

# NMDC Steel commissioning pushed back to June-end

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NMDC, the country's largest iron ore miner, has pushed back the commissioning date of its recently demerged steel plant — NMDC Steel — to June-end. The commissioning of the plant, at Nagarnar in Chhattisgarh and with an annual capacity of three million tonnes (mt), has already slipped a number

of deadlines, with the last one set by the Steel Ministry being March 31.

NMDC's investment in the steel plant is around ₹23,000 crore.

According to Amitava Mukherjee, CMD (Additional Charge), NMDC, the company is "more than confident" of commissioning the steel plant by June-end since all ancillary units are already producing. The coke oven batteries, central plant,

power blowing unit, oxygen plant, among others all have been commissioned. "And the coke oven batteries are producing and selling coke," he told analysts during a call.

"Blast furnace refurbishment is on. And we should be able to blow-in by June 15. Then we process the hot metal and should get hot rolled coils (HRCs) by June-end," Mukherjee added.

NMDC has set a production and dispatch target of

46-50 mt (of iron ore) for FY24; with the capex target for the fiscal being ₹2,000 crore.

## **FY24 TARGET**

According to Mukherjee, nearly ₹7,000 crore worth of capex projects are in various stages of implementation, sanctioning, tendering and approval.

"From FY25 we should look at an annual capex of ₹3,000 crore, every year, for

at least the next few years, failing which it would be very difficult for us to ramp up production," he said.

JSW, AMNS India and RINL are the key buyers. The company is yet to start exports.

## **EXPORTS AND COSTS**

While NMDC has not ruled out the probability of exports, it "does not see an economic case" in going ahead currently. In most cases, do-

mestic realisations continue to be better, with higher margins over exports. Factoring in logistics costs, duties, and other charges, costs go up, Mukherjee said.

"We cannot rule out export. It is like a plan B that we have in case there is some unforeseen circumstance with our key buyers, and we need to up volumes. Then may be, we can tap exports even if they come at lower margins," he said.