

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(5)/2022- Sectt

May 5, 2022

1) BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	2) National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051
3) The Calcutta Stock Exchange Limited 7, Lyons Range, Murgighata, Dalhousie Kolkata, West Bengal 700001	

Dear Sir / Madam,

Subject: Notice of the meeting of unsecured creditors of NMDC Limited to be held on June 7, 2022 at 12.30 P.M. through VC/OAVM

Reference: Company Application No. 24/1/2022-CL-III OF 2022 filed with the Ministry of Corporate Affairs u/s 230-232 of the Companies Act, 2013 for approving scheme of arrangement ("Scheme") between M/s NMDC Limited ("Demerged Company") and M/s NMDC Steel Limited ("Resulting Company") bearing no. 24/1/2022 – CL – III ("Subject Application").

Notice is hereby given in pursuance of sub-section (5) of Section 230 of the Companies Act, 2013, that as directed by the Ministry of Corporate Affairs, Government of India ("Ministry") by way of order dated April 11, 2022 ("Order"), under sub-section (1) of Section 230 of the Companies Act, 2013, a meeting of the equity shareholders and unsecured creditors (whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021) of NMDC Limited are scheduled as follows, to consider the scheme of arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors ("Scheme") through video conferencing (VC) / Other Audio Visual Means (OAVM):

S No.	Class of Meeting	Date of Meeting	Time of Meeting	Place / Mode of Meeting
1.	Equity Shareholders of NMDC Limited	June 7, 2022	11:00 AM IST	VC / OAVM
2.	Unsecured Creditors of NMDC Limited		12:30 PM IST	

The Ministry has further dispensed with the requirement of convening, conducting and holding the meeting of the secured creditors of NMDC Limited and the equity shareholders and unsecured creditors of NMDC Steel Limited.

A copy of the notice to the unsecured creditors of NMDC Limited, the Order and the proposed Scheme are enclosed.

The Notice for meeting of unsecured creditors (whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021) together with the documents accompanying the same, is being sent to (i) through electronic mode to those unsecured creditors whose email IDs are registered with the Company; and (ii) through registered post or speed post to those unsecured creditors who have not registered their email ids with the Company. The Notice may also be accessed on the website of the Company viz. www.nmdc.co.in and NSDL (agency for providing the remote e-voting facility and e-voting at the meeting) viz. www.evoting.nsdl.com.

You are requested to take the same on your record.

Thanking you

Yours faithfully,
For NMDC Limited

A S Pardha Saradhi
Executive Director &
Company Secretary

Encl: As above

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

NOTICE UNSECURED CREDITORS

NMDC LIMITED

Registered Office	:	Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India
CIN	:	L13100TG1958GOI001674
Telephone	:	040-23538757
Email	:	cs@nmdc.co.in
Website	:	https://www.nmdc.co.in/

MEETING OF THE UNSECURED CREDITORS OF NMDC LIMITED

(Convened pursuant to order issued by

the Ministry of Corporate Affairs, Government of India

dated April 11, 2022)

MEETING:

Day	Tuesday
Date	June 7, 2022
Time	12:30 PM IST
Mode	Through Video Conference / Other Audio Visual Means

REMOTE E-VOTING

Start Date and Time	Sunday, May 8, 10:00 AM IST
End Date and Time	Monday, June 6, 05:00 PM IST

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**BEFORE THE MINISTRY OF CORPORATE AFFAIRS,
GOVERNMENT OF INDIA
SHASTRI BHAWAN, DR. RAJENDRA PRASAD MARG
NEW DELHI – 110001.
COMPANY APPLICATION NO. 24/1/2022-CL-III OF 2022**

IN THE MATTER OF:

SECTION 230 TO 232 AND OTHER PROVISIONS, IF ANY OF THE COMPANIES ACT 2013
READ WITH RULES FRAMED THEREUNDER.

AND IN THE MATTER OF:

<p>NMDC Limited, a Government Company incorporated on November 15, 1958, under the Companies Act, 1956 with CIN L13100TG1958GOI001674, having its registered office at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India. CIN: L13100TG1958GOI001674 PAN: AAACN7325A.</p>	<p>FIRST APPLICANT/ DEMERGED COMPANY</p>
<p>NMDC Steel Limited, a Government Company incorporated on January 2, 2015, under the Companies Act, 2013 with CIN U27310CT2015GOI001618, having its registered office at C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India. CIN: U27310CT2015GOI001618 PAN: AAFCN3661C</p>	<p>SECOND APPLICANT/ RESULTING COMPANY</p>

IN THE MATTER OF:

SCHEME OF ARRANGEMENT BETWEEN NMDC LIMITED AND NMDC STEEL LIMITED
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF NMDC LIMITED

To

The unsecured creditors of NMDC Limited (“**the Company**”)

NOTICE is hereby given that by an order dated April 11, 2022 (“**the Order**”) in Company Application No. 24/1/2022-CL-III of 2022, the Ministry of Corporate Affairs, Government of India (“**Ministry**”) has directed the convening of the meeting of the unsecured creditors of the Company (“**Meeting**”), whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021, for the purpose of considering and if thought fit, approving with or without modification(s), the resolutions to approve the proposed scheme of arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors (“**the Scheme**”) pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 (“**Act**”) and the other applicable provisions thereof and applicable rules thereunder.

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the unsecured creditors of the Company, whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021, will be held to transact the special business at 12.30 p.m., on Tuesday, June 7, 2022 through video conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”) in compliance with the applicable provisions of the Act and General Circulars No. 20/2021 dated December 8, 2021, No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, and No. 10/2021 dated June 23, 2021 issued by the Ministry (collectively referred to as “**MCA Circulars**”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”) and the said unsecured creditors are requested to attend the Meeting. At the Meeting, the following resolution will be considered and if thought fit, be approved with or without modification(s):

“**RESOLVED THAT** pursuant to the provisions of Section 230 to 232 and other applicable provisions, if any of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, other applicable enactments, rules, regulations and guidelines, memorandum and articles of association of the Company and subject to the sanction by the Ministry and subject to other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Ministry, the approval of the unsecured creditors of the Company, be and is hereby accorded to the proposed Scheme of Arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors (“**Scheme**”), the draft of which was circulated along with this notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modification, amendment, limitations and conditions, if any which may be required and/or imposed by the Ministry and or any other authorities while sanctioning the Scheme or by any authority under law, or as may be required for the purpose of resolving

any doubt or difficulties that may arise or meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

TAKE FURTHER NOTICE that since this Meeting is held pursuant to the Order passed by the Ministry and in compliance with the MCA Circulars, through VC/OAVM, physical attendance of the unsecured creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the unsecured creditors will not be available for this Meeting and hence, the Proxy Form, Route Map and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Act, authorized representatives of institutional/ corporate unsecured creditors may be appointed for the purpose of voting through remote e-voting, for participation in the Meeting through VC/OAVM facility and e-voting during the Meeting, provided that such corporate unsecured creditor sends a scanned copy (PDF/JPG Format) of its board or governing body resolution/authorization etc., within the timeline specified in this Notice, authorizing its representative to attend the Meeting through VC/OAVM on its behalf, vote through e-voting during the Meeting and/or to vote through remote e-voting.

TAKE FURTHER NOTICE THAT

- a. in compliance with the provisions of (i) MCA Circulars; (ii) Sections 108 and 230 of the Act read with the rules framed thereunder; and (iii) Regulation 44 and other applicable provisions of SEBI LODR, as amended, the Company has provided the facility of voting by remote e-voting and e-voting at the Meeting so as to enable the unsecured creditors to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by unsecured creditors of the Company to approve the Scheme shall be carried out only through remote e-voting and e-voting at the Meeting.
- b. This notice, the explanatory statement under Section 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other applicable provisions of the Act and the rules made thereunder, the Scheme and other annexures (as indicated in the index) are enclosed herewith and are being sent: (i) through electronic mode to those unsecured creditors whose email IDs are registered with the Company; and (ii) through registered post or speed post to those unsecured creditors who have not registered their email ids with the Company. Copies of the same can also be obtained free of cost from the registered office of the Company situated at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India, till the date of the Meeting.
- c. The percentage of the business of the Company which is proposed to be transferred to NMDC Steel Limited pursuant to the Scheme has been disclosed in this Notice.
- d. The abridged prospectus of NMDC Steel Limited, prepared in compliance with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021 (as amended from time to time), and the SEBI circular bearing number SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022 is annexed hereto and forms part of this Notice. Copies of the same can also be obtained free of cost from the registered office of the Company situated at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India.

- e. The Company has extended the remote e-voting facility for its unsecured creditors to enable them to cast their votes electronically. The instructions for remote e-voting and e-voting at the Meeting are appended to the Notice. The unsecured creditors opting to cast their votes by remote e-voting and voting during the Meeting through VC/ OAVM are requested to read the instructions in the Notes below carefully. In case of remote e-voting, the votes should be cast in the manner described in the instructions from 10:00 AM (server time) on Sunday, May 8, 2022 till 05:00 PM (server time) on Monday, June 6, 2022.
- f. The Ministry has appointed Smt Rasika Chaube, Additional Secretary, Ministry of Steel, Government of India to be the chairperson of the said Meeting, including for any adjournment or adjournments thereof.
- g. CA Prabhakar Reddy, Chartered Accountant (FRN No. 018353S), has been appointed as the scrutinizer to scrutinize the e-voting during the Meeting and remote e-voting process in a fair and transparent manner
- h. The abovementioned Scheme, if approved at the Meeting, will be subject to the subsequent approval by the Ministry.



Smt Rasika Chaube
Additional Secretary,
Ministry of Steel, Government of India
Chairperson

Dated: May 4, 2022
Place: New Delhi

NOTES

1. **General Instructions:**

- (i) As per the Order, in view of the continuing Covid-19 pandemic and in compliance with the MCA Circulars, applicable provisions of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), the Meeting of the unsecured creditors whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021 is being held through VC / OAVM. Accordingly, the Attendance Slip is not annexed to this Notice.
- (ii) The deemed venue for the Meeting shall be the Registered Office of the Company at 10-3-311/A, Khanij Bhavan, Castle Hills, Masab Tank, Hyderabad - 500028, Telangana.
- (iii) The Notice together with the documents accompanying the same, is being sent to the unsecured creditors of the Company, whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021 (“**Cut-off Date**”): (i) through electronic mode to those unsecured creditors whose email IDs are registered with the Company; and (ii) through registered post or speed post to those unsecured creditors who have not registered their email ids with the Company. The Notice may also be accessed on the website of the Company viz. www.nmdc.co.in and NSDL (agency for providing the Remote e-voting facility and e-voting at the meeting) viz. www.evoting.nsdl.com. The Notice can also be accessed from the website of BSE Limited, the Calcutta Stock Exchange Limited and National Stock Exchange of India Limited (collectively referred to as the “**Stock Exchanges**”) at www.bseindia.com, www.cse-india.com and www.nseindia.com respectively
- (iv) The Notice convening the aforesaid Meeting be published through advertisement in: (i) Times of India, an English daily newspaper; (ii) Eenadu, a Telugu daily newspaper in Hyderabad where the registered office of the Company is situated; and (iii) Dainik Bhaskar, a Hindi daily newspaper in Nagarnar, Bastar where the registered office of the Resulting Company, NMDC Steel Limited is situated.
- (v) The quorum of the meeting of the unsecured creditors of the Demerged Company shall be one-third of share in terms of value, present through VC/OAVM.
- (vi) Unsecured creditors carrying debt value above INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021, being the cut-off date, are entitled to exercise their right to vote on the above resolution.
- (vii) The Scheme shall be considered approved by the unsecured creditors of the Company if the resolution mentioned in the Notice has been approved by majority of persons representing three-fourth in value of the unsecured creditors voting at the Meeting through VC/OAVM or by remote e-voting, in terms of the provisions of Sections 230 – 232 of the Companies Act.

- (viii) The unsecured creditors attending the meeting and who have not cast their vote through remote e-voting shall be entitled to exercise their vote during the meeting scheduled on Tuesday, June 7, 2022.
- (ix) The authorized representatives of corporate unsecured creditors of the Company whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021 may attend the meeting and vote on their behalf, through VC/OAVM, provided that an authority letter/ power of attorney by the board of directors or a certified copy of the resolution of the board of directors or other governing body of such body corporate, authorizing such a representative to attend and vote on its behalf along with the attested specimen signature of the duly authorized signatories who are authorized to vote is sent at least 48 hours before the commencement of the Meeting to the Scrutinizer by e-mail through its registered email address to prabhakarreddyca@gmail.com with a copy marked to cs@nmdc.co.in and evoting@nsdl.co.in.
- (x) CA Prabhakar Reddy, Chartered Accountant, has been appointed as the scrutinizer for the said Meeting to scrutinize and conduct the remote e-voting process and voting during the Meeting in a fair and transparent manner. Post the Meeting, the Scrutinizer will submit its report to the Chairman after the conclusion of voting at the meeting. The results as declared by the Chairman on or before June 9, 2022 along with the report of the scrutinizer shall be displayed at the registered office of the Company and shall also be placed on its website at www.nmdc.co.in and on the website of NSDL, besides being communicated to the Stock Exchanges.
- (xi) The material documents referred to in the accompanying explanatory statement and pursuant to applicable provisions, shall be open for inspection by the unsecured creditors upto the date of the Meeting on any working day (except Saturdays, Sundays and Public Holidays) between 10:00 AM to 01:00 PM, by sending an email to cs@nmdc.co.in
- (xii) In case of any grievance, an unsecured creditor may contact the below mentioned person :
Name of the Contact Person : A.S. Pardha Saradhi
Designation: Company Secretary
Email id: cs@nmdc.co.in
Phone Number: 040-23538757
- (xiii) Grievances connected with the facility for voting by electronic means may be addressed to Mr Swapneel, (NSDL Official) at evoting@nsdl.co.in or contact at Phone number: +918951022700 or call on toll free no.: 1800 1020 990 and 1800 22 44 30

2. The procedure for joining the Meeting is as under:

- (i) The Company is pleased to offer remote e-voting facility to unsecured creditors. For this purpose, the Company has appointed National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The

facility of casting votes by a member using remote e-voting system as well as voting during meeting will be provided by NSDL.

- (ii) Unsecured creditors whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on the Cut-off Date (September 30, 2021) can cast their vote online from 10:00 AM (server time) Sunday, May 8, 2022 till 05:00 PM (server time) on Monday, June 6, 2022. The remote e-voting facility module shall be disabled for voting by National Security Depository Limited (“NSDL”) thereafter.
- (iii) The unsecured creditors whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on the Cut-off Date (September 30, 2021), may cast their vote electronically during the meeting scheduled on Tuesday, June 7, 2022. Voting rights shall be reckoned on the outstanding value of the unsecured creditors as per the books of accounts of the Demerged Company as on cut-off date i.e., September 30, 2021. Persons who are not unsecured creditors of the Demerged Company as on the Cut-off date should treat this Notice for information purposes only.
- (iv) The unsecured creditors whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on the Cut-off Date (September 30, 2021) can join the meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the meeting through VC/OAVM will be made available for all the unsecured creditors whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on the Cut-off Date (September 30, 2021).
- (v) Unsecured creditors can submit questions in advance with regard to the resolutions to be placed at the unsecured creditors Meeting, from their registered email address, mentioning their name, PAN and mobile number, to reach the Company’s email address: cs@nmdc.co.in, in advance, by May 24, 2022, by 5:00 p.m. IST. Such questions by the Unsecured creditors shall be taken up during the meeting and replied by the Company suitably.
- (vi) Unsecured creditors, who would like to ask questions during the unsecured creditors Meeting with regard to the resolutions to be placed at the unsecured creditors Meeting, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, PAN and mobile number to reach the Company’s email address: cs@nmdc.co.in, registration starts from May 8, 2022 (9.00 a.m. IST) to May 24, 2022 (5.00 p.m. IST). Those unsecured creditors who have registered themselves as a speaker shall be allowed to ask questions during the Unsecured creditors Meeting, depending upon the availability of time. The Company/ the Chairperson of the unsecured creditors Meeting reserves the right to restrict the number of questions, time allotted and number of speakers for smooth conduct of the unsecured creditors Meeting.
- (vii) Queries on the businesses covered in the Notice may be sent to the Company Secretary at email id – cs@nmdc.co.in, in advance, so that the answers may be made readily available at the unsecured creditors Meeting.

- (viii) The Helpline details of the person who may be contacted by the Unsecured creditors needing assistance with the use of technology, before or during the Unsecured creditors Meeting shall be the same persons mentioned for remote e-voting and are reproduced hereunder:

Mr. Amit Vishal, Assistant Vice President, NSDL, at the designated email ID: evoting@nsdl.co.in, or at toll free number 1800 1020 990/1800 224 430.

Ms. Pallavi Mhatre, Manager, NSDL, at the designated email ID: evoting@nsdl.co.in, or at toll free number 1800 1020 990/1800 224 430

- (ix) During the unsecured creditors Meeting, the Chairperson of the unsecured creditors Meeting shall, after response to the questions raised by the unsecured creditors in advance or as a speaker at the unsecured creditors Meeting, formally propose to the unsecured creditors participating through VC/OAVM Facility to vote on the resolutions as set out in this Notice and announce the start of the casting of vote through the E-Voting system. After the Unsecured creditors participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the E-voting will be closed with the formal announcement of closure of the unsecured creditors Meeting.
- (x) The results as declared by the Chairman on or before June 9, 2022 along with the report of the scrutinizer shall be displayed at the registered office of the Company and shall also be placed on its website at <https://www.nmdc.co.in/> and on the website of NSDL (www.evoting.nsdl.com), besides being communicated to the Stock Exchanges.

3. Instructions for remote e-voting facility are as under:

- (i) In pursuance of the Regulation 44 of the SEBI (LODR) Regulations, and its amendments, and provisions of Section 108 and other applicable provisions of the Companies Act, 2013, the Company is pleased to offer remote e-voting facility to its unsecured creditors. For this purpose, the Company has appointed National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during meeting will be provided by NSDL.
- (ii) Any person who is an Unsecured Creditor, whose name appears in the Chartered Accountant's certificate certifying the list of Unsecured creditors of the Demerged Company as on September 30, 2021 and whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on the Cut-off Date (September 30, 2021) will be assigned a User ID and Password which will be communicated along with the Notice being sent through e-mail at the last known e-mail address as available with the Demerged Company. Please also see details under remote e-voting instructions below regarding User ID and Password.
- (iii) Unsecured Creditors will be required to use internet with a good speed to avoid any disturbance during the Meeting.
- (iv) Please note that Unsecured Creditors connecting from mobile devices or tablets or through laptops, etc. connecting *via* mobile hotspot, may experience audio/video loss

due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

- (v) The voting by unsecured creditors through remote E-voting shall commence on Sunday, May 8, 2022 (10:00 am IST) and end on Monday, June 6, 2022 (5:00 pm IST). During this period, unsecured creditors may cast their vote electronically. The remote E-voting module shall be disabled by NSDL upon expiry of the aforesaid period.

4. The procedure and manner for remote e-voting is as under:

- (i) In compliance with the Order, the Company is pleased to provide to its unsecured creditors facility to exercise their right to vote on resolutions proposed to be passed in the unsecured creditors Meeting by electronic means.
- (ii) National Securities Depositories Limited (“NSDL”) will be providing facility for remote e-voting, participation in the unsecured creditors Meeting through VC/ OAVM and e-voting during the unsecured creditors Meeting.
- (iii) Unsecured creditors, who will be present in the unsecured creditors Meeting through VC/OAVM facility and have not cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the unsecured creditors Meeting. Unsecured creditors who cast their votes through remote e-voting may attend the unsecured creditors Meeting but shall not be entitled to cast their vote during the Unsecured creditors Meeting. Once the vote on a resolution is cast by the Unsecured Creditor, the Unsecured Creditor shall not be allowed to change it subsequently.

How do I vote electronically using NSDL e-voting system?

- (i) The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

A. Details on Step 1 is mentioned below:

How to Log-in to NSDL e-voting website?

- (i) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member/Creditor’ section.
- (iii) The Login ID and password details for casting your vote electronically and for attending the meeting through VC/ OAVM are attached in the pdf file enclosed herewith. Please note that the password to open the pdf file is the Unique ID mentioned above and the system will ask to reset your password the first time.
- (iv) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

- (v) Your User ID detail is being sent in the email or through registered post or speed post along with this Notice.
- (vi) Your password detail is being sent in the email or through registered post or speed post along with this Notice.
- (vii) If you are unable to retrieve or have not received the “Initial password” you can send a request at evoting@nsdl.co.in, mentioning your name, PAN and your registered address.
- (viii) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- (ix) Now, you will have to click on “Login” button.
- (x) After you click on the “Login” button, Home page of e-voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-voting system?

- (xi) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting.
- (xii) You will be able to see the Company “EVEN” in which you are an unsecured creditor, who’s voting cycle is in active status.
- (xiii) Select “EVEN” of the Company (EVEN: 119797).
- (xiv) Now you are ready for e-voting as the Voting page opens.
- (xv) Cast your vote by selecting appropriate options, i.e., assent or dissent and click on “Submit” and “Confirm” when prompted.
- (xvi) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xvii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (xviii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- (xix) In case of any query/grievance with respect to remote E-Voting, unsecured creditors may refer to the Frequently Asked Questions (FAQs) for Shareholders and remote E-voting User Manual for Shareholders available under the Downloads section of NSDL’s e-voting website or contact Mr. Amit Vishal, Assistant Vice President / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, “A” Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at toll free no. 11800 1020 990 / 1800 22 44 30 or at E-mail ID: evoting@nsdl.co.in. Unsecured creditors may also write to the Company Secretary at the email address: cs@nmdc.co.in.

B. Process for those unsecured creditors whose email ids are not registered for procuring user id and password and registration of email ids for e-voting on the resolutions set out in this Notice:

- (i) Those unsecured creditors, who have not registered their email address with the Company and who wish to participate in the unsecured creditors Meeting or cast their vote through remote e-voting or through the E-voting system during the Unsecured creditors Meeting, may obtain the login ID and password by sending scanned copy of:

a signed request letter mentioning your name and complete address;

self-attested scanned copy of the PAN Card; and

a self-attested document supporting the address mentioned above to the email address, cs@nmdc.co.in

- (ii) Alternatively, unsecured creditors may send an email request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in point (i) above and CC to cs@nmdc.co.in

**BEFORE THE MINISTRY OF CORPORATE AFFAIRS,
GOVERNMENT OF INDIA
SHASTRI BHAWAN, DR. RAJENDRA PRASAD MARG
NEW DELHI – 110001.
COMPANY APPLICATION NO. 24/1/2022-CL-III OF 2022**

IN THE MATTER OF:

SECTION 230 TO 232 AND OTHER PROVISIONS, IF ANY OF THE COMPANIES ACT 2013 READ WITH THE RULES FRAMED THEREUNDER.

IN THE MATTER OF:

SCHEME OF ARRANGEMENT BETWEEN NMDC LIMITED (“**DEMERGED COMPANY**”) AND NMDC STEEL LIMITED (“**RESULTING COMPANY**”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

<p>NMDC Limited, a Government Company incorporated on November 15, 1958, under the Companies Act, 1956 with CIN L13100TG1958GOI001674, having its registered office at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India. CIN: L13100TG1958GOI001674 PAN: AAACN7325A. EMAIL: cs@nmdc.co.in TEL NO.: 040-23538757 FAX NO.: 040-23538759</p>	<p>FIRST APPLICANT/ DEMERGED COMPANY</p>
<p>NMDC Steel Limited, a Government Company incorporated on January 2, 2015, under the Companies Act, 2013 with CIN U27310CT2015GOI001618, having its registered office at C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India. CIN: U27310CT2015GOI001618 PAN: AAFCN3661C. EMAIL: cs@nmdc.co.in TEL NO.: 040-23538757 FAX NO.: 040-23538759</p>	<p>SECOND APPLICANT/ RESULTING COMPANY</p>

EXPLANATORY STATEMENT UNDER SECTION 230 AND SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

1. The Ministry of Corporate Affairs, Government of India (“**Ministry**”), by its order dated April 11, 2022 (“**Order**”) in the company application referred to above, with respect to the scheme of arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors (“**Scheme**”) has directed the convening of the following meetings:

- (a) Meeting of the equity shareholders of the Demerged Company to be convened on Tuesday, June 7, 2022, at 11.00 AM through Video Conferencing (VC)/ Other Audio Visual Means (OAVM); and
 - (b) Meeting of the unsecured creditors of the Demerged Company whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021, to be convened on Tuesday, June 7, 2022, at 12.30 PM through Video Conferencing (VC) / Other Audio Visual Means (OAVM).
2. Pursuant to the Order, the meeting of unsecured creditors of the Demerged Company whose debt is of a value more than INR 1,00,00,000 (Indian Rupees One Crore) as on September 30, 2021 is being convened on Tuesday, June 7, 2022, at 12.30 PM through VC / OAVM.
3. The Ministry has by the said Order further dispensed with the requirement of convening the meeting of the (i) secured creditors of the Demerged Company; (ii) equity shareholders of the Resulting Company; and (iii) unsecured creditors of the Resulting Company.
4. NMDC Limited was incorporated in the State of Andhra Pradesh (now State of Telangana) under the Companies Act, 1956 (“**1956 Act**”) as a public company on November 15, 1958, vide certificate of incorporation issued by the Registrar of Companies, Hyderabad. The registered office of the Demerged Company is situated at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India. The Demerged Company is a public enterprise majorly owned by the Government of India, under the administrative control of the Ministry of Steel, Government of India. The equity shares of the Demerged Company are listed on the National Stock Exchange of India Limited (“**NSE**”), BSE Limited (“**BSE**”) and Calcutta Stock Exchange Limited (“**CSE**”).
5. The main objects of the Demerged Company, includes, amongst others, the following:
 - (a) To purchase, take on lease or in exchange or under amalgamation, license or concession, or otherwise acquire mines, coal blocks, beneficiation, mineral dressing, concentration and refining plants, including plants like metallurgical plants, steel plants, lands, building, workshops, power-generation units, transmission and distribution system or any other power systems plant & equipment, machinery, sidings, locos, works and any rights and privileges, or interest therein and to explore, prospect, work, develop, administer, manage or control and to turn to account the same.
 - (b) To acquire by lease, grant, assignment, transfer or otherwise any grants or concessions of any mineral fields, mines, mineral and mine contracts, works and premises from any person or persons, Corporation, Company, Government or local body in India or elsewhere, and to perform and fulfil the conditions thereof.
 - (c) To construct, execute, carry out, equip, improve work, purchase or otherwise acquire, lease, develop, administer, manage or control in India or elsewhere, works and conveniences of all kinds which expression, includes mines, coal blocks, beneficiations, mineral dressing, concentration and refining plants, including metallurgical like steel plants, quarries, cement plants, barrages, dams, sluices, locks,

embankments, moles, break-waters, docks, quays, harbours, piers, wharves, canals, tanks, bridges, aqueducts, reservoirs, irrigations, reclamation, improvement, river-works of all kinds, railways, ropeways, tramways, road, sewage, drainage, sanitary, paving, water, gas, electric, light, telephonic, telegraphic, wire-less, power generation, transmission and distribution system non-conventional energy units like windmill, solar energy, etc, and power supply works, and hotels and warehouses, markets and buildings, private or public, workers dhowras and houses, villages, sheds, dwellings, offices, shops and stores and all other works or conveniences whatsoever.

- (d) To sink wells and shafts, lay down pipes, construct, maintain and improve any tramways, telegraph and telephone lines, wharves, piers, docks, canals, reservoirs, watercourses, warehouses, sheds and other buildings and work calculated directly or indirectly to advance the interest of the Demerged Company and to pay or contribute to the expenses of constructing, maintaining and improving any such works.

6. The share capital structure of the Demerged Company as on September 30, 2021, is as follows:

Particulars	Amount (Rs.)
Authorized Capital	
400,00,00,000 equity shares of INR 1 each	400,00,00,000
Total	400,00,00,000
Issued Subscribed and Paid Up	
293,06,05,850 equity shares of INR 1 each	293,06,05,850
Total	293,06,05,850

The Resulting Company being 100% subsidiary of Demerged Company, all the shares in the Resulting Company are held by Demerged Company and its nominees.

7. After the above date, there has been no change in the authorized, issued, subscribed and paid-up capital of the Demerged Company.
8. NMDC Steel Limited was incorporated in Chhattisgarh under the provisions of the Companies Act, 2013 (“**2013 Act**”) on January 2, 2015, under its present name vide certificate of incorporation issued by the Registrar of Companies, Chhattisgarh. The registered office of the Resulting Company is presently located at C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India. The equity shares of the Resulting Company are not listed on any stock exchange. The Resulting Company is a wholly owned subsidiary of the Demerged Company.
9. The main objects of the Resulting Company includes, amongst others, the following:
- (a) To carry on in India and elsewhere the trade or business or manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing otherwise dealing:-

- (i) in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, bauxite, cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying, concrete manufacturing in all respective branches, and other allied input or other materials, and, for that purpose to construct, install, operate, manage and maintain all plants, mines, establishments, works etc;
 - (ii) in iron and steel of all qualities, grades, types and kinds as iron mongers, iron masters, steel makers and steel converters.
 - (iii) in Ferro Silicon, Ferro-Chrome and/or all products made of Iron and Steel, Coking coal, Manganese, Ferro manganese, Limestone, Refractories, Iron-ore and other alloys; and
 - (iv) as miners, smelters, iron founders in all respective branches.
- (b) To do consultancy services required to design, establish, provide, maintain and perform engineering and related technical and consultancy services for the development of ferrous and non-ferrous metallurgical enterprises, chemical and petro-chemical enterprises, fertilizer plants, cement plants, refractory plants, laboratories for control and/or research purposes, water works, gas works, sewage disposal plants, thermal and hydro-electric power stations, electrical generators, transmission and distribution and all other types of industrial projects, and for that purpose to prepare and get prepared feasibility reports, detailed project reports, market studies, techno-economic investigations, survey of all types, site selection, planning basic and process engineering, preparing specifications and documents, tender evaluation and purchase assistance, detailed design and working drawing, shop inspection, expediting construction, supervision, project management, commissioning, operation and maintenance, training of personnel, pre and post operation consultancy and any such other services.
- (c) To construct, execute, carry out, improve, develop, manage or control iron and steel works and by-products and ancillary plants, fertilizer plants, coke ovens, foundries furnaces, bricks kilns, refractory works, factories, railways, tramways, ropeways, runways, roads, aerodromes, docks, harbours, piers wharves, dams, barrages, weirs, reservoirs, embankments, canals, irrigation, power houses, transmission lines, reclamation, improvement, sewage, drainage, sanitary, water, gas, electric, light, telephone and power supply works and hotels, houses, markets and buildings, private or public, and all other works, conveniences whatsoever, and generally to carry on the business of builders, contractors, engineers, architects, estimators, and designers in all their respective branches and to undertake works on contract basis for civil engineering, mechanical engineering, electrical engineering, erection engineering, water supply, etc. and to tender for such works, and to undertake consultancy services in the above fields, general accounting, material management, industrial engineering and other management services, etc.

- (d) To plan, promote, and organise an integrated and efficient development of the iron and steel and its associated input industries such as iron ore, coking coal, manganese, limestone, refractories etc.
- (e) To purchase, take on lease or in exchange or under amalgamation, licence or concession, or otherwise acquire mines, Coal blocks, beneficiation, mineral dressing, concentration and refining plants, including Plants like Metallurgical plants, Steel plants, lands, buildings, workshops, power-generation units, transmission and distribution system or any other power systems plant & equipment, machinery, sidings, locos, works and any rights and privileges, or interest therein and to explore, prospect, work, develop, administer, manage or control and to turn to account the same.

10. The share capital structure of the Resulting Company as on September 30, 2021, is as follows:

Particulars	Amount (Rs.)
Authorized Capital	
3,00,000 equity shares of INR 10/- each	30,00,000
Total	30,00,000
Issued Subscribed and Paid Up	
1,10,000 equity shares of INR 10/- each	11,00,000
Total	11,00,000

There has been no change in the above authorized, subscribed, issued and paid-up share capital of the Resulting Company after September 30, 2021.

11. The Scheme provides for the transfer and vesting of the of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company to Resulting Company.
12. 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(s). 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.
13. 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 Chhattisgarh, the Demerged Company is setting up a 3 MTPA capacity greenfield integrated steel plant ("**NMDC Iron & Steel Plant**" or "**NISP**") at Nagarnar, located 16 km from Jagdalpur in Chhattisgarh.
14. The decision to construct the NISP was taken keeping in view 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 the Demerged Company as opposed to being developed in an SPV. In addition to the above, the 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. The Demerged Company is therefore considering proposed scheme to add more value to the Demerged Company's stakeholders by demerging NISP into separate company and subsequently inviting investors.

15. 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 the Demerged Company and strategic disinvestment of NISP by selling entire Government of India stake in the Resulting Company to a strategic buyer.
16. Accordingly, to achieve the above objective, the Board of Directors of the Demerged Company and the Resulting Company 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 and other applicable provisions for the sanction of the Scheme.
17. The salient features of the Scheme are as follows:
 - (a) The Appointed Date means April 1, 2021, or any such other date as may be decided by the Ministry of Corporate Affairs.
 - (b) The Effective Date means the date on which the certified copies of the orders of the MCA sanctioning the Scheme are filed with the concerned Registrar of Companies. Any references in this statement to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" or "upon this Scheme coming into effect" shall mean the Effective Date.
 - (c) The Scheme proposes that upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking (as defined in the Scheme) shall stand transferred to and be vested with the Resulting Company.
 - (d) The Scheme further provides that upon the Scheme becoming effective and with effect from the Appointed Date:
 - (i) All the assets and properties (tangible and intangible assets including goodwill) pertaining to the Demerged Undertaking shall stand transferred to and be vested with the Resulting Company;
 - (ii) All debts (secured and unsecured), liabilities, bonds, debentures, duties and obligations of every kind, nature and description pertaining to the Demerged Undertaking shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Resulting Company;
 - (iii) All registrations, goodwill, licenses, relating to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company;

- (iv) All contracts, deeds, bonds, agreements, etc. relating to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company;
 - (v) All legal proceedings pertaining to the Demerged Undertaking of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.
- (e) The Scheme further provides that, all staff, workmen and employees (whether full time or part time) of the Demerged Company engaged in, or in relation to the Demerged Undertaking, as may be identified by the Board of the Demerged Company, in service on the Effective Date, shall be deemed to have become staff, workmen and employees of the Resulting Company from the Appointed Date without any break in their service and based on continuity of service. The terms and conditions of their employment with the Resulting Company shall not be less favourable than those on which they are engaged by the Demerged Company on the Appointed Date.
- (f) Further, upon the coming into effect of the Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of the Demerged Company, whose names appear in the register of members as on the Record Date, 1 (One) equity share of the Resulting Company of INR 10 each fully paid-up for every 1 (One) equity share held in the Demerged Company of INR 1 each fully paid-up.
- (g) Upon the Scheme becoming effective, the authorized share capital of the Resulting Company will automatically stand increased to INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores) by simply filing the requisite forms with the Governmental Authority and no separate procedure or instrument or deed shall be required to be executed and/or process shall be required to be followed under the 2013 Act.
- (h) Upon the Scheme becoming effective, and without any further act or deed by the shareholders of the Resulting Company or their nominees (including but not limited to surrendering of share certificates), 1,10,000 equity shares of INR 10/- each held by the Resulting Company's Shareholders as on June 30, 2021, shall stand cancelled, extinguished and rendered invalid without any consideration/payment to the current shareholders of the Resulting Company ("**Capital Reduction**").
- (i) Upon the Scheme becoming effective and simultaneous with the Capital Reduction, the entire equity share capital of the Resulting Company shall stand reorganized such that the Resulting Company shall issue 2,93,06,05,850 (Two Hundred Ninety-Three Crores Six Lakhs Five Thousand Eight Hundred Fifty) fresh equity shares having a face value of INR 10/- each.

The aforesaid are only salient features of the Scheme. You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. A copy of the Scheme is attached herewith as Annexure A.

18. The Scheme has no adverse effects on any of the directors, key management personnel, promoters, non-promoters, members, creditors and employees of the Demerged Company or the Resulting Company. The Scheme would be in the best interest of all stakeholders of the Demerged Company and the Resulting Company.
19. The Scheme will have the following benefits:
 - (a) The proposed demerger will enhance value for shareholders and allow a focused strategy in operation of the respective business verticals which would be in the best interest of the Demerged Company and the Resulting Company, shareholders, creditors and all persons connected therewith;
 - (b) The demerger of NISP would facilitate focused growth, operational efficiencies and business synergies and increased operational and customer focus in relation to the steel undertaking in the Resulting Company and the mining business in the Demerged Company;
 - (c) Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders;
 - (d) Mitigation of risk of the relatively lower margins of steel business for shareholders of mining business;
 - (e) Potential for an independent HR policy to align with steel industry market norms versus those for a mining company;
 - (f) Operational rationalization, organization efficiency and optimum utilization of various resources; and
 - (g) Ability to leverage financial and operational resources of each business.
20. Impact of the Scheme on shareholders:
 - (a) Allotment of Equity Shares in Resulting Company: Under the Scheme, an arrangement is sought to be entered into between the Demerged Company and its shareholders. Upon coming into effect of Part II and Part III of the Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company, and as enumerated in Clause 3 of Part B of the Scheme, the Resulting Company will issue and allot to each equity shareholder of the Demerged Company, 1 (one) equity share of the Resulting Company of INR 10/- (Indian Rupees Ten) each fully paid up for every 1 (one) equity share held in the Demerged Company of INR 1/- (Indian Rupee One) each held by such shareholder of the Demerged Company.

- (b) **Mirror Shareholding:** BDO Valuation Advisory LLP has provided the valuation report in relation to the issuance of equity shares by the Resulting Company to the equity shareholders of the Demerged Company for demerger of Demerged Undertaking as mentioned, stating that share entitlement ratio is fair and reasonable considering that all the shareholders of the Demerged Company are and will upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in the Demerged Company as on Record Date to be decided by the Demerged Company. No special valuation difficulties were reported in the said valuation report. Therefore, since the shareholders of the Demerged Company will receive proportionate shares in the Resulting Company, there is no adverse impact on the shareholders of the Demerged Company as a result of the Scheme.
21. No investigation proceedings have been instituted or are pending in relation to the Demerged Company or the Resulting Company either under the 1956 Act or the 2013 Act.
 22. There is no petition pending for winding up either against the Demerged Company or the Resulting Company.
 23. Further no insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 have been filed or are pending against the Demerged Company or the Resulting Company.
 24. The amount due in favour of the unsecured creditors of the Demerged Company as on September 30, 2021, is INR 2600,51,01,883/- (Indian Rupees Two Thousand Six Hundred Crores, Fifty One Lakhs One Thousand Eight Hundred Eighty Three).
 25. The details of the promoters and promoter groups of the Demerged Company (as per the shareholding pattern as on December 15, 2021) is as under:

S. No.	Name of the Promoter/ Promoter Group & their Addresses.	No. of Equity Shares
1.	PRESIDENT OF INDIA (Udyog Bhawan, New Delhi - 110011) acting through and represented by the Ministry of Steel, Government of India	178,16,33,571

26. The Board of Directors of the Demerged Company has at its meeting held on July 13, 2021, approved the Scheme and filing thereof.

The details of the Directors of the Demerged Company who voted in favour of the resolution, against the resolutions and who did not participate or vote on such resolutions are as under:

S. NO.	Name and Address of the Directors	Voted for the Resolution	Voted against the Resolution	Did not vote or participate
1.	Sumit Deb Address: Tower-D, Flat No.505,	Yes	-	NA

	PBEL City, Rajendra Nagar Mandal, Peerancheruvu, Hyderabad – 500086			
2.	P.K. Satpathy Address: Flat No.509, Giridhari Executive Park, Near Kali Mandir, Bandlaguda Hyderabad – 500 028	Yes	-	NA
3.	Amitava Mukherjee Address: Flat No.1901, Crystal Tower- F, PBEL City, Near TSPA Junction, HYDERABAD – 500 091	Yes	-	NA
4	Alok Kumar Mehta Address: Flat No. 203, Lalithalaya Residency, Opposite Vijaya Hospital, Mehdipatnam, Asifnagar, Humayunnagar, Hyderabad – 500028	Yes	-	NA
5	Somnath Nandi Address: Flat No.309, 3 rd Floor, Amethyst Tower-J, PBEL City, Beside Talangana Police Academy, Peeramcheruvu Village Rajendranagar Mandal Rangareddy – 500 091	Yes	-	NA
6	Smt. Rasika Chaube Additional Secretary, Ministry of Steel, Udyog Bhavan, NEW DELHI – 110 011 Address: A2, Tower 3, New Moti Bagh, New Delhi – 110 023	Yes	-	NA
7	Sukriti Likhi Addl. Secretary & Financial Advisor, Ministry of Steel,	Yes	-	NA

Udyog Bhavan, NEW DELHI – 110 011 Address: Flat No.C-7, Tower-10 New Moti Bagh, New Delhi – 110 023			
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27. The details of the promoters and promoter groups of the Resulting Company (as per the shareholding pattern as on December 16, 2021) are as under:

S. No.	Name and Address of Promoter/Promoter Group	No. of Equity Shares	Amount of Equity Shares having Face Value of INR. 10/ each	Percentage
1.	NMDC Limited Address: 'Khanij Bhavan', 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500 028	109,800	10,98,000	99.818%
2.	Mr. Amitava Mukherjee (as a nominee of NMDC Limited) Address: Flat No.1901, Crystal Tower-F, PBEL City, Near TSPA Junction, Hyderabad – 500 091	100	1,000	0.091%
3.	Mr. Dilip Kumar Mohanty (as a nominee of NMDC Limited) Address: NCC Urban Gardenia, Tower-I, Block-B, F/No.1002, Gachibowli, Hyderabad, Telangana	100	1,000	0.091%
TOTAL		110,000	11,00,000	100%

28. The Board of Directors of the Resulting Company has at its Meeting held on July 13, 2021, approved the Scheme and filing thereof.

The details of the Directors of the Resulting Company who voted in favour of the resolution, against the resolutions and who did not participate or vote on such resolutions are as under:

S. NO.	Name and Address of the Directors	Voted for the Resolution	Voted against the Resolution	Did not vote or participate
1.	Amitava Mukherjee Address: Flat No.1901, Crystal Tower-F, PBEL City, Near TSPA Junction, Hyderabad – 500 091	Yes	-	NA
2.	Somnath Nandi Address: Flat No.309, 3 rd Floor, Amethyst Tower-J, PBEL City, Beside Telangana Policy Academy, Peeramcheruvu Village, Rajendra Nagar Mandal, Rangareddy – 500 091	Yes	-	NA
3.	Alok Kumar Mehta Address: Flat No. 203, Lalithalaya Residency, Opposite Vijaya Hospital, Mehdipatnam, Asifnagar, Humayunnagar, Hyderabad – 500028	Yes	-	NA
4.	Prasant Dash Address: H.No. D1, NMDC Township, Chokawada, Near NISP Steel Plant, Jagdalpur, CG	Leave of Absence	-	-

29. The details of the directors of the Demerged Company and their shareholding in the Demerged Company (“A”) and Resulting Company (“B”) either singly or jointly are as follows:

S. NO.	Name	Address	Age (yr)	Position	Equity Shares Held	
					A	B

S. NO.	Name	Address	Age (yr)	Position	Equity Held	Shares
1.	Sumit Deb	Tower-D, Flat No.505, PBEL City, Rajendra Nagar Mandal, Peerancheruvu, Hyderabad – 500086	59	Chairman and Managing Director	NIL	NIL
2.	Rasika Chaube	A2, Tower 3, New Moti Bagh, New Delhi – 110 023	58	Government Nominee Director	NIL	NIL
3.	Sukriti Likhi	Flat No.C-7, Tower-10 New Moti Bagh, New Delhi – 110 023	53	Government Nominee Director	NIL	NIL
4.	Amitava Mukherjee	Flat No.1901, Crystal Tower-F, PBEL City, Near TSPA Junction, Hyderabad – 500 091	54	Director (Finance)	NIL	100 (as a nominee of NMD C Limited)
5.	Somnath Nandi	Flat No.309, 3 rd Floor, Amethyst Tower-J, PBEL City, Beside Telangana Policy Academy, Peeramcheruvu Village, Rajendra Nagar Mandal, Rangareddy – 500 091	59	Director (Technical)	NIL	NIL
6.	Dilip Kumar Mohanty	NCC Urban Gardenia, Tower-I, Block-B, F/No.1002, Gachibowli, Hyderabad	57	Director (Production)	NIL	100 (as a nominee of NMD)

S. NO.	Name	Address	Age (yr)	Position	Equity Shares Held	
						C Limited)
7.	Shri Sanjay Tandon	H.No.1636, Sector-18D, Chandigarh – 160 018	58	Independent Director	NIL	NIL
8.	Dr. Anil Kamble	Aboli Hospital, Shivaji Nagar, Parabhani, Maharashtra – 431 401	49	Independent Director	NIL	NIL
9.	Shri Vishal Babber	Civil Lines, Fazilka, Punjab – 152 123	41	Independent Director	NIL	NIL
10.	Shri Sanjay Singh	2, Belilious Road, Howrah – 711 101	52	Independent Director	NIL	NIL

30. The details of the directors of the Resulting Company and their shareholding in the Demerged Company (“A”) and Resulting Company (“B”) either singly or jointly are as follows:

S. NO.	Name	Address	Age (yr)	Position	Equity Shares Held	
					A	B
1.	Prasant Dash	H. No. D1, NMDC Township, Chokawada, Near NISP Steel Plant, Jagdalpur, CG	59	Director	NIL	NIL
2.	Amitava Mukherjee	Flat No.1901, Crystal Tower-F, PBEL City, Near TSPA Junction, Hyderabad – 500 091	54	Director	NIL	100 (as a nominee of NMDC Limited)
3.	Somnath Nandi	Flat No.309, 3 rd Floor, Amethyst Tower-J, PBEL City, Beside Telangana Policy Academy,	59	Director	NIL	NIL

S. NO.	Name	Address	Age (yr)	Position	Equity Held	Shares
		Peeramcheruvu Village, Rajendra Nagar Mandal, Rangareddy – 500 091				
4.	Dilip Kumar Mohanty	NCC Urban Gardenia, Tower-I, Block-B, F/No.1002, Gachibowli, Hyderabad	57	Director	NIL	100 (as a nominee of NMDC Limited)

31. Amitava Mukherjee (DIN: 08265207) is a common director of both the Demerged Company and the Resulting Company. He was appointed as a Director of the Resulting Company on August 3, 2019, and as Director (Finance) of the Demerged Company on November 20, 2018. He is also the nominee of NMDC Limited holding 100 shares, amounting to 0.091% of the total shares in the Resulting Company.
32. Ministry of Steel, Government of India, vide Order No. 1/10/2015-BLA(Vol-V)(pt) dated 01.11.2021, appointed Independent Directors on the Board of the Demerged Company for a period of three years from the date of notification of their appointment, or until orders whichever is earlier.
- (a) Shri Sanjay Tandon
(b) Shri Anil Kamble
(c) Shri Vishal Babber
33. Upon the aforementioned nomination, the Audit Committee of the Demerged Company was reconstituted, following which, meetings of the Audit Committee and Committee of Independent Directors were held on November 30, 2021, and December 1, 2021, respectively. The Scheme was also recommended in these meetings.
34. Save as otherwise disclosed above, none of the directors or key managerial personnel (“KMPs”) or their relatives is concerned or interested either financially or otherwise in the Scheme.
35. The proposed Scheme does not affect in any manner nor vary the rights in any manner of the KMPs (as defined under the 2013 Act) or directors of the Demerged Company or the Resulting Company.
36. The Scheme was filed with the BSE and NSE on August 17, 2021, and with CSE on August 18, 2021. Pursuant to the filing, the Demerged Company received comments and observations of the BSE and NSE, as well as of CSE, along with comments from SEBI, in observation letters (“OLs”) dated November 17, 2021, and November 18, 2021, respectively. The OLs conveyed “no adverse observations” and “no-objection” from the stock exchanges, with respect to the

Scheme. The OLS require the Demerged Company to disclose the percentage of business getting transferred to the Resulting Company. As on March 31, 2021, the Demerged Undertaking, which is proposed to be demerged from the Demerged Company and transferred to the Resulting Company, constituted 57.29 % of the total business of the Demerged Company. The aforesaid computation has been arrived at based on the audited financial statements of the Demerged Company.

37. Pursuant to the Scheme becoming effective, the pre demerger and post demerger shareholding pattern of the Demerged Company based on the share entitlement ratio is as below:

Particulars	Pre-Demerger		Post-Demerger	
	Total No. of Shares held	Shareholding in %	Total No. of Shares held	Shareholding in %
Promoter & Promoter Group	1781633571	60.79	1781633571	60.79
Public	1148972279	39.21	1148972279	39.21
Total	2930605850	100	2930605850	100

38. Pursuant to the Scheme becoming effective, the pre demerger and post demerger shareholding pattern of the Resulting Company based on the share entitlement ratio is as below:

Particulars	Pre-Demerger		Post-Demerger	
	Total No. of Shares held	Shareholding in %	Total No. of Shares held	Shareholding in %
Promoter & Promoter Group	1,10,000	100	1781633571	60.79
Public	0	0	1148972279	39.21
Total	1,10,000	100	2930605850	100

The Ministry has by its Order directed the convening of the meetings of the equity shareholders and unsecured creditors of the Demerged Company.

39. The Ministry has further directed to dispense with the requirement of convening the meeting of the secured creditors of the Demerged Company, as well as of the equity shareholders and unsecured creditors of the Resulting Company, as all the above mentioned have given their approval to the Scheme by way of a consent affidavit.
40. The Scheme is conditional upon and subject to:
- The approval of the requisite majority of the classes of persons, including equity shareholders and unsecured creditors of the Demerged Company and the Resulting Company;
 - The approval of the Scheme by the Ministry with or without modification(s);

- (c) The filing of the certified copy of the order sanctioning the Scheme passed by the Ministry with the concerned Registrar of Companies as the case may be;
 - (d) Any other sanctions or orders as the as may be directed by the Ministry with respect to the Scheme.
41. As per the Order, considering the Covid-19 pandemic situation prevailing in the country and considering the public interest, the Meeting is being held through VC/OAVM, physical attendance of members of the Demerged Company has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the meeting.
42. The authorized representative of a body corporate or a Foreign Institutional Investor (“**FII**”) or Foreign Portfolio Investor (“**FPI**”), which is a registered equity shareholder of the Company may attend the meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM) and vote at the said Meeting, provided that, a certified copy of the resolution of the board of directors or other governing body of such body corporate or FII or FPI authorizing such a representative to attend and vote is sent at least 48 hours before the commencement of the Meeting, to the Scrutinizer by e-mail through its registered email address to prabhakarreddyca@gmail.com with a copy marked to cs@nmdc.co.in and evoting@nsdl.co.in.
43. Corporate unsecured creditors intending to send their authorized representative to attend the unsecured creditors meeting are requested to send a certified copy of the board resolution / power of attorney not later than 48 hours before the time of the commencement of the Meeting, authorizing such person to attend and vote on its behalf, to the Scrutinizer by e-mail through its registered email address to prabhakarreddyca@gmail.com with a copy marked to cs@nmdc.co.in and evoting@nsdl.co.in.
44. In the present matter, BDO Valuation Advisory LLP has provided the Share Entitlement Ratio Report (“**Valuation Report**”) dated July 13, 2021, and a fairness opinion with respect to this valuation of assets (“**Fairness Opinion**”) dated July 13, 2021, has been provided by IDBI Capital Markets & Securities Limited. These reports have been attached herewith as Annexures B and C respectively.
45. During the Financial Year 2020-21, the Demerged Company issued Unsecured, Non-Cumulative, Non-Convertible, Redeemable, Taxable Debentures Series I 2020 (“**NCD’s**”) on private placement basis of INR 10,00,000 each at par, in dematerialized form, to meet the capital expenditure requirement of NISP. Base Issue size of INR 500,00,00,000 and green shoe option of INR 23,80,00,000 aggregating to INR 523,80,00,000. The NCD’s were allotted on August 28, 2020 and listed on BSE on September 4, 2020. The name of the security is “**7.30% NMDC Limited Series I 2020**”. The tenor of the NCD is 5 years carrying a coupon rate @ 7.30% p.a. The total interest obligation annually is INR 38,24,00,000, payable on August 27 of every year for a period of five years. Presently rated as “(ICRA) AAA (Stable)” by ICRA Limited and “IND AAA/Stable by India Ratings and Research Private Limited. The final redemption date is August 28, 2025 with an at par redemption amount of INR 10,00,000/- per debenture.
46. The Resulting Company has not accepted any deposits.

47. Copy of the notices issued to the equity shareholders and unsecured creditors of the Demerged Company, the Scheme and the present explanatory statement under Section 230 of the 2013 Act have been placed on the website of the Demerged Company at www.nmdc.co.in and the Resulting Company at <https://nmdcsteel.nmdc.co.in/>.
48. The following documents will be open for inspection by the equity shareholders, secured creditors and unsecured creditors of the Demerged Company and the equity shareholders and unsecured creditors of the Resulting Company and also for obtaining extracts from or making or obtaining copies of at the registered office of the Demerged Company and the Resulting Company upto the date of the meeting between 10:00 AM and 01:00 PM on all working days (except Saturdays, Sundays and Public Holidays):
- (a) Copy of the Order dated April 11, 2022 of the Ministry passed in the above Company Application;
 - (b) Copy of the Memorandum and Articles of Association of the Demerged Company and Resulting Company;
 - (c) Latest Audited Financial Statements of the Demerged Company for the period ending 31 March 2021 duly approved by the Board of Directors of the Demerged Company at its meeting held on June 22, 2021;
 - (d) Latest Audited Financial Statements of the Resulting Company for the period ending 31 March 2021 duly approved by the Board of Directors of the Resulting Company at its meeting held on June 28, 2021;
 - (e) Copy of the Scheme of Arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors;
 - (f) Copy of the Extract of the Board Resolution dated July 13, 2021, of the Demerged Company and the Resulting Company approving the Scheme;
 - (g) Copy of the Share Entitlement Ratio Report or Valuation Report dated July 13, 2021, issued by BDO Valuation Advisory LLP;
 - (h) Copy of the Fairness Opinion dated July 13, 2021, issued by IDBI Capital Markets & Securities Limited;
 - (i) Copy of the Report adopted by the Board of Directors of the Demerged Company at its meeting held on July 13, 2021, pursuant to Section 232 (2) (c) of the 2013 Act;
 - (j) Copy of the Report adopted by the Board of Directors of the Resulting Company at its meeting held on July 13, 2021, pursuant to Section 232 (2) (c) of the 2013 Act;
 - (k) Copy of the Observation Letters issued by NSE, BSE and CSE dated November 17, 2021, and November 18, 2021;

- (l) Copy of the Complaint Reports dated October 16, 2021, as submitted by the Demerged Company with the CSE, November 15, 2021, as submitted with BSE Limited and November 16, 2021, as submitted with NSE;
- (m) Copy of the Certificate issued by the Statutory Auditors of the Demerged Company dated July 13, 2021, and the Resulting Company dated July 13, 2021 respectively, certifying the accounting treatment proposed under the Scheme is in compliance with Section 133 of the 2013 Act;
- (n) Copy of the list of unsecured creditors of the Demerged Company as on December 15, 2021; and
- (o) Abridged Prospectus of the Resulting Company in compliance with SEBI Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (as amended from time to time), and the SEBI circular bearing number SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022.

SCHEME OF ARRANGEMENT

BETWEEN

NMDC LIMITED
(DEMERGED COMPANY)

AND

NMDC STEEL LIMITED
(RESULTING COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230, 232, 66 AND OTHER RELEVANT PROVISIONS OF THE
COMPANIES ACT, 2013)


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EXECUTIVE DIRECTOR-COMPANY SECRETARY
एनएमडीसी लि. हैदराबाद-500 028.
NMDC Ltd. Hyderabad-500 028.



For NMDC Steel Limited


Director.

PREAMBLE

A. Preamble

This Scheme of Arrangement (“Scheme”, more particularly defined hereinafter) is presented pursuant to the provisions of Sections 230 to 232, Section 66, and other relevant provisions of the 2013 Act (defined hereinafter), as may be applicable, for the demerger of the Demerged Undertaking (defined hereinafter) of NMDC Limited into NMDC Steel Limited on a going concern basis.

B. Background and Description of Companies

1. NMDC Limited (hereinafter referred to as the “Demerged Company”) is a Government Company incorporated on November 15, 1958 under the Companies Act, 1956 with CIN L13100TG1958GOI001674, having its registered office at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India. The equity shares of the Demerged Company are listed on NSE, BSE and CSE.
2. NMDC Steel Limited (hereinafter referred to as the “Resulting Company”) is a Government Company incorporated on January 2, 2015 under the Companies Act, 2013 with CIN U27310CT2015GOI001618, having its registered office at C/O NMDC Iron & Steel Plant Nagarnar Bastar, 494001, Chhattisgarh, India. The equity shares of the Resulting Company are not listed.

C. Rationale for the Scheme

1. 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.
2. 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 Chhattisgarh, NMDC Limited is setting up a 3 MTPA capacity Greenfield integrated steel plant (“NMDC Iron & Steel Plant” or “NISP”) at Nagarnar, located 16 km from Jagdalpur in Chhattisgarh state.
3. 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 investor.
4. 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.


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For NMDC Steel Limited


 Director.



5. 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.

D. The Scheme is divided into the following parts:

PART A - Definition and share capital of the companies.

PART B - Demerger of Demerged Undertaking of Demerged Company into Resulting Company.

PART C - Reduction of share capital

PART D - General terms and conditions that would be applicable to the Scheme.

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.



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For NMDC Steel Limited
Director.



PART A
DEFINITION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

- 1.1 “**2013 Act**” means the Companies Act, 2013, as notified, and ordinances, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof.
- 1.2 “**Applicable Law**” means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction; (b) writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or recognized stock exchange.
- 1.3 “**Appointed Date**” shall mean April 1, 2021 or any such other date as may be decided by the MCA.
- 1.4 “**Board of Directors**” or “**Board**” means the respective Boards of Directors of the Demerged Company and/or the Resulting Company as the context may require and includes any committee constituted by such Board of Directors.
- 1.5 “**BSE**” means BSE Limited.
- 1.6 “**CSE**” means the Calcutta Stock Exchange Limited.
- 1.7 “**Demerged Company**” means NMDC Limited, a public listed company incorporated on November 15, 1958 under the Companies Act, 1956 with CIN L13100TG1958GOI001674, having its registered office at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India.
- 1.8 “**Demerged Undertaking**” means the business of NMDC Iron & Steel Plant at Nagarnar, Chhattisgarh, including without limitation, the assets and liabilities described in **Schedule I** annexed to the Scheme on a going concern basis.

Without prejudice or limitation to the generality of the above, the Demerged Undertaking shall mean and include, amongst others:

- i. the property and assets of the Demerged Undertaking including without limitation, NISP and the assets and liabilities described in **Schedule I** annexed hereto, wherever such property or assets are situated, whether movable or immovable, leasehold or freehold, owned, leased or licensed, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories pertaining to or relating to the Demerged Undertaking;
- ii. all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations whether under Central, State or other laws, rights (including rights/ obligations


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For NMDC Steel Limited

 Director,



- under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiary/ associate / joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non--disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), taxes, share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax and other indirect taxes), deferred tax benefits and other benefits in respect of the Demerged Undertaking, cash balances, bank accounts and bank balances, deposits, advances, recoverable, receivables, casements, advantages, financial assets, hire purchase and lease arrangements, funds belonging to or proposed to be utilized for the Demerged Undertaking, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature, and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;
- iii. all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and back-up copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly, in connection with or relating to the Demerged Undertaking;
 - iv. any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Demerged Undertaking;
 - v. all employees of Demerged Undertaking that are determined by the Board of Directors of the Demerged Undertaking, to be substantially engaged in or employed in relation to the Demerged Undertaking, on the date immediately preceding the Effective Date;
 - vi. Specific loans and borrowings raised, incurred and utilized for the activities or operations of the Demerged Undertaking;
 - vii. All existing securities, mortgages, charges and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking;
 - viii. All other liabilities, pertaining to or relatable to the Demerged Undertaking;
 - ix. All legal proceedings of whatsoever nature by or against the Demerged Company pending and relating to the Demerged Undertaking;

Explanation to the term "Demerged Undertaking": It is hereby clarified that Excluded Assets and Liabilities do not form part of the Demerged Undertaking and shall continue to vest with and belong to the Demerged Company. The balance sheet of the Demerged Undertaking as on the Appointed Date shall be jointly drawn up by the Board of Directors of the Demerged Company and the Resulting Company. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided mutually by the Board of Directors of the Demerged Company and the Resulting Company.


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For NMDC Steel Limited


 Director.



- 1.9 **“Effective Date”** means the date on which the certified copies of the orders of the MCA sanctioning the Scheme are filed with the concerned Registrar of Companies. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of the Scheme” or “Scheme taking effect” or “upon this Scheme coming into effect” shall mean the Effective Date.
- 1.10 **“Excluded Assets and Liabilities”** shall mean those assets and liabilities which are listed in Schedule II to this Scheme.
- 1.11 **“Governmental Approvals”** means any consent, approval, authorization, waiver, permit, permission, clearance, license, exemption, no objection certificate, registration, with, of or from any Governmental Authority.
- 1.12 **“Governmental Authority”** means any government authority, statutory authority, regulatory authority, agency, government department, board, commission, SEBI, Stock Exchanges, administrative authority, tribunal or court or any authority (including authorities administering Taxes) or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof or in any other nation over the Demerged Company and/or the Resulting Company, as the context may require.
- 1.13 **“MCA”** means the Ministry of Corporate Affairs, Government of India.
- 1.14 **“MCA Order”** means all order(s) passed or notifications issued by the MCA sanctioning or approving the Scheme.
- 1.15 **“NISP”** means the NMDC Iron & Steel Plant at Nagarnar, Chhattisgarh.
- 1.16 **“NSE”** means the National Stock Exchange of India Limited.
- 1.17 **“Person”** means any individual or other entity, whether a corporation' firm' company' joint venture, trust, association, organization, partnership or proprietorship including any governmental agency or regulatory body.
- 1.18 **“Record Date”** means the date to be fixed by the Board of Directors of the Resulting Company in consultation with the Board of Directors of the Demerged Company, for the purpose of determining the shareholders of the Demerged Company to whom fully paid up equity shares of the Resulting Company shall be issued in consideration for the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company on a going concern basis pursuant to and as contemplated under this Scheme.
- 1.19 **“Remaining Business”** with respect to the Demerged Company means all the business, employees, assets, and liabilities of the Demerged Company other than the Demerged Undertaking.
- 1.20 **“Resulting Company”** means NMDC Steel Limited, a wholly owned subsidiary of NMDC Limited incorporated on January 2, 2015 under the Companies Act, 2013 with CIN U27310CT2015GOI001618, having its registered office at C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India.



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NMDC Ltd. Hyderabad-500 028.



For NMDC Steel Limited
Director.



- 1.21 “Scheme” or “the Scheme” or “this Scheme” means this scheme of arrangement in its present form or with any modification(s) made under Clause 5 of Part D of the Scheme or as approved or directed by the MCA.
- 1.22 “SCRR” means the Securities Contracts (Regulation) Rules, 1957.
- 1.23 “SEBI” means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.24 “SEBI Circulars” means Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and further amended by: (a) Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017; (b) Circular No. CFD/DIL3/CIR/2017/105 dated September 21, 2017; (c) Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018; (d) Circular No. CFD/DIL1/CIR/P/2019/192 dated September 12, 2019; (e) Circular No. CFD/DIL1/CIR/P/2020/215 dated November 3, 2020; and (f) Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, issued by SEBI and as amended from time to time or any other circulars issued by SEBI applicable to a scheme of arrangement.
- 1.25 “Stock Exchanges” means BSE, CSE and NSE.
- 1.26 “Tax” or “Taxes” shall mean all taxes on net income, gross income, gross receipts, sales, use, services, ad valorem, value-added, capital gains, corporate income tax, minimum alternate tax, buyback distribution tax, transfer, franchise and profits, withholding tax, property tax, water tax, duties of custom and excise, octroi duty, entry tax, stamp duty, other governmental charges or duties or other taxes or statutory payments in relation to contract labour and/or other contractors and/or sub-contractors, statutory pension or other employment benefit plan contributions, fees, assessments or charges of any kind whatsoever, including any surcharge or cess thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto; and “Taxation” will be construed accordingly.
- 1.27 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 2013 Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, SEBI Circulars and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification, or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 5 of Part D of the Scheme, approved or imposed or directly by the MCA, shall be effective from the Appointed Date, but shall be operative from the Effective Date. It is hereby clarified that the provisions set out herein will come into effect, upon the Scheme becoming effective.

3. DESCRIPTION AND SHARE CAPITAL OF THE COMPANIES

- 3.1 The share capital of the Demerged Company as on June 30, 2021 is as follows:


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 NMDC Ltd. Hyderabad-500 028.



For NMDC Steel Limited

 Director.



Particulars	Amount (Rs.)
Authorized Share Capital	
400,00,00,000 equity shares of INR 1 each	400,00,00,000
Total	400,00,00,000
Issued, Subscribed and Paid Up Share Capital	
293,06,05,850 equity shares of INR 1 each	293,06,05,850
Total	293,06,05,850

The Resulting Company being 100% subsidiary of Demerged Company, all the shares in the Resulting Company are held by Demerged Company and its nominees.

After the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Demerged Company. However, the following transactions have been undertaken by the President of India acting through the Ministry of Steel, Government of India:

1. The President of India acting through and represented by the Ministry of Steel, Government of India has sold a 7.49% of its stake in the Demerged Company to non-retail investors and retail investors on July 6 and July 7, 2021. Pursuant to such sales, the shareholding of the President of India in the Demerged Company stood reduced from 68.29% to 60.80% as on July 8, 2021.
2. The President of India, acting through and represented by the Ministry of Steel, Government of India, has sold 1,47,942 equity shares of the Demerged Company on July 20, 2021, to the eligible employees of the Demerged Company. Pursuant to such sales, the shareholding of the President of India in the Demerged Company stood reduced from 60.80% to 60.79% as on July 23, 2021.

3.2 The latest share capital of the Resulting Company as of June 30, 2021 is as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
3,00,000 equity shares of INR 10/- each	30,00,000
Total	30,00,000
Issued, Subscribed and Paid Up Share Capital	
1,10,000 equity shares of INR 10/- each	11,00,000
Total	11,00,000

After the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Resulting Company.


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For NMDC Steel Limited

 Director,



PART-B

TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM DEMERGED COMPANY
TO RESULTING COMPANY

1. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme, all the properties and assets (tangible and intangible assets including goodwill) and liabilities of the Demerged Undertaking will be transferred to the Resulting Company at values appearing in the books of accounts of the Demerged Company immediately before the demerger, in accordance with Section 2(19AA) of the IT Act. The Demerged Undertaking shall, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in and/or deemed to have been demerged from the Demerged Company and stand transferred to and vested in the Resulting Company as a going concern, in the following manner.

Assets and Property

- 1.1 **Movable Assets:** All assets of the Demerged Company in relation to the Demerged Undertaking that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/or endorsement and delivery or by operation of law, pursuant to the Scheme becoming effective, shall be vested in the Resulting Company. The title of such property shall be deemed to have been transferred and recognized as that of the Resulting Company, absolutely and forever.
- 1.2 **Bank Accounts and Receivables:** In respect of such of the assets of the Demerged Company in relation to the Demerged Undertaking other than those referred to in Clause 1.1 above, outstanding loans and advances, if any, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or in kind or for value to be received, deposits, if any, with Governmental Authorities and other authorities and bodies, shall, without any further act, instrument or deed be and stand transferred to and vested in the Resulting Company and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date. The Resulting Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.
- 1.3 **Immovable Assets:** All immovable properties of the Demerged Company in relation to the Demerged Undertaking, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Demerged Company in relation to the Demerged Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of Applicable Law. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of Applicable Law. The Resulting Company shall always be entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and Taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. The title to such properties shall be deemed to have been mutated and recognized as that of the Resulting Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority if and as may be required,


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shall suffice as record of continuing title with the Resulting Company and shall be constituted as a deemed mutation and substitution hereof. The Resulting Company shall be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title, and interest of the Demerged Company in relation to the Demerged Undertaking in any leasehold properties shall without any further act, instrument, or deed, be vested in or be deemed to have been vested in the Resulting Company.

- 1.4 **Other Assets:** All the other assets, rights, title, interests, and investments of the Demerged Company in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.

Debts and Liabilities

- 1.5 All debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of the Demerged Company in relation to the Demerged Undertaking shall without any further act, instrument or deed, stand transferred to and vested in and/or be deemed to have been transferred to and vested in, the Resulting Company, so as to become on and from the Appointed Date, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company. It shall not be necessary to obtain the consent / approval of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to these provisions of this Scheme. Necessary modification as may be required would be carried out to the debt instrument issued by the Demerged Company in relation to the Demerged Undertaking.
- 1.6 The secured creditors (including any general or multi-purpose borrowings) of the Demerged Company in relation to the Demerged Undertaking and/or other holders of security over the properties of the Demerged Company in relation to the Demerged Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits of or interest in the Demerged Company in relation to the Demerged Undertaking, as existing immediately prior to the effectiveness of this Scheme. Further, the secured creditors of the Resulting Company and/or other holders of security over the properties of the Resulting Company shall be entitled to security only in respect of the properties, assets, rights, benefits of or interest in the Resulting Company, as existing immediately prior to the effectiveness of this Scheme. It is hereby clarified that pursuant to this Scheme: (a) the secured creditors of the Demerged Company in relation to the Demerged Undertaking and/or other holders of security over the properties of the Demerged Company in relation to the Demerged Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits or interest of the Resulting Company; and (b) the secured creditors of the Resulting Company and/or other holders of security over the properties of the Resulting Company shall not be entitled to any additional security over the properties, assets, rights, benefits or interest of the Demerged Undertaking.

Governmental Approvals

- 1.7 All Governmental Approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no objection certificates and licenses, issued or executed in favour of the Demerged Company in relation to the Demerged Undertaking or which may be required to carry on the


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For NMDC Steel Limited


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operations of the Demerged Company in relation to the Demerged Undertaking, shall stand transferred to the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Resulting Company. In so far as the various incentives, Tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, or other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of, by the Demerged Company in relation to the Demerged Undertaking are concerned, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions as are available to the Demerged Company in relation to the Demerged Undertaking.

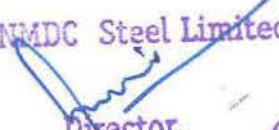
- 1.8 All registrations, licenses, trademarks, patents, copyrights, domain names, applications for copyrights, patents, trade-names and trademarks, etc. obtained or applied for by the Demerged Company in relation to the Demerged Undertaking, shall stand vested in the Resulting Company without any further act, instrument or deed, upon the sanction of the Scheme and upon this Scheme becoming effective.
- 1.9 Any third party or Governmental Authority required to give effect to any provisions of this Scheme, shall take on record the MCA Orders sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by the MCA, and upon this Scheme becoming effective. For this purpose, the Resulting Company shall file certified copies of such MCA Order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, consents, exemptions, registrations, no objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental Authorities for the purpose of carrying on its business-or in connection therewith), and certificates of every kind and description of whatsoever nature.
- 1.10 Upon coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities in relation to Demerged Undertaking, which have been transferred to it in terms of the Scheme.

2. EMPLOYEES OF DEMERGED UNDERTAKING

- 2.1 All staff, workmen and employees (whether full time or part time) of the Demerged Company engaged in, or employed in relation to the Demerged Undertaking, as may be identified by the Board of the Demerger Company, in service on the Effective Date, shall be deemed to have become staff, workmen and employees of the Resulting Company from the Appointed Date based on continuity of service. The terms and conditions of their employment with the Resulting Company shall not be less favourable than those on which they are engaged by the Demerged Company on the Appointed Date. The services of such staff, workmen and employees with the Demerged Company up to the Effective Date shall be included for the purposes of determining all benefits to which the said staff, workmen and employees may be eligible, including for the purposes of payment of any retrenchment compensation, gratuity, or other benefits.
- 2.2 The Resulting Company shall make all the necessary contributions for such transferred employees


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engaged in or in relation to the Demerged Undertaking and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Resulting Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company for the Demerged Company

- 2.3 Subject to Applicable law, the existing provident fund, gratuity fund and pension and/or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Demerged Company for employees engaged in or in relation to the Demerged Undertaking, shall be continued on the same terms and conditions and will be transferred to the necessary funds, schemes or trusts of the Resulting Company without any separate act, deed or approval and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Demerged Company.
- 2.4 Resulting Company undertakes to continue to abide by any agreement(s)/ settlement(s) entered into with any labour unions/ permanent employees by Demerged Company in relation to the Demerged Undertaking. Resulting Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees with Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

3. CONSIDERATION

- 3.1. Upon the coming into effect of this Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of the Demerged Company, whose names appear in the register of members as on the Record Date, 1 (One) equity share of the Resulting Company of INR 10 each fully paid-up for every 1 (One) equity shares held in the Demerged Company of INR 1 each fully paid-up.
- 3.2. The shares issued pursuant to this Clause 3.1 of Part B above (“New Shares”), shall be issued to the shareholders of the Demerged Company in demat form, that is, dematerialized shares unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Resulting Company. In the event that such notice has not been received by Resulting Company in respect of any of the shareholders of Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of Resulting Company, then the Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.
- 3.3 If any shareholder’s holding in the Demerged Company is such that such shareholder becomes entitled to a fraction of a New Share, the Resulting Company shall not issue fractional shares to such shareholders but shall consolidate such fractions and round up the aggregate of such fractions to the


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next whole number and issue and allot the consolidated shares directly to an authorized representative or an individual trustee or a board of trustees or a corporate trustee or a SEBI registered merchant banker, nominated by the Board of the Resulting Company in that behalf. Such person shall sell such shares in the market at such price or prices and on such time or times as he/she/it in its sole discretion decide and, on such sale, shall, subject to withholding tax, distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.

- 3.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company, shall be empowered prior to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, to remove any difficulties arising to the transferors of the shares in relation to the New Shares after the Effective Date. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise during implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.
- 3.5 The New Shares issued under this Clause 3 of Part B shall be subject to the provisions of the memorandum and articles of association of the Resulting Company.
- 3.6 In the event that either of the Demerged Company and/or the Resulting Company restructure their equity share capital by way of share split / consolidation / issue of bonus shares or other corporate actions as may be undertaken in accordance with Applicable Law during the pendency of the Scheme, the issue of shares pursuant to this Clause 3 of Part B, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 3.7 The New Shares allotted and issued in terms of this Clause 3 of Part B shall be listed and/or admitted to trading on the stock Exchanges after obtaining the requisite approvals. The Resulting Company shall enter such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges. The New Shares issued by the Resulting Company shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchanges. There shall be no change in the shareholding pattern of the Resulting Company between the record date and its listing which may affect the status of the approval granted by the Stock Exchanges/SEBI. Further, for the purpose of this Scheme, the Resulting Company is making/shall make an application under Rule 19(7) of SCRR seeking relaxation of strict enforcement of rule 19(2)(b) of SCRR.
- 3.8 It is clarified that upon the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 and 232 of the Act, the shareholders shall be deemed to have approved this Scheme under Sections 13, 14, 62, 66 and any other applicable provisions under the 2013 Act and that no separate approval from the shareholders to that extent shall be required to be sought for the matter specified in this Scheme.

4. ACCOUNTING TREATMENT

- 4.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and the Resulting Company shall give effect to the accounting treatment in its


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For NMDC Steel Limited

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books of account in accordance with the standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

4.2 Accounting treatment in the books of the Demerged Company:

- i. Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account in the following manner:
 - A. The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Undertaking as on the Appointed date at the values appearing in its books of account (i.e., the book value) at the Appointed Date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the book values appearing on such date in accordance with the provisions of Section 2(19AA) of the IT Act.
 - B. Having recorded the transfer of the assets and liabilities, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013, specifically Ind AS 10 Appendix A ‘Distribution of Non-cash assets to Owners’.

4.3 Accounting treatment in the books of the Resulting Company:

- i. Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Resulting Company shall account for the demerger, in its books of accounts such that:
 - A. The Resulting Company shall record the assets and liabilities of the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at their respective book values as appearing in the books of account of the Demerged Company immediately before the Appointed Date in accordance with the provisions of section 2(19AA) of the IT Act.
 - B. The Resulting Company shall credit its equity share capital account with the face value of New Shares issued in accordance with Clause 3.1 of Part B.
 - C. The difference between the value of new equity shares issued under Clause 3.1 of Part B and the face value of New Shares Issued by the Resulting Company if any, will be credited to securities premium account of the Resulting Company.
 - D. The difference between the value of new equity shares issued under Clause 3.1 of Part B and the aggregate values of Net Assets (refer sub-clause (A) above) shall be debited to goodwill or as the case may be credited to capital reserve.
 - E. Having recorded the transfer of the assets and the liabilities as aforesaid and after receiving the relevant information on the fair values of assets acquired and liabilities assumed, the Resulting Company shall, to comply with the provisions of Indian Accounting Standards and more specifically Ind AS 103, ‘Business Combinations’, notified under Section 133 of the Act, read with the rules made thereunder and other


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Generally Accepted Accounting Principles, make necessary accounting adjustments, such that all identifiable assets acquired and liabilities assumed (including assets and liabilities not specifically recognized by the Demerged company in its financial statements) are reflected at their Appointed Date fair values within the measurement period specified in the said Ind AS 103 and corresponding adjustment shall be made to goodwill and / or capital reserve as computed in subclause (D) above.

5. TREATMENT OF TAXES

- 5.1 Notwithstanding anything to the contrary contained in this Scheme, upon effectiveness of this Scheme:
- the Demerged Company shall be liable for any Tax payable to Governmental Authorities under Applicable Laws relating to Tax ("Tax Laws") and shall be entitled to any refunds of Tax from Governmental Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realized on, before or after the Appointed Date; and
 - the Resulting Company shall be liable for any Tax payable to Governmental Authorities under Tax Laws and shall be entitled to refunds of any Tax from Governmental Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are paid or recorded in the books of the Demerged Company and whether such payments or receipts are due or realized on, before or after the Appointed Date.
- 5.2 Upon effectiveness of this Scheme, all applicable Taxes paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Resulting Company. Upon effectiveness of this Scheme, the payment of any Tax whether by way of deduction at source (including foreign tax credit), or otherwise howsoever by the Demerged Company in respect of the activities or operations of the Demerged Undertaking on and from the Appointed Date, shall be deemed to have been paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- 5.3 Any refund of Tax paid under Tax Laws including income tax, sales tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking prior to the Appointed Date shall belong and be received by the Demerged Undertaking. Any refund of Tax paid under Tax Laws including income tax, sales tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking on or after the Appointed Date shall belong to and be received by the Resulting Company.
- 5.4 Each of the Resulting Company and the Demerged Company shall be entitled to, amongst others, file/ revise its income-tax returns, TDS certificates, TDS / TCS returns, GST returns, wealth tax returns, service tax, excise duty, sales tax, value added tax, entry tax, cess, professional tax and other statutory returns, if required, claim credit for tax deducted at source, claim for sum prescribed under section 43B of the IT Act on payment basis, claim for deduction of provisions written back by the Demerged Company and the Resulting Company previously disallowed in the hands of the


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Demerged Company and the Resulting Company (relating to the Demerged Undertaking) respectively under the IT Act, credit of foreign taxes paid/withheld, if any, pertaining to the Demerged Company and the Resulting Company (relating to the Demerged Undertaking) as may be required consequent to implementation of this Scheme and wherever necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on the Demerged Company or Resulting Company. The Demerged Company and the Resulting Company shall also be entitled to, amongst others, obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance Tax credits, input Tax credit, CENVAT credits, credits of all Taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.

6. SAVING OF CONCLUDED TRANSACTIONS

- 6.1 The transfer of properties and liabilities to, and the continuance of proceedings by, or against, Resulting Company as envisaged under this Scheme shall not affect any transaction or proceedings already concluded by the Demerged Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 7.1 All contracts, agreements, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect on the Appointed Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Resulting Company. Each such contract, agreement, deed, bond, understanding or instrument may be enforced by or against the Resulting Company as fully and effectively as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.
- 7.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement, to which the Demerged Company is a party in relation to the Demerged Undertaking, as may be necessary to be executed in order to give formal effect to the above provisions. the Resulting Company shall be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Demerged Company.
- 7.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorneys given by, issued or executed in favour of the Demerged Company in relation to Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.


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 NMDC Ltd. Hyderabad-500 028.



For NMDC Steel Limited


 Director.



8. LEGAL PROCEEDINGS

- 8.1 All legal proceedings pertaining to the Demerged Undertaking of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, the Resulting Company after the coming into effect of the Scheme.
- 8.2 All legal or other proceedings pertaining to the Demerged Undertaking referred in Clause 8.1 of Part B above shall stand transferred to the name of the Resulting Company and the same shall be continued, prosecuted, defended and enforced as the case may be by or against the Resulting Company, to the exclusion of the Demerged Company.

9. INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

- 9.1 Upon this Scheme becoming effective, the authorized share capital of the Resulting Company will automatically stand increased to INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores) by simply filing the requisite forms with the Governmental Authority and no separate procedure or instrument or deed shall be required to be executed and/or process shall be required to be followed under the 2013 Act.
- 9.2 Consequently, the memorandum of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified, and amended pursuant to Sections 13 and 61 of the 2013 Act and other applicable provisions of the 2013 Act and be replaced by the following clause:

“The share capital of the company is INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores) divided into 3,00,00,00,000 (Three Hundred Crore) equity shares of INR 10/- (Indian Rupees Ten) each with power to increase or reduce the capital of the company for the time being or to divide subdivide or consolidate its shares. Upon any increase in capital, the company is to be at liberty to issue any new shares in priority to the other shares present and future with any preferential, deferred, qualified or special privileges or condition attached thereto.”

- 9.3 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/approval also to the consequential alteration of the memorandum of association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the memorandum of association, as required under Sections 13 and 61 and other applicable provisions of the 2013 Act.

10. TREATMENT OF THE SCHEME FOR THE PURPOSES OF THE IT ACT


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For NMDC Steel Limited

 Director.



The Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the IT Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of Applicable Law or for any other reason whatsoever, the provisions of the said section shall prevail and the Scheme shall stand modified to the extent necessary to comply with the Section 2(19AA) of the IT Act. Such modification will however not affect other parts of the Scheme.


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For NMDC Steel Limited


 Director.



**PART C
REDUCTION OF CAPITAL**

1. REDUCTION OF SHARE CAPITAL OF RESULTING COMPANY

- 1.1 As on June 30, 2021, the issued, subscribed and paid up share capital of the Resulting Company is Rs. 11,00,000, comprising of 1,10,000 equity shares having face value of Rs. 10 each, fully paid up. The issued, subscribed and paid up share capital of the Resulting Company shall stand reduced and re-organized in the manner provided below.
- 1.2 Upon the Scheme becoming effective, and without any further act or deed by the shareholders of the Resulting Company or their nominees (including but not limited to surrendering of share certificates), 1,10,000 equity shares of Rs. 10 shares held by the shareholders as on June 30, 2021 shall stand cancelled, extinguished and rendered invalid without any consideration/payment to the current shareholders of the Resulting Company ("**Capital Reduction**").
- 1.3 Upon the Scheme becoming effective and simultaneous with the Capital Reduction, the entire equity share capital of the Resulting Company shall stand reorganized such that the Resulting Company shall issue 2,93,06,05,850 (Two Hundred Ninety Three Crores Six Lakhs Give Thousand Eight Hundred Fifty) fresh equity shares having a face value of Rs. 10/- each.
- 1.4 The Capital Reduction stated in this Part C, and issuance of New Shares as stated in Clause 3 of Part B of the Scheme shall be effected as an integral part of the Scheme.


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For ~~NMDC~~ Steel Limited

 Director.



**PART D
GENERAL TERMS & CONDITIONS**

1. REMAINING BUSINESS

- 1.1 The Remaining Business and all the assets, liabilities and obligations relating or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by the Demerged Company. All profits and/or losses pertaining to the Remaining Business shall be treated as profits and/or losses of the Demerged Company.
- 1.2 All legal, Tax and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date, which does not specifically pertain or relate to the Demerged Undertaking (including those relating to any right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business) shall be continued and enforced solely by or against the Demerged Company only, without any liability arising on the Resulting Company or its shareholders.
- 1.3 The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.

2. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 2.1 With effect from the Appointed Date and up to and including the Effective Date:
- i. the Demerged Company (with respect to the Demerged Undertaking) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company;
 - ii. all profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all Taxes paid thereon (including but not limited to tax deducted at source, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company;
 - iii. all loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.
- 2.2 Except as provided under this Scheme, from the date of the Scheme being approved by the Board of Directors of the Demerged Company and the Resulting Company and up to the Effective Date, the Demerged Company shall carry on the business of the Demerged Undertaking with diligence and prudence in the ordinary course, consistent with past practices in good faith and in accordance with Applicable Law.


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For NMDC Steel Limited

 Director.



- 2.3 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business undertaken by the Demerged Company with respect to the Demerged Undertaking and to give effect to the Scheme.

3. FACILITATION PROVISIONS

- 3.1 The Demerged Company and the Resulting Company shall enter into shared services agreements and long-term supply agreement, as may be necessary, on such terms and conditions that may be agreed between the Demerged Company and the Resulting Company and on payment of consideration on an arm's length basis and which is in the ordinary course of business.
- 3.2 It is clarified that, in respect of the arrangements contemplated under this Scheme, approval of the Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 to 232 of the 2013 Act shall be deemed to have their approval under applicable provisions of the 2013 Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if and to the extent required and that no separate approval of the of the Board or audit committee or shareholders shall be required to be sought by either of the Demerged Company and/or the Resulting Company.

4. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom are transferred, vested, recorded, effected and/or perfected, in the records of the Governmental Authority/(ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Governmental Authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval as the case may be in trust on behalf of the Resulting Company.

5. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 5.1 The Demerged Company and the Resulting Company (through their respective Boards of Directors, or such other person or persons as the respective Board of Directors may authorize) may assent to/make and/or consent to any modifications/amendments of any kind to the Scheme or to any conditions or limitations that the MCA and/or any other authority (including SEBI and Stock Exchanges) under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by their respective Boards.
- 5.2 The Demerged Company and the Resulting Company through their respective Boards of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts,


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For NMDC Steel Limited
 Director.



difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

6. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 6.1 The requisite consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular, on terms acceptable to the Demerged Company and the Resulting Company.
- 6.2 The Scheme being approved by the requisite majority in number and value of the various class of shareholders and/or creditors (where applicable) of the Demerged Company and the Resulting Company respectively, as required under the 2013 Act and as may be directed by the MCA.
- 6.3 Receipt of approvals of the relevant stock exchanges and SEBI in terms of the SEBI Circulars, if required.
- 6.4 The Scheme being sanctioned by the MCA or any other authority under Sections 230 to 232 and other applicable provisions of the 2013 Act. Provided that the Scheme is not withdrawn by the Demerged Company or the Resulting Company before the Scheme is sanctioned by the MCA.
- 6.5 Certified copies of the orders of the MCA sanctioning the Scheme being filed with the concerned Registrar of Companies, by the Demerged Company and the Resulting Company, if required, respectively.
- 6.6 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the Board of Directors / committee of / person(s) authorized by the Board and / or committee of Demerged Company and the Resulting Company.

7. EFFECT OF NON-RECEIPT OF APPROVALS

The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 6 of Part D above are satisfied and in such an event, unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter-se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other Person.

8. WITHDRAWAL OF SCHEME

The Demerged Company and the Resulting Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the Boards of Directors of the Demerged Company and the Resulting Company prior to the Effective Date. It is hereby clarified that except as otherwise agreed by the Demerged Company and Resulting Company in writing, the Demerged Company and the Resulting Company shall not be entitled to withdraw the Scheme unilaterally without the


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For NMDC Steel Limited
 Director.



prior written consent of the other company.

9. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.


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For NMDC Steel Limited

 Director.



Schedule I:
Details of assets and liabilities being demerged as part of the Demerged Undertaking

INR Crore

Particulars	Annex	(Amount as on 31.03.21)
LIABILITIES		
Liabilities	1	1,602.30
ASSETS		
Tangible and Intangible assets	2	438.30
Capital work in progress	3	16,407.34
Other Assets	4	1805.20
TOTAL		18,650.84


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For NMDC Steel Limited

 Director.



Annex 1
Liabilities

INR Crore

Particulars	(Amount as on 31.03.21)
Liabilities to Employees	61.35
Deposits received from others	47.75
Creditors for capital work	915.97
Creditors for misc.	28.16
Statutory Liabilities	2.64
NCD (including accrued interest of Rs.22.63)	546.43
Total	1,602.30

Contingent Liabilities & Commitments:

1. The estimated amount of Contracts remaining to be executed on Capital account and not provided for Rs.3134.62 Crore.
2. Claims against Company not acknowledged as debt: Claims by contractors under arbitration amounts to Rs.703.46 crore.



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For NMDC Steel Limited
Director.



Annex 2

Tangible and Intangible Assets

INR Crore

Particulars	Tangible Assets - Net Block (Amount as on 31.03.21)
Tangible Assets	
General	
Land - Freehold	75.88
Land - Leasehold	3.97
Buildings	9.82
Plant & Machinery	0.89
Heavy Mobile Equipment	15.65
Furniture & Fittings	0.63
Office Equipment	2.41
Locomotives	71.81
Electrical Installations	15.47
Social	
Buildings	239.52
Furniture & Fittings	1.02
Office Equipment	1.21
Total (A)	438.28
Intangible Assets	
Computer Software	0.02
Total (B)	0.02
Grand Total (A + B)	438.30

1. 168.44 Hectares is Govt Land taken over from District Industries Centre (DIC), Jagdalpur for the construction of Steel Plant near Nagamar has not been accounted into the books as the amount payable is not ascertainable in the absence of any demand from the Govt. 2.95 Hectare of Land is included in 168.44 Hectare of Govt Land which is related to Pellet Plant Land.
2. Freehold land is excluding 71.24 Hectare of Land for Pellet Plant having value of Rs.19.69 core

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For NMDC Steel Limited
Director,



Annex 3
Capital work in progress

INR Crore

Particulars	Capital work in progress & Pre – Operative expenses (Amounts as on 31.03.21)
RMHS	1,222.60
Coke Oven	1,800.73
By Product	394.87
Sinter Plant	688.74
Blast Furnace	1,690.20
SMS	1,762.60
TSC & HMS	2,273.86
LDCP	72.99
Oxygen Plant	523.07
Auxiliary Packages	2,158.27
Infrastructure Packages	664.04
Enabling Packages	142.44
Township Packages	450.08
Misc Packages	0.68
Capital Stores	350.03
Expenditure incidental to construction awaiting allocation	2,212.14
Total Capital Work in Progress	16,407.34

1. Two Nos. of 33 KV GIS Feeders for Drawl of Permanent Electrical power from NISP having value of Rs.0.60 crore appx. and Culverts for accommodating slurry and water pipeline etc. having value of Rs.0.77 crore pertaining to Slurry Pipe Line Project not included above. In addition to the above, one inlet water pipeline with respect to Slurry Pipe Line of INR 5.59 crore has also not been included above.

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For NMDC Steel Limited

Director.



**Annex 4
Other Assets**

INR Crore

Particulars	Amounts as on 31.03.21
Loans and advances to employees	18.97
Deposit with others	70.71
Capital Advance	87.94
CENVAT Credit Receivable	1,586.64
Stores & Spares	19.77
Other Receivables	16.60
Cash & Bank Balances	4.57
Total	1805.20


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 For NMDC Steel Limited
 Director.



**Schedule II:
Excluded Assets and Liabilities**

Excluded Assets

- (a) Land –(for Pellet Plant) (71.24 Hectare Pvt Land) having value of INR 19.69 crore
- (b) Two Nos. of 33 KV GIS Feeders for Drawl of Permanent Electrical power from NISP having value of INR.0.60 crore appx. which is related to Slurry Pipe Line Project.
- (c) Culverts for accommodating slurry and water pipeline etc. having value of INR .0.77 crore which is related to Slurry Pipe Line Project. In addition to the above, one inlet water pipeline with respect to Slurry Pipe Line of INR 5.59 crore has also not been included above.
- (d) 2.95 Hectares of Govt Land pertaining to Pellet Plant taken over from District Industries Centre, Jagdalpur and it has not been accounted into the books as the amount payable is not ascertainable in the absence of any demand from the Govt.

Excluded Liabilities

- (a) Inter-unit balance (NMDC Limited) - INR17,075.19 crore



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For NMDC Steel Limited
Director.



BDO

Fair Equity Share Entitlement Ratio Report

NMDC LIMITED (DEMERGED COMPANY)

AND

NMDC STEEL LIMITED (RESULTING COMPANY)

July, 2021





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The Ruby, Level 9, North East Wing
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, INDIA

Ref: MG/Jul13-38/2021

July 13, 2021

To
Board of Directors
NMDC Limited
Khanij Bhavan 10-3-311/A Castle Hills,
Masab Tank, Hyderabad 500028,
Telangana, India

To
Board of Directors
NMDC Steel Limited
C/O NMDC Iron & Steel Plant Nagarnar Bastar,
Chhattisgarh 494001, India.

Dear Sir(s)/ Madam(s),

Sub: Recommendation of fair equity share entitlement ratio for the proposed demerger of the NMDC Iron and Steel Plant of NMDC Limited ('NMDC') into NMDC Steel Limited ('NMDC STEEL') on a going concern basis pursuant to Scheme of Arrangement between NMDC and NMDC STEEL and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013 ('the Act').

We, BDO Valuation Advisory LLP ('BDO VAL' or 'We' or 'Us'), have been appointed vide Letter of Award of Contract dated April 21, 2021 to recommend the fair equity share entitlement ratio for the proposed demerger of the business of NMDC Iron and Steel Plant ('NISP' or 'Demerged Undertaking') of NMDC Limited ('NMDC' or 'Demerged Company') into NMDC Steel Limited ('NMDC STEEL' or 'Resulting Company') on going concern basis pursuant to Scheme of Arrangement between NMDC and NMDC STEEL and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013 ('the Scheme').

NMDC and NMDC STEEL shall hereinafter collectively be referred as 'the Companies'.

We are pleased to present herewith our report ('Report') on the same.

We have determined the fair equity share entitlement ratio for the proposed demerger as at the Report date ('Valuation Date'). A summary of the analysis is presented in the accompanying Report, as well as description of the methodology and procedure we used, and the factors we considered in formulating our opinion.



BDO

We believe that our analysis must be considered as a whole. Selecting portion of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. This letter should be read in conjunction with the attached Report.

For BDO Valuation Advisory LLP

IBBI Regn No.: IBBI/RV-E/02/2019/103



Name: Mandar Vikas Gadkari

Designation: Partner

IBBI Regn No.: IBBI/RV/06/2018/10500

Encl: As Above





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1. Brief Background of the Companies

NMDC Limited

- 1.1. NMDC Limited is a Government Company incorporated on November 15, 1958 under the Companies Act, 1956 with CIN L13100TG1958GOI001674, having its registered office at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India.
- 1.2. The authorised, issued, subscribed and paid-up equity share capital of NMDC as on June 30, 2021 is as under:

Particulars	Amount (INR)
AUTHORISED SHARE CAPITAL	
400,00,00,000 equity shares of INR 1 each	400,00,00,000
Total	400,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
293,06,05,850 equity shares of INR 1 each	293,06,05,850
Total	293,06,05,850

- 1.3. We have been informed by the management of NMDC that after the above date and till the date of this Report, there has been no change in the authorized, issued, subscribed and paid-up capital of the Demerged Company.
- 1.4. The equity shares of the Demerged Company are listed on the National Stock Exchange of India Limited, BSE Limited and the Calcutta Stock Exchange Limited.
- 1.5. The summarized shareholding pattern of NMDC as on June 30, 2021 is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Promoter and Promoter Group	2,00,12,83,891	68.29%
II. Public	92,93,21,959	31.71%
Total	2,93,06,05,850	100.00%

NMDC Steel Limited

- 1.6. NMDC Steel Limited is a Government Company incorporated on January 2, 2015 under the Companies Act, 2013 with CIN U27310CT2015GOI001618, having its registered office at C/O NMDC Iron & Steel Plant, Nagarnar Bastar, 494001, Chhattisgarh, India.

- 1.7. NMDC STEEL is wholly owned subsidiary of NMDC.





- 1.8. The authorised, issued, subscribed and paid-up equity share capital of NMDC STEEL as on June 30, 2021 is as under:

Particulars	Amount (INR)
AUTHORISED SHARE CAPITAL	
3,00,000 Equity Shares of INR 10/- each	30,00,000
Total	30,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
1,10,000 Equity Shares of INR 10/- each	11,00,000
Total	11,00,000

- 1.9. The equity shares of NMDC STEEL are not listed on any stock exchanges.
- 1.10. We have been informed by the management of NMDC STEEL that after the above date and till the date of this Report, there has been no change in the authorized, issued, subscribed and paid-up capital of the Resulting Company.

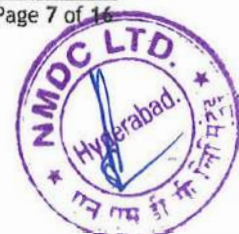
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2. Purpose of Valuation

- 2.1. 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.
- 2.2. 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 Chhattisgarh, NMDC Limited is setting up a 3 MTPA capacity Greenfield integrated steel plant ("NMDC Iron & Steel Plant" or "NISP") at Nagarnar, located 16 km from Jagdalpur in Chhattisgarh state.
- 2.3. The decision to construct the NISP was taken keeping in view the 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.
- 2.4. 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 investor.
- 2.5. 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 ("Proposed Demerger") and strategic disinvestment of the NMDC Steel Limited by selling entire Government of India stake in the NMDC Steel Limited to a strategic buyer.
- 2.6. 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 Act and other applicable provisions for the sanction of the Scheme.
- 2.7. In this regard, we have been appointed to determine the fair equity share entitlement ratio for the Proposed Demerger as part of the Scheme.
- 2.8. Further, as part of and provided in the Scheme, all the existing outstanding shares of NMDC STEEL shall stand cancelled by way of capital reduction.
- 2.9. The Appointed Date for the Scheme is April 01, 2021 or such other date as may be decided by Ministry of Corporate Affairs, Government of India.





3. Terms of Engagement

Context and Purpose

- 3.1. BDO Val has been appointed to determine the fair equity share entitlement ratio for the Proposed Demerger as mentioned in para 2.5 of this Report. This valuation exercise and Valuation Report are solely for the purpose mentioned in the Report.

Restricted Audience

- 3.2. This Report and the information contained herein are absolutely confidential and are intended for the use of the Companies only for submitting to the statutory authorities for compliance under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and applicable provisions and circular issued by Securities and Exchange Board of India ('SEBI') applicable to a scheme of arrangement. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever.
- 3.3. This Report will be placed before the Board of Directors of NMDC and NMDC STEEL and intended only for their sole use and information only. To the extent mandatorily required under applicable laws of India, this Report maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Demerger. We are not responsible to any other person or party, for any decision of such person or party based on this Report. Any person or party intending to provide finance/ invest in the shares/ business of NMDC/NMDC STEEL or their holding companies, subsidiaries, associates, joint ventures shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Companies) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to BDO Val.
- 3.4. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.
- 3.5. Without limiting the foregoing, we understand that the Companies may be required to share this Report with regulatory or judicial authorities including stock exchanges, SEBI, Regional Director, Registrar of Companies, National Company Law Tribunal, professional advisors of the Companies including merchant bankers providing fairness opinion on the fair share entitlement ratio, in connection with the Proposed Demerger ('Permitted Recipients'). We hereby give consent to such disclosure of this Report, on the basis that we owe responsibility only to Companies that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and/or filing with Permitted Recipients, in connection with the Proposed Demerger, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than Companies .





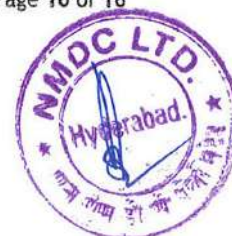
4. Caveats, Limitations and Disclaimers

- 4.1. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 4.2. This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Report Date and (iii) are based on the data detailed in the section - Sources of Information.
- 4.3. We were provided with sufficient information and time to make our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / hidden from us during our valuation exercise.
- 4.4. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Accordingly, we express no audit opinion or any other form of assurance on this information on behalf of the Companies. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 4.5. Further, this Report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to, the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of the Companies. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, review or reaffirm this Report if the information provided to us changes. Further events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- 4.6. We have no present or planned future interest in the Companies or any of their group companies.
- 4.7. The recommendation contained herein is not intended to represent value at any time other than the Valuation Date.
- 4.8. This Report is subject to the laws of India.
- 4.9. The fee for this engagement is not contingent upon the outcome of the Report.
- 4.10. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.





- 4.11. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 4.12. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 4.13. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 4.14. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 4.15. We have arrived at a relative value based on our analysis. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 4.16. Our scope is limited to recommendation of fair equity share entitlement ratio. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Demerger with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Demerger.
- 4.17. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operation unless otherwise stated and that the Companies will be managed in competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.
- 4.18. This Report does not look into the business/commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits of the Companies are sole responsibility of the investors of the Companies and we don't express opinion on the suitability or otherwise of entering into any financial or other transactions with the Companies.





- 4.19. No investigation/inspection of the Companies' claim to the title of assets has been made for the purpose of this Report and the same has assumed to be valid. No consideration has been given to liens or encumbrances against such assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of legal nature.
- 4.20. The determination of a fair equity share entitlement ratio is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different opinion.
- 4.21. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report.
- 4.22. We owe responsibility to only the Board of Directors of the Companies and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Company, as laid out in the engagement letter, for such valuation work.
- 4.23. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 4.24. This Report does not in any manner address the prices at which equity shares of the Companies will trade following the announcement and/or implementation of the Proposed Demerger and we express no opinion or recommendation as to how the shareholders of the Companies should vote at the shareholders' meeting(s) to be held in connection with the Proposed Demerger.
- 4.25. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).



IBDO

4.26. Client has informed us that IDBI Capital Markets & Securities Ltd. has been appointed to provide fairness opinion on the recommended fair equity share entitlement ratio for the purpose of aforementioned Scheme. Further at the request of the Companies, we have had discussions with the Fairness Opinion provider on the valuation approach adopted and assumptions made by us.

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5. Sources of Information

- 5.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management/ representatives of the Companies:
- Audited financial results of NMDC for Financial Year ('FY') ended March 31, 2021;
 - Audited financial statements of NISP and NMDC STEEL for FY ended March 31, 2021;
 - Shareholding pattern of NMDC and NMDC STEEL as at June 30, 2021;
 - Draft Scheme of Arrangement between NMDC and NMDC STEEL and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013;
 - Proposed Capital Structure of NMDC STEEL as on the Effective Date (as defined in the Scheme); and
 - Other relevant data and information provided to us by the representatives of the Companies either in written or oral form or in form of soft copy of the Companies.
- 5.2. We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the management of Companies ('Management'). Companies have been provided with the opportunity to review the draft Report (excluding the recommended Fair Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final Report.
- 5.3. The Management has informed us that there would be no significant variation between the draft Scheme and the final scheme approved and submitted with the relevant authorities.

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6. Procedures Adopted

6.1. Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including but not limited to the following:

- Discussion with the Management to:
 - o Understand the rationale for the Proposed Demerger and the Scheme;
 - o Understand the current and proposed capital structure of NMDC STEEL;
 - o Understand the business and fundamental factors that affect the operations of NISP;
- Requested and received financial and qualitative information;
- Analysis of information shared by the Management;
- Reviewed the draft Scheme of Arrangement between the Companies;
- Reviewed the audited financial results/statements of NMDC, NMDC STEEL, NISP for the FY ended 31 March 2021;
- Reviewed the shareholding pattern of the Companies as at June 30, 2021;
- Determined the fair equity share entitlement ratio for issue of equity shares of NMDC STEEL to the shareholders of NMDC as consideration for the Proposed Demerger after taking into consideration the proposed capital structure of NMDC STEEL and the effect of capital reduction in NMDC STEEL forming part of the Scheme.

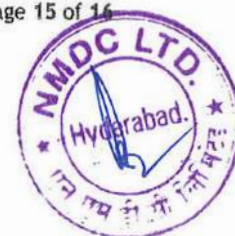
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7. Approach for Determination of Fair Share Entitlement Ratio

- 7.1. As mentioned earlier, as per the Scheme, the Demerged Undertaking i.e. business of NISP is proposed to be demerged from NMDC into NMDC STEEL. NMDC has identified all the assets and liabilities of NISP which are to be taken over by and transferred to NMDC STEEL. Also, as a part of the same Scheme all the outstanding issued and paid-up share capital of NMDC STEEL ('Pre-Demerger Equity Share Capital') would be cancelled by way of capital reduction.
- 7.2. We understand that, upon the scheme being effective, all the shareholders of NMDC would also become the shareholders of NMDC STEEL and with the entire outstanding issued and paid-up share capital of NMDC STEEL ('Pre-Demerger Equity Share Capital') getting cancelled by way of a capital reduction as part of the same scheme, their shareholding in NMDC STEEL would mirror their existing shareholding in NMDC prior to the demerger.
- 7.3. Taking into account the above facts and circumstance, any share entitlement ratio can be considered appropriate and fair for the Proposed Demerger as the proportionate equity shareholding of any shareholder pre-demerger and post-demerger would remain same and not vary. We have therefore not carried out any independent valuation of the subject business.
- 7.4. Based on the aforementioned and upon the Scheme becoming effective (post demerger), the set of shareholders and holding proportion in the Demerged Company shall be identical to that of Resulting Company. The beneficial economic interest of Demerged Company shareholders in Resulting Company will remain same as at the time of demerger (pre-demerger) and hence would not have any impact on the economic interest of the shareholders of the Demerged Company. The share entitlement ratio would not have any impact on the ultimate value of the shareholders of Demerged Company and the Proposed Demerger will be value-neutral to the Demerged Company's shareholders.
- 7.5. Upon the Scheme becoming effective the authorized share capital of the Resulting Company will automatically stand increased to INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores) divided into 3,00,00,00,000 (Three Hundred Crore) equity shares of INR 10/- (Indian Rupees Ten) each.
- 7.6. Further, upon the Scheme becoming effective, the Management has proposed 293,06,05,850 equity shares of INR 10 of NMDC STEEL as the desired issued, subscribed and fully paid up equity capital of NMDC STEEL, to reflect the same/equal number of equity shares as NMDC and mirror shareholding pre the Proposed Demerger.





8. Recommendation of Fair Share Entitlement Ratio for the Proposed Demerger

8.1. On the basis of the foregoing, considering the proposed Capital Structure of NMDC STEEL as informed to us by the Management and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, a share entitlement ratio in the event of the Proposed Demerger would be as follows:

"1 (One) fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in NMDC Steel Limited for every 1 (One) fully paid Equity Share of INR 1/- (Indian Rupee One) each held in NMDC Limited"

8.2. Our Report and fair equity share entitlement ratio is based on the current equity share capital structure of NMDC and envisaged equity share capital of NMDC STEEL as mentioned above. Any variation in the equity share capital structure of NMDC and NMDC STEEL apart from the above mentioned may have an impact on the fair share entitlement ratio.

8.3. We would like to emphasize that as per the Proposed Demerger envisaged in the Scheme, business of NISP shall be demerged into NMDC STEEL and upon cancellation of the entire outstanding issued and paid up share capital by way of capital reduction as a part of the Scheme of NMDC STEEL, fresh issue of shares would be made to the existing shareholders of NMDC on a proportionate basis such that their existing holding in NMDC is replicated in NMDC STEEL. Accordingly, we believe that any fair share entitlement ratio can be considered appropriate and fair for the Proposed Demerger as the inter-se proportionate equity shareholding of any shareholder pre-demerger and post-demerger would remain same and not vary and we have therefore not carried out any independent valuation of the subject business.

8.4. Accordingly, considering the approach and the rationale for the fair equity share entitlement ratio discussed in para 7 above, the valuation approaches as indicated in the format (as shown below) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not applicable in the instant case:

Valuation Approach	NMDC		NMDC STEEL	
	Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Value Per Share	NA		NA	
Share entitlement Ratio	NA		NA	

NA = Not Applicable



STRICLTY CONFIDENTIAL

Ref: Inv. Bk/M&A/GD/21-22/013

July 13, 2021

To The Board of Directors NMDC Limited 'Khanij Bhavan', 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500028	To Board of Directors NMDC Steel Limited C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India
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Dear Members on the Board,

Subject: Fairness Opinion on the Share Entitlement Ratio for the proposed scheme of arrangement between NMDC limited and NMDC Steel Limited.

This is with reference to our appointment vide letter dated April 21, 2021 ("**Appointment Letter**") wherein NMDC limited ("**NMDC**" or "**Demerged Company**" or "**Company**") has engaged IDBI Capital Markets & Securities Limited ("**IDBI Capital**") to provide a fairness opinion to the Board of Directors on valuation report dated July 13, 2021 ("**Valuation Report**") issued by BDO Valuation Advisory LLP (the "**Valuer**") for the proposed demerger of the Demerged Undertaking (as defined below) of NMDC and transfer of the same to NMDC Steel Limited ("**NMDC Steel**" or "**Transferee Company**" or "**Resulting Company**"), vide a scheme of arrangement under the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 ("**Proposed Scheme**").

1. Company Background and Scope of Engagement:

NMDC Limited is a public limited company incorporated on November 15, 1958 under the Companies Act, 1956 with CIN L13100TG1958GOI001674, having its registered office at Khanij



Page 1 of 7

Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India. The equity shares of the Demerged Company are listed on NSE, BSE and CSE.

NMDC Steel Limited incorporated on January 2, 2015 under the Companies Act, 2013 with CIN U27310CT2015GOI001618, having its registered office at C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India.

The Demerged Company is a public enterprise majorly owned by the Government of India, under the administrative control of the Ministry of Steel, Government of India. NMDC has since inception been involved 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.

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 Chhattisgarh, NMDC Limited is setting up a 3 MTPA capacity Greenfield integrated steel plant ("NMDC Iron & Steel Plant" or "NISP") 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 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 Demerged Company have decided to make requisite applications and/or petitions before the Ministry of Corporate Affairs, Government of India under Sections 230 to 232 and other applicable provisions for the sanction of this Scheme.

For this purpose, the Company has appointed the Valuer to determine the Share Entitlement Ratio (as defined below) and has in terms of the Engagement Letter requested IDBI Capital to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Entitlement Ratio ("**Fairness Opinion**") as per the requirements of the relevant SEBI circulars ("**SEBI Circular**"). This fairness opinion is being provided solely to the Board of Directors of NMDC and NMDC Steel and strictly within this context and is not intended to represent the valuation at which such a transaction is carried out, and does not address to NMDC or NMDC Steel (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the proposed demerger.

As per the Valuation Report dated July 13, 2021, the valuers have recommended the Share Entitlement Ratio of 1 (One) equity share of NMDC Steel Limited of INR 10/- each fully paid up for every 1 (one) equity shares of NMDC Limited of INR 1/- each fully paid up ("**Share Entitlement Ratio**").

All terms not specifically defined in this Fairness Opinion shall carry the same meaning as in the Proposed Scheme.

For the avoidance of doubt, this fairness opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in NMDC to any person.

2. Brief Background of the Proposed Scheme

Part-B of the Proposed Scheme provides for transfer and vesting of Demerged Undertaking from Demerged Company to Resulting Company.



The Demerged Undertaking is proposed to include the business, assets, liabilities etc pertaining to NISP as on the effectiveness of Part B of the Scheme ("**Demerged Undertaking**").

Upon the coming into effect of Proposed Scheme and with effect from the Appointed Date, and subject to the provisions of Proposed Scheme, all the properties and assets (tangible and intangible assets including goodwill) and liabilities of the Demerged Undertaking will be transferred to the Resulting Company [at values appearing in the books of accounts of the Demerged Company immediately before the demerger, in accordance with Section 2(19AA) of the IT Act].

The Demerged Undertaking shall, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in and/or deemed to have been demerged from the Demerged Company and stand transferred to and vested in the Resulting Company as a going concern as per the Proposed Scheme.

The Management has proposed 293,06,05,850 equity shares of INR 10 each fully paid Equity Shares of NMDC STEEL as the desired equity capital structure of NMDC STEEL, post the Proposed Demerger, to reflect the same/equal number of equity shares as NMDC and mirror shareholding per the Proposed Demerger.

The New Shares allotted and issued as per Proposed Scheme shall be listed and/or admitted to trading on the stock Exchanges after obtaining the requisite approvals. The Resulting Company shall enter such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges.

3. Source of Information:

In arriving at the opinion set forth below, we have relied on the following:

- a) Valuation Report dated July 13, 2021 prepared by BDO Valuation Advisory LLP;
- b) Draft of the Proposed Scheme;
- c) Necessary confirmations from the representatives of NMDC and its subsidiaries / affiliates;
- d) Additional information provided at the data room. Information including but not limited to those mentioned hereinabove.



4. Scope Limitations and Disclaimers:

- This fairness opinion is being provided solely to and from the perspective of Board of Directors of NMDC & NMDC Steel and only in connection with the Proposed Scheme.
- This fairness opinion is confidential and is provided pursuant to and subject to the terms of our appointment and terms of business.
- It is being made available for information purposes only and on a confidential basis.
- This opinion is for the exclusive use of Board of Directors of NMDC & NMDC Steel and it may be disclosed to such persons and authorities as may be required under Law.
- This opinion must not be copied, reproduced, distributed or passed, in whole or in part, to any other person at any time without our prior written consent.

Each recipient acknowledges that some or all of the information contained in the opinion is or may be inside information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each recipient undertakes not to use any information contained in the opinion for any unlawful purpose.

This opinion does not constitute an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of securities or of any of the assets, business or undertaking of NMDC. In addition, it is not intended to form the basis of or act as an inducement to enter into any contract or investment activity, and should not be considered as a recommendation by us, NMDC or any other person in relation to NMDC.

The information used for this opinion, which does not purport to be comprehensive, has been provided to us by NMDC and its advisors and/or obtained from publicly available sources. We have assumed the accuracy of the information so received and this has not been verified by us. No representation or warranty, express or implied, is or will be given by us or our respective directors, officers, employees or advisers or any other person as to the accuracy or completeness of this opinion and, so far as permitted by law, no responsibility or liability is accepted for the accuracy or sufficiency thereof, or for any errors, omissions or misstatements, negligent or otherwise, relating thereto.

In particular, but without limitation, (subject as aforesaid) no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should



be placed on, any projections, targets, estimates or forecasts and nothing in this opinion is or should be relied on as a promise or representation as to the future. Accordingly, (subject as aforesaid) neither us, nor any of our respective directors, officers, employees or advisers, nor any other person, shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this opinion or any other written or oral communication with the recipient or its advisors in connection with its evaluation of NMDC & NMDC Steel and (save in the case of fraudulent misrepresentation or wilful non-disclosure) any such liability is expressly disclaimed.

The receipt of this opinion by any person is not to be taken as constituting the giving of investment opinion by us to any such person, nor to constitute such person our client.

For avoidance of any doubts, it is clarified that fees payable to IDBI Capital by NMDC is not in any way contingent upon nature of opinion provided to NMDC.

5. Conclusion:

We understand that the economic interest of the shareholders of NMDC in NMDC Steel, pre demerger continues to remain the same post the demerger. In our opinion, in the given circumstances, based on all relevant factors, information and subject to the scope limitations & disclaimers on the date hereof, and to the best of our knowledge and belief, we are of the opinion that the Share Entitlement Ratio as recommended by the Valuer, is fair and reasonable.

6. Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of NMDC & NMDC Steel. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to other third party without IDBI Capital's prior written consent.

However, NMDC and NMDC Steel may provide a copy of the Fairness Opinion if required / called upon by any regulatory authorities of India subject to NMDC and NMDC Steel promptly intimating IDBI Capital in written about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality & not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than to whom it is addressed or for any purpose than the purpose stated hereinabove, then, we will not be liable for any consequences



thereof & shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement documents given to third parties. In no circumstances however, will IDBI Capital or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of IDBI Capital accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours Faithfully,

For and on behalf of

IDBI Capital Markets & Securities Limited

G. K. Deshpande

Authorised Signatory



DCS/AMAL/PB/R37/2143/2020-21

“E-Letter”

November 17, 2021

The Company Secretary,
NMDC Limited.
 10 - 3 - 311 / A, Khanij Bhavan, Castle Hills, Masab Tank,
 Hyderabad, Telangana, 500028

Dear Sir,

Sub: Observation letter regarding Draft Scheme of Arrangement between NMDC Limited and NMDC Steel Limited and their Respective Shareholders and Creditors

We are in receipt of Draft Scheme of Arrangement of NMDC Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its Letter dated November 17, 2021 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble National Company Law Tribunal”
- “Company shall ensure that Audit Committee / Independent Directors report / Recommendation with at least 3 Independent Directors are disseminated before filing the scheme with NCLT and well before the announcement of the 'Appointed Date' or 'Effective Date.'
- “Company shall ensure disclosure of the percentage of business getting transferred to NMDC Steel. The same shall also be disclosed in the explanatory statement or notice accompanying the resolution to be passed, sent to the shareholders while seeking their approval. ”
- “Company shall duly comply with various provisions of the Circular.”
- “Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of NMDC Steel Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, NMDC Steel Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of NMDC Steel Limited is at the discretion of the Exchange. In addition to the above, the listing of NMDC Steel Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about NMDC Steel Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all NMDC Steel Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about NMDC Steel Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of NMDC Steel Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

Prasad Bhide
Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/28007_II

November 17, 2021

The Company Secretary
NMDC Limited
Khanij Bhavan, 10-3-311/A,
Castle Hills, Masab Tank,
Hyderabad – 500028.

Kind Attn.: Mr. A.S. Pardha Saradhi

Dear Sir,

Sub: Observation Letter for draft scheme of arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors

We are in receipt of draft scheme of arrangement between NMDC Limited (“Demerged Company”) and NMDC Steel Limited (“Resulting Company”) and their respective shareholders and creditors vide application dated August 18, 2021.

Based on our letter reference no. NSE/LIST/28007 submitted to SEBI and pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“Circular”), kindly find following comments on the draft scheme:

- a. *The Company shall duly comply with various provisions of the said Circular.*
- b. *The Company shall ensure that the Audit Committee / Independent Directors report / Recommendation with at least 3 Independent Directors are disseminated before filing the scheme with NCLT and well before the announcement of the ‘Appointed Date’ or ‘Effective Date’.*
- c. *The Company shall ensure disclosure of the percentage of business getting transferred to NMDC Steel. The same shall also be disclosed in the explanatory statement or notice accompanying the resolution to be passed, sent to the shareholders while seeking their approval.*
- d. *Company to ensure that suitable disclosures about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon’ble National Company Law Tribunal.*
- e. *The Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the Stock Exchanges.*
- f. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*

- g. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchanges. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the listing of equity shares of NMDC Steel Limited (Resulting Company) on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, NMDC Steel Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfil the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of NMDC Steel Limited is at the discretion of the Exchange.

The listing of NMDC Steel Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about NMDC Steel Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.
2. To publish an advertisement in the newspapers containing all the information about NMDC Steel Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about NMDC Steel Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
 - (b) “There shall be no change in the shareholding pattern or control in NMDC Steel Limited between the record date and the listing which may affect the status of this approval.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from November 17, 2021 within which the scheme shall be submitted to NCLT.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001
 Phone : +91 33 4025 3000, Fax : +91 33 4025 3030 / 3017
 Website : www.cse-india.com, E-mail : cseadm@se-india.com
 CIN: U67120WB1923PLC004707

Ref. No. CSE/LD/ ¹⁵³⁵⁸ /2021

November 18, 2021

The Company Secretary,
NMDC Limited.
 10 - 3 - 311 / A, Khanij Bhavan, Castle Hills, Masab Tank,
 Hyderabad, Telangana, 500028

Dear Sir,

Sub: Observation letter regarding Draft Scheme of Arrangement between NMDC Limited and NMDC Steel Limited and their Respective Shareholders and Creditors

We are in receipt of Draft Scheme of Arrangement of NMDC Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its Letter dated November 17, 2021 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble National Company Law Tribunal"
- "Company shall ensure that Audit Committee / Independent Directors report / Recommendation with at least 3 Independent Directors are disseminated before filing the scheme with NCLT and well before the announcement of the 'Appointed Date' or 'Effective Date.'
- "Company shall ensure disclosure of the percentage of business getting transferred to NMDC Steel. The same shall also be disclosed in the explanatory statement or notice accompanying the resolution to be passed, sent to the shareholders while seeking their approval."
- "Company shall duly comply with various provisions of the Circular."
- "Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."

- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

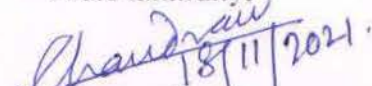
In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be Six Months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


18/11/2021
CS Chandrani Datta
Executive-Listing

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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

To,
 Manager - Listing Compliance
 CSE Limited,
 7, Lyons Range, Murgighata, Dalhousie
 Kolkata, West Bengal 700001

Sub: Report on Complaints

We refer our application dated 18th August 2021 under Regulation 37 of the Listing Regulations in connection with the Scheme of arrangement between NMDC Limited ("Demerged Company") and NMDC Steel Limited ("Resulting Company") (hereinafter referred as the "Scheme").

In compliance with the SEBI Master Circular dated December 22, 2020 ("SEBI Circular"), we hereby submit the "Report on Complaints" for the period 24th September 2021 to 14th October 2021 enclosed as **Annexure A** to this letter. The report is also being uploaded on the website of the Company, i.e. www.nmdc.co.in.

For and on behalf of NMDC Limited

A S Pardha Saradhi
 Company Secretary

Date: 16th October 2021
 Place: Hyderabad





Annexure A

Complaints Report of the Company for the period from 24th September 2021 to 14th October 2021

Part A

S. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchanges / SEBI	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

S. No.	Name of Complainant	Date of Complaint	Status (Resolved/Pending)
1.	Nil	Nil	Nil

For and on behalf of NMDC Limited

A S Pardha Saradhi
Company Secretary

Date: 16th October 2021

Place: Hyderabad



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NMDC

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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

To,
 Manager - Listing Compliance
 BSE Limited
 Phiroze Jeejeebhoy Towers
 Dalal Street
 Mumbai- 400001


Dear Sir,

Sub: Report on Complaints

We refer our application dated 17.08.2021, under Regulation 37 of the Listing Regulations in connection with the Scheme of arrangement between NMDC Limited ("Demerged Company") and NMDC Steel Limited ("Resulting Company") (hereinafter referred as the "Scheme").

In compliance with the SEBI Master Circular dated December 22, 2020 ("SEBI Circular"), we hereby submit the "Report on Complaints" for the period 11.09.2021 to 14.11.2021 enclosed as **Annexure A** to this letter. The report is also being uploaded on the website of the Company, i.e., www.nmdc.co.in.

For and on behalf of NMDC Limited


 A S Pardha Saradhi
 Company Secretary
 Date: 15.10.2021
 Place: Hyderabad





Annexure A

Complaints Report of the Company for the period from 11.09.2021 to 14.11.2021

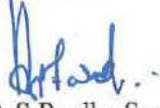
Part A

S. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchanges / SEBI	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

S. No.	Name of Complainant	Date of Complaint	Status (Resolved/Pending)
1.	NIL	NIL	NIL

For and on behalf of NMDC Limited


A S Pardha Saradhi
Company Secretary
Date: 15.11.2021
Place: Hyderabad



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NMDC

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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

To,
 Manager - Listing Compliance
 National Stock Exchange of India Limited
 'Exchange Plaza', C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Dear Sir,

Sub: Report on Complaints

We refer our application dated August 18, 2021, under Regulation 37 of the Listing Regulations in connection with the Scheme of arrangement between NMDC Limited ("**Demerged Company**") and NMDC Steel Limited ("**Resulting Company**") (hereinafter referred as the "**Scheme**").

In compliance with the SEBI Master Circular dated December 22, 2020 ("**SEBI Circular**"), we hereby submit the "Report on Complaints" for the period 31st August 2021 to 15th November 2021 enclosed as **Annexure A** to this letter. The report is also being uploaded on the website of the Company, i.e. www.nmdc.co.in.

For and on behalf of NMDC Limited

A S Pardha Saradhi
 Company Secretary

Date: 16th November 2021
 Place: Hyderabad





Annexure A

Complaints Report of the Company for the period from 31st August 2021 to 15th November 2021

Part A

S. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchanges / SEBI	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

S. No.	Name of Complainant	Date of Complaint	Status (Resolved/Pending)
1.	Nil	Nil	Nil

For and on behalf of NMDC Limited

A S Pardha Saradhi
Company Secretary

Date: 16th November 2021
Place: Hyderabad



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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

Statement of Audited Standalone Financial Results for the Quarter and Year ended 31st March 2021

INR in crore

Particulars	Quarter Ended			Year Ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Un-audited	Audited	Audited	Audited
I. Revenue from operations	6,847.57	4,355.10	3,187.34	15,370.06	11,699.22
II. Other Income	84.98	104.83	133.25	349.88	513.79
III. Total income (I+II)	6,932.55	4,459.93	3,320.59	15,719.94	12,213.01
IV. Expenses					
(a) Consumption of raw materials	25.18	7.23	5.00	42.01	36.48
(b) Consumption of stores & spares	85.00	69.86	73.42	257.41	243.15
(c) Changes in inventories of finished goods and work -in-progress	(184.57)	32.14	(40.95)	(161.81)	(53.83)
(d) Employee benefit expense	289.10	271.87	289.87	1,081.81	1,046.83
(e) Royalty and other levies	1,545.98	622.25	584.08	2,969.38	2,096.29
(f) Selling exps incl. freight	226.71	223.89	203.18	695.27	702.43
(g) Depreciation and amortisation	56.67	60.48	67.47	227.83	294.38
(h) Finance cost	4.13	1.64	(21.33)	16.81	9.88
(i) Other expenses	617.92	359.30	580.80	1,690.13	1,617.48
Total expenses	2,666.12	1,648.66	1,741.54	6,818.84	5,993.09
V. Profit from ordinary activities before exceptional items and Tax (III-IV)	4,266.43	2,811.27	1,579.05	8,901.10	6,219.92
VI. Exceptional items - Expenses/(Income)	-	-	96.44	-	96.44
VII. Profit before tax (V-VI)	4,266.43	2,811.27	1,482.61	8,901.10	6,123.48
VIII. Tax expense					
a) Current Tax	1,089.04	718.82	336.05	2,316.46	1,555.59
b) Earlier Year Tax (Net)	343.20	-	771.32	343.20	771.32
c) Deferred Tax	(1.67)	(16.81)	23.70	(11.21)	185.66
Total tax expense	1,430.57	702.01	1,131.07	2,648.45	2,512.57
IX. Net Profit for the period from continuing operations (VII-VIII)	2,835.86	2,109.26	351.54	6,252.65	3,610.91
X. Profit/(Loss) from discontinued operations	2.30	(0.47)	(0.43)	0.53	(1.05)
XI. Tax Expenses of discontinued operations	0.58	(0.12)	(0.10)	0.13	(0.26)
XII. Profit/(Loss) from Discontinued operations (after tax)	1.72	(0.35)	(0.33)	0.40	(0.79)
XIII. Profit for the period (IX+XII) :	2,837.58	2,108.91	351.21	6,253.05	3,610.12
XIV. Other Comprehensive income/(expenses):					
Item that will not be reclassified to profit or loss (net of income tax)	0.21	(18.77)	(76.57)	(56.09)	(75.04)
XV. Total Comprehensive Income for the period (XIII+XIV)	2,837.79	2,090.14	274.64	6,196.96	3,535.08
XVI. Paid-up Equity Share Capital	293.07	306.19	306.19	293.07	306.19
XVII. Borrowings (#)				523.80	-
XVIII. Total Interest on Borrowings				22.63	-
XIX. Other equity excluding revaluation reserve as per balance sheet				29,463.07	27,227.76
XX. Net Worth				29,756.14	27,533.95
XXI. Debenture redemption reserve				-	-
XXII. Face value per share (Re)	1	1	1	1	1
XXIII. EPS for the period (Rs.)-basic and diluted before and after extraordinary items (*)	9.64	6.89	1.15	20.62	11.79
(*adjusted on account of buyback)	(*)			(*)	
XXIV. Debt equity ratio				0.02	-
XXV. Debt service coverage ratio (DSCR)				16.24	-
XXVI. Interest service coverage ratio (ISCO)				231.89	-
			Not Annualised	Annualised	
(#) Include Long Term Borrowings only					

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-2-

Segment wise Standalone Revenue, Results and Capital Employed for the Quarter and Year ended 31st March 2021

INR in crore

Particulars	Quarter Ended			Year Ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Un-audited	Audited	Audited	Audited
1. Segment Revenue					
(Sale /income from each segment)					
a) Iron Ore	6,807.44	4,311.45	3,166.70	15,233.71	11,568.90
b) Pellet ,Other Minerals & Services	40.13	43.65	20.64	136.35	130.21
Total	6,847.57	4,355.10	3,187.34	15,370.06	11,699.11
Less: Inter segment revenue	-	-	-	-	(0.11)
Sales / Income from Operations	6,847.57	4,355.10	3,187.34	15,370.06	11,699.22
2. Segment Results					
(profit (+) / loss (-) before tax and interest from each segment)					
a) Iron Ore	4,366.35	2,824.21	1,599.88	9,261.86	6,135.20
b) Pellet, Other Minerals & Services	(47.99)	(21.28)	(141.38)	(131.46)	(131.73)
Total	4,318.36	2,802.93	1,458.50	9,130.40	6,003.47
Less: Finance Cost	4.13	1.64	(21.33)	16.81	9.88
Add : Other unallocable income net off unallocable expenditure	(45.50)	9.51	2.35	(211.96)	128.84
Total Profit Before Tax (incl discontinued operations)	4,268.73	2,810.80	1,482.18	8,901.63	6,122.43
3. Segment Assets					
a) Iron Ore	7,590.76	6,669.16	6,960.21	7,590.76	6,960.21
b) Pellet ,Other Minerals & Services	579.28	593.97	615.67	579.28	615.67
c) Unallocated	28,206.58	26,862.47	23,171.00	28,206.58	23,171.00
Total	36,376.62	34,125.60	30,746.88	36,376.62	30,746.88
4. Segment Liabilities					
a) Iron Ore	2,672.84	1,610.47	1,340.40	2,672.84	1,340.40
b) Pellet, Other Minerals & Services	39.27	29.65	35.17	39.27	35.17
c) Unallocated	4,316.65	1,998.96	2,234.42	4,316.65	2,234.42
Total	7,028.76	3,639.08	3,609.99	7,028.76	3,609.99
5. Capital Employed					
(Segment Assets-Segment Liabilities)					
a) Iron Ore	4,917.92	5,058.69	5,619.81	4,917.92	5,619.81
b) Pellet, Other Minerals & Services	540.01	564.32	580.50	540.01	580.50
c) Unallocated	23,889.93	24,863.51	20,936.58	23,889.93	20,936.58
Total	29,347.86	30,486.52	27,136.89	29,347.86	27,136.89

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STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS AT 31ST MARCH 2021

INR in crore

Sl.No.	Particulars	As at current period end 31st March 2021 (Audited)	As at previous period end 31st March 2020 (Audited)
(A)	ASSETS		
	1) Non-current assets		
	a) Property, Plant and equipment	2,670.66	2,610.26
	b) Right-of-Use Assets	6.62	6.58
	c) Capital work-in-progress	17,076.68	15,471.56
	d) Intangible assets	441.17	399.89
	e) Intangible assets under development	51.42	29.64
	f) Financial assets		
	i) Investments	984.88	985.59
	ii) Loans	901.16	866.16
	g) Deferred tax assets (net)	408.28	397.06
	h) Other non-current assets	3,695.91	3,502.90
	Total Non-current assets	26,236.78	24,269.64
	2) Current assets		
	a) Inventories	921.72	723.51
	b) Financial assets		
	i) Trade receivables	2,139.89	2,223.71
	ii) Cash and cash equivalents	408.67	60.87
	iii) Bank balances other than (ii) above	5,397.34	2,331.47
	iv) Other Financial Assets	300.09	370.93
	c) Current Tax assets (Net)	257.04	429.15
	d) Other current assets	1,122.74	734.00
	e) Assets Held for disposal	0.63	0.66
	Total Current assets	10,548.12	6,874.30
	TOTAL ASSETS	36,784.90	31,143.94
(B)	EQUITY AND LIABILITIES		
	1) Equity		
	a) Equity Share Capital	293.07	306.19
	b) Other Equity	29,463.07	27,227.76
	Total Equity	29,756.14	27,533.95
	2) Liabilities		
	i) Non-current Liabilities		
	a) Borrowings	546.43	-
	b) Financial liabilities	4.57	5.51
	c) Provisions	945.16	827.88
	Total Non-current liabilities	1,496.16	833.39
	ii) Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	1,448.04	565.57
	ii) Trade Payables		
	a) Total outstanding dues of micro and small enterprises	12.66	15.25
	b) Total outstanding dues of other than micro and small enterprises	347.60	210.30
	iii) Other financial liabilities	1,775.39	1,219.34
	b) Other current liabilities	1,850.91	543.67
	c) Provisions	98.00	222.47
	Total Current liabilities	5,532.60	2,776.60
	Total Liabilities	7,028.76	3,609.99
	TOTAL EQUITY AND LIABILITIES	36,784.90	31,143.94

Cont. . .





Audited Standalone Cash Flow Statement for the year ended 31st March 2021

INR in Crore

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax from		
Continued Operations	8,901.10	6,123.48
Discontinued Operations	0.53	(1.05)
Profit before income tax including discontinued operations	8,901.63	6,122.43
Adjustments for non cash/non operational expenses:		
Depreciation & Amortisation expense	227.83	294.38
Loss on disposal of property, plant & equipment	0.74	(0.02)
Expenditure on enabling facilities	147.79	229.91
Provision for bad & doubtful advances	234.47	211.78
Interest Income	(238.77)	(367.42)
Finance Costs	16.81	9.88
Operating Profits before working capital changes	9,290.50	6,500.94
Adjustments for working capital changes:		
(Increase)/Decrease in Short Term Investment	-	-
(Increase)/Decrease in Trade Receivables	(150.65)	(1,010.98)
(Increase)/Decrease in Inventories	(198.21)	(57.34)
(Increase)/Decrease in Other Receivables	(500.23)	(1,110.34)
Increase/(Decrease) in Trade payables	134.71	22.81
Increase/(Decrease) in Other Payable	1,242.09	12.53
Cash generated from operations	9,818.21	4,357.62
Income Taxes paid	(2,487.68)	(2,304.68)
Net Cash Flow from operating activities	7,330.53	2,052.94
B. CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	(1,598.05)	(2,399.02)
Purchase of investments (in Subsidiaries)	0.71	(46.27)
Interest received	241.24	406.22
Purchase of Investment (Term Deposits with more than three months)	(3,035.41)	1,761.80
Net Cash Flow from investing activities	(4,391.51)	(277.27)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Amount paid on buyback of Shares (including transaction charges)	(1,700.62)	-
(Repayment)/Proceeds from borrowings- Current	1,428.90	201.42
Deposits paid towards LCs and BGs (towards non fund based facilities)	(29.59)	7.69
Interest paid	(16.63)	(9.70)
Dividends paid (including Dividend Distribution tax)	(2,273.28)	(1,952.54)
Net Cash Flow from financing activities	(2,591.22)	(1,753.13)
Net increase (decrease) in Cash and Cash Equivalent	347.80	22.54
Opening Balance of Cash & Cash equivalents	60.87	38.33
Closing Balance of Cash & Cash equivalents	408.67	60.87

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NOTES :

1. The above results have been reviewed and approved by the Board of Directors in the meeting held on 22nd June 2021.
2. The financial results for the quarter and financial year ended 31st March 2021 have been audited by the Statutory Auditors as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. An unqualified report has been issued by them there on.
3. The Audited Accounts are subject to Supplementary Audit by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013.
4. The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended). The Company adopted Ind AS from 1st April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles of Ind-AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
5. The figures of the last quarters are the balancing figures between the audited figures of the financial years and the published results up to the third quarter of the respective financial years.
6. Donimalai Iron Ore Mine of NMDC Ltd. at Karnataka has resumed mining operations w.e.f 18.02.2021. subsequent to extension of Mining lease by Govt. of Karnataka for a period of 20 years up to 03.11.2038.
7. Govt. of India has amended the MMDR Act-1957 on 28.03.2021 and as per amended provisions all such Government companies or corporations whose mining lease has been extended after the commencement of the MMDR Amendment Act, 2015, shall pay such additional amount as specified in the Fifth Schedule of the Act for the mineral produced after the commencement of the MMDR Amendment Act, 2021. For such Mining Leases of Iron Ore an additional amount equivalent to 150 percent of the royalty will be payable. The additional amount shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration Trust or any other statutory payment.

The impact of this amendment on all the iron ore mines of NMDC except Kumaraswamy Mines at Karnataka is Rs. 149 crore for the current period and is included under Royalty and other levies.
8. An amount of Rs. 226.48 crore is provided towards Expected Credit Loss (ECL) for the year towards amount recoverable from monitoring committee and included in other expenses.
9. The Company had received Show Cause Notices dated 31.07.2018 from Dist. Collector, South Bastar Dantewada as to why NMDC should not be asked to deposit an amount of Rs.7,241.35 crore as compensation as calculated by Collector based on the Hon'ble Supreme Court Common Cause Judgement related to Orissa Iron ore mines (Writ Petition Civil No 114 of 2014 dated 2nd August 2017). The Company had been contesting the Show Cause Notices with Dist. Collector, South Bastar Dantewada on the ground that the said Hon'ble Supreme Court judgement is not applicable to NMDC.

Meanwhile, revised show cause notices dated 26.09.2019 were received for a revised amount of Rs 1,623.44 Crore from Dist. Collector, South Bastar, Dantewada, to be replied within 21 days of notice. NMDC while reiterating the fact of non-applicability of the Hon'ble Supreme Court Judgement in the state of Chhattisgarh, has sought time for replying to the show cause notices.



Cont...6



Further to above, Dist. Collector, South Bastar, Dantewada had issued Demand notices dated 15/11/2019 for the amount of Rs 1,623.44 Crore (Bacheli- Rs 1,131.97 Cr & Kirandul Rs 491.47 Cr) asking to deposit the amount within 15 days. As the Mining Leases of the company in the State of Chhattisgarh were expiring on 31.3.2020 and due for renewal, the Company has paid an adhoc amount of Rs 600 Crore under protest and filed writ petitions in the Hon'ble High Court of Bilaspur, Chhattisgarh and a Revision application with Mines Tribunal, Ministry of mines, Government of India, New Delhi praying to set aside the demand notices.

The demand amount of Rs 1,623.44 crores has been shown under 'Contingent Liabilities'.

10. The Government of India has accorded in principle approval for strategic disinvestment of Nagarnar Steel Plant on 27th October 2016. Core Group of Secretaries for Disinvestment (CGD) in its meeting held on 3rd June 2019 and 28th November 2019 has approved to follow the demerger route for the strategic disinvestment of NISP.

The Board of Directors of the company at their meeting held on 27th August 2020, inter-alia, have accorded in-principal approval to the proposal of demerger of NMDC Iron & Steel Plant (NISP), Nagarnar, Chhattisgarh.

11. Figures for the previous period have been regrouped wherever considered necessary so as to conform to the classification of the current period.

For M/s Sagar and Associates
Chartered Accountants
FRN No. 003510S

(CA. D MANOHAR)

Partner

Membership No: 029644



For NMDC Limited,

(Amitava Mukherjee)

Director (Finance)

DIN- No: 08265207

UDIN: 21029644AAAABT6081

Place : Hyderabad

Date : 22nd June 2021

Our website : www.nmdc.co.in



Independent Auditor's Report

To,

Board of Directors of NMDC Limited

Report on the Audit of Standalone Financial Results

Opinion

1. We have audited the accompanying standalone annual financial results of **NMDC Limited** (the 'Company') for the year ended March 31, 2021, being submitted by the company pursuant to the requirement of Regulation 33, Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
 - i. are presented in accordance with the requirements of regulation 33 ,regulation 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015 and SEBI circular dated 5th July 2016 in these regards and
 - ii. give a true and fair view in conformity with the recognition and measurement principles laid down in applicable accounting standards prescribed under section 133 of the Companies Act,2013(the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31,2021 and the standalone statement of assets and liabilities and the standalone cash flow statement as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in standalone financial Results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the standalone financial Results. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis Of matter

4. We draw your attention to the following matters;
- i. Note No: 9, regarding show cause notice having been served on Baildilla project by the District collector, South Bastar, Dantewada pursuant to judgment of Honorable Supreme court of India with the demand of Rs.1623.44 Crores against which company has paid an adhoc amount of Rs.600 Crores under protest and filed writ petition in the Hon'ble High court of Bilaspur, Chhattisgarh and a Revision application with Mines Tribunal, Ministry of mines, Government of India and disclosure of contingent liability as mentioned in the said note.
 - ii. Note No:10, regarding the demerger of NMDC Iron & Steel Plant (NISP) which is in progress.
 - iii. During the year, company has migrated from legacy system (oracle-based FAS) to SAP-ERP package in a phased manner. Pending completion of User Acceptance Testing (UAT) of the all the modules, the amount incurred towards the package is accounted under Intangible assets under development. The unaudited financial results as on 31-12-2020 were migrated into SAP and reconciled. As per the information and explanation provided by the management, migration audit will be conducted on completion of integration of all the modules.
 - iv. NMDC holds total exposure of Rs. 182.20 Crores in Neelachal Ispat Nigam Ltd (NINL) in the form of Equity investment of Rs. 100.60 Crores and a Loan of Rs. 81.60 Crores and interest thereon of Rs.6.87 Crore as on 31.03.2021. Cabinet Committee on Economic Affairs (CCEA) had accorded in principle approval for strategic disinvestment of 100% shareholding of NMDC and other Public Sector Undertakings (PSUs) along with transfer of Management control to a Strategic Buyer. As per the loan agreement dated 30th December 2019, the amount outstanding along with interest shall be paid back to NMDC as first charge from the disinvestment proceeds as per the applicable laws before payment of other liabilities of NINL. As such, management has felt no impairment of investment and Loan to NINL is necessary.

Our opinion is not modified in respect of these matters

Board of Directors' Responsibilities for the Standalone Financial Results

5. These standalone financial results have been prepared on basis of standalone annual financial statements. The Company's Board of



Directors are responsible for the preparation and presentation of the standalone financial results that give true and fair view of the net profit and other comprehensive income and other financial information of the company and the standalone statement of assets and liabilities and the standalone cashflow statement in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulation 33 and regulation 52 of the Listing Regulations. The Board of directors of the company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial results by the directors of the company, as aforesaid

6. In preparing the standalone financial results, the Board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SA) will always detect a material misstatement when it exists. Misstatements can arise from



fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.



10. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

11. The standalone financial Results include the results for the quarter ended March 31, 2021 being the balancing figures between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subjected to limited review by us.
12. The standalone annual financial results dealt with by this report has been prepared for the express purpose of filling with Stock Exchanges. These results are based on standalone financial statements and should be read with the audited standalone financial statements of the company for the year ended March 31,2021 on which we issued an unmodified opinion vide our report dated 22nd June, 2021.

For Sagar & Associates,
Chartered Accountants
FRN: 003510S



CA D Manohar
Partner

Membership No. 029644
UDIN: 21029644AAAABT6081



Place: Hyderabad
Date: 22.06.2021.

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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

Statement of Audited Consolidated Financial Results for the Quarter and Year ended 31st March 2021

INR in crore

Particulars	Quarter Ended			Year Ended	
	31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Audited	Un-audited	Audited	Audited	Audited
I. Revenue from operations	6,847.57	4,355.10	3,187.34	15,370.06	11,699.22
II. Other Income	85.18	105.87	133.61	351.60	514.36
III. Total income (I+II)	6,932.75	4,460.97	3,320.95	15,721.66	12,213.58
IV. Expenses					
(a) Consumption of raw materials	25.18	7.23	5.00	42.01	36.48
(b) Consumption of stores & spares	85.00	69.86	73.42	257.41	243.15
(c) Changes in inventories of finished goods and work-in-progress	(184.57)	32.14	(40.95)	(161.81)	(53.83)
(d) Employee benefit expense	290.09	272.72	290.56	1,085.24	1,049.36
(e) Royalty and other levies	1,545.98	622.25	584.08	2,969.38	2,096.29
(f) Selling exps incl. freight	226.71	223.89	203.18	895.27	702.43
(g) Depreciation and amortisation	56.93	60.59	67.68	228.54	294.93
(h) Finance cost	4.13	1.64	(21.33)	16.81	9.88
(i) Other expenses	618.91	360.24	584.32	1,693.29	1,623.42
Total expenses	2,668.36	1,650.56	1,745.96	6,826.14	6,002.11
V. Profit from ordinary activities before exceptional items and Tax (III-IV)	4,264.39	2,810.41	1,574.99	8,895.52	6,211.47
VI. Exceptional items - Expenses/(Income)	-	-	96.44	-	96.44
VII. Profit before tax (V-VI)	4,264.39	2,810.41	1,478.55	8,895.52	6,115.03
VIII. Tax expense					
a) Current Tax	1,089.04	718.82	336.05	2,316.46	1,555.59
b) Earlier Year Tax (Net)	343.20	-	771.47	343.20	771.47
c) Deferred Tax	(1.67)	(16.81)	23.70	(11.21)	185.66
Total tax expense	1,430.57	702.01	1,131.22	2,648.45	2,512.72
IX. Profit for the period from continuing operations (VII-VIII)	2,833.82	2,108.40	347.33	6,247.07	3,602.31
X. Profit/(Loss) from discontinued operations	2.30	(0.47)	(0.43)	0.53	(1.05)
XI. Tax Expenses of discontinued operations	0.58	(0.12)	(0.10)	0.13	(0.26)
XII. Profit/(Loss) from Discontinued operations (after tax)	1.72	(0.35)	(0.33)	0.40	(0.79)
XIII. Profit for the period (IX+XII) :	2,835.54	2,108.05	347.00	6,247.47	3,601.52
XIV Share of Loss of Associates/JVs	0.07	49.75	(31.18)	29.17	(28.56)
XV Non-Controlling Interest (Profit)/Loss	(0.21)	(0.01)	0.43	(0.37)	(0.33)
XVI. Net Profit/loss after taxes, Non-Controlling Interest and share of profit/loss of Associates (XIII+XIV-XV) :	2,835.82	2,157.81	315.39	6,277.01	3,573.29
XVII. Other Comprehensive income/(expenses) (net of income tax)	2.68	(43.37)	(14.78)	(121.08)	6.99
XVIII. Total Comprehensive Income for the period (XVI+XVII)	2,838.50	2,114.44	300.61	6,155.93	3,580.28
XIX. Paid-up Equity Share Capital	293.07	306.19	306.19	293.07	306.19
XX. Borrowings (#)				523.80	-
XXI. Total Interest on Borrowings				22.63	-
XXII. Other equity excluding revaluation reserve as per balance sheet				29,590.98	27,366.88
XXIII. Net Worth				29,897.59	27,681.12
XXIV. Debenture redemption reserve				-	-
XXV. Face value per share (Re)	1.00	1.00	1.00	1.00	1.00
XXVI. Other Equity excluding revaluation reserve				-	-
XXVII. EPS for the period (Rs.)-basic and diluted (*adjusted on account of buyback)	9.64	7.05	1.03	20.70	11.67
XXVIII. Debt equity ratio				0.02	-
XXIX. Debt service coverage ratio (DSCR)				16.23	-
XXX. Interest service coverage ratio (ISCO)				231.77	-
			Not Annualised	Annualised	
(#) Include Long Term Borrowings Only.					

Con.





-2-

Segment wise Consolidated Revenue, Results and Capital Employed for the Quarter and Year ended 31st March 2021

INR in crore

Particulars	Quarter Ended			Year Ended	
	31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Audited	Un-audited	Audited	Audited	Audited
1. Segment Revenue					
(Sale /income from each segment)					
a) Iron Ore	6,807.44	4,311.45	3,166.70	15,233.71	11,568.90
b) Pellet ,Other Minerals & Services	40.13	43.65	20.64	136.35	130.21
Total	6,847.57	4,355.10	3,187.34	15,370.06	11,699.11
Less: Inter segment revenue	-	-	-	-	(0.11)
Sales / Income from Operations	6,847.57	4,355.10	3,187.34	15,370.06	11,699.22
2. Segment Results					
(profit (+) / loss (-) before tax and interest from each segment)					
a) Iron Ore	4,364.78	2,824.04	1,599.14	9,258.16	6,130.89
b) Pellet, Other Minerals & Services	(48.28)	(21.84)	(144.53)	(132.81)	(135.38)
Total	4,316.50	2,802.20	1,454.61	9,125.35	5,995.51
Less: Finance Cost	4.13	1.64	(21.33)	16.81	9.88
Add : Other unallocable income net off unallocable expenditure	(45.68)	9.38	2.18	(212.49)	128.35
Total Profit Before Tax (incl discontinued operations)	4,266.69	2,809.94	1,478.12	8,896.05	6,113.98
3. Segment Assets					
a) Iron Ore	7,607.88	6,672.61	6,945.73	7,607.88	6,945.73
b) Pellet ,Other Minerals & Services	561.03	575.94	599.00	561.03	599.00
c) Unallocated	28,352.60	27,002.50	23,352.63	28,352.60	23,352.63
Total	36,521.51	34,251.05	30,897.36	36,521.51	30,897.36
4. Segment Liabilities					
a) Iron Ore	2,674.67	1,611.77	1,341.91	2,674.67	1,341.91
b) Pellet ,Other Minerals & Services	40.79	31.09	36.92	40.79	36.92
c) Unallocated	4,316.74	1,999.03	2,234.48	4,316.74	2,234.48
Total	7,032.20	3,641.89	3,613.31	7,032.20	3,613.31
5. Capital Employed					
(Segment assets-Segment Liabilities)					
a) Iron Ore	4,933.21	5,060.84	5,603.82	4,933.21	5,603.82
b) Pellet ,Other Minerals & Services	520.24	544.85	562.08	520.24	562.08
c) Unallocated	24,035.86	25,003.47	21,118.15	24,035.86	21,118.15
Total	29,489.31	30,609.16	27,284.05	29,489.31	27,284.05

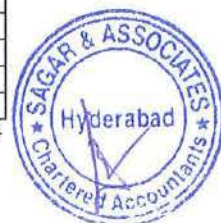




STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS AT 31ST MARCH, 2021

INR in crore			
Sl.No.	Particulars	As at current period end 31st March 2021 (Audited)	As at previous period end 31st March 2020 (Audited)
(A)	ASSETS		
	1) Non-current assets		
	a) Property, Plant and equipment	3,313.92	3,253.87
	b) Right-of-Use Assets	7.02	7.08
	c) Capital work-in-progress	17,106.51	15,500.22
	d) Goodwill	93.89	93.89
	e) Intangible assets	518.57	454.66
	f) Intangible assets under development	51.42	29.64
	g) Financial assets		
	i) Investments	874.90	910.10
	ii) Loans	259.17	224.38
	h) Deferred tax assets (net)	408.28	397.07
	i) Other non-current assets	3,695.91	3,502.90
	Total Non-current assets	26,329.59	24,373.81
	2) Current assets		
	a) Inventories	921.72	723.51
	b) Financial assets		
	i) Trade receivables	2,139.89	2,223.71
	ii) Cash and cash equivalents	464.10	105.57
	iii) Bank balances other than (ii) above	5,397.72	2,331.89
	iv) Other Financial Assets	292.61	365.40
	c) Current Tax assets (Net)	257.05	429.24
	d) Other current assets	1,126.48	740.64
	e) Assets Held for disposal	0.63	0.66
	Total Current assets	10,600.20	6,920.62
	TOTAL ASSETS	36,929.79	31,294.43
(B)	EQUITY AND LIABILITIES		
	1) Equity		
	a) Equity Share Capital	293.07	306.19
	b) Other Equity	29,590.98	27,366.88
	c) Non-Controlling Interest	13.54	8.05
	Total Equity	29,897.59	27,681.12
	2) Liabilities		
	i) Non-current Liabilities		
	a) Financial liabilities	546.43	-
	b) Provisions	4.70	5.83
	Total Non-current liabilities	945.41	827.96
	ii) Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	1,448.04	565.57
	ii) Trade Payables		
	a) Total Outstanding dues of Micro Enterprises and Small Enterprises	12.66	15.25
	b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	348.12	210.65
	iii) Other financial liabilities	1,776.04	1,220.02
	b) Other current liabilities	1,852.24	545.25
	c) Provisions	98.56	222.78
	Total Current liabilities	5,535.66	2,779.52
	Total Liability	7,032.20	3,613.31
	TOTAL EQUITY AND LIABILITIES	36,929.79	31,294.43

Cont.4





Audited Consolidated Cash Flow Statement for Year ended 31st March 2021

INR in Crore

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax from		
Continued Operations	8,895.52	6,115.03
Discontinued Operations	0.53	(1.05)
Profit before income tax including discontinued operations	8,896.05	6,113.98
Adjustments for non cash/non operational expenses:		
Depreciation & Amortisation expense	228.54	294.93
Loss on disposal of property, plant & equipment	0.74	(0.02)
Expenditure on enabling facilities	147.79	229.91
Provision for bad & doubtful advances	234.31	211.78
Interest Income	(239.14)	(367.72)
Finance Costs	16.81	9.88
Operating Profits before working capital changes	9,285.10	6,492.74
Adjustments for working capital changes:		
(Increase)/Decrease in Short Term Investment	-	-
(Increase)/Decrease in Trade Receivables	(150.49)	(1,010.98)
(Increase)/Decrease in Inventories	(198.21)	(57.34)
(Increase)/Decrease in Other Receivables	(495.25)	(1,109.82)
Increase/(Decrease) in Trade payables	134.88	23.11
Increase/(Decrease) in Other Payable	1,158.82	67.86
Cash generated from operations	9,734.85	4,405.57
Income Taxes paid	(2,468.74)	(2,279.60)
Net Cash Flow from operating activities	7,266.11	2,125.97
B. CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	(1,622.11)	(2,403.49)
Purchase of investments (in Subsidiaries)	99.61	(81.43)
Interest received	241.69	406.45
Purchase of Investment (Term Deposits with more than three months)	(3,035.47)	1,765.71
Net Cash Flow from investing activities	(4,316.28)	(312.76)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Amount paid on buyback of Shares (including transaction charges)	(1,700.62)	-
(Repayment)/Proceeds from borrowings- Current	1,428.90	201.42
Deposits paid towards LCs and BGs (towards non fund based facilities)	(29.49)	7.69
Interest paid	(16.81)	(9.88)
Dividends paid (including Dividend Distribution tax)	(2,273.28)	(1,952.54)
Net Cash Flow from financing activities	(2,591.30)	(1,753.31)
Net increase (decrease) in Cash and Cash Equivalent	358.53	59.90
Opening Balance of Cash & Cash equivalents	105.57	45.67
Closing Balance of Cash & Cash equivalents	464.10	105.57

Cont...5





NOTES :

1. The above results have been reviewed and approved by the Board of Directors in the meeting held on 22nd June 2021.
2. Pursuant to the requirements of SEBI (LODR) Regulations, 2015 (as amended), the company has published Consolidated Results for quarter ended 31st March 2021 along with the preceding quarter ended 31st December 2020 and corresponding quarter ended 31st March 2020. The management has used prudent estimate and exercised necessary due-diligence to ensure that the financial results provide a true and fair view of its affairs.
3. The financial results for the quarter and financial year ended 31st March 2021 have been audited by the Statutory Auditors as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. An unqualified report has been issued by them there on.
4. The Audited Accounts are subject to Supplementary Audit by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013.
5. The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended). The Company adopted Ind AS from 1st April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles of Ind-AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
6. The figures of the last quarters are the balancing figures between the audited figures of the financial years and the published results up to the third quarter of the respective financial years.
7. Donimalai Iron Ore Mine of NMDC Ltd. at Karnataka has resumed mining operations w.e.f 18.02.2021. subsequent to extension of Mining lease by Govt. of Karnataka for a period of 20 years up to 03.11.2038.
8. Govt. of India has amended the MMDR Act-1957 on 28.03.2021 and as per amended provisions all such Government companies or corporations whose mining lease has been extended after the commencement of the MMDR Amendment Act, 2015, shall pay such additional amount as specified in the Fifth Schedule of the Act for the mineral produced after the commencement of the MMDR Amendment Act, 2021. For such Mining Leases of Iron Ore an additional amount equivalent to 150 percent of the royalty will be payable. The additional amount shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration Trust or any other statutory payment.

The impact of this amendment on all the iron ore mines of NMDC except Kumaraswamy Mines at Karnataka is Rs. 149 crore for the current period and is included under Royalty and other levies.
9. An amount of Rs. 226.48 crore is provided towards Expected Credit Loss (ECL) for the year towards amount recoverable from monitoring committee and included in other expenses.
10. The Company had received Show Cause Notices dated 31.07.2018 from Dist. Collector, South Bastar Dantewada as to why NMDC should not be asked to deposit an amount of Rs. 7,241.35 crore as compensation as calculated by Collector based on the Hon'ble Supreme Court Common Cause Judgement related to Orissa Iron ore mines (Writ Petition Civil No 114 of 2014 dated 2nd August 2017). The Company had been contesting the Show Cause Notices with Dist. Collector, South Bastar Dantewada on the ground that the said Hon'ble Supreme Court judgement is not applicable to NMDC.





Meanwhile, revised show cause notices dated 26.09.2019 were received for a revised amount of Rs 1,623.44 Crore from Dist. Collector, South Bastar, Dantewada, to be replied within 21 days of notice. NMDC while reiterating the fact of non-applicability of the Hon'ble Supreme Court Judgement in the state of Chhattisgarh, has sought time for replying to the show cause notices.

Further to above, Dist. Collector, South Bastar, Dantewada had issued Demand notices dated 15/11/2019 for the amount of Rs 1,623.44 Crore (Bacheli- Rs 1,131.97 Cr & Kirandul Rs 491.47 Cr) asking to deposit the amount within 15 days. As the Mining Leases of the company in the State of Chhattisgarh were expiring on 31.3.2020 and due for renewal, the Company has paid an adhoc amount of Rs 600 Crore under protest and filed writ petitions in the Hon'ble High Court of Bilaspur, Chhattisgarh and a Revision application with Mines Tribunal, Ministry of mines, Government of India, New Delhi praying to set aside the demand notices.

The demand amount of Rs 1,623.44 crores has been shown under 'Contingent Liabilities'.

11. The Government of India has accorded in principle approval for strategic disinvestment of Nagarnar Steel Plant on 27th October 2016. Core Group of Secretaries for Disinvestment (CGD) in its meeting held on 3rd June 2019 and 28th November 2019 has approved to follow the demerger route for the strategic disinvestment of NISP.

The Board of Directors of the company at their meeting held on 27th August 2020, inter-alia, have accorded in-principal approval to the proposal of demerger of NMDC Iron & Steel Plant (NISP), Nagarnar, Chhattisgarh.

12. Figures for the previous period have been regrouped wherever considered necessary so as to conform to the classification of the current period.

For M/s Sagar and Associates
Chartered Accountants
FRN No. 003510S
(CA. D Manohar)
Partner
Membership No: 029644



For NMDC Limited,


(Amitava Mukherjee)
Director (Finance)
DIN- No: 08265207

UDIN: 21029644 AAAA BU 7263
Place : Hyderabad
Date : 22nd June 2021

Our website : www.nmdc.co.in



Independent Auditor's Report

To,

Board of Directors of NMDC Limited

Report on the Audit of Consolidated Financial Results

Opinion

1. We have audited the accompanying Consolidated Financial Results of **NMDC Limited** (the 'Company') for the year ended March 31, 2021 being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements/special purpose financial information of the subsidiaries, associates and the jointly controlled entities, the aforesaid consolidated financial results:
 - i. Include the consolidated financial results of the NMDC Limited and the entities listed in Annexure A,
 - ii. have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015; and
 - iii. give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the profit, total comprehensive income and other financial information of the Group, its associates and jointly controlled entities for the year ended March 31, 2021 and the consolidated balance sheet and the consolidated cash flow statement as at and for the year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in consolidated financial results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial Results. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis Of matter:

4. We draw your attention to the following matters in the Notes to these financial results:
- i. Note No: 10, regarding show cause notice having been served on Baildilla project by the District collector, South Bastar, Dantewada pursuant to judgment of Honorable Supreme court of India with the demand of Rs.1623.44 Crores against which company has paid an adhoc amount of Rs.600 Crores under protest and filed writ petition in the Hon'ble High court of Bilaspur, Chattisgarh and a Revision application with Mines Tribunal, Ministry of mines, Government of India and disclosure of contingent liability as mentioned in the said note.
 - ii. Note No:11, regarding the demerger of NMDC Iron & Steel Plant (NISP) which is in progress.
 - iii. During the year, company has migrated from legacy system (oracle-based FAS) to SAP-ERP package in a phased manner. Pending completion of User Acceptance Testing (UAT) of the all the modules, the amount incurred towards the package is accounted under Intangible assets under development. The unaudited financial results as on 31-12-2020 were migrated into SAP and reconciled. As per the information and explanation provided to us by the management, migration audit will be conducted on completion of integration of all the modules.
 - iv. NMDC holds total exposure of Rs. 182.20 Crores in Neelachal Ispat Nigam Ltd (NINL) in the form of Equity investment of Rs. 100.60 Crores and a Loan of Rs. 81.60 Crores and interest thereon of Rs.6.87 Crore as on 31.03.2021. Cabinet Committee on Economic Affairs (CCEA) had accorded in principle approval for strategic disinvestment of 100% shareholding of NMDC and other Public Sector Undertakings (PSUs) along with transfer of Management control to a Strategic Buyer. As per the loan agreement dated 30th December 2019, the amount outstanding along with interest shall be paid back to NMDC as first charge from the disinvestment proceeds as per the applicable laws before payment of other liabilities of NINL. As such, management has felt no impairment of investment and Loan to NINL is necessary.

Board of Directors' Responsibilities for the Consolidated Financial Results

5. These consolidated financial results have been prepared on basis of consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give true and fair view of the net profit and other comprehensive income and other financial



information of the Group including its associates and Jointly controlled entities and the consolidated balance sheet and consolidated cash flow statement in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulation 33 and regulation 52 of the Listing Regulations. The respective Board of directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of consolidated financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the holding company, as aforesaid

6. In preparing the consolidated financial results, the Board of directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing(SA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.



9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.




Other matters

11. We did not audit the financial statements and other financial information of five subsidiaries included in the consolidated financial results, whose financial statements and other financial information reflect total assets of 811.20 crores as at 31st March 2021 and total profit/(loss) of (5.58) crores as considered in the consolidated financial results. These financial statements and other financial information have been audited by other auditors except four subsidiaries which have been certified by their management. The consolidated financial results also includes the Groups Share of net profit/(Loss) of 29.17 crores for the year ended 31st March 2021, as considered in financial results, in respect of three Associates and four Jointly controlled entities. These financial statements and other financial information of two associates and have been audited by other auditors and others were unaudited whose financial statements have been certified by their management, whose report(s) have been furnished to us. Our opinion on the year to date consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors and certification of management. Our Opinion is not modified in respect of this matter.
12. The consolidated financial results include the results for the quarter ended March 31, 2021 being the balancing figures between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subject to limited review by us.
13. The consolidated financial results dealt with by this report has been prepared for the express purpose of filling with Stock Exchanges. These results are based on consolidated financial statements and should be read with the audited consolidated financial statements of the company for the year ended March 31,2021 on which we issued an unmodified opinion vide our report dated 22nd June 2021.

For Sagar & Associates,
Chartered Accountants

FRN: 003510S


CA D Manohar

Partner

Membership No. 029644

UDIN: 21029644AAAABU7263

Place: Hyderabad

Date: 22.06.2021.



Annexure -A

SUBSIDIARIES:

Sl. No.	Name of the entities	Country of incorporation
1	Legacy Iron Ore Limited	Australia
2	J & K Mineral Development Corporation Limited	India
3	NMDC Power Limited (Closed and not considered for consolidation)	India
4	Karnataka Vijaynagar Steel Limited	India
5	NMDC Steel Limited	India
6	Jharkhand Kolhan Steel Limited	India
7	MDC SARL, Madagaskar (under Closure)	Africa
8	NMDC CSR Foundation (NCF) (Not-for-profit company, incorporated under Section-2(7) of companies Act,2013) – Not considered for consolidation.	India

JOINT VENTURES:

Sl. No.	Name of the entities	Country of incorporation
1	NMDC-CMDC Limited	India
2	Jharkhand National Mineral Development Corporation Limited	India
3	Kopano- NMDC Minerals (Proprietary) Limited, South Africa – Under Closure	South Africa
4	NMDC SAIL Limited – Under Closure	India
5	Bastar Railway Pvt. Limited	India

ASSOCIATES:

Sl. No.	Name of the entities	Country of incorporation
1	International Coal Venture Limited	India
2	Nilachal Ispat Nigam Limited-	India
3	Krishnapatnum Railway Company Limited	India
4	Chhattishgarh Mega Steel Limited	India
5	Romelt-Sail (India) Limited - Under Closure	Africa



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 : L13100TG1958 GOI 001674

Declaration on audit reports with unmodified opinion on the Annual Audited Financial Results for the financial year ended 31st March 2021

This is with to SEBI(LODR) Regulations,2015 and amendments made thereto, we hereby declare that the Statutory Auditors of the Company, M/s Sagar And Associates, Chartered Accountants, firm Registration no. 003510S, vide their Auditors Reports dated 22nd June 2021 issued an unmodified opinion on the standalone and consolidated financial results of the Company for the financial year ended 31st March 2021.

For NMDC Limited,

(Amitava Mukherjee)
Director (Finance)
DIN- No: 08265207

Place: Hyderabad
Dated : 22nd June 2021



NMDC STEEL LIMITED

Nagarnar, Bastar - 494 001

CHHATTISGARH

BALANCE SHEET AS AT 31st MARCH, 2021

For NMDC Steel Limited
Director.



Independent Auditor's Report

To the Members of
NMDC Steel Limited
Report on the standalone Ind AS financial statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of M/s. NMDC Steel Limited ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the statement of changes in equity for the year ended and summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its financial performance including other comprehensive income, its Cash Flow and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the Ind AS financial statements in accordance with the standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Ind AS financial statements section of our report. We are independent of the company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of Ind AS financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming an opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Director,

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In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act,

For NMDC Steel Limited
Director.



we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

For NMDC Steel Limited

Director.



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by section 143(5) of the Act, we give in "Annexure-C", a statement on the matters specified by the comptroller and Auditor-General of India for the company.

For N.G Rao & Associates,
Chartered Accountants
Firm Registration Number: 09399S

(G. Nageswara Rao)
Partner
Membership No.207300



UDIN-21207300AAABHV7802

Place: Hyderabad
Date: 28.06.2021

For NMDC Steel Limited
Director.





N G RAO & ASSOCIATES

CHARTERED ACCOUNTANTS

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Annexure-A to the Independent Auditors' Report (referred to in paragraph 1 of our Report of even date to the Members of "M/s. NMDC Steel Limited" for the year ended March 31, 2021)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i. The Company doesn't have Fixed Assets; hence the Disclosure Requirements under this Clause are not applicable.
- ii. The Company doesn't have Inventory; hence the Disclosure Requirements under this Clause are not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. Maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, 2013.
- vii. a) The Company is regular in depositing undisputed statutory dues of Income-Tax and other statutory dues to the appropriate authorities.
b) Dues of income tax and other statutory dues have been deposited on time and there is no dispute pending on the part of company. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the current year.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Managerial Remuneration has not been paid or provided during the year by the company.
- xii. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi company.

For NMDC Steel Limited
Director.



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Gandhi Nagar,
Kakinada - 533 004.

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- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards;
- xiv. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

Place: Hyderabad
Date: 28.06.2021

For M/s. N.G Rao & Associates,
Chartered Accountants
Firm Registration Number: 09399S



(G. Nageswara Rao)
Partner
Membership No.207300

UDIN-21207300AAABHV7802

For NMDC Steel Limited
Director.





N G RAO & ASSOCIATES
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"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statement of M/s. NMDC Steel Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s. NMDC Steel Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

For NMDC Steel Limited

 Director.



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 28.06.2021

For N.G Rao & Associates,
Chartered Accountants
Firm Registration Number: 093998



(G. Nageswara Rao)
Partner

Membership No. 207300
UDIN-21207300AAABHV7802

For NMDC Steel Limited
Director.





N G RAO & ASSOCIATES
CHARTERED ACCOUNTANTS

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Annexure-C to the Independent Auditor's Report:

Report on the Directions of the Comptroller and Auditor general of India required under sub section 5 of section 143 of the companies Act, 2013("Act")

Sl. No	Point	Reply
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all accounting transactions through IT system. Since no accounting transactions are processed outside the IT system, therefore no implications along with financial implications on the integrity of accounts are assessable.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. Made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There are 'Nil' cases of restructuring /waiver/write-off of debts/loans/interest etc.
3.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	The Company has not received any funds from central/state agencies for specific schemes.

For M/s. N.G Rao & Associates
Chartered Accountants
Firm Registration Number:093996



(G. Nageswara Rao)
Partner
Membership No.207300

Place: Hyderabad
Date: 28.06.2021

For NMDC Steel Limited
Director.



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NMDC Steel Limited
Nagarnar, Bastar, Chhattisgarh-494001
Balance Sheet as at 31 March 2021

(All amounts are in Indian Rupees except for share data or otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
<u>Non-current assets</u>			
a) Property, plant and equipment		-	-
b) Capital work-in-progress		-	-
c) Investment property		-	-
d) Other intangible assets		-	-
e) Intangible assets under development		-	-
f) Financial assets		-	-
i) Investments		-	-
ii) Trade receivables		-	-
iii) Loans		-	-
iv) Other financial assets		-	-
g) Deferred tax assets (net)		-	-
h) Other non-current assets		-	-
Total non-current assets		-	-
<u>Current assets</u>			
a) Inventories		-	-
b) Financial assets		-	-
i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	3 (a)	39,015	1,15,857
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets	3 (b)	-	195
c) Current tax assets (Net)		-	-
d) Other current assets		-	-
Total current assets		39,015	1,16,052
Total assets		39,015	1,16,052
EQUITY AND LIABILITIES			
<u>Equity</u>			
a) Equity share capital	4 (a)	6,00,000	6,00,000
b) Other equity	4 (b)	(5,91,835)	(5,19,518)
Equity attributable to owners		8,165	80,482
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
a) Financial liabilities		-	-
i) Borrowings		-	-
ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
b) Provisions		-	-
c) Deferred tax liabilities (net)		-	-
d) Other non-current liabilities		-	-
Total non-current liabilities		-	-
<u>Current liabilities</u>			
a) Financial liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iii) Other financial liabilities	5 (a)	30,850	35,570
b) Other current liabilities		-	-
c) Provisions		-	-
d) Current tax liabilities (Net)		-	-
Total current liabilities		30,850	35,570
Total equity and liabilities		39,015	1,16,052

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report on standalone financial statements of even date attached

For M/s. N.G Rao & Associates
Chartered Accountants
FR No: 09399S

(G. Nageswara Rao)
Partner
Membership No.: 207300



For and on behalf of the Board of Directors of
NMDC Steel Limited

(Amitava Mukherjee)
Director

(Somnath Nandi)
Director

Place: Hyderabad
Date: 28.06.2021

For NMDC Steel Limited

Director.



NMDC Steel Limited
Nagarnar, Bastar, Chhattisgarh-494001
Statement of Profit and Loss for the year ended 31 March 2021

₹ in million unless otherwise stated

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations		-	-
Other income	6	1,722	7,355
Total Income		1,722	7,355
Expenses			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, stock in trade and work-in-progress		-	-
Employee benefits expense		-	-
Finance Costs		-	-
Depreciation and amortisation expense		-	-
Other expenses	7	74,039	81,219
Total expenses		74,039	81,219
Loss before exceptional items and tax		(72,317)	(73,864)
Exceptional items		-	-
Loss before tax		(72,317)	(73,864)
Income tax expense			
Current tax		-	-
Deferred tax credit		-	-
Loss for the year from continuing operations		(72,317)	(73,864)
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(after tax)		-	-
Loss for the year		(72,317)	(73,864)
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total comprehensive loss for the year		(72,317)	(73,864)
Earning per equity share -(for continuing operations)			
Basic	14	(1.21)	(1.23)
Diluted	14	(1.21)	(1.23)
Earning per equity share -(for discontinued operations)			
Basic		-	-
Diluted		-	-
Earning per equity share -(for discontinued & continuing operations)			
Basic	14	(1.21)	(1.23)
Diluted	14	(1.21)	(1.23)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report on standalone financial statements of even date attached

For M/s. N.G Rao & Associates
Chartered Accountants
FR No: 093995

(G.Nageswara Rao)
Partner
Membership No.: 207300



For and on behalf of the Board of Directors of
NMDC Steel Limited

(Amitava Mukherjee)
Director

(Sambath Nandi)
Director

Place: Hyderabad
Date: 28.06.2021

For NMDC Steel Limited
Director.

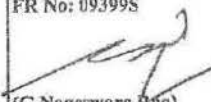
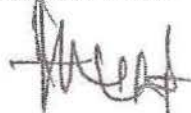




NMDC Steel Limited		
Statement of cash flow for the year ended 31 March 2021		
(All amounts are in Indian Rupees except for share data or otherwise stated)		
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Loss before tax	(72,317)	(73,864)
Less: Interest income	(1,722)	(7,355)
Operating loss before working capital adjustments	(74,039)	(81,219)
Working capital adjustments		
(Decrease)/Increase in other financial liabilities	(4,720)	4,720
Increase/ (Decrease) in other current liabilities	-	-
Net cash used in operating activities	(78,759)	(76,499)
Cash flow from investing activities		
Interest income	1,917	8,473
Net cash from/used in Investing Activities	1,917	8,473
Financing activities		
Proceeds from issue of shares	-	-
Net cash flows from financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents during the year	(76,842)	(68,026)
Cash and cash equivalents at the beginning of the year	1,15,857	1,83,883
Cash and cash equivalents at the end of the year	39,015	1,15,857
Cash & cash equivalents as per note 3(a)	39,015	1,15,857
Note: The previous figures have been rearranged/regrouped wherever necessary to confirm current year classification.		
As per our report on standalone financial statements of even date attached		
For M/s. N.G Rao & Associates Chartered Accountants FR No: 09399S	For and on behalf of the Board of Directors of NMDC Steel Limited	
 (G. Nageswara Rao) Partner Membership No.: 207300	 (Amitava Mukherjee) Director	 (Somnath Nandi) Director
Place: Hyderabad Date: 28.06.2021		

For NMDC Steel Limited

Director.



NMDC Steel Limited				
Statement of Changes in Equity for the year ended 31 March 2021				
(All amounts are in Indian Rupees except for share data or otherwise stated)				
A. Equity share capital				
Particulars	Note No	Total		
As at 01 April 2019	4 (a)	6,00,000		
Changes in equity share capital	4 (a)	-		
As at 31 March 2020		6,00,000		
As at 01 April 2020	4 (a)	6,00,000		
Changes in equity share capital	4 (a)	-		
As at 31 March 2021		6,00,000		
B. Other equity				
Particulars	Note No	Reserves and surplus		Total
		Retained earnings		
Balance as at 1 April 2019		(4,45,654)		(4,45,654)
Loss for the year	4 (b)	(73,864)		(73,864)
Balance at 31 March 2020		(5,19,518)		(5,19,518)
Particulars	Note No	Reserves and surplus		Total
		Retained earnings		
Balance as at 01 April 2020		(5,19,518)		(5,19,518)
Loss for the year	4 (b)	(72,317)		(72,317)
Balance at 31 March 2021		(5,91,835)		(5,91,835)
As per our report on standalone financial statements of even date attached				
For M/s. N.G Rao & Associates		For and on behalf of the Board of Directors of		
Chartered Accountants		NMDC Steel Limited		
FR No: 09399S				
				
(G. Nageswara Rao)		(Amitava Mulherjee)		
Partner		Director		
Membership No.: 207300				
		(Somnath Nandi)		
		Director		
Place: Hyderabad				
Date: 28.06.2021				

For NMDC Steel Limited

 Director.



NMDC STEEL LIMITED

Significant accounting policies and Notes on accounts forming part of accounts for the year ended 31st March 2021

Note-1: Corporate Information: -

NMDC Steel Limited ('NSL') is a company incorporated on 02.01.2015 having its registered office at NMDC Steel Ltd. C/O NMDC Iron & Steel Plant, Post: Nagarnar, Distt. Bastar, PIN-494001(C.G), India. The Company is a 100% Subsidiary of NMDC Limited. The CIN of the company is U27310CT2015GOI001618.

Note 2. Significant Accounting Policies: -a) Status of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 2016 and 2017 and relevant amendment rules issued thereafter and other relevant provisions of the Act.

b) Basis of measurement:

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis.

c) Functional and presentation currency:

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates.

d) Use of estimates and judgement:

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

e) Financial instruments:

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

For NMDC Steel Limited
Director,



Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non-derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

i) Non-derivative financial assets:

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by cash and cash equivalents and eligible current and non-current assets.

Cash and cash equivalents comprise cash in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash in banks and demand deposits with banks.

ii) Non-derivative financial liabilities

Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

f) Property plant and equipment:

Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

For NMDC Steel Limited
Director.



Depreciation: The Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Depreciation is charged on pro-rata monthly basis on additions/disposals of assets during the year taking first day of the month for acquisition/commissioning and last day of the month for disposals. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life.

g) Provisions

All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle, a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.


Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

h) Finance income

Finance income consists of interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

As per our Report of even date attached

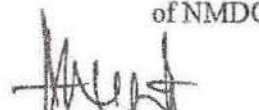
For M/s. N G Rao & Associates
Chartered Accountants
FRN.09399S


G Nageswara Rao
Partner
M. No. 207300



Place: Hyderabad
Date: 28.06.2021

For and on Behalf of the Board
of NMDC Steel Ltd.


(Amitava Mukherjee)
Director


(Somnath Nandi)
Director


For NMDC Steel Limited
Director.



NMDC Steel Limited

Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees except for share data or otherwise stated)

3 Financial assets

3 (a) Cash and cash equivalents

Particulars	As at	As at
	31 March 2021	31 March 2020
Balance with banks		
- in current accounts	39,015	44,857
- in deposit accounts*	-	71,000
	39,015	1,15,857

*less than three months

3(b) Other financial assets

Particulars	As at	As at
	31 March 2021	31 March 2020
Interest accrued	-	195
Total other financial assets	-	195

4 Equity share capital and other equity

4 (a) Equity share capital

Authorised equity share capital - Equity shares of Rs 10 each

Particulars	Number of shares	Amount
As at 01 April 2019	3,00,000	30,00,000
Increase during the year	-	-
As at 31 March 2020	3,00,000	30,00,000
Increase during the year	-	-
As at 31 March 2021	3,00,000	30,00,000

Issued, Subscribed & Paid up

Particulars	As at	As at
	31 March 2021	31 March 2020
Equity shares of Rs.10 each	6,00,000	6,00,000
(60,000 shares as on 31.03.2021)		
(60,000 shares as on 31.03.2020)		

(i) Movements in equity share capital

Particulars	Number of shares	Amount
As at 01 April 2019	60,000	6,00,000
Increase during the year	-	-
As at 31 March 2020	60,000	6,00,000
Increase during the year	-	-
As at 31 March 2021	60,000	6,00,000

Terms/right attached to equity shares

Note: Terms/Rights attached to equity shares: The Company has only one class of equity shares having par value of Rs.10/- each and each holder of equity shares is entitled for one vote per share.

(ii) Shares of the Company held by holding company

Particulars	As at 31 March 2021		As at 31 March 2020	
	(no of shares)	(amount)(Rs.)	(no of shares)	(amount)(Rs.)
Equity shares of Rs. 10/- each fully paid up held by Holding Company - NMDC Limited	60,000	6,00,000	60,000	6,00,000

* Inclusive of 200 shares held by nominees of NMDC Limited

(iii) Details of shareholders holding more than 5% shares in the Company (including their nominees)

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10/- each fully paid-up NMDC Limited	60,000	100%	60,000	100%
	60,000	100%	60,000	100%

For NMDC Steel Limited
Director.

NMDCL Steel Limited			
Notes to the standalone financial statements for the year ended 31 March 2021			
(All amounts are in Indian Rupees except for share data or otherwise stated)			
4 (b) Other equity			
		As at	As at
Particulars	31 March 2021	31 March 2021	31 March 2020
Deficit in the statement of profit and loss	(5,91,835)		(5,19,518)
Total other equity	(5,91,835)		(5,19,518)
Financial Liabilities			
5 (a) Other financial liabilities			
		As at	As at
Particulars	31 March 2021	31 March 2021	31 March 2020
Payables for expenses	30,850		35,570
Total other financial liabilities	30,850		35,570
6 Other income			
		Year ended	Year ended
Particulars	31 March 2021	31 March 2021	31 March 2020
Interest earned on bank deposits	1,722		7,355
Total other income	1,722		7,355
7 Other expenses			
		Year ended	Year ended
Particulars	31 March 2021	31 March 2021	31 March 2020
Consultancy Fee	35,990		38,350
Statutory audit fee (refer note 7(a) below)	29,500		29,500
Bank charges	649		649
Filing Fee	2,000		8,000
Income tax return preparation and filing fee	5,900		4,720
Total other expenses	74,039		81,219
Details of payments to auditors			
		Year ended	Year ended
7 (a) Particulars	31 March 2021	31 March 2021	31 March 2020
Payment to auditors			
As auditor			
Audit fee	25,000		25,000
Re-imbursment of GST	4,500		4,500
Total payments to auditors	29,500		29,500

For NMDCL Steel Limited

 Director.



NMDC Steel Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in billion Rupees except for share data or other wise stated)

8 Fair value measurements

Financial Instruments by category

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments	-	-	-	-	-	-
Cash and cash equivalents	-	-	39,015	-	-	1,15,857
Other financial assets	-	-	-	-	-	195
Total	-	-	39,015	-	-	1,16,052
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities	-	-	30,850	-	-	35,570
Total	-	-	30,850	-	-	35,570

The carrying amounts of cash and cash equivalents and other financial liabilities are considered to be the same as their fair values, due to their short-term nature. Liabilities such as Statutory liabilities as on 31 March 2021 and 31 March 2020 are not included.

9 Financial risk management

a) Risk management framework

The company's board of directors have the overall responsibility for the establishment and oversight of the company's risk management framework.

The company is in its inception stage and is in the process of setting up risk management policies aimed to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Once in place, the risk management policies and systems would be reviewed regularly to reflect changes in market conditions and the company's activities.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from
Credit risk	Cash and cash equivalents
Liquidity risk	Other financial liabilities

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Cash deposits

As of 31 March 2021, the entire cash and cash equivalents of the Company are with State Bank of India, Hyderabad. It being a highly rated and a reputable institution, the credit risk exposure in this regard is considered not to be significant.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

For servicing the financial obligations, the company ensures that it has sufficient cash on demand to meet the current and the expected operational expenses and dues for the immediate short term period.

ii. Maturities of financial liabilities

The Company's financial liabilities comprises of payable to NMDC Limited and other operating expenses.

As on 31 March 2021

Maturities of financial liabilities	On demand	Not Due	Less than 3 months	3 months to 6 months	Beyond 6 months	Total
From NMDC Limited	-	-	-	-	-	-
Other payables	-	-	30,850	-	-	30,850

As on 31 March 2020

Maturities of financial liabilities	On demand	Not Due	Less than 3 months	3 months to 6 months	Beyond 6 months	Total
From NMDC Limited	-	-	-	-	-	-
Other payables	-	-	35,570	-	-	35,570

10 Capital management

Risk management

The Board's objective is to maintain a strong capital base in the long run so as to maintain stakeholders confidence and to sustain future development of the business. The Company is yet to commence its operations.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

Particulars	As at	
	31 March 2021	31 March 2020
Total liabilities	30,850	35,570
Less : Cash and cash equivalent	(39,015)	(1,15,857)
Net debt	(8,165)	(80,287)
Equity	8,165	80,482
Adjusted net debt to adjusted equity ratio	(1.00)	(1.00)

For NMDC Steel Limited

Director.



NMDC Steel Limited				
Notes to the standalone financial statements for the year ended 31 March 2021				
(All amounts are in Indian Rupees except for share data or entries so stated)				
11 Related party transactions				
a) Details about parent				
Name of the entity	Type	Place of Incorporation	Direct ownership interest	
			As at 31 March 2021	As at 31 March 2020
NMDC Limited	Holding Company	India	100%	100%
Key Management Personnel (Directors)				
Sri Amitava Mukherjee				
Sri Aksh Kumar Mehta				
Sri Somnath Nandi				
Sri Prasant Dash				
b) Transactions with parent entity:				
c) Dues to parent entity				
Particulars	As at 31 March 2021	As at 31 March 2020		
Beginning of the year	-	-		
Additions	-	-		
Re-payments	-	-		
Closing at the year end	-	-		
12 Contingent liabilities				
a) Claims against the company not acknowledged as debts : Nil(31 March 2020: Nil)				
b) The company has not issued any corporate guarantee in favour of its group entities				
13 Commitments :				
Estimated amount of contracts remaining to be executed on capital account : Nil (31 March 2020 : Nil)				
14 Earnings per share				
Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.				
Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.				
Particulars	As at 31 March 2021	As at 31 March 2020		
Profit attributable to equity holders of the Company	(72,317)	(73,864)		
Weighted average number of equity shares outstanding during the period	60,000	60,000		
Earnings per share basic and diluted	(1.21)	(1.23)		
The Company doesn't have any potentially dilutive shares for year ended 31 March 2021 and 31 March 2020.				
15 Disclosures under the Micro, Small and Medium Enterprises Act, 2006				
The Company doesn't have any amounts payable to Micro, Small and Medium Enterprises.				
16 The previous figures have been rearranged/regrouped wherever necessary to confirm current year classification.				
17 Management has assessed the impact of COVID 19 and is of the view that there is no material uncertainties that might cast significant doubt upon company's ability to continue as going concern.				
18 NMDC Ltd. (Holding Company of NMDC Steel Ltd.) in its 532nd meeting of the Board of Directors held on 27.08.2020 accorded in-principle approval for demerger of NMDC Iron & Steel Plant(NSP) into NMDC Steel Ltd.				
As per our report on standalone financial statements of even date attached For M/s. N.G Rao & Associates				
Chartered Accountants FR No: 093995		For and on behalf of the Board of Directors of NMDC Steel Limited		
				
(G.Nageswara Rao) Partner Membership No.: 207300		(Amitava Mukherjee) Director		
				
Place: Hyderabad		(Somnath Nandi) Director		
Date: 28.06.2021				

For NMDC Steel Limited

 Director.



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 : L13100TG1958 GOI 001674

ANNEXURE NO: _____

PAGE NO: _____

Extracts of the minutes of the 539th meeting of the Board of Directors of NMDC Limited held on 13.07.2021 at New Delhi.

xxxx xxxx xxxx xxxx xxxx . xxxx

7. Item No.539-I-07:

To consider and approve the Scheme of Arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors and to take on record the share valuation report of NMDC Limited.

RESOLVED THAT:-

Pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, and / or any statutory modification(s) or re-enactment thereof, and as provided under the enabling provisions of the Memorandum and Articles of Association of NMDC Limited (hereinafter referred to as the "**Company**") and subject to the requisite approval of the shareholders and creditors of the Company and approval of the Ministry of Corporate Affairs, Government of India (hereinafter referred to as the "**MCA**"), and such other approvals as may be required, and subject to such terms and conditions, as may be prescribed by the MCA and any other appropriate authority, while granting approval(s) or confirmation(s), and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "**Board**"), the consent of the Board be and is hereby accorded to the Scheme of Arrangement (hereinafter referred to as the "**Scheme**") between the Company and NMDC Steel Limited (hereinafter referred to as "**Resulting Company**") and their respective creditors and shareholders, entailing *inter- alia* demerger of the Demerged Undertaking (as defined under the Scheme) of the Company into Resulting Company on a going concern basis, as per the terms and conditions mentioned in the Scheme which is placed before the Board and initialed by the Chairman for the purpose of identification.



**RESOLVED FURTHER THAT:-**

Valuation Report dated 13.07.2021 (as tabled) determining the share exchange ratio prepared by M/s BDO Valuation Advisory LLP for the purpose of the Scheme as placed before the Board, is hereby taken on record, approved and accepted.

RESOLVED FURTHER THAT:-

The Fairness Opinion dated 13.07.2021 (as tabled) issued by M/s IDBI Capital Markets & Securities Limited providing the fairness opinion on the share entitlement ratio recommended in the Valuation Report as placed before the Board be and is hereby accepted and taken on record.

RESOLVED FURTHER THAT:-

The certificate dated 13.07.2021 issued by the Statutory Auditors of the Company certifying inter alia that the Scheme is in compliance with the applicable Indian Accounting Standards specified by the Government of India under Section 133 of the Companies Act, 2013, as placed before the Board be and is hereby accepted and taken on record.

RESOLVED FURTHER THAT:-

In terms of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 ("**SEBI Circular**") the undertaking with regard to the non-applicability of requirement as prescribed in terms of Paragraph I(A)(10)(b) of the SEBI Circular in respect of the Scheme duly certified by the Statutory Auditor dated 13.07.2021 as placed before the Board is hereby noted and accepted. The Board hereby note that the conditions under Paragraph I(A)(10)(b) of the SEBI Circular are not applicable to the Scheme and that consequently, the requirements of the said Paragraph I(A)(10)(b) of the SEBI Circular requiring the Scheme to be approved by the requisite majority of public shareholders shall not be applicable.

RESOLVED FURTHER THAT:-

In terms of the SEBI Circular: (i) a report is required to be issued by the Audit Committee of the Demerged Company recommending the draft Scheme, taking into consideration, amongst others, the Valuation Report (*defined below*) (Part I, Paragraph 2(c)); and (ii) a report is required to be issued by the committee of independent directors recommending the draft Scheme, taking into consideration, amongst others, that the Scheme is not





detrimental to the shareholders of the Demerged Company (Part I, Paragraph 2(i)), however, as the Company does not have any independent directors on its board, the consent of the Board, be and is hereby accorded to approve and record the report of the Board for the purposes of compliance with the relevant provisions of the SEBI Circular.

RESOLVED FURTHER THAT:-

Upon the Scheme being confirmed by the MCA and becoming effective, all the properties and assets (tangible and intangible assets including goodwill) and liabilities of the Demerged Undertaking will be transferred to the Resulting Company at values appearing in the books of accounts of the Demerged Company immediately before the demerger, in accordance with Section 2(19AA) of the Income Tax Act, 1961. The Demerged Undertaking shall, without any further act, instrument or deed, be demerged from the Company and stand transferred to and vested in and/or deemed to have been demerged from the Company and stand transferred to and vested in the Resulting Company as a going concern.

RESOLVED FURTHER THAT:-

Any advocate of J. Sagar Associates, Advocates and Solicitors be appointed as the legal counsel for the purpose of the said Scheme and is authorized to represent the Company before MCA and the Securities and Exchange Board of India ("SEBI") and all other governmental, statutory or regulatory authorities as may be required for the purposes of this Scheme.

RESOLVED FURTHER THAT:-

The Board acknowledges that the Company is a shareholder of the Resulting Company and subject to receipt of necessary directions/instructions/orders from the MCA, hereby agree to dispense with the requirement of convening, holding and conducting the meeting of the equity shareholders of Resulting Company for consideration and approval of the said Scheme.

RESOLVED FURTHER THAT:-

Pursuant to the provisions of Section 232(2) of the Companies Act, 2013, the Report of Directors dated 13.07.2021, explaining effect of the Scheme on the shareholders and key managerial personnel, laying out the particulars of the





valuation reports, as placed before the Board, is hereby taken on record, approved and accepted.

RESOLVED FURTHER THAT:-

For the purpose of coordinating with SEBI in terms of SEBI Circular BSE Limited be and is hereby designated as the Designated Stock Exchange.

RESOLVED FURTHER THAT:-

Director (Finance) and CMD, NMDC, all the directors of the Company and the company secretary of the Company, be and are hereby jointly and/or severally authorized to take all the necessary steps for implementation of the Scheme, including but not limited to:

- a) To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, file, record and perfect all deeds, declarations, instruments, affidavits, applications, petitions, objections, notices and writings whatsoever as may be usual, necessary, proper or expedite and all type of documents, including the Scheme, petitions, affidavits and applications in relation to the matter aforesaid;
- b) To accept services of notices or other processes which may from time to time be issued in connection with the matter aforesaid;
- c) To produce all documents or other evidences in connection with the Scheme and all and any of other proceedings incidental thereto or arising thereat;
- d) To file applications / forms and affidavits and / or other legal documents with the MCA, SEBI and any other governmental, statutory or regulatory authority as may be required for confirmation of the Scheme by MCA and the Scheme becoming effective and operative, and/or any other regulatory authorities for obtaining their approval;
- e) To engage professionals including company secretaries, chartered accountants, advocates, valuers or any other one or more agencies, as may be required for the aforesaid purpose, on such terms and conditions as they may deem fit and if considered necessary, also engage services of counsel(s) and declare and file all pleadings and reports;





- f) To make any alterations / changes, modification or amendments in the Scheme or application or forms or ancillary documents thereto as may be expedient or necessary by the Board, including any alteration, modification or amendment required to be made for complying with the requirements or conditions imposed by MCA and/or other appropriate authorities, if any;
- g) To prepare interim financial statements along with relevant annexures, schedules and other necessary supporting documents which will be certified by the management of the Company and to pass such accounting entries and / or making such other adjustments in the books of accounts, as are considered necessary to give effect to the above resolution;
- h) To provide necessary declarations / certificates in relation to the Scheme capturing the true and factual aspects of the Company;
- i) To comply with all the necessary formalities, compliances and disclosures in this regard and to file the necessary forms or documents with the relevant authorities;
- j) To authenticate all the necessary documents as 'certified copies' or in any other manner as may be required, including affixing the Common Seal of the Company on any documents in connection with the above resolution;
- k) To do all such acts, deeds, matters and things as may be deemed necessary, expedient, usual or proper and to settle any question or difficulty that may arise;
- l) To withdraw the Scheme at any stage in case the changes or modifications required in the Scheme or the conditions imposed by any Shareholder, Creditor, MCA and/or any other authority, are not acceptable, and if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as they may think necessary and desirable in connection therewith and incidental thereto;
- m) To appoint personnel to represent the Company in general before MCA, Registrar of Companies, Regional Director, Designated Stock Exchange, Income tax authorities or such other authorities or in any such meetings convened by MCA or such other competent authority in relation to any matter pertaining to the aforesaid Scheme and to give any oral or written explanations regarding the Scheme;





- n) To delegate / sub-delegate the powers, privileges and authorizations accorded herein under this resolution by way of Power of Attorney or otherwise, to such person(s) as they may be in their full and absolute discretion, deem appropriate;
- o) To inform and apply to the Central and State Government(s) and other local authorities, including but not limited to the sub-registrar of assurances, customs authorities, excise authorities, income tax authorities, sales tax authorities, value added tax and entry tax authorities, telephone authorities, electricity authorities, postal authorities, banks and all other applicable authorities, agencies, etc., and to represent the Company before the said authorities and agencies and to sign and submit such applications, letters, forms, returns, memoranda, undertakings, declarations, deeds or documents and to take all required necessary steps and actions, from time to time in the connection with the Scheme;
- p) To do all such other acts, matters, deeds and things as may be considered necessary and expedient in connection with or incidental to giving effect to the purpose of the above resolution or otherwise giving effect to the Scheme (including any modifications or alterations that may be required to be signed in one or more trenches from time to time to implement the above resolution); and
- q) To issue a certified true copy of the above resolutions as may be required for submission to regulators, including MCA and SEBI.

xxxx xxxx xxxx xxxx xxxx xxxx

सत्य प्रति का प्रमाण
Certified to be True Copy

ए.एस. पार्थ सारधी
A.S. PARDHA SARADHI
कंपनी सचिव
Company Secretary

एनएमडीसी लिमिटेड/NMDC Limited
हैदराबाद/HYDERABAD-500 023.



एन एम डी सी



NMDCL

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

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NMDC LIMITED IN ITS MEETING HELD ON 13.07.2021 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT AMONST NMDC LIMITED AND NMDC STEEL LIMITED ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS, AND THE PARTICULARS OF THE VALUATION REPORT:

I. Background

1.1 The Scheme of Arrangement (the "Scheme") is proposed between NMDC Limited ("Demerged Company") and NMDC Steel Limited ("Resulting Company") and their respective shareholders and creditors for the demerger of the 'Demerged Undertaking' (as defined under the Scheme).

1.2 The proposed Scheme involves:

1.2.1 Demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company;

1.2.2 Upon the Scheme being confirmed by the Ministry of Corporate Affairs, Government of India and becoming effective and in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of the Demerged Company, whose names appear in the register of members as on the Record Date, 1 [one] equity shares of the Resulting Company of INR 10 each fully paid-up for every 1 [one] equity shares held in the Demerged Company of INR 1 each fully paid-up.

For the avoidance of any doubt, none of the above transactions shall be considered to be consummated, unless all sections of the Scheme are approved by the Ministry of Corporate Affairs, Government of India.

1.3 As per the provisions of Sections 230 to 232 of the Companies Act, 2013, governing scheme of arrangement between companies, the Directors are required to adopt a report explaining (i) the effect of the scheme on the shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders of the company; and (ii) laying out in particular the share exchange ratio, specifying any special valuation difficulties and the same is required to be circulated to the shareholders and creditors along with the notice convening the meeting.

1.4 Further as per the Circular No. CFD/DILI/CIR/P/2020/249 dated December 22, 2020 (as amended from time to time) ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"): (i) a report is required to be issued by the Audit Committee of the Demerged Company recommending the draft Scheme, taking into consideration, amongst others, the Valuation Report (*defined below*) (Part I, Paragraph 2(c)); and (ii) a report is required to be issued by the committee of independent directors recommending the draft Scheme, taking into consideration, amongst others, that the scheme is not detrimental to the shareholders of the Demerged Company (Part I, Paragraph 2(i)). In this regard, it is noted that the Demerged Company as on present date does not have any independent directors on its board and therefore, it does not have an audit committee or a committee of independent directors. Therefore, in order to comply with the requirement of the SEBI Circular, the Board of Directors of the Demerged Company is adopting and passing this report.



- 1.5 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013 and SEBI Circular.
- 1.6 The following documents were placed before the Board:
- 1.6.1 Draft Scheme of Arrangement;
- 1.6.2 Valuation report dated 13.07.2021 issued by BDO Valuation Advisory LLP (Registered Valuer), who in their report have recommended the share entitlement ratio of 1 (one) fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in NMDC Steel Ltd. for every 1 (One) fully paid Equity Share of INR 1/- (Indian Rupee One) each held in NMDC Ltd. (“Valuation Report”);
- 1.6.3 Fairness opinion dated 13.07.2021 issued by IDBI Capital Markets & Securities Limited, a SEBI Registered Category 1 Merchant Banker, providing the fairness opinion on the share entitlement ratio recommended in the Valuation Report (“Fairness Opinion”); and
- 1.6.4 Auditor's Certificate of the statutory auditors of the Demerged Company i.e. M/s Sagar & Associates, Chartered Accountants (“Auditor's Certificate”), to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- 2. Need for the merger/demerger/amalgamation/arrangement;**
- 2.1 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 the Demerged Company and strategic disinvestment of the Resulting Company by selling entire Government of India stake in the Resulting Company to a strategic buyer.
- 2.2 Accordingly, to achieve the above objective, the Board of Directors of the Demerged Company 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 this Scheme.
- 3. Rationale of the Scheme**
- 3.1 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.
- 3.2 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 (“NMDC Iron & Steel Plant” or “NISP”) at Nagarnar, located 16 km from Jagdalpur in Chhattisgarh State.



- 3.3 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 investor.
- 3.4 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.
- 3.5 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. Synergies of business of the entities involved in the scheme;

As per proposed scheme, as NISP is getting demerged from NMDC and will be separate company listed on the Indian Stock Exchanges, there will be limited synergy of the business of the entities involved in the scheme.

5. Effect of the Scheme on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of Demerged Company and Resulting company

- 5.1 Under the Scheme, an arrangement is sought to be entered into between the Demerged Company and its shareholders (promoter shareholders and non-promoter shareholders). Upon coming into effect of Part II and Part III of the Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company, and as enumerated in Clause 3 of Part B of the Scheme, the Resulting Company shall issue and allot to each equity shareholder of the Demerged Company, 1 [one] equity share of INR 10/- (Indian Rupees Ten) each of the Resulting Company credited as fully paid up for every 1 [one] equity share of INR 1/- (Indian Rupees One) each held by such shareholder of the Demerged Company.
- 5.2 In respect of the Scheme, an arrangement is sought to be entered into between the Demerged Company and its creditors and debenture holders though no liabilities of the creditors or debenture holders of the Demerged Company is being reduced or being extinguished under the Scheme. The creditors or debenture holders of the Demerged Company will not be prejudicially affected by the Scheme.
- 5.3 As on date, the Demerged Company has no outstanding towards any public deposits and therefore the effect of the Scheme on any such public deposit holders or deposit trustee does not arise.



- 5.4 Under clause 2 of Part B of the Scheme, and with effect from the Effective Date, the Resulting Company undertakes to engage the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, on terms which are not less favourable than those on which they were engaged by the Demerged Company on the Appointed Date, in the manner provided under clause 2 of Part B of the Scheme. In the circumstances, the rights of the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, would in no way be affected by the Scheme. The employees engaged by the Demerged Company for its Remaining Business shall continue to be employed by the Demerged Company.
- 5.5 The directors, key managerial personnel of NMDC Limited may have an interest in the Scheme to the extent of the equity shares held by them in NMDC Limited and/or to the extent that they are holding shares in NMDC Steel Limited (*as nominees*) and/or to the extent that the following directors / employees of NMDC Limited, namely Shri Amitava Mukherjee, Shri Alok Kumar Mehta, Shri Somnath Nandi, and Shri Prashant Dash, are the directors of NMDC Steel Limited. Shri Amitava Mukherjee and Shri Alok Kumar Mehta hold 100 shares each of NMDC Steel Ltd. as nominees of NMDC Limited. Shri Amitava Mukherjee, Shri Alok Kumar Mehta and Shri Somnath Nandi do not hold any shares in NMDC Ltd. Save as aforesaid, none of the said directors or key managerial personnel has any material interest in the Scheme.

6. Share Entitlement Ratio

- 6.1 BDO Valuation Advisory LLP (“Valuer”), has provided the valuation report in relation to the issuance of equity shares by the Resulting Company to the equity shareholders of the Demerged Company for demerger of Demerged Undertaking as mentioned, stating that share entitlement ratio is fair and reasonable considering that all the shareholders of the Demerged Company are and will upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (*inter se*) as they hold shares in the Demerged Company as on record date to be decided by the Demerged Company in the Scheme.
- 6.2 Based on the valuation report, the Board of Directors approved share entitlement ratio i.e.:
- i. Upon effective of Part B of the Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company –
 - 1 [one] equity shares of the Resulting Company of INR 10 each fully paid-up for every 1 [one] equity shares held in the Demerged Company of INR 1 each to the equity shareholders of the Demerged Company.
 - ii. No special valuation difficulties were reported.

7. Cost Benefit analysis of the Scheme

- 7.1 Alignment with Vision 2025 of NMDC to be a facilitator for steel projects thus indirectly supporting the iron ore business as also assisting in creation of capacity and employment generation.
- 7.2 The proposed demerger will enhance value for shareholders and allow a focused strategy in operation of the respective business verticals which would be in the best interest of the Demerged Company and the Resulting Company, shareholders, creditors and all persons connected therewith.



- 7.3 The demerger would facilitate focused growth, operational efficiencies and business synergies and increased operational and customer focus in relation to the Steel Undertaking in the Resulting Company and the mining business in the Demerged Company.
- 7.4 Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.
- 7.5 Mitigation of risk of the relatively lower margins of steel business for shareholders of mining business.
- 7.6 Potential for an independent HR policy to align with steel industry market norms versus those for a mining company.
- 7.7 Operational rationalization, organization efficiency and optimum utilization of various resources.
- 7.8 Ability to leverage financial and operational resources of each business.
8. The Board of Directors are requested to take this report on record and approve the same.

By Order of the Board,

FOR NMDC LIMITED



Chairman and Managing Director

Name: SUMIT DEB

DIN: 08547819

Date: 13.07.2021



NMDC STEEL LIMITED

(A wholly owned subsidiary of NMDC Limited)

Extracts of the minutes of the 26th meeting of the Board of Directors of NMDC Steel Limited held on 13.07.2021 at New Delhi.

xxxx xxxx xxxx xxxx xxxx xxxx

1. Item No. 26-01: To consider and approve the Scheme of Arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors.
-

RESOLVED THAT:-

Pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, and / or any statutory modification(s) or re-enactment thereof, and as provided under the enabling provisions of the Memorandum and Articles of Association of NMDC Steel Limited (hereinafter referred to as the "**Company**") and subject to the requisite approval of the shareholders and creditors of the Company and approval of the Ministry of Corporate Affairs, Government of India (hereinafter referred to as the "**MCA**"), and such other approvals as may be required, and subject to such terms and conditions, as may be prescribed by the MCA and any other appropriate authority, while granting approval(s) or confirmation(s), and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "**Board**"), the consent of the Board be and is hereby accorded to the Scheme of Arrangement (hereinafter referred to as the "**Scheme**") between the Company and NMDC Limited (hereinafter referred to as "**Demerged Company**") and their respective creditors and shareholders, entailing *inter-alia* demerger of the Demerged Undertaking (as defined under the Scheme) of the Demerged Company into the Company on a going concern basis, as per the terms and conditions mentioned in the Scheme which is placed before the Board and initialed by the Director for the purpose of identification."

RESOLVED FURTHER THAT:-

Pursuant to Section 66 and other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder, read with Articles of Association of the Company; and subject to the requisite approval of the shareholders and creditors of the Company and confirmation of the MCA, and such other approvals as may be required, and subject to such terms and conditions, as may be prescribed by the MCA and any other appropriate authority, while granting approval(s) or confirmation(s), and which may be agreed by the Board, the consent of the Board be



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(A wholly owned subsidiary of NMDC Limited)

and is hereby accorded, to reduce, cancel, extinguish and render invalid the issued, subscribed and paid-up capital of the Company of INR.11,00,000 consisting of 1,10,000 equity shares of Rs.10/- each (the "**Capital Reduction**") without payment of any consideration to the current shareholders of the Company.

RESOLVED FURTHER THAT:-

Valuation report dated 13.07.2021 determining the share exchange ratio prepared by M/s BDO Valuation Advisory LLP for the purpose of the Scheme as placed before the Board, is hereby taken on record, approved and accepted.

RESOLVED FURTHER THAT:-

The Fairness Opinion dated 13.07.2021 issued by M/s IDBI Capital Markets & Securities Limited providing the fairness opinion on the share entitlement ratio recommended in the Valuation Report as placed before the Board be and is hereby accepted and taken on record.

RESOLVED FURTHER THAT:-

Resolved that the certificate dated 13.07.2021 issued by the Statutory Auditors of the Company certifying inter alia that the Scheme is in compliance with the applicable Indian Accounting Standards specified by the Government of India under Section 133 of the Companies Act, 2013, as placed before the Board be and is hereby accepted and taken on record.

RESOLVED FURTHER THAT:-

Upon the Scheme being confirmed by the MCA, the authorized share capital of the Company will automatically stand increased to INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores) and pursuant to Sections 13 and 61 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, clause V in the memorandum of association of Company shall stand replaced by the following clause:

"The share capital of the company is INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores) divided into 3,00,00,00,000 (Three Hundred Crore) equity shares of INR 10/- (Indian Rupees Ten) each with power to increase or reduce the capital of the company for the time being or to divide subdivide or consolidate its shares. Upon any increase in capital, the company is to be at liberty to issue any new shares in priority to the other shares present and future with any preferential, deferred, qualified or special privileges or condition attached thereto."



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RESOLVED FURTHER THAT:-

Upon the Scheme being confirmed by the MCA and becoming effective and in consideration of the transfer and vesting of the Demerged Undertaking (as defined under the Scheme) in the Company, the Company shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of the Demerged Company, whose names appear in the register of members as on the Record Date (as defined under the Scheme), 1 (one) equity share of the Company of INR 10/- each fully paid-up for every 1 (one) equity share held in the Demerged Company of INR 1/- each fully paid-up.

RESOLVED FURTHER THAT:-

Any advocate of J. Sagar Associates, Advocates and Solicitors be appointed as the legal counsel for the purpose of the said Scheme and is authorized to represent the Company before the MCA, Securities and Exchange Board of India ("SEBI") and all other governmental, statutory or regulatory authorities as may be required for the purposes of this Scheme.

RESOLVED FURTHER THAT:-

Pursuant to the provisions of Section 232(2) of the Companies Act, 2013, the Report of Directors dated 13.07.2021, explaining effect of the Scheme on the shareholders and key managerial personnel, laying out the particulars of the valuation reports, as placed before the Board, is hereby taken on record, approved and accepted.

RESOLVED FURTHER THAT:-

Shri Amitava Mukherjee, Director and Shri Somnath Nandi, Director and all the Directors of the Company, be and are hereby jointly and / or severally authorized to take all the necessary steps for implementation of the Scheme, including but not limited to:-

- a) To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, file, record and perfect all deeds, declarations, instruments, affidavits, applications, petitions, objections, notices and writings whatsoever as may be usual, necessary, proper or expedite and all type of documents, including the Scheme, forms, affidavits and applications in relation to the matter aforesaid;
- b) To accept services of notices or other processes which may from time to time be issued in connection with the matter aforesaid;
- c) To produce all documents or other evidences in connection with the Scheme and all and any of other proceedings incidental thereto or arising thereat;



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- d) To file applications / forms and affidavits and / or other legal documents with the MCA, SEBI and any other governmental, statutory or regulatory authority as may be required for confirmation of the Scheme by the MCA and the Scheme becoming effective and operative, and / or any other regulatory authorities for obtaining their approval;
- e) To engage professionals including company secretaries, chartered accountants, advocates, valuers or any other one or more agencies, as may be required for the aforesaid purpose, on such terms and conditions as they may deem fit and if considered necessary, also engage services of counsel(s) and declare and file all pleadings and reports;
- f) To make any alterations / changes, modification or amendments in the Scheme or application or forms or ancillary documents thereto as may be expedient or necessary by the Board, including any alteration, modification or amendment required to be made for complying with the requirements or conditions imposed by the MCA and/or other appropriate authorities, if any;
- g) To prepare interim financial statements along with relevant annexures, schedules and other necessary supporting documents which will be certified by the management of the Company and to pass such accounting entries and/or making such other adjustments in the books of accounts, as are considered necessary to give effect to the above resolution;
- h) To provide necessary declarations / certificates in relation to the Scheme capturing the true and factual aspects of the Company;
- i) To comply with all the necessary formalities, compliances and disclosures in this regard and to file the necessary forms or documents with the relevant authorities;
- j) To authenticate all the necessary documents as 'certified copies' or in any other manner as may be required, including affixing the Common Seal of the Company on any documents in connection with the above resolution;
- k) To do all such acts, deeds, matters and things as may be deemed necessary, expedient, usual or proper and to settle any question or difficulty that may arise;
- l) To withdraw the Scheme at any stage in case the changes or modifications required in the Scheme or the conditions imposed by any Shareholder, Creditor, the MCA and / or any other authority, are not acceptable, and if the Scheme



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cannot be implemented otherwise, and to do all such acts, deeds and things as they may think necessary and desirable in connection therewith and incidental thereto;

- m) To appoint personnel to represent the Company in general before the MCA, Registrar of Companies, Regional Director, Designated Stock Exchange, Income tax authorities or such other authorities or in any such meetings convened by the MCA or such other competent authority in relation to any matter pertaining to the aforesaid Scheme and to give any oral or written explanations regarding the Scheme;
- n) To delegate / sub-delegate the powers, privileges and authorizations accorded herein under this resolution by way of Power of Attorney or otherwise, to such person(s) as they may be in their full and absolute discretion, deem appropriate;
- o) To inform and apply to the Central and State Government(s) and other local authorities, including but not limited to the sub-registrar of assurances, customs authorities, excise authorities, income tax authorities, sales tax authorities, value added tax and entry tax authorities, telephone authorities, electricity authorities, postal authorities, banks and all other applicable authorities, agencies, etc., and to represent the Company before the said authorities and agencies and to sign and submit such applications, letters, forms, returns, memoranda, undertakings, declarations, deeds or documents and to take all required necessary steps and actions, from time to time in the connection with the Scheme;
- p) To do all such other acts, matters, deeds and things as may be considered necessary and expedient in connection with or incidental to giving effect to the purpose of the above resolution or otherwise giving effect to the Scheme (including any modifications or alterations that may be required to be signed in one or more trenches from time to time to implement the above resolution; and
- q) To issue a certified true copy of the above resolutions as may be required for submission to regulators, including MCA and SEBI.

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सत्य प्रति का प्रमाण
Certified to be True Copy

For NMDC Steel Limited

Director



NMDC STEEL LIMITED

(A wholly owned subsidiary of NMDC Limited)

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NMDC STEEL LIMITED IN ITS MEETING HELD ON 13.07.2021 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT AMONST NMDC LIMITED AND NMDC STEEL LIMITED ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS, AND THE PARTICULARS OF THE VALUATION REPORT:

1. Background

1.1 The Scheme of Arrangement (the "Scheme") is proposed between NMDC Limited ("Demerged Company") and NMDC Steel Limited ("Resulting Company") and their respective shareholders and creditors for the demerger of the 'Demerged Undertaking' (as defined under the Scheme).

1.2 The proposed Scheme involves:

1.2.1 Demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company;

1.2.2 Upon the Scheme being confirmed by the Ministry of Corporate Affairs, Government of India and becoming effective and in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of the Demerged Company, whose names appear in the register of members as on the Record Date, 1 [one] equity shares of the Company of INR 10 each fully paid-up for every 1 [one] equity shares held in the Demerged Company of INR 1 each fully paid-up.

For the avoidance of any doubt, none of the above transactions shall be considered to be consummated, unless all sections of the Scheme are approved by the Ministry of Corporate Affairs, Government of India.

1.3 As per the provisions of Sections 230 to 232 of the Companies Act, 2013, governing scheme of arrangement between companies, the Directors are required to adopt a report explaining (i) the effect of the scheme on the shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders of the company; and (ii) laying out in particular the share exchange ratio, specifying any special valuation difficulties and the same is required to be circulated to the shareholders and creditors along with the notice convening the meeting.

1.4 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.

1.5 The following documents were placed before the Board:

1.5.1 Draft Scheme of Arrangement;

1.5.2 Valuation report dated 13.07.2021 issued by BDO Valuation Advisory LLP, (Registered Valuer) on share entitlement ratio;



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- 1.5.3 Fairness opinion dated 13.07.2021 issued by IDBI Capital Markets & Securities Limited , a SEBI Registered Category 1 Merchant Banker, providing the fairness opinion on the share entitlement ratio recommended in the Valuation Report (“Fairness Opinion”); and
- 1.5.4 Auditor's Certificate of the statutory auditors of the Resulting Company i.e. N G Rao & Associates, Chartered Accountants (“Auditor's Certificate”), to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.

2. Rationale of the Scheme

- 2.1 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.
- 2.2 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 (“**NMDC Iron & Steel Plant**” or “**NISP**”) at Nagarnar, located 16 km from Jagdalpur in Chhattisgarh state.
- 2.3 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 investor.
- 2.4 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.
- 2.5 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.



NMDC STEEL LIMITED

(A wholly owned subsidiary of NMDC Limited)

3. Effect of the Scheme on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of Demerged Company and Resulting Company
 - 3.1 Under the Scheme, an arrangement is sought to be entered into between the Resulting Company and its shareholders. Upon coming into effect of Part II and Part III of the Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company: (a) all the equity shares of the Resulting Company held by the Demerged Company shall stand cancelled; and (b) as enumerated in Clause 3 of Part B of the Scheme, the Resulting Company shall issue and allot to each equity shareholder of the Demerged Company, 1 [one] equity share of INR 10/- (Indian Rupees Ten) each of the Resulting Company credited as fully paid up for every 1 [one] equity share of INR 1/- (Indian Rupees One) each held by such shareholder of the Demerged Company.
 - 3.2 In respect of the Scheme, an arrangement is sought to be entered into between the Resulting Company and its creditors though no liabilities of the creditors of the Resulting Company is being reduced or being extinguished under the Scheme. The creditors of the Demerged Company will not be prejudicially affected by the Scheme.
 - 3.3 As on date, the Resulting Company has no outstanding towards any public deposits and therefore the effect of the Scheme on any such public deposit holders or deposit trustee does not arise.
 - 3.4 Under clause 2 of Part B of the Scheme, and with effect from the Effective Date, the Resulting Company undertakes to engage the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, on terms which are not less favourable than those on which they were engaged by the Demerged Company on the Appointed Date, in the manner provided under clause 2 of Part B of the Scheme. In the circumstances, the rights of the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, would in no way be affected by the Scheme. The employees engaged by the Demerged Company for its Remaining Business shall continue to be employed by the Demerged Company.
 - 3.5 The directors, key managerial personnel of NMDC Steel Limited may have an interest in the Scheme to the extent that the following directors of NMDC Steel Limited, namely Shri Amitava Mukherjee, Shri Alok Kumar Mehta, Shri Somnath Nandi, are Limited are directors on the board of NMDC Limited. Shri Amitava Mukherjee and Shri Alok Kumar Mehta hold 100 shares each of NMDC Steel Ltd. as nominees of NMDC. Shri Amitava Mukherjee, Shri Alok Kumar Mehta and Shri. Somnath Nandi do not hold any shares in NMDC Ltd. Save as aforesaid, none of the said directors or key managerial personnel has any material interest in the Scheme.
4. Share Entitlement Ratio
 - 4.1 BDO Valuation Advisory LLP ("Valuer"), has provided the valuation report in relation to the issuance of equity shares by the Resulting Company to the equity shareholders of the Demerged Company for demerger of Demerged Undertaking as mentioned, stating that share entitlement ratio is fair and reasonable considering that all the shareholders of the Demerged Company are and will upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (*inter se*) as they hold shares in the Demerged Company as on record date to be decided by the Demerged Company in the Scheme.

Regd. Office: C/o NMDC Iron & Steel Plant, Post: Nagarnar, Dist: Bastar,
PIN: 494 001, Chhattisgarh, CIN: U27310CT2015GOI001618



NMDC STEEL LIMITED

(A wholly owned subsidiary of NMDC Limited)

- 4.2 Based on the valuation report, the Board of Directors approved share entitlement ratio i.e.:
- i. Upon effective of Part B of the Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company –

1 [one] equity shares of the Resulting Company of INR 10 each fully paid up for every 1 [one] equity shares held in the Demerged Company of INR 1 each to the equity shareholders of the Demerged Company.
 - ii. No special valuation difficulties were reported.
5. The Board of Directors are requested to take this report on record and approve the same.

By Order of the Board,

FOR NMDC STEEL LIMITED

DIRECTOR

Name: SOMNATH NANDI

DIN: 08859169

Date: 13.07.2021





Independent Auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020, as amended from time to time ('the SEBI circular'), and section 230 to 232 and other applicable provisions of the Companies Act, 2013, and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

To
The Board of Directors,
NMDC Limited,
10-3-311/A, Khanij Bhavan
Castle Hills
Masab Tank
Hyderabad-500028

1. We, the statutory auditors of NMDC Limited the Company ('the Company' or 'the Demerged Company'), have examined the proposed accounting treatment specified in Clause 4.1 & 4.2 of Part B of the draft scheme of arrangement (hereinafter referred to as the 'Draft Scheme') between the company, and NMDC Steel Limited ('the Resulting Company') and their respective shareholders and creditors in terms of the provisions of the **Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act')** the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the rules') with reference to its compliance with the accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India. The proposed accounting treatment specified in Clause 4.1 & 4.2 of Part B of the Draft Scheme, as attached herewith in Appendix I, has been initialed and stamped by us for identification purpose only.

Management's Responsibility

2. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The Management is also responsible for ensuring that the Company complies with the requirements of the Act and the rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI circular, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the relevant National Company Law Tribunal or the Ministry of Corporate Affairs, the SEBI, the BSE Limited, the National Stock Exchange of India Limited & the Calcutta Stock Exchange Limited (hereinafter referred to as 'the Stock Exchanges').



B.O.: Flat No. FF-3, H.No. 40-6-2, Goteti Ap
B.O.: H.No. 10-1-86, Mehar Nagar, Old Gajuwaka, Visakhapatnam - 530 026.

B.O.: No. 4, Poes Road, 4th Street, Teynampet, Chennai - 600018

B.O.: Flat No. 3C, Jeevan Residency, Behind Kalanjali, Renigunta Road, Tirupati - 517 501.

Auditor's Responsibility

4. Pursuant to the requirements of the relevant laws and regulations, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment specified in Clause 4.1 & 4.2 (Part B) of the Draft Scheme complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circular and the applicable accounting standards and other generally accepted accounting principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

7. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the management, in our opinion, the proposed accounting treatment specified in Clause 4.1 & 4.2 (Part B) of the Draft Scheme, as attached herewith in Appendix I and stamped by us for identification only, is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circular, and the applicable accounting standards and other generally accepted accounting principles in India.

Restriction on use

8. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circular, Section 230 to 232 and other applicable provisions of the Act read with the rules, for onward submission along with the Draft Scheme to the SEBI, the stock exchanges, and the Ministry of Corporate Affairs. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.



9. This certificate is issued at the request of the Company's management for onward submission along with the Draft Scheme to the SEBI, the stock exchanges and the Ministry of Corporate Affairs. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Sagar & Associates
Chartered Accountants

Firm Registration No: 003510S



Membership Number: 205468

UDIN: 21205468AAAABE3369

Place: Hyderabad

Date: 13.07.2021



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.

नैयम पहचान संख्या / Corporate Identity Number : L13100TG1958 GOI 001674

Appendix I

EXTRACT OF ACCOUNTING TREATMENT

Part B : TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM DEMERGED COMPANY TO RESULTING COMPANY

Clause 4 Accounting Treatment

4.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and the Resulting Company shall give effect to the accounting treatment in its books of account in accordance with the standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

4.2 Accounting treatment in the books of the Demerged Company:

- i. Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account in the following manner:
 - A. The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Undertaking as on the Appointed date at the values appearing in its books of account (i.e., the book value) at the Appointed Date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the book values appearing on such date in accordance with the provisions of Section 2(19AA) of the IT Act.
 - B. Having recorded the transfer of the assets and liabilities, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, specifically Ind AS 10 Appendix A 'Distribution of Non-cash assets to Owners'.

For NMDC Limited

(A S Pardha Saradhi)
Company Secretary





Independent Auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI Circular No. SEBI/HO/CFD/DIL 1/CIR/P/2020/249 dated 22 December 2020, as amended from time to time ('the SEBI circular'), and section 230 to 232 and other applicable provisions of the Companies Act, 2013, and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

To
The Board of Directors,
NMDC Steel Limited,
C/o NMDC Iron & Steel Plant
Post: Nagarnar
District-Bastar-494001

1. We, the statutory auditors of NMDC Steel Limited ('the Company' or 'the Resulting Company'), have examined the proposed accounting treatment specified in Clause 4.1 & 4.3 of Part B of the draft scheme of arrangement (hereinafter referred to as the 'Draft Scheme') between the Company, and NMDC Limited ('the Demerged Company') and their respective shareholders and creditors in terms of the provisions of **Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act')**, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the rules') with reference to its compliance with the accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India. The proposed accounting treatment specified in Clause 4.1 & 4.3 of Part B of the Draft Scheme, as attached herewith in Appendix I, has been initiated and stamped by us for identification purpose only.

Management's Responsibility

2. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The Management is also responsible for ensuring that the Company complies with the requirements of the Act and the rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI circular, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the Ministry of Corporate Affairs, the SEBI, and the BSE Limited, and the National Stock Exchange of India Limited the Calcutta Stock Exchange Limited (hereinafter referred to as 'the Stock Exchanges').



H.No. 6-3-1186/A/6, (New No. 325),
2nd Floor, Chinna Balreddy Building,
Adjacent Lane to ITC Kakatiya Hotel,
Begumpet, Hyderabad-500 016.

D.No. 39-16-4B/S
Garuda Hotel Lane,
Labbipet,
Vijayawada - 520 010.

22-5/1, FF3
Neeladri Towers, Pattabi Street,
Gandhi Nagar,
Kakinada - 533 004.

Auditor's Responsibility

4. Pursuant to the requirements of the relevant laws and regulations, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment specified in Clause 4.1 & 4.3 (Part B) of the Draft Scheme complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circular and the applicable accounting standards and other generally accepted accounting principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

7. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the management, in our opinion, the proposed accounting treatment specified in Clause 4.1 & 4.3 (Part B) of the Draft Scheme, as attached herewith in Appendix I and stamped by us for identification only, is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circular, and the applicable accounting standards and other generally accepted accounting principles in India.

Restriction on use

8. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circular, Section 230 to 232 and other applicable provisions of the Act read with the rules, for onward submission along with the Draft Scheme to the SEBI, the stock exchanges, and the Ministry Corporate Affairs. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.



9. This certificate is issued at the request of the Company's management for onward submission along with the Draft Scheme to the SEBI, the stock exchanges and the Ministry Corporate Affairs. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For M/s. N G Rao & Associates
Chartered Accountants
FRN.09399S

M V Sivaramayya

(M V V Sivaramayya)
Partner
Membership Number: 229564
UDIN:21229564AAAAAG1315



Place: Hyderabad
Date: 13.07.2021

एन एम डी सी स्टील लिमिटेड

(भारत सरकार का उद्यम एन एम डीसी लिमिटेड की एक पूर्णस्वामित्व सहायक कंपनी)

NMDC STEEL LIMITED

(A wholly owned subsidiary of NMDC Limited)

C/o NMDC Iron & Steel Plant, Post: Nagarnar, Distt.-Bastar-494001(C.G)

CIN: U27310CT2015GOI001618

Appendix I

EXTRACT OF ACCOUNTING TREATMENT

Part B : TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM DEMERGED COMPANY TO RESULTING COMPANY

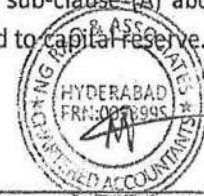
Clause 4 Accounting Treatment

4.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and the Resulting Company shall give effect to the accounting treatment in its books of account in accordance with the standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

4.3 Accounting treatment in the books of the Resulting Company:

i. Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Resulting Company shall account for the demerger, in its books of accounts such that:

- A. The Resulting Company shall record the assets and liabilities of the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at their respective book values as appearing in the books of account of the Demerged Company immediately before the Appointed Date in accordance with the provisions of section 2(19AA) of the IT Act.
- B. The Resulting Company shall credit its equity share capital account with the face value of New Shares issued in accordance with Clause 3.1 of Part B.
- C. The difference between the value of new equity shares issued under Clause 3.1 of Part B and the face value of New Shares Issued by the Resulting Company if any, will be credited to securities premium account of the Resulting Company.
- D. The difference between the value of new equity shares issued under Clause 3.1 of Part B and the aggregate values of Net Assets (refer sub-clause (A) above) shall be debited to goodwill or as the case may be credited to capital Reserve.



एन एम डी सी स्टील लिमिटेड

(भारत सरकार का उद्यम एन एम डीसी लिमिटेड की एक पूर्णस्वामित्व सहायक कंपनी)

NMDC STEEL LIMITED

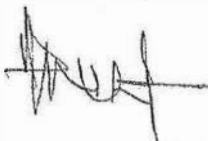
(A wholly owned subsidiary of NMDC Limited)

C/o NMDC Iron & Steel Plant, Post: Nagarnar, Distt.-Bastar-494001(C.G)

CIN: U27310CT2015GOI001618

- E. Having recorded the transfer of the assets and the liabilities as aforesaid and after receiving the relevant information on the fair values of assets acquired and liabilities assumed, the Resulting Company shall, to comply with the provisions of Indian Accounting Standards and more specifically Ind AS 103, 'Business Combinations', notified under Section 133 of the Act, read with the rules made thereunder and other Generally Accepted Accounting Principles, make necessary accounting adjustments, such that all identifiable assets acquired and liabilities assumed (including assets and liabilities not specifically recognized by the Demerged company in its financial statements) are reflected at their Appointed Date fair values within the measurement period specified in the said Ind AS 103 and corresponding adjustment shall be made to goodwill and / or capital reserve as computed in subclause (D) above.

For NMDC Steel Limited



(Amitava Mukherjee)
Director
DIN:08265207



24/1/2022-CL-III

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

In the matter of Sections 230-232 of the Companies Act, 2013

AND

In the matter of Scheme of Arrangement between

M/s NMDC Limited

And

M/s NMDC Steel Limited

1. M/s. NMDC Limited having its registered office at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500 028, Telangana

Applicant/Demerged Company

2. M/s. NMDC Steel Limited having its registered office at C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494 001.

Applicant/Resulting Company

Virtual Presence:-

- i. Ms. Shivpriya Nanda- Partner, J.Sagar & Associates, Legal Advisors
- ii. Mr. Amar Gupta, Partner, J.Sagar & Associates, Legal Advisors
- iii. A.S.Pardha Saradhi, Executive Director and Company Secretary, NMDC Limited
- iv. Mr. Kumar Bibhu, Vice President, SBI Caps, Transaction Advisor
.....for Demerged and Resulting Company

ORDER

(Hearing held on 06/04/2022)

Joint petition dated 18.01.2022 received on 27.01.2022 has been filed by the applicant companies with respect to proposed Scheme of Arrangement between M/s NMDC Limited (Demerged Company) and M/s NMDC Steel Limited (Resulting Company) u/s 230-232 of the Companies Act, 2013 read with Government of India, Notification NO.GSR.582 (E) dated 13.06.2017.

2. The application is supported by the Affidavits of Shri A.S.Pardha Saradhi, authorized signatory of the Demerged Company, who is duly authorized to file the same on behalf of the Demerged Company, in terms of the Board of Directors resolution dated 13.07.2021.

3. The application is supported by the Affidavits of Shri Somnath Nandi, authorized signatory of the Resulting Company, who is duly authorized to file the same on behalf of the Resulting Company, in terms of the Board of Directors resolution dated 13.07.2021.

4. The Demerged Company M/s NMDC Limited and Resulting Company M/s NMDC Steel Limited have broadly prayed for the following relief (s):-

- (i) To give directions for convening the meeting of the equity shareholders of the Demerged Company, to consider and, if thought fit, to approve, with or without modifications(s),
- (ii) To dispense with the requirement of convening the meeting of secured creditors of the Demerged Company
- (ii) To give directions for convening the meeting of the unsecured creditors of the Demerged Company to consider and, if thought fit, to approve, with or without modifications(s),
- (iii) To dispense with the requirement of convening the meeting of equity shareholders of Resulting Company.
- (iv) To dispense with the requirement of convening the meeting of the unsecured creditors of the Resulting Company.
- (v) Directing issuance of notice of meetings of equity shareholders and unsecured creditors of the Demerged Company.
- (vi) Directing publications of advertisement of the notices of the meeting of the equity shareholders and unsecured creditors of the Demerged Company in the newspapers namely Times of India (English Edition), Dainik Bhaskar (Hindi Edition) and Eenadu (Telugu Edition)

(vii) Directing service of Notice of the application on the Regional Director (South East Region), Regional Director (North Western Region) Registrar of Companies, Hyderabad, Registrar of Companies, Chhattisgarh and Jurisdictional Income Tax Department.

5. After considering the prayers and submissions made by the Resulting Company, it is directed that the meeting of equity shareholders of the Resulting Company is dispensed with since the Resulting Company has furnished the consent affidavit(s) of all the equity shareholders.

6. The Demerged Company has submitted that there is only one secured creditor as on 30.09.2021 in the name of State Bank of India and The State Bank of India has furnished its consent affidavit for the proposed scheme. Hence, the meeting of secured creditor of the Demerged Company is also dispensed.

7. Further, The Resulting Company has submitted a certificate from an independent Chartered Accountant stating that there are no/nil secured creditor as on 30.09.2021. Further, with regard to the unsecured creditor, the Resulting Company has furnished a certificate from an independent Chartered Accountant stating that there are two unsecured creditors as on 30.09.2021 and both the unsecured creditors of the Resulting Company have furnished their consent affidavit to this ministry. Hence, the meeting of the secured and unsecured creditors of the Resulting Company is also dispensed.

8. It is directed that the meeting of the Equity Shareholders of the Demerged Company shall be convened for considering, and if thought fit, approving with or without modifications the Scheme of Arrangement. Smt. Rasika Chaube, Additional Secretary, Ministry of Steel, Government of India shall be the Chairperson of the Equity Shareholders meeting and she will fix the date and time of the meeting. Individual notice of the said meeting to be

given to all equity shareholders. The notice and other documents shall also be placed on the website of the Demerged Company. While conducting the meeting of Equity Shareholders provisions of Companies Act, 2013 & Rules made there under will be complied with.

9. It is directed that the meeting of the unsecured creditors of the Demerged Company whose debt is of a value more than rupees one (1) crore as on 30.09.2021 shall be convened for considering, and if thought fit, approving with or without modifications the Scheme of Arrangement. Smt. Rasika Chaube, Additional Secretary, Ministry of Steel, Government of India shall be the Chairperson of the unsecured creditors meeting and she will fix the date and time of each meeting. Individual notice of the said meeting to be given to unsecured creditors whose debt is of a value more than rupees one (1) crore as on 30.09.2021. The notice and other documents shall also be placed on the website of the Demerged & Resulting Company.

10. If due to unforeseen circumstances or due to want of Quorum the meeting(s) of the equity shareholders and unsecured creditors of the Demerged Company cannot be held on the date specified as aforesaid, the Chairperson appointed for the purpose shall also be empowered to defer or adjourn such meeting (s) and to hold such further meeting on any subsequent date, if so required and considered appropriate by the Chairperson, after giving further notice to the equity shareholders and unsecured creditors as deemed appropriate by him/them.

11. The quorum for the meeting of the unsecured creditors of the Demerged Company would be one-third of share in terms of value, present in person or by proxy through Video Conferencing (VC).

12. After considering the Covid-19 Pandemic situation prevailing in the country & considering the public interest, the Demerged Company is allowed:-

- i. To convene and hold the meeting of unsecured creditors through video conferencing (VC).
- ii. To ascertain necessary quorum for the meeting, the unsecured creditors participating in the meeting through VC may be considered for the quorum.
- iii. To adopt e-voting system and appoint Scrutinizers for the purpose of conducting poll during unsecured creditors meeting conducted through VC.

13. The Demerged & Resulting Company shall comply Rule 20 of Companies (Management and Administration) Rules, 2014, which include using system of 'agency' polling by remote e-voting before meeting and provision of facility of e-voting during the meeting.

14. The notice convening the meeting of the equity shareholders and unsecured creditors of the Demerged Company will be published in at least two prominent newspapers, one in English and the other in Vernacular language of the State in which Demerged and Resulting Company is registered. In addition to the above, notice for the meeting along with the Scheme of Arrangement, proxy form and explanatory statement under Section 230 of the Companies Act, 2013 shall be dispatched to all the equity shareholders and unsecured creditors whose debt is of a value more than rupees one (1) crore as on 30.09.2021 of the Demerged Company at least one month before the day appointed for the said meetings by Registered post/Speed Post/e-mail. The notices to be published and dispatched shall be duly approved by the Chairperson appointed for the meetings.

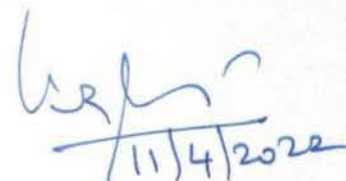
15. And it is further ordered that the Chairperson nominated for the aforesaid meetings shall report to the Central Government the result of the said meetings or adjourned meeting, as the case may be, within 7 days after the conclusion of the meeting duly verified by his affidavit.

16. It is further ordered that the applicant companies shall issue notices in accordance with Rule 8(2) of Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 to the following authorities to send their report as per section 230(5) of the Companies Act, 2013 failing which matter will be considered further in the absence of their report on the proposed scheme of arrangement.

- I Regional Director (South East Region), Ministry of Corporate Affairs, 3rd Floor, Corporate Bhawan, Near Central Water Board, Bandalaguda, Thatti Annaram Hayatnagar Mandal, Naglore, Rangareddy District, Hyderabad – 500 068.
- II Regional Director (North Western Region), Ministry of Corporate Affairs, RoC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat.
- III Registrar of Companies, 2nd Floor, Corporate Bhawan, GSI Post, Nagole, Bandlaguda, Hyderabad-500068, Telangana.
- IV Registrar of Companies, 1st Floor, Ashok Pingley Bhawan, Municipal Corporation, Nehru Chowk, Bilaspur-495001, Chattisgarh.
- V Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited
- VI Jurisdictional Income Tax Authorities

VII Other Statutory Authorities as mentioned in the scheme.

17. The Demerged and Resulting Companies shall file a Confirmation Petition after compliance with directions contained in this Order.



Handwritten signature of K V R Murty, dated 11/4/2022.

(K V R Murty)

Joint Secretary to the Government of India

Dated: 11th April 2022

Place: New Delhi

This is an Abridged Prospectus containing information pertaining to the unlisted company, involved in the proposed Scheme of Arrangement 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**”).

This document is prepared pursuant to paragraph A.3 (a) of Part I of the Securities and Exchange Board of India (“**SEBI**”) master circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (as amended from time to time) (“**SEBI Master Circular**”), the SEBI circular bearing number SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022 (“**SEBI Circular**”), and Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and contains the applicable information in the format for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). You are also encouraged to read the Scheme and other documents available on the website of the Demerged Company (<http://www.nmdc.co.in>).

THIS ABRIDGED PROSPECTUS CONSISTS OF 18 (EIGHTEEN) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

The equity shares of the Demerged Company are listed on BSE Limited (“**BSE**”), the National Stock Exchange of India Limited (“**NSE**”) and the Calcutta Stock Exchange Limited (“**CSE**”) (hereinafter collectively referred to as the “**Stock Exchanges**”).

Pursuant to the Scheme, it is proposed to demerge the Demerged Undertaking (*as defined in the Scheme*) of the Demerged Company into the Resulting Company, in consideration for which fully paid-up equity shares are to be issued by the Resulting Company to the shareholders of the Demerged Company as of the Record Date as defined in the Scheme in proportion to their respective shareholding in the Demerged Company, which will be listed and admitted to trading on the Stock Exchanges under Regulation 19 of Securities Contract (Regulations) Rules, 1957. As the Resulting Company is not issuing equity shares to the public at large, except to the existing shareholders of the Demerged Company, the requirements with respect to General Information Document (“**GID**”) are not applicable and this abridged prospectus should be read accordingly.

You may also download the Abridged Prospectus, along with the Scheme as approved by the Board of Directors of the Demerged Company and the Resulting Company at their respective meetings held on July 13, 2021, the report of the Audit Committee of the Demerged Company approved at the meeting of the Audit Committee held on November 30, 2021, the copy of the valuation report issued by BDO Valuation Advisory LLP dated July 13, 2021 and the Fairness Opinion issued by IDBI Capital Markets & Securities Limited dated July 13, 2021 from the websites of the BSE at www.bseindia.com, NSE at www.nseindia.com, and CSE at <https://www.cse-india.com/>, where the equity shares of the Demerged Company are listed or from the website of the Resulting Company <https://nmdesteel.nmdc.co.in/>.



NMDC STEEL LIMITED

CIN: U27310CT2015GOI001618 Date of Incorporation: 02/01/2015

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India	C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India	Shri Amitava Mukherjee, Shri A.S. Pardha Saradhi	cs@nmdc.co.in 040-23538757	https://nmdesteel.nmdc.co.in/

Details of Offer to Public

Type of Issue (Fresh/OFS/Fresh & OFS)	Fresh Issue Size (by no. of shares)	OFS Size	Total Issue Size (by no. of shares)	Issue Under 6(1)/ 6(2)	Share Reservation
Fresh	2,93,06,05,850	N/A	2,93,06,05,850	These shares are proposed to be issued pursuant to the Scheme. The issue of equity shares is only to the shareholders of the Demerged Company, without any cash consideration.	Mirror Shareholding: All the shareholders of the Demerged Company are and will upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in the Demerged Company as on the Record Date.

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (upto a maximum of 10 selling shareholders)

Name	Type	No of Shares offered/	WACA in Rs per	Name	Type	No of Shares offered/	WACA in Rs per Equity
NOT APPLICABLE							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis



Price Band, Minimum Bid Lot - NOT APPLICABLE	
Price Band*	NOT APPLICABLE
Minimum Bid Lot Size	
Bid/Offer Open On	
Bid/Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

*For details of *price band* and *basis of offer price*, please refer to price band advertisement and page xx of RHP – Not Applicable.

Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of	Upper End of the Price	Range of acquisition price Lowest Price-
Trailing Eighteen Month from the date of RHP			
NOT APPLICABLE			

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP.

Risks in Relation to First Offer
NOT APPLICABLE

Indicative Timeline
The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from relevant regulatory and statutory authorities.

General Risks
Investment in equity and equity related securities involved a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Scheme for taking an investment decision. Investors must rely on their own examination of the Resulting Company and the issue, including the risk involved.
The equity shares in this issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme - Not Applicable as the offer is not for public at large.
Specific attention of the readers is invited to the sections titled 'Risk Factors' on pages 16 and 17 of



General Risks

this Abridged Prospectus.

Scheme Details, Listing and Procedure

The Scheme between the Demerged Company and the Resulting Company and their respective Shareholders for the proposed demerger is presented under the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the Income Tax Act, 1961, as may be applicable, for Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same in the Resulting Company on a going concern basis.

Upon the Scheme becoming effective, all the Assets (*as defined in the Scheme*), Liabilities (*as defined in the Scheme*), interests and obligations, as applicable of the Demerged Undertaking of the Demerged Company, will be transferred to and vested in the Resulting Company on a going concern basis without requirement of any further act, instrument or deed so as to become as and from the Appointed Date i.e. April 1, 2021, the Assets, Liabilities, interests and obligations as applicable of the Resulting Company.

1 (One) fully paid up equity share of INR 10/- (Indian Rupee Ten) each of Resulting Company shall be issued and allotted by the Resulting Company for every 1 (One) Equity Share of INR 1/- (Indian Rupee One) each held in the Demerged Company to the shareholders of the Demerged Company. Such equity shares (issued by the Resulting Company to the equity shareholders of the Demerged Company) will be listed and admitted to trading on the Stock Exchanges and the existing share capital of the Resulting Company (held by NMDC Limited and its nominees) would be cancelled.

DETAILS ABOUT THE BASIS FOR THE SWAP RATIO IN ACCORDANCE WITH THE SCHEME AND SHARE ENTITLEMENT RATIO AND REPORT ON FAIRNESS OPINION WILL BE AVAILABLE ON THE WEBSITE OF THE DEMERGED COMPANY AND THE STOCK EXCHANGES

The details in respect of the meetings of the equity shareholders and unsecured creditors of the Demerged Company as convened in accordance with Sections 230 - 232 of the Companies Act, 2013 for the approval of the Scheme will be published in the relevant newspapers as per the directions of the Ministry of Corporate Affairs, Government of India ("MCA").

PROCEDURE

The procedure with respect to public issue/ offer would not be applicable as the Scheme does not involve issue of any equity shares to public at large. The issue of equity shares is only to the shareholders of the Demerged Company, pursuant to the Scheme without any cash consideration. Hence, the procedure with respect to GID is not applicable.

PRICE INFORMATION OF BRLM'S				
Issue Name	Name of Merchant	+/- % change in closing	+/- % change in closing	+/- % change in closing

Issue Name	Name of Merchant	+/- % change in closing	+/- % change in closing	+/- % change in closing
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PRICE INFORMATION OF BRLM'S				
	Banker	price, (+/- % change in closing benchmark)-30th calendar days from listing +1% (+5%)	price, (+/- % change in closing benchmark)-90th calendar days from listing -2% (-5%)	price, (+/- % change in closing benchmark) - 180th calendar days from listing
NOT APPLICABLE				

* Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.

Name of BRLM and contact details (telephone and email id) of each BRLM	NOT APPLICABLE
Name of Syndicate Members	

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included - **NOT APPLICABLE**

Name of Registrar to the Issue and contact details (telephone and email id)	NOT APPLICABLE
Name of Statutory Auditor	M/s. N.G Rao & Associates Chartered Accountants Address: House No.25-105, Ashok Nagar, Ramachandrapuram, Medak District, Hyderabad-502032 Telangana Contact Person: G. Nageswara Rao, Partner Telephone:040-66617089, 040-42408813 Email Id: nageswararaog207@gmail.com
Name of Credit Rating Agency and the rating or grading obtained, if any	NOT APPLICABLE
Name of Debenture trustee, if any.	
Self-Certified Syndicate Banks	
Non Syndicate Registered Brokers	
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	



Promoters of NMDC Steel Limited			
The current Promoter of NMDC Steel Limited is NMDC Limited. Upon implementation of Scheme of Arrangement and approvals from the statutory and regulatory authorities, the Promoters of NMDC Steel Limited shall be the President of India.			
Sr. No.	Name	Individual/Corporate	Experience & Educational Qualification
1.	NMDC Limited	Corporate	<p>Experience: NMDC Limited is a Government of India enterprise incorporated on November 15, 1958 with the Registrar of Companies, Hyderabad under the Companies Act, 1956. Its Corporate Identification Number (CIN) is L13100TG1958GOI001674, and its registered office is situated at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India. The equity shares of the NMDC Limited are listed on NSE, BSE and CSE.</p> <p>NMDC Limited is a public sector undertaking and has been 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.</p> <p>Educational Qualification: Not Applicable.</p>

Business Overview and Strategy
<p>Company Overview: NMDC Steel Limited, is a government company incorporated on January 2, 2015 with the Registrar of Companies, Chhattisgarh, under the Companies Act, 2013. Its Corporate Identification Number (CIN) is U27310CT2015GOI001618, and its registered office is situated at C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India. 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.</p>
<p>Product/Service Offering: Presently, the Resulting Company does not have any business operations. Post the demerger and upon the Scheme becoming effective, the Demerged Undertaking (including the Nagarnar Iron and Steel Plant at Nagarnar, Chhattisgarh ("NISP")) will be demerged from the Demerged Company and vested with the Resulting Company.</p> <p>Revenue segmentation by product/service offering: Not Applicable.</p>
<p>Geographies Served: NIL</p> <p>Revenue segmentation by geographies: Not Applicable.</p>
<p>Key Performance Indicators ("KPIs"):</p>



Business Overview and Strategy

Planned Capex and Actual Expenditure till December 31, 2021

The estimated project cost for implementation of NISP is INR 21,940 crores. Till December 31, 2021, the Demerged Company has incurred expenditure of INR 19,726.53 crore for implementation of NISP.

Status of construction of NISP as on March 14, 2022

Overall progress status till March 14, 2022:

S No	Work Description	% Progress
1	Civil (RCC)	99
2	Structural Erection	99
3	Equipment Erection	98
4	Refractory Erection	84

The individual package wise progress till March 14, 2022:

Unit	Excavation (%)	Structural Erection (%)	Equipment Erection (%)	Refractory Erection (%)
Coke Oven Battery	100	98	91	97
By Product Plant	100	98	98	-
Sinter Plant	100	100	99	98
Blast Furnace	100	100	100	99
Steel Melting Shop	100	100	100	21
Thin Slab Caster with Hot Strip Mill	100	100	99	80
Oxygen Plant	100	100	100	-

Major Milestones targeted for commissioning of the Plant:

S No	Milestone	Commissioning date (As on March 14, 2022)
1	Commencement of 1st Coke Pushing (1st Battery)	1 st HR COIL Rolling by June'2022
2	Hot metal production from Blast Furnace	
3	Start of blowing in Steel Melting Shop	
4	Hot Trial Start in TSC-HSM (First HR Coil Roll Out)	

Client Profile or Industries Served: Not Applicable.



Business Overview and Strategy
Revenue segmentation in terms of top 5/10 clients or Industries: Not Applicable.
Intellectual Property , if any: Not Applicable.
Market Share : Not Applicable.
Manufacturing plant , if any: Presently NIL. Post the demerger and upon the Scheme becoming effective, NISP will be demerged from NMDC Limited, the Demerged Company and transferred to the Resulting Company.
Employee Strength : Presently NIL. Post the demerger and upon the Scheme becoming effective, the employees of the Demerged Company engaged in, or employed in relation to the Demerged Undertaking as identified by the board of directors of the Demerged Company shall be deemed to have become staff, workmen and employees of the Resulting Company from the Appointed Date based on continuity of service.

Board of Directors of NMDC Steel Limited				
S. No.	Name	Designation	Experience including current/past positions held in other firms	Other Directorships Indian and Foreign Companies
1.	Prasant Dash	Director	Mr. Prasant Dash is an Engineering Graduate in Metallurgy discipline from REC, Rourkela. Presently, he is working as Executive Director (NISP), Nagarnar. Prior to joining NMDC Ltd., Shri Prasant Dash has worked in SAIL, JSW and NINL. Shri Prasant Dash joined the Board of the Resulting Company on November 13, 2017.	NIL
2.	Amitava Mukherjee	Director	<p>APPOINTMENT Assumed charge on November 20, 2018 as Director (Finance) of NMDC Limited.</p> <p>SKILLS & EXPERIENCE Amitava belongs to the 1995 batch of Indian Railway Accounts Services (IRAS). He is also a Cost Accountant and holds Master's Degree in Commerce.</p> <p>Amongst his several credits is the</p>	<p>(a) NMDC Limited</p> <p>(b) Bastar Railway Private Limited</p> <p>(c) NMDC-CMDC Limited</p> <p>(d) Jharkhand National Mineral Development Corporation Limited</p> <p>(e) International Coal Ventures Private Limited</p>



Board of Directors of NMDC Steel Limited

			<p>implementation of ERP (S4/HANA), which led to a paradigm IT transformation at NMDC and will continue to support other digitalization initiatives like Mine Transportation & Surveillance System, Fleet Management System, Automated Sampling & Robotic Lab, etc.</p> <p>With his expertise in policy and strategy, NMDC has leapfrogged from a 30 MT to 40 MT iron ore miner and is viewing to scale other heights. He is also actively involved in the commissioning of NISP. With an aim towards positioning NMDC as a financially strong and socially responsible integrated mining major in the league of global stalwarts, Amitava is curating the investments not only in mineral expansion projects, but also in evacuation infrastructure like Slurry Pipeline, Railway line augmentation, etc. at Bailadila sector.</p> <p>Prior to joining NMDC, he was General Manager (Finance) in Rail Vikas Nigam Limited (RVNL). During his service in IRAS from 1997-2016, he held key positions in the Eastern Railways. Before joining IRAS, he worked in Indian Oil Corporation Limited (IOCL) as Accounts Officer from 1994-1997.</p> <p>AWARDS</p> <p>Amitava has received "FE CFO of the Year Award" from</p>	<p>(f) Neelachal Ispat Nigam Ltd.,</p> <p>(g) Legacy Iron Ore Limited</p> <p>(h) Minas de Benga (Mauritius) Ltd.,</p> <p>(i) NMDC-SARL</p>
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Board of Directors of NMDC Steel Limited				
			<p>Financial Express for the year 2022 in the Large Manufacturing Industry Category.</p> <p>He received the National Award for outstanding services during the year 2006 during his tenure in Indian Railways.</p> <p>BOARD & COMMITTEE MEMBERSHIP</p> <p>Amitava is on the Board of 9 subsidiaries/associate/joint venture Companies of NMDC, including the position of Chairman in BRPL.</p> <p>He was nominated by Railway Board to various Task Groups for Centralised Applications of Finance & Accounts department of Indian Railways such as heading the Standing Core Committee on Service Tax, other Committees for monitoring progress and to suggest improvements and enhancements to IT applications and for Development of Traffic Accounts Management System.</p> <p>TRAININGS</p> <p>Amitava has attended various international training programmes conducted by European School of Business at London & Paris; ICLIF at Kualalampur, Malaysia; INSEAD at Singapore.</p>	
3.	Somnath Nandi	Director	<p>Shri Somnath Nandi is an Engineering Graduate in Mechanical discipline from Jalpaiguri Government Engineering College, West Bengal from 1983 batch. Prior to joining</p>	<p>(a) NMDC Limited</p> <p>(b) NMDC-CMDC Limited</p> <p>(c) Jharkhand National Mineral Development</p>



Board of Directors of NMDC Steel Limited				
			<p>NMDC Ltd. as Director (Technical), he was posted at Kolkata as Executive Director, Growth & EMD of Steel Authority of India Limited. He joined SAIL Rourkela Steel Plant in the year 1984 as Management Trainee and worked there till 1992. In 1992, he was shifted to SAIL Durgapur Steel Plant and worked in various positions till 2015 and transferred to IISCO Steel Plant, Burnpur for commissioning and stabilizing the new modernized Steel Plant. In 2018 he was assigned the charge as Executive Director (MM) of Durgapur Steel Plant and finally to head the Environment Management Divisions of SAIL at Kolkata in the year 2019. He is known for his contribution to the Steel Industry in the manufacturing, engineering, operations, planning & strategy and commissioning & stabilization of new facility. Shri Nandi has attended Special Management Programme at UM, Bangalore and HEC Paris, one of the world's best business schools and a leader in research and education in management sciences. Shri Somnath Nandi joined the Board of NMDC Steel Ltd. on 15.03.2021.</p>	<p>Corporation Limited</p> <p>(d) Legacy Iron Ore Limited</p> <p>(e) Kishnapatnam Railway Company Limited</p>
4.	Dilip Kumar Mohanty	Director	<p>Shri D.K. Mohanty started his career in Vizag Steel Plant, Rashtriya Ispat Nigam Limited as Management Trainee (Technical) in the year 1987 after completing his BSc. Engineering (Metallurgy) from NIT Rourkela. He has rich and varied experience spanning over 34 years in steel plant operations and projects.</p>	<p>(a) NMDC Limited</p> <p>(b) NMDC-CMDC Limited</p> <p>(c) Jharkhand National Mineral Development Corporation Ltd.</p> <p>(d) J&K Mineral Development Corporation Ltd.</p>



Board of Directors of NMDC Steel Limited

			<p>Shri D.K. Mohanty assumed charge on October 5, 2021 as Director (Production) of NMDC Limited.</p> <p><u>Brief Achievements at RINL, Visakhapatnam:</u></p> <ul style="list-style-type: none"> • Commissioning of different units of Steel Plant • Stabilization and achievement of optimal production level • Worked in Project Department for execution of different type of projects like expansion, Capital Repairs etc. of various units <p>Conferred with Prestigious "JAWAHAR AWARD" for Outstanding Performance in the year 1999-2000.</p> <p>In the year 2015, he joined NMDC Limited in the prestigious green field 3 MTPA NMDC Iron and Steel Plant (NISP) at Nagamar, Bastar, Chhattisgarh. He was In-Charge of major packages and has played significant role for execution of works at NISP Project.</p> <p><u>Responsibilities undertaken for the following areas of Project Activities:</u></p> <ul style="list-style-type: none"> • Project Execution • Obtaining Statutory Clearances required for Operations as OCCUPIER of the plant. • Ensuring Administrative Control of Employees, Contractors and Consultant. • Prepared the strategy for 	<p>(e) International Coal Ventures Private Limited</p>
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Board of Directors of NMDC Steel Limited				
			Commissioning and Operations of plant as Chief of Operations	
			Shri D.K. Mohanty has played a significant role in the adoption of the latest technologies in Steel Industry after visiting various plants in Austria, Netherlands, Germany etc.	

Objects of the Issue

Details of means of finance: **NOT APPLICABLE**

The fund requirements for each of the objects of the Issue are stated as follows: (Rs. In crores)

Sr. No.	Objects of the Issue	Total estimate cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization	
					Fiscal 20_	Fiscal 20_
1						
2						
3						
4						
5	General corporate purposes					
	Total					

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issue, if any, of the Company in the preceding 10 years.

Name of monitoring agency, if any: NOT APPLICABLE

Terms of Issuance of Convertible Security, if any

Convertible securities being offered by the Company	NOT APPLICABLE
Face Value / Issue Price per Convertible securities	
Issue Size	
Interest on Convertible Securities	



Conversion Period of Convertible Securities	
Conversion Price for Convertible Securities	
Conversion Date for Convertible Securities	
Details of Security created for CCD	

Objects pursuant to the Scheme

- The Demerged Company is a public enterprise majorly owned by the Government of India, under the administrative control of the Ministry of Steel, Government of India. Since inception, the Demerged Company has been involved 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.
- As a forward integration and business diversification plan, the Demerged Company initiated the process of constructing a 3 Million Tonnes Per Annum Integrated Steel Plant at Nagarnar in the State of Chhattisgarh. The decision to construct the NISP was taken keeping in view with linkage with iron ore reserves and availability of investable surplus.
- Thereafter, 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 the Demerged Company and strategic disinvestment of the Resulting Company by selling the entire of Government of India's stake in the Resulting Company to a strategic buyer.
- Accordingly, to achieve the above objective, the Board of Directors of the Demerged Company and the Resulting Company decided to make requisite applications and/or petitions before the MCA under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions for the sanction of the Scheme.
- The Scheme is in the interest of both companies and their respective shareholders.

Shareholding Pattern of NMDC Steel Limited as on December 16, 2021

S. No.	Shareholder Name	Pre-Scheme No. of Equity Shares	% Holding Pre-Scheme
(A)	Promoter and Promoter Group		
1.	NMDC Limited	109,800	99.818%
2.	Mr. Amitava Mukherjee (as a nominee of NMDC Limited)	100	0.091%
3.	Mr. Dilip Kumar Mohanty (as a nominee of NMDC Limited)	100	0.091%
(B)	Public		
4.	-	-	-
	Total	1,10,000	100%



Audited Financials of NMDC Steel Limited

RESTATED CONSOLIDATED AUDITED FINANCIALS

Consolidated figures are not applicable since NMDC Steel Ltd. does not have any subsidiary company or associate company.

Standalone Financials (In INR)

Particulars	As on December 31, 2021	For the Financial Year ended March 31, 2021	For the Financial Year ended March 31, 2020	For the Financial Year ended March 31, 2019
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total Income from Operations	-	-	-	-
Net Profit/(Loss) before tax and exceptional items	(37,973)	(72,317)	(73,864)	(1,08,655)
Net Profit/Loss after tax and exceptional items	(37,973)	(72,317)	(73,864)	(1,08,655)
Equity Share Capital	11,00,000	6,00,000	6,00,000	6,00,000
Reserves & Surplus	(6,29,808)	(5,91,835)	(5,19,518)	(4,45,654)
Net Worth	4,70,192	8,165	80,482	1,54,346
Basic Earnings per share (INR)	(0.40)	(1.21)	(1.23)	(2.36)
Diluted Earnings per share (INR)	(0.40)	(1.21)	(1.23)	(2.36)
Return on Net Worth	(-) 8.08%	(-) 885.70%	(-) 91.78%	(-)70.40%
Net asset value per share	4.27	0.14	1.34	2.57

Divisional Financials (Balance Sheet) of Nagarnar Iron Steel Plant (NISP) which is to be demerged from NMDC Limited into NMDC Steel Limited

(In INR Crores)

Particulars	As on December 31, 2021	For the Financial Year ended March 31, 2021	For the Financial Year ended March 31, 2020	For the Financial Year ended March 31, 2019
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total Income from Operations	-	-	-	-
Net Profit/(Loss) before tax and exceptional items	-	-	-	-
Net Profit/Loss after tax and exceptional items	-	-	-	-



Particulars	As on December 31, 2021	For the Financial Year ended March 31, 2021	For the Financial Year ended March 31, 2020	For the Financial Year ended March 31, 2019
Equity Share Capital	-	-	-	-
Reserves & Surplus	-	-	-	-
Net Worth	-	-	-	-
Basic Earnings per share (INR)	-	-	-	-
Diluted Earnings per share (INR)	-	-	-	-
Return on Net Worth	-	-	-	-
Net asset value per share	-	-	-	-
Assets				
Property, Plant and Equipment	467.80	457.97	271.60	199.13
Capital work-in-progress	17,102.84	16,414.30	14,970.24	13,292.46
Other Non-Current Assets (balancing Figure)	2,084.82	1,749.24	1,699.59	2,008.78
Current Assets	97.72	55.97	52.18	32.70
Total Assets	19,753.18	18,677.49	16,993.62	15,533.06
Liabilities				
Non-current liabilities	1,175.63	546.43	-	-
Current Liabilities	1,099.69	1,055.87	424.84	450.87
Inter Unit Balance- NMDC Limited	17,477.86	17,075.19	16,568.78	15,082.20
Total equities and Liabilities	19,753.18	18,677.49	16,993.62	15,533.06

Internal Risk Factors

- Timely achievement of COD:** The implementation of NISP could be susceptible to time/ cost overrun that could impact project construction and implementation.
- Availability of raw material:** The Resulting Company is yet to secure any commercial arrangement for supply of raw materials. However, NISP is located in Chhattisgarh which is an iron-ore rich State. Iron ore may be sourced from mines owned by the Demerged Company in Chhattisgarh (Bailadila Deposit-14/11C, Bailadila Deposit-5, 10/11A) with proven iron ore reserves of approx. 412.17 million tonnes. These mines are located at approximately 123-145 km from NISP.
- Financials not available:** Since operations are yet to commence, no data is available with respect to NISP output efficiency, profitability, revenue etc.
- Limited experience in Plant operations:** NMDC has primarily been involved 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. As part of



Internal Risk Factors

forward integrations, NMDC ventures into steel making process. Hence, management may have limited experience in steel manufacturing operations.

5. Other Risks

- a) The steel industry is characterized by volatility in the prices of raw materials and energy which could adversely affect profitability on commencement of operations.
- b) The unexpected loss, shutdown or slowdown of operations at manufacturing plants post commissioning could have a material adverse effect on results of operations and financial condition.
- c) Manufacturing plants and major sources of raw materials are primarily concentrated in central India and any adverse developments affecting this region could have an adverse effect on business, results of operations and financial condition.
- d) Failure to comply with environmental laws and regulations could lead to unforeseen environmental litigation which could impact business and future net earnings.

Summary of outstanding litigations, claims and regulatory action

A. Total number of outstanding litigations against the company and amount involved

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in crores)
Company	<h2 style="font-size: 2em;">Not Applicable</h2>					
By the Company						
Against the Company						
Directors						
By our Directors						
Against the Directors						
Promoters						
By Promoters						
Against Promoters						
Subsidiaries						
By Subsidiaries						
Against Subsidiaries						

Presently, there are no outstanding litigations, disciplinary actions by SEBI or stock exchanges against the promoters of the Resulting Company or any other tax, statutory or regulatory proceedings against the Resulting Company.

Clause 8.1 of Part B of the Scheme provides that all legal proceedings pertaining to the Demerged Undertaking (as defined in the Scheme) by or against the Demerged Company pending and/or arising before the Effective Date (as defined in the Scheme), shall not abate or be discontinued or



be in any way prejudicially affected by reason of the Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Therefore, all legal proceedings pertaining to the Demerged Undertaking referred in Clause 8.1 of Part B of the above shall stand transferred to the name of the Resulting Company and the same shall be continued, prosecuted, defended and enforced as the case may be by or against the Resulting Company, to the exclusion of the Demerged Company.

- B. Brief details of top 5 material outstanding litigations against the company and amount involved

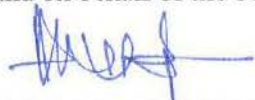
Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
Not Applicable				

- C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any (200 – 300 word limit in total) - **Not Applicable**
- D. Brief details of outstanding criminal proceedings against Promoters (200 - 300-word limit in total) - **Not Applicable**

Any other important information as per NMDC Steel Limited
NIL

Declaration by NMDC Steel Limited
We hereby declare that all relevant provisions of the Companies Act , 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For and on behalf of the board of directors of NMDC Steel Limited



Name: Amitava Mukherjee

Designation: Director

Date: May 2, 2022

Place: Hyderabad



STRICLTY CONFIDENTIAL

May 4, 2022

The Board of Directors**NMDC Limited**

'Khanij Bhavan',
10-3-311/A, Castle Hills,
Masab Tank,
Hyderabad – 500028

Dear Members on the Board,

Subject: Scheme of Arrangement involving NMDC Limited ("NMDC" or "Demerged Company" or "Company") and NMDC Steel Limited ("NMDC Steel" or "Transferee Company" or "Resulting Company") under the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

Due Diligence Certificate on the Disclosure Document dated May 2, 2022 of NMDC Steel Limited

Securities and Exchange Board of India ("SEBI") vide Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and Circular no. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, as amended, ("Circular") inter-alia prescribed that the listed entity shall include the applicable information pertaining to the unlisted entity/ies involved in the scheme in the format specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended ("Disclosure Document") in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking their approval on the Scheme.

The Circular further prescribes that the accuracy and adequacy of the disclosures on the unlisted entity/ies made in the Disclosure Document shall be certified by a SEBI registered Merchant Banker after following the due diligence process.



Consequently, as part of the implementation of the Scheme, Demerged Company will be required to send the Disclosure Document prepared as per the format specified in SEBI ICDR Regulations on Resulting Company, being an unlisted entity involved in the Scheme, to its shareholders while seeking their approval on the Scheme.

In this background, we have been engaged by Demerged Company to issue a certificate in compliance with the above-mentioned requirement under the Circular.

Accordingly, we, on the basis of the examination of various documents pertaining to Resulting Company made available to us by Demerged Company and discussions with the officials of Demerged Company, confirm that the information contained in the Disclosure Document is in conformity with the format specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI ICDR Regulations and such information disclosed in the Disclosure Document is fair and adequate.

The above confirmation is based on the information furnished and explanation provided to us by the management of Demerged Company assuming the same is complete and accurate in all material aspects on an as is basis. We have relied upon financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information. This certificate is based on the information as at May 2, 2022. This certificate is a specific purpose certificate issued in terms of the SEBI Circular and hence, it should not be used for any other purpose or transaction. The certificate is not, nor should it be considered to be, a certificate of compliance of the Scheme with the provisions of the applicable law including company, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Scheme or as to the financial performance of the Demerged Company or Resulting Company following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly



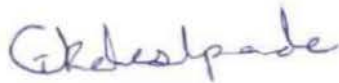
take no responsibility) as to whether shareholders / Investors should buy, sell or hold any stake in the Company or any of its related parties (holding company / subsidiaries / associates etc.)

Thanking you,

Yours Sincerely,

For and on behalf of

IDBI Capital Markets & Securities Limited



Authorised Signatory

