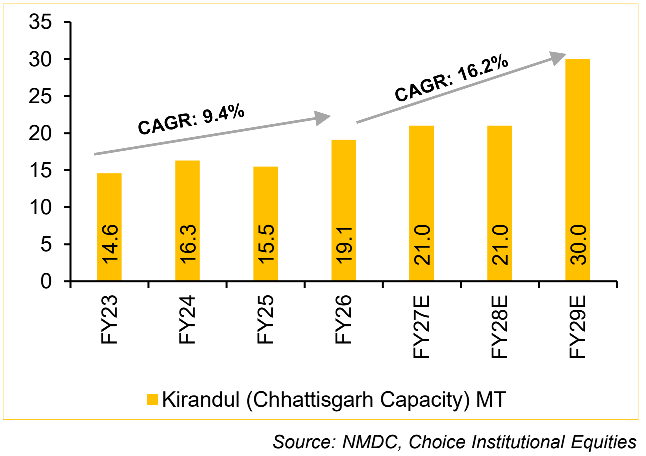


**incl. NCL JV*
Source: NMDC, Choice Institutional Equities

2.2.1 Chhattisgarh Flagship Complexes: Production Ramp-up and Infrastructure Sequencing

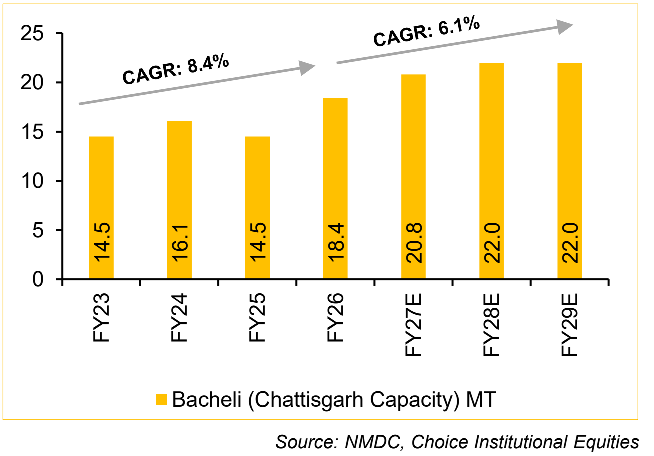
NMDC's core Kirandul and Bacheli assets are entering their steepest production ramp-up, supported by ECs valid till 2035. Kirandul is guided to scale up from **19.1 MnT in FY26 to 30 MnT by FY30E**, while Bacheli is projected to nearly **double from 18.4 MnT to 35.0 MnT**. The ramp-up is strategically back-ended towards FY29E–FY30E, providing **rail evacuation infrastructure and conveyor networks** get sufficient time to scale up, thereby **de-risking volume delivery and supporting sustainable production growth**.

Kirandul Production Set for ~1.6x, Reaching 30 MnT by FY30E



Source: NMDC, Choice Institutional Equities

Bacheli Production Set to Reach 22 MnT by FY30E



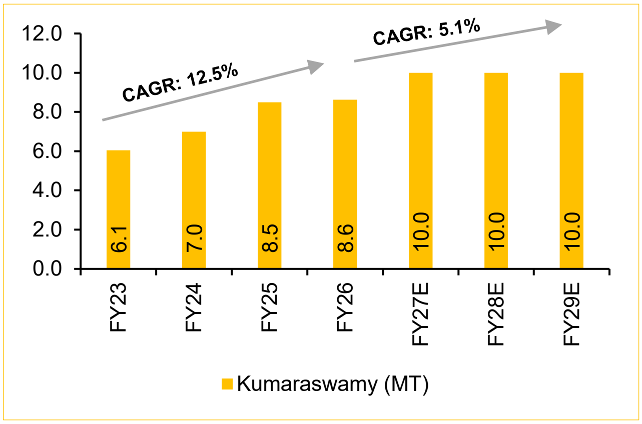
Source: NMDC, Choice Institutional Equities

2.2 Execution-led Multi-year Ramp-up – Scaling up Flagship Hubs to ~110 MnT

2.2.2 Karnataka Operations: De-risked Assets and High-Margin Products

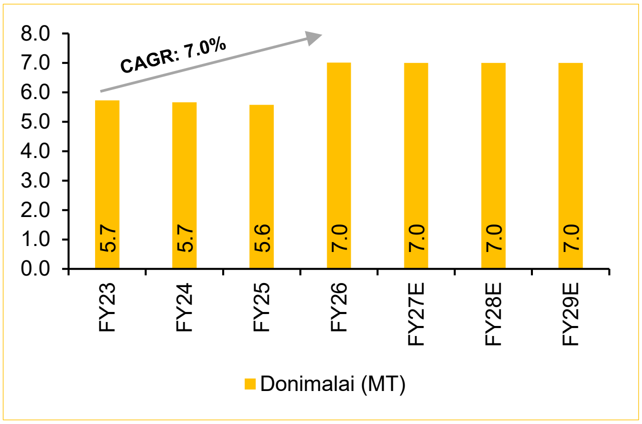
The **Donimalai complex in Karnataka** has overcome past regulatory bottlenecks and is now a stable production asset. Production is guided to reach **17 MnT from FY27E**, comprising Kumaraswamy (10 MnT; EC valid till 2042) and Donimalai (7 MnT; EC valid till 2038). The complex benefits from **low-cost in-pit conveying infrastructure** and enhanced value realisation through the **newly-commissioned 1.2 MnT pellet plant**.

Production Expansion Positions Kumaraswamy for Sustainable Growth



Source: NMDC, Choice Institutional Equities

Donimalai Production Stabilises at 7 MnT from FY27E

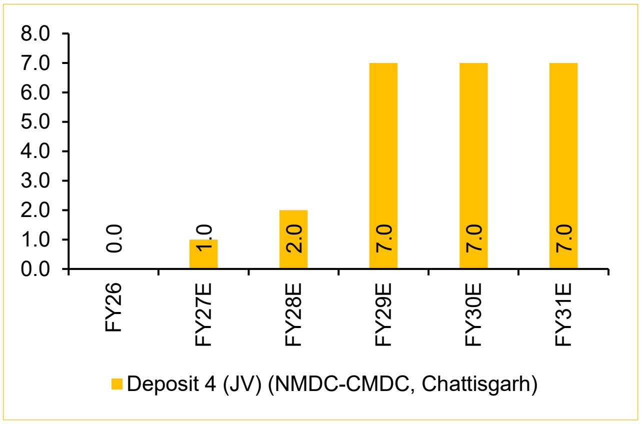


Source: NMDC, Choice Institutional Equities

2.2.3 NCL Joint Ventures: Greenfield Volume Addition

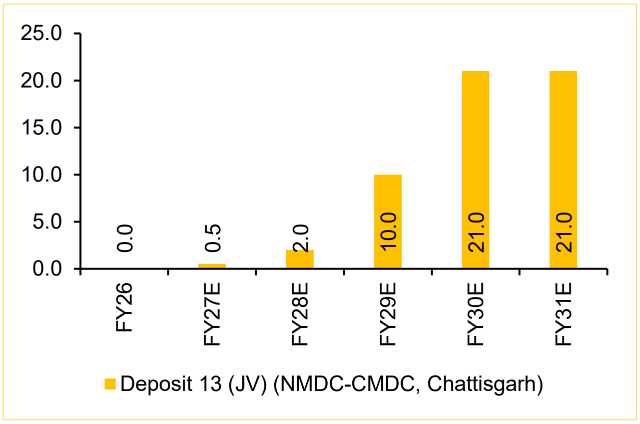
The NCL JV (NMDC–CMDC) provides a **secondary growth engine from FY27E**, driven by **Deposit 4 (7 MnT by FY30E; EC valid till 2076)** and **Deposit 13 (21 MnT by FY30E; EC valid till 2067)**. The JV enhances long-term reserve life and production growth, while leveraging the state partner for regulatory alignment and NMDC's mining execution capabilities.

Deposit 4 Scales to Steady-state 7 MnT Production



Source: NMDC, Choice Institutional Equities

Deposit 13 Underpins NMDC's Long-term Growth Pipeline



Source: NMDC, Choice Institutional Equities

Mine-wise Iron Ore Production Ramp-up Plan (MnT)

Particulars	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E	FY31E	Balanced Reserves as on FY26	Avg. Final life of mine (years)	EC Approval
Kirandul (Chattisgarh)	15.4	14.6	16.3	15.5	19.1	21.0	21.0	30.0	30.0	30.0	938.7	32.9	2035
Bacheli (Chattisgarh)	14.6	14.5	16.1	14.5	18.4	20.8	22.0	22.0	35.0	35.0	622.0	17.7	2035
Donimalai (Karnataka)	5.4	5.7	5.7	5.6	7.0	7.0	7.0	7.0	7.0	7.0	105.6	15.1	2038
Kumaraswamy (Karnataka)	6.8	6.1	7.0	8.5	8.6	10.0	10.0	10.0	10.0	10.0	224.8	22.5	2042
Deposit 4 (JV) (NCL, Chattisgarh)						1.0	2.0	7.0	7.0	7.0			2076
Deposit 13 (JV) (NCL, Chattisgarh)						0.5	2.0	10.0	21.0	21.0			2067
Total Production (MnT)	**42.2**	**40.8**	**45.0**	**44.1**	**53.2**	**60.3**	**64.0**	**86.0**	**110.0**	**110.0**			

Source: NMDC, Choice Institutional Equities

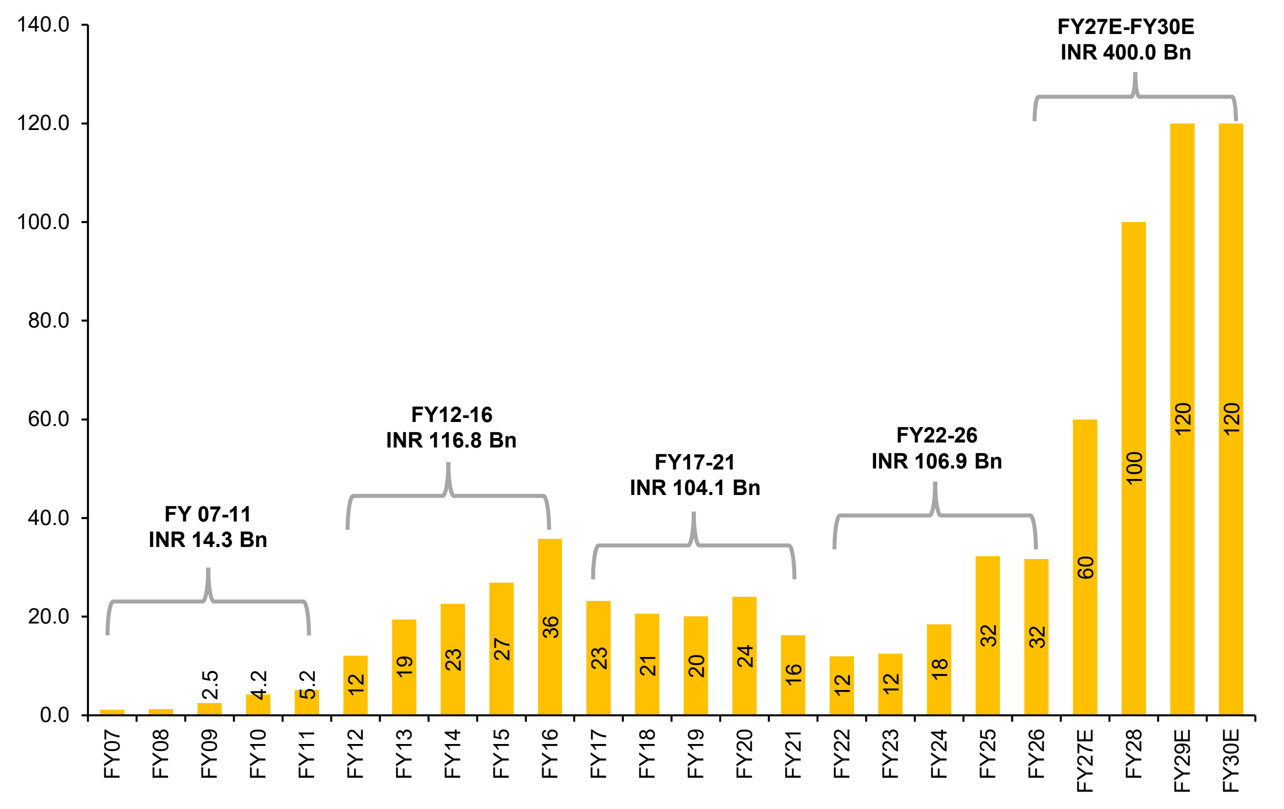
2.3 The Capex Super-cycle – Compressing Capital Investment of over 3 Decades into a 5-year Execution Window

We view NMDC's INR 400 Bn capex programme as a key long-term value-creator, supported by **internal accrual funding** and **environmental clearance (EC)-approved capacity expansion**. The planned investments underpin our **FY30E volume and margin assumptions**, while **execution remains manageable,** given the company's **strong balance sheet**. We believe **timely execution of the capex programme will be the key catalyst for sustainable production growth and long-term earnings expansion**.

Five Years of Capex to Shape up Next Two Decades of Growth

NMDC's capital expenditure is entering a new growth phase, with annual capex rising from an average of **~INR 20–25 Bn during FY19–FY26** to **~INR 60 Bn in FY27E**, before scaling up to **INR 90–100 Bn annually over FY28–FY31E**. The company plans to invest **~INR 400 Bn in the next five years**, broadly equivalent to its **cumulative capex over the past three decades**, highlighting a **structural expansion in capacity and growth ambitions rather than incremental maintenance spending**.

A Structural Capex Reset: Five-year Spend Equals Historical Investment



Source: NMDC, Choice Institutional Equities

2.3.1 Deploying INR 400 Bn: Investment Priorities over FY27E–FY30

The capex allocation is **strategically focussed on production growth**, with **over 55% of the planned investment directed towards mine development and evacuation infrastructure**. The remaining expenditure will be deployed across **value-added projects (pellets and beneficiation), logistics infrastructure and digitalisation and sustainability initiatives**, supporting **higher production efficiency and long-term value-creation**.

2.3 The Capex Super-cycle – Compressing Capital Investment of over 3 Decades into a 5-year Execution Window

Estimated Capex Allocation by Project Area (FY27E–FY30E)

Project / Area	Est. Share	Approx. Amount (INR Bn)	What the Capital Buys
Mine expansion & new mining equipment	35–40%	150–180	HEMM fleets, new mine development at Kirandul and Bacheli; Screening Plant II (Donimalai) & Screening Plant III (Kirandul); operationalizing Deposit 4 (~7 MnT) & Deposit 13 (~21 MnT) in Chhattisgarh
Slurry pipelines	20–25%	80–100	135km Bacheli–Nagarnar 15 MnT slurry line; evacuation debottlenecking
Rail & evacuation infrastructure	15–20%	60–80	Kottavalasa–Kirandul (KK) line doubling; expansion of Rapid Wagon Loading Systems (RWLS) to scale dispatch capacity to 40–60 MnT
Beneficiation & pellet plants	8–10%	30–40	2 MnT Nagarnar pellet plant; 4 MnT beneficiation plant in Bacheli; DR-grade (66.5–67% Fe) pellet upgrade
Stockyards, logistics & material handling	8–10%	30–40	Vizag blending yard (~INR 29.77 Bn, 1,100 acres); stockyard automation (Letter of Award to RVNL)
Digital mining, sustainability & misc.	5–10%	20–40	Mines digitisation; Township project at Kirandul and Donimalai; ESG and sustainability capex
Total (FY27E–FY30E)	**100%**	**~400**	**Multi-year capital pipeline driving NMDC "Vision 2030"**

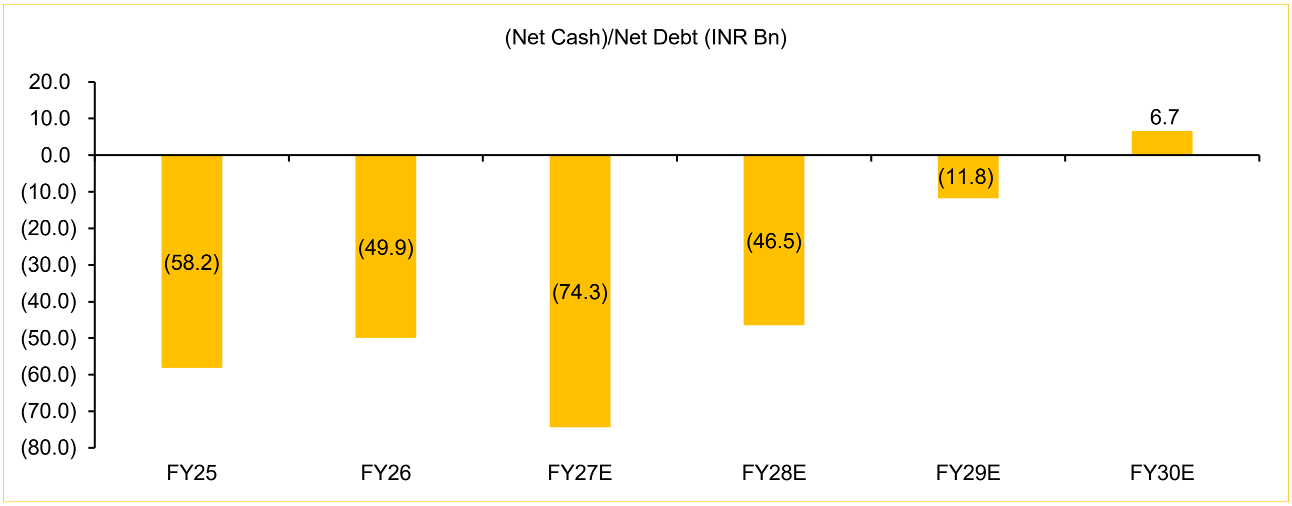
HEMM - Heavy Earth Moving Machinery (HEMM) fleets

Source: NMDC, Choice Institutional Equities

2.3.2 Balance Sheet Flexibility Supports Capex Cycle

Despite the sharp increase in capex, NMDC is expected to maintain a strong balance sheet, remaining **net cash through FY29E** and turning only **marginally net debt (~INR 6.7 Bn) by FY30E**, which is **immaterial relative to its net worth of over INR 600 Bn**. Importantly, the **capex programme is anticipated to be funded through internal accruals**, with **no reliance on long-term borrowings**.

Net Cash Position Largely Preserved despite Capex Ramp-up



Source: NMDC, Choice Institutional Equities

2.3 The Capex Super-cycle – Compressing Capital Investment of over 3 Decades into a 5-year Execution Window

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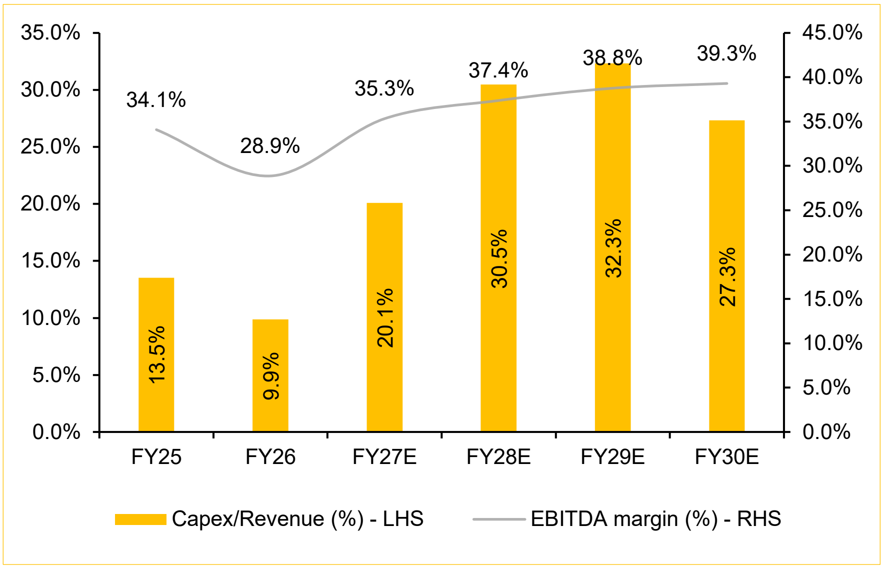
We believe the near-term increase in capex intensity is temporary, while **volume growth, operating leverage and lower cost** should drive **margin expansion and sustainable earnings growth** over the medium term

2.3.3 Growth Investments Set the Stage for Higher Profitability

Capex intensity is projected to peak at 30.0–32.5% of revenue during FY28E–FY29E before moderating as **volume-led revenue growth accelerates**. Despite the elevated investment phase, **EBITDA margin is estimated to improve from FY27E**, driven by the ramp-up of **high-grade, low-cost capacity**, reaching **39.3% by FY30E**, above the company's historical average.

Capex Intensity Peaks; Operating Leverage Drives Margin Expansion



Source: NMDC, Choice Institutional Equities

2.3.4 Execution Roadmap: Key Milestone

Milestone	Target / Status
KK Line doubling – final Bhansi–Bacheli section	Completion targeted December 2026; rake capacity steps up to 40 MnT immediately, up to 60 MnT post Jagdalpur doubling
Deposit 4 (NCL JV)	Commercial mining from Q2FY27 (1 MnT); ramps to 7 MnT by FY30 (EC valid to 2076)
Deposit 13 (NCL JV)	Operational start Q2/Q3FY27; ramps aggressively to 21 MnT by FY30 (EC valid to 2067)
Vizag blending yard	India's first large-scale branded iron-ore blending yard; ~INR 30 Bn on 1,100 acres
Bacheli–Nagarnar slurry pipeline & pellet plant	15 MnT pipeline and pellet plant entering final commissioning
Rare earths / critical minerals subsidiary	Dedicated subsidiary scouting global assets; ~INR 20–30 Bn on acquisition of assets abroad this year

Source: NMDC, Choice Institutional Equities

3.1 Peer Analysis

Operating Metrics: Company Name (Consol)	Category	FY26 Iron Ore Mining Capacity (MnT)	FY26 Iron Ore Production (MnT)	FY26 Mine Capacity Utilization (%)	FY26 Blended Sales Volume (MnT)	FY26 Blended Realisation per tonne (INR)	FY26 Blended EBITDA per tonne (INR)	FY26 Domestic Iron Ore Market share (%)
Lloyds Metals & Energy	Industrial Minerals	26.0	22.0	84.5%	19.3	8,885	3,188	7.7%
Steel Authority of India*	Iron & Steel	38.1	38.1	100.0%	19.9	55,594	6,020	13.4%
NMDC Limited	Industrial Minerals	51.6	53.2	103.0%	53.9	5,946	1,717	18.7%
Orissa Minerals Development	Industrial Minerals	0.36	0.36	100.0%	0.36	2,614	253	0.1%

Non-Comparable as SAIL is an integrated downstream steel manufacturer
Source: Company, Choice Institutional Equities

Financial Metrics: Company Name (Consol)	3 years CAGR over FY23-FY26 (%) Revenue	EBITDA	PAT	3 years CAGR over FY26-FY29E (%) Revenue	EBITDA	PAT	FY26 EBITDA (%)	FY26 PAT (%)	FY26 ROE (%)	FY26 ROCE (%)	FY26 Total Asset Turnover (x)
Lloyds Metals & Energy	71.5%	96.4%	NA	34.8%	38.1%	40.7%	35.9	21.5	35.5	18.5	0.68
Steel Authority of India	2.0%	14.3%	15.7%	7.1%	13.8%	23.0%	10.8	3.0	5.7	4.1	0.81
NMDC Limited	22.0%	15.2%	9.7%	5.0%	15.8%	9.6%	28.9*	23.2	23.4	16.4	0.72
Orissa Minerals Development	38.4%	NA	NA	NA	NA	NA	9.7	(3.1)	NA	5.4	0.17
Median							**19.9**	**12.3**	**23.4**	**10.9**	**0.70**

**includes one off HRC sale for NMDC Steel at cost*
Source: Company, Choice Institutional Equities

Valuation Metrics: Company Name (Consol)	CMP (INR)	MCap (in Mn)	FY26 EV (in Mn)	FY26 EV/SALES (x)	FY26 P/E (x)	FY26 P/B (x)	FY26-FY29E Peg ratio (x)
Lloyds Metals & Energy	2,087.1	11,74,843	13,53,927	7.9	31.9	8.2	0.78
Steel Authority of India	175.5	7,24,895	10,36,847	0.9	21.5	1.2	0.93
NMDC Limited	85.8	7,54,336	7,04,457	2.2	10.1	2.2	1.05
Orissa Minerals Development	4,411.7	26,470	28,526	30.3**	NA	NA	NA
Median				**2.2**	**21.5**	**2.2**	

**Not considered in Valuation Median as it is an outlier
Source: Factset, Bloomberg, Choice Institutional Equities

Valuation Metrics: Company Name (Consol)	EV/EBITDA FY26	EV/EBITDA FY27E	EV/EBITDA FY28E	EV/EBITDA FY29E	P/E FY26	P/E FY27E	P/E FY28E	P/E FY29E
Lloyds Metals & Energy	22.1 x	13.0 x	10.8 x	8.4 x	31.9 x	17.0 x	14.1 x	11.5 x
Steel Authority of India	8.6 x	6.2 x	6.0 x	5.9 x	21.5 x	10.5 x	11.1 x	11.5 x
NMDC Limited	7.6 x	6.7 x	5.7 x	4.9 x	10.1 x	9.3 x	8.5 x	7.7 x
Orissa Minerals Development	312.9 x**	NA	NA	NA	NA	NA	NA	NA
Median	**8.6 x**	**6.7 x**	**6.0 x**	**5.9 x**	**21.5 x**	**10.5 x**	**11.1 x**	**11.5 x**

**Not considered in Valuation Median as it is an outlier
Source: Factset, Bloomberg, Choice Institutional Equities

3.2 Key Investor Questions Answered

Q1: Given rising global supply and fluctuating benchmark prices, what is management's outlook on EBITDA per tonne margins over FY27–FY28?

Answer: Management expects EBITDA per tonne margins to remain resilient. The margin trajectory will be supported by operational efficiencies as production scales from 53 MnT to **86 MnT in FY29E (incl. NCL JV)**, and increased revenue contribution from higher-value blended products.

Q2: What is the potential impact of the upcoming Simandou iron ore supply in Guinea on global seaborne prices and NMDC's domestic realization?

Answer: While Simandou's high-grade capacity (~120 MnTPA at full ramp-up) will increase global seaborne supply and may put downward pressure on international benchmarks, NMDC remains well-insulated due to robust domestic steel production growth. NMDC enjoys a strong inland logistics and freight advantage over imported seaborne ore, ensuring domestic customers remain reliant on NMDC supply regardless of global seaborne price fluctuations.

Q3: Given rising global supply and fluctuating benchmark prices, what is management's outlook on EBITDA per tonne margins over FY27–FY28?
Answer: Management expects EBITDA per tonne margins to remain resilient. The margin trajectory will be supported by operational efficiencies, lower per-tonne fixed overheads as production scales from 53 MnT to **60 MnT in FY27**, and increased revenue contribution from higher-value blended products.

Q4: Is the long-term target of 110 MnT by the end of the decade realistic given market demand?

Answer: Management is highly confident, citing massive expansion plans by key customers like JSW, AMNS and JSPL. NMDC holds a competitive advantage with its low phosphorus content, making its ore an essential blend even for customers with captive mines.

Q5: What is the rationale behind the INR 30,000 Mn investment in a blending yard at Vizag?

Answer: This project aims to introduce "branded iron ore" to India—a first for the country. By blending different grades to reach consistent, narrow-band specifications, NMDC expects to significantly improve blast furnace efficiency for its customers, which should fetch a substantial market premium.

Q6: What is the outlook for international asset acquisitions and rare earths?

Answer: NMDC is aggressively scouting rare earth and critical mineral assets abroad and has established a dedicated subsidiary for this purpose. The company anticipates spending approximately **INR 20,000 to INR 30,000 Mn** in short to medium term.

Q7: What is the capex guidance for the next 2-3 years?

Answer: Capex for FY27 is projected at ~**INR 60,000 Mn**. Over the next 2-3 years, this is expected to rise to **INR 70,000–1,00,000 Mn annually** to support the infrastructure required for the 110 MnT goal.

Q8: What is the status of the railway doubling project and its impact on evacuation?

Answer: Out of 131 km, only two sections remain; the final section between Bhansi and Bacheli is slated for completion in **December 2026**. Once finished, evacuation capacity will immediately increase to 40 MnT and eventually support up to 60 MnT via this route.

3.3 Key Insights from Plant Visit and Management Interaction

1. Executive Summary & Key Investment Highlights

- **Watershed Operating Year:** FY26 marked a pivotal milestone with total iron ore production crossing 53.16 MnT (+21% YoY) and sales touching 50.24 MnT (+13% YoY).
- **Revenue and Profitability:** Full-year revenue from operations grew 33% YoY to INR 315.5 Bn; PAT expanded 11% YoY to INR 74.2 Bn. Standalone iron ore EBITDA margin remains robust at ~41–42%.
- **Maharatna Status & Vision 2030:** NMDC now meets all criteria for Maharatna status. The company is executing an INR 40–50 Bn CapEx roadmap to scale production capacity to 100–110 MnT by FY30.
- **Portfolio Diversification:** Successfully opened the Tokisud Coal Mine (G9 Grade, peak 2.3 MnT) and Deposit 4 Iron Ore Mine (NCL JV), with coking coal (Rohne, 8 MnT) coming online in late Q3FY27. A dedicated subsidiary was established for Rare Earths and Critical Minerals.

2. Plant Visit & Operational Insights

A. Volume Expansion Plan to 110 MnT

- **Kirandul Complex:** Capacity scaling from 19 MnT (FY26) to 30 MnT (FY30). EC approvals valid up to 2035.
- **Bacheli Complex:** Production targeted to grow from 18.5 MnT (FY26) to 35 MnT (FY30).
- **Donimalai & Kumaraswamy (Karnataka):** Production stabilising at 17 MnT total. Kumaraswamy operates fully via spot auctions (2–3/month).
- **NCL Joint Venture (NMDC-CMDC):**
    - ***Deposit 4:*** Commercial mining commencing Q2FY27 (1 MnT), ramping up to 7 MnT by FY30 (EC valid to 2076).
    - ***Deposit 13:*** Operational start Q2/Q3FY27, ramping aggressively to 21 MnT by FY30 (EC valid to 2067).

B. Evacuation & Infrastructure Ramping

- **KK Line Doubling:** 131 km railway line doubling is near completion (final Bhansi–Bacheli section done by Dec 2026). Rake handling capacity will immediately expand to 40 MnT (up to 60 MnT after the Jagdalpur doubling).
- **Slurry Pipeline & Pellet Plants:** 15 MnT Bacheli–Nagarnar slurry pipeline and Nagarnar Pellet plant entering final commissioning.

C. Strategic & Game-Changing Initiatives

- **INR 30 Bn Vizag Blending Yard:** NMDC is setting up India's first large-scale iron ore blending yard on a 1,100-acre land parcel at Vizag port to market Branded Iron Ore with precise, consistent chemical specs (low phosphorus at 0.05%).
- **Pellet Production (KIOCL Job Work):** Target 3.0–3.3 MnT. Testing DR-grade pellets (66.5% to 67% Fe) to command premium pricing (USD 20–USD 30/ton).

4. Strategic Guidance, Risks & Action Items

- **FY27 Target:** Production guidance set at 60 MnT (58.5 MnT Standalone + 1.5 MnT JVs).
- **CapEx Spend:** FY27 CapEx estimated at INR 60–70 Bn, scaling to INR 90–10 Bn/year over FY28–FY30, funded completely via internal accruals.

Key Risks & Contingencies:

- ***Karnataka Retrospective Tax:*** INR 154.82 Bn contingent liability exposure. Pending assent; risk is mitigated via customer recovery agreements.
- ***Receivables Liquidation:*** NSL dues (~INR 18 Bn) are liquidating at ~INR 1 Bn/month. RINL bills are discounted on a 45-day cycle.

3.4 SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
Largest iron ore producer in India	**High dependence on iron ore** revenue	Growing **domestic steel demand**	**Global iron ore price** volatility
Low-cost, mechanised mining operations	Earnings exposed to **iron ore price volatility**	**Capacity expansion** and value-added products	**Increasing competition** from private miners
Cash-rich, debt-free balance sheet	**Limited diversification** beyond iron ore	**Critical minerals** diversification	**Stricter environmental** regulations
High-quality reserves with long mine life	**Regulatory approvals** can delay expansion	**Overseas mineral asset** acquisitions	Rising operating and logistics costs

NMDC Distinct Strengths Vs Competitors

Structural Cost Leadership – Low-cost captive mining operations and high-grade reserves provide a sustainable competitive advantage and superior profitability

NMDC Distinct Weaknesses Vs Competition

Limited Diversification – Higher dependence on domestic iron ore mining and relatively lower exposure to value-added and diversified mining businesses

NMDC Distinct Opportunities Vs Competition

Expansion & Diversification – Large resource base, capacity expansion and entry into critical minerals provide stronger long-term growth opportunities

NMDC Distinct Threats Vs Competitors

Commodity & Regulatory Exposure – Earnings remain vulnerable to iron ore price volatility, regulatory changes and rising competition from private miners

3.5 View and Valuation

SOTP-based Valuation Supports BUY with TP of INR 107/share

We initiate coverage on **NMDC** with a **BUY** rating **and an SOTP – based fair value of INR 107/share (24.7% upside)** from the current market price of **INR 85.8/share**. Our valuation is based on a **sum-of-the-parts (SOTP)** approach, capturing the value of the core iron ore business along with the **NCL joint venture** and **strategic investments**.

Our positive outlook is underpinned by **a fully permitted capacity expansion from ~53 MnT in FY26 to ~110 MnT by FY30E**, supported by robust domestic steel demand, which we believe will absorb the incremental volumes while sustaining healthy realisations. We expect **consolidated EBITDA to grow from INR 92,595 Mn in FY26 to INR 143,881 Mn by FY29E**, reflecting a **15.8% CAGR**, driven by operating leverage and an improving product mix with a higher share of premium-grade iron ore. While the company's **net cash position is expected to moderate during FY27E–FY29E** as capex accelerates to support the expansion pipeline, we view this as a manageable investment phase rather than a balance sheet concern, given NMDC's strong financial profile.

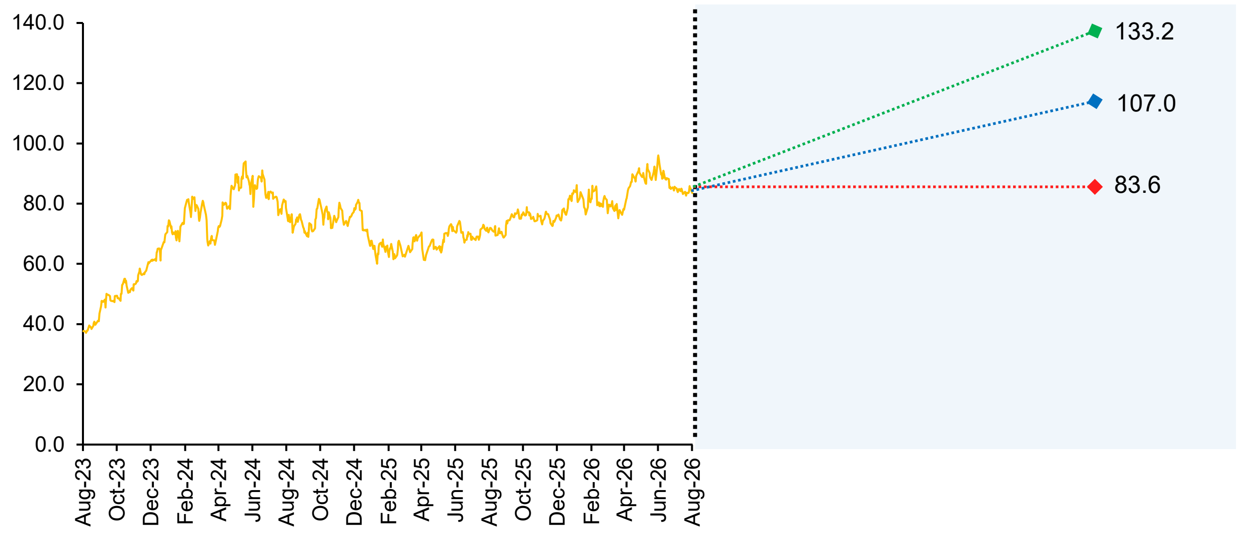
Valuation (Core Business)	FY26	FY27E	FY28E	FY29E
EBITDA	92,595	1,05,484	1,22,649	1,43,881
Multiple (x)	7.0	7.0	7.0	7.0
EV	6,48,166	7,38,386	8,58,544	10,07,169
NetDebt/(Cash)	(49,880)	(74,346)	(46,518)	(11,845)
Mcap	6,98,046	8,12,732	9,05,062	10,19,014
Shares o/s (Mn)	8,791.8	8,791.8	8,791.8	8,791.8
Fair Value per share (INR)	79.4	92.4	102.9	115.9
Valuation (NMDC-CMDC 51:49 JV)	**FY26**	**FY27E**	**FY28E**	**FY29E**
EBITDA		2,940	8,320	34,680
Multiple (x)		6.0	6.0	6.0
EV		17,640	49,920	2,08,080
NetDebt/(Cash)		0	0	0
Mcap		17,640	49,920	2,08,080
Shares o/s (Mn)		8,791.8	8,791.8	8,791.8
Fair Value per share (INR)		2.0	5.7	23.7
after 30% (holding & illiquid) discount		1.4	4.0	16.6
NMDC's 51% JV share (INR)		0.7	2.0	8.4
Valuation (Investments)	**FY26**	**FY27E**	**FY28E**	**FY29E**
Total Investments			14,200	
Multiple (x)			1.22	
EV			17,324	
NetDebt/(Cash)			0	
Mcap			17,324	
Shares o/s (Mn)			8,791.8	
Fair Value per share (INR)			2.0	
SOTP TP (INR/sh)			**107**	
Upside (%) from CMP INR 85.8			**24.7%**	

Source: NMDC, Choice Institutional Equities

Why we are valuing NMDC core business at 7x

- **In Sync with Industry Multiples:** The 7x EV/EBITDA multiple aligns with prevailing industry benchmarks.
- **Dominant Merchant Miner with De-Risked Capacity Doubling:** India's #1 iron ore miner (~18.7% market share) with production anticipated to double from ~53 MnT (FY26) to ~110 MnT (FY30E) with secured long-term ECs (up to 2076).
- **Superior Earnings Growth & Operating Leverage:** Strong volume growth and operational efficiency drive a projected 15.8% EBITDA CAGR (FY26–FY29E), with EBITDA margins expanding toward ~39% by FY30E due to operating leverage.
- **Product Premiumization & Realization Protection:** Transitioning toward higher-margin offerings—including premium ~64% Fe ore, DR-grade pellets and branded iron ore via the Vizag blending yard—protects realizations from seaborne market volatility.
- **Self-Funded Capex & Pristine Balance Sheet:** The ~INR 400 Bn capex super-cycle is entirely funded through internal accruals, preserving a virtually net-cash balance sheet and eliminating debt-refinancing risks.

3.6 Bull / Bear Case



KEY OPERATING ASSUMPTIONS (CORE BUSINESS)									
Metric	Bear Case			Base Case			Bull Case		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
A. IRON ORE									
Sales Volume (MnT)	48.8	48.6	56.0	57.4	57.2	65.8	66.0	65.8	75.7
Realisation (INR/T)	4,410	4,680	4,590	4,900	5,200	5,100	5,390	5,720	5,610
Revenue (INR Mn)	2,15,134	2,27,478	2,56,844	2,81,221	2,97,357	3,35,743	3,55,744	3,76,156	4,24,715
EBITDA/T (INR/T)	1,632	1,825	1,836	1,813	2,028	2,040	1,994	2,231	2,244
EBITDA (INR Mn)	79,600	88,716	1,02,737	1,04,052	1,15,969	1,34,297	1,31,625	1,46,701	1,69,886
B. PELLETS									
Sales Volume (MnT)	1.1	2.2	2.4	1.3	2.6	2.9	1.5	2.9	3.3
Realisation (INR/T)	8,550	9,000	9,450	9,500	10,000	10,500	10,450	11,000	11,550
Revenue (INR Mn)	9,302	19,584	23,134	12,160	25,600	30,240	15,382	32,384	38,254
EBITDA/T (INR/T)	1,710	2,700	3,308	1,900	3,000	3,675	2,090	3,300	4,043
EBITDA (INR Mn)	1,860	5,875	8,097	2,432	7,680	10,584	3,076	9,715	13,389
C. OTHERS									
Revenue (INR Mn)	3,957	3,957	3,957	5,172	5,172	5,172	6,542	6,542	6,542
EBITDA (INR Mn)	(1,265)	(1,265)	(1,265)	(1,000)	(1,000)	(1,000)	(765)	(765)	(765)

Metric (INR Mn)	Bear Case			Base Case			Bull Case		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
TOTAL NET REVENUE	2,28,393	2,51,018	2,83,934	2,98,553	3,28,129	3,71,155	3,77,669	4,15,083	4,69,511
TOTAL EBITDA	80,195	93,327	1,09,569	1,05,484	1,22,649	1,43,881	1,33,937	1,55,651	1,82,510
EBITDA Margin %	35.1%	37.2%	38.6%	35.3%	37.4%	38.8%	35.5%	37.5%	38.9%
Core Business TP @ 6x	*63.2*	*69.0*	*76.1*	*80.4*	*89.0*	*99.5*	*99.9*	*111.5*	*125.9*
Core Business TP @ 7x	*72.3*	*79.6*	*88.6*	92.4	102.9	115.9	115.1	129.2	146.7
Core Business TP @ 8x	*81.4*	*90.2*	*101.0*	*104.4*	*116.9*	*132.3*	*130.3*	*146.9*	*167.4*
Consol TP @ low-level	*65.9*	*73.0*	*86.5*	*83.1*	*93.0*	*110.0*	*102.5*	*115.5*	*136.3*
Consol TP @ base-level	*75.0*	*83.6*	*99.0*	95.1	107.0	126.3	117.8	133.2	157.1
Consol TP @ high-level	*84.1*	*94.2*	*111.5*	*107.1*	*120.9*	*142.7*	*133.0*	*150.9*	*177.8*

Source: NMDC, Choice Institutional Equities

3.7 Optionality Beyond Iron Ore: Gold, Coal, Diamond and Critical Minerals

NMDC's investment case is anchored in iron ore, **which accounted for 85%+ of FY26 revenue**. But beneath that core sits a basket of embedded, largely un-priced optionality: an Australian gold miner already in production, coal assets (one operating, two domestic blocks starting FY27E), Asia's only mechanised diamond mine ramping up after restart and **early-stage lithium/rare-earth JVs riding India's National Critical Mineral Mission**. **None of this showed up meaningfully in FY26 P&L yet — which is precisely what makes it optionality rather than earning.**

Optionality Scorecard: Status, Ownership and Catalysts

Vertical	Asset / JV	NMDC Interest	Stage	Key Catalyst Going Forward
Gold	Legacy Iron Ore – Mt. Celia, Yilgangi (Australia)	92.84% (Legacy)	Producing	Resource-definition drilling to extend Mt. Celia mine life beyond ~14 months
Gold (domestic)	Chigargunta-Bisanatham Block, AP	100% (surrendered)	Exited FY25	None — LOI surrendered on capex/downside risk; discipline signal
Coal (overseas)	ICVL – Benga Mine, Mozambique	25.94% (ICVL)	Producing	Volume ramp — FY25: 0.67 MT produced / 1.12 MT exported
Coal (domestic)	Tokisud North (585 Ha) & Rohne (1,245 Ha, coking)	100% (captive blocks)	Pre-production	Mining start targeted FY27E for both blocks
Diamond	Panna DMP, Madhya Pradesh	100%	Ramping	Sales monetisation of FY25 output (4,602 ct) expected FY27E
Critical Minerals	Legacy-Hancock Li JV, Mt. Bevan; East Kimberley REE tenements	55.5% (JV, via Legacy)	Early-stage	Pre-feasibility study progress; National Critical Mineral Mission-linked domestic Li pegmatite approvals (Raichur, AP)

Resource-definition drilling at Mt. Celia to firm up the Inferred resource and extend the ~14-month first-phase mine life, now funded via a right-to-mine deal with BGR Mining (profit-share, opex funded by BGR). Progress on Mount Bevan's magnetite Pre-feasibility study and lithium/critical-minerals earn-in, where Hancock's stake has already risen to 63.43% (magnetite) and 44.5% (lithium) as milestones are met. Early-stage newsflow from East Kimberley, where first-pass base-metal drilling is done and REE/tungsten potential remains untested.

Takeaways for Reader

NMDC trades on ~6.9x FY28E implied EV/EBITDA, which is almost iron-ore driven. The gold, coal, diamond and critical minerals basket is small today but structurally funded (JV/subsidiary capex, not standalone balance sheet risk) and has four independent re-rating triggers after FY26: **(1) Two coal blocks starting production, (2) Diamond sales flowing through the P&L, (3) Overseas gold resource conversion and (4) Critical-minerals JV news flow under the National Critical Mineral Mission. None is currently in consensus numbers — making this basket asymmetric, largely free call option on NMDC's core iron-ore thesis**. However, we see no meaningful value accretion from this basket over the short to medium term due to extended execution timelines and initial operational scale. Consequently, we have excluded these optionalities from our current valuation framework, keeping our investment thesis strictly anchored to core iron-ore dynamics.

4.1 Financials and Ratio Analysis

Income Statement (Consolidated INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	2,39,055	3,20,709	2,98,553	3,28,129	3,71,155
Gross Profit	2,26,250	2,57,207	2,82,132	3,08,441	3,47,030
EBITDA	81,487	92,595	1,05,484	1,22,649	1,43,881
Depreciation	4,204	4,772	9,122	15,892	23,821
EBIT	77,283	87,823	96,362	1,06,758	1,20,060
Other Income	15,933	14,884	14,884	14,884	14,884
Interest Expenses	1,777	1,212	1,212	1,212	1,212
PAT	65,429	74,511	80,792	88,391	98,115
Ad PAT	65,420	74,504	80,785	88,384	98,108
EPS (INR)	7.4	8.5	9.2	10.1	11.2

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenue	12.2	34.2	(6.9)	9.9	13.1
EBITDA	11.7	13.6	13.9	16.3	17.3
PAT	17.3	13.9	8.4	9.4	11.0
Margins (%)					
EBITDA	34.1	28.9	35.3	37.4	38.8
EBIT	32.3	27.4	32.3	32.5	32.3
PAT	27.4	23.2	27.1	26.9	26.4
Profitability (%)					
ROE	23.6	23.4	21.8	20.4	19.5
ROIC	25.3	22.6	21.4	19.8	17.7
ROCE	16.7	16.4	15.5	15.1	14.9
Valuation					
Mcap/Sales (x)	3.2	2.4	2.5	2.3	2.0
EV/EBITDA (x)	8.5	7.6	6.4	5.8	5.2
P/BV (x)	2.5	2.2	1.9	1.6	1.4
Working Capital Days					
Debtors Days	118.2	104.8	111.5	111.5	111.5
Inventories Days	751.8	145.0	145.0	145.0	145.0
Creditors Days	91.6	23.3	23.3	23.3	23.3
Working Capital Cycle Days	**778.5**	**226.4**	**233.1**	**233.1**	**233.1**

Source: NMDC, Choice Institutional Equities

Balance Sheet (Consolidated INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Tangible Fixed Assets	34,016	42,636	93,514	1,77,623	2,73,801
Capital WIP	47,375	67,486	67,486	67,486	67,486
Goodwill	939	939	939	939	939
Investments	9,781	13,717	13,717	13,717	13,717
Cash & Cash Equivalents	1,00,886	1,13,873	1,38,340	1,10,512	75,838
Loans Advance & Other Assets	1,13,249	1,27,266	1,27,266	1,27,266	1,27,266
Inventories	26,377	25,223	6,522	7,820	9,583
Debtors	77,446	92,062	91,212	1,00,247	1,13,393
Total assets	**4,10,069**	**4,83,202**	**5,38,996**	**6,05,609**	**6,82,022**
Shareholder's Funds	2,97,072	3,40,759	3,99,565	4,65,970	5,42,098
Deferred Tax	-	-	-	-	-
Borrowings	42,758	64,068	64,068	64,068	64,068
Trade Payables	3,215	4,062	1,050	1,259	1,543
Other Liabilities & Provisions	67,024	74,312	74,312	74,312	74,312
Total equity & liabilities	**4,10,069**	**4,83,202**	**5,38,996**	**6,05,609**	**6,82,022**

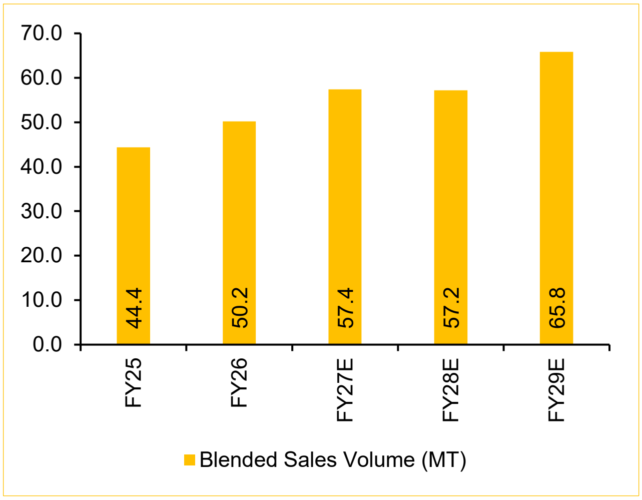
Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	18,943	49,963	92,775	80,480	93,634
Cash Flows from Investing	3,057	(38,419)	(45,116)	(85,116)	(1,05,116)
Cash Flows from Financing	(22,246)	(10,917)	(23,192)	(23,192)	(23,192)

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (x)	0.72	0.73	0.73	0.73	0.73
Interest Burden (x)	1.18	1.16	1.14	1.13	1.11
EBITM (%)	32.33	27.38	32.28	32.54	32.35
Asset Turnover (x)	0.62	0.72	0.58	0.57	0.58
Equity Multiplier (x)	1.38	1.40	1.38	1.32	1.28
DuPont Analysis (%)	**23.6**	**23.4**	**21.8**	**20.4**	**19.5**

Source: NMDC, Choice Institutional Equities

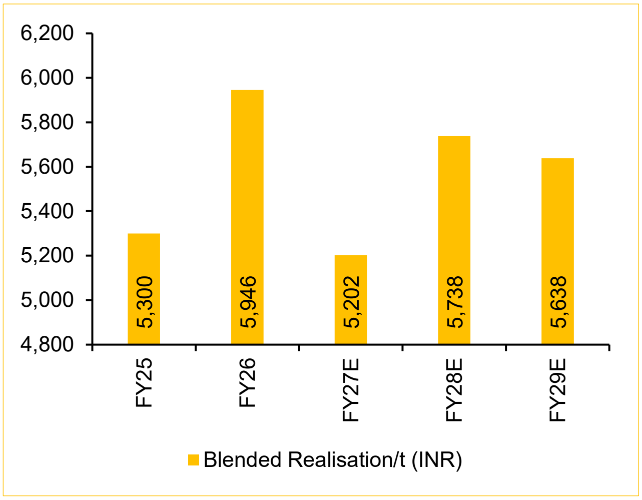
4.2 Graphs and Trends

Volume Witnessing Strong Scale-up Driven by Capacity Expansion



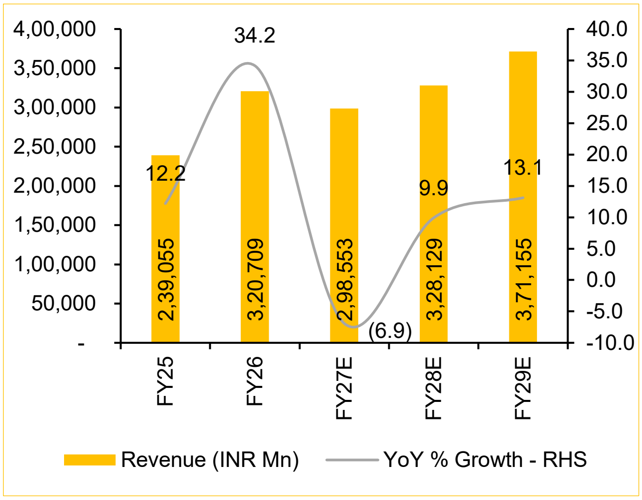
Excl. NCL JV
Source: NMDC, Choice Institutional Equities

Pricing Strength Sustains Net Realisations



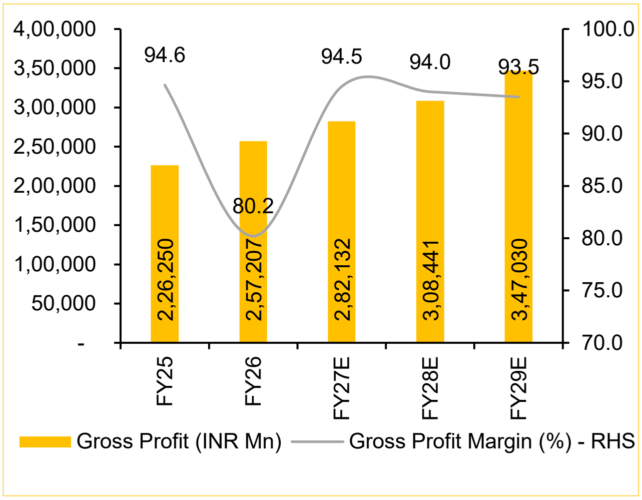
FY26 includes HRC
Source: NMDC, Choice Institutional Equities

FY27E Revenue Dip Due to discontinued HRC Business



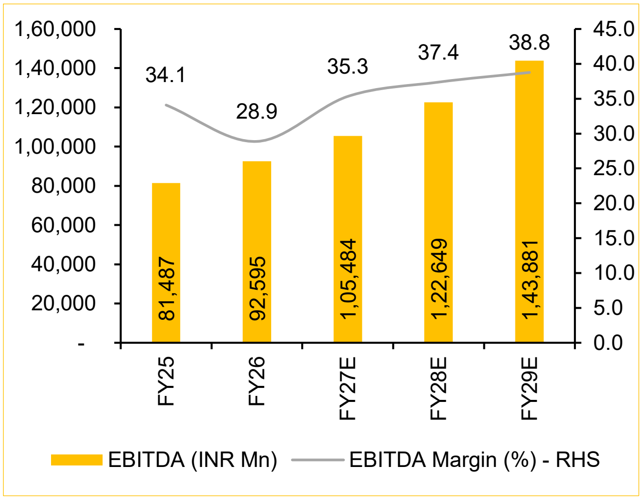
Source: NMDC, Choice Institutional Equities

Gross Profit Momentum Remains Intact



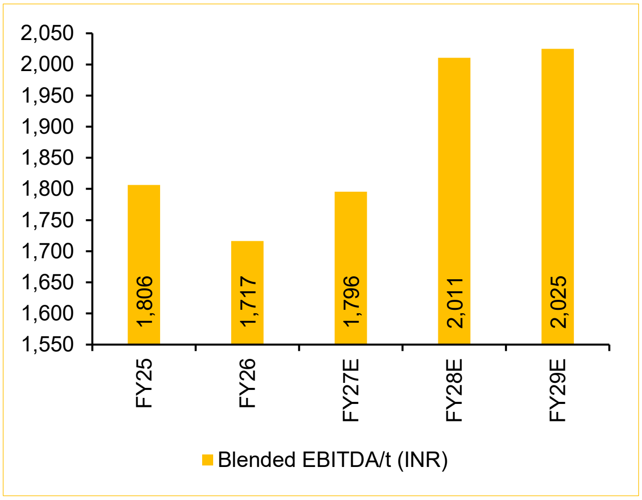
Source: NMDC, Choice Institutional Equities

EBITDA Growth Supported by Operating Leverage



Source: NMDC, Choice Institutional Equities

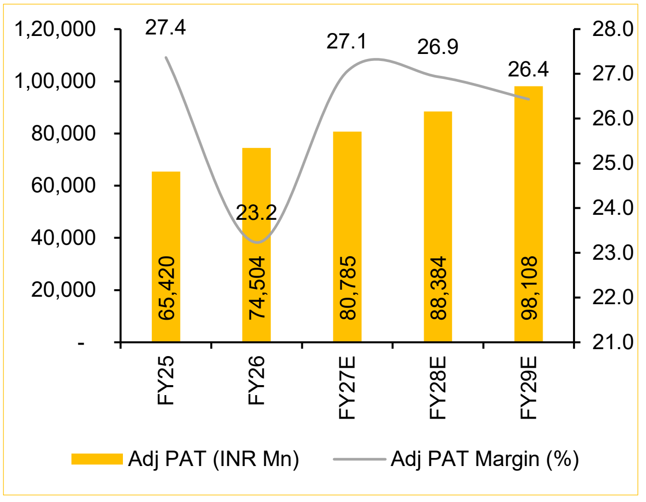
Blended EBITDA/t Rebounds on Cost-optimisation



Source: NMDC, Choice Institutional Equities

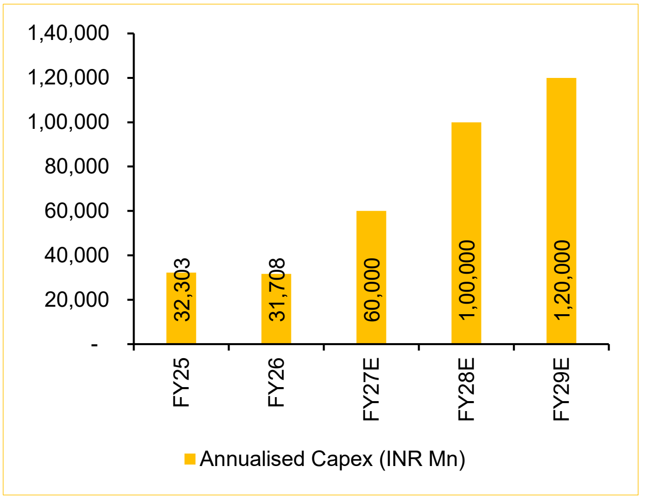
4.2 Graphs and Trends

PAT Maintains a Strong Growth Trajectory



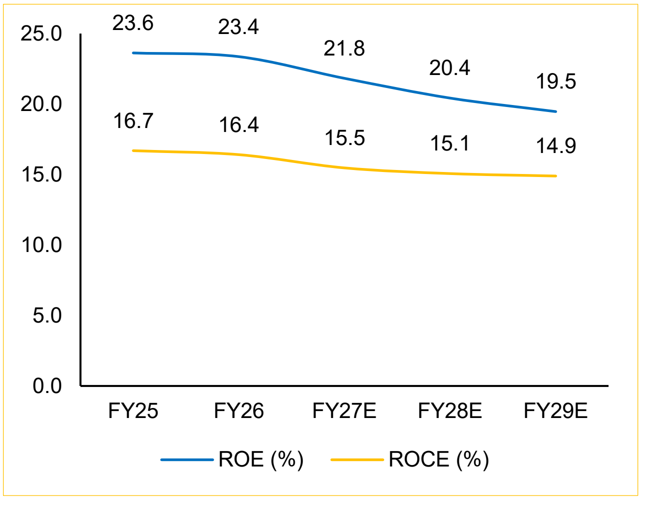
Source: NMDC, Choice Institutional Equities

Disciplined Capex Allocation Supports Long-term Growth



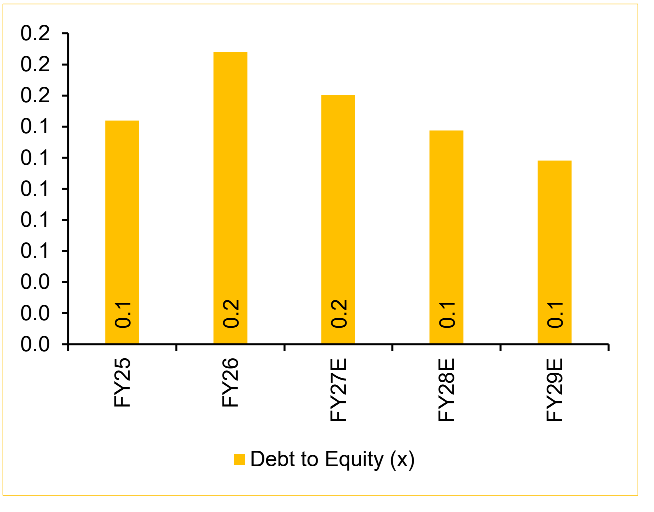
Source: NMDC, Choice Institutional Equities

Healthy Returns Despite Expansion Phase



Source: NMDC, Choice Institutional Equities

Healthy Deleveraging Reflects Strong Cash Generation



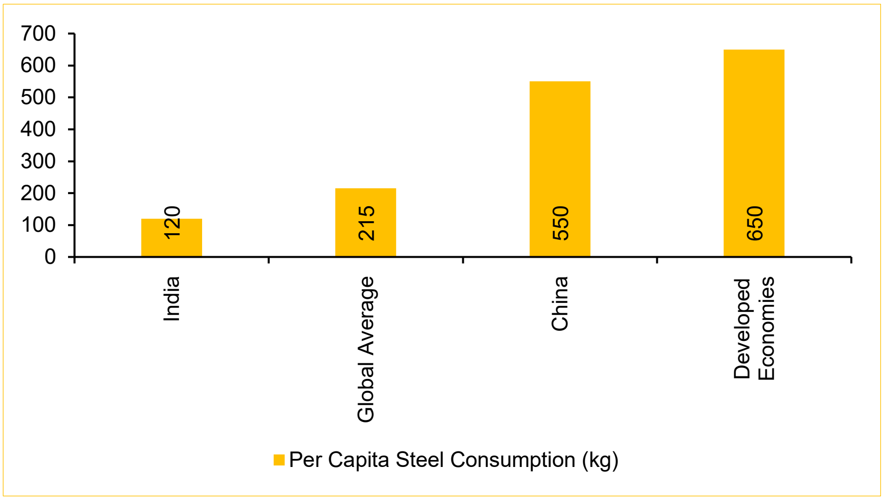
Source: NMDC, Choice Institutional Equities

5.1 Low Per-Capita Consumption Offers Significant Headroom for Structural Steel Demand Growth

- **Low per-capita steel consumption underpins India's long-term steel growth opportunity:** India's per-capita steel consumption stands at **~120 kg**, **well below the global average of ~215 kg**, China (**~550 kg**) and developed economies (**~650 kg**), highlighting **significant headroom for structural demand growth**
- **Government policy provides a strong demand catalyst:** Under the **National Steel Policy**, India aims to increase **per-capita steel consumption to 167 kg** and expand **crude steel capacity to 300 MnT by FY31**, with **capacity utilisation targeted at ~85%**
- **Iron ore demand is poised for a structural upcycle:** Achieving these targets is expected to increase **domestic iron ore demand to ~480 MnT**, from **~310 MnT currently**, implying a **~55% increase over the next five years**
- **Investment implication:** The expected rise in steel production and capacity utilisation is likely to drive **sustained iron ore demand**, supporting **volume growth, capacity expansions and long-term earnings visibility** for domestic iron ore producers

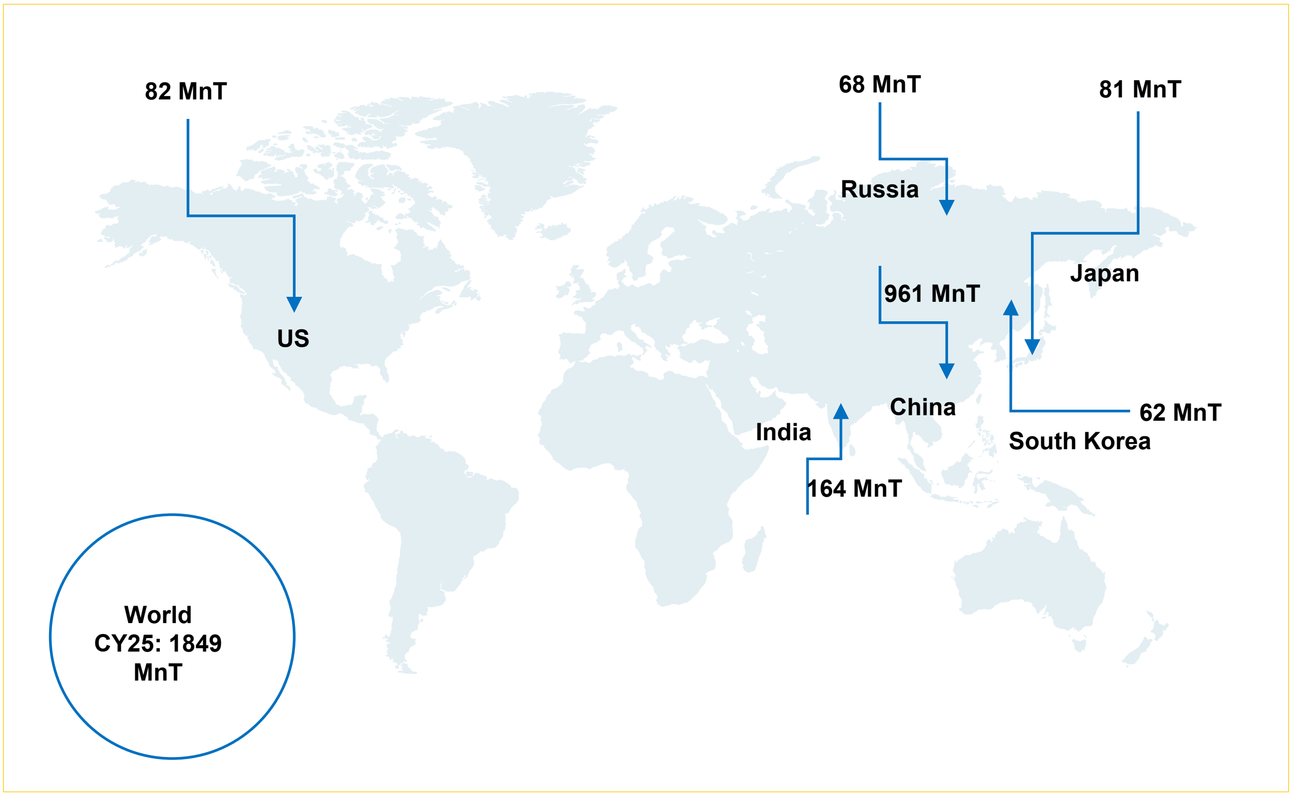
India remains significantly ***under-penetrated in steel consumption*** *despite* ***being the world's second-largest steel producer****. Bridging this* ***consumption gap is expected to drive sustained steel production*** *and underpin long-term iron ore demand growth*

India's Steel Consumption Gap — The Core Demand Driver



Source: Caliber RHP, Choice Institutional Equities

China Remains the World's Largest Steel Producer by a Wide Margin

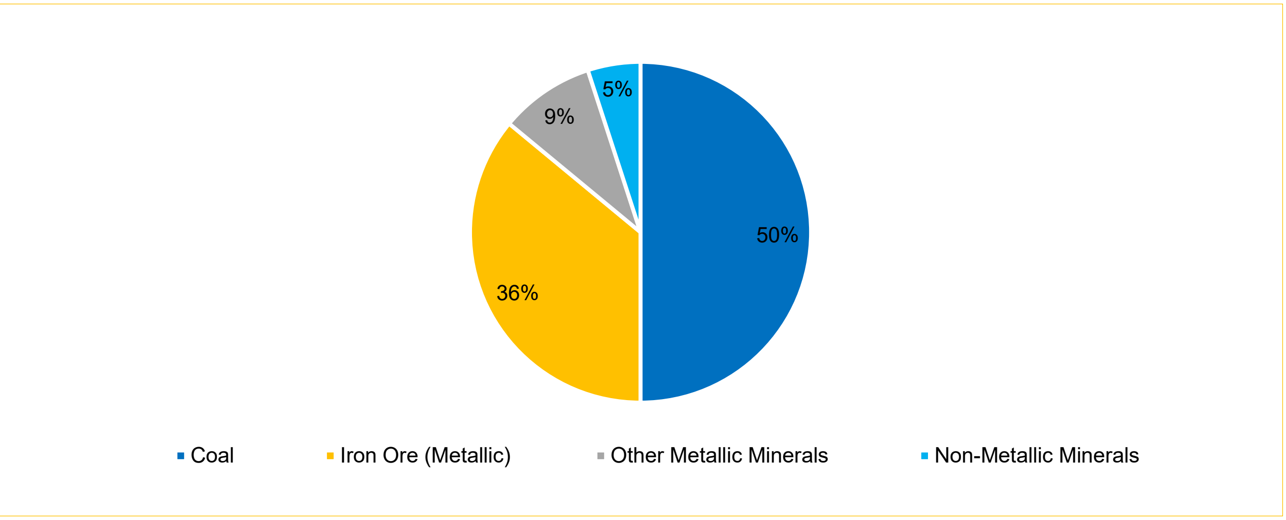


Source: World Steel Association, Choice Institutional Equities

5.2 Iron Ore's Central Role in India's Mineral Economy

- **Iron ore is India's most valuable mineral commodity**, contributing **~36% of total mineral value** and **~81% of metallic mineral output**, underscoring its strategic importance to the mining sector
- **Iron ore and coal dominate India's mining economy**, together accounting for **~86% of the sector's Gross Value Added (GVA)**
- **Steel remains the key demand driver for iron ore**, with **~98% of domestic iron ore production consumed by the steel industry**, closely linking iron ore demand to India's steel production cycle

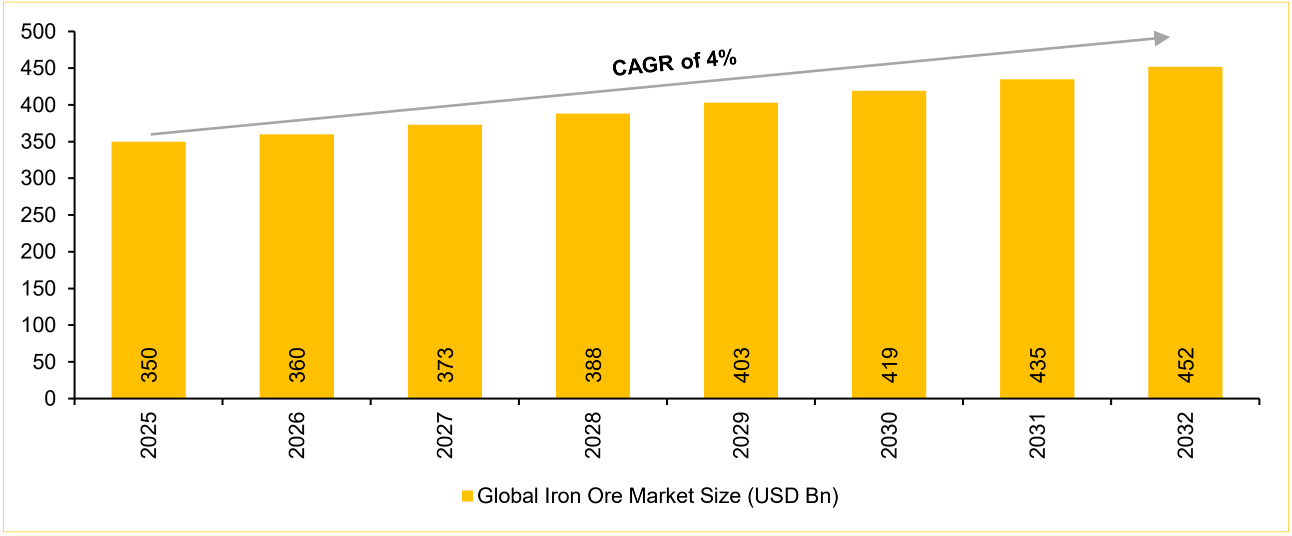
Iron Ore Remains the Backbone of India's Mineral Economy



Source: Caliber RHP, Choice Institutional Equities

5.3 Global Iron Ore Market to Expand at a Sustainable 4% CAGR Through 2032

- **Global iron ore demand remains on a structural growth path**, supported by **infrastructure spending, urbanisation and industrialisation** across emerging economies.
- **Asia-Pacific accounts for over 70% of global iron ore consumption**, with **China and India** serving as the primary demand engines.
- **China remains the world's largest iron ore importer**, importing **~815 MnT annually** (**8M 2024 imports: +5.2% YoY**), reinforcing its dominant role in driving the global seaborne iron ore market.



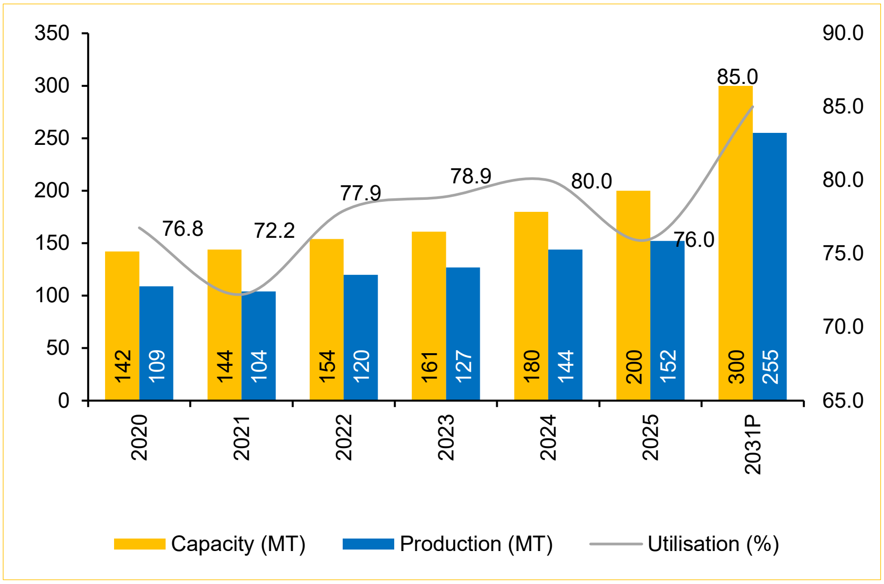
Source: P&S Intelligence, Choice Institutional Equities

5.4 National Steel Policy Charts a Path to 300 MnT Capacity by FY31

National Steel Policy targets 300 MnT capacity by FY31, reinforcing India's structural growth runway: India is the **world's second-largest steel producer and consumer**, with installed capacity reaching **200 MnT in FY25**. Under the **National Steel Policy 2017**, the government aims to strengthen domestic production, reduce import dependence and position India as a global steel powerhouse, targeting **300 MnT of installed capacity and 255 MnT of crude steel production by FY31**. India's crude steel production increased **5.6% YoY to 152 MnT in FY25, from 144 MnT in FY24**, highlighting sustained momentum towards achieving its long-term capacity and production targets.

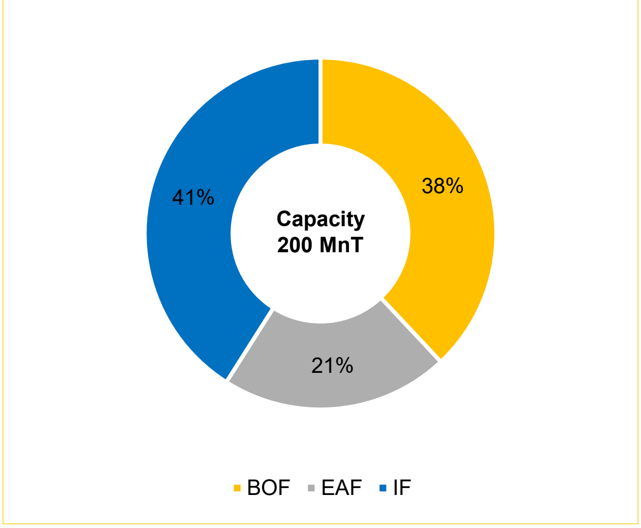
India's steel capacity expansion provides a structural demand tailwind, positioning NMDC to capture a significant share of the incremental iron ore requirement over the medium term

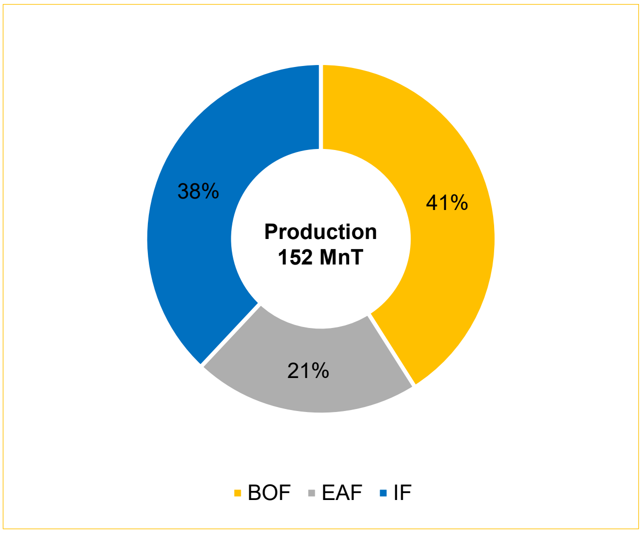
Steel Capacity Expansion to Support Sustained Production Growth



Source: JPC Annual Statistics 2024-25, Choice Institutional Equities

India's Route-wise Crude Steel Capacity and Production fiscal 2025



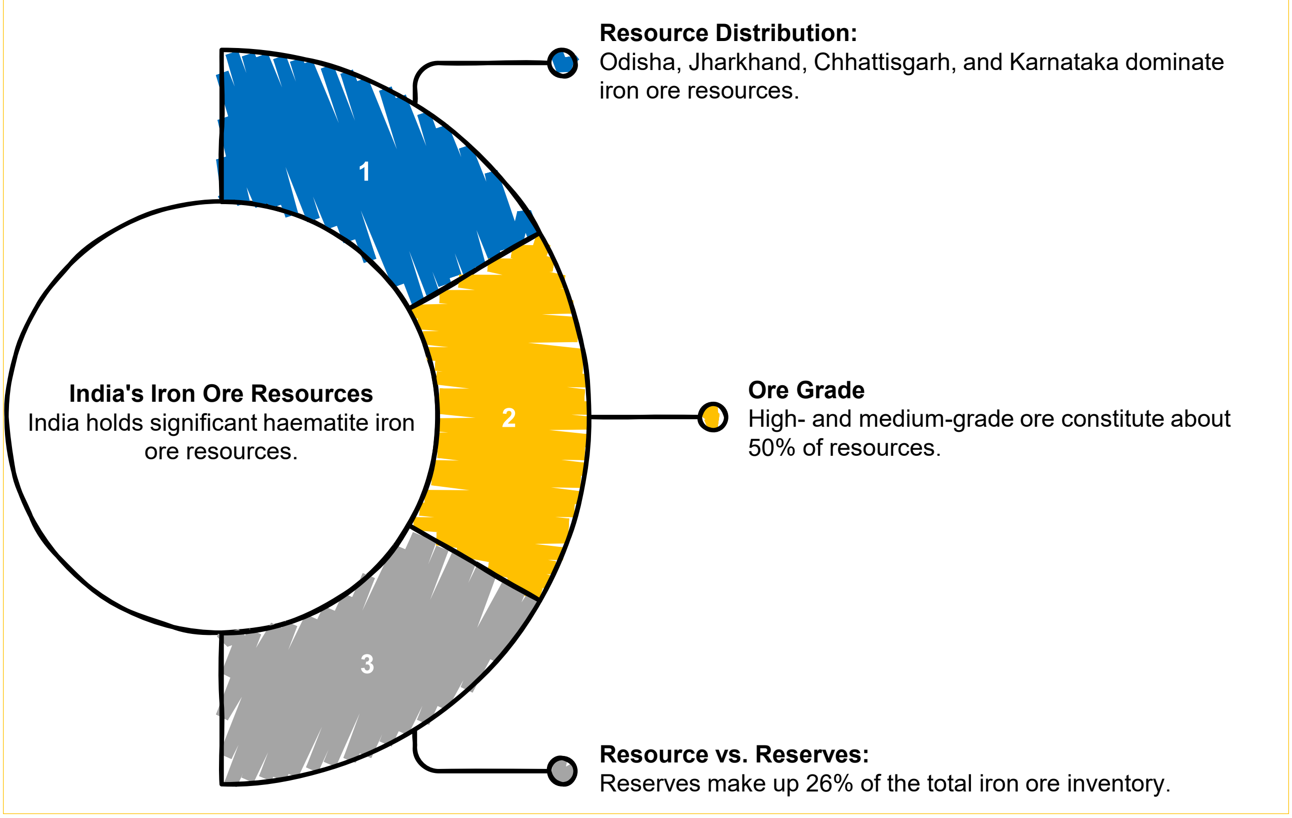


Source: JPC Annual Statistics 2024-25, Choice Institutional Equities

5.5 India's Abundant High-quality Iron Ore Reserves Underpin Long-term Steel Capacity Expansion

India possesses **24.1 Bt of haematite iron ore resources/reserves**, providing a strong raw material base to support the country's steel growth ambitions. Around **26%** of the inventory is classified as reserves, while the remaining **74%** comprises resources. High- and medium-grade ore (≥62% Fe) account for nearly **50%** of total resources, ensuring adequate availability of quality feedstock. Iron ore deposits are highly concentrated, with **Odisha (39%)**, **Jharkhand (20%)**, **Chhattisgarh (19%)**, and **Karnataka (12%)** together accounting for ~90% of India's resources, reinforcing their strategic importance in the domestic steel value chain.

Unveiling India's Iron Ore Landscape



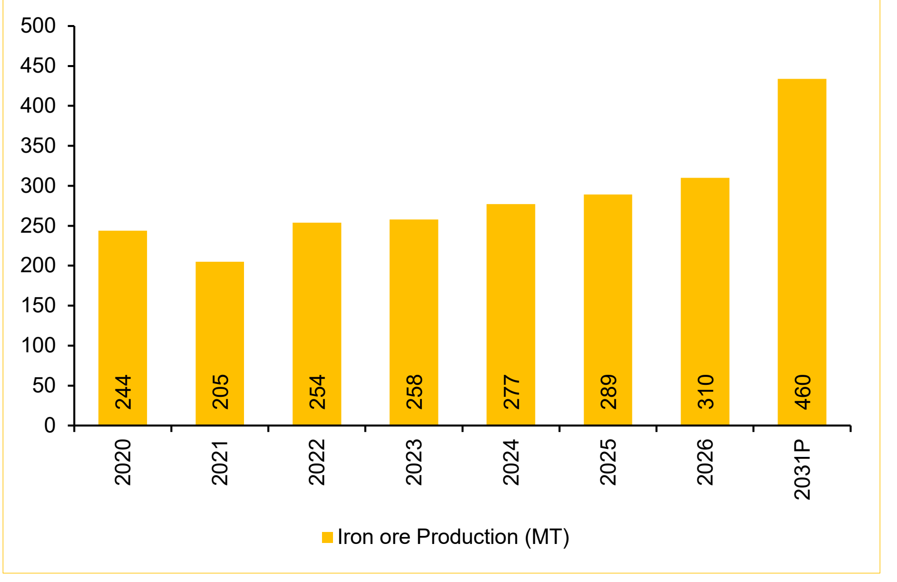
Source: Caliber RHP, Choice Institutional Equities

5.6 Iron Ore Surplus and Rising Production Provide Strong Support for India's Steel Growth

India produced **310 MnT of iron ore in FY26** (+7.3% YoY), reinforcing its position as a structurally **iron ore-surplus** nation. The country exported **30 MnT** of iron ore while importing only **4 MnT** during the year, reflecting ample domestic availability. With **151 iron ore blocks auctioned** (including **40 operational**), production is projected to increase to **460 MnT by FY31E (inclu. Exports of 30 MnT)**, implying a **~8.2% CAGR** over FY26–31E and providing a strong raw material base to support the government's steel capacity expansion targets.

We believe NMDC is best positioned to capture India's structural iron ore demand growth, supported by its premium-grade reserves, strategic mine locations and dominant domestic market presence. Its low-cost operations and domestic pricing linkage should sustain superior profitability despite global iron ore price volatility

Iron Ore Production Set for a Structural Step-up, Supporting India's Steel Growth Story

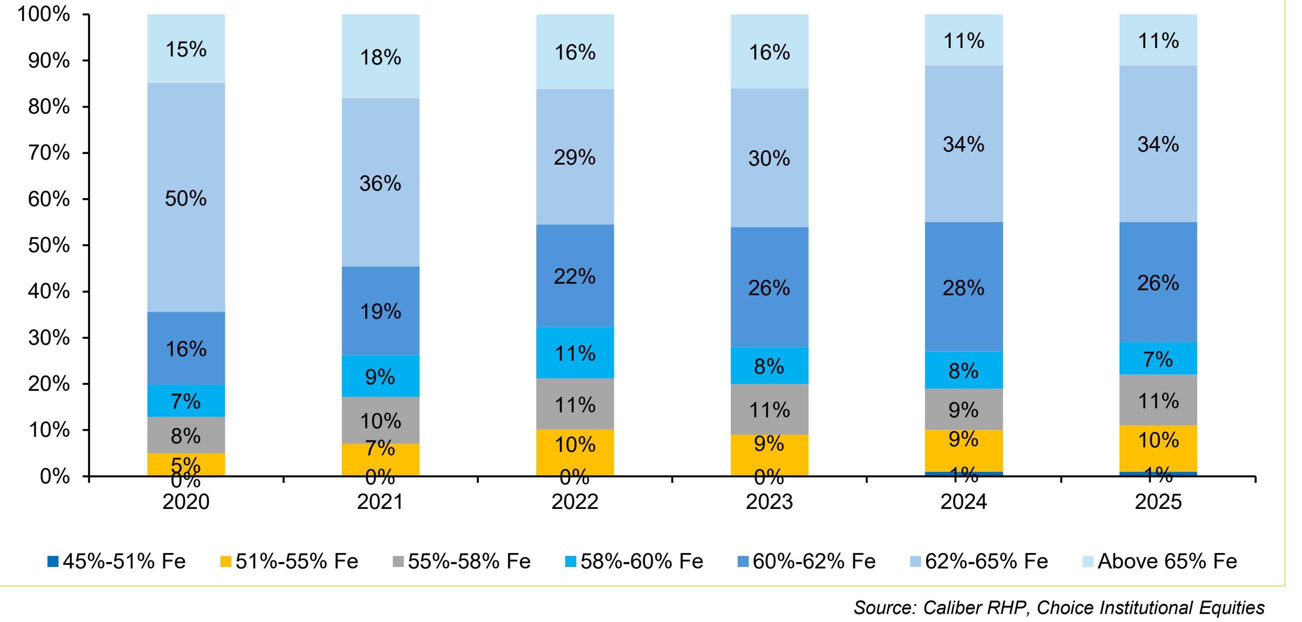


Source: IBM Monthly Statistics, Choice Institutional Equities

5.6.1 Odisha Dominates Iron Ore Production, While Ore Quality Mix Continues to Improve

Odisha remained India's largest iron ore-producing state in FY25, contributing **159 MnT (55%)** of total output, followed by **Karnataka (46 MnT, 16%)**, **Chhattisgarh (44 MnT, 15%)**, and **Jharkhand (19 MnT, 7%)**. Together, these four states accounted for over **90%** of domestic production. Meanwhile, the production mix is shifting toward **medium-grade (60–62% Fe) ore**, whose share increased to **28% in FY24** from **16% in FY20**, reflecting improving beneficiation and more efficient utilisation of domestic iron ore resources.

High-grade Iron Ore Share Declines as India's Production Mix Shifts Towards Medium-grade Ores

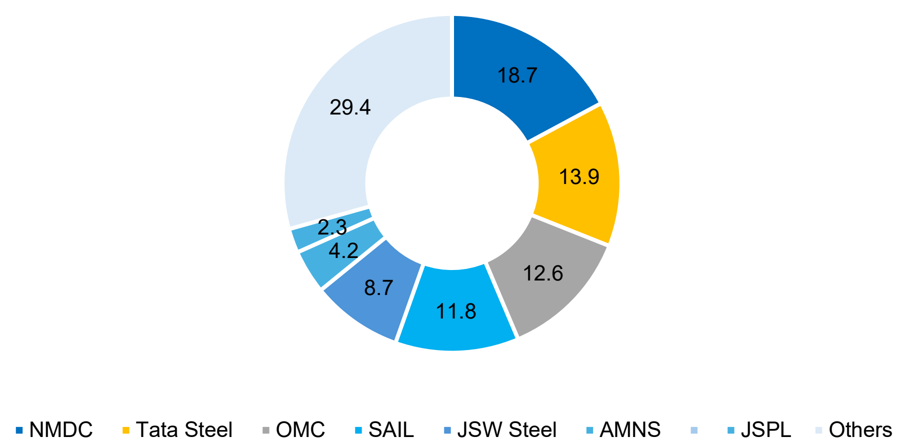


Source: Caliber RHP, Choice Institutional Equities

5.6.2 Top Four Producers Account for Over Half of India's Iron Ore Output

NMDC retained its leadership in FY26, producing **53 MnT (18.7%)** of iron ore, followed by **Tata Steel (43 MnT, 14%)**, **OMC (39 MnT, 13%)**, and **SAIL (37 MnT, 13%)**. Together, the top four producers accounted for **~55%** of India's total iron ore production, highlighting a concentrated supply landscape. **JSW (27 MnT, 9%)**, **AMNS (4%)**, and **JSPL (2%)** were the other key producers, while the balance **29%** came from other miners.

NMDC Leads India's Iron Ore Production with 17.2% Share in FY26

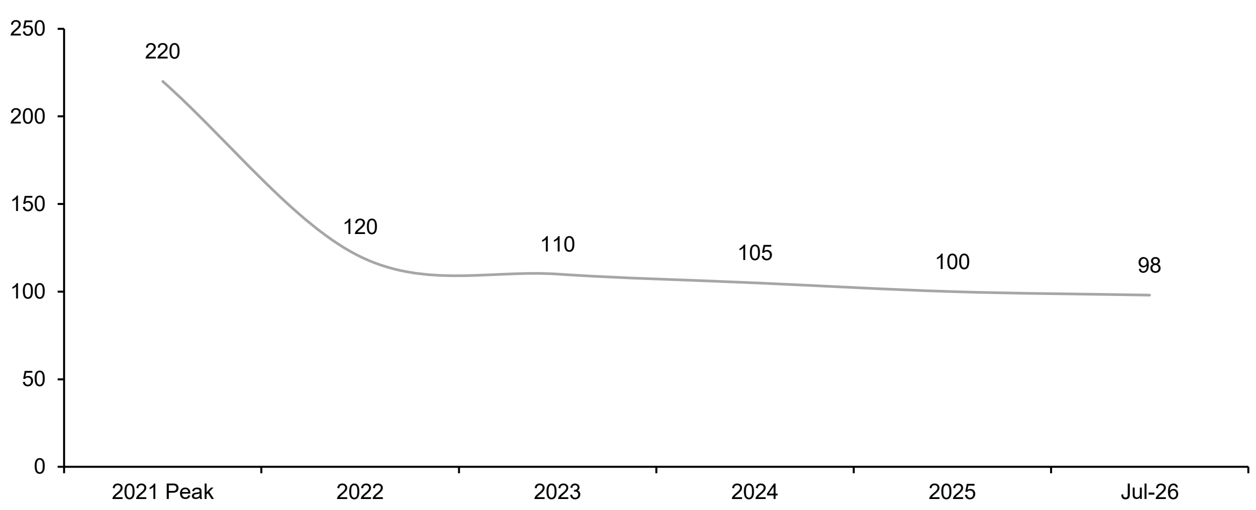


OMC=Odisha Mining Corporation Limited (Unlisted)
Source: Company Reports, Choice Institutional Equities

5.7 Iron Ore Prices Stabilise Post-2021 Peak, Supporting Sustainable Margins for Low-cost Producers

- **Iron ore prices are expected to remain supportive**, with Trading Economics forecasting prices in the **USD 99–102/MnT range over the next 12 months**, providing a conducive margin environment for **low-cost, integrated producers**
- **NMDC remains well positioned at prevailing iron ore prices**, with average realisations of **~INR 4,600–5,400/tonne** and **EBITDA/tonne of ~ INR 1,700–2,200/tonne**, supporting **healthy margins and robust cash generation**

Iron Ore Prices Find a Stable Footing After the 2021 Peak



Source: Caliber RHP, Choice Institutional Equities

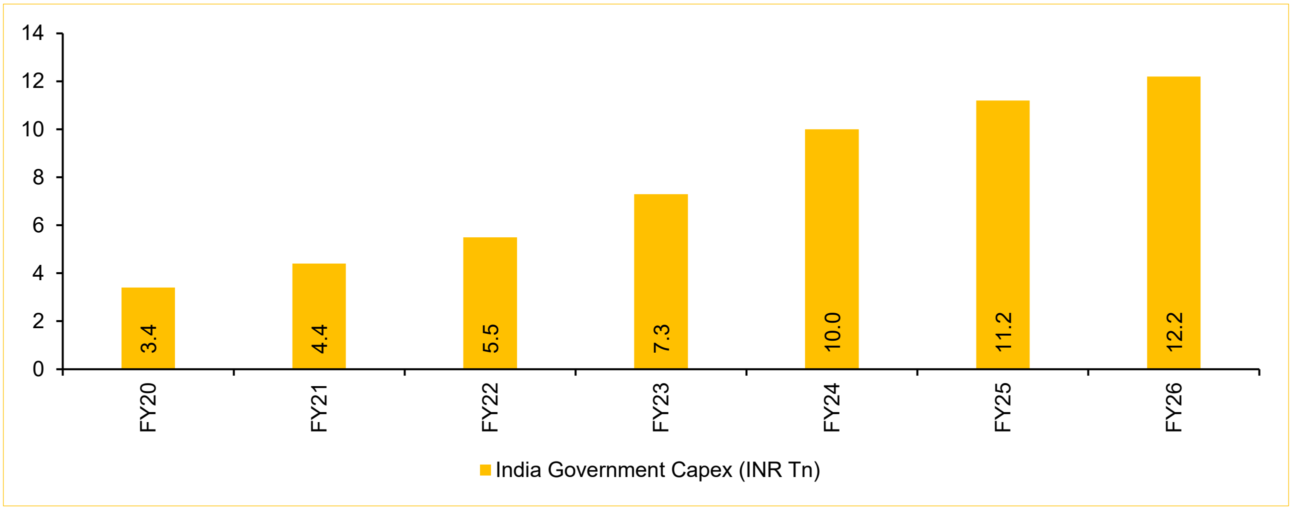
5.8 Infra Spending – The Macro Catalyst

- **Government-led capex remains a key structural driver of steel demand**, with capital expenditure more than tripling from **INR 3.4 Tn in FY20 to INR 12.2 Tn in FY25**, underpinning sustained demand for steel and iron ore.

- **Large-scale infrastructure programmes**, including **PM Gati Shakti, the INR 111 Tn National Infrastructure Pipeline (NIP), Bharatmala and Sagarmala**, remain inherently **steel-intensive**, providing strong medium-to-long-term demand visibility.

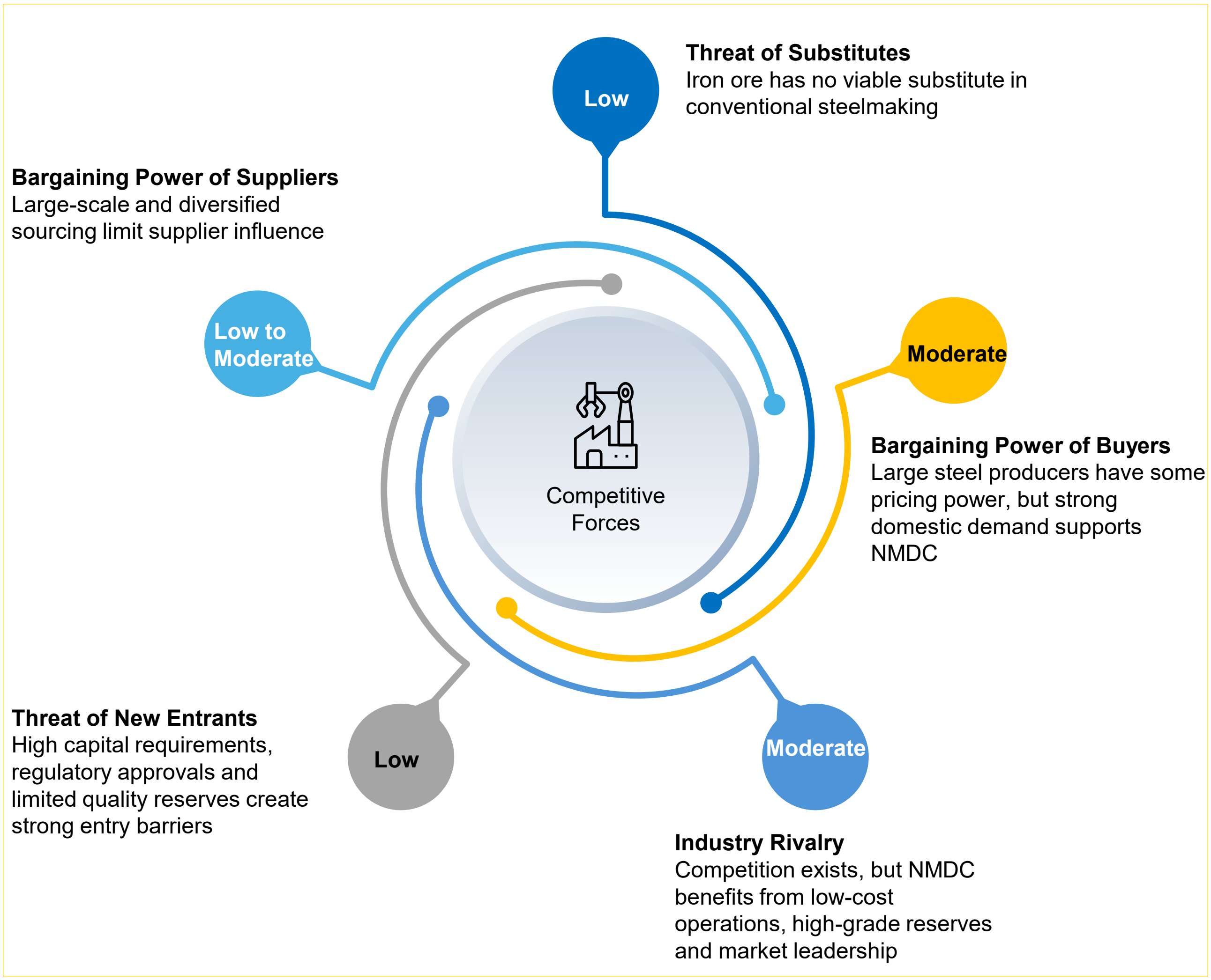
- **Infrastructure spending has a direct multiplier effect on steel consumption**, with every **INR 10 Mn of infrastructure investment estimated to generate ~8–12 tonnes of steel demand**, reinforcing the structural linkage between India's capex cycle and **domestic iron ore consumption**.

Government-led Infrastructure Capex Provides a Structural Tailwind for Steel and Iron Ore Demand



Source: Caliber RHP, Choice Institutional Equities

5.9 Michael Porter's Five Forces Analysis



Source: NMDC, Choice Institutional Equities

6.1 Company History

NMDC Limited is India's largest iron ore producer and a Navratna Central Public Sector Enterprise under the Ministry of Steel. Established in 1958 and headquartered in Hyderabad, the company contributes nearly **18–20% of India's iron ore production** through its mining operations in Chhattisgarh and Karnataka. Following the demerger of NMDC Steel Ltd., the company has strengthened its focus on expanding its core mining business while exploring opportunities in critical minerals.

In FY26, NMDC achieved a record **53.15 million tonnes** of iron ore production, becoming the first Indian mining company to surpass the 50 MnT milestone. The company aims to increase production capacity to **100 MnT by FY30**, supported by mine expansion, mechanisation, and digital mining initiatives. Backed by high-quality reserves, a low-cost operating structure, and strong cash generation, NMDC is well positioned to benefit from India's long-term steel demand and infrastructure-led growth.

Details of Mines, Mining Leases and Products

Name of Iron Ore Mining Lease	Area in Hectares	Mining Lease Validity	Location
Bailadila Deposit - 11 (A, B, C)	874.92	10-09-2037	Chhattisgarh
Bailadila Deposit – 14	322.37	11-09-2035	Chhattisgarh
Bailadila Deposit - 14 NMZ	506.74	06-12-2035	Chhattisgarh
Bailadila Deposit – 5	540.05	10-09-2035	Chhattisgarh
Bailadila Deposit – 10	309.34	10-09-2035	Chhattisgarh
Donimalai	597.54	03-11-2038	Karnataka
Kumaraswamy	639.80	17-10-2042	Karnataka

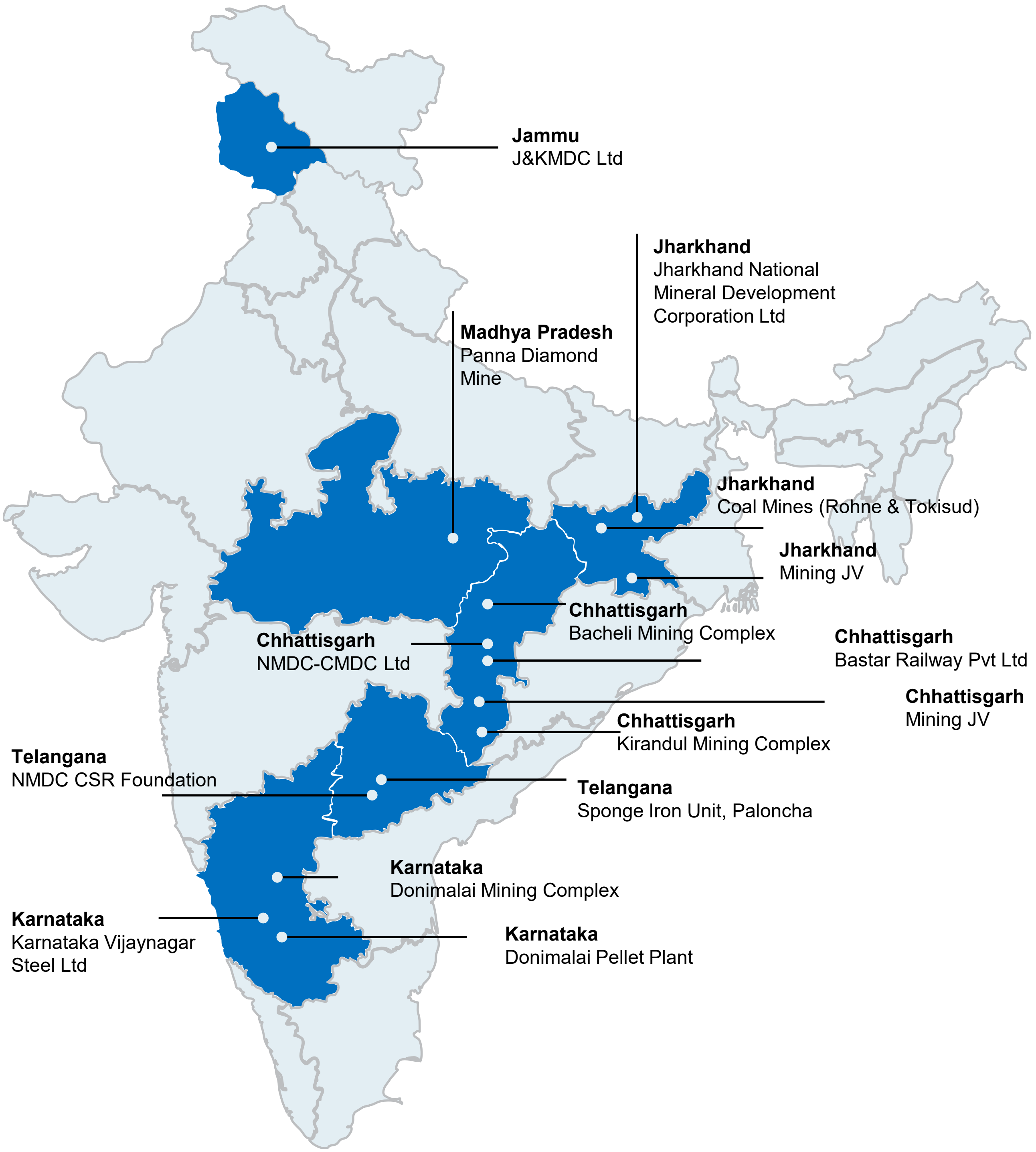
Name of Diamond Mining Lease	Area in Hectares	Mining Lease Validity	Location
MML (Main Mining Lease)	113.332	14-07-2025	Madhya Pradesh
SML (Supplementary Mining Lease)	162.631	30-06-2040	Madhya Pradesh

Source: NMDC, Choice Institutional Equities

NMDC operates **four fully mechanised iron ore mines** across its two key mining hubs—**Kirandul and Bacheli in Chhattisgarh,** with a combined production of **37.5 MnT** and **Donimalai and Kumaraswamy in Karnataka** with **15.6 MnT** production. The company also operates a **1.2 MnT pellet plant at Donimalai**, enhancing value addition and operational integration.

Its mining operations are supported by a **highly mechanised asset base**, comprising **40 excavators, 31 drilling rigs, 7 crushing units, 5 screening units, 244 conveyor belts spanning ~88 km and 62 haul trucks**. This extensive mining infrastructure underpins **low-cost operations, efficient ore handling, and scalable production growth**, reinforcing NMDC's position as **India's lowest-cost and largest iron ore producer**.

6.2 Geographic Footprint Across Mining and Strategic Assets



Source: NMDC, Choice Institutional Equities

6.2 Geographic Footprint Across Mining and Strategic Assets

Subsidiaries

- J&KMDC Ltd — 95.86%
- Legacy Iron Ore Ltd Australia — 92.84%
- Karnataka Vijaynagar Steel Ltd — 100%
- NMDC CSR Foundation (NCF) — 100%

Joint Ventures (JVs)

- NMDC-CMDC Ltd (NCL) — 51%
- Jharkhand National Mineral Development Corporation Ltd — 60%
- Bastar Railway Pvt Ltd (BRPL) — 52%

Associates

- International Coal Ventures Pvt. Ltd. (ICVL) — 25.94%
- Krishnapatnam Railway Co. Ltd. — 6.4%

INR 14,200 Mn total investment in Subsidiaries, JVs and Associated

Source: NMDC, Choice Institutional Equities

6.3 Key Milestone

1958–1965
- Birth of the National Mining Company
- Kiriburu - First Mining Project of NMDC
- Discovered Meghahatuburu
- Acquired Panna Diamond Mines

1968–1970
- Bailadila Deposit 14 Commissioned
- Iron ore dispatched to Visakhapatnam for export to Japan
- Research and Development Centre established

1977–1984
- Bailadila Deposit 5 Commissioned
- Donimalai Mines Commissioned
- Reached 10 MnT capacity
- NMDC Head Office - Khanij Bhavan set up in Hyderabad

1987–1991
- Bailadila Deposit 11C Commissioned
- Natural Pellets CLO developed from Bailadila Deposit 5
- Kumaraswamy Mines Commissioned

1992–2002
- NMDC and Ministry of Steel Sign First MoU
- First Public Listing on Madras Stock Exchange
- Bailadila Deposit 10/11A Commissioned

2005–2010
- Reached 20 MnT capacity
- Government of India conferred Navratna Status
- Acquired Sponge Iron India Limited, Paloncha, Telangana

2011
- Foreign Footprint: Acquired stake in Legacy, Australia and ICVL, Mozambique
- Biggest Diamond, 37.6 carats, unearthed from Panna Mines

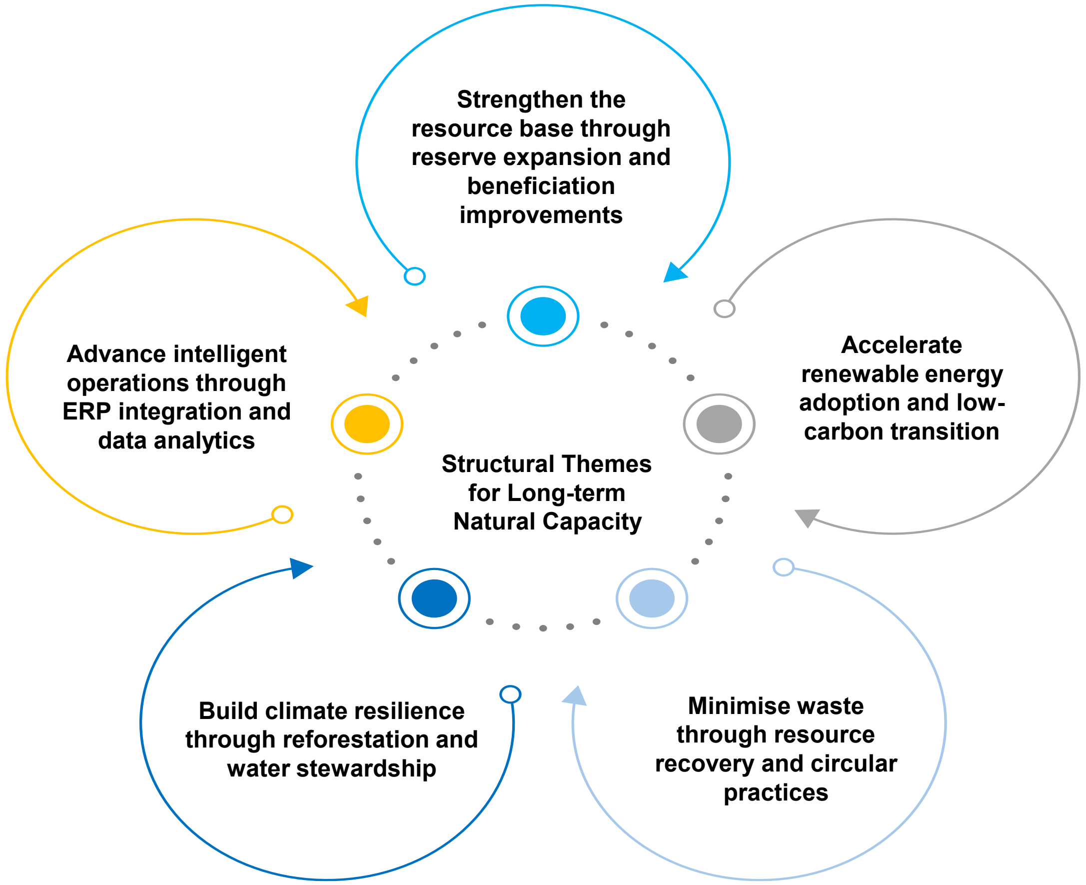
2013–2022
- Entered CNX NIFTY Index
- Reached 30 MnT capacity
- Bailadila Deposit 11B Commissioned
- Donimalai Pellet Plant Commissioned
- Reached 40 Mnt capacity

2023
- New Logo - the era of Responsible Mining
- NMDC Steel Plant Commissioned
- Commissioned Gold Mine in Mount Celia, Australia

2024–2025
- Reached 45 MnT capacity
- Reached 53 Mnt capacity

Source: NMDC, Choice Institutional Equities

6.4 Strategic Pillars for Long-term Sustainable Growth



Source: NMDC, Choice Institutional Equities

Details of Products Offerings

Product	Description	Size	Fe content (%)
Baila ROM	Coarse iron ore with high iron content, suitable for steel making	10 mm to 150 mm	65.5%
Baila Lump	Medium-sized iron ore for direct use in blast furnaces	10 mm to 40 mm	65.5%
DRCLO	High-grade iron ore for direct reduction processes	10 mm to 40 mm	67.0%
10–20 mm Baila	Specialised iron ore for sponge iron ore making	10 mm to 20 mm	65.5%
Baila Fine	Fine iron ore suitable for sintering and pelletising	–10 mm	64.0%
Doni Lump	Calibrate lump ore from Donimalai	10 mm to 40 mm	61.0%
Kumaraswamy Lump	Iron ore from Kumaraswamy with consistent quality for steel production	10 mm to 40 mm	64.5%
Doni Fines	Finely crushed iron ore from Donimalai for sintering processes	10 mm	60.0%
Kumaraswamy Fines	Fine iron ore from Kumaraswamy, optimal for sintering	10 mm to 20 mm	65.0%
Iron Ore Pellets	BF Grade pellets produced at Donimalai are ideal for steel production	10 mm	63.0%
Rough Diamonds	Natural diamonds suitable for gem and jewellery applications are produced through specialized mining processes		

Source: NMDC, Choice Institutional Equities

6.6 About the Management

Name	Designation	Qualification	Experience
 **Shri Amitava Mukherjee**	Chairman & Managing Director	Cost Accountant and a **1996-batch Indian Railway Accounts Service (IRAS)** officer with extensive expertise in finance, corporate governance, strategic planning and public sector management	Over **25 years of leadership experience** across the Government of India and the mining sector. Joined NMDC as **Director (Finance) in 2018**, served as **CMD (Additional Charge) from March 2023**, and has led the company since March 2025
 **Shri Anurag Kapil**	Director (Finance)	**B.Sc. (Hons.) in Chemistry** from Hans Raj College, **MBA (Finance & Marketing)** from the Faculty of Management Studies (FMS), University of Delhi, and **Master of Public Affairs** from the **University of Minnesota, USA**. A **1998-batch Indian Railway Accounts Service (IRAS)** officer	**Over 26 years** of experience in **finance, strategy, and public sector leadership**. Expertise spans **financial management, capital restructuring, corporate governance, and infrastructure financing**, with leadership in **coal sector reforms**, **CPSE disinvestment**, and **multimodal logistics**. At **CONCOR**, he drove **record revenue, profitability, and strategic diversification**, while also serving on the boards of multiple **CPSEs** and representing India at international forums
 **Shri Vinay Kumar**	Director (Technical)	**B.Tech (Mining)** from **IIT (BHU), Varanasi**, with expertise in mining operations, project execution, mine planning, safety and environmental management	**Over 30 years** of mining industry experience. Joined **NMDC as an Executive Trainee in 1992** and has led key mining operations and strategic projects, including the **Kumaraswamy Mine**, **Kirandul Complex expansion**, **RWLS**, **Screening Plant-III**, and **KK Line doubling**
 **Shri Joydeep Dasgupta**	Director (Production)	**Graduate in Electrical Engineering** from **BIT Sindri**, with expertise in mining operations, steel production, mine maintenance, material handling, and operational leadership	**Over 30 years** of experience in the **mining and steel industry**. Started as a **Management Trainee at SAIL (1991)** and rose to **Executive Director (Mines)** before joining NMDC. Brings deep expertise in **mining operations, maintenance, and material handling**, with international leadership as **CEO of ICVL**, managing **Mozambique coal assets** and driving **operational excellence** through global mining best practices
 **Shri Krishna Kumar Thakur**	Director (Personnel)	**Post-Graduate in Literature** from Tilka Manjhi University, Bhagalpur, and **PGDM (Human Resources)** from **Tata Institute of Social Sciences (TISS)**. A **1998-batch Indian Railway Personnel Service (IRPS)** officer	**Over 25 years** of experience in **human resource management, industrial relations, and administration**. Brings extensive leadership across **Indian Railways, RITES, Konkan Railway, and BHEL**, driving **HR transformation**, **policy modernisation**, **talent development**, **workforce retention**, and **digital HR initiatives**, including **HMIS implementation**

Source: NMDC, Choice Institutional Equities

6.6 About the Management

Name	Designation	Qualification	Experience
 **Shri Ashish Chatterjee, IAS**	Director	**Bachelor's degree in Chemical Engineering** from the **Indian Institute of Technology (IIT)**. A **1999-batch Indian Administrative Service (IAS), Tamil Nadu cadre** officer	**Over 25 years** of experience in **public administration and policymaking** across the **Government of Tamil Nadu** and the **Government of India**. Has held key leadership roles in **district administration, urban governance, and the energy sector**, and has served as **Government Nominee Director** on the boards of **GAIL, IOCL, and EIL**. Currently serves as **Additional Secretary & Financial Advisor, Ministry of Steel**
 **Shri Abhijit Narendra**	Director	**B.Sc.** and **LL.B.**; a **1993-batch Indian Railway Traffic Service (IRTS)** officer	**Over 30 years** of experience in **transportation, infrastructure, and public policy**. Expertise spans **railway operations, logistics, infrastructure financing, and public sector governance**, with key contributions to the **Dedicated Freight Corridor (DFC)**, **High-Speed Rail**, **PPP infrastructure projects** and **steel sector policymaking** as **Joint Secretary, Ministry of Steel**
 **Shri Bharat Baburao Patil**	Independent Director	Graduate in **Political Science** with a **Law degree**, bringing a strong foundation in public administration, governance and legal affairs	**Over 25 years** of experience in **education, infrastructure development, public administration and social service**. Has held leadership roles across **education, infrastructure, cooperative finance and public** institutions and led the Mahabaleshwar–Pratapgad ropeway project while driving regional **development,** environmental conservation and community welfare
 **Shri Achal Kumar Sinha**	Independent Director	Graduate in **Botany** from **Patliputra University, Patna**, with expertise in agriculture, rural development, and community welfare	**Over 35 years** of experience in **agriculture and social service**. Expertise in **sustainable farming, organic agriculture, farmer outreach and rural development**, with a strong focus on farmer livelihoods, environmental sustainability and community empowerment
 **Shri C Neelakanta Reddy, IRSSE**	Chief Vigilance Officer	Graduate in **Engineering** from **Sri Venkateswara University College of Engineering, Tirupati**. A **1997-batch Indian Railway Service of Signal Engineers (IRSSE)** officer with advanced management training from **ICLIF Kuala Lumpur, INSEAD Singapore and ISB Hyderabad**	**Over 25 years** of experience in **railway infrastructure, project management, vigilance and corporate governance**. Expertise in **signalling, safety, infrastructure modernisation, capacity enhancement, HR and governance**, with a strong track record in **technology-driven skill development** and **operational excellence**

Source: NMDC, Choice Institutional Equities

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BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
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UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

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