

एन एम डी सी



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 : L13100AP1958 GOI 001674

No. 18(1)/2019- Sectt

29th June 2019

1. The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	2. National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
3. The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata – 700001	

Dear Sir / Madam,

Sub: Reply to the Clarification / Confirmation on news item appearing in Media / Publication – “NMDC terminates contract with BHEL for delay in Rs. 1,395 cr project”

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Security ID: NMDC

This is with reference to NSE notice No.: NSE/CM/Surveillance/8332 dated 28th June 2019 and BSE notice dated 28th June 2019 on providing clarification / confirmation on the news item “NMDC terminates contract with BHEL for delay in Rs. 1,395 cr project”.

NMDC Limited as part of diversification, value addition and forward integration programme is setting up a 3.0 Million Tonnes Per Annum Greenfield integrated Steel Plant in Nagarnar – about 16 kms from Bastar's divisional headquarters at Jagdalpur, Chhattisgarh.

The Nagarnar Steel Plant plan was conceived by NMDC in 2009-10 and the contract to build raw material handling system was awarded to BHEL on August 1, 2011. The awarded cost of the project was Rs.1,395 crores and was stipulated to be completed by February, 2014. There is a huge delay of more than five years in completion of this package. This package is a critical package from the commissioning of the project point of view.

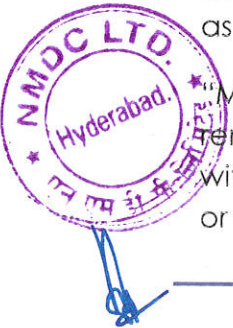
The Company has now invoked the termination clause against BHEL by giving notice to BHEL on June 26, 2019, which is a notice served prior to termination of the contract as per the contract agreement. As per the notice served to BHEL, the exact quote is as follows:

M/s BHEL, must take all corrective actions as required, to remedy or take steps to remedy their failures as shown in the balance work at column 11 in the above table within 14 days from the date of receipt of this notice. If the contractor fails to remedy or take steps to remedy within next 14 days with a realistic approach to complete the

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दूरभाष / Phones : 23538713-21 (9 Lines), 23538723, 23538767 फेक्स / Fax : +91-40-23538711

ई-मेल / E-mail : hois@nmdc.co.in वेबसाइट / Website : www.nmdc.co.in



work, then the Employer will be at liberty to terminate the contract as provisioned under the contract and get the balance non performed works executed by another agency at the risk and cost of M/s BHEL."

This is a commercial contract and the total project is divided into number of packages and this is one such package and has no material impact on the existing operations of the Company as the project is under execution phase. It may be noted that as a commercial organization, NMDC has hundreds of contracts being executed at any given point of time and imposition of penal clauses including termination is a part of routine contract management.

This is for your information and records.

Thanking you



Yours faithfully,
For **NMDC Limited**

A S Pardha Saradhi
Company Secretary