

# NMDC Steel cuts year-end borrowings, short-term debt up

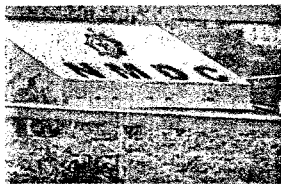
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New Delhi

Even as State-run NMDC Steel Ltd remains on the government's divestment radar, in FY25, its first full year of operations, total borrowings were down 11.3 per cent at ₹5,897.64 crore from ₹6,651.77 crore in FY24 (nine-month period) as repayments and reduced long-term debt outweighed a rise in short-term working capital loans.

Long-term borrowings fell sharply to ₹3,289.31 crore (₹4,261.02 crore), driven by scheduled repayments on bank term loans and absence of major project loan additions.

## DIVESTMENT PUSH

Short-term borrowings, however, increased to ₹2,608.33 crore (₹2,390.76 crore), reflecting higher working capital demand to fund operations during the ramp-up of the 3 mtpa



Nagarnar steel plant. The Directors' Report noted the disinvestment process is being undertaken by the Department of Investment and Public Asset Management (DIPAM). "The company is extending full support in this regard," it mentioned.

In the annual report, the management further noted that the company continues to remain on the list of entities identified for divestment. "The timing and modalities of the proposed strategic sale are to be decided by the government, keeping in view market conditions and operational performance of the company," it said.

As per the preliminary Information Memorandum and Request for Expression of Interest invited, GOI had

decided to divest its 50.79 per cent shareholding.

"Additionally, GoI shall offer 10 per cent stake in NMDC Steel to NMDC Ltd after the strategic buyer has been identified through the bidding process," the company mentioned in its annual report.

## BORROWINGS DETAILS

NMDC Steel reported a loss of ₹2,374 crore, even as it saw turnover jump substantially to ₹8,503 crore in FY25.

The long-term borrowings at present include secured term loans from banks: ₹2,487 crore; loans from financial institutions: ₹278 crore and non-convertible debentures (NCDs): ₹523.80 crore — transferred from NMDC Ltd at demerger and due for redemption in August 2025. The bulk of repayments are back-ended.

NMDC Steel's debt-to-equity ratio stood at 0.45 at the close of FY25, marginally higher than the previous year's 0.43.

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