

NMDC in advanced talks to demerge upcoming steel unit

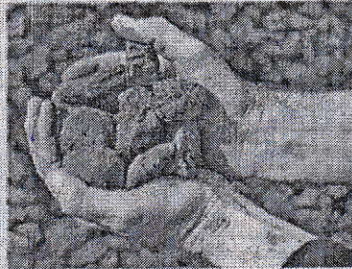
ABHISHEK LAW

New Delhi, August 30

PSU iron-ore miner NMDC is in advanced stages of completing the demerger of its upcoming steel unit, NMDC Iron and Steel Plant (NISP), into a separate company, NMDC Steel Ltd. The Ministry of Corporate Affairs (MCA) has reportedly held a meeting with officials of the PSU miner, on the matter, some days ago.

The demerger is expected to be completed by Q2FY23 (September-end), those aware of the matter said.

Per documents of the Steel Ministry, accessed by *Business-Line*, the compliance of the first motion application has been



completed on June 28 and the Chairperson's report was filed with the MCA on July 5. The second motion application was filed on July 12.

Incidentally, shareholders and creditors of NMDC Ltd approved the demerger of the company's yet-to-be commissioned 3 million tonne per annum (mtpa)

steel plant at Nagarnar. The demerged entity will subsequently be listed.

The miner will issue shares in the ratio of 1:1 for NMDC Steel Ltd.

Nagarnar commissioning

According to those aware of the matter, NMDC's steel plant at Nagarnar is in construction-completion stage, and various facilities are "under testing and trial".

The steel plant's commissioning has been pushed back "probably to September".

A breakdown at the site is seen as a cause for the delay. Supply of motor for the oxygen plant is expected by December 31.