



# एमएसटीसी लिमिटेड

(भारत सरकार का उपक्रम)

## MSTC LIMITED

(A Govt of India Enterprise)

CIN : L27320WB1964GOI026211

e-assuring  
**iNDIA**

MSTC/CS/SE/570

19<sup>th</sup> September, 2024

1. The Dy. Manager (Listing)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001.  
(Scrip Code: 542597)
2. The Manager, Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E), Mumbai 400 051  
(Scrip Code: MSTCLTD)

Dear Sir/Madam,

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**

**Ref: Letter no. MSTC/CS/SE/285 dated 12.11.2021, letter no. MSTC/CS/SE/297 dated 22.12.2021 and letter no. MSTC/CS/SE/317 dated 31<sup>st</sup> March, 2022 from MSTC Limited to the Stock Exchanges**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that, the Alternative Mechanism, empowered by the Cabinet Committee on Economic Affairs, have approved M/s. Konoike Transport Co. Ltd. as Strategic Buyer for disinvestment of Ferro Scrap Nigam Limited (FSNL), a 100% subsidiary of MSTC Limited. The highest bid amounting to Rs. 320 crore (Rupees Three hundred and twenty crores only) of M/s. Konoike Transport Co. Ltd. for sale of 100% equity shareholding of MSTC Ltd in Ferro Scrap Nigam Limited (FSNL) along with transfer of management control was approved through two stage open competitive bidding process.

In this regard, Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India, has published a press release dated 19<sup>th</sup> September, 2024 on the website of Public Information Bureau (PIB) <https://pib.gov.in/>. A copy of said press release is attached herewith for your information.

The next steps will be, issuing the Letter of Award, signing of Share Purchase Agreement (SPA), fulfilling of conditions precedent as specified in the SPA by respective parties, and closing of the transaction.

Further details as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be informed in due course.

Kindly take the above intimation on your records.

Thanking you,

Yours faithfully,  
For MSTC Limited



(Ajay Kumar Rai)  
Company Secretary and Compliance Officer

[www.mstcindia.co.in](http://www.mstcindia.co.in) / [www.mstcecommerce.com](http://www.mstcecommerce.com)

पंजीकृत कार्यालय : प्लॉट सं. सीएफ 18/2 मार्ग सं. 175 एक्शन एरिया 1 सी न्यूटाउन कोलकाता 700156 प.ब.  
Regd. Office : Plot No. CF18/2, Street No. 175, Action Area 1C, New Town, Kolkata-700156 W.B.

## M/s. Konoike Transport Co. Ltd. is approved as Strategic Buyer for disinvestment of FSNL, a 100% subsidiary of MSTC

Strategic disinvestment transaction was implemented through two stage open, competitive bidding process supported by a multi-layered consultative decision-making mechanism

Posted On: 19 SEP 2024 4:55PM by PIB Delhi

The Alternative Mechanism, empowered by the Cabinet Committee on Economic Affairs, comprising Shri Nitin Gadkari, Union Minister for Road Transport and Highways, Smt. Nirmala Sitharaman, Union Cabinet Minister for Finance and Shri H. D. Kumaraswamy, Union Minister of Steel, have approved the highest bid amounting to Rs. 320 crore (Three hundred and twenty crores only) of M/s. Konoike Transport Co. Ltd. for sale of 100% equity shareholding of MSTC Ltd in Ferro Scrap Nigam Limited (FSNL) along with transfer of management control.

FSNL is a 100% subsidiary of MSTC Ltd. under Ministry of Steel (MoS) was incorporated on 28.03.1979 to provide steel mill services. FSNL specialises in the recovery and processing of scrap from slag and refuge generated during iron and steel making across different steel plants.

CCEA had granted 'in-principle' approval in October, 2016 for strategic disinvestment of entire equity shareholding of MSTC Ltd. in Ferro Scrap Nigam Ltd. (FSNL) to a strategic buyer to be identified through two-stage auction process.

Following a competitive bidding process, professional advisers (Transaction Adviser, Legal Adviser, Asset Valuer) were appointed for the transaction. The Preliminary Information Memorandum (PIM) inviting Expression of Interest (EoI) from prospective bidders was issued on 31.03.2022 with the last date of submission as 05.05.2022, which was subsequently extended till 17.06.2022. In response to above EoI, six Interested Bidders (IBs) expressed their interest out of which five bidders were shortlisted as qualified bidders. Post-shortlisting, Qualified Interested Bidders (QIBs) conducted due diligence on the company. Also, the security clearance was obtained from MHA in respect of four QIBs who sought security clearance. The Request for Proposal (RFP) along with Share Purchase Agreement (SPA) containing terms and conditions was issued on 02.01.2024 inviting financial bids. Two sealed financial bids were received from the QIBs in response to the RFP by the due date of 31.01.2024.

As per extant procedure, subsequent to the receipt of sealed financial bid, the Reserve Price for the transaction was independently fixed at Rs. 262 crore on the basis of valuation carried out by experts (Transaction Adviser and Asset Valuer). Thereafter the two technically qualified financial



bids were opened in the presence of the representatives of the bidders. The bid submitted by M/s. Konoike Transport Co. Ltd. at Rs. 320 crore (Three hundred and twenty crores only) was higher of the two bids and was also above reserve price. The other bid was of M/s. Indic Geo Resources Pvt. Ltd. (a subsidiary of Chandan Steel Ltd.)

Konoike Transport Co Ltd is a multifaceted Japanese corporation listed on the Tokyo Stock Exchange. Konoike's Steel Division is a long-established segment of the company, with over 140 years of experience in steelworks operations. The division provides comprehensive services ranging from raw material acceptance to manufacturing processes, slag treatment, scrap processing, examination, packaging and delivery of steel products, supporting customers' operations. The division also engages in recycling projects, such as the Perfect Recycling System, which recycles industrial waste without producing secondary waste.

Indic Geo Resources Private Limited is a subsidiary Company of Chandan Steel Limited incorporated on October 31, 2014, to provide services of processing of ferrous scrap from slag and processing of slag in steel plants. It had relied on the financial strength of its Parent Company to participate in the proposed transaction and the Parent Company had fulfilled the financial criteria.

The strategic disinvestment transaction was implemented through two stage open, competitive bidding process supported by a multi-layered consultative decision-making mechanism involving Inter-Ministerial Group, Core Group of Secretaries on Disinvestment and the empowered Alternative Mechanism.

The transaction now moves to concluding stage. The next steps include issuing the Letter of Award, signing the Share Purchase Agreement (SPA), fulfilling the conditions precedent as specified in the SPA by respective parties, and closing the transaction.

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**NB/KMN**

(Release ID: 2056688) Visitor Counter : 283

