

No./NBCC/BS/2020-21

July 7, 2020

<p>National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot no. C/1,G Block Bandra –Kurla Complex Bandra (E),Mumbai-400051</p> <p>NSE Symbol: NBCC/EQ</p>	<p>BSE Limited, Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001</p> <p>Scrip Code: 534309</p>
--	---

Sub: Scheme of Merger of NBCC International Limited and NBCC Environment Engineering Limited, wholly owned subsidiaries, with NBCC (India) Limited (Holding Company)

Sir,

Pursuant to Part A of Schedule III of Regulation 30 of SEBI (LODR) Regulations, 2015, it is hereby informed that the Board of Directors of NBCC (India) Limited, in their 478th Board Meeting held on July 6, 2020 approved the draft Scheme of Merger of NBCC International Limited and NBCC Environment Engineering Limited, wholly owned subsidiaries, with NBCC (India) Limited (Holding Company).

The salient features of the proposed merger are as follows;

A. Name of the entities forming part of the amalgamation/merger, details in brief such as, size, turnover etc.

The scheme of Merger provides for the merger of NBCC Environment Engineering Limited (NEEL) (Transferor Company No. 1) NBCC International Limited (NIL) (Transferor Company No. 1), with NBCC (India) Limited (NBCC) (Transferee Company), a Government of India Enterprise.

The brief details of the entities forming part of the scheme of merger as on 31st March 2020 are as follows:-

Name of the Company	Revenue (Rs. in Lakhs)	Networth (Rs. in Lakhs)
NBCC (India) Limited	5,21,033.53	1,52,360.51
NBCC Environment Engineering Limited	Since inception, the NEEL and NIL did not commence its business and do not have any revenue from operations.	100.67
NBCC International Limited		100.52

B. whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”;

The Transferor Companies 1 & 2 respectively are the wholly owned subsidiaries of the Transferee Company. The Proposed merger does not fall within the purview of related party transaction in terms of General Circular No. 30/2014 dated 17th July 2014 issued by Ministry of Corporate Affairs. Further, pursuant to regulation 23(5)(b) of the SEBI (LODR) Regulations, 2015, regulation of the related party transactions are not applicable to the transaction entered into between a holding company and its wholly owned subsidiary.

C. Area of Business of the Entities:-

Name of the Company	Area of Business
NBCC (India) Limited	NBCC is a Govt. of India Civil Engineering Enterprise, has area of operations in three primary segments namely: Project Management Consultancy (PMC): Executing landmark projects in diversified sectors as also Redevelopment Projects for Government. Engineering Procurement & Construction (EPC): Working in a niche market and constructing Chimneys, Cooling Towers for Power Sector. Real Estate Development: Developing Residential and Commercial inventories for Governments and the Public at large.
NBCC Environment and Engineering Limited	The Company was incorporated to do the business in the field of environment and sustainability.
NBCC International Limited	The Company was incorporated to do the business of consultancy and construction in overseas countries.

D. Rationale for amalgamation/ merger:-

- ❖ The Transferor Company Nos. 1 and 2 are wholly owned subsidiary of Transferee Company and these are having similar nature of Business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Company Nos. 1 and 2 and Transferee Company as a single Entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Company Nos. 1 and 2 be amalgamated with the Transferee Company.



A Navratna CPSE

एनबीसीसी (इंडिया) लिमिटेड

(भारत सरकार का उद्यम)

NBCC (INDIA) LIMITED

(A Government of India Enterprise)

- ❖ Running of Transferor Company Nos. 1 and 2 leads to incurrence of costs and the Merger would enable achieving cost saving. The Merger will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessary involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilisation of capital and creation of a consolidated base for future growth of the Transferee Company.
- ❖ The transferor Company Nos. 1 & 2 both incorporated in July 2017 as wholly owned subsidiaries of Transferee Company and since inception, did not commence its business and do not have any revenue from operations. Further, the Transferor Company Nos. 1 & 2 bearing losses due to various operational expenditure. By this scheme of Merger, the non operative Companies i.e. transferor Company Nos. 1 & 2 would be closed and merged in the Transferee Company.
- ❖ synergies created by Scheme of Merger would increase operational efficiency and integrate business functions as there will not be require any unnecessary distribution of resources, time and control over the non operative Companies i.e. Transferor Company Nos. 1 & 2 by Holding Company i.e. Transferee Company.
- ❖ The proposed Merger will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry.

D. in case of cash consideration- amount or otherwise share exchange ratio:-

NIL

E. brief details of change in shareholding pattern (if any) of listed entity:-

Upon the Scheme becoming effective, Transferee Company will not issue any shares under the scheme of Merger. The existing shareholding of Transferee Company in Transferor Company Nos. 1 and 2 will get cancelled pursuant to the scheme of merger.

Accordingly, there will be no change in the Shareholding Pattern of NBCC (India) Limited.

This is for your information and records.

Thanking you,

Yours Sincerely,
For NBCC (India) Limited

Deepti Gambhir
Company Secretary
F-4984