

एनएमडीसी



NMDC

एन एम डी सी लिमिटेड NMDC Limited

(भारत सरकार का उद्यम) (A GOVT. OF INDIA ENTERPRISE)

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए, कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 028.

Regd. Office : 'Khanij Bhavan' 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.

नैगम पहचान संख्या / Corporate Identity Number : L13100TG1958 GOI 001674.

No. 18(1)/2021- Sectt

13th July 2021

The General Manager Department of Corporate Services BSE Limited Phiroze S Jeejeebhoy Towers Dalal Street, Mumbai-400 001	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai - 400051
The Secretary The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata - 700001	

Dear Sir / Madam,

Sub: Disclosure of Information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 ("Circular").

Ref: Scrip Code: 526371; Security ID: NMDC

This is to inform you that the Board of Directors of NMDC Limited, at its meeting held today, July 13, 2021, has approved the Scheme of Arrangement for Demerger between NMDC Limited ("**Demerged Company**") and NMDC Steel Limited ("**Resulting Company**") and their respective shareholders, pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "**Scheme**").

The said Scheme is subject to necessary statutory and regulatory approvals including the approval of the Securities and Exchange Board of India ("**SEBI**"), Stock Exchanges, Ministry of Corporate Affairs, Government of India and respective shareholders and creditors, if any, of each of the companies involved in the Scheme.

The disclosures in respect of the aforesaid Scheme as required under Regulation 30 of the LODR Regulations read with Circular are enclosed as **Annexure 1**.

This is for your information and record.

Thanking you,

Yours faithfully,
For **NMDC Limited**



A S Pardha Saradhi
Company Secretary

Annexure I

Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

1. Name of entities forming part of the Scheme of Arrangement, details in brief such as size, turnover, etc.

Demerged Company: NMDC Limited

Resulting Company: NMDC Steel Limited

As on 31st March 2021

Company	Paid- up capital	Turnover	Net Worth (INR)
NMDC Limited	293,06,05,850	1,53,70,06,07,587	2,97,56,14,48,571
NMDC Steel Limited	6,00,000	Nil	8165

2. Area of business of entities

NMDC Limited: NMDC limited is a government company and is engaged in the exploration of wide range of minerals including iron ore, copper, rock phosphate, limestone, dolomite, gypsum, bentonite, magnesite, diamond, tin, tungsten, graphite, and beach sands.

NMDC Steel Limited: NMDC Steel Limited is a wholly owned subsidiary of NMDC Limited. NMDC Steel Limited currently does not have any business operations. It is authorized by its Memorandum of Association to carry on the business of, amongst others, manufacturing, prospecting, raising, operating, buying, selling, importing, exporting or otherwise dealing in various categories of steel and iron ore.

3. Rationale for the Scheme

Government of India has charted a road map to augment India's steel production to 300 MTPA by 2025. To fulfill this vision, green-field steel plants are being promoted through Special Purpose Vehicles ("SPVs") in mineral rich states of Chhattisgarh, Jharkhand, Karnataka and Odisha. It has been envisaged that the SPV being set up at these states would act as a facilitator and developer for the steel plant. It would acquire the required land, obtain statutory clearances for setting up the plant, organize water & power allocation for the site, along with dedicated raw material supply agreement. On completion of the above activities, the SPV would invite for suitable investor/s, who would construct, develop and operate the steel plant.

As part of expansion, value addition and forward integration programme, and also in consonance with the desire of the Government of India and Government of Chattisgarh, NMDC Limited is setting up a 3 MTPA capacity Greenfield integrated steel plant i.e. NISP (NMDC Iron & Steel Plant) at Nagarnar, located 16 km from Jagdalpur in Chhattisgarh state.

The decision to construct the NISP was taken keeping in view with linkage with iron ore reserves and availability of investable surplus. NISP has progressed significantly further than the other Steel



SPVs. The only difference is that NISP is being developed and constructed within NMDC Limited as opposed to being developed in an SPV. Also, NMDC Vision 2025, whilst mentioning forward integration has specifically stated that its role would be that of a developer for steel plants and at suitable time invite investors to commission and operate the plants. NMDC is therefore considering proposed scheme to add more value to Company's stakeholders by demerging NISP into separate company and subsequently inviting an investor.

To this effect, in October 2020, the Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi gave its 'in-principle' approval to the demerger of NISP from NMDC Limited and strategic disinvestment of the NMDC Steel Limited by selling entire Government of India stake in the NMDC Steel Limited to a strategic buyer.

Accordingly, to achieve the above objective, the Board of Directors of the NMDC Limited have decided to make requisite applications and/or petitions before the Ministry of Corporate Affairs, Government of India under Sections 230 to 232 of the 2013 Act (hereinafter defined) and other applicable provisions for the sanction of the Scheme.

4. Brief details of the division to be demerged

"Demerged Undertaking" is defined under the Scheme to mean the business of NMDC Iron & Steel Plant at Nagarnar ("NISP"), Chhattisgarh, including without limitation, the assets and liabilities described in Schedule I annexed to the Scheme on a going concern basis. NISP is being constructed by the Demerged Company as part of its expansion and value addition to act as a facilitator and developer for the steel plant.

The Demerged Undertaking would be vested with NMDC Steel Limited pursuant to the demerger. The entire share capital of the NMDC Steel Limited held by the NMDC Limited would be cancelled and new equity shares of NMDC Steel Limited (in a manner as elucidated in the Scheme) would be issued to all the shareholders of NMDC Limited in the same proportion.

5. In case of cash consideration - amount or otherwise share exchange ratio

There is no cash consideration involved in the Scheme.

As consideration for transfer and vesting of the Demerged Undertaking into NMDC Steel Limited, NMDC Steel Limited shall without any further application or deed, issue and allot 2930605850 equity shares of face value of INR 10 each as consideration to each equity shareholder of NMDC Limited, whose name is recorded in the register of members of NMDC Limited as on Record date or to their respective heirs, executors, administrators or other legal representatives or successors-in-title, as the case maybe, in the following manner:

"2930605850 fully paid up Equity Shares of INR 10/- each of NMDC Steel Limited shall be issued and allotted to the Equity Shareholders of NMDC Limited, against 2930605850 fully paid up equity shares of INR 1/- each held by them in NMDC Limited."

6. Brief details of change in shareholding pattern of all entities



NMDC Limited will not undergo any change in shareholding pattern as a consequence of the Scheme.

NMDC Steel Limited will issue shares to the shareholders of NMDC Limited as per share exchange ratio provided in paragraph 5 above. The equity shares held by NMDC Limited in NMDC Steel Limited, upon Part II and Part III of the scheme becoming effective, shall be cancelled. Hence, NMDC Steel Limited's shareholding pattern will mirror the shareholding pattern of NMDC Limited as a consequence of the effectiveness of the Scheme.

7. **Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year/ based on financial of the last financial year**

Turnover of Demerged Undertaking is Nil.

8. **Whether listing would be sought for the resulting entity**

The new shares of NMDC Steel Limited to be issued and allotted to the shareholders of NMDC Limited as consideration under the scheme would be applied for listing on all the stock exchanges where the existing equity shares of NMDC Limited are currently listed.

