NMDC Ltd — 05 May 2026 Credit Rating Summary

Section	Details
Agency	CRISIL Ratings
Rating Change	**Reaffirmed** (Long Term: CRISIL AAA; Short Term: CRISIL A1+)
Outlook (Current vs Previous)	**Stable** vs **Stable**
Key Drivers of Change	1. **Production Ramp-up:** Volume grew to ~53 MT in FY26 (vs 44 MT in FY25); targeting 100 MTPA by 2030. 2. **Low-Cost Advantage:** Globally lowest cost producer with high-grade ore (63-69% Fe), maintaining strong competitive moat. 3. **Robust Liquidity:** Net cash position with ~₹12,000 Cr cash balance as of FY25. 4. **Sovereign Support:** 60.79% GoI ownership ensures preferential mining rights and strategic importance.
Rated Instruments	1. **Fund-Based Facilities:** ₹6,800 Cr
Key Observations	**Strengths:** Mining life >30 years; Operating margins healthy (though moderated by 22.5% mining premium); Entry into coal mining provides diversification. **Risks:** High counterparty receivables from PSUs (RINL & NMDC Steel); Vulnerability to steel sector cyclicality; High mining premium payouts since FY22 affecting absolute Ebitda per tonne.
Investor Impact	**Growth:** Strong volume outlook (60 MTPA+ medium term). **Margins:** PAT margin at 27.4% (FY25); mining premiums cap upside. **Leverage:** Near-zero risk; Debt/Networth at 0.13x. **Dilution:** Nil; ₹6,000–7,000 Cr annual capex fully funded by internal accruals/cash.
Agency / Cross Analysis	**Same Agency:** Ratings maintained at the highest notch (AAA) since the 2023 upgrade from AA. The transition reflects the successful separation of the steel business and sustained production growth. Financial metrics (Interest Coverage 45.9x) remain significantly above AAA thresholds. **Conclusion: Improvement sustained** through volume growth despite regulatory cost headwinds.
Final Inference	A "fortress" balance sheet play. The core credit strength lies in its net-cash status and sovereign backing, which shields equity holders from the volatility of the ₹7,000 Cr annual capex cycle and PSU receivable delays.