

Privatisation of NMDC Steel to be completed by early FY24

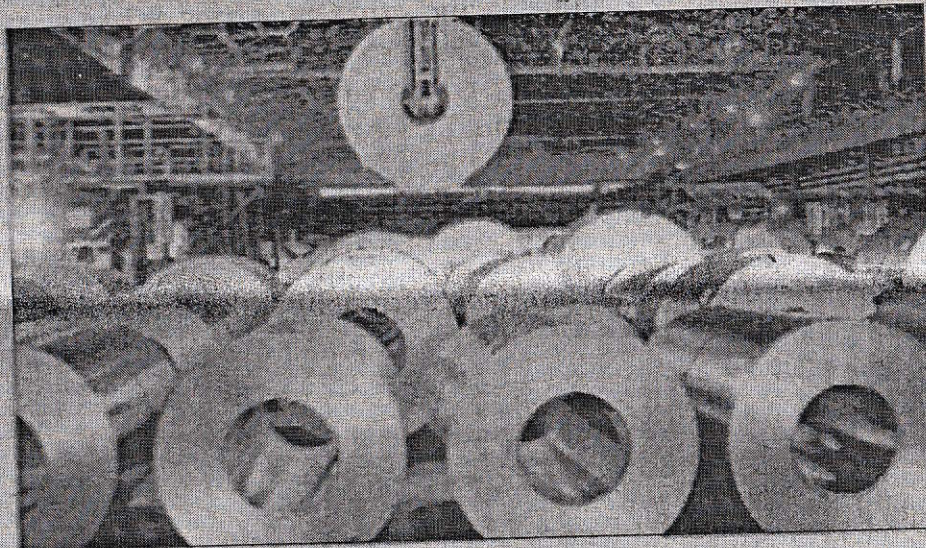
PRASANTA SAHU
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WITH THE DEMERGER from NMDC completed, the Centre will soon invite financial bids for the privatisation of NMDC Steel with an aim to complete the transaction by early 2023-24, an official told FE.

After listing at ₹30.25 on the stock exchanges on Monday, the share price of NMDC Steel rose 4.88% to close at ₹33.3 on Tuesday.

At the current market price, the Centre's 60.79% stake was worth about ₹6,000 crore.

However, the strategic sale is expected to garner substantially higher than reflected by the market share price in the



competitive bidding process involving some of the top domestic and global steel firms.

NMDC has already invested about ₹22,000 crore in building the new plant. Significant

progress has already been made in physical works such as excavation, concreting, structural fabrication and equipment supply works. The scheduled date of completion of the plant is March 2023 and hence,

implementation risk is lower.

On January 27, the Centre received multiple expressions of interest (EOIs) for its 50.79% stake in the under-construction NMDC Steel Limited (NSL) plant at Nagarnar in Chhattisgarh. Additionally, the Centre would offer a 10% stake in NSL to NMDC after the strategic buyer has been identified through the bidding process.

After the successful strategic disinvestment of Odisha-based Neelachal Ispat Nigam Ltd (NINL), jointly owned by four central PSUs and two Odisha government PSUs for ₹12,100 crore in January 2022 to Tata Group, NSL would be the second steel firm to be divested.