Information Memorandum
February 15, 2023

NMDC STEEL LIMITED

Our Company was incorporated as an unlisted Government Company under the provisions of Companies Act, 2013 on January 2, 2015 within the jurisdiction of the Registrar of Companies, Chhattisgarh. For details, please refer to "History and Certain Corporate Matters" on page 67 of this Information Memorandum.

Corporate Identity Number: U27310CT2015GOI001618
Registered Office: C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India
Corporate Office: 10-3-311/A, Khanij Bhavan, Castle Hills, Masab Tank, Hyderabad – 500 028
Contact Number: 040-23538757
Contact Person: M. Amala, cs_nisp@nmdc.co.in
Website: nmdcsteel.nmdc.co.in; **Email**: cs_nisp@nmdc.co.in

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

PROMOTERS OF OUR COMPANY ARE THE PRESIDENT OF INDIA (ACTING THROUGH THE MINISTRY OF STEEL, GOVERNMENT OF INDIA)

Information Memorandum for listing of 293,06,05,850 (Two Hundred and Ninety Three Crores Six Lacs Five Thousand Eight Hundred Fifty) Equity Shares of INR 10/- (Rupee Ten Only) each fully paid up issued by NMDC Steel Limited (the "Company") pursuant to the 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.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of the Company 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 the Equity Shares. For taking an investment decision, investors must rely on their own examination of our Company and the Equity Shares, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Information Memorandum. Specific attention of investors is invited to the section titled "Risk factors" given on page 14 of the Information Memorandum.

ABSOLUTE RESPONSIBILITY OF THE COMPANY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Company, which is material in the context of the listing of the Equity Shares, and that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make the Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of the Company are proposed to be listed on the BSE Limited ("BSE"), the Calcutta Stock Exchange Limited ("CSE") and the National Stock Exchange of India Limited ("NSE"). For the purposes of listing of our Equity Shares pursuant to the Scheme, BSE Limited is the Designated Stock Exchange. The Company has submitted the Information Memorandum with BSE, CSE and NSE and the same has been made available on the Company's website viz. nmdcsteel.nmdc.co.in. The Company has received in-principle approval for listing from BSE, CSE and NSE on December 30, 2022, January 6, 2023 and January 2, 2023 respectively. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com), CSE (www.cse-india.com) and NSE (www.nseindia.com) and on our website at nmdcsteel.nmdc.co.in.

REGISTRAR AND SHARE TRANSFER AGENT TO THE COMPANY

Aarthi Consultants Pvt. Ltd.
Domalguda, Hyderabad - 500029
Contact Person: Mr. G. Bhaskara Murthy
Contact Number : 040-27638111, 27634445
Fax: 040-27632184
Email: info@aarthiconsultants.com
Website: www.aarthiconsultants.com

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies or guidelines or circular, notification or clarifications shall include amendments thereto, from time to time.

Notwithstanding the foregoing, terms in "Main Provisions of the Articles of Association", "Statement of Tax Benefits" "Industry Overview", "Our Business", "Key Regulations & Policies in India", "Risk Factors", "Scheme of Arrangement", "Financial Statements", and "Outstanding Litigation and Material Developments" shall have the meaning ascribed to such terms in those respective sections.

Company and Scheme Related Terms

Term	Description
"the Company" or "our Company" or" the Issuer" or "we" or "us" or "our" or "Resulting Company"	Means NMDC Steel Limited, a unlisted 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 and corporate Office at 10-3-311/A, Khanij Bhavan, Castle Hills, Masab Tank, Hyderabad – 500 028
"Appointed Date"	April 1, 2021
"Articles" or "Articles of Association" or "AoA"	The Articles of Association of our Company, as amended from time to time
"Auditors" or "Statutory Auditors"	The Statutory Auditors of our Company, being N.G Rao & Associates, Chartered Accountants
"Audit Committee"	The Audit Committee of our Board constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations
"Board of Directors" or "the Board" or "our Board"	The Board of Directors of our Company or a duly constituted committee thereof
"Corporate Office"	10-3-311/A, Khanij Bhavan, Castle Hills, Masab Tank, Hyderabad – 500 028
"Company Secretary and Compliance Officer"	Ms. M. Amala
"Corporate Social Responsibility Committee" or "CSR Committee"	The Corporate Social Responsibility Committee of our Board constituted in accordance with the Companies Act, 2013
"Demerged Company"	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
"Demerged Undertaking"	Demerged Undertaking means the business of NMDC Iron & Steel Plant at Nagarnar, Chhattisgarh, including without limitation, the assets and liabilities described in 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 in the Scheme, 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 relatable 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 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. Please refer to the section titled "Scheme of Arrangement" on Page 70 of this Information Memorandum
"Directors" or "our Directors"	The Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified
"Equity Shares"	Unless the context otherwise requires, refers to Equity shares of our Company having a face value of INR 10 (Indian Rupee Ten Only) each
"Executive Director"	An Executive Director of our Company
"Effective Date"	October 13, 2022
"Group Companies"	The companies (other than promoters and subsidiaries) with which our Company had related party transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable accounting standards. For further details, see "Our Promoter, Promoter Group and Group Companies" on page 78
"Independent Director(s)"	A Non-Executive, Independent Director as per the Companies Act, 2013 and the SEBI Listing Regulations
"KMP" or "Key Management	Key Management Personnel of our Company in terms of the Companies Act, 2013 and

Personnel”	as disclosed in “Our Management – Key Management Personnel” on page 71
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of our Company, as amended from time to time
“NISP” or “Project Site”	3.0 MTPA Integrated Steel Plant or NMDC Iron & Steel Plant located at Nagarnar, Chhattisgarh
“Nomination and Remuneration Committee”	The Nomination and Remuneration Committee of our Board constituted in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations
“Non-Executive Director”	A Director not being an Executive Director
“Promoter”	The President of India (acting through the Ministry of Steel, Government of India). For details, see “Our Promoter, Promoter Group and Group Companies” on page 78
“Promoter Group”	Persons and entities constituting the promoter group of our Company, in accordance with the SEBI (ICDR) Regulations
“Record Date”	October 28, 2022
“Registered Office”	C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India
“Registrar of Companies” or “RoC”	The Registrar of Companies, Chhattisgarh
“Registrar and Share Transfer Agent” or “RTA”	Aarthi Consultants Pvt. Ltd.
“Scheme of Arrangement” or “Scheme”	Scheme of Arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and the other applicable provisions thereof and applicable rules thereunder, as approved by the Ministry of Corporate Affairs, Government of India, New Delhi by way of order dated October 6, 2022
“Shareholders”	Equity Shareholders of our Company, from time to time
“Stakeholders’ Relationship Committee”	The Stakeholder’s Relationship Committee of our Board constituted in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations

Conventional and General Terms / Abbreviations

Term	Description
“AGM”	Annual General Meeting
“Alternative Investment Funds” or “AIFs”	Alternative Investment Funds as defined and registered under the SEBI AIF Regulations
“Applicable Laws”	Any statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any appropriate authority, including any modification or re-enactment thereof for the time being in force
“AS” or “Accounting Standards”	Accounting Standards issued by the Institute of Chartered Accountants of India
“BSE”	BSE Limited
“CDSL”	Central Depository Services (India) Limited
“CSE”	Calcutta Stock Exchange Limited
“CIN”	Corporate Identity Number
“Companies Act”	Companies Act, 1956 and / or the Companies Act, 2013 as applicable
“Companies Act, 1956”	The erstwhile Companies Act, 1956, and the rules thereunder
“Companies Act, 2013”	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
“Depositories”	NSDL and CDSL
“Depositories Act”	The Depositories Act, 1996 as amended from time to time
“Designated Stock Exchange”	BSE
“DIN”	Director Identification Number
“DPIIT”	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
“DIPAM”	Department of Investment and Public Asset Management, Ministry of Finance, Government of India
“DP” or “Depository Participant”	A Depository Participant as defined under the Depositories Act
“DP ID”	Depository Participant’s Identification Number
“EBITDA”	Earnings before Finance Cost, Tax, Depreciation and Amortisation
“EGM”	Extraordinary General Meeting
“EPS”	Earnings Per Equity Share
“FDI”	Foreign Direct Investment
“FEMA”	Foreign Exchange Management Act, 1999 read with the rules and regulations there under as amended from time to time
“FEMA Rules”	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 as amended

Term	Description
"Financial Year" or "Fiscal" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
"FPIs"	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
"GAAP"	Generally Accepted Accounting Principles
"GoI" or "Central Government"	Government of India
"GST"	Goods and Service Tax
"Half Year"	Unless stated otherwise, the period of 6 months of that particular period
"HUF"	Hindu Undivided Family
"IFRS"	International Financial Reporting Standards
"Income Tax Act" or "IT Act"	The Income Tax Act, 1961, read with the rules made thereunder as amended from time to time
"India"	Republic of India
"Ind AS"	IFRS converged Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015
"Indian GAAP"	Generally Accepted Accounting Principles in India
"Information Memorandum"	This document dated February 15, 2023 filed with BSE, CSE and NSE and referred to as the Information Memorandum
"IST"	Indian Standard Time
"MCA"	Ministry of Corporate Affairs, Government of India
"Mutual Fund(s)"	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"MTPA"	Million Tonnes Per Annum
"MT"	Metric Tonnes
"NR" or "Non-Resident"	A person resident outside India, as defined under the FEMA and includes NRIs, FPIs and FVCIs registered with the SEBI
"NRE Account"	Non-Resident External Account, and has the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
"NRI"	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the FEMA Rules
"NSDL"	National Securities Depository Limited
"No."	Number
"NSE"	National Stock Exchange of India Limited
"p.a."	Per Annum
"PAN"	Permanent Account Number allotted under the Income Tax Act
"RBI"	Reserve Bank of India
"Rs." or "₹"or "Rupees" or "INR" or "Indian Rupees"	The legal currency of the Republic of India
"RoNW"	Return on net worth
"SCRA"	Securities Contracts (Regulation) Act, 1956 as amended from time to time
"SCRR"	Securities Contracts (Regulation) Rules, 1957 as amended from time to time
"SEBI"	Securities and Exchange Board of India constituted under the SEBI Act
"SEBI Act"	Securities and Exchange Board of India Act, 1992 as amended from time to time
"SEBI Circular"	Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018, Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 3, 2020, and Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, issued by the SEBI and as amended from time to time
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended
"SEBI FPI Regulations"	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended
"SEBI FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended
"SEBI Listing Regulations" or "SEBI (LODR) Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended
"SEBI (ICDR) Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended
"SEBI VCF Regulations"	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as amended
"Sr. No."	Serial Number
"Stock Exchanges"	BSE, CSE and NSE
"STT"	Securities Transaction Tax

Term	Description
“US GAAP”	Generally Accepted Accounting Principles in the United States of America
“VAT”	Value added tax
“VCFs”	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Industry / Business Related Terms

Term	Description
“BF”	Blast Furnace
“BOF”	Basic Oxygen Furnace
“CAGR”	Compounded Annual Growth Rate
“CDCP”	Coal Dry Cooling Plant
“CDI”	Coal Dust Injection
“CO”	Coke Oven Plant
“COG”	Coke Oven Gas
“CRISIL”	CRISIL Limited
“CSEB”	Chhattisgarh State Electricity Board
“CSR”	Corporate Social Responsibility
“EOT”	Electric Overhead Travelling
“FDI”	Foreign Direct Investment
“HR”	Hot Rolled
“HMDS”	Hot Metal De-sulphurisation
“HSM”	Hot Strip Mills
“LPG”	Liquefied Petroleum Gas
“LDCP”	Lime & Dolomite Calcinations Plant
“LRF”	Ladle Refining Furnaces
“MW”	Megawatt
“RCC”	Reinforced Cement Concrete
“RMHS”	Raw Material Handling System
“SP”	Sinter Plant
“SPCB”	State Pollution Control Board
“SMS”	Steel Melting Shop
“TPD”	Tonnes per Day
“TRT”	Top Gas Pressure Recover Turbine
“TSC”	Thin Slab Caster

CURRENCY OF FINANCIAL PRESENTATION AND USE OF MARKET DATA

Certain Conventions

All references in this Information Memorandum to “India” are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.

Currency of Financial Presentation

In the Information Memorandum, the terms “we”, “us”, “our”, the “Company”, unless the context otherwise indicates or implies, refers to NMDC Steel Limited. In the Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “ten lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred Crore”.

Throughout the Information Memorandum, unless otherwise stated, all figures have been expressed in Crores/Cr. Unless indicated otherwise, the financial data in the Information Memorandum is derived from our financial statements prepared in accordance with Ind AS and included in the Information Memorandum.

There may be some differences between Ind AS and IFRS and / or US GAAP, accordingly, the degree to which the Ind AS financial statements included in the Information Memorandum will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices and Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Information Memorandum should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in the Information Memorandum, please see the section titled “Definitions and Abbreviations” on page 3 of the Information Memorandum. In the section titled “Main Provisions of the Articles of Association” on page 130, defined terms have the meaning given to such terms in the Articles of Association of our Company.

Currency and Units of Presentation

All references to “Rupees” or “₹” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India.

In this Information Memorandum, our Company has presented certain numerical information. Where any figures that may have been sourced from third-party industry sources are expressed in denominations, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

Time

All references to time in this Information Memorandum are to Indian Standard Time.

Financial Data

Our Company publishes its financial statements in Indian Rupees. Unless stated otherwise, the financial data in this Information Memorandum is derived from our Audited Ind AS Financial Statements

Our Audited Ind AS Financial Statements, including the reports issued by the Statutory Auditor included in this Information Memorandum, have been prepared in accordance with Ind AS and the Companies Act. Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that calendar year, so all references to a Financial Year or Fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that calendar year.

Unless the context requires otherwise, all references to a year in this Information Memorandum are to a calendar year and references to a Fiscal / Financial Year are to the year ended on March 31, of that calendar year.

Certain figures contained in this Information Memorandum, including financial information, have been subject to rounding off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Use of Market Data

Unless stated otherwise, market data used throughout the Information Memorandum has been obtained from CRISIL report.

One fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular fiscal year are to the 12 month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Information Memorandum is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Disclaimer of CRISIL Limited

This Information Memorandum contains data and statistics from the CRISIL Report, which is subject to the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. NMDC Steel Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

FORWARD LOOKING STATEMENTS

This Information Memorandum includes statements which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future” , “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue”, or other words or phrases of similar expressions or variations of such expressions, that are “forward-looking statements”. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

Our forward- looking statements contain information regarding, *among other things*, our financial condition, future plans and business strategy. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- General political, social and economic conditions in India and other countries;
- Regulatory changes and the Company’s ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Technology changes;
- Change in domestic and foreign laws, regulations and taxes and change in the competition in the industry;
- Fluctuation of the operating cost;
- Company’s ability to attract and retain qualified personnel;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Strikes or work stoppages by our employees or contractual employees;
- Increasing competition in, and the conditions of, the industry;
- Failure to undertake projects on commercially favorable terms;
- Changes in government policies, including introduction of or adverse changes in tariff or non-tariff barriers, foreign direct investment policies, affecting the steel industry generally in India;
- Accidents and natural disasters; and
- Other factors beyond our control.

Future-looking statements speak only as of the date of this Information Memorandum. We undertake no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, and the risks, uncertainties and assumptions discussed in the section titled “Risk Factors” given on page 14 and elsewhere in this Information Memorandum, any forward looking statement discussed in this Information Memorandum may change or may not occur, and our actual results could differ materially from those anticipated in such forward-looking statements. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not regard such statements to be a guarantee of our future performance

SECTION II – INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.

Summary of the Industry

Steel is the most common metal alloy in the world. In its simplest form, it consists of iron and carbon with carbon varying between 0.02% to 1.7% by weight. Steel serves a variety of purposes from manufacturing paper-clips and razor blades to bridges, beams and columns for skyscrapers. Steel forms the backbone of all industries, and is one of the basic ingredients for a country's growth and development. Products obtained on hot rolling/forging of semi-finished steel (blooms/billets/slabs) from both carbon and alloy steel can be broadly classified as long products and flat products. India is now racing to build steel capacities that meet the domestic demand and at the same time can supply to the global markets.

Summary of our Business

Our Company was incorporated as an unlisted Government Company under the provisions of Companies Act, 2013 on January 2, 2015 as wholly owned subsidiary of NMDC Limited. On implementation of the Scheme, Demerged Undertaking i.e. under construction 3.0 MTPA Integrated Steel Plant was transferred from NMDC Limited to NMDC Steel Limited. The estimated project cost for implementation of the NISP is INR 21,940 Crores. The plant is designed to produce HR Coils / Sheets / Plates.

Our Promoters

The Promoter of our Company is the President of India (acting through the Ministry of Steel, Government of India).

Shareholding of our Promoter

The shareholding of our Promoter as on the date of this Information Memorandum is as detailed below.

Sr. No.	Name	No. of Equity Shares	% of total Equity Shares of the Company
1	The President of India (Acting through the Ministry of Steel, Government of India)	1,78,16,33,571	60.79%

Size of Issue

No Equity Shares are sold or offered pursuant to this Information Memorandum.

Objects of Issue

There are no Objects of Issue except listing of 293,06,05,850 (Two Hundred and Ninety Three Crores Six Lacs Five Thousand Eight Hundred Fifty) Equity Shares of INR 10/- (Rupee Ten Only) each fully paid up of our Company

Selected Financial Information

Following are details as per the audited financial statement of the Company for the Financial Year ending on March 31, 2022 and for the Audit Period:

Sr. No.	Particulars (Amount in INR)	As at 31st March 2021	As at 31st March 2022	As at September 30, 2022
1	Share Capital	6,00,000	11,00,000	11,00,000
2	Net Worth	8,165	4,16,530	4,22,389
3	Revenue	1,722	7,684	5,859
4	Profit / (Loss) after tax	(72,317)	(91,635)	5,859
5	Earnings per share	(1.21)	(0.94)	0.05
6	Net Asset Value per equity share	0.14	3.79	3.84
7	Total borrowings (as per balance sheet)	-	-	-

Note: (1)Net-worth: Net- worth is equity share capital plus reserves and surplus
(2)Net asset value per equity share means Net Worth of the Company divided by the outstanding number of equity shares at the end of the period.

For further details, please see section titled “Financial Statements” given on page 81 of the Information Memorandum.

Audit Qualification

There have been no qualifications or adverse remarks by our Auditors in the audited financial statements of the Company for the Financial Year ended on March 31, 2022 and for the Half Year ended September 30, 2022.

Outstanding Litigations

The summary of outstanding or pending litigations involving our Company, Directors, Promoters and Group Companies, as applicable, on the date of this Information Memorandum is set out below:

Type of proceedings	Number of cases	Amount* (Fig in INR Crores)
Cases against our Company		
Criminal proceedings	Nil	N.A.
Actions taken by statutory or regulatory authorities	Nil	N.A.
Claims related to direct and indirect taxes	Nil	N.A.
Other pending material litigation	Nil	N.A.
Total	Nil	N.A.
Cases by our Company		
Criminal proceedings	Nil	N.A
Actions taken by statutory or regulatory authorities	Nil	N.A
Claims related to direct and indirect taxes	Nil	N.A
Other pending material litigation	Nil	N.A
Total	Nil	N.A
Cases against our Directors		
Criminal proceedings	Nil	N.A
Actions taken by statutory or regulatory authorities	Nil	N.A
Direct and indirect taxes	Nil	N.A
Other pending material litigation	Nil	N.A
Total	Nil	N.A
Cases by our Directors		
Criminal proceedings	Nil	N.A
Actions taken by statutory or regulatory authorities	Nil	N.A
Claims related to direct and indirect taxes	Nil	N.A
Other pending material litigation	Nil	N.A
Total	Nil	N.A
Cases against our Promoters		
Criminal proceedings	Nil	N.A
Actions taken by statutory or regulatory authorities	Nil	N.A
Claims related to direct and indirect taxes	Nil	N.A
Other pending material litigation	Nil	N.A
Total	Nil	N.A
Cases by our Promoters		
Criminal proceedings	Nil	N.A
Actions taken by statutory or regulatory authorities	Nil	N.A
Claims related to direct and indirect taxes	Nil	N.A
Other pending material litigation	Nil	N.A
Total	Nil	N.A
Cases involving the Group Companies which have a material impact on our Company		
Pending material litigation	Nil	N.A
Total	Nil	N.A

Pursuant to and in accordance with the terms of Part B of the Scheme, the Company shall bear the burden and the benefits of any legal or other proceedings initiated in respect of the Demerged Undertaking. If any suit, appeal or other proceeding of whatever nature by or against Demerged Company in respect of the Demerged Undertaking be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Demerged Undertaking or of anything contained in the Scheme but the proceedings shall be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Demerged Company. The Company shall take appropriate steps to have such legal or other proceedings initiated by or against Demerged Company in respect of the Demerged Undertaking, transferred in its name and to have the same continued, prosecuted and enforced by or against the Company to the exclusion of Demerged Company. The Company shall also handle all legal or other proceedings which may be initiated against Demerged Company after the Effective Date relating to the Demerged Undertaking in respect of the period up to the Effective Date, in its own name and account and further undertaken to pay all amounts including interest, penalties, damages, etc. which Demerged Company may be called upon to pay or secure in respect of any liability or obligation relating to Demerged Company for the period up to the Effective Date, in respect of the Demerged Undertaking.

For further details, please see section titled "Outstanding Litigations and Material Developments" given on page 116 of the Information Memorandum.

Risk Factors

For details of the risks applicable to our Company, please see section titled "Risk Factors" given on page 14 of the Information Memorandum.

Contingent Liabilities

The Company has no contingent liability as on March 31, 2022.

Contingent liabilities & Commitments, as on March 31, 2022, transferred to the Company upon demerger of Demerged Undertaking is as follows:

Sr. No.	Particulars	Amount (Upon demerger of NISP into and with the Company)
1	Contingent Liabilities - Claims against the company not acknowledged as debt	Rs. 978.74 Crores
2	Commitments – Estimated amount of contracts remaining to be executed on Capital Account	Rs. 1,661.86 Crores

Related Party Transactions

For details of our related party transactions, please see section titled "Financial Statements" beginning on page 81 of the Information Memorandum.

Financing arrangements for purchase of securities of the Company

There are / have been no financing arrangements whereby the Promoters, member of Promoter Group, the Directors of our Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of this Information Memorandum.

Weighted average price of acquisition of the Equity Shares by our Promoters in the last one year

Not applicable, as the Promoters have not acquired any Equity Shares of the Company during last one year preceding the date of this Information Memorandum except pursuant to the Scheme.

Issue of Equity Shares for consideration other than cash

Other than allotment of 293,06,05,850 Equity Shares on November 8, 2022, pursuant to the Scheme, our Company has not issued any Equity Shares during last one year preceding the date of this Information Memorandum for consideration other than cash.

Split or consolidation of Equity Shares

Our Company has not undertaken a split or consolidation of the Equity Shares during last one year preceding the date of the Information Memorandum

SECTION III – RISK FACTORS

This section describes the risks that we currently believe may materially affect our business and operations. An investment in Equity Shares involves a high degree of risk. You should carefully consider the following, in addition to any forward-looking statements and the cautionary statements in this Information Memorandum and the other information contained in this Information Memorandum, before making any investment decision relating to the Equity Shares. The occurrence of any of the following events, or the occurrence of other risks that are not currently known or are now deemed immaterial, could cause our business, results of operations, cash flows, financial condition and prospects to suffer and could cause the market price of our Equity Shares to decline or fall significantly and you may lose all or part of your investment.

This Information Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum. See "Forward-Looking Statements" beginning on page 10.

The risks described below are not the only ones relevant to us or the Equity Shares. Additional risks that may be unknown to us and some risks that we do not currently believe to be material could subsequently turn out to be material. Some risks may have an impact which is qualitative though not quantitative. Although we seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, financial condition and results of operations. In making an investment decision, prospective investors must rely on their own examination of us and the Equity Shares, including the merits and risks involved. Investors should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Investors should consult tax, financial and legal advisors about the particular consequences of an investment in the Equity Shares.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Accordingly, unless otherwise stated, the financial information used in this section is derived from our Financial Statements.

Internal Risk Factors

1. **We have not earned any revenue from operations till date and there can be no assurance that we will commence operations or earn revenue from operations.**

   Our Company was formed with the intention of holding the Demerged Undertaking of NMDC Limited. Till date we have not earned any revenue from operations. Our Company has limited operational history and our primary asset is the Demerged Undertaking held by us. There can be no assurance that we will be able to commence operations and generate revenue in a timely manner or at all. Failure to generate revenue from operations may limit our ability to become profitable.

2. **Demerged undertaking is subject to certain litigation and there are certain title disputes relating to land at Project Site and any adverse determination of ruling and/or title in any such pending matter may adversely impact our assets and future profitability.**

   Demerged undertaking is subject to certain litigation and there are certain title disputes relating to land at Project Site. If any of these claims are determined adversely against our Company or our interests, we may be required to relinquish claims to all or part of the disputed land or may be required to pay compensation to such claimants. Any such adverse determination would impact our ability to commission NISP and any amounts to be paid out may require additional infusion of funds from our Promoter or from other sources, which may not be available to us on commercially viable terms or at all.

3. **NISP is located at Nagarnar, Chhattisgarh, and accordingly, our operations will be heavily dependent on the performance of, and the conditions affecting, area in and around Chhattisgarh**.

   Our Project Site is currently located in Nagarnar, Chhattisgarh. As a result, our business, financial condition and results of operations will be heavily dependent on the performance of, and the prevailing conditions affecting, area in and around Chhattisgarh. This area may be affected by various factors outside our control, including prevailing local and economic conditions, changes in the applicable governmental regulations, demographic trends, employment and income levels and interest rates, among other factors. These factors may contribute to fluctuations in steel and raw material prices and the availability of raw material and may adversely affect our business, financial condition and results of operations.

4. **Our business and growth plan could be adversely affected by the incidence and change in the rate of taxes.**

   We are subject to tax regime in India. These taxes could increase in the future, and new types of taxes may be introduced which will increase our overall costs. If these taxes increase, the cost of production and selling may rise. Additionally. Any such changes in the taxes could have an adverse effect on our financial condition and results of operations

5. **We are subject to extensive government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.**

   Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business. For details of approvals relating to our business and operations, see "Government and Other Approvals" on page 125. A majority of these approvals are granted for a limited duration. We cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

   The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

6. **Our inability to implement our business strategy or effectively sustain and manage our growth could have an adverse effect on our business, results of operations and financial condition.**

   Our Company currently does not have commercial operations and as and when our Company enters commercial operations, business strategy will be formulated. We cannot assure you that our growth strategies will be successful or that we will be able to commence operations or expand. Our inability to manage commissioning of NISP effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, general political and economic conditions in the geographies in which we operate, government policies or strategies in respect of specific industries and prevailing interest rates.

   In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to select and retain key managerial personnel, maintaining effective risk management policies and training managerial personnel to address emerging challenges.

   We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations, or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

7. **Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.**

   We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges; on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

   The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

8. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations.

As of March 31, 2022, Demerged Undertaking had a total outstanding Secured Rupee Term Loan of INR 1,144.42 Cores. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

We may also be forced to sell some or all of our assets if we do not have sufficient cash or credit facilities to make repayments. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations and financial condition.

9. **We may experience losses exceeding our insurance limits, which may have a material adverse effect on our business, financial condition and results of operations**.

We currently maintain insurance coverage. If we suffer physical damage from fire or other causes, it may result in losses. The proceeds of any insurance claim with respect to insurance that we have taken may be insufficient to cover any expenses faced by us including higher rebuilding costs as a result of inflation, environmental issues as well as other factors. Should an uninsured loss or a loss in excess of insured limits occur, we may remain liable for any debt or other financial obligation related to such loss. We cannot assure you that losses in excess of insurance proceeds will not occur in the future. In addition, any payments we make to cover any uninsured loss may have a material adverse effect on our business, financial condition and results of operations. If we suffer any losses, damages and liabilities in the course of our operations, we may not have sufficient insurance or funds to cover any such losses. In addition, any payment we make to cover any uninsured losses, damages or liabilities could have a material adverse effect on our business, financial condition and results of operations.

10. We are dependent on a number of key personnel, including our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

11. Any failure of our information technology systems could adversely affect our business and our operations.

We have information technology systems that support our business processes, human resources, accounting and finance. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse effect to our information technology systems. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

12. **We may have negative cash flows in the future.**

Our inability to generate and sustain adequate cash flows from operations in the future could adversely affect our results of operations and financial condition. For further details, see "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 81 and 80, respectively. We cannot assure you that our net cash flows will be positive in the future.

13. **Fraud or improper conduct may delay the commissioning of NISP and adversely affect our business and results of operations.**

We are not immune to the risks of fraud or improper practices. Projects provide opportunities for corruption, fraud or improper conduct, including bribery, deliberate poor workmanship, theft or embezzlement by employees, contractors or the deliberate supply of low quality materials. If we or any other persons involved in any of the projects at NISP are the victim of or involved in any such practices, our reputation or our ability to commission NISP as contemplated may be disrupted, thereby adversely affecting our business and results of operations.

14. **Our Company's ability to pay dividends in the future will depend on our Company's earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our Company's financing arrangements.**

As on date, our Company has not adopted any formal dividend policy. In the past, we have not made dividend payments to the Shareholders of our Company. For further information, see "Dividend Policy" on page 79.

Our Company's ability to pay dividends in the future will depend on a number of factors, including but not limited to our earnings, capital requirements, contractual obligations, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of our Company. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013.

Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared. We may retain all future earnings, if any, for use in the operations and expansion of the business. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

15. **We will continue to be controlled by our Promoter after the completion of listing, subject to the process for the disinvestment.**

After the completion of listing, our Promoter will hold majority of our outstanding Equity Shares. Our Promoter has initiated a process for the disinvestment of 50.79% of Equity Shares of our Company to strategic investors. If the disinvestment process is successful, on completion of the disinvestment, our Promoter will no longer be a promoter of our Company. Our Promoter will no longer continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Significant control over us will be held by the strategic investor that acquires the 50.79% of Equity Shares that our Promoter proposes to disinvest. The interest of the acquirer may conflict with interests of our other Shareholders and they may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. We cannot assure you that either our Promoter or the new strategic investor may take actions that are in the best interests of the Company or our other Shareholders. Further, we cannot guarantee that our Promoter or the new strategic investor will act in our interest while exercising their rights.

16. **Some of the agreements entered into by us may not be adequately stamped or may not have been registered, which may adversely impact us.**

Some of the agreements entered into by us may not be adequately stamped or may not have been registered. While the failure to stamp a document does not affect the validity of the transaction embodied therein, it renders the document inadmissible in evidence in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Moreover, the failure to register an agreement may, in certain circumstances, render such documents inadmissible in evidence in India. We cannot assure you that such agreement, which is inadequately stamped or that have not been registered, can be enforced by us. In addition imposition of penalties by the authorities on us for inadequate stamping of such agreements may have a material adverse effect on our business, financial condition and results of operations.

External Risk Factors

17. **A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.**

    We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margin.

18. **Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.**

    Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Regulations and Policies in India" on page 63 for details of the laws currently applicable to us.

    There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

    The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

19. **We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.**

    The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

    Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Central Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued The Competition Commission of India (Procedure in regard to the Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to noncompliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

20. **If acts of terrorism and other similar threats to security, communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy, and our business, results of operations and cash flows.**

India has experienced communal disturbances, terrorist attacks and riots in the past. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including those between India and Pakistan & India and China. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, as well as other acts of violence or war could influence the Indian economy by creating a perception that investments in India involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

21. **Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.**

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically, linked to general price levels. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

22. **The occurrence of natural or man-made disasters may adversely affect our business, results of operations and financial condition.**

The occurrence of natural disasters, including hurricanes, floods, tsunamis, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. The potential impact of a natural disaster such as the coronavirus disease 2019 (COVID-19), H5N1 "avian flu" virus, or H1N1, the swine flu virus, MERS (Middle East Respiratory Syndrome), Zika, the mosquito virus, on our results of operations and financial position is speculative, and would depend on numerous factors. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of COVID-19, avian flu, swine flu, MERS and Zika had an adverse effect on the economies of those countries in which they were most prevalent. In the case of any of such diseases, should the virus mutate and lead to human-to-human transmission of the disease, the consequence for our business could be severe. An outbreak of a communicable disease in India or in the particular region in which we have projects would adversely affect our business and financial conditions and the result of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, results of operations and financial condition will not be adversely affected.

23. **A significant change in the Government's economic liberalization and deregulation policies could disrupt our business.**

We are incorporated in India and all of our assets are located in India. Consequently, our performance and liquidity of the Equity Shares is affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Our business and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, changes in Government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies followed by the Government. Further, our businesses are also impacted by regulation and conditions in the various states in India where we operate. There can be no assurance as to the policies a new elected government will follow or that it will continue the policies of the outgoing government. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalization and deregulation policies, in particular, those relating to our business, could disrupt business and economic conditions in India generally and our business in particular.

24. Financial instability, economic developments and volatility in securities markets in other countries may also cause a decline in the price of the Equity Shares.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in United States of America ("US") & Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, prospects, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the US and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, prospects, future financial performance and the trading price of the Equity Shares.

25. Our performance is linked to the stability of policies and the political situation in India. Any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could adversely affect our business, our results of operations and could also affect the trading price of our shares.

The Government has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There is no assurance that these liberalization policies will continue if there is a change in political climate. Protests against privatization could slow-down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the steel sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. Further, if there is any political unrest or political instability or change of policies as a result of the introduction of any new political regime in India, which is not in advancement of the steel sector or in furtherance of our business activities, then our business, results of operations and financial position may be adversely affected.

26. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

27. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us. A rapid decrease in reserves would also create risk of higher interest rates and a consequent slowdown in growth.

Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. There can be no assurance that India's foreign exchange reserves will not decrease in the future. Further, a decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates, which could adversely affect our business, financial condition, results of operations and cash flows.

28. Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us, our directors or executive officers.

Our Company is incorporated under the laws of India. Our Company's assets are located in India and substantially all of our Company's Directors and Key Management Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India.

29. **Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.**

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as “systemic risk,” may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

30. **The Equity Shares have never been publicly traded, and, after listing, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop.**

There has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the listing. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

31. **Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoter may dilute your shareholding and adversely affect the trading price of the Equity Shares.**

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares.

SECTION IV - INTRODUCTION

SUMMARY OF FINANCIAL INFORMATION

The Audited Balance Sheet of the Company as on September 30, 2022, as on March 31, 2022 and as on March 31, 2021 is as under:

(In Rs)

Particulars	As on September 30, 2022	As on March 31,2022	As on March 31, 2021
Assets			
Non-current assets			
Financial assets			
Other financial assets	-	-	-
Total non-current assets	-	-	-
Current assets			
Financial assets			
Cash and cash equivalents	4,65,927	4,63,568	39,015
Other financial assets	162	162	-
Other current assets	-	-	-
Total current assets	**4,66,089**	**4,63,730**	**39,015**
Total Assets	**4,66,089**	**4,63,730**	**39,015**
Equity and Liabilities			
Equity			
Equity share capital	11,00,000	11,00,000	6,00,000
Other equity	(6,77,611)	(6,83,470)	(5,91,835)
Total equity	**4,22,389**	**4,16,530**	**8,165**
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings		-	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**-**	**-**
Other financial liabilities	43,700	43,700	30,850
Other current liabilities	-	3,500	-
Total current liabilities	**-**	**-**	**-**
Total Liabilities	43,700	47,200	30,850
Total Equity and Liabilities	**4,66,089**	**4,63,730**	**39,015**

The Audited Profit and Loss Account Statement of the Company for the Financial Year 2020-21, 2021-22 and for the Half Year ended September 30, 2022 is as under:

(In Rs)

Particulars	Half Year ended September 30, 2022	FY 2021-22	FY 2020-21
Income			
Revenue from operations	-	-	-
Other income	5,859	7,684	1,722
Total income	**5,859**	**7,684**	**1,722**
Expenses			
Other expenses	-	99,319	74,039
Finance costs	-	-	-
Total expenses	**-**	**99,319**	**74,039**
Loss before tax (I-II)	**5,859**	**(91,635)**	**(72,317)**
Tax expenses	-	-	-
Loss for the period	**5,859**	**(91,635)**	**(72,317)**
Other Comprehensive Income for the period, net of tax	-	-	-
Total Comprehensive Income for the period, net of tax	**5,859**	**(91,635)**	**(72,317)**

(IV + V)			
Earnings per equity share:			
- Basic & Diluted (Rs)	0.05	(0.94)	(1.21)

The Audited Cash Flow Statements of the Company for the Financial Year 2020-21, 2021-22 and for the Half Year ended September 30, 2022 is as under:

(In Rs)

Particulars	Half Year ended September 30, 2022	FY 2021-22	FY 2020-21
A. Cash flow from operating activities :			
Loss before tax	5,859	(91,635)	(72,317)
Less : Adjustments for			
Interest income	(5,859)	(7,684)	(1,722)
Operating loss before working capital changes		(99,319)	(74,039)
Add/ (less) : Adjustments for change in working capital			
(Increase) / Decrease in other financial liabilities		12,850	(4,720)
Increase / (Decrease) in other current liabilities	(3,500)	3,500	-
Cash generated from operations			
Add/ (less) : Income tax paid			
Net cash inflow from operating activities	**(3,500)**	**(82,969)**	**(78,759)**
B. Cash flow from investing activities:	**5,859**	**7,522**	**1,917**
C. Cash flow from financing activities :			
Proceeds from current borrowings	-	-	
Proceeds from issue of shares	-	5,00,000	-
Net cash inflow / (outflow) from financing activities	**-**	**5,00,000**	**-**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**2,359**	**4,24,553**	**(76,842)**
Add: Cash and cash equivalents at the beginning of year	4,63,568	39,015	1,15,857
Cash and cash equivalents at the end of year	**4,65,927**	**4,63,568**	**39,015**

GENERAL INFORMATION

Our Company was incorporated as an unlisted Government Company under the provisions of Companies Act, 2013 on January 2, 2015 within the jurisdiction of the Registrar of Companies, Chhattisgarh. There have been no changes to the name of our Company since incorporation.
For further details, please see "History and Certain Corporate Matters" on page 67 and for details of the business of our Company, please see "Our Business" on page 57.

Corporate Identity Number: U27310CT2015GOI001618

Registered Office: C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India

Corporate Office: 10-3-311/A, Khanij Bhavan, Castle Hills, Masab Tank, Hyderabad – 500 028

The Registrar of Companies: Chhattisgarh

Board of Directors of our Company: The Board of our Company comprises the following -

Sr. No.	***Name & Designation***	***Address***	***DIN***
1.	*Mr. Sumit Deb, Chairman-Cum-Managing Director*	*H.No.8-2-269/H/20, Plot No 20, Road No. 2, Banjara Hills, Near TDP office, Hyderabad – 500 034*	*08547819*
2.	*Ms. Sukriti Likhi, Non-Executive Director*	*C-7, Tower 10, New Moti Bagh, New Delhi*	*01825997*
3.	*Mr. Amitava Mukherjee, Wholetime Director*	*Flat No 1901, Crystal Tower – F, PBEL City, Near TSPA Junction, Hyderabad – 500 091*	*08265207*
4.	*Mr. Dilip Kumar Mohanty Wholetime Director*	*NCC Urban Gardenia, Tower-I, Block-B, F/No.1002, Gachibowli, Hyderabad*	*09296720*

For further details of our Directors, please see "Our Management" on page 71.

Company Secretary and Compliance Officer:

Following are the details of Company Secretary and Compliance Officer of our Company-
Ms. M. Amala
10-3-311/A, Khanij Bhavan,
Castle Hills, Masab Tank,
Hyderabad – 500 028
Contact Number: 040-23538757
Email: cs_nisp@nmdc.co.in

Bankers to the Company:

State Bank of India,
NMDC Branch,
10-3-311/A, Khanij Bhavan,
Castle Hills, Masab Tank,
Hyderabad – 500 028
Telephone number of the banker:-
Email address of the banker:-

Registrar and Share Transfer Agent of the Company:

Aarthi Consultants Pvt. Ltd.
Domalguda, Hyderabad - 500029
Contact Person: Mr. G. Bhaskara Murthy
Contact Number : 040-27638111, 27634445
Fax: 040-27632184
Email: info@aarthiconsultants.com
Website: www.aarthiconsultants.com

Statutory Auditors to our Company:

NG Rao & Associates, Chartered Accountants
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
Phone: 040-6661 7089 / 9848018791 / 9849135573 / 9542187777
Email: nageswararaog207@gmail.com / nageswararaog@rediffmail.com
G. Nageswara Rao, Partner
Membership No.207300

Change in auditors:

The Auditors of the company are appointed by the Comptroller & Auditor General of India, New Delhi.

Legal Counsel of the Company:

M/s K. Raghavacharyulu (Standing Counsel)
Plot no. 23, Nandagiri,
HUDA, Road No. 69,
Jubliee Hills,
Hyderabad -500 033.
Contact person : K.Raghavacharyulu
Contact No: 9618841414
Email Address: kradvocates@amail.com

Filing

A copy of the Draft Information Memorandum and this Information Memorandum has been filed with BSE, CSE and NSE.

Authority for Listing

In accordance with the Scheme, the Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on the Stock Exchanges. Such admission and listing is not automatic and will be subject to fulfilment of the respective listing criteria of BSE, CSE and NSE by our Company and also subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of the listing application made by our Company to the Stock Exchanges for seeking approval for listing.

Our Company has nominated BSE Limited as the Designated Stock Exchange.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI (ICDR) Regulations is not applicable. However, SEBI vide its letter no. SEBI/HO/CFD/DCR/RAC-2/P/OW/2023/2574/1 dated January 18, 2023, granted relaxation of Rule 19(2)(b) of the SCRR to our Company pursuant to an application made by our Company to SEBI under sub-rule (7) of Rule 19 of the SCRR as per the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended. Our Company has submitted this Information Memorandum, containing information about our Company, and including disclosures in line with the disclosure requirement for public issues, as applicable, to BSE, CSE and NSE, and this Information Memorandum shall be made available to the public through the websites of the Stock Exchanges at www.bseindia.com, www.cse-india.com and www.nseindia.com and at our website nmdcsteel.nmdc.co.in. Our Company shall also publish an advertisement in the newspapers containing the details in terms of SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on our Company's website.

General Disclaimer from the Company

Our Company, our Promoters and our Directors do not accept any responsibility for statements made otherwise than in this Information Memorandum, or otherwise than in the advertisement published by the Company in terms of the SEBI Circular or any other material issued by or at the instance of Company. Anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

CAPITAL STRUCTURE

Our Company's Equity Share capital, as on the date of this Information Memorandum, is set forth below:

Particulars	***Amount (Rs.)***
Authorized Share Capital	
300,00,00,000 equity shares of INR 10/- each	*30,00,00,00,000*
Total	***30,00,00,00,000***
Issued, Subscribed and Paid Up Share Capital	
2,93,06,05,850 equity shares of INR 10/- each	*29,30,60,58,500*
Total	***29,30,60,58,500***

Notes to Capital Structure

1. Share capital build-up of our Company

   (a) History of Equity Share capital of our Company

   (i) 110,000 Equity Shares were allotted as per following table for cash at face value as initial subscription to the MoA, and as further allottments of Equity Shares by our Company.

Name	***Nature of Transaction***	***Date of Allotment***	***No of Equity shares***	***Face Value per equity share***
NMDC Ltd	*Upon incorporation of the company*	*02.01.2015*	*10,000*	*10*
NMDC Ltd	*Additions*	*12.07.2018*	*50,000*	*10*
NMDC Ltd	*Additions*	*29.06.2021*	*50,000*	*10*

   (ii) The 110,000 Equity Shares allotted to the subscribers to our MoA and as further allotment were cancelled and 2,93,06,05,850 Equity Shares were allotted as fully paid up on November 8, 2022 to the shareholders of NMDC Limited in the ratio of one Equity Share for every one equity share of NMDC Limited held as on the record date i.e. October 28, 2022.

   (b) Equity Shares issued for consideration other than cash
   Other than 2,93,06,05,850 Equity Shares allotted pursuant to the Scheme of Arrangement, no Equity Shares have been issued by our Company for consideration other than cash on the date of this Information Memorandum.

2. Shareholding pattern of the Company as per SEBI (LODR) Regulations is as follows

The table below presents the shareholding pattern of our Company as on the date of this Information Memorandum

Annexure - I

Format of holding of specified securities

1 Name of the Listed Entity : NMDC STEEL LIMITED
2 Scrip Code/Name of Scrip/Class of Security : /NMDC STEEL LIMITED/EQUITY
3 Share Holding Pattern Filed under : Reg.31(1)(a)/Reg.31(1)(b)/Reg.31(1)(c)
a. If under 31(1)(b) then indicate the report for Quarter ending : 28/10/2022
b. If under 31(1)(c) then indicate date of allotment/extinguishment
4 Isin INE0NNS01018

5 Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information :-

	Particulars	*Yes	No*	Promoter and Promoter Group	Public Share Holders	Non Promoter-Non Public
1	Whether the Listed Entity has issued any partly paid up shares?		No	No	No	No
2	Whether the Listed Entity has issued any Convertible Securities?		No	No	No	No
3	Whether the Listed Entity has issued any Warrants?		No	No	No	No
4	Whether the Listed Entity has any shares against which depository receipts are issued?		No	No	No	No
5	Whether the Listed Entity has any shares in locked-in?		No	No	No	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?		No	No	N.A	N.A
7	Whether company has equity shares with differntial voting rights?		No	No	No	No
8	Whether the listed entity has any significant beneficial owner?		No			

Note1 :- We provided significant benfeficiary owner status as per the latest communication from your end. If any changes are there, kindly update the details to us.

Note2 :- Data against Table-III Sl.No 4(a),4(b),4(c),4(d),4(e),Column XV, Table-IV Slno 2,Table-VI was provided based on inputs given from your side. Please check

Table I - Summary Statement holding of specified securities

Category (i)	Category of shareholder (ii)	No.of share holders (iii)	No.of fully paid up equity shares held (iv)	No.of Partly paid-up equity shares held (v)	Nos.of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(Viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of Securities (ix)				No.of Shares Underlying Outstanding convertable securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertable securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of (A+B+C2)	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)
								No.of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg:X*	Class eg:Y	Total								
(A)	Promoter & Promoter Group	1	1781633571	0	0	1781633571	60.79	1781633571	0	1781633571	60.79	0	60.79	0	0	0	0	1781633571
(B)	Public	692091	1148972279	0	0	1148972279	39.21	1148972279	0	1148972279	39.21	0	39.21	0	0	N.A	N.A	1148882282
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	N.A	N.A	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
	Total	692092	2930605850	0	0	2930605850	100	2930605850	0	2930605850	100	0	100	0	0	0	0	2930515853

*X = Equity

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the Shareholders (I)	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN (II)	No.of share holders (III)	No.of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos.of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Share holding % calculated as per SCRR,1957 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No.of Shares Underlying Outstanding convertable securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertable securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
										No.of Voting Rights			Total as a % of Total Voting rights							
										Class X*	Class Y	Total				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
1	Indian																			
(a)	Individuals/Hindu undivided Family			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)			1	1781633571	0	0	1781633571	60.79	1781633571	0	1781633571	60.79	0	60.79	0	0	0	0	1781633571
	PRESIDENT OF INDIA		EXEMPTCATG	1	1781633571	0	0	1781633571	60.79	1781633571	0	1781633571	60.79	0	60.79	0	0	0	0	1781633571
(c)	Financial Institutions/Banks			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d-i)	Corporate Bodies			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d-ii)	Corporate Bodies - Group Company			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d-iii)	Trust/ Promoter			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d-iv)	Directors/Promoters & their Relatives & Friends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total(A)(1)			1	1781633571	0	0	1781633571	60.79	1781633571	0	1781633571	60.79	0	60.79	0	0	0	0	1781633571
2	Foreign																			
(a)	Individuals(Non-Resident Individuals/ Foreign Individuals)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Government			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-i)	Corporate Bodies - Foreign Body			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-ii)	Corporate Bodies - OCB Non Repatriable			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-iii)	Corporate Bodies - OCB Repatriable			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-iv)	Foreign Institutional Investor (FII) - Others			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-v)	Foreign Institutional Investor (FII) - DR			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-vi)	Bank - Foreign Bank			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-vii)	Trust			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total(A)(2)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)			1	1781633571	0	0	1781633571	60.79	1781633571	0	1781633571	60.79	0	60.79	0	0	0	0	1781633571

*X = Equity

	Category & Name of the Shareholders (I)	PAN (II)	No.of share holders (III)	No.of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos.of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR,1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of Securities (IX)				No.of Shares Underlying Outstanding convertable securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertable securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-Categorization of shares (XV)		
									No.of Voting Rights			Total as a % of Total Voting rights								Share holding (No.ofshares) under		
									Class X*	Class Y	Total				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)		Sub Category (i)	Sub Category (ii)	Sub Category (iii)
1	**Institutions(Domestic)**																					
(a)	Mutual Funds		14	109236526	0	0	109236526	3.73	109236526	0	109236526	3.73	0	3.73	0	0	N.A	N.A	109236526	0	0	0
(b)	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(c)	Alternate Investment Funds		6	4071014	0	0	4071014	0.14	4071014	0	4071014	0.14	0	0.14	0	0	N.A	N.A	4071014	0	0	0
(d)	Banks		9	28775048	0	0	28775048	0.98	28775048	0	28775048	0.98	0	0.98	0	0	N.A	N.A	28775048	0	0	0
(e)	Insurance Companies		12	439026575	0	0	439026575	14.98	439026575	0	439026575	14.98	0	14.98	0	0	N.A	N.A	439026575	0	0	0
	LICI ANNUITY NON-PAR	AAACL0582H	1	414885432	0	0	414885432	14.16	414885432	0	414885432	14.16	0	14.16	0	0	N.A	N.A	414885432	0	0	0
(f)	Provident/Pension Funds		1	8715210	0	0	8715210	0.3	8715210	0	8715210	0.3	0	0.3	0	0	N.A	N.A	8715210	0	0	0
(g)	Asset Reconstruction Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(h)	Soverign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(i)	NBFCs Registered with RBI		9	75965	0	0	75965	0	75965	0	75965	0	0	0	0	0	N.A	N.A	75965	0	0	0
(j)	Other Financial Institutions		1	1564540	0	0	1564540	0.05	1564540	0	1564540	0.05	0	0.05	0	0	N.A	N.A	1564540	0	0	0
(k)	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
	Sub-Total(B)(1)		**52**	**591464878**	**0**	**0**	**591464878**	**20.18**	**591464878**	**0**	**591464878**	**20.18**	**0**	**20.18**	**0**	**0**	**N.A**	**N.A**	**591464878**	0	0	0
2	**Institutions(Foreign)**																					
(a)	Foreign Direct Investment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(b)	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(c)	Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(d)	Foreign Portfolio Investors Category I		188	151701129	0	0	151701129	5.18	151701129	0	151701129	5.18	0	5.18	0	0	N.A	N.A	151701129	0	0	0
(e)	Foreign Portfolio Investors Category II		17	19322595	0	0	19322595	0.66	19322595	0	19322595	0.66	0	0.66	0	0	N.A	N.A	19322595	0	0	0
(f)	Overseas Depositories (holding DRs) (balancing figure)		1	3700	0	0	3700	0	3700	0	3700	0	0	0	0	0	N.A	N.A	3700	0	0	0
(g)	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(g-i)	Foreign Portfolio Investors Category III		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(g-ii)	Foreign Institutional Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(g-iii)	Bank - Foreign Bank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(g-iv)	Qualified Foreign Investor - Corporate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(g-v)	Corporate Bodies - Foreign Bodies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
	Sub-Total(B)(2)		**206**	**171027424**	**0**	**0**	**171027424**	**5.84**	**171027424**	**0**	**171027424**	**5.84**	**0**	**5.84**	**0**	**0**	**N.A**	**N.A**	**171027424**	0	0	0
3	**Central Government / State Government(s)**																					
(a)	Central Government/President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(b)	State Government / Governor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
	Sub-Total(B)(3)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N.A**	**N.A**	**0**	0	0	0
4	**Non-institutions**																					
(a)	Associate companies /Subsidiaries		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(b)	Directors and their relatives (excluding independent directors and nominee directors)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(c)	Key Managerial Personnel		1	3020	0	0	3020	0	3020	0	3020	0	0	0	0	0	N.A	N.A	3020	0	0	0
(d)	Relatives of promoters (other than immediate relatives of promoters disclosed under Promoter and Promoter Group category)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0

(e)	Trusts where any person belonging to Promoter and Promoter Group category is trustee, beneficiary, or author of the trust		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(f)	Investor Education and Protection Fund (IEPF)		1	39174	0	0	39174	0	39174	0	39174	0	0	0	0	0	N.A	N.A	39174	0	0	0
(g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs		680392	260380114	0	0	260380114	8.88	260380114	0	260380114	8.88	0	8.88	0	0	N.A	N.A	260308907	0	0	0
(h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs		67	34983512	0	0	34983512	1.19	34983512	0	34983512	1.19	0	1.19	0	0	N.A	N.A	34983512	0	0	0
(i)	Non Resident Indians (NRIs)		8646	13883356	0	0	13883356	0.47	13883356	0	13883356	0.47	0	0.47	0	0	N.A	N.A	13883356	0	0	0
(j)	Foreign Nationals		1	1500	0	0	1500	0	1500	0	1500	0	0	0	0	0	N.A	N.A	1500	0	0	0
(k)	Foreign Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(l)	Bodies Corporate		2364	65618259	0	0	65618259	2.24	65618259	0	65618259	2.24	0	2.24	0	0	N.A	N.A	65616259	0	0	0
(m)	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(m-i)	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(m-ii)	Employees		160	144387	0	0	144387	0	144387	0	144387	0	0	0	0	0	N.A	N.A	127597	0	0	0
(m-iii)	Qualified Foreign Investor - Corporate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(m-iv)	Trust		48	894495	0	0	894495	0.03	894495	0	894495	0.03	0	0.03	0	0	N.A	N.A	894495	0	0	0
(m-ix)	Independent-Directors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(m-v)	Clearing Member		153	10532160	0	0	10532160	0.36	10532160	0	10532160	0.36	0	0.36	0	0	N.A	N.A	10532160	0	0	0
(m-vi)	Qualified Foreign Investor - Individual		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(m-vii)	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
(m-viii)	Unclaimed Susp A/c		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	0	0	0
	Sub-Total(B)(4)		**691833**	**386479977**	**0**	**0**	**386479977**	**13.19**	**386479977**	**0**	**386479977**	**13.19**	**0**	**13.19**	**0**	**0**	**N.A**	**N.A**	**386389980**	**0**	**0**	**0**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		**692091**	**1148972279**	**0**	**0**	**1148972279**	**39.21**	**1148972279**	**0**	**1148972279**	**39.21**	**0**	**39.21**	**0**	**0**	**N.A**	**N.A**	**1148882282**	**0**	**0**	**0**

*X = Equity

Table IV - Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder

	Category & Name of the Shareholders (I)	PAN (II)	No.of share holders (iii)	No.of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos.of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Share holding % calculated as per SCRR,1957 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No.of Shares Underlying Outstanding convertable securities (Including Warrants) (X)	Shareholding as a % assuming full conversion of convertable securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)
									No.of Voting Rights: Class X*	Class Y	Total	Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
1	Custodian/DR Holder																		
(a)	Custodian/DR Holder		0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	N.A	N.A	0
	Sub-Total(C)(1)		0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	N.A	N.A	0
2	Employees Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014																		
(a)	Employees Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(b)	Employees Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat equity) Regulations, 2021		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
	Sub-Total(C)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
	Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0

*X = Equity

Annexure B

Table VI-Statement Showing foreign Ownership limits

	Benpos Date	Board approved limits	Limits Utilized
As on shareholding date			
As on the end of previous 1st quarter			
As on the end of previous 2nd quarter			
As on the end of previous 3rd quarter			
As on the end of previous 4th quarter			

Note to company :- Where ever Dates and limits not shown in above table (i.e Appearing as Blank cells but not zeros),
It indicates that Either Company has not provided the Foreign Ownership data to R.T.A till now / This sheet is not applicable to the company as informed by company earlier

3. **Major shareholders**

(a) **Our major shareholders as of 2 years, 1 year, 10 days prior to the date of the Information Memorandum is as below:**

Sr. No.	Name	Number of Equity Shares held	% of total capital
1.	NMDC Limited	110,000	100.00
Total		**110,000**	**100.00**

(b) **Our major shareholders as on date of the Information Memorandum is as below:**

Sr. No.	Name	Number of Equity Shares held	% of total capital
1.	LICI ANNUITY NON-PAR	41,48,85,432	14.16
Total			

4. **As on date, our Company has 6,92,092 shareholders**

5. **Other Confirmations**

a. None of our Directors or KMPs hold any Equity Shares in our Company

b. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.

c. Except, the allotment of the Equity Shares pursuant to the Scheme, no Equity Shares have been issued pursuant to a scheme approved under Sections 391-394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013.

d. Our Company has not had an employee stock option scheme since incorporation.

e. Our Company has not issued any Equity Shares out of revaluation reserves.

f. Our Company, our Directors and our Promoter have not entered into any buy-back, standby or similar arrangements to purchase Equity Shares from any person.

g. There shall be only one denomination of Equity Shares, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms, specified by SEBI from time to time.

h. Except as provided above in the shareholding pattern provided above, as on the date of this Information Memorandum, none of the Equity Shares held by our Promoters are pledged.

SECTION V - ABOUT OUR COMPANY INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

The information presented in this section has been obtained from CRISIL's report. You should read the following summary together with the "Risk Factors" on page 14 and the more detailed information about us and our financial results included elsewhere in this Information Memorandum.

Introduction

Steel - most widely used metal globally

Steel is the most common metal alloy in the world. In its simplest form, it consists of iron and carbon with carbon varying between 0.02% to 1.7% by weight. Carbon is the most cost-effective material to make an alloy with iron, but other alloys can also be used along with carbon to give steel certain properties. The flexibility to adjust its composition and customise its properties makes steel a versatile material. Thus, steel serves a variety of purposes from manufacturing paper-clips and razor blades to bridges, beams and columns for skyscrapers.

Steel forms the backbone of all industries, and is one of the basic ingredients for a country's growth and development. Traditionally, the steel industry's fortunes have been linked to the economic cycle of a country. Steel is also the most commonly traded commodity across the globe.

Properties of steel

Properties	Description
Lustre	It is a shiny metal with an attractive finish, and is used in architecture, cutlery and various appliances.
Conductivity	It is useful in transfer of heat and electricity.
Malleability	It can be rolled into thin sheets, rods, and bar or beams and used in roofing, buildings or forged into different shapes like gears and tools.
Ductility	It can be stretched and drawn out into thin wires (wire fences) or pressed into various shapes (e.g. auto body panels).
Strength:	It is a strong metal, resistant to breakage (used in building frames, security doors, trains, ships). The strongest steel is the one with the most carbon.
Durability	As it is a durable and long-lasting material, it is used to construct buildings, rail lines, and bridges. Its resistance to wear makes it ideal for machines and equipment.
Alloying	Stainless steel contains chromium, nickel and molybdenum that make it rust-resistant. It is used in kitchens. Manganese is added to steel to increase its toughness, while steel rods have tungsten and cobalt to keep them hard, even when heated.
Coating	Steel can also be coated with substances such as tin, plastics, paint, zinc, etc. A coating of zinc makes it resistance to corrosion.

Source: CRISIL Research

Steel applications

Steel is the most widely used and most widely recycled metal on earth. Steel, in its various forms and alloys, offers different properties which help to meet a wide range of applications. Manufacturers also use it extensively for various purposes because of its strength and low cost of production. Its usage ranges from industry applications to everyday tools and materials. It is used in power transmission towers, natural gas pipelines, machine tools, military weapons, etc.

Applications of steel

Applications	Description
Construction	Most of the steel produced is used in the construction industry as its strength is very helpful in construction of sustainable steel structures at a low price. It can be alloyed differently to meet the requirements of different environments.
Transport	Engineered steels are wrought steels that are designed to have certain levels of elasticity, strength, ductility and corrosion resistance. It is mostly used in the transport sector in the construction of car bodies, engine components, wheels, axles, trucks, transmission equipment, trains, rails, ships, anchor chains, aircraft undercarriages, and jet engine components.
Energy	All the segments of energy sector need steel for the construction of basic infrastructure. Steel is used to extract natural resources which are the main sources of energy and it is also used to transport the same. For instance, it is used in pipelines, earth-moving and quarrying equipment, cranes and fork-lifts.
Packaging	Steel packaging protects goods from water, sun and light exposure, and it is fully recyclable. Steel packaging products are generally made from low-carbon cold-rolled sheet and are are surface finished. It is mostly used in manufacturing food and beverage containers.
Appliances and industry	Steel is used to make household appliances like fridge, air-conditioners, washing machines, microwave, etc. It is also used to make industrial products such as farm vehicles and tools, storage tanks, structures, etc.

Source: CRISIL Research

Types of steel
Carbon steel - commonly produced variant of steel

Based on its composition, steel is classified into plain carbon steel and alloy steel.

Carbon steel

Carbon steel is also known as non-alloy steel. It is composed of iron and carbon and is the most commonly produced variant of steel (90% of global steel output). It contains carbon in varying proportions (up to 1.7%) along with manganese (up to 0.9%) and silicon (up to 0.3%). A change in the composition of carbon affects the properties of carbon steel. Mild steel is the most widely used variety of steel. These steels, by definition, do not contain any alloying element in specified proportions.

Categories of carbon steel

Type of Steel	Carbon Percentage	Properties	Uses
Low carbon (mild steel)	0.07-0.25	Easily cold worked	Car bodies
Medium Carbon	0.25-0.50	Wear resistant	Rails and Rail products: couplings, crank shafts, axles, gears, forgings
High Carbon (carbon tool steel)	0.85-1.2	Strong and wear resistant	Cutting tools, Railway lines
Cast iron	2.5-3.8	Easy to cast but brittle	Pistons and cylinders

GP: Galvanised plains; GC: Galvanised corrogated; TMBP: Tin mill black plates; El: Elec. sheets

Source: CRISIL Research

Alloy steel

Steel that is produced with one or more elements in a specified proportions to impart specific physical, mechanical, metallurgical and electrical properties is known as alloy steel. Common elements used to make alloys include manganese, silicon, nickel, lead, copper, chromium, tungsten, molybdenum, niobium and vanadium. Alloy steel comes in different grades, which have varying proportions of carbon and other elements. These elements determine the property of steel. Different types of alloy steel have different applications. For instance, hard abrasion-resistant steel is used to make industrial tools, heat-resistant steel is used in high-temperature applications, and fatigue-resistant steel is meant for mechanical applications. Although this category consists of high-value steel alloys, volumes are very low in the segment compared with those of carbon-steel products.

Properties added to steel by alloying elements

Alloying element	Properties given to steel	Uses
Cobalt	High magnetic permeability	Magnets
Manganese	Strong and hard	Heavy duty railway crossings
Molybdenum	Maintain high strength at high temperature	High speed drill tips
Nickel and chromium	Resists corrosion	Surgical instruments
Titanium	Increased hardness and tensile strength	High speed tool steels, permanent magnets
Tungsten	High melting temperature, tough	Cutting and drilling tools
Vanadium	Strong , hard	Tools

Source: CRISIL Research

The most widely used alloy steel is stainless steel. It is a corrosion-resistant metal and has chromium and nickel as major alloying elements.

(a) Stainless steel: It essentially contains chromium (normally more than 10.5% with/without nickel or other alloying elements). As the name implies, stainless steel resists staining/corrosion and maintains strength at high temperatures. It is used widely in utensils, architecture and in industrial applications, namely, automotive and food processing products, as well as in medical and health equipment.

Commonly used grades of stainless steel (SS) are:

Applications	Description
Type 304	Chrome-nickel (austenitic) SS, accounting for more than half of SS produced in the world. 18:8 SS is used for utensils.
Type 316	Chrome-nickel (austenitic) SS containing 2-3 per cent molybdenum, intended for specific industrial use.
Type 410	Plain chromium (martensitic) SS to provide exceptional strength. It is a low-cost, heat-treatable grade suitable for non-corrosive applications.
Type 430	Plain chrome (Ferritic) SS, which offers general-purpose corrosion resistance. It is often used in decorative applications.
Type 201/202	Low nickel (austenitic) SS which contains 2-5 per cent nickel. It is used as a cheaper substitute of Type 304 grade for production of utensils.

Source: CRISIL Research

(b) Silicon-electrical steel: It usually contains 0.6-6.0% silicon and exhibits certain magnetic properties that makes it suitable for use in transformers, power generators, and electric motors. It is normally supplied in two categories:

Categories of silicon-electrical steel	
Applications	**Description**
CRGO	Cold rolled grain-oriented silicon-electrical steel sheets/strips. It is normally used in transformers and generators.
CRNO/CRNGO	Cold rolled non-grain oriented silicon-electrical steel sheets/strips. It is normally used in rotating machines such as electric motors.

Sourcing: CRISIL Research

c) High speed steel: Alloy steel containing tungsten, vanadium, chromium, cobalt and other metals. Depending upon the composition, it is classified as cobalt grade and non-cobalt grade. It is used for manufacturing cutting tools.

Types of steel products

Products obtained on hot rolling/forging of semi-finished steel (blooms/billets/slabs) from both carbon and alloy steel can be broadly classified as long products and flat products.

a) Flat products (flat rolled products)

Flat products are produced from slabs/thin slabs in rolling mills using flat rolls. Flat products comprise hot rolled (HR), cold rolled (CR) strips and coated products. Hot rolled flat products are produced by re-rolling of slabs/thin slabs at high temperatures (above 1,000 degree C) in plate mills or in hot strip mills. CR strips are produced by cold rolling of HR strips in cold rolling mills (normally at room temperature). CR strips/sheets are characterised by lower thickness, better/bright finish, closer dimensional tolerance and specific mechanical/metallurgical properties. The different types of flat products are:

Applications	Description
Plate	A thick flat finished product of width +500 mm and thickness +5 mm, which are supplied in cut/straight length. Plates are normally produced/supplied in hot rolled condition with or without specific heat treatments.
Sheet	Thin flat finished steel products of width +500 mm, thickness -5 mm, supplied in cut/straight length. Sheets are produced/ supplied in hot rolled /cold rolled/coated condition and accordingly, known as HR sheets, CR sheets or coated sheets.
Strips	Hot/cold/coated flat rolled products supplied in regularly wound coils of super imposed layers. Accordingly, known as HR strips or CR strips or coated strips. Depending upon the width, strips are sub-classified as wide strip or narrow strip. Wide strips are of 600 mm and above widths and narrow strips are of less than 600 mm widths. They are also known as coils in India and wide coils in Europe. Accordingly, the terms HR coils/wide coils or CR coils/ wide coils, etc are commonly used.

Source: CRISIL Research

Coated flat products: These are CR products coated with metals or organic chemicals:

Coated flat products

Applications	Description
Galvanised plain/ corrugated (GP/GC) sheets	GP/GC are CR sheets/Strips coated with zinc metal. The process is known as galvanising. GC sheets are made by corrugating GP sheets in a corrugating machine. GP/GC sheets are mainly used for roofing, panelling, automobile bodies and trunks/boxes.
Tinplate	TMBP (tin mill black plate) coated with tin metal. Used for manufacturing containers.
Tin free steel	TMBP sheet/strips coated with chromium metal and chromium oxide.
Colour coated products	CR/ galvanised steel sheets/strips are often coated with PVC/ plastics or any other organic material. This process is called colour coating and is used to manufacture furniture, auto bodies, roofing, panelling, etc.
Galfan alloy coated sheets	These are CR sheets/strips coated with a zinc-aluminium alloy comprising 95 per cent zinc and 5 per cent aluminium. Uses are similar to GP/GC sheets but they have better life span and superior corrosion properties.
Galvalume alloy coated sheets	These are CR sheets/ strips coated with an alloy comprising around 55 per cent aluminium and 45 per cent zinc with nominal amount of silicon. Uses are similar to that of GP/GC sheets but they have better life and much better high temperature performance.

Source: CRISIL Research

b) Long products

Finished steel products are normally produced by hot rolling/forging of bloom/billets/pencil ingots into useable shape/sizes. These are normally supplied in straight length/cut length except wire rods, which are supplied in irregularly wound coils. The different types of long products are:

Long products

Applications	Description
Bar & rods	Bars and rods are normally obtained by hot rolling/forging of billets/ blooms. These include rounds, flats (flat bars), squares, hexagons, octagons, which find direct use in a wide variety of products in engineering and agricultural, household, furniture sectors, etc with/without further processing.
CTD/TMT	CTD (cold-worked twisted and deformed)/ TMT (thermo mechanically treated) bar and rods are hot rolled round bars/rods with indentations (marks)/ribs normally supplied in straight length or in folded bundles. Used in civil construction.
Wire rod	Hot rolled plain bar/rods (i.e without indentation) in coil form normally used to produce steel wires and, and, at times, steel bars.
Angles, shapes and section	Hot rolled structural sections obtained by hot rolling of blooms/billets. These include angles, channels, girders, joist, I beams, H beams, etc used in civil/mechanical construction.
Rails	Hot rolled rail sections obtained upon hot rolling of blooms/billets. Used in railways/tramways on which trains/trams travel.
Wires	Wires are produced by cold drawing of wire rod through a die. These are normally supplied in coils.
Bright bars	There are cold drawn/ ground/ peeled plain bars produced from hot rolled plain bars/wire rods.

Source: CRISIL Research

Evolution of steel industry

Humble beginnings: Pre-liberalisation scenario

The Indian steel industry is over 143 years old. The first steel plant was set up by the Iron Work Company at Kulti in West Bengal in 1870. However, large-scale production commenced only in 1907 when the Tata Iron and Steel Company (currently Tata Steel) set up its steel plant at Jamshedpur, Jharkhand. This plant commenced production of iron in 1911 and steel in 1913.

Economic self-reliance, balanced regional development led to regulation of steel and user industries

Post Independence, the development of core industries like steel was seen as a means to achieve economic self-reliance. This led to the introduction of the freight equalisation scheme to facilitate balanced regional development. The scheme ensured uniform landed price for major input materials for user industries in different parts of India by fixing the ex-factory prices of goods and controlling railway freight.

Excessive regulations lowered domestic productivity vis-a-vis global standards

Public sector units provided employment opportunities for skilled labour and were committed to social development. As user industries (construction, automobile, etc.) were highly regulated, market forces could not encourage competition.

Liberalisation improved competition and encouraged private participation

The important policy measures undertaken during this period for the growth and development of the Indian iron and steel industry were as follows:

- In the new industrial policy announced in July 1991, iron and steel industry among others, was removed from the list of industries reserved for the public sector and also exempted from the provisions of compulsory licensing under the Industries (Development and Regulation) Act, 1951.
- The industry was included in the list of 'high priority' industries for automatic approval of foreign equity investment up to 51%. The limit, since then, has been increased to 100%.
- Pricing and distribution of steel was de-regulated from January 1992. However, it was ensured that requirements of certain essential sectors were met.
- Import duty for the iron and steel industry was lowered. Exports were also freely allowed. Import duty on capital goods was

reduced from 55% to 25%. Duties on raw materials used in steel production were reduced. These measures brought down capital costs and production costs of steel plants.

- Withdrawal of the freight equalisation scheme in January 1992 and levy on account of Steel Development Fund from April 1994, provided greater flexibility to large producers to respond to market forces.

These changes sowed the seeds of competition among players, and the focus shifted towards reducing production and transportation costs. Huge investments were made in the industry.

Demand
Global

Global demand to fall by 5-6% in fiscal 2023 on inflation induced recessionary headwinds

Demand is set to degrow by 5-6% in current fiscal as Chinese demand takes a blow while western developed regions also decelerate

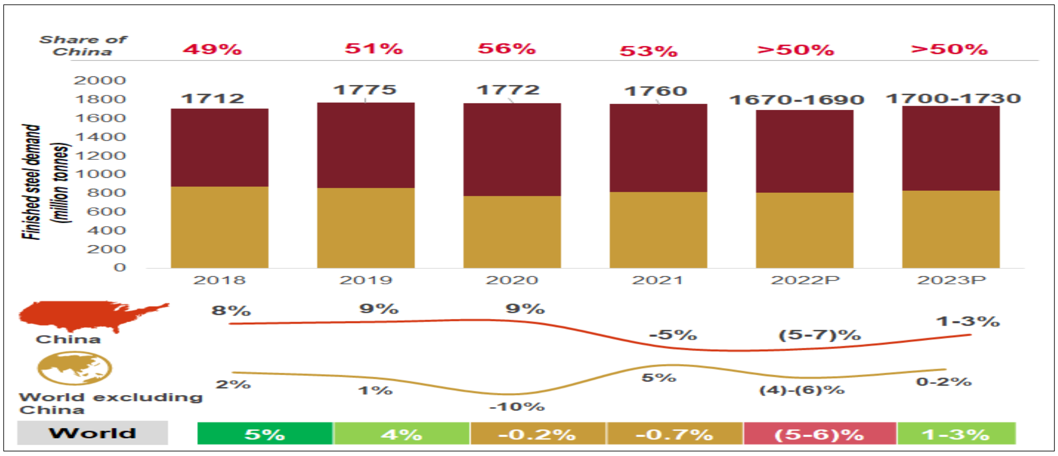
After an impressive 9% growth in steel demand in 2019, China witnessed its demand growth fall by ~5% in 2021 as it cut its manufacturing volume significantly in order to curb environmental emissions during the Winter Olympics. Slowdown in the property segment coupled with de-growth in automobile production due to chip shortage has been the key reason for weak demand in China on a high base of last year. Global steel consumption excluding China (world ex-China) fell 10% in 2020 under the pandemic impact and is estimated to have grown 5% in 2021 with optical recovery seen on a low base of the previous year even as pick-up in global demand is low. Global demand remained below 2019 level in 2021.

CRISIL foresees further de-growth in China's steel demand in 2022 by 5-7%, given that the first half has already been weak due to winter production cuts, surge in covid19 cases and associated localised lockdowns under zero-covid policy, and struggling housing and real-estate sector. Despite restrictions being lifted and production curbs being relaxed, China's domestic demand continues to falter. Property market continues to remain a key concern as consumer confidence is low since Evergrande debt default. Subsequently, majority of transactions in real estate market are speculative in nature and low 'virgin' demand is observed. Moreover, China's latest five-year plan marks a shift away from its earlier quantitative focus towards economic development, thereby indicating a gradual slowdown in its steel demand in the medium term. Global demand excluding China is also expected to fall by 4-6% India remains the only major consumer with healthy growth expected in 2022 at 8-10%. All other major economies are showing sign of lethargy with Russia-Ukraine war impacting their cost structures and rising inflation impacting demand sentiments.

Total world crude steel production was 1,950.5 million tonne (MT) in 2021, a 3.8% increase from 2020 with China showing a 3% fall in production as it curbed production to reduce carbon footprint. Production is set to see it's first decline in the past 5-years to ~1860-1880 MT in 2022. China has already charted a 6% decline in output in 5MFY22.

Global crude steel production reached 1,864.0 MT in 2020, down by 0.9% compared with 2019. Asia produced 1,374 MT of crude steel in 2020, an increase of 1.5% compared with 2019. China's crude steel production in 2020 reached 1,053 MT, up by 5.2% on 2019. China's share of global crude steel production increased from 53.3% in 2019 to 56.5% in 2020. India's crude steel production for 2020 was 99.6 MT, down by 10.6% on 2019. Japan produced 83.2 MT in 2020, down 16.2% on 2019. South Korea produced 67.1 MT, down 6.0%.

Outlook on global steel demand



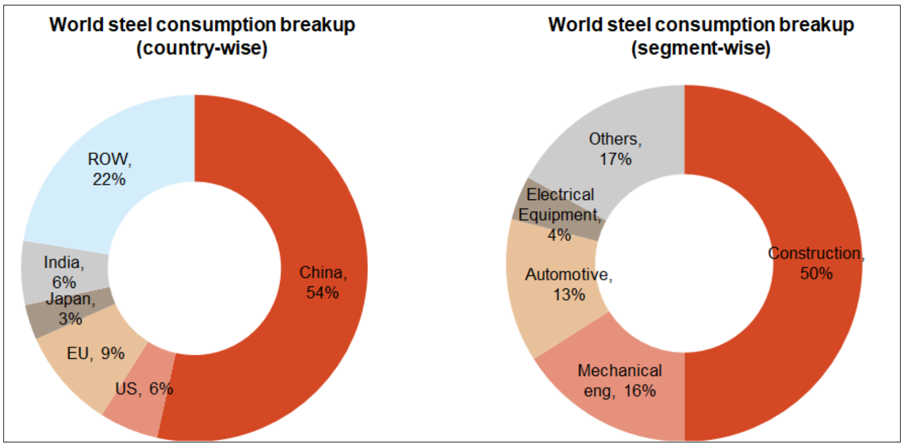
E: Estimated; P: Projected

Source: World Steel Association, CRISIL Research

Following are some risks to CRISIL's demand forecast:

- Covid-19 resurgence across the globe (especially the recent surge in cases in China)
- Impact of the Russia-Ukraine conflict on global trade and prices
- Chinese imposition of supply cuts to curb environmental pollution and become carbon neutral by 2060
- Global protectionism and escalating trade tensions
- Weather disruptions for steel and raw materials

Break-up of steel consumption (2021)



Source: World Steel Association

Steel demand in China to fall by over 5% in 2022

While fiscal and monetary stimulus released in 2020 continued to generate some upward momentum in China's steel demand in early 2021, things slowed in the second half of the year. Accordingly, China's steel consumption saw a degrowth of 5% in 2021. In 2022, CRISIL expects it to further fall 0-2%, given that China's latest five-year plan marks a shift away from its earlier quantitative focus towards economic development and recent the surge in Covid-19 cases has dampened already weak demand prospects.

Over the medium term (2020-2025), CRISIL expects steel demand to see a fall of 1-3% in China. These estimates come with major downside bias given steel consumption per capita is already high in the country and main consuming segment, infra and property market, remains under pressure. However, any major government intervention to stoke domestic demand can throw a spanner in this demand trajectory.

China's capacity cuts and production caps are one of the key structural reasons that could keep steel prices higher than decadal averages.

For example, in 2015, China released its five-year plan with the aim to cut 150 MT of steel supply in order to check environmental emissions. This was followed by a capacity replacement programme with BF/BOF(Blast Furnace-Blast Oxygen Furnace) units being swapped for EAF/IF plants (Electric Arc Furnace / Induction Furnace) - which are more environmental friendly and use scrap. Winter production cuts to reduce air pollution in 2019 impacted 30% of China's capacity. After a few policies with only short- and medium-term impacts, China released its carbon neutral policy in early 2021, which is expected to change the steel manufacturing process. Production curbs in Tangshan were aimed at lowering carbon emissions and removal of export rebates, and recent announcements of stricter capacity swap programmes are aimed towards achieving this goal and play a major role in the recent volatility in steel prices. Hence, CRISIL foresees steel supply in China to remain disciplined and, therefore, limit any major price correction going ahead. However, June 2022 has seen China's spot prices drop below \$700/tonne as demand sentiments around the world look bleak in a situation where China has emerged from winter-Olympics production curbs and covid19 restrictions with higher production run-rate. Consequently, China is again active in the export market, offering significantly lower prices on volumes to southeast Asian countries. Hence, China will continue to play a key role in the pricing scenario in the global market. Price have fallen below \$600/tonne levels in August 2022 and have stabilised in the \$575-625/tonne range.

China, which constitutes 55% of global steel demand, saw a V-shaped recovery right after a quarter. It saw a robust 9% on-year growth in 2020, aided by machinery and construction. Crude steel production growth was also healthy at 5%. On balance, it led to global steel production registering flat growth in 2020.

Moderate demand growth expected for the US steel industry

Steel demand growth slumped by 18% in 2020 amid the pandemic when the US steel industry experienced its worst slump in demand in decades and was followed by optical recovery of 21% in 2021 on the back of massive stimulus package. However, with slowdown in the US economy, and rising inflation, we foresee steel demand growth in 2022 to be weak at 1-2%.

Russia-Ukraine conflict to impact the EU steel demand adversely in 2022

2020 saw steel demand fall by 11% in the European Union (EU) as the economy grappled with the pandemic. While demand saw some optical recovery in 2021 (8-10% on-year demand growth), the Russia-Ukraine conflict and diversion of funds from the EU to defence and refugee aids are expected to lead to weakening of steel demand in the EU. Output from the country has already been impacted on demand destruction from the conflict. Going ahead, CRISIL expects the EU steel industry to fall by 2-4% in 2022 with waning momentum in key steel sectors, primarily automobile and capital goods.

Japan to witness stagnant steel demand growth in the medium term

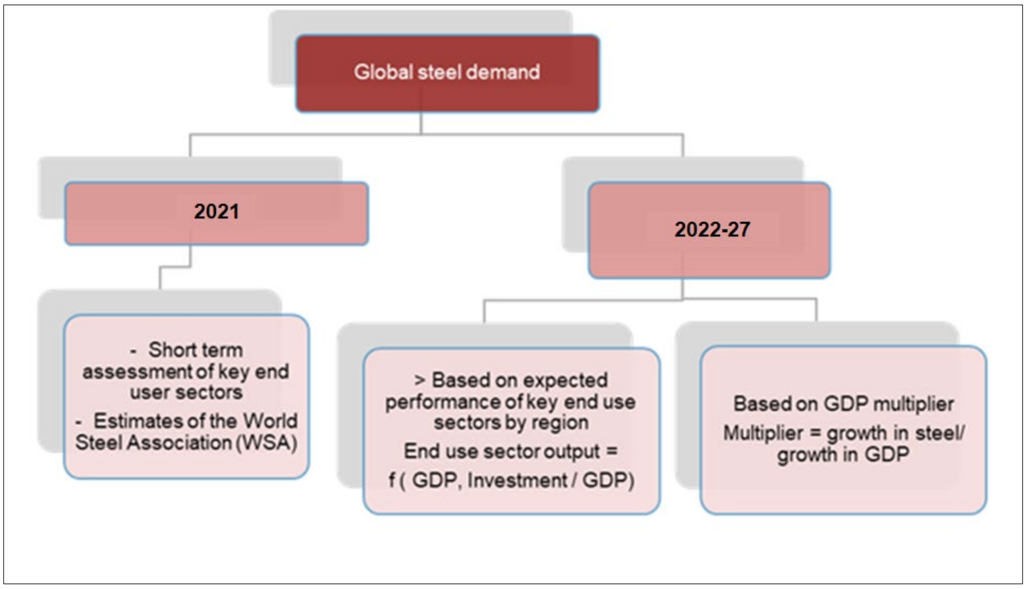
Japan accounts for 4% of global steel consumption. In 2020, its steel demand fell by 17% after declining 3% in 2019. A recovery of ~9% was observed in 2021. However, with its bleak prospects in global market and already high steel intensity, demand is expected to show sluggish growth of 1-2% in 2022.

Steel demand growth of major world economies over past seven years

	2015	2016	2017	2018	2019	2020	2021
China	-5%	1%	14%	8%	9%	9%	-5%
US	-10%	-5%	6%	3%	-2%	-18%	21%
EU (includes UK)	3%	2%	4%	4%	-7%	-11%	17%
Japan	-7%	-1%	4%	2%	-3%	-17%	9%
India	6%	4%	6%	8%	6%	-13%	19%

Source: World Steel Association

Methodology to forecast global steel demand



Source: CRISIL Research

Domestic

Steel demand estimated to grow by 8-10% led by infra and housing segments

Steel demand in India is expected to see some moderation with 6-8% growth charted for fiscal 2023 as opposed to 11.4% growth seen in fiscal 2022.

Fiscal 2022 saw robust growth of 11.4% on account of low-base effect and quick domestic recovery post second wave of covid19 witnessed in first quarter of fiscal 2022. However, with the landfall of Russia-Ukraine war in last quarter, prices of coking coal, iron ore, pig iron and steel rallied to reach new all-time highs hurting domestic demand. Consequently, export volumes surged.

The effect of elevated prices directly impacted the procurement decisions among end-use segments in first quarter of fiscal 2023. However, CRISIL forecasts a recovery coming in strong in remaining months of fiscal 2023 as prices correct swiftly on government intervention of culling exports of finished steel. Further, post-monsoon demand revival and festive season will aid in bringing total demand growth for the fiscal. 5MFY23 demand growth stands at ~11% with flat segment leading the growth . Going ahead, in H2FY23, CRISIL forecasts some sequential deceleration and also high-base impact of last fiscal (when pent-up demand kicked in post slowdown in second-wave of covid19) bringing the growth rate for the entire fiscal to 8-10%.

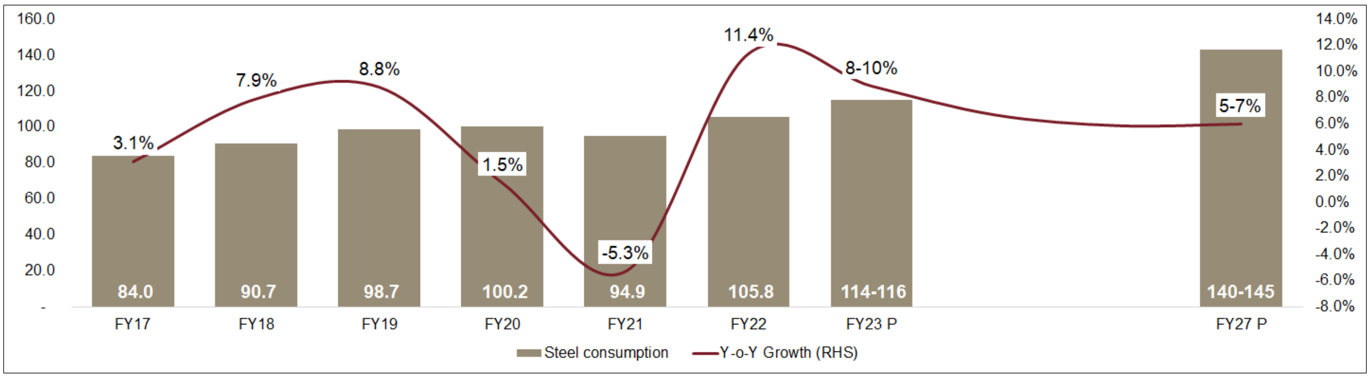
- Long steel segment to augur well on infra push and housing executions as elections approach.
- Flat to see relief as semi-conductor shortage steadily alleviates. Further, healthy urban housing progress is ensuring and continue to push flat demand (in applications like railings, doors, staircases and outdoor construction)

Growth by end-use segments: The healthy domestic demand growth projected this fiscal is expected to be driven by a 10-12% rise in infrastructure, a decent 6-8% rise in housing driven by government housing construction and private demand.

Growth by steel type: Both segment have been on a growth path this fiscal. However, 5MFY23 has seen higher traction in flat steel segment than long steel segment, as flat steel procurement has seen pent-up offtake after sharp price corrections observed after export duty imposition. Meanwhile, long steel segment has not seen such a track and extended monsoon has been weighing down on construction activity. In line with this, long segment has seen 7.5% growth on-year in 5MFY23, and the same for the flat segment has been ~16%.

Review: After printing stellar growth of 8-9% in FY18 and FY19, demand momentum fizzled out in FY20 to 1.4% growth. Fiscal 2021 saw a 5% contraction in demand as industrial and economic activity came to a screeching halt in wake of the covid19 pandemic making landfall in Q1. However, demand and production charted a v-shaped recovery limiting the fall in demand for the fiscal to only 5%. The fall in long and non-alloyed segment was relatively lower than the same for alloyed and flat segments owing to higher sensitivity they hold to consumer demand sentiments.

Year-wise steel demand growth trend



P: Projected

Note: The consumption numbers are in line with revision made by Joint Plant Committee (JPC)

Source: Joint Plant Committee (JPC) and CRISIL Research

Construction to continue to dominate steel end-use mix

Steel demand end-use mix

	Share of steel consumption	Growth in FY21E	Growth in FY22E	Growth in FY23P
Building & construction	35-40%	(4-6)%	11-13%	6-8%
Infrastructure	30-35%	(3-4)%	12-14%	10-12%
Automotive	7-9%	(9-11)%	9-11%	15-17%

Source: CRISIL Research

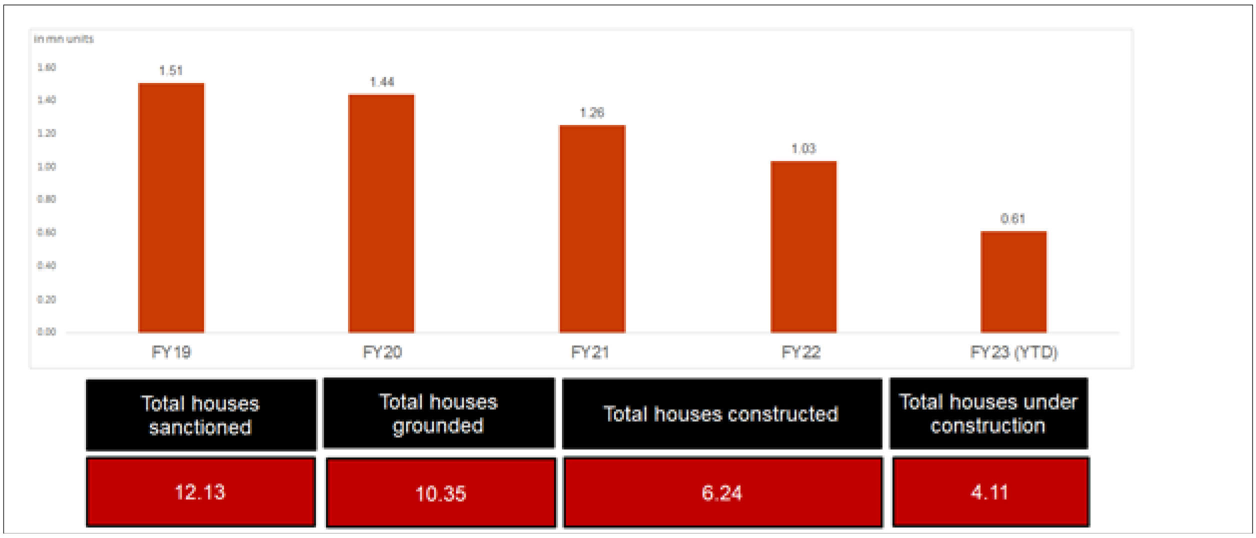
Steel demand from building and construction (B&C) accounts for 35-40% of the total steel demand. While in the near term B&C demand shall be weak, with affordable housing and rural housing being the saviours, in medium term, housing market shall witness some soft revival, led by commercialisation of tier III/V cities. Constructing with exorbitant steel prices, demand weakened and many construction projects being delayed in the fourth quarter of fiscal 2022.

Rural housing

To achieve the objective of the Housing for All by 2022 mission, the government launched a restructured rural housing scheme, namely Pradhan Mantri Awas Yojana-Gramin (PMAY-G), in November 2016, with the target of constructing 29.5 million houses with basic amenities by 2022. As of September 2022, a total of ~23.8 million units have been sanctioned, of which construction of ~19.9 million houses has been completed (~84% completion rate) As many as ~4.0 million units are under construction. Almost 3.4 million units were constructed in fiscal 2021 and ~4.2 million in fiscal 2022 (~60% and ~25% higher on-year, respectively). In fiscal 2021, the scheme gained traction on the back of mass exodus of labourers to their native places, which prompted them to build their own houses during the lockdown. Healthy rabi productivity; increase in crop procurement; and government fund allocation to the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) also helped. In first half of this fiscal, construction picked up despite the seasonal weakness in the second quarter due to pent-up demand of April-June as housing construction was delayed due to high cost of construction during the period.

Under the Phase-I of the PMAY-G during fiscals 2017-2019, the government had set a target to construct 10 million rural households and it maanged to meet about 80% of it. Under the Phase-II, 19.5 million houses were targeted to be built over fiscals 2020-22. Despite a higher number of under-construction units, fund release towards the scheme is expected to moderate leading to slowdown in execution this fiscal 2023 after higher execution in the past two consecutive fiscals. Financial sanctioning of the houses remains a key monitorable. The slow pace is attributable to factors such as sticky food inflation; saturation of eligible beneficiaries from the SC and ST category; slow pace of working of remand module; and delay in setting targets for districts. After fiscal 2023, CRISIL forecasts a pickup in funding under the PMAY-G scheme before elections in fiscal 2024. Rural housing will also find traction if agricultural production is good, reservoir levels are healthy and farm income remains buoyant.

Progress in Rural Housing



Source: MOHUA, CRISIL Research

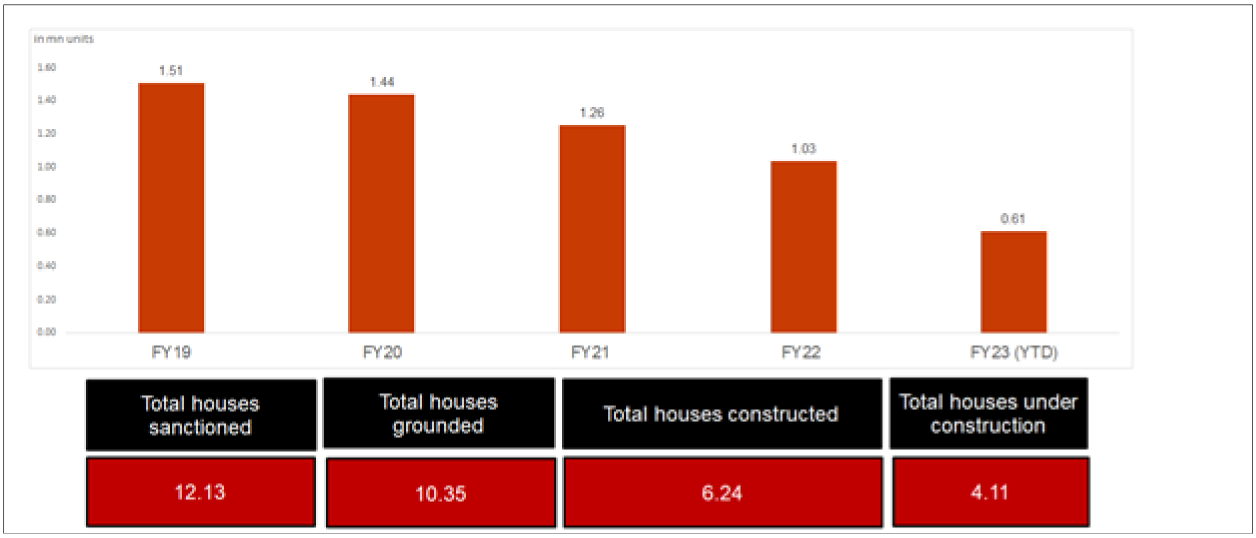
Urban housing

The Pradhan Mantri Awas Yojana-Urban (PMAY-U) is an affordable housing scheme under implementation from 2015. It seeks to achieve the objective of Housing for All by 2022. The scheme comprises four components: (i) in-situ rehabilitation of existing slum dwellers (using the existing land under slums to provide houses to slum dwellers) through private participation; (ii) credit-linked subsidy scheme (CLSS) for economically weaker sections (EWS), lower-income groups (LIG) and middle-income groups (MIG); (iii) affordable housing partnership with States/UTs/Cities including private sector and industries and (iv) subsidy for beneficiary-led individual house construction. So far, 4,424 cities have been covered under PMAY-U. The housing shortage is expected to reach 2 crore by 2022. It was estimated that about 56% of this shortage falls in EWS, 40% in LIG, and the balance 4% in the middle and higher income groups. The ministry estimates the present demand for housing at around 1 crore.

The PMAY-U programme witnessed healthy construction in fiscals 2019 and 2020, but lost momentum in fiscal 2021 as urban construction was adversely impacted by pandemic-led lockdown. While ~1.51 million and ~1.44 million units were constructed in fiscals 2019 and 2020, respectively, ~1.26 million were constructed in fiscal 2021 despite the pandemic as construction pace was healthy in the second half. In fiscal 2022, construction momentum further slowed down to ~1.03 million units due to weak execution in the second quarter. However, fast-paced and steady execution during fiscals 2019-2020 and recovery in construction pace in the second half of fiscal 2021 and fiscal 2022 reflects the government's intent to achieve the housing for all objective. While most of the targeted houses have been sanctioned (~12.1 million houses sanctioned as of August 2022), over ~6 million houses have already been completed (~50%). Another ~4 million are under various stages of construction as of August 2022. A significant pickup in houses approved, recovery in the urban affordable housing segment, and a steady release of installments indicate that steel demand from the segment is expected to maintain the momentum over the near term.

The budgetary allocation towards the scheme for fiscal 2023 is Rs 28,000 crore, a 3% increase over the actual expenditure in fiscal 2021 (Rs 20,990 crore). The higher allocation is expected to drive steel demand from the segment. The ministry estimates the demand for housing at ~11.3 million units. The revision of total housing shortage in urban areas to 11.3 million from a previous estimate of 20 million will lead to slower demand after this fiscal, as the government is on track to complete the revised target by 2024.

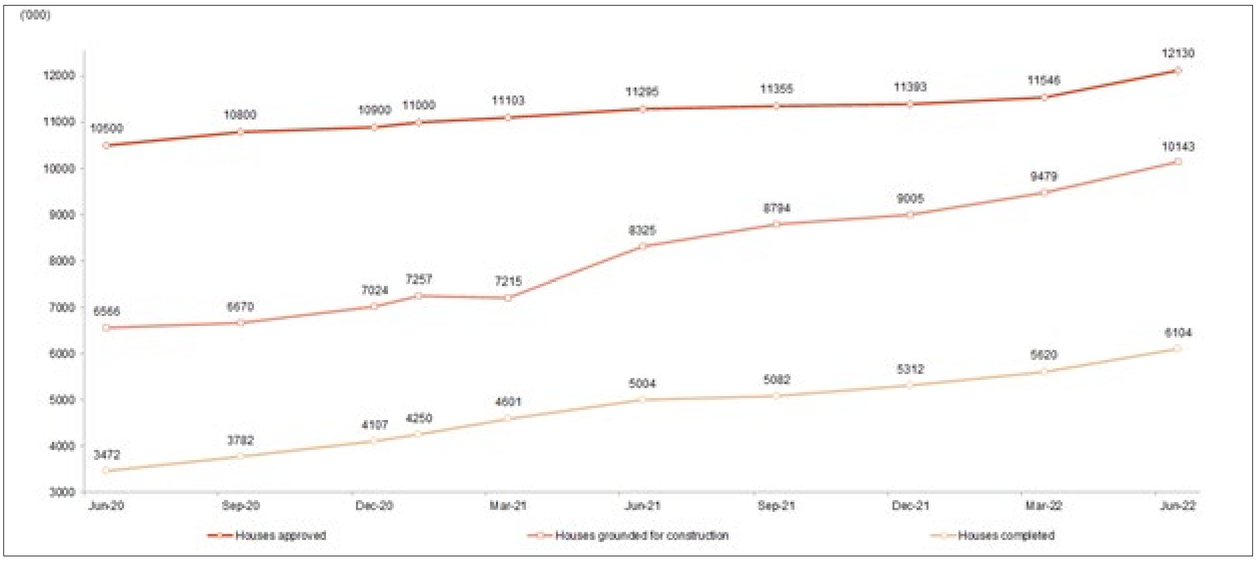
Progress in urban housing



Source: MOHUA, CRISIL Research

Over the past two fiscals, the pace of approval and completion by the Ministry of Housing and Urban Affairs has picked up significantly (see the figure below), leading to healthy steel demand growth from the urban housing segment. Slowdown in financial clearance in the first half of fiscal 2021 was offset by traction in sanctioning and execution in the latter half as the government provided additional funding to the scheme. However, construction momentum slowed in the first quarter of fiscal 2022, as the second pandemic wave hit urban construction. With afflictions ebbing, demand picked up because of pent-up demand and pre-monsoon construction demand. However, it again tapered off during the monsoon season. Construction sharply improved in the third quarter of fiscal 2022, but grounding and sanctioning momentum dropped as the government funding got sluggish. Further, in the first quarter of this fiscal, construction, grounding and sanctioning momentum picked up, even though sanctioning remained modest as approved units have already surpassed the scheme target of 11.2 million units.

Trend in houses approved by the Ministry of Housing and Urban Affairs



Source: MOHUA, Ministry of Rural Development, CRISIL Research

For the next five years, steel demand from the building and construction segment is expected to grow at a CAGR of 4-6%, driven by:

- Government’s focus towards execution of affordable housing
- Robust rural housing demand on the backdrop of government's continued focus on rural development, three consecutive good monsoons, higher minimum support prices (MSP)
- Urban housing demand is also expected to improve owing to increased commercialization of tier III and tier IV cities, led by better infrastructure connectivity.
- Rising steel intensity

Infrastructure segment to lead steel demand

Steel demand from the infrastructure sector (including railways) comprises 25-30% of the country’s steel demand. Within infrastructure space, roads and highways, along with railways (including metros) segment, account for 50-60% of steel demand. Other significant contributors include irrigation and dams, along with water supply and sanitation.

The union government has continued its focus on the infrastructure segment, and has moderately increased its budget for roads - NHAI & PMGSY ~1% and 3% each in fiscal 2023 budget over revised estimates of fiscal 2022 (~21% higher than fiscal 2021 actuals). This, along with a significant increase in capital expenditure by state governments, is expected to keep infrastructure demand momentum healthy. Further, fiscal 2023BE gross budgetary support has been raised to Rs 1.87 lakh crore, highest-ever allocation to the ministry with a robust growth of ~8% and ~1% over fiscal 2022BE and fiscal 2022RE, respectively.

Steel demand growth from infrastructure space has risen by 6-7% over past five years, primarily driven by healthy growth from national-highways construction as well as steady investments in railways (dedicated freight corridors, railway electrification, and slew of metro projects across cities).

Gross budgetary support to the railways sector in fiscal 2022RE is ~9% higher than budgeted; however, the budget for fiscal 2023 is ~14% higher than fiscal 2022BE as well as fiscal 2022RE, with the highest-ever allocation of Rs 2.45 trillion, which included Rs 1.37 trillion from budgetary support and the rest from internal resources.

Rs 19,000 crore has been allocated for rural road construction under Pradhan Mantri Gram Sadak Yojana (PMGSY) in fiscal 2023 budget. This is a ~27% increase from the allocation of Rs 15,000 crore done in the previous budget, and a ~36% increase over the revised estimate of fiscal 21 of Rs 14,000 crore.

Growth from roads and bridges is likely to be driven by the Bharatmala scheme, under which the government plans to construct 83,000 km of national highways in two phases. Additionally, given the low penetration of surfaced roads across key states, the state governments are expected to increase their budgetary allocations under roads and bridges.

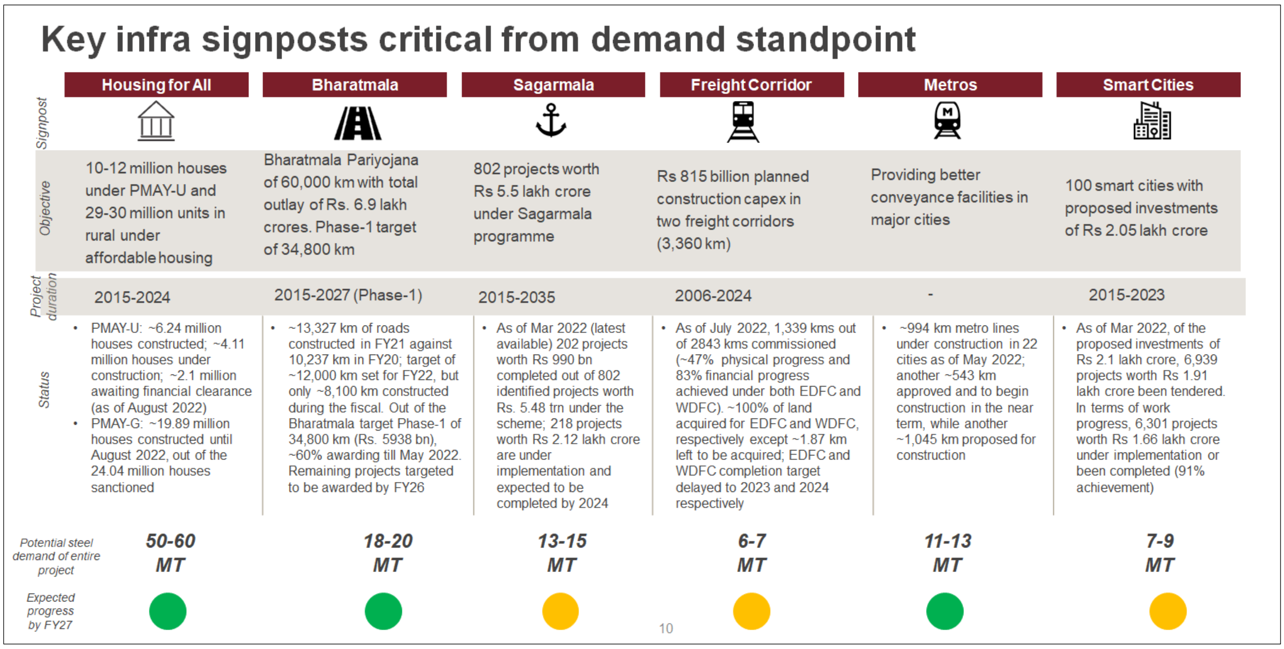
Steel consumption under water supply and sanitation witnessed moderately healthy growth in the past few years, mainly driven by sanitation projects such as Swachh Bharat Mission. The government’s vision to ensure safe piped drinking water to all households through Jal Jeevan Mission is expected to drive healthy growth in investments and potentially generate 11-13 million tonne of potential steel demand.

Urban infra will be driven by metro rail construction as well as water supply and sanitation segments. Addition of new metro lines in several tier II cities, such as Bhopal, Patna, and Indore, will drive demand from the segment.

The irrigation segment is likely to see more investments in central, south and east, where irrigation remains low. We have already seen large projects in Telangana and Andhra Pradesh under construction and we foresee other states scaling up irrigation investments as well to address the issue of agricultural water shortage.

The Bharatmala project is expected to supersede the National Highways Development Project (NHDP) and envisages the construction of 65,000 km of highways under the following categories: national corridor (North-South, East-West and Golden Quadrilateral), economic corridor, inter-corridor roads, and feeder roads. As per the scheme, Phase I of BMP will include the construction of 24,800 km, along with 10,000 km of the remaining road works of NHDP. As per the ministry, BMP, along with the schemes currently undertaken, could require a total outlay of Rs 6.9 trillion. About ~10,237 km of roads was constructed in fiscal 2020 against 10,855 km in fiscal 2019, while phase 2 is likely to be completed by fiscal 2024

Long-term drivers intact



Key infra signposts critical from demand standpoint

Signpost	Housing for All	Bharatmala	Sagarmala	Freight Corridor	Metros	Smart Cities
Objective	10-12 million houses under PMAY-U and 29-30 million units in rural under affordable housing	Bharatmala Pariyojana of 60,000 km with total outlay of Rs. 6.9 lakh crores. Phase-1 target of 34,800 km	802 projects worth Rs 5.5 lakh crore under Sagarmala programme	Rs 815 billion planned construction capex in two freight corridors (3,360 km)	Providing better conveyance facilities in major cities	100 smart cities with proposed investments of Rs 2.05 lakh crore
Project duration	2015-2024	2015-2027 (Phase-1)	2015-2035	2006-2024	-	2015-2023
Status	• PMAY-U: ~6.24 million houses constructed; ~4.11 million houses under construction; ~2.1 million awaiting financial clearance (as of August 2022) • PMAY-G: ~19.89 million houses constructed until August 2022, out of the 24.04 million houses sanctioned	• ~13,327 km of roads constructed in FY21 against 10,237 km in FY20; target of ~12,000 km set for FY22, but only ~8,100 km constructed during the fiscal. Out of the Bharatmala target Phase-1 of 34,800 km (Rs. 5938 bn), ~60% awarding till May 2022. Remaining projects targeted to be awarded by FY26	• As of Mar 2022 (latest available) 202 projects worth Rs 990 bn completed out of 802 identified projects worth Rs. 5.48 trn under the scheme; 218 projects worth Rs 2.12 lakh crore are under implementation and expected to be completed by 2024	• As of July 2022, 1,339 kms out of 2843 kms commissioned (~47% physical progress and 83% financial progress achieved under both EDFC and WDFC). ~100% of land acquired for EDFC and WDFC, respectively except ~1.87 km left to be acquired; EDFC and WDFC completion target delayed to 2023 and 2024 respectively	• ~994 km metro lines under construction in 22 cities as of May 2022; another ~543 km approved and to begin construction in the near term, while another ~1,045 km proposed for construction	• As of Mar 2022, of the proposed investments of Rs 2.1 lakh crore, 6,939 projects worth Rs 1.91 lakh crore been tendered. In terms of work progress, 6,301 projects worth Rs 1.66 lakh crore under implementation or been completed (91% achievement)
Potential steel demand of entire project	***50-60 MT***	***18-20 MT***	***13-15 MT***	***6-7 MT***	***11-13 MT***	***7-9 MT***
Expected progress by FY27						

10

Note: 1. Intensity of steel consumed for a single lane track is 340 tonnes per km, excluding other auxiliary usage in the project

2. Investment in steel incurred in the Sagarmala project is around 2% of the total project cost

Source: CRISIL Research

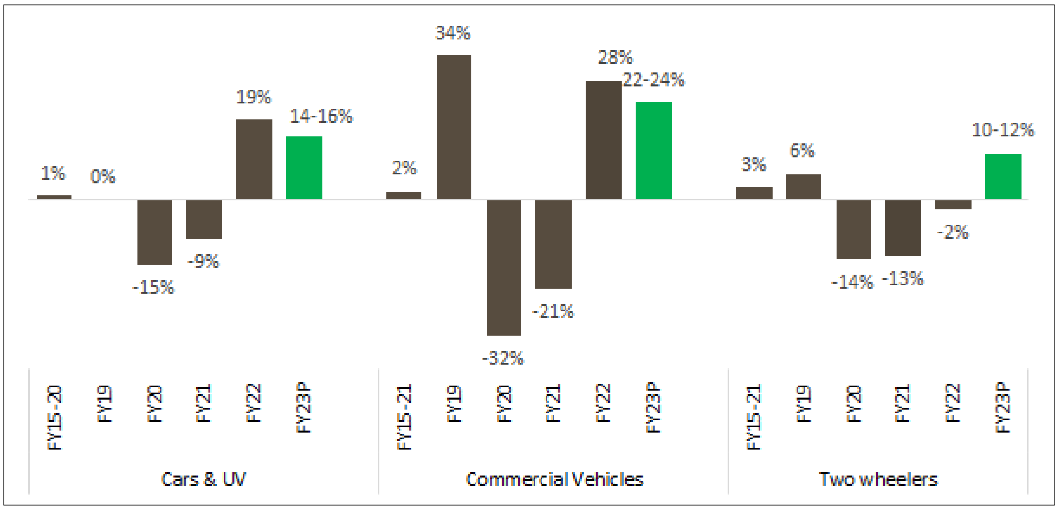
Auto industry shows optical recovery; chip shortage and high steel prices to dampen demand prospects

Auto production saw ~10% growth in output in fiscal 2022 on low base. It did face headwinds in the form of chip shortage, but low base of fiscal 2021 charted optical growth for the sector supply. Fiscal 2023 will see a similar growth as chip shortage situation alleviates to some extent and consumer demand improves. Auto production is expected to rise by ~15-17% in fiscal 2023.

Looking at segment growth prospects within automotive sector –

- Commercial Vehicles – Bus, MHCV, and LCV demand is expected to grow by ~68-73%, ~17-22% and ~11-16% respectively.
  - Bus segment to grow on low-base at volumes are still 50% lower than pre-pandemic levels
  - Improving freight demand scenario is expected to result in higher profitability for fleet owner which will spur a replacement demand cycle.
  - Further, private and single-fleet-owners (SFOs) segment to see sentiments improve in the fiscal driving fresh procurement and replacement demand.
- Cars and UVs – Passenger vehicles volumes to see a 14-16% growth in volumes.
  - Growth is expected to stem from pent-up demand in the segment from both private and commercial segments
  - Cost rationalization will come into effect going ahead as relatively lower interest rates and fuel efficiency will limit growth in cost of ownership in a situation when income growth is expected to be decent
  - Wholesale volumes are expected to return back to fiscal 2019 levels in fiscal 2023.
- Tractors – Domestic tractor sales is expected to see a lack-luster growth of 3-5% in fiscal 2023
  - Dealer-level inventories are high as sales have been underperforming
  - A small chunk of active and farm-plying tractors are up for replacement
  - Farm profitability is under-pressure which directly impacts purchasing decision for the segment
- Two Wheelers – Segment volumes are expected to grow at a moderate pace with 10-11% expected rise
  - Green shoots of growth to emerge as rising income and pentup demand in the segment kick-in post fiscal 2022
  - However, steel demand from the segment is expected to chart a downward trend in the long-run as electric vehicle (EV) pickup in this segment is the highest with 2W-EV volumes expected to see >70% CAGR in FY23-FY27 period.

Segment-wise production growth rates for automotive sector



E: Estimated, P: Projected

Source: CRISIL Research

Flat steel to perform marginally better than long steel segment in FY23

Fiscal 2022 saw long steel perform better again as second-wave (delta variant), third-wave (omicron variant) and runaway prices in commodities impacted consumer-driven segments which are dominant in flat segment. Meanwhile, executions on housing and infra space kept pace with hiccups seen near the end of fiscal.

In the current fiscal, 5MFY23 demand split shows a robust ~16% growth in flat segment while only 7% growth in long segment. There are multiple factors driving this trend -

- Flat steel segment had a low-base for FY22 as demand was hit due to second-wave of covid. Meanwhile offtake in long segment was still healthier during that period as mainly urban centres were hard-hit by the pandemic and rural construction activity continued
- Flat steel has seen significant price corrections from its rally in Jan-Apr'22, triggering pent-up demand
- Flat steel share in construction and real estate has risen driven by urban infra and urban housing segments where flat penetration is rising owing to outdoor structures and steel fittings.
- Finally, chip shortage issue that was rampant in last fiscal is seeing some alleviation and approaching festive season is expected to see a healthy uptick in white good and consumer durable sales.

Review: Fiscal 2021 saw long steel perform better, as consumption-linked segments were severely impacted in the first half, while construction and infra activities were the first to recover. While long-steel demand fell by 1%, flat steel saw an 11% decline. Alloy steel demand saw an 8% fall compared with a 6% drop in non-alloy steel demand in fiscal 2021.

In fiscal 2020, alloy steel consumption declined ~21% on-year because of declining automobile production of 16-18%. Non-alloy steel demand grew at a mere 3.3% in the same period. Moreover, long-steel consumption grew 5.5% in fiscal 2020, while flat-steel demand declined 3%, primarily due to weak auto sales.

Flat & Long Split (FY22)

Segment	Demand (MT)	Growth (Y-o-Y)
Flat	48.6	12%
Long	57.2	11%

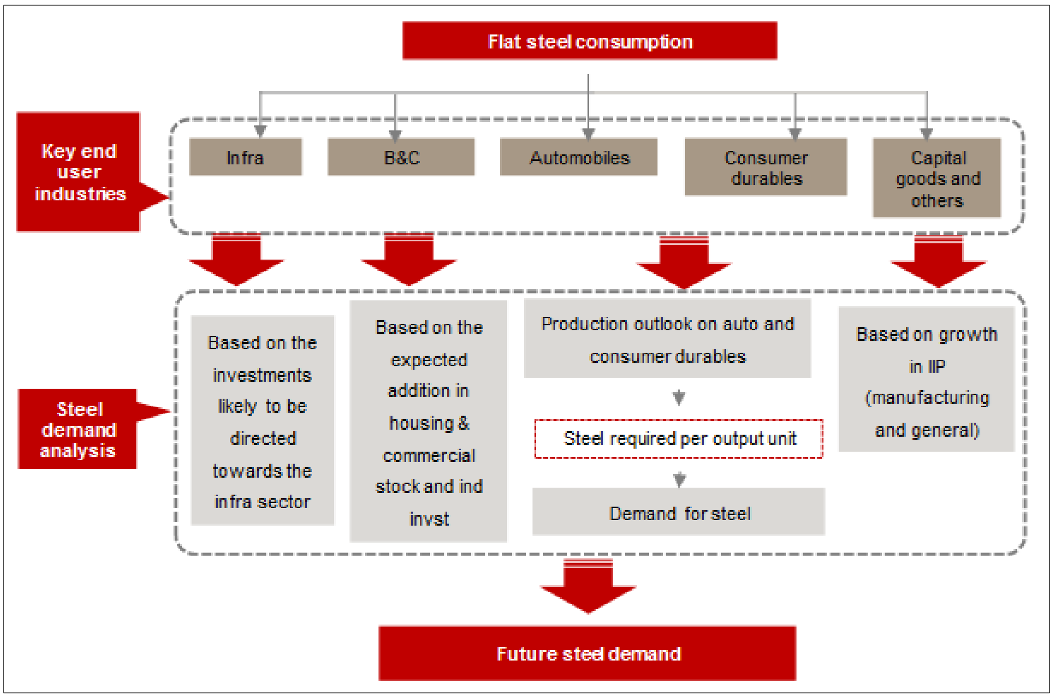
Alloy & Non-Alloy Split (FY22)

Segment	Demand (MT)	Growth (Y-o-Y)
Non-Alloy	98.2	11%
Alloy	4.5	17%

Note: Steel demand numbers are in million tonnes (MT)

Source: CRISIL Research

Demand forecast methodology



Source: CRISIL Research

Supply & operating rates

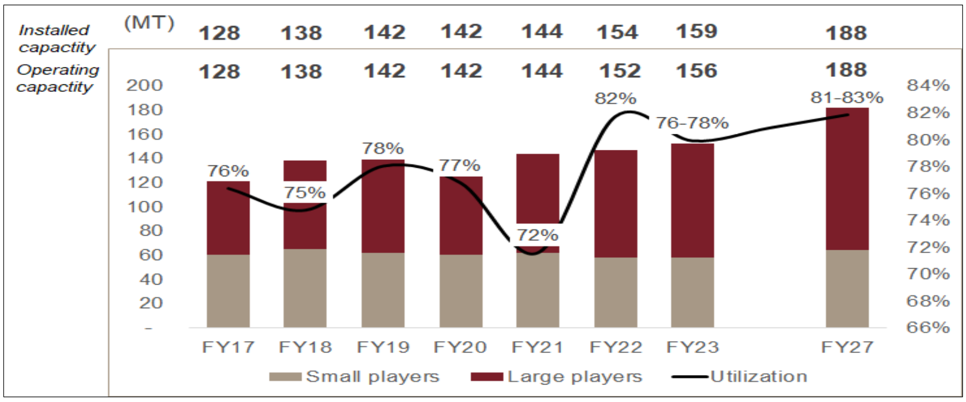
India to add 30-35 MT of crude steel capacity over FY22-27, primarily through brownfield route, leading to the consolidation of steel industry

Utilisation levels to dip in fiscal 2023 as export volumes are set to drop with new capacities coming online. Fiscal 2022 saw a rise in steel exports as ~13.5 MT of finished steel is estimated to have been exported on weak demand in the domestic market and high global realisation. Crude steel production growth was thereby healthy on a low base of the previous year as secondary steel players ramped up production and new capacities came on-stream. CRISIL foresees utilisation levels to average at 76-78% this fiscal

Several new capacities are expected to come on-stream over the next five years (90-95% of capex by large players), the pace of which has been accelerated after blockbuster profitability in the past two quarters. We expect a net capacity addition of 35-37 MT in this period, owing to healthy profitability and debt reduction seen in the past two fiscals. Share of large players is expected to rise from to 65% in fiscal 2026 from 57% in fiscal 2021, driven by increased capex activities on healthy profitability and strong revenue. Ramp-up of acquired assets will also help drive capacities up.

With the hit on exports, production of crude steel in expected to see marginal 0-2% growth in fiscal 2023. And with operating capacity rising in fiscal 2023, utilization levels is expected to remain flat with downward bias. CRISIL Research expects utilization level to range between 76-78% in this fiscal.

Capacity utilisation level for Indian steel market (million tonnes)



E: Estimated, P: Projected

Source: Joint Plant Committee, CRISIL Research

Prices

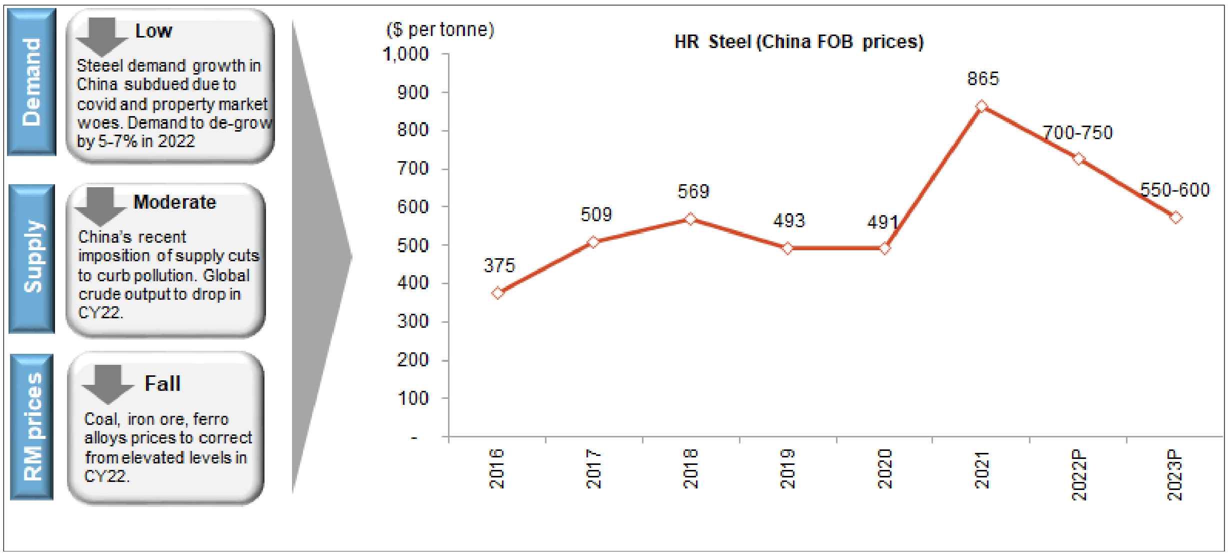
Long term outlook

Weak global demand, export duties on steel and correcting raw material prices to bend steel prices. China HR FOB prices correct on weak domestic demand, EU prices correct as well but will maintain premium to China prices.

After an impressive rally last year, when global steel prices (China HR FOB) rose 76%, prices fell in January-February 2022 on weak demand in China as it cut its manufacturing output in lieu of the Winter Olympics and Lunar New Year. However, the recent rise in raw material prices, the Russia-Ukraine war, rising covid-19 cases have again led to an upward rally in prices.

Prices in regions like EU and US which have dependence on Russia for energy and steel products saw their spot prices touch $1600 per tonne. Even China FOB prices went over $1000 per tonne as an after effect of the Russia-Ukraine war. However, since mid-May, coking coal prices have started to correct massively and panic procurement of steel in global market has subsided. Consequently prices have seen a rapid downward trend. China HR FOB prices are already below $700 per tonne level. Even EU and US prices are hovering in the $800 per tonne level.
Overall, China HR FOB is expected to average at $700-750 per tonne in 2022 in our base-case scenario. EU steel prices however will remain elevated and maintain a premium to China prices owing to higher energy costs that it is facing on restricting Russian supplies of coal, gas and steel.
In CY 2023, while prices will correct further, they will continue to remain above the average of the last couple of years owing to a green cycle in play, and thereby, average at $550-650 per tonne. In fact prices are currently hovering in the $550-600/ tonne range. CRISIL expects some correction going ahead before witnessing recovery in the second half of CY2023.

Global steel price trend



P: Projected

Source: CRISIL Research

Domestic HR prices will follow global cues; long steel prices also rise on high input costs

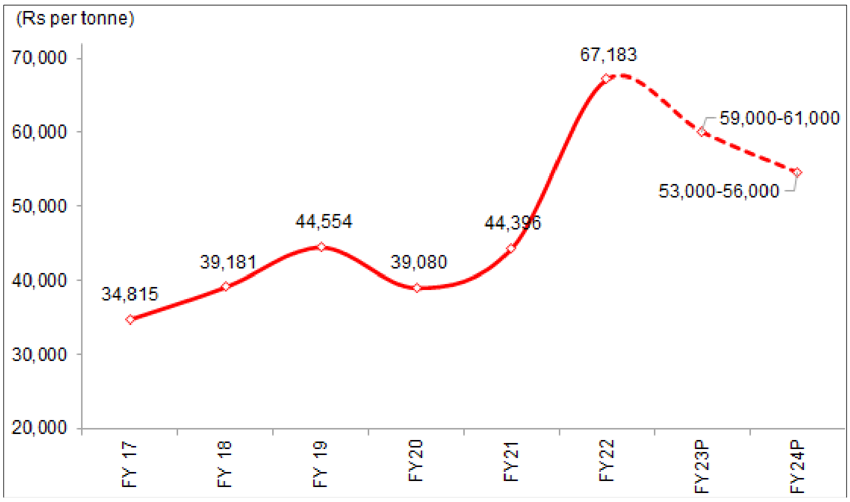
The landfall of Russia-Ukraine war set the commodities market into a frenzy as regions that sourced material from these countries went into panic mode and input costs and finished products prices surged. The surge in export realisations drove domestic prices on a rally as well, hurting domestic demand at home. As a measure to reign in runaway prices, govt has imposed export duties on iron ore, steel and pig iron; and removed import duty on coking coal.

This has shown rapid correction in prices, with HR prices falling ~Rs.10,000 per tonne in June 2022 alone. Correction in steel prices was already on the cards as global prices started correcting. The duty revisions have alleviated the uncertainties linked to global markets and set the tone for a quicker correction in the near term. As of mid-June, prices are already at Rs 62,000-64,000 per tonne. These corrections continued further into the months of July and August with August spot pricing averaging at ~Rs.56,760 per tonne. Despite these observed corrections CRISIL expects prices to average in Rs.59,000-61,000 for fiscal 2023 given prices in Q1 were significantly elevated and price drops will be much less pronounced going ahead.

Review

In fiscal 2019, domestic steel prices rose 13.7%, mirroring the trend in global steel prices, led by strong domestic demand and rupee depreciation. Domestic HRC prices surged 20% in the first half of fiscal 2019 owing to elevated global prices and weakening rupee. However, prices started moderating in the third quarter of fiscal 2019 due to trend reversal in the aforementioned factors. Flat steel prices rose 14% on-year in fiscal 2021 to average at Rs 44,396 per tonne. Long steel prices rose 12% on-year to average at Rs 45,175 per tonne in fiscal 2021. Fiscal 2022 saw steel prices surge on account of pent-up demand in global market paired with logistics and supply-chain challenges and rising input cost. Flat steel prices rose a whopping 51% on-year to average at Rs. 67,183. Meanwhile, long steel prices rose by 26% to average at Rs. 56,941.

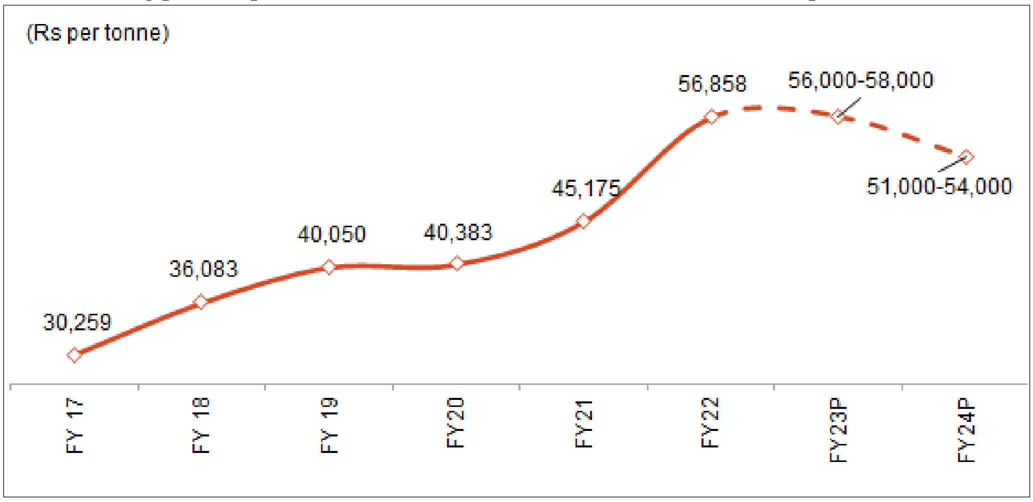
Domestic HRC price outlook



P: projected

Note: Domestic prices are pan-India average selling prices (excluding duties)
Source: Industry, CRISIL Research

Domestic long product prices continue to rise in fiscal 2022 on sudden cost pressures and demand pull



P: projected
Note:
1. Domestic prices are selling prices (excluding duties)
2. Prices indicative of primary steel manufacturers
Source: Industry, CRISIL Research

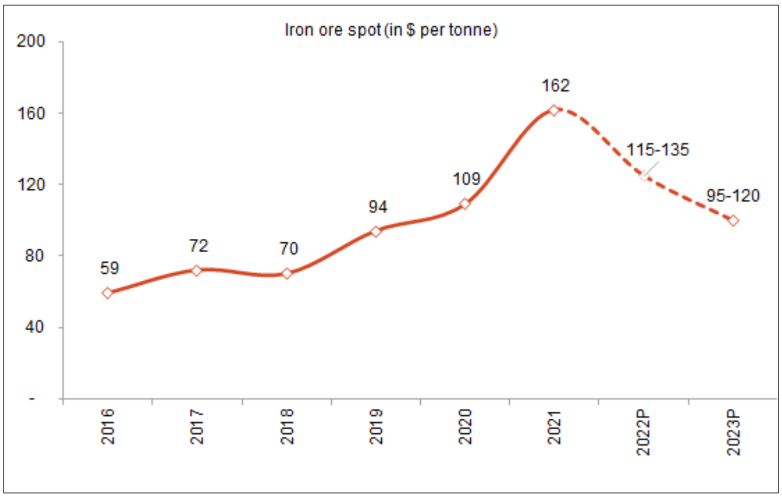
Global iron ore prices hold ground

In 2021, global iron ore prices crossed historic levels of $220 per tonne. Prices then started to correct on increased supply of ore in market and falling demand as China's cuts steel production massively. Through the end of December 2021, it was seen to rise up and remain stable at $110-120 per tonne. Overall, iron ore prices in CY2021 averaged at $162 per tonne, and is expected to moderate marginally to $115-135 per tonne in CY2022.

Review: The fatal Brumadinho tailings dam failure in January and Cyclone Veronica hitting the Pilbara coast in March severely affected future iron ore supplies. The events put ~120 million tonne of global seaborne iron ore exports at risk. Additionally, resumption in production from Vale's 17 tailings dams and dikes in Brazil, which had failed stability condition declarations, has compounded the current woes. These concerns led to a 35% surge in global iron ore price in 2019.

In CY2018, iron ore prices declined ~2.8% on account of increased output from Vale, BHP, and Rio Tinto by 5%, 3%, and 2%, respectively. Iron ore prices surged 8% on-quarter in the fourth quarter of CY 2018 owing to higher global crude steel production and terminal maintenance in Australian ports. Supply disruptions caused by BHP train derailment in Australia further contributed to price increases during the quarter.

Iron ore price outlook



P: projected
Note: Prices indicated above refer to China CFR 62% Fe content spot price
Source: CRISIL ResearchFor the next five years, steel demand from the building and construction segment is expected to grow at a CAGR of 4-6%, driven by:

Coking coal prices expected to average $300-350 per tonne in fiscal 2023

Coking coal prices rose to unprecedented levels post landfall of Russia-Ukraine war in late-Feb. Prices went as high as $670 per tonne as countries that sourced the material from Russia started demanding Australian coking coal. Further, heavy rains due to La-Nina phenomenon had impacted mining activity in Queensland. However, procurement frenzy has subsided and supply-side disruptions have also rectified. Consequently, coking coal prices have started trending downwards steeply with spot prices already below $300 per tonne level. While prices are still significantly elevated to pre-covid levels, these corrections have a direct impact on steel prices given the high share of coking coal in the cost-structure for steel mills.

Overall, CRISIL foresees prices to average at $300-350 per tonne in 2022 with a volatile trajectory as multiple global factors come into play such as the Russia-Ukraine war's impact since sanctions will dampen Russian coking coal supply. Australia saw multiple disruptions owing to floods and logistical issues, which reduced supply. La-nina forecasts for the year point towards another wet summer season in Australia, stoking fears of yet another round of supply disruptions in the final quarter of CY22 and first quarter of CY23. However, China is moderating demand for coking coal as it reduces supply on the back of Covid-19-related issues. Prices dipped to below $200 per tonne levels, before quickly bouncing back to $275 per tonne and settling at around $260-$270 per tonne level at the moment. Therefore, we foresee continued volatility in coking coal prices in the near term.

Coking coal prices dropped to $124 per tonne in 2020 as demand slumped from major steel producing economies. While usually coking coal and iron ore prices follow a similar trend, the drop in coking coal was primarily attributed to China meeting most of its coking coal needs through the domestic market. China and India have also bumped their imports of coking coal from Russia owing to material discounts to similar grade material originating from Australia. However, CRISIL does not foresee complete replacement of Australian coking coal owing to high-ash content (hence inferior quality) of Russian coking coal.

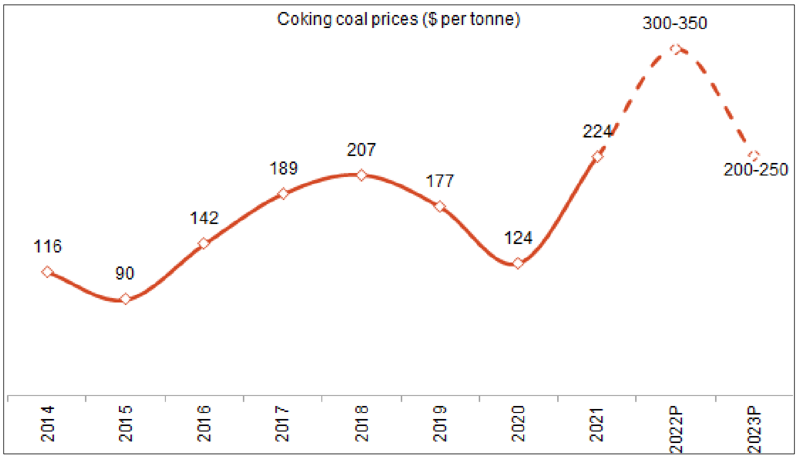
Prices will correct in CY 2023 as supply disruptions ease and geopolitical tensions subside leading to average price of $200-300 per tonne for the year.

After beginning 2021 on a weak note, coking coal prices hovered at $400-450 per tonne in late-September 2021 owing to multiple disruptions in Australia due to derailment on a coal rail route. This was further aggravated by maintenance shutdowns by global miners. In China, 20 mines were negatively affected by floods, which resulted in a severe shortage of coal in the Chinese local market, thereby increasing demand for imported coal. The informal quota ban on Australian coal imports led to increased bidding by steelmakers for imports, which drove prices significantly.

Rail and port maintenance issues pose a major risk to metallurgical coal exports. Bad weather and weather-related damage, as well as infrastructure problems can hamper exports and fuel price spikes. Therefore, they remain upside risks to our forecasts.

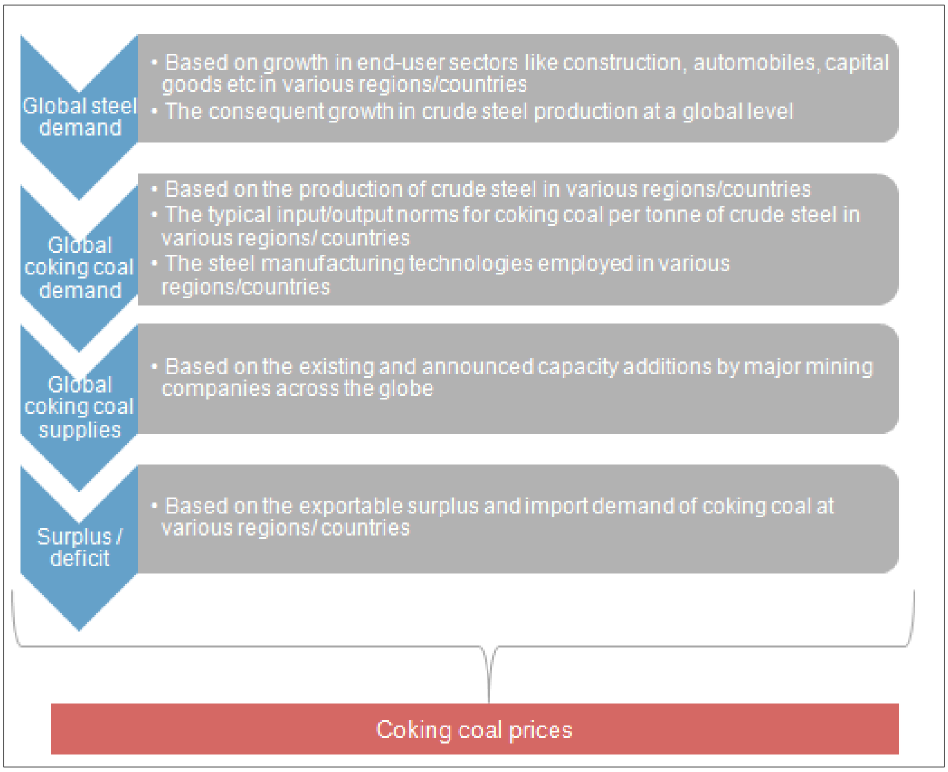
Review: Coking coal prices declined 14% on-year to $177 per tonne in CY 2019. Coking coal prices rose 9.5% in 2018, led by a healthy 4.7% growth in global crude steel production, Chinese government's production curbs on mining, and closure of polluting induction furnaces in China. During January-October 2018, coking coal prices rose 11% because of supply disruptions caused by severe floods in Queensland. Further, in the fourth quarter of CY 2018, coking coal prices increased 9% on a low base of the fourth quarter of CY 2017, when coking coal import by China declined owing to stringent winter capacity cuts in China.

Coking coal price outlook



P: projected
Source: CRISIL Research

Coking coal price forecast methodology

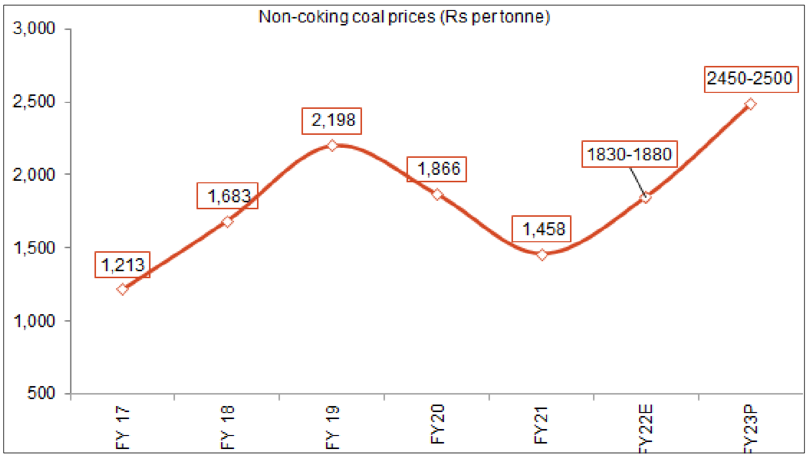


Source: CRISIL Research

Non-coking coal prices will rise further on global and domestic uncertainties

Coal companies also sell coal through spot auctions for power and non-power sectors periodically. Power plants that do not have power purchase agreements with distribution companies (discoms) usually procure coal through spot auctions. Demand for spot auctioned coal from non-power sectors also increases owing to the diversion of linkage coal to the power sector following coal shortage amid rising power demand. In fiscal 2021, CIL sold ~43 million tonne of coal through spot e-auctions at a premium of 25%. This is indicative of higher supply from CIL to e-auction participants from the non-power sector amidst surplus coal availability. Coal offtake from e-auctions saw a sharp uptick from the 67.7 million tonne over April-November 2020, with e-auction premiums at 12%, to 72 million tonne over April-November 2021, with average premiums at 41%. This was despite the restrictions on conducting such coal auctions in order to cater to high demand from the power sector. In near term, CRISIL expects spot auction premiums to rise gradually as demand recovers from the non-power sector.

Domestic thermal coal price outlook

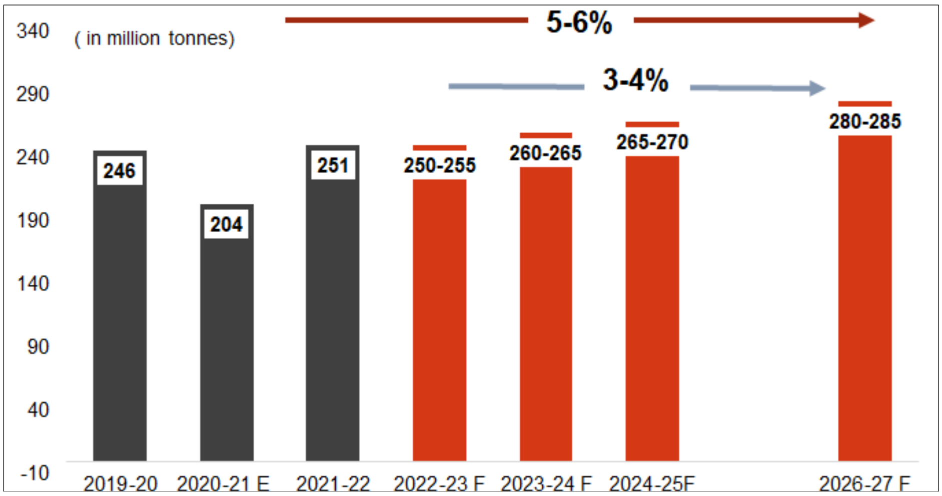


Note: Prices in the chart are of E grade (with 4,200 kcal per kg) e-auction average bid prices
P: projected

Source: CRISIL Research

Domestic iron ore prices rise on supply crunch; prices to remain high in near term

Domestic iron ore production



P: projected

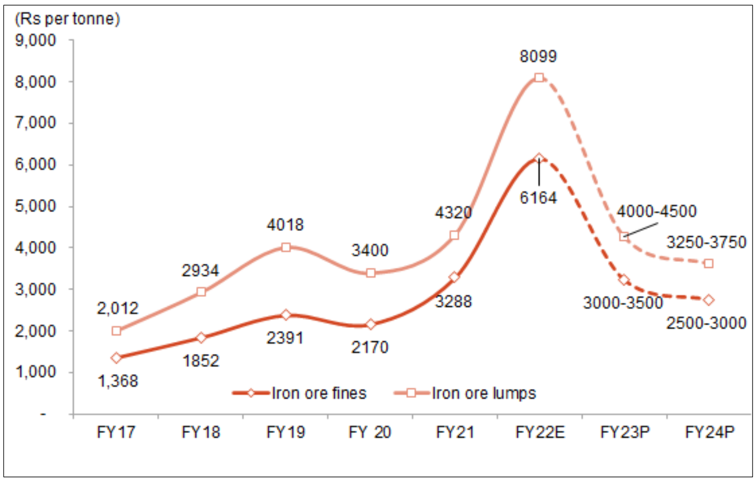
Source: Indian Bureau of Mines, CRISIL Research

Domestic iron ore prices have been soaring since fiscal 2021 owing to limited supply of ore in the market. Steel players saw utilisation levels recover rapidly. However, iron ore supply could not match demand owing to the supply crunch in key raw material in the country. This was because Odisha auctions put 65-70 million tonne of iron ore production out of the merchant market in fiscal 2021. Moreover, a shift from merchant to captive further tightened merchant supply, thereby leading to soaring domestic iron ore prices.

In the first half of fiscal 2022, prices moved up as demand improved. Global iron ore prices soared again, thereby leading to price hikes by miners in the merchant market, post which there was a correction in domestic iron ore prices on a free fall of global iron ore prices. However in early 2022, the price trend reversed yet again, which narrowed the gap between global landed and domestic prices to nearly 5-10% currently from 45-50% last quarter.

Overall, prices to averaged at ~Rs 6,164 per tonne in fiscal 2022. However, the export duty levied on iron ore and pellets (50% export duty) is expected to bump domestic supply massively and make exports unviable. This has already led to drop in iron ore prices with merchant players slashing their prices by 30-35%. In fiscal 2022, India produced 251 MT of iron ore of which ~201 MT was consumed domestically, ~25 MT was exported with negligible imports. Hence, domestic market had sufficient supply in the fiscal. Now, with major merchant and captive miners planning production ramp-ups, prices will most likely continue correcting. For fiscal 2023 we expected domestic iron ore prices to average 40-50% lower than fiscal 2022 level.

Outlook on domestic iron-ore price



E: estimated; P: projected

Note: The prices are for grade 62-65% Fe and are as mentioned in the Mineral Conservation and Development Rules (MCDR) returns.

Source: Indian Bureau of Mines, CRISIL Research

Iron ore price forecast methodology

Source: CRISIL Research

OUR BUSINESS

The following information should be read together with the more detailed financial and other information contained in the sections "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 14, 80 and 81, respectively. Some of the information in this section, including information with respect to our plans and strategies, contains forward- looking statements that involve risks and uncertainties. You should read the section "Forward Looking Statements" on page 10 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. All financial information included herein is based on our Financial Statements included in this Information Memorandum in the section "Financial Statements" beginning on page 81.

Overview

Our Company was incorporated as an unlisted Government Company under the provisions of Companies Act, 2013 on January 2, 2015 within the jurisdiction of the Registrar of Companies, Chhattisgarh.

The Equity shares of our Company will be listed on the BSE, CSE and the NSE.

Overview of Demerged Undertaking

NMDC Steel Limited is in the process of setting up 3.0 MTPA Integrated Steel Plant at Nagarnar in the district of Bastar of Chhattisgarh state. It has been decided to adopt BF-BOF- Thin Slab Caster-Online Tunnel Furnace and Hot Strip Mill route for the project. Presently this project is in advance stage of construction.

Following are the major technological facilities under installation at site.

Sr. No.	Facilities	Capacity	Major facility
1.	Raw Material Handling System ("RMHS")	9.5 MTPA	• 4 Wagon tipplers. • 7 Stacker cum-reclaimers for Ore & Coal handling • ~ 35 KM length of conveyor belts
2.	Coke Oven Plant ("CO")	1.76 MTPA	• 2X67 ovens with 7mtrs tall • Coal Dry Cooling Plant ("CDCP")
3.	By-Product Plant	83,627 Nm^3/hr	• Electrostatic Tar precipitator, Ammonia-H2S-Napthalene scrubber, Clauskiln, Sulphur condenser and separator etc
4.	Sinter Plant ("SP")	1x460 m^2 Sinter machine	- -
5.	Blast Furnace ("BF")	1x4500m^3, 3.32 MTPA	• 3 X 1700 TPD pig casting machines • Coal Dust injection ("CDI") • Top Gas Pressure Recover Turbine-TRT (18 MW)
6.	Steel Melting Shop ("SMS")	3.00 MTPA	• 2 x 175 Tonne BOF converter • 2 x 175 Tonne HMDS • 2 x LF • 1 x RH-OB
7.	Thin Slab Caster ("TSC") with Hot Strip Mills ("HSM")	2.90 MTPA	• 2X1-strand Caster coupled with Hot Strip Mills
8.	Oxygen Plant	2x1250 TPD	- -
9.	Lime & Dolomite Calcinations plant ("LDCP")	2x 500 TPD cal-lime and 1x300 TPD cal-dolomite	- -

In addition to above other auxiliary facilities like Power and blowing station (2x40 MW), Turbo Blower station(3x3930 Nm^3 /min) and compressed stations etc. are also envisaged in plant to meet the requirement.

Planned Capex and Actual Expenditure till March 31, 2022

The estimated project cost for implementation of NISP is INR 21,940 crores. Till March 31, 2022, expenditure of INR 20,514.48 Crore has been incurred for implementation of NISP. Item wise total cost and expenditure incurred (till March 31, 2022) is given below -

Sr. No.	Particulars	Planned Capex (Fig in INR Crores)	Expenditure incurred till March 31, 2022 (Fig in INR Crores)
A	**Plant & Machinery**		
1	Raw material handling system	1,395	1,423.97
2	Coke oven	1,978	2,041.10
3	By Product Plant	509	534.22
4	Sinter Plant	765	804.58
5	Blast Furnace	1,814	1,916.26
6	Steel Melting Shop	2,054	2,001.90
7	Thin Slab Caster & Hot Strip Mills Complex	2,633	2,709.52
8	Lime and dolomite Plant	148	82.65
9	Oxygen Plant	561	597.37
	Sub total	11,859	12,111.57
B	**Auxiliary packages**	**4,267**	**2,446.96**
C	**Infrastructure packages**		**710.08**
D	**Enabling packages**		**147.63**
E	**Township Packages**	**734**	**56.23**
F	**Miscellaneous packages**	**333**	**64.06**
G	**Capital stores**	**Included in Package cost**	**484.14**
H	**Land Cost**	**95**	**106.22**
I	**Site Development**	**164**	**Included in Auxiliaries / Enabling packages**
J	**Detailed engineering, consultancy fee & project management**	**742**	**676.08**
K	**Transmission Line cost, if any**	**Included in Preliminary and Preoperative expenses**	**375.31**
L	Preliminary & pre-operative expenses (including R&R Policy)	**366**	1,576.10
M	Contingencies	**111**	-
N	Price escalation on INR portion	**2,059**	Included in Packages Cost
O	Foreign exchange variation		
P	Other expenses / Advance (Including PPE, Inventories)	**-**	1,694.57
Q	Interest During Construction	**1,209**	65.54
	Total	**21,940**	**20,514.48**

Status of construction of NISP till November 15, 2022

Overall progress status of the Plant till November 15, 2022, is as given below:

Sr. No.	Work Description	% Progress
1	Civil (RCC)	99.0
2	Structural Erection	98.6
3	Equipment Erection	98.3
4	Refractory Erection	86.5

The individual package wise progress till November 15, 2022:

Unit	Excavation (%)	Structural Erection (%)	Equipment Erection (%)	Refractory Erection (%)
Coke Oven Battery	95.4	98.6	91.5	97.5
By Product Plant	99.6	99.8	99.9	100.0
Sinter Plant	100.0	100.0	100.0	100.0
Blast Furnace	100.0	100.0	100.0	99.6
Steel Melting Shop	100.0	100.0	99.9	27.4
Thin Slab Caster with Hot Strip Mill	100.0	100.0	100.0	81.7
Oxygen Plant	100.0	100.0	100.0	100.0

Major Milestones targeted for commissioning of the Plant:

Sr. No.	Milestone	Commissioning date*
1	Commencement of 1st Coke Pushing (1st Battery)	October 28, 2022
2	Hot metal production from Blast Furnace	March 15, 2023
3	Start of blowing in Steel Melting Shop	March 31, 2023
4	Hot Trial Start in TSC-HSM (First HR Coil Roll Out)	March 31, 2023

*** As on November 15, 2022**

Overview of Steel Making Process

The plant is designed to produce HR Coils / Sheets / Plates. Major raw materials like Iron ore/fines will come from NMDC's Bailadila mines and imported Coal from Vizag port. In addition, fluxes required will be received from indigenous/imported sources. The required quantity of above raw materials received will be stacked at designated areas of RMHS.

Various grades of coal will be stored in Coal Blending Silos, and the same will be blended in conveyors during transferring in to coal crushing tower. Pre-calculated quantity of blend Coal will be charged to coke oven from top to undergo coking process. Coke so produced in Coke oven will be sent to Cokel dry cooling plant. Thereafter, sized coke will be conveyed to Blast Furnace stock-house and some part will be stacked in RHMS area.

Iron ore fines, coke fines, lime stone & dolomite (after crushing) would be sent to sinter plants through various conveyors for production of burden sinter. Sinters so produced from Sinter Machine will be cooled, sized as per requirements and will be sent to Blast Furnace stock-house and storage bunkers at RMHS. Some amount of fluxes like limestone / dolomite / quartzite will also be conveyed to BF stock house through conveyor from RMHS. The Coke Oven Gas ("COG") produced during coking process will be taken into By Product plant to treat it further. The clean COG will be utilized partly in coke oven process and balance will be used for Steel Melting Shop, Blast Furnace and Thin Slab Caster & Hot Strip Mill etc. In this process by products like Tar, Napthalene and sulphur will be produced at Byproduct Plant.

The sinter, coke and other required raw materials and flux (limestone, dolomite and quartz) of pre-calculated quantity will be taken into Blast Furnace from stock-house through conveyors. The above raw materials will undergo reduction process for which hot blast will be provided by power blowing and turbo blower station facility.

Hot metal tapped out from BF will be taken into torpedo ladle car and will be transported to Steel Melting Shop ("SMS") for further processing. Slag produced from BF will be taken to slag granulation plant and then to slag yard through conveyor for stacking. Gas generated from BF after cooling is taken to TRT for power generation and further utilization in BF stove heating and boiler for steam turbine.

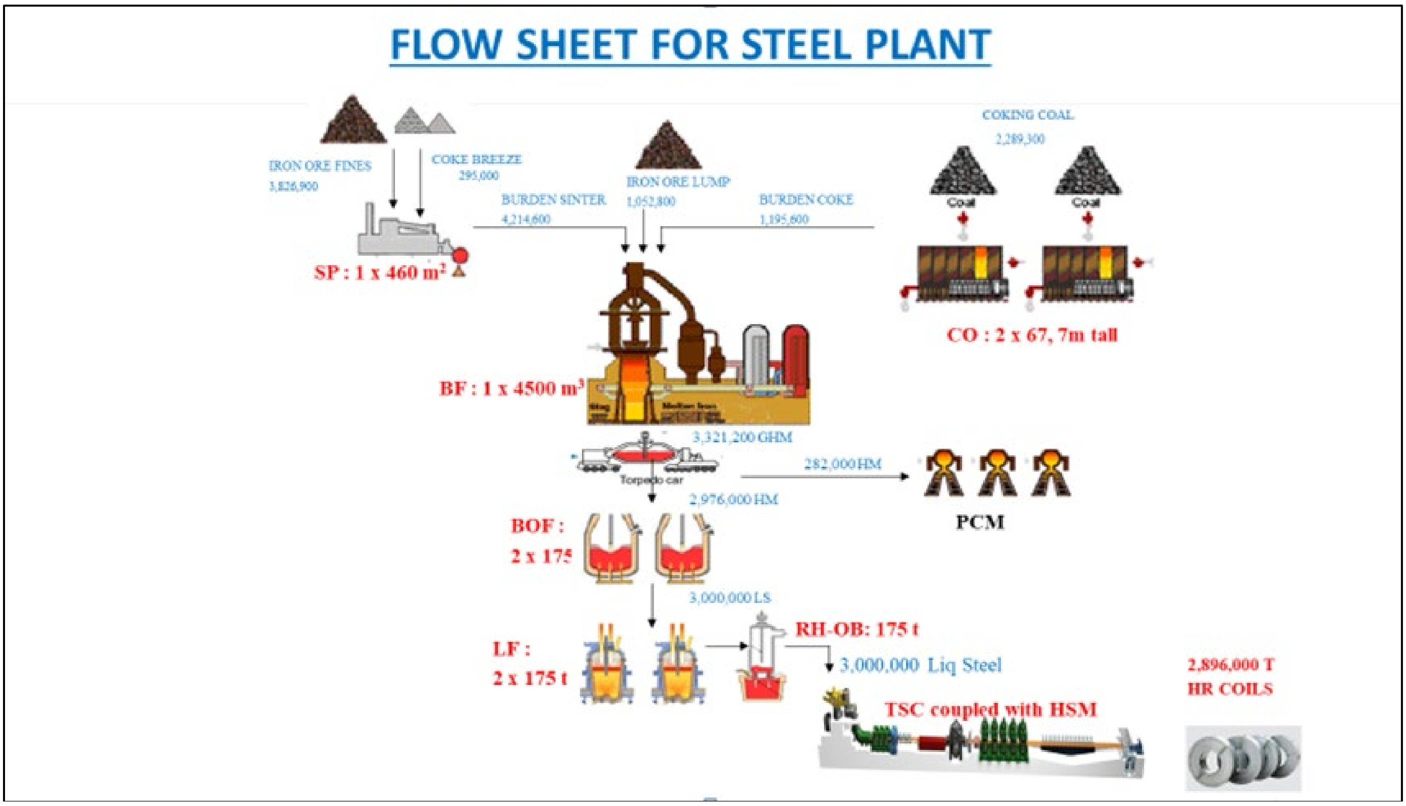
Before taking hot Metal into BOF converter, the hot metal will be treated in Hot Metal De-sulphurisation ("HMDS"). HMDS having facilities of bunkers for Calcium Carbide, Magnesium granule and Calcined lime. Calcium carbide and Magnesium granule will be conveyed to storage bunkers through specialized truck tankers. After treatment at HMDS station hot metal will be transferred to BOF converter through shop EOT cranes. BOF converters have facilities of raw material bunkers for storage materials of like cal-lime, cal-dolomite (Cal lime and cal dolomite are conveyed through conveyor belts from Lime and dolomite calcinations Plant), DRI. All these materials will be conveyed to BOF converter bunkers through conveyor belts of RMHS.

After getting required composition and temperature at BOF converter, liquid metal will be tapped out in to ladle for further processing at Ladle Refining Furnaces (“LRF”) and RH-OB (if required) . LRF and RH-OB have their own bunkers for storage and addition in LRF and RH-OB during treatment

At Thin Slab Caster, liquid metal ladle will be placed at turret and liquid will be poured in running tundish and from there it goes to water cooled copper mold jacket. This copper mold jacket is attached with oscillating mechanism. From copper mould, liquid steel will come out as solid slab (core is in liquid state) and the same slab will pass through various segments. After exiting from final segments, slab will be cut into required length and the same will be fed into in-line tunnel furnace for heating up to required temperature. Further, tunnel furnace will feed slabs to Hot strip mill for rolling. Slab will pass through combination of Roughing, Finishing stand and other in-line equipment’s. Finally slab is converted into coils through a Down-coiler. Handling cranes will lift coil bundle and will place it into coil storage area.

Oxygen requirement for Steel Melting Shop and Blast Furnace operation will be supplied from Oxygen Plant through pipelines. Similarly, compressed air for various units will be supplied from Compressed Air Station through pipe line network.

Following is the process-flow of 3.0 MTPA Integrated Steel Plant-



Details of Major Raw Material and Key Inputs

Sr. No.	Raw Material / Key Input	Details
1.	Iron Ore Lump and fines	The requirements of iron ore (fines and lump) for the proposed steel plant has been planned to be met from the Bailadila iron ore mines of NMDC Limited
2.	Coking Coal	It is planned to meet the requirement of metallurgical coal for the proposed steel plant through import
3.	Non-Coking Coal	Non-Coking coal will be imported from countries like China, Australia, South Africa etc.
4.	Limestone fines for SP	Will be sourced from Jagdalpur area or Satna-Maihar area
5.	Limestone (SMS Grade)	Will be sourced from Jaisalmer area or will be imported
6.	Dolomite fines for SP	Will be sourced from Jagdalpur area or Baradwar area
7.	Dolomite (SMS Grade)	Will be sourced from Belha region
8.	Water Requirement	Water shall be sourced from Sabari river which is around 90 Km away from the plant site
9.	Power Requirement	Power requirement for the plant shall be met from the 220 kV Barasur grid substation of CSEB located approximately 90 Km away from the plant site

Product Mix

Sr. No.	Product	Size (Thickness Width), mm x mm	Annual Saleable Qty (tonnes)
A	Pig Iron		272,800
B	HR Coils/ Sheets/ Plates		
(i)	HR plates (IS 2062, IS 5986, IS 3039)	5-10 X 1030-1650	400,000
(ii)	HR plates (IS 2002 & IS 2041)	5-10 X 1030-1650	400,000
(iii)	API – 5L quantity plates – up to X 80	6-12 X upto 1550	500,000
(iv)	HR sheets (IS 3196)	2-4 X 1030-1650	200,000
(v)	LPG cylinders (IS 6240)	2.0-3.15 X 1000-1650	200,000
(vi)	HR coils (IS 10748, IS 1079)	1.6-10 X 900-1650	946,000
(vii)	High carbon steel (1100-1650) and other alloy steel	2.5-11.5	50,000
(viii)	Silicon steel (DIN46400-3)	1.81-3.5	100,000
(ix)	Automotive steel		
	-1250-1524	2.5-11.5	50,000
	-1525-1650	1.8-6.5	50,000
	Sub-Total		**2,896,000**
	Total		**3,168,800**

Business Strategy

Our Company currently does not have commercial operations and as and when our Company enters commercial operations, business strategy will be formulated.

Policies

We are in the process of formulation and implementation of policies on risk management and corporate governance, as approved by our Board, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policies lay down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite.

Human Capital

As on July 31, 2022, NISP has 1,626 employees which includes 989 permanent employees and rest are contractual. The employee strength comprises executive and non- executive employees, as detailed below: –

Particulars	Number of Employees	
	Works	Non-Works
Executives	377	85
Non- Executives	933	225
Total	**1,316**	**310**

Intellectual Property

Our Company does not own or have access to any intellectual property rights currently.

Safety, Health and Environment

See "Government and Other Approvals" and "Other Regulatory and Statutory Disclosures" on pages 125 and 126, respectively.

We aim to comply with applicable health and safety regulations and other requirements in our operations. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

Information Technology

Our IT systems are vital to our business and we are in the process of devising and implementing IT policies to assist us in our operations. The key functions of our IT team will include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations.

Insurance

Our operations are subject to hazards including risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We are currently insured with sufficient insurance coverage. See "Risk Factors – Internal Risk Factors – We may experience losses exceeding our insurance limits, which may have a material adverse effect on our business, financial condition and results of operations." on page 16.

Corporate Social Responsibility

We recognize our role and responsibility to deliver superior and sustainable value to our customers, business partners, employees and communities. We will adopt a Corporate Social Responsibility ("CSR") policy in compliance with the requirements of the Companies Act, 2013, and the Companies (Corporate Social Responsibility) Rules, 2014, as notified by the Central Government.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. Our functioning requires, at various stages, the sanction of the concerned authorities under the relevant legislations and local bye-laws. Additionally, under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations.

The regulations set out below are not exhaustive, and are only intended to provide general information. Applicable shops and establishments' statutes, pollution control, labour and employment statutes and taxation statutes apply to us, as they do to any other company. For details of the material approvals obtained by our Company and our Subsidiaries, see "Government and Other Approvals" on page 125.

Trade Licenses

Our offices are required to obtain the trade licenses from Municipalities / Municipal Corporations, as the case may be. These licenses are normally granted for a financial year and need to be renewed every year upon payment of certain fees.

Shops and Establishments Legislations

Our offices are required to be registered under the provisions of local shops and establishments legislations applicable in the states where such establishments are set up. These laws regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work, among other things.

The Sale of Goods Act, 1930

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930 ("Sale of Goods Act"). It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, and the implied conditions and warranties in a contract for the sale of goods.

The Competition Act, 2002

The objective of the Competition Act, 2002 ("Competition Act") is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interest of consumers and to ensure freedom of trade carried on by other participants in the India. The Competition Act, therefore, prohibits entitles from entering into anti-competitive agreements, from abusing their dominance in the market, and it also regulates combinations in India. The Competition Act, therefore, prohibits and prevents, among other things, cartels from forming, dominant entities from creating barriers on the entry of new players, and such takeovers, merger and amalgamations which might have adverse effects on competition in the market. The Competition Act also established the Competition Commission of India as the authority mandated to implement the Competition Act.

Transfer of Property Act, 1882

The Transfer of Property Act, 1882 ("TOPA") deals with change in ownership and possession of immoveable property among living persons, including companies. The TOPA, therefore, deals with sale, mortgage, lease, gift and exchange of immovable properties.

The Registration Act, 1908

The Registration Act, 1908 deals with registration of certain documents like lease deeds, etc. leases of immovable property from year to year, or for any term exceeding one year, or reserving a yearly rent are required to be registered under this act.

Indian Stamp Act, 1899

The Indian Stamp Act, 1899 (along with its state amendments) and Stamp Acts of various states ("Stamp Acts") lay down that certain instruments shall be chargeable with a duty of the amount mentioned in the schedule of the relevant Stamp

Act. The stamp duty chargeable on an instrument is required to be paid to the relevant state authority, and such payment is indicated on the instrument by means of stamps.

The Goods and Services Tax Act, 2017

Goods and Services Tax ("GST") is an indirect tax levied on the supply of goods and services. GST has replaced many indirect tax laws which previously existed in India such as Service tax, Central Excise Act, Entry Tax, Octroi, etc. The GST is charged on every value-addition on a product or service, for example, from the manufacturer to the wholesaler, and is collected at the destination of consumption. There are three taxes applicable under this system: (a) Central GST, which is collected by the Central Government on an intra-state sale; (b) State GST, which is collected by the State Government on an intra-state sale; and (c) Integrated GST, which is collected by the Central Government on an inter-state sale.

Income Tax Act, 1961

The Income Tax Act, 1961 ("IT Act") is applicable to every company, whether domestic or foreign, whose income is taxable under the provisions of this Act or rules made there under depending upon its residential status and type of income involved. IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. Every such company is also required to file its returns in each assessment year.

The Trade Marks Act, 1999

The Trade Marks Act, 1999 ("Trade Marks Act") provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for infringement, falsifying and falsely applying for trademarks. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of a prescribed renewal fee.

The Patents Act, 1970

The Patents Act, 1970 ("Patents Act") governs the patent regime in India. It provides the conditions required to be fulfilled for grant of a patent in India, viz. novelty, utility and non-obviousness. It also provides the products and processes for which patent protection shall not be granted even if they satisfy the above criteria. It provides certain rights to a patent-holder and that the term of a patent is twenty years from the date of the filing of the patent application. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India.

The Copyright Act, 1957 (the "Copyright Act")

The Copyright Act protects literary and dramatic works, musical works, artistic works, including photographs and audio-visual works (cinematograph films and video). The Copyright Act specifies that for the purposes of public performance of Indian or international music, a public performance license must be obtained. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings.

In addition to the domestic laws, India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, and as a member of the World Trade Organisation, India is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995.

Information Technology Act, 2000

The Information Technology Act, 2000 has been enacted with the purpose of providing legal recognition to transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce". The Information Technology Act, 2000 also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act, 2000 prescribes punishment for publishing and transmitting obscene material in electronic form. The Information Technology Act, 2000 has extraterritorial jurisdiction over any offence or contravention under the Information Technology Act, 2000 committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India.

The Environment (Protection) Act, 1986 (the "EP Act")

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take measures to protect and improve the environment such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act was enacted to control and prevent pollution and for maintaining or restoring of wholesomeness of water in the country and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board ("SPCB"). The SPCBs are vested with diverse powers to deal with water and air pollution, have been established at the Central level and in each State. The SPCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders (renewed annually) from the SPCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialized piece of legislation, which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant, which emits air pollutants in an air pollution control area, as notified by the state pollution control board.

The Public Liability Insurance Act, 1991 (the "PLI Act")

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (the "HCR Rules")

The HCR Rules are formulated under the EP Act, and are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

The Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 ("Hazardous Wastes Rules") imposes responsibility on the person generating hazardous wastes to ensure proper handling and disposal. The Hazardous Wastes Rules require hazardous wastes to be collected, treated, stored and disposed of only in facilities authorized by the State Pollution Control Board.

Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2016 (the "Hazardous Wastes Rules")

Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse.

Foreign Investment

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 ("FEMA") along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy ("FDI Policy") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time.

Labour related legislations

Depending upon the nature of the activity undertaken by us, applicable labor laws and regulations include the following:

- The Employee's Compensation Act, 1923;
- Employees' State Insurance Act, 1948;
- The Payment of Gratuity Act, 1972;
- The Code on Wages, 2019;
- The Maternity Benefit Act, 1961;
- The Employee's State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Industrial Disputes Act, 1947;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and

The Factories Act, 1948

The Factories Act, 1948 ("Factories Act") provides for the health, safety and welfare of all workers while at work in the factory, including adequate maintenance of plant, systems and other places of work, and provision of adequate information, training and supervision. The Factories Act also provides for the approval, licensing and registration of factories by the respective State Governments.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") provides for welfare and health of contract labourers. Under the CLRA, the principal employer has to be registered with the appropriate authority and the contractor has to get licensed by the licensing officer. The contractors are required to provide facilities such as canteens, rest-rooms, first-aid amongst others. In case of failure of the contractor in providing such facilities, the CLRA shifts the obligation upon the principal employer within a prescribed time period.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as an unlisted Government Company under the provisions of Companies Act, 2013 on January 2, 2015 within the jurisdiction of the Registrar of Companies, Chhattisgarh. Pursuant to the Scheme of Arrangement, upon the coming into effect of the Scheme and with effect from the Appointed Date, and subject to the provisions of Scheme, all the properties and assets (tangible and intangible assets including goodwill) and liabilities of the Demerged Undertaking will be transferred to our Company at values appearing in the books of accounts of the Demerged Company immediately before the demerger, in accordance with Section 2(l9AA) 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 manner provided in the Scheme.

For details of the Scheme of Arrangement, please see "Scheme of Arrangement" on page 70.

Changes in Registered Office

There is no change in the registered office of our Company since incorporation.

Major events and milestones

The table sets forth some of the major events in the history of our Company:

Fiscal	Particulars
2015	Incorporation of our Company
2023	Approval of the Scheme by MCA

Main Objects of our Company

The main objects of our Company contained in our Memorandum of Association are as follows:

1. 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;
   (iv) as miners, smelters, iron founders in all respective branches;

2. 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.

3. 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.

4. 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.

5. 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.

6. 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 fulfill the conditions thereof.

7. 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 in this Memorandum 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

Amendments to the Memorandum of Association

Our Memorandum of Association was amended from time to time pursuant to the change in, or reclassification of, the authorised share capital of our Company.

Except for amendments to the Memorandum of Association pursuant to the change in, or reclassification of, the authorised share capital of our Company, there has been no other amendments to our Memorandum of Association.

Other details regarding our Company

For details regarding the description of our activities, management, managerial competence, etc., see "Industry Overview", "Our Business" and "Our Management" on pages 36, 57 and 71 respectively.

Our Shareholders

As on date, our Company has 6,92,092 Shareholders. For further details regarding our Shareholders, see "Capital Structure – Notes to Capital Structure – Shareholding Pattern of the Company" on page 28.

Details regarding acquisition of business/ undertakings, mergers, amalgamation and revaluation of assets

Except as disclosed in the section "Scheme of Arrangement", we have not acquired any businesses/undertaking, undertaken any mergers or amalgamations.

Shareholders' Agreement

As on date of this Information, there are no subsisting shareholders agreements among our shareholders vis-à-vis our Company that our Company is aware of.

Holding company

Our Company does not have a holding company.

Subsidiaries

Our Company does not have any subsidiaries.

Other confirmations

Except as disclosed above, our Company has not entered into any material agreements in the preceding two years, which are outside the ordinary course of our business.

Our Company does not have any strategic or financial partners. Our Company has not revalued its assets since its incorporation. There have been no rescheduling of our borrowings from financial institutions.

SCHEME OF ARRANGEMENT

Scheme of Arrangement pursuant to the provisions of Sections 230 to 232, Section 66, and other relevant provisions of the Companies Act, 2013, as may be applicable, for the demerger of the Demerged Undertaking of NMDC Limited into NMDC Steel Limited on a going concern basis

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.

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, New Delhi under Sections 230 to 232 of the 2013 Act (hereinafter defined) and other applicable provisions for the sanction of the Scheme.

Approvals with respect to the Scheme

The Ministry of Corporate Affairs, Government of India, New Delhi, vide order dated October 6, 2022, approved the Scheme of Arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and the other applicable provisions thereof and applicable rules thereunder.

OUR MANAGEMENT

In terms of our Articles of Association, unless otherwise determined by general meeting, our Company is required to have at least five and not more than sixteen Directors. Our Company currently has Four Directors. The following table sets forth details regarding the Board as on the date of this Information Memorandum:

Sr. No.	Name, Designation and Address	Date of expiration of the current term	Period of directorship	Directorships in other companies	DIN
1	Mr. Sumit Deb Designation : Chairman-Cum-Managing Director Address: H.No.8-2-269/H/20, Plot No 20, Road No. 2, Banjara Hills, Near TDP office, Hyderabad – 500 034	Until further orders of the Ministry of Steel, Govt. of India	Director since 08.11.2022 in NMDC Steel Limited	1. NMDC Limited 2. NMDC-CMDC Limited 3. Indian Iron And Steel Sector Skill Council 4. NMDC CSR Foundation 5. Legacy Iron Ore Limited	8547819
2	Ms. Sukriti Likhi Designation : Non-Executive Director Address: C-7, Tower 10, New Moti Bagh, New Delhi	Until further orders of the Ministry of Steel, Govt. of India	Director since 08.11.2022 in NMDC Steel Limited	1. KIOCL Limited 2. NMDC Limited 3. Steel Authority of India Limited 4. MOIL Limited 5. Rashtriya Ispat Nigam Limited 6. MECON Limited	1825997
3	Mr. Amitava Mukherjee Designation : Wholetime Director Address: Flat No 1901, Crystal Tower – F, PBEL City, Near TSPA Junction, Hyderabad – 500 091	Until further orders of the Ministry of Steel, Govt. of India	Director since 08.11.2022 in NMDC Steel Limited	1. Legacy Iron Ore Ltd 2. NMDC Limited 3. NMDC-CMDC Limited 4. Jharkhand National Mineral Development Corporation Ltd. 5. Bastar Railway Pvt. Ltd. 6. International Coal Ventures Pvt. Ltd 7. Minas De Benga (Mauritius) Ltd 8. NMDC-SARL	8265207
4	Mr. Dilip Kumar Mohanty Designation : Wholetime Director Address: NCC Urban Gardenia, Tower-I, Block-B, F/No.1002, Gachibowli, Hyderabad – 500 032	Until further orders of the Ministry of Steel, Govt. of India	Director since 08.11.2022 in NMDC Steel Limited	1. J&K Mineral Development Corporation Ltd. 2. NMDC Limited 3. NMDC-CMDC Ltd. 4. Jharkhand National Mineral Development Corporation Ltd. 5. International Coal Ventures Pvt. Ltd.	9296720

Brief profiles our Directors -

1) **Mr. Sumit Deb**
Mr. Sumit Deb started his career with Rashtriya Ispat Nigam Limited (RINL) as Management Trainee in the year 1987. He worked with RINL for about 25 years accumulating rich and diverse experience in steel industry. He has worked in different regions of the country, dealing with heterogeneous mix of both external as well as internal customers and handling all domains of HR such as Manpower Planning, succession planning, Learning & development, Administration, Corporate Affairs etc. He was awarded with “Jawahar Purushkar” in the year 2007-08 by CMD, RINL for his outstanding performance. He is a thorough and hardworking Professional with the desirable aptitude required to be an effective Human Resource Professional. He has diverse experience in the field of Human Resources as well as Marketing and distribution of Steel & Iron ore, Sponge iron, pellets and Diamonds. He has demonstrated his performance capabilities by achieving various milestones along his career path.

2) **Ms. Sukriti Likhi**
Ms. Sukriti Likhi, Additional Secretary and Financial Advisor, Ministry of Steel, Government of India, belongs to the Indian Administrative Service (Haryana Cadre-1993). An Economics Honours graduate from Lady Shri Ram College, she holds a Masters degree in Sociology from the Delhi School of Economics and a Masters in Public Administration from Harvard University (USA). Her varied experience in administration includes working in the Ministry of Finance, Government of India, as Director in the Department of Financial Services and later, as Counsellor (Economic) with the Embassy of India at Washington DC. Most recently she was Joint Secretary, Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India. In the Haryana State Government, among her varied assignments, she served as Managing Director, Haryana Power Generation Corporation Ltd; as Managing Director HAFED (the Haryana State Cooperative Supply & Marketing Federation Limited)

3) **Mr. Amitava Mukherjee**
Mr. Amitava Mukherjee belongs to the 1995 batch of Indian Railway Accounts Services (IRAS). Prior to joining NMDC, he was holding the post of General Manager (Finance) in Rail Vikas Nigam Limited (RVNL) for a period of around two and half years. During his service in IRAS, he has held various key positions in the Eastern Railways from 1997 to 2016 like head of Standing Core Committee on Service Tax, Traffic Accounts Office and the IT Department. Before joining IRAS, he has worked in Indian Oil Corporation Limited (IOCL) as Accounts Officer from 1994-1997. During his service period in Indian Railways, he has received National Award for outstanding services during the year 2006. He was also nominated by Railway Board to various Task Groups for Centralised Applications of Finance & Accounts department of Indian Railways for monitoring progress and to suggest improvements and enhancements to such applications and for Development of Traffic Accounts Management System.

4) **Mr. Dilip Kumar Mohanty**
Mr. Dilip Kumar Mohanty started his career in Vizag Steel Plant, Rashtrtiya 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 33 years in steel plant operations & projects. He has gained reputation to solve critical issues in Steel Making and project executions. During his career in Vizag Steel Plant he gained vast experience in operations of steel plant including commissioning of various units. In the year 2015, he joined NMDC Limited in the prestigious green field 3.0 MTPA NMDC Iron and Steel Plant (NISP) at Nagarnar, Bastar Chhattisgarh. He was in-charge of major packages and has played significant role for execution of works at NISP project. As Chief General Manager (Operations) he has prepared the strategy for operation of plant by giving directions to various O&M contracts, AMCs, manpower planning, budgeting, raw materials, spares, consumables etc.

Arrangement or understanding with major shareholders, customers, suppliers or others

All the directors of our Company are Nominees of the Govt. of India vide Order No. F.No.4(3)/2022-NMDC dated 17.10.2022

Remuneration of Directors

Our Directors do not receive any remuneration from our Company.

Changes in the Board of Directors in the last three years preceding the date of this Information Memorandum

There are no changes in the Board of Directors in the last three years preceding the date of this Information Memorandum except for the change as per the directions of the Govt. of India vide Order No. F.No.4(3)/2022-NMDC dated 17.10.2022.

Service contracts

Our Company has not entered into any service contracts, pursuant to which it’s Directors and Key Management Personnel are entitled to benefits upon termination of employment.

Bonus or profit-sharing plan of our Directors

None of our Directors are a party to any bonus or profit sharing plan by our Company.

Loans to Directors

Our Company has not granted any loans to its Directors.

Shareholding of our Directors in our Company

The Articles of Association do not require the Directors to hold any qualification shares. As on the date of this Information Memorandum, none of our Directors hold any Equity Shares.

Confirmations

None of our Directors have been identified as a willful defaulter (as defined in the SEBI Regulations).

None of our Directors is or was a director on the board of listed companies that have been / were delisted from any stock exchanges in India.

None of our Directors have been or are a director on the board of any listed company whose shares are / were suspended from trading on BSE, CSE and / or NSE for a period of five years prior to the date of this Information Memorandum.

Borrowing Powers of our Board

The Board at its meeting held on 15.10.2022 has passed the following resolution for the working capital requirements of the company.

Quote
'To request NMDC (Demerged entity) to seek Sanction of working capital limits from bank, preferably SBI, exclusively for NSL (Resulting entity) by evaluating the eligibility amounts on the basis of the financials of NISP (Demerged undertaking).
Unquote

The company at present has no borrowings and the borrowing powers of the Board are embedded in the Articles of Association of the company

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. Our Company is currently not in compliance with the requirements of applicable regulations, specifically the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI Regulations, to the extent applicable, in respect of corporate governance particularly in relation to constitution of the Board and committees of our Board. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, each as required under law.

We do not have an independent women director on our Board which is required in compliance with the Companies Act and the SEBI Listing Regulations.

Committees of the Board

The Company is currently in the process of complying with the requirements of the SEBI Listing Regulations, including the constitution of the committees of the Board required under the SEBI Listing Regulations.

Policies

Our Company shall formulate policies in accordance with the applicable provisions of the SEBI Listing Regulations and other applicable laws.

Interests of Directors

All Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or committees of the Company or its subsidiaries as well as to the extent of reimbursement of expenses payable to them under the Articles.

The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/ or any Equity Shares that may be held by their relatives or companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future.

Key Management Personnel –

For details of the brief profile of our Directors, please see "Our Management – Brief profiles of our Directors" on page 72.
None of our Key Management Personnel are related to each other. Further, none of our Key Management Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Shareholding of Key Management Personnel

None of our KMPs hold any Equity Shares.

Bonus or Profit-Sharing Plan of the Key Management Personnel

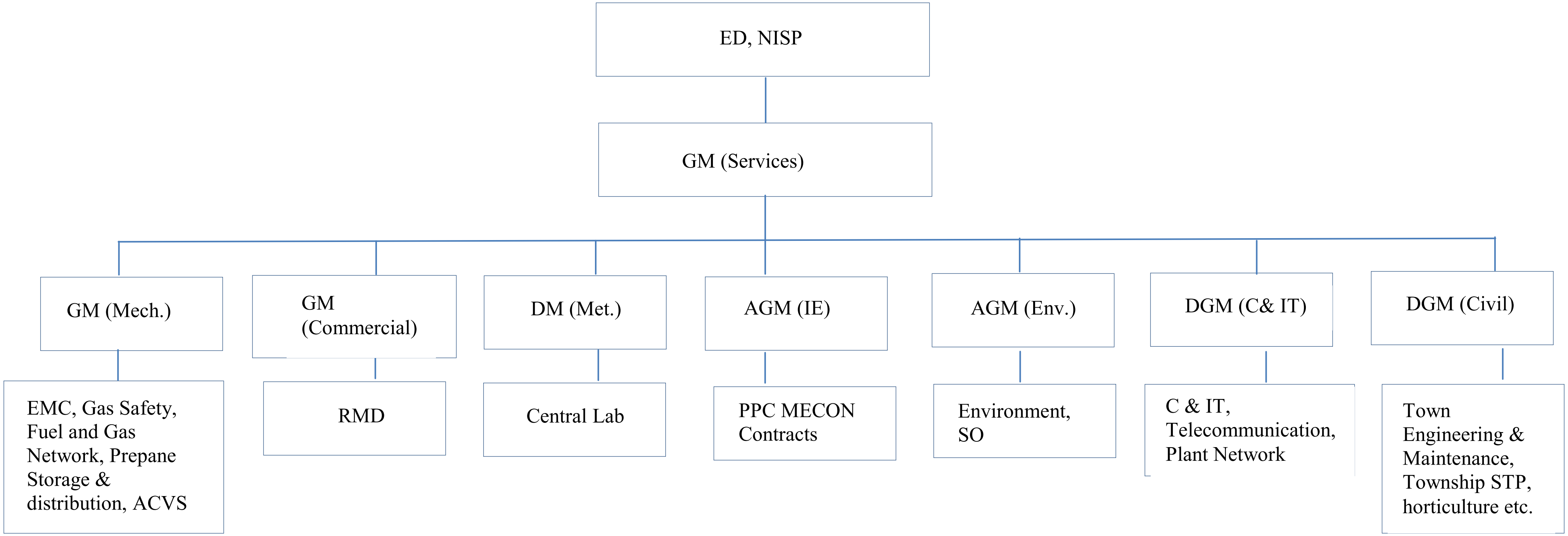
None of our Key Management Personnel are a party to any bonus or profit sharing plan.

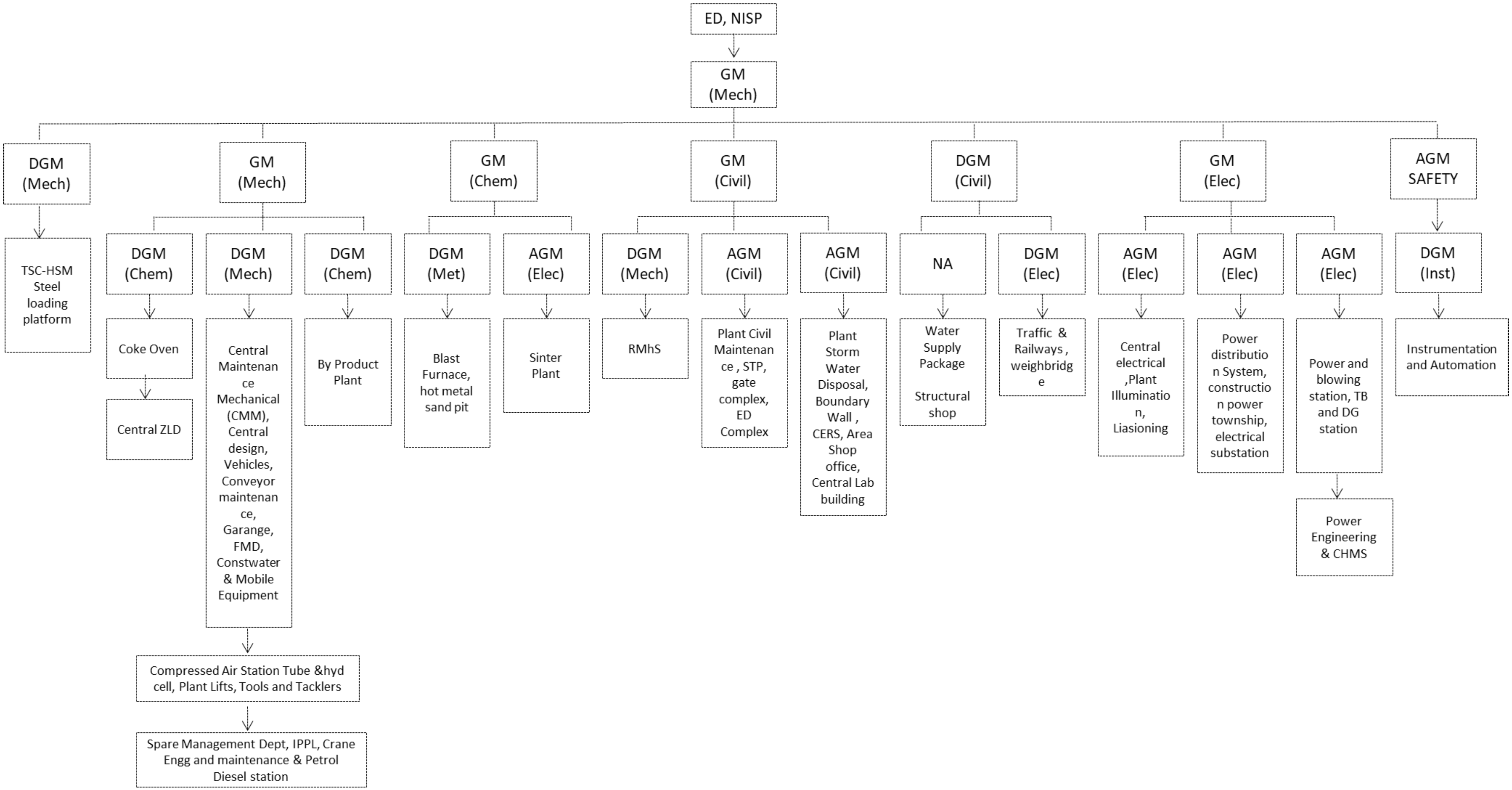
Payment or Benefit to Officers of our Company

No non-salary related amount or benefit has been paid or given within two years from the date of this Information Memorandum, or is intended to be paid or given, to any of our Company's officers, including the Directors and Key Management Personnel.

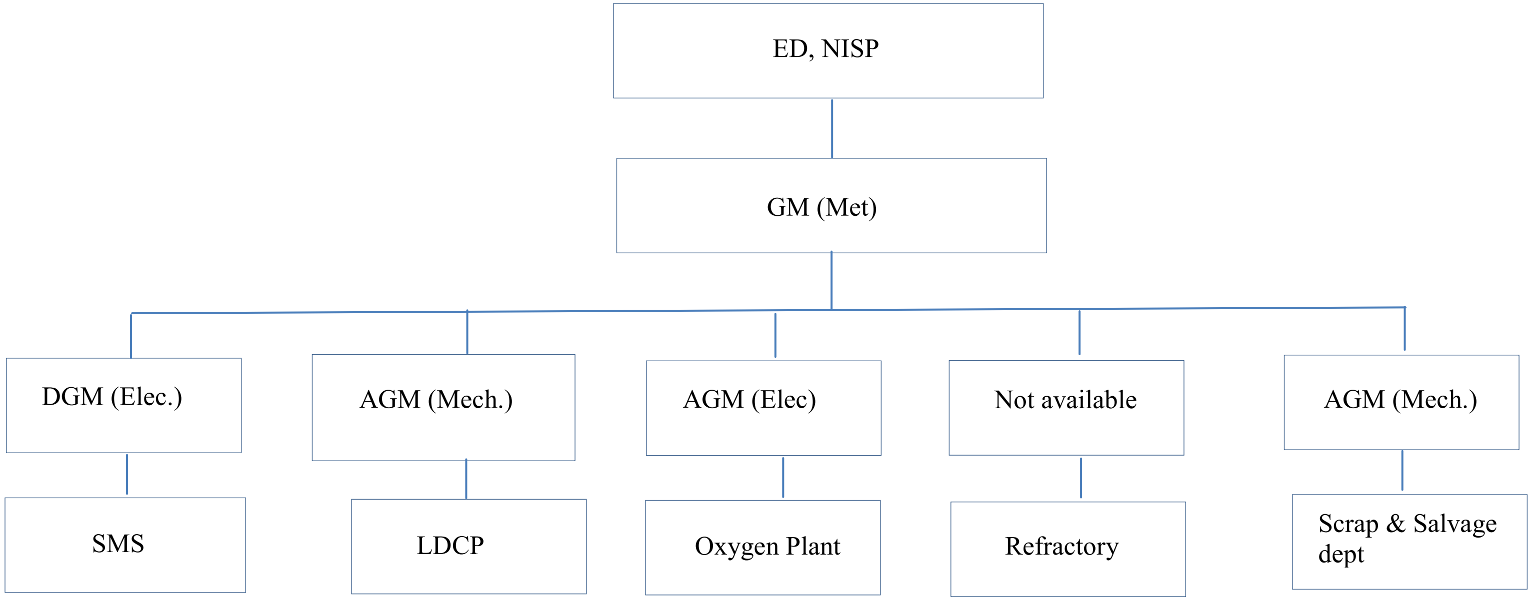
Management Organization Structure

As on the date of this Information Memorandum, our management organization structure is as below:





ED, NISP
GM (Mech)
DGM (Mech)
TSC-HSM Steel loading platform
GM (Mech)
DGM (Chem)
Coke Oven
Central ZLD
DGM (Mech)
Central Maintenance Mechanical (CMM), Central design, Vehicles, Conveyor maintenance, Garange, FMD, Constwater & Mobile Equipment
Compressed Air Station Tube &hyd cell, Plant Lifts, Tools and Tacklers
Spare Management Dept, IPPL, Crane Engg and maintenance & Petrol Diesel station
DGM (Chem)
By Product Plant
GM (Chem)
DGM (Met)
Blast Furnace, hot metal sand pit
AGM (Elec)
Sinter Plant
GM (Civil)
DGM (Mech)
RMhS
AGM (Civil)
Plant Civil Maintenance, STP, gate complex, ED Complex
AGM (Civil)
Plant Storm Water Disposal, Boundary Wall, CERS, Area Shop office, Central Lab building
DGM (Civil)
NA
Water Supply Package
Structural shop
DGM (Elec)
Traffic & Railways, weighbridge
GM (Elec)
AGM (Elec)
Central electrical ,Plant Illumination, Liasioning
AGM (Elec)
Power distribution System, construction power township, electrical substation
AGM (Elec)
Power and blowing station, TB and DG station
Power Engineering & CHMS
AGM SAFETY
DGM (Inst)
Instrumentation and Automation


ED, NISP
GM (Met)
DGM (Elec.)
AGM (Mech.)
AGM (Elec)
Not available
AGM (Mech.)
SMS
LDCP
Oxygen Plant
Refractory
Scrap & Salvage dept

OUR PROMOTER, PROMOTER GROUP AND GROUP COMPANIES

Promoter and Promoter Group

Our Promoter is the President of India, acting through the Ministry of Steel, Government of India. As our Promoter is the President of India, acting through the Ministry of Steel, Government of India, disclosures and confirmations in relation to the Promoter Group (as defined in regulation 2(1)(pp) of the SEBI ICDR Regulations), as specified in Schedule V of the SEBI Regulations have not been provided.

Group Companies

As on the date of this Information Memorandum, we do not have any Group Companies.

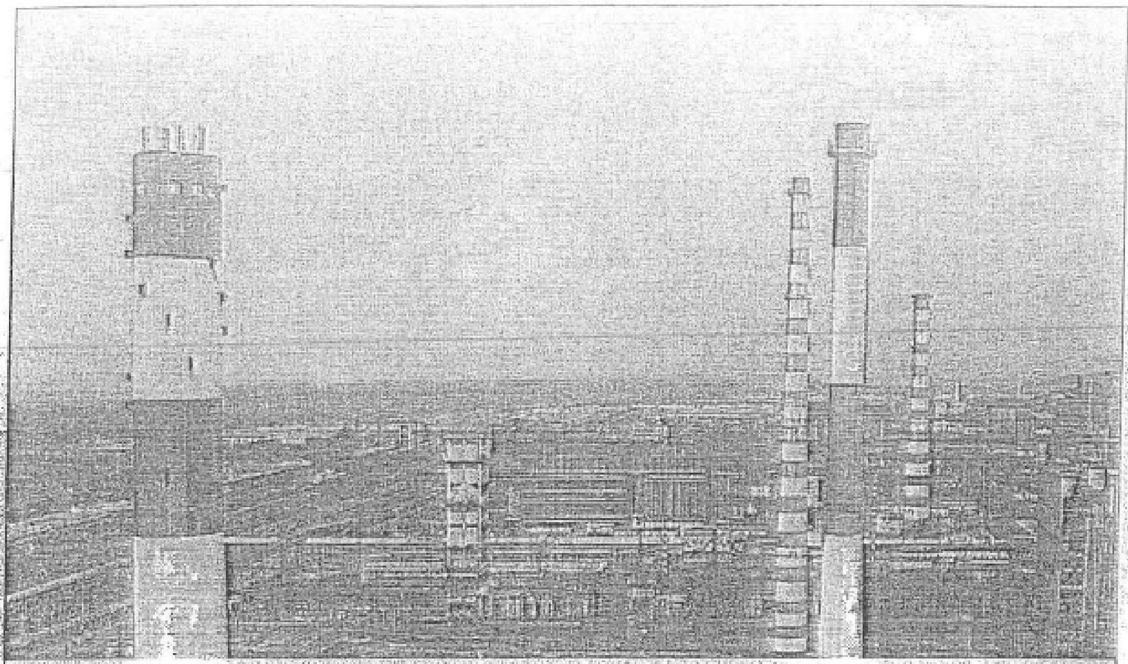
DIVIDEND POLICY

Our Company has not declared any dividend in the past three years. We do not have a dividend policy as on the date of Information Memorandum.

SECTION VI: FINANCIAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Prior to the Company being a Resultant Company consequent upon the Scheme of Arrangement, it was a wholly owned subsidiary of NMDC Limited without any significant operations or activities. Hence, there is no Management Discussion & Analysis of the Financial Conditions and Results of Operations for the company for the financial year 2021-22 and for the Half Year ended September 30, 2022.



NMDC STEEL LIMITED
NAGARNAR, BASTAR - 494 001
CHHATTISGARH

BALANCE SHEET AS AT 31st MARCH, 2022

NMDC Steel Limited
Nagarnar, Bastar, Chhattisgarh-494001
Balance Sheet as at 31 March 2022

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

Particulars	Note No	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
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		-	-
Current assets			
a)Inventories		-	-
b)Financial assets			
i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	3 (a)	4,63,568	39,015
(iv) Other bank balances		-	-
(v) Loans		-	-
(vi) Other financial assets	3(b)	162	-
c)Current tax assets(Net)		-	-
d)Other current assets		-	-
Total current assets		4,63,730	39,015
Total assets		4,63,730	39,015
EQUITY AND LIABILITIES			
Equity			
a)Equity share capital	4 (a)	11,00,000	6,00,000
b)Other equity	4 (b)	(6,83,470)	(5,91,835)
Equity attributable to owners		4,16,530	8,165
Liabilities			
Non-current liabilities			
a)Financial liabilities			
i) Borrowings		-	-
(i.a) Lease Liabilities		-	-
ii) Trade payables		-	-
(iii) Other financial liabilities.		-	-
b)Provisions		-	-
c)Deferred tax liabilities (net)		-	-
d)Other non-current liabilities		-	-
Total non-current liabilities		-	-
Current liabilities			
a)Financial liabilities			
(i) Borrowings		-	-
(i.a) Lease Liabilities		-	-
(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)	43,700	30,850
b)Other current liabilities	5 (b)	3,500	-
c)Provisions		-	-
d)Current tax liabilities(Net)		-	-
Total current liabilities		47,200	30,850
Total equity and liabilities		4,63,730	39,015

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

N G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

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

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

(Amitava Mukherjee)
Director
DIN:08265207

(Somnath Nandi)
Director
DIN:08859169

Place: Hyderabad
Date: 08.06.2022

NMDC Steel Limited

Nagarnar, Bastar, Chhattisgarh-494001

Statement of Profit and Loss for the year ended 31 March 2022

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

Particulars	Note No	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations		-	-
Other income	6	7,684	1,722
Total income		7,684	1,722
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	99,319	74,039
Total expenses		99,319	74,039
Loss before exceptional items and tax		(91,635)	(72,317)
Exceptional items		-	-
Loss before tax		(91,635)	(72,317)
Income tax expense			
Current tax		-	-
Deferred tax credit		-	-
Loss for the year from continuing operations		(91,635)	(72,317)
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(after tax)		-	-
Loss for the year		(91,635)	(72,317)
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		(91,635)	(72,317)
Earning per equity share -(for continuing operations)			
Basic	14	(0.94)	(1.21)
Diluted	14	(0.94)	(1.21)
Earning per equity share -(for discontinued operations)			
Basic		-	-
Diluted		-	-
Earning per equity share -(for discontinued & continuing operations)			
Basic	14	(0.94)	(1.21)
Diluted	14	(0.94)	(1.21)

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: 09399S

N.G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

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

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(Amitava Mukherjee)
Director
DIN:08265207

(Somnath Nandi)
Director
DIN:08859169

Place: Hyderabad
Date: 08.06.2022

NMDC Steel Limited
Statement of cash flow for the year ended 31 March 2022
(All amounts are in Indian Rupees except for share data or otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities		
Loss before tax	(91,635)	(72,317)
Less: Interest income	(7,684)	(1,722)
Operating loss before working capital adjustments	(99,319)	(74,039)
Working capital adjustments		
(Decrease)/Increase in other financial liabilities	12,850	(4,720)
Increase/ (Decrease) in other current liabilities	3,500	-
Net cash used in operating activities	(82,969)	(78,759)
Cash flow from investing activities		
Interest income	7,522	1,917
Net cash from/used in Investing Activities	7,522	1,917
Financing activities		
Proceeds from issue of shares	5,00,000	-
Net cash flows from financing activities	5,00,000	-
Net increase/ (decrease)in cash and cash equivalents during the year	4,24,553	(76,842)
Cash and cash equivalents at the beginning of the year	39,015	1,15,857
Cash and cash equivalents at the end of the year	4,63,568	39,015
Cash & cash equivalents as per note 3(a)	4,63,568	39,015

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

N.G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

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

Place: Hyderabad
Date: 08.06.2022

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

(Amitava Mukherjee)
Director
DIN:08265207

(Somnath Nandi)
Director
DIN:08859169

NMDC Steel Limited
Statement of Changes in Equity for the year ended 31 March 2022
(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 2020	4 (a)	6,00,000
Changes in equity share capital	4 (a)	-
As at 31 March 2021		6,00,000
As at 01 April 2021	4 (a)	6,00,000
Changes in equity share capital	4 (a)	5,00,000
As at 31 March 2022		11,00,000

B. Other equity

Particulars	Note No	Reserves and surplus	Total
		Retained earnings	
Balance as at 1 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)

Particulars	Note No	Reserves and surplus	Total
		Retained earnings	
Balance as at 01 April 2021		(5,91,835)	(5,91,835)
Loss for the year	4 (b)	(91,635)	(91,635)
Balance at 31 March 2022		(6,83,470)	(6,83,470)

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

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

N.G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

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

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

(Amitava Mukherjee)
Director
DIN:08265207

(Somnath Nandi)
Director
DIN:08859169

Place: Hyderabad
Date: 08.06.2022

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.

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.

2

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) <u>Finance income</u>

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

N G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

(G Nageswara Rao)
Partner
M. No. 207300

Place: Hyderabad
Date: 08.06.2022

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

(Amitava Mukherjee)
Director
DIN:08265207

(Somnath Nandi)
Director
DIN:08859169

3

(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 31 March 2022	As at 31 March 2021
Balance with banks		
- in current accounts	56,600	39,015
- in deposit accounts*	4,06,968	-
	4,63,568	39,015

*less than three months

3(b) Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued	162	-
		-
Total other financial assets	162	-

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 2020	3,00,000	30,00,000
Increase during the year	-	-
As at 31 March 2021	3,00,000	30,00,000
Increase during the year	-	-
As at 31 March 2022	3,00,000	30,00,000

Issued, Subscribed & Paid up

Particulars	As at 31 March 2022	As at 31 March 2021
Equity shares of Rs.10 each (1,10,000 shares as on 31.03.2022) (60,000 shares as on 31.03.2021)	11,00,000	6,00,000

(i) Movements in equity share capital

Partculars	Number of shares	Amount
As at 01 April 2020	60,000	6,00,000
Increase during the year	-	-
As at 31 March 2021	60,000	6,00,000
Increase during the year	50,000	5,00,000
As at 31 March 2022	1,10,000	11,00,000

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

Partculars	As at 31 March 2022		As at 31 March 2021	
	(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	1,10,000	11,00,000	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 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10/- each fully paid-up NMDC Limited	1,10,000	100%	60,000	100%
	1,10,000	100%	60,000	100%

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

4 (b) Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Deficit in the statement of profit and loss	(6,83,470)	(5,91,835)
Total other equity	(6,83,470)	(5,91,835)

Financial Liabilities

5 (a) Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Payables for expenses	43,700	30,850
Total other financial liabilities	43,700	30,850

5 (b) Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues	3,500	-
Total other current liabilities	3,500	-

6 Other Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest earned on bank deposits	7,684	1,722
Total other income	7,684	1,722

7 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Consultancy Fee	37,170	35,990
Statutory audit fee(refer note 7(a) below)	33,100	29,500
Limited Review Fee	20,000	-
Bank charges	649	649
Filing Fee	2,500	2,000
Income tax return preparation and filing fee	5,900	5,900
Total other expenses	**99,319**	**74,039**

Details of payments to auditors

7 (a)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Payment to auditors		
As auditor		
Audit fee	25,000	25,000
Re-imbursement of GST	8,100	4,500
Total payments to auditors	**33,100**	**29,500**

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

8 Fair value measurements

Financial instruments by category

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments	-	-	-	-	-	-
Cash and cash equivalents	-	-	4,63,568	-	-	39,015
Other financial assets	-	-	162			-
Total	-	-	4,63,730	-	-	39,015
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities	-	-	43,700	-	-	30,850
Total	-	-	43,700	-	-	30,850

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 2022 and 31 March 2021 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 analyze 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 2022, 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	-	-	43,700	-	-	43,700

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	-	-	30,850	-	-	30,850

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 2022	As at 31 March 2021
Total liabilities	47,200	30,850
Less : Cash and cash equivalent	(4,63,568)	(39,015)
Net debt	(4,16,368)	(8,165)
Equity	4,16,530	8,165
Adjusted net debt to adjusted equity ratio	(1.00)	(1.00)

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

11 Related party transactions

a) Details about parent

Name of the entity	Type	Place of incorporation	Direct ownership interest	
			As at 31 March 2022	As at 31 March 2021
NMDC Limited	Holding Company	India	100%	100%

Key Management Personnel (Directors)
Sri Amitava Mukherjee
Sri Dilip Kumar Mohanty (w.e.f. 16.12.2021)
Sri Somnath Nandi
Sri Prasant Dash
Sri Alok Kumar Mehta (Up to 30.09.2021)

b) Transactions with parent entity:

c) Dues to parent entity

Particulars	As at 31 March 2022	As at 31 March 2021
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 2021: 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 2021 : 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 2022	As at 31 March 2021
Profit attributable to equity holders of the Company	(91,635)	(72,317)
Weighted average number of equity shares outstanding during the period	97,808	60,000
Earnings per share basic and diluted	(0.94)	(1.21)

The Company doesn't have any potentially dilutive shares for the year ended 31 March 2022 and 31 March 2021.

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 NMDC Ltd. (Holding Company of NMDC Steel Ltd.)) in its 532nd meeting of the Board of Directors held on 27.08.2020 accorded in-principal approval for demerger of NMDC Iron & Steel Plant(NISP) 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: 09399S

N G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

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

Place: Hyderabad
Date: 08.06.2022

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

(Amitava Mukherjee)
Director
DIN:08265207

(Somnath Nandi)
Director
DIN:08059169

NMDC STEEL LIMITED

Nagarnar, Bastar - 494 001

CHHATTISGARH

BALANCE SHEET AS AT 30TH SEPTEMBER, 2022

NG RAO & ASSOCIATES
CHARTERED ACCOUNTANTS

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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 September 30, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the statement of changes in equity for the half 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 September 30, 2022, and its financial performance including other comprehensive income, its Cash Flow and the changes in equity for the half year ended on that date.
This Audit report issued for specific purpose of the Management and shall not be meant for any other purpose.

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 half year ended. 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.

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

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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 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, 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.

N G RAO & ASSOCIATES HYDERABAD FRN.009399S CHARTERED ACCOUNTANTS

- 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 half year ended 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.

   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 September 30, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

N G RAO & ASSOCIATES
HYDERABAD
FRN.009399S
CHARTERED ACCOUNTANTS

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 half year.

h) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes of accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii)The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

i) No dividend has been declared / paid during the half year, accordingly provisions of section 123 of the Act, are not applicable.

j) 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, 2020 ("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.

N G RAO & ASSOCIATES CHARTERED ACCOUNTANTS

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

(G. Nageswara Rao)
Partner
Membership No. 207300

Place: Hyderabad
Date: 15th February, 2023
UDIN: 23207300BGVCLQ8486

NG 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 half year ended September 30, 2022)

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) During the half year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause 3(iii) of the said Order are not applicable to the company.

(iv) The company has not made any loans, investments, guarantees and security on which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Clause (v) of paragraph 3 of the order are not applicable to the Company.

(vi) As explained to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of the order are not applicable to the Company.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth tax, Service tax, Duty of Customs, duty of Excise, Value Added Tax, GST, Cess and other statutory dues with the appropriate authorities to the extent applicable to it. There are no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, value added tax, duty of customs, duty of excise or cess which have remained outstanding as at September 30, 2022 for a half year of more than 6 months from the date they became payable. (b) According to the information and explanations given to us, there are not any statutory dues referred in sub- clause (a) which have not been deposited on account of any dispute. Therefore, the provisions of Clause (vii)(b) of paragraph 3 of the order are not applicable to the Company.

(viii) In our opinion and according to the information and explanations given to us, there is no any transaction not recorded in the books of account have been surrendered or disclosed as income during the half year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender. (b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender. (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained. (d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilised for long term purposes. (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or

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joint ventures. (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the half year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of Clause (x)(a) of paragraph 3 of the order are not applicable to the Company. (b) In our opinion and according to the information and explanations given to us, the company has made preferential allotment or private placement of shares during the half year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

(xi) (a) We have not noticed any case of fraud by the company or any fraud on the Company by its officers or employees during the half year. The management has also not reported any case of fraud during the half year. (b) During the half year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. (c) As auditor, we did not receive any whistle- blower complaint during the half year.

(xii) The company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the order are not applicable to the Company.

(xiii) As per the information and explanations received to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable, and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards. Identification of related parties were made and provided by the management of the company.

(xiv) The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appointed any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him for the half year ended under review. Therefore, the provisions of Clause (xv) of paragraph 3 of the order are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. (b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the half year. (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. (d) As per the information and explanations received, the group does not have any CIC as part of the group.

(xvii) The company has incurred cash loss in current financial half year ended **30th September 2022: -₹ 31,747/-**

(xviii) There has been no resignation of the previous statutory auditors during the half year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date..

(xx) There is not liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

N G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

(xxi) The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

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

(G. Nageswara Rao)
Partner
Membership No. 207300

Place: Hyderabad
Date: 15th February, 2023
UDIN: 23207300BGVCLQ8486

Off: +91-40-6661 7089
Mobile : 98480 18791
98491 35573
95421 87777

"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 September 30, 2022 in conjunction with our audit of the standalone financial statements of the Company for the half 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.

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.

H.No. 8-22-5/1, FF3
Neeladri Towers, Pattabi Street,
Gandhi Nagar,
Kakinada - 533 004.

E-mail : nageswararaog207@gmail.com / nageswararaog@rediffmail.com

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 half year ended 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 September 30, 2022, 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.

For M/s. N G Rao & Associates
Chartered Accountants
Firm Registration Number: 009399S

HYDERABAD FRN:009399S

(G. Nageswara Rao)
Partner
Membership No. 207300

Place: Hyderabad
Date: 15th February, 2023
UDIN: 23207300BGVCLQ8486

NG 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: 09399S

HYDERABAD
FRN-009399S

(G. Nageswara Rao)
Partner
Membership No. 207300

Place: Hyderabad
Date: 15th February, 2023
UDIN: 23207300BGVCLQ8486

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Kakinada - 533 004.

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NMDC Steel Limited
Nagarnar, Bastar, Chhattisgarh-494001
Balance Sheet as at 30th September 2022

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

Particulars	Note No	Figures as at the end of current reporting period 30-09-2022	Figures as at the end of Previous reporting period 30-09-2021
ASSETS			
Non-current assets			
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)Loans and advances		-	-
iii) Other financial assets		-	-
g)Deferred tax assets (net)		-	-
h)Other non-current assets		-	-
Total non-current assets		-	-
Current assets			
a)Inventories		-	-
b)Financial assets			
i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	3 (a)	4,65,927	5,40,268
(iv) Other bank balances		-	-
(vi) Other financial assets	3(b)	162	-
c)Current tax assets(Net)	3(c)	-	3,960
d)Other current assets		-	-
e)Assets Held for Disposal		-	-
Total current assets		4,66,089	5,44,228
Total assets		4,66,089	5,44,228
EQUITY AND LIABILITIES			
Equity			
a)Equity share capital	4 (a)	11,00,000	11,00,000
b)Other equity	4 (b)	(6,77,611)	(6,23,582)
Equity attributable to owners		4,22,389	4,76,418
Liabilities			
Non-current liabilities			
a)Financial liabilities			
i) Borrowings		-	-
(i.a) Lease Liabilities		-	-
(ii) Other financial liabilities.		-	-
b)Provisions		-	-
c)Deferred tax liabilities (net)		-	-
d)Other non-current liabilities		-	-
Total non-current liabilities		-	-
Current liabilities			
a)Financial liabilities			
(i) Borrowings		-	-
(i.a) Lease Liabilities		-	-
(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)	43,700	65,510
b)Other current liabilities	5 (b)	-	2,300
c)Provisions		-	-
d)Current tax liabilities(Net)		-	-
Total current liabilities		43,700	67,810
Total equity and liabilities		4,66,089	5,44,228

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: 009399S

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

Place: Hyderabad
Date:

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

(Amitava Mukherjee)
Director
DIN:08265207

(Dilip Kumar Mohanty)
Director
DIN:09296720

N G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

NMDC Steel Limited

Nagarnar, Bastar, Chhattisgarh-494001

Statement of Profit and Loss for the Half year ended 30 September 2022

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

Particulars	Note No	Figures as at the end of current reporting period 30-09-2022	Figures as at the end of Previous reporting period 30-09-2021
Revenue from operations		-	-
Other income	6	5,859	1,253
Total income		5,859	1,253
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	-	33,000
Total expenses		-	33,000
Loss before exceptional items and tax		5,859	(31,747)
Exceptional items		-	-
Loss before tax		5,859	(31,747)
Income tax expense			
Current tax		-	-
Deferred tax credit		-	-
Loss for the current period from continuing operations		5,859	(31,747)
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(after tax)		-	-
Loss for the current period		5,859	(31,747)
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 current period		5,859	(31,747)
Earning per equity share -(for continuing operations)			
Basic	14	0.05	(0.37)
Diluted	14	0.05	(0.37)
Earning per equity share -(for discontinued operations)			
Basic		-	-
Diluted		-	-
Earning per equity share -(for discontinued & continuing operations)			
Basic	14	0.05	(0.37)
Diluted	14	0.05	(0.37)

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: 009399S

(G.Nageswara Rao)
Partner
Membership No.: 207[illegible]

N G RAO & ASSOCIATES
HYDERABAD
FRN:009399S
CHARTERED ACCOUNTANTS

Place: Hyderabad
Date:

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

(Amitava Mukherjee)
Director
DIN:08265207

(Dilip Kumar Mohanty)
Director
DIN:08296731

NMDC Steel Limited
Statement of cash flow for the Half year ended 30 September 2022
(All amounts are in Indian Rupees except for share data or otherwise stated)

Particulars	Figures as at the end of current reporting period 30-09-2022	Figures as at the end of Previous reporting period 30-09-2021
Cash flow from operating activities		
Loss before tax	5,859	(31,747)
Less: Interest income	(5,859)	(1,253)
Operating loss before working capital adjustments	-	(33,000)
Working capital adjustments		
(Decrease)/Increase in other financial liabilities	-	34,660
Increase/ (Decrease) in other current liabilities	(3,500)	2,300
(Decrease)/ Increase in other current assets	-	(3,960)
Net cash used in operating activities	(3,500)	-
Cash flow from investing activities		
Interest income	5,859	1,253
Net cash from/used in Investing Activities	5,859	1,253
Financing activities		
Proceeds from issue of shares	-	5,00,000
Net cash flows from financing activities	-	5,00,000
Net increase/ (decrease)in cash and cash equivalents during the Period	2,359	5,01,253
Cash and cash equivalents at the beginning of the Period	4,63,568	39,015
Cash and cash equivalents at the end of the Period	4,65,927	5,40,268
Cash & cash equivalents as per note 3(a)	4,65,927	5,40,268
Details of the Cash and Cash Equivalents(Note No. 3 (a))		
Cash in hand	-	-
On Current Accounts	53,100	89,015
On Deposit Accounts (Original Maturity less than 3 months)	4,12,827	4,51,253
Ear Marked Balance		
Total Cash & Cash equivalents at the end of the period	4,65,927	5,40,268
Restricted Cash Balance	-	-

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

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

Place: Hyderabad
Date:

N.G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

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

(Amitava Mukherjee)
Director
DIN:08265207

(Dilip Kumar Mohanty)
Director
DIN:09296720

NMDC Steel Limited
Statement of Changes in Equity for the Half year ended 30 September 2022
(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 2021	4 (a)	6,00,000
Changes in equity share capital	4 (a)	5,00,000
As at 30 September 2021		11,00,000
As at 01 April 2022	4 (a)	11,00,000
Changes in equity share capital	4 (a)	-
As at 30 September 2022		11,00,000

B. Other equity

Particulars	Note No	Reserves and surplus	Total
		Retained earnings	
Balance as at 1 April 2021	4 (b)	(5,91,835)	(5,91,835)
Loss for the Period		(31,747)	(31,747)
Balance at 30 September 2021		(6,23,582)	(6,23,582)

Particulars	Note No	Reserves and surplus	Total
		Retained earnings	
Balance as at 01 April 2022	4 (b)	(6,83,470)	(6,83,470)
Loss for the Period		5,859	5,859
Balance at 30 September 2022		(6,77,611)	(6,77,611)

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

N G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

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

(Amitava Mukherjee)
Director
DIN:08265207

(Dilip Kumar Mohanty)
Director
DIN:09296720

Place: Hyderabad
Date:

NMDC STEEL LIMITED

Significant accounting policies and Notes on accounts forming part of accounts for the year ended 30th September 2022

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.

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.

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

N G RAO & ASSOCIATES HYDERABAD FRN:009399S CHARTERED ACCOUNTANTS

(G Nageswara Rao)
Partner
M. No. 207300

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

(Amitava Mukherjee)
Director
DIN:08265207

(Dilip Kumar Mohanty)
Director
DIN:09296720

Place: Hyderabad
Date:

3

NMDC Steel Limited
Notes to the standalone financial statements for the Half year ended 30 September 2022
(All amounts are in Indian Rupees except for share data or otherwise stated)

3 Financial assets

3 (a) Cash and cash equivalents

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Balance with banks		
- in current accounts	53,100	89,015
- in deposit accounts*	4,12,817	4,51,253
	4,65,917	5,40,268

*less than three months

3(b) Other financial assets

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Interest accrued	162	-
		-
Total other financial assets	162	-

3(c) Current Tax Assets

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
TDS receivable	-	3,900
		-
Total current tax assets	-	3,900

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 2021	3,00,000	30,00,000
Increase during the year	-	-
As at 30 September 2021	3,00,000	30,00,000
As at 01 April 2022	3,00,000	30,00,000
Increase during the year	-	-
As at 30 September 2022	3,00,000	30,00,000

Issued, Subscribed & Paid up

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Equity shares of Rs.10 each (1,10,000 shares as on 30.09.2022) (1,10,000 shares as on 30.09.2021)	11,00,000	11,00,000

(i) Movements in equity share capital

Particulars	Number of shares	Amount
As at 01 April 2021	60,000	6,00,000
Increase during the year	50,000	5,00,000
As at 30 September 2021	1,10,000	11,00,000
As at 01 April 2022	1,10,000	11,00,000
Increase during the year	-	-
As at 30 September 2022	1,10,000	11,00,000

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	Figures as at end of 30-09-2022		Figures as at end of 30-09-2021	
	(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	1,10,000	11,00,000	1,10,000	11,00,000

* 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	Figures as at end of 30-09-2022		Figures as at end of 30-09-2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10/- each fully paid-up NMDC Limited	1,10,000	100%	1,10,000	100%
	1,10,000	100%	1,10,000	100%

NMDC Steel Limited
Notes to the standalone financial statements for the Half year ended 30 September 2022
(All amounts are in Indian Rupees except for share data or otherwise stated)

4 (b) Other equity

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Deficit in the statement of profit and loss	(6,77,613)	(6,23,582)
Total other equity	(6,77,613)	(6,23,582)

Financial Liabilities

5 (a) Other financial liabilities

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Payables for expenses	43,700	65,510
Total other financial liabilities	43,700	65,510

5 (b) Other current liabilities

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Statutory dues	-	2,300
Total other current liabilities	-	2,300

6 Other Income

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Interest earned on bank deposits	5,859	1,253
Total other income	5,859	1,253

7 Other expenses

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Consultancy Fee	-	22,000
Statutory audit fee(refer note 7(a) below)	-	-
Limited Review Fee	-	10,000
Bank charges	-	-
Filing Fee	-	1,000
Income tax return preparation and filing fee	-	-
Total other expenses	-	33,000

Details of payments to auditors

7 (a)

Particulars	Figures as at end of 30-09-2021	Figures as at end of 30-09-2021
Payment to auditors		
As auditor		
Audit fee	-	-
Re-imbursement of GST	-	-
Total payments to auditors	-	-

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

8 Fair value measurements

Financial instruments by category

Particulars	Figures as at end of 30-09-2022			Figures as at end of 30-09-2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments	-	-	-	-	-	-
Cash and cash equivalents	-	-	4,65,927	-	-	5,40,268
Other financial assets	-	-	162			-
Total	-	-	4,66,089	-	-	5,40,268
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities	-	-	43,700	-	-	65,510
Total	-	-	43,700	-	-	65,510

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 30 September 2022 and 30 September 2021 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 30 September 2022, 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 30 September 2022

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	-	-	43,700	-	-	43,700

As on 30 September 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	-	-	65,510	-	-	65,510

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	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Total liabilities	43,700	65,810
Less : Cash and cash equivalent	(4,65,927)	(5,40,268)
Net debt	(4,22,227)	(4,72,458)
Equity	4,22,380	4,76,408
Adjusted net debt to adjusted equity ratio	(1.00)	(0.99)

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

11 Related party transactions

a) Details about parent

Name of the entity	Type	Place of incorporation	Direct ownership interest	
			Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
NMDC Limited	Holding Company	India	100%	100%

Key Management Personnel (Directors)
Sri Amitava Mukherjee
Sri Dilip Kumar Mohanty

b) Transactions with parent entity:
c) Dues to parent entity

Particulars	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
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(30 September 2021: 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 (30 September 2021 : 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	Figures as at end of 30-09-2022	Figures as at end of 30-09-2021
Profit attributable to equity holders of the Company	5,859	(31,747)
Weighted average number of equity shares outstanding during the period	1,30,000	85,683
Earnings per share basic and diluted	0.05	(0.37)

The Company doesn't have any potentially dilutive shares for the year ended 30 September 2022 and 30 September 2021.

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.

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.: 207[illegible]

Place: Hyderabad
Date:

N G RAO & ASSOCIATES
HYDERABAD
FRN:0093995
CHARTERED ACCOUNTANTS

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

(Amitava Mukherjee)
Director
DIN:08245207

(Dilip Kumar Mohanty)
Director
DIN:09290720

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed below, as on the date of this Information Memorandum, there are no outstanding (1) criminal proceedings involving our Company, Directors and Promoters and Subsidiaries; (2) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoters and Subsidiaries; (3) claims involving our Company, Directors, Promoters and Subsidiaries for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved); (4) proceedings involving our Company, Directors, Promoters and Subsidiaries; and (5) litigation involving the Group Companies which has a material impact on our Company. Further, except as discussed in this chapter, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years including any outstanding action.

Unless stated to the contrary, the information provided below is as of the date of Information Memorandum.

A) Litigation involving our Company (including litigations related to the Demerged Undertaking which now stands transferred to the Company):

Pursuant to and in accordance with the terms of the Scheme, the Company shall bear the burden and the benefits of any legal or other proceedings initiated in respect of the Demerged Undertaking. If any suit, appeal or other proceeding of whatever nature by or against NMDC Limited in respect of the Demerged Undertaking be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Demerged Undertaking or of anything contained in the Scheme but the proceedings shall be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against NMDC Limited. The Company shall have such legal or other proceedings initiated by or against NMDC Limited in respect of the Demerged Undertaking, transferred in its name and to have the same continued, prosecuted and enforced by or against the Company to the exclusion of NMDC Limited. The Company shall also handle all legal or other proceedings which may be initiated against NMDC Limited after Demerger pursuant to the Scheme becoming effective, relating to the Demerged Undertaking in respect of the period up to the Effective Date (as defined in the Scheme), in its own name and account and further undertaken to pay all amounts including interest, penalties, damages, etc. which NMDC Limited may be called upon to pay or secure in respect of any liability or obligation relating to NMDC Limited for the period up to the Effective Date, in respect of the Demerged Undertaking.

As on the date of Information Memorandum, there are no legal or other proceedings initiated by or against the Company other than those relating to Demerged Undertaking of NMDC Limited which now stands transferred to the Company pursuant to Demerger pursuant to the Scheme. Further, these legal or other proceedings do not have a material impact on the financials of the Company. The details of such litigations are provided below:

I. **Litigation initiated against our Company**

a. Criminal proceedings
As on date of this Information Memorandum, there are no criminal proceedings against our Company.

b. Actions by statutory or regulatory authorities
As on date of this Information Memorandum, there are no statutory or regulatory proceedings against our Company.

c. Claims related to direct and indirect taxes
As on date of this Information Memorandum, there are no direct or indirect tax proceedings against our Company.

d. Other pending proceedings
As on date of this Information Memorandum, there are no other pending proceedings against our Company. List of litigations related to the Demerged Undertaking which now stands transferred to the Company are as follows-

CIVIL CASES AT CHHATTISGARH HIGH COURT

Sr. No.	Case No.	Applicant	Respondent	Case Category	Status / Stage	Financial Impact
1	WPS No.5989/2014	Madna	Union of India and ors.	Land acquisition & service matter	Pending. As the issue involved in all these WPs is same i.e., pertaining to providing employment to Petitioners in lieu of acquisition of land, these cases are clubbed into one batch and heard.	Cannot be quantified
2	WPS No. 5990 / 2014	Elma Rachna	Union of India and ors.	- do -	- do -	Cannot be quantified
3	WPS No. 5991/2014	Dayna Kapila	Union of India and ors.	- do -	- do -	Cannot be quantified
4	WPS No. 5992 / 2014	Divya	Union of India and ors.	- do -	- do -	Cannot be quantified
5	WPS No. 5993/ 2014	Sumitra	Union of India and ors.	- do -	- do -	Cannot be quantified
6	WPS No. 5994 / 2014	Ichhawati	Union of India and ors.	- do -	- do -	Cannot be quantified
7	WPS No. 5995 / 2014	Khinnani	Union of India and ors.	- do -	- do -	Cannot be quantified
8	WPS No. 5996 / 2014	Shayamwati	Union of India and ors.	- do -	- do -	Cannot be quantified
9	WPS No. 5997 /2014	Bhagawati	Union of India and ors.	- do -	- do -	Cannot be quantified
10	WPS No. 5998 / 2014	Velma Sapna	Union of India and ors.	- do -	- do -	Cannot be quantified
11	WPS No. 1756 / 2014	Ranjita Bala Prakash	State of Chhattisgarh	- do -	- do -	Cannot be quantified
12	WP (S) No. 6018 /2016	Mahendra John & ors.	State of CG & ors.	Service	Pending	Cannot be quantified

CIVIL CASES AT CHHATTISGARH HIGH COURT						
Sr. No.	**Case No.**	**Applicant**	**Respondent**	**Case Category**	**Status / Stage**	**Financial Impact**
13	WP (C) No. 1632 / 2018	Cholanti and ors.	State of Chhattisgarh and anr.	Land oustees	Pending	Cannot be quantified
14	WP (C) No. 1633 / 2018	Son Singh	State of Chhattisgarh and anr.	Land oustees	Pending	Cannot be quantified
15	WP (S) No. 4435/ 2018	Padamnath Baghel	Union of India & ors.	Service	Pending	Cannot be quantified
16	WPC No. 1857/2018	Smt. Kanchan Singh	State of Chhattisgarh &anr.	Land oustees	Pending	Cannot be quantified
17	WP (C) No.2934/ 2018	Vidhyadhar Sethiya and ors.	State of Chhattisgarh and ors.	Land oustees	Pending	Cannot be quantified
18	WP 1245/2001	NMDC Ltd Bacheli Complex	Nagar Panchayat Badi Bacheli	tax	Pending	related to WP 1500/1997
19	WP(S) 2155/2014	Prabhat Chandra Seth	NMDC	Land oustees	Pending	Cannot be quantified
20	WP(s) 2156/2014	Akhilesh Obed	State of Chhattisgarh and ors.	Land oustees	Pending	Cannot be quantified
21	WP(S) 2154/2014	Abhilash Chandra Seth	State of Chhattisgarh and anr.	Land oustees	Pending	Cannot be quantified
22	WPS No 6618/2019	Chandrabati Sethiya & Ors	State of CG and others	Land oustees	Pending	Cannot be quantified
23	WPC No.3568/2020	Divakar Goyal (Minor)	State of Chhattisgarh and others	Land oustees	Pending	Cannot be quantified
24	WPC No.887/2020	KamalDei	State of Chhattisgarh and anr.	Land oustees	Pending	Cannot be quantified
25	WPS No.1257/2020	Minor Shirish Ghoshla	State of Chhattisgarh and anr.	Land oustees	Pending	Cannot be quantified
26	WPC No.1964/2020	Gurudas	NMDC& Others	Land oustees	Pending	Cannot be quantified

CIVIL CASES AT CHHATTISGARH HIGH COURT						
Sr. No.	**Case No.**	**Applicant**	**Respondent**	**Case Category**	**Status / Stage**	**Financial Impact**
27	WPS No.1475/2021	Mohd.Shabbir & another	State of Chhattisgarh & others	Service/Land	pending	Cannot be quantified
28	WPC No.4422/2021	NMDC Tron and Steel Plant	State of Chhattisgarh & Others	Civil/Land	Pending	Cannot be quantified
29	WPC No.4253/2021	Dilip Singh Kushwaha	State of Chhattisgarh & others	Civil	Pending	Cannot be quantified
30	WPS No.4888/2021	Shri Budhsan Kashyap	State of CG and others	Land oustees	Pending	Cannot be quantified
31	WPS No.333/2022	M/s. Neeraj Kumar Pandey	NMDC& Others	service	pending	Cannot be quantified
32	WPC No.2589/2022	M/s/B N Constructions	NMDC and others	Civil	Pending	Cannot be quantified
33	WPC No.2951/2022	NMDC Iron and Steel Plant	State of CG and others	Land	Disposed on 25.07.2022	Rs.1.92 Cr
34	WPC No.2657/2022	R.C Prasad	NMDC Limited and others	Civil	Disposed on 21.06.2022	Cannot be quantified
35	WPC No. 2196/2022	NMDC Limited	State of Chhattisgarh and others	Civil	Pending	Cannot be quantified
36	WPC No.3231/2022	NMDC Ltd Bacheli Complex	State of CG & Others	CESS	Pending	Rs.5.5 Cr
37	WPC No.3254/2022	NMDC Ltd Kirandul Complex	State of CG & Others	CESS	Pending	Rs.5.5 Cr
38	WPT No.200/2022	NMDC Ltd, Bacheli	State of CG & others	Tax	Pending	Cannot be quantified
39	WPS No.4905/2022	Prita Dolly Hills	NMDC Ltd& Others	service	Pending	Cannot be quantified

CIVIL CASES AT CHHATTISGARH HIGH COURT

Sr. No.	Case No.	Applicant	Respondent	Case Category	Status / Stage	Financial Impact
40	WPC No.3112/2022	Smt. Sushma Choudhary	State of chhattisgarh & Others	Land	Pending	Cannot be quantified
41	WPC 1926/2017	Smt. Limbati	State of CG & Others	Land	Pending	Cannot be quantified
42	WPC 968/2018	Cholanti	State of CG & Others	Land	Pending	Cannot be quantified
43	WPC 1039/2018	Pakhli	State of CG & Others	Land	Pending	Cannot be quantified
44	WPC 1428/2018	Manoj Verma & Others	State of CG & Others	Land	Pending	Cannot be quantified
45	WPC 1846/2018	Jayawant	State of CG & Others	Land	Pending	Cannot be quantified
46	WPC 1935/2018	Hembati vs Others		Land	Pending	Cannot be quantified
47	WPC 1854/2018	Kamaldei, Shiboram	State of CG & Others	Land	Pending	Cannot be quantified
48	WPC 1857/2018	Kachan Singh	State of CG & Others	Land	Pending	Cannot be quantified
49	WPC 1764/2018	Abhishek. Junus	State of CG & Others	Land	Pending	Cannot be quantified
50	WPC 263/2020	Divakar Goyal	NMDC& Others	Land	Pending	Cannot be quantified
51	WPC 3537/2019	Jamuna Dai, Papa Dai	Govt of CG & Others	Land	Pending	Cannot be quantified

LIST OF COMMERCIAL CASES

Sr. No.	Case No.	Applicant	Respondent	Case Category	Status / Stage	Financial Impact
I	COMCA No.47/2021	M/s. lndu Projects Ltd	NMDC and another	Arb.	Pending	Cannot be quantified
2	COP. No. 48/2019	NMDC	KJIPPL	Arb.	Pending	Award passed on 17.09.18. Claim allowed against NMDC Rs.3,95,78,941/- plus BG. The amount due as on 17.09.18 shall bear an interest@ 12% per annum etc from the date of claim Petition till date and the claimant is entitled for return of BG. Therefore, the amounts awarded shall bear simple interest of 6% per annum till the date of realization. The counter claim stands dismissed.
3	COP.No.34/2019	KJ Infrastructure Projects (I) Pvt. Ltd.	NMDC	Arb.	Pending	Claim allowed against NMDC Rs.3,95,78,941+ BG+ interest
4	CEP No.1/2021	M/s. KNR Construction Limited	NMDC	Arb.	Pending	Rs.6,36,25,764/-
5	COP No.74/2022	NMDC	KJIPIPL & another	Arb.	Pending	Rs.2,0094,361 + interest
6	COP No.67/2022	M/s. Dee-Tech Projects Private Limited	NMDC Limited	Civil	Pending	Cannot be quantified

OTHER COURT CASES AT HON'BLE HIGH COURT OF CHHATTISGARH, BILASPUR

Sr. No.	Case No.	Date of filing Written Petition	Petitioner (s) Name
1	867/2018	12.03.2016	Uwaasi & others (Total-8) Vs State of CG & Others
1A	WA No. 641/2018 (related to 867/2018 mention at sl no-1)	13.08.2018	NMDC vs State of CG & Others
1B	2390/2018 (related to 867/2018 case mention at sl no.01)	17.08.2018	NMDC vs State of CG & Others
2	1844/2018	23.06.2018	Sudru & Others VS State of CG & Others
3	6018/2016	2016	Shri Mahendra John & 63 others

ONGOING ARBITRATION CASES RELATING TO DEMERGED UNDERTAKING

Sr. No.	Name of the Work	Case Title /Case No.	Claim/ Counter Claim
1	Installation Of Blast Furance (Package No. – 05) For 3.0 MTPA Integrated Steel Plant At Nagarnar. Arbitration Commenced Date - 02.01.2020	M/s. Tata Projects Limited Vs. NMDC Ltd. (ICC 25034/HTG)	Claimant claimed amount Rs. 676 crore. Counter Claim of Rs. 67.39 crore.
2	Construction of Intake Well & Pump House and Cross-Country Pipeline System (Package: 17-02) for NISP at Nagarnar, Chhattisgarh. Arbitration Commenced Date - 06.11.2021	M/s. Megha Engineering & Infrastructures Ltd (MEIL) and Koya & Company Construction Limited (KCCL) Vs. NMDC Ltd. Hon'ble Sole Arbitrator - Justice Noushad Ali	Claimant claimed amount Rs. 154.88 crore. No Counter Claim has been filed by respondent.
3	Contract for setting up a By-Product Complex, including ETP Package -03 for 3.0 MTPA Integrated Steel Plant at Nagarnar. Arbitration Commenced Date - 07.07.2022	M/s. SEPC Limited Vs. NMDC Ltd. Hon'ble Sole Arbitrator - Justice G. Rohini.	Claimant has not filed Statement of Claim yet.
4	Three Contracts for Architectural Consultancy Services and Supervision for Developments Works for the proposed Residential Complex and other facilities for 3 MTPA Integrated Steel Plant. Acceptance of Hon'ble Sole Arbitrator is awaited. Arbitration has not been started.	M/s. Datta & Datta Vs. NMDC Ltd. Hon'ble Sole Arbitrator - Justice Shri Challa Kodanda Ram.	Claimant has not filed Statement of Claim yet
5	Setting up Raw Material Handling System (RMHS) at 3.00 MT Integrated Steel Plant, Nagarnar, Chhattisgarh	M/s. Prasad & Company (Project Works) Limited Vs Bharat Heavy Electricals Limited and NMDC Ltd. Hon'ble Sole Arbitrator - Justice V. Gopala Gowda.	NMDC is a formal party
6	Construction of Studio Type Apartments-II including allied facilities and electrification at village Nagarnar (near Jagdalpur), District Bastar, Chhattisgarh.	M/s. lndu Projects Limited Vs. NMDC Ltd	Panel of three names of arbitrators has been proposed to Claimant but Claimant has not selected arbitrator.

II. **Litigation initiated by our Company**

a. Criminal proceedings
As on date of this Information Memorandum, there are no criminal proceedings initiated by our Company.

b. Actions by statutory or regulatory authorities
As on date of this Information Memorandum, there are no statutory or regulatory proceedings initiated by our Company.

c. Claims related to direct and indirect taxes
As on date of this Information Memorandum, there are no direct or indirect tax proceedings initiated by our Company.

d. Other pending proceedings
As on date of this Information Memorandum, there are no civil or other proceedings initiated by our Company.

B) Litigation involving our Directors

I. Litigation initiated against our Directors

a. Criminal proceedings
As on date of this Information Memorandum, there are no criminal proceedings against our Directors.

b. Actions by statutory or regulatory authorities
As on date of this Information Memorandum, there are no statutory or regulatory proceedings against our Directors.

c. Claims related to direct and indirect taxes
As on date of this Information Memorandum, there are no direct or indirect tax proceedings against our Directors.

d. Other pending proceedings
As on date of this Information Memorandum, there are no civil or other proceedings against our Directors.

II. Litigation initiated by our Directors

a. Criminal proceedings
As on date of this Information Memorandum, there are no criminal proceedings initiated by our Directors.

b. Actions by statutory or regulatory authorities
As on date of this Information Memorandum, there are no statutory or regulatory proceedings by our Directors.

c. Claims related to direct and indirect taxes
As on date of this Information Memorandum, there are no direct or indirect tax proceedings by our Directors.

d. Other pending proceedings
As on date of this Information Memorandum, there are no civil or other proceedings initiated by our Directors.

C) Litigation involving our Promoters:

I. Litigation initiated against our Promoters

a. Criminal proceedings
As on date of this Information Memorandum, there are no criminal proceedings against our Promoters.

b. Pending action by statutory or regulatory authorities against our Promoters and disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoters in the last 5 Financial Years
As on date of this Information Memorandum, there are no statutory or regulatory proceedings against our Promoters.

c. Other pending proceedings
As on date of this Information Memorandum, there are no civil or other proceedings against our Promoters.

d. Claims related to direct and indirect taxes
As on date of this Information Memorandum, there are no civil or other proceedings initiated against our Promoters.

II. Litigation initiated by our Promoters

a. Criminal proceedings
As on date of this Information Memorandum, there are no criminal proceedings initiated by our Promoters.

b. Actions by statutory or regulatory authorities
As on date of this Information Memorandum, there are no statutory or regulatory proceedings initiated by our Promoters.

c. Claims related to direct and indirect taxes
As on date of this Information Memorandum, there are no direct or indirect tax proceedings initiated by our Promoters.

d. Other pending proceedings
As on date of this Information Memorandum, other than the following there are no civil or other proceedings initiated by our Promoters.

D) Litigation involving our Subsidiaries
As on the date of the Information Memorandum, the Company does not have any subsidiaries.

E) Litigation involving our Group Companies
As on date of this Information Memorandum, there are no Group Companies of our Company.

F) Outstanding dues to creditors
As on date of this Information Memorandum, outstanding due to creditors of Demerged Undertaking are as below-

Sr. No.	**Particulars**	**Amount Involved (In Rs. Crores)**
1	Unsecured Redeemable Non-Convertible Debentures Taxable Bonds in the nature of debentures	523.80 (As on March 31, 2022)
2	Secured Loan (Rupee Term Loan From Bank)	1,144.42 (As on March 31, 2022)

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of material approvals obtained by our Company. In view of the approvals listed below, our Company can undertake their current business activities and no material approvals, permissions, consents, licenses or registrations from any governmental or regulatory authority are required to undertake the listing or continue their business activities. It must be distinctly understood that, in granting these approvals, the government or regulatory authorities do not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Certain approvals may lapse in their normal course or have not been obtained by our Company, and our Company shall either make an application to the appropriate authorities for grant or renewal of such approvals or are in the process of making such applications. Unless otherwise stated, these approvals are valid as of the date of this Information Memorandum. For details in connection with the regulatory and legal framework within which our Company operates, please see “Other Regulatory and Statutory Disclosures” on page 126.

All consents, permissions, statutory or other licenses, approvals, sanctions, permits, registrations, authorizations, consents to operate, certificates, environment or other clearances and authorities, leases, tenancies, assignment, allotments, power of attorney given by, issued to or executed in favour of the NMDC Limited, claims, powers, allotments, approvals, contracts, enactments, arrangements, rights, titles, interests, benefits, privileges and other intangible rights issued to or executed in favour of the NMDC Limited, arrangements of all kinds, shall stand transferred to our Company as if the same were originally given by, issued to or executed in favour of our Company, and the rights and benefits under the same shall be available to our Company and shall remain valid, effective and enforceable on the same terms and conditions. In so far as the special incentive schemes and various other incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the NMDC Limited are concerned, the same shall vest with and be available to our Company on the same terms and conditions. Any registration fees, charges etc. paid by NMDC Limited in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, etc. shall be deemed to have been paid by our Company and consequently, the concerned Appropriate Authority shall carry out necessary mutations in favour and in name of our Company, where applicable.

I. Incorporation Details of our Company

A certificate of incorporation dated January 2, 2015 issued by the Registrar of Companies, Chhattisgarh

II. Approvals from Tax Authorities

Sr. No.	Particulars	Details
1.	Permanent Account Number (PAN)	AAFCN3661C
2.	Tax Deduction and Collection Account Number (TAN)	JBPN02128A
3.	Goods and Service Tax (GST) registration number	22AAFCN3661C1ZX

III. Labour / employment related approvals

Our Company is required to obtain following approvals and licenses under various laws, rules and regulations in order to carry on the business in India in relation to its offices and business units:

(i) Registration under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, issued by the Employees’ Provident Fund Organisation.
(ii) Registration under the Employees’ State Insurance Act, 1948, issued by the Employees’ State Insurance Corporation.
(iii) Certificate issued under the Contract Labour (Regulation and Abolition) Act, 1971 issued by the labour commissioners of relevant states.
(iv) Registration under the applicable shops and establishments legislation for our network facilities, issued by the ministry or department of labour of relevant State government, wherever applicable

IV. Approvals relating to the listing

For the approvals and authorisations obtained by our Company in relation to the listing, please see “Other Regulatory and Statutory Disclosures – Authority for Listing” on page 126.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for listing

The Ministry of Corporate Affairs, Government of India, New Delhi vide its order 24/1/2022-CL-III dated October 6, 2022, approved the Scheme of Arrangement. Pursuant to the Scheme of Arrangements, Demerged Undertaking is transferred to and vested in our Company with the Appointed Date of April 1, 2021 in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Effective Date is as set out in the Scheme of Arrangement.

In accordance with the Scheme of Arrangement, the Equity Shares of our Company, issued pursuant to the Scheme, shall be listed and admitted to trading on BSE, CSE and NSE. Such admission and listing is not automatic and will be subject to fulfillment by our Company of the respective listing criteria of the Stock Exchanges and also subject to such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by our Company seeking approval for listing.

Eligibility criterion

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI (ICDR) Regulations is not applicable. However, SEBI vide its letter no. SEBI/HO/CFD/DCR/RAC-2/P/OW/2023/2574/1 dated January 18, 2023, granted relaxation of Rule 19(2)(b) of the SCRR to our Company pursuant to an application made by our Company to SEBI under sub-rule (7) of Rule 19 of the SCRR as per the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended. Our Company has submitted this Information Memorandum, containing information about our Company, and including disclosures in line with the disclosure requirement for public issues, as applicable, to BSE, CSE and NSE, and this Information Memorandum shall be made available to the public through the websites of the Stock Exchanges at www.bseindia.com, www.cse-india.com and www.nseindia.com and at our website nmdcsteel.nmdc.co.in. Our Company shall also publish an advertisement in the newspapers containing the details in terms of the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on our Company's website

Prohibition by Securities and Exchange Board of India

Our Company, Directors and our Promoter are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company and Promoter are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable.

Fugitive Economic Offences

None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Association with the Securities Market

None of our Directors are associated with the securities market in any manner. No action has been initiated by SEBI against against any of our Directors in the past 5 years preceding the date of this Information Memorandum.

Identification as wilful defaulter by Reserve Bank of India

Our Company, Promoter, Directors have not been identified as wilful defaulters by the Reserve Bank of India.

Disclaimer Clause of the BSE

BSE vide its letter (bearing reference no. DCS/AMAL/PB/R37/2143/2020-21) dated November 17, 2021, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been

included in this Information Memorandum as one of the stock exchanges on which our Company's Equity Shares are proposed to be listed.
As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to BSE.

Disclaimer Clause of the CSE

CSE vide its letter (bearing reference no. CSE/LD/15358/2021) dated November 18, 2021, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, CSE's name has been included in this Information Memorandum as one of the stock exchanges on which our Company's Equity Shares are proposed to be listed.
As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to CSE

Disclaimer Clause of the NSE

NSE has vide its letter (bearing reference no. NSE/LIST/28007_II) dated November 17, 2021, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name is included in this Information Memorandum as one of the stock exchanges on which this Company's Equity securities are proposed to be listed.
As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to NSE.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of Annexure A Part III (A) para 2 sub-clause 5 of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Applications have been made to BSE, CSE and NSE for an official quotation of the Equity Shares of our Company. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within a period as approved by SEBI.

Listing approval from BSE, CSE and NSE

Our Company has obtained in-principle listing approvals from BSE, CSE and NSE on December 30, 2022, January 6, 2023 and January 2, 2023 respectively. Our Company shall make the applications for final listing and trading approvals from BSE, CSE and NSE.

Securities and Exchange Board of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

Our Company was granted an exemption from the application of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide the letter no. SEBI/HO/CFD/DCR/RAC-2/P/OW/2023/2574/1 dated January 18, 2023.

Filing

A copy of this Information Memorandum has been filed with BSE, CSE and NSE.

Demat Credit

Our Company has executed Tripartite Agreements with the Depositories i.e. NSDL and CDSL, dated October 25, 2022 and October 25, 2022 respectively, for admitting our Equity Shares in dematerialisation form. Our Company has been allotted INE0NNS01018 as its ISIN.

Consent

Our Company has obtained consent from our Directors, Statutory Auditor and Registrar.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Dispatch of Share Certificates

In accordance with the Scheme, new Equity Shares have been issued and allotted to the Eligible Shareholders of NMDC Limited on the Record Date i.e. October 28, 2022. Our Company has dispatched the physical share certificates to Eligible Shareholders holding shares of NMDC Limited in physical form on December 10, 2022 and credited the new Equity Shares to depository participant accounts of the Eligible Shareholders on December 6, 2022.

Previous Rights and Public Issues

Since incorporation, our Company has not issued Equity Shares to the public or had any Rights Issues.

Capital Issue in the last 3 years

The Company has not made any capital issue during the last 3 years.

Commission and Brokerage on Previous Issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares by our Company.

Performance vis-à-vis objects

This is for the first time our Company is getting listed on any stock exchange.

Outstanding Debentures or Bonds and Redeemable Preference Shares and other Instruments issued by our Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company.

Stock Market Data for Equity Shares of our Company

The Equity Shares of our Company are not listed on any stock exchange. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchanges.

Disposal of Investor Grievances

Our Company has the following platforms for addressing investors' grievances:
• E-mail id: ims_nisp@nmdc.co.in
• SCORES
Shareholders can express their grievances by sending mails to above e-mail id or raise complaints in SCORES(Common Portal introduced by SEBI). Further, the Shareholders can also raise their grievances with our Company Secretary / Compliance Officer. As on the date of this Information Memorandum our Company, has not received any investor complaints since incorporation.

Company Secretary and Compliance Officer
Ms. M. Amala
10-3-311/A, Khanij Bhavan,
Castle Hills, Masab Tank,
Hyderabad – 500 028
Contact Number: 040-23538757
Email: cs_nisp@nmdc.co.in

Capitalisation of reserves or profits or revaluation of assets

There has been no capitalization of our reserves or profits or revaluation of our assets since incorporation to the date of this Information Memorandum.

SECTION VIII – OTHER INFORMATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

Capital & Shares

- Subject to the provisions of Section 67 of the Act and other Applicable Laws, no part of the funds of the Company or loans given by the Company shall be employed in the purchase of Company's Shares
- Subject to Section 62 of the Act, other Applicable Laws and these Articles, the Shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to the compliance with the provisions of Section 53 of the Act or any other relevant provisions under the Applicable Laws) and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that the Board shall not give the option or right to call of shares to any Person or Persons without sanction of the Company in general meeting
- The Company may at any time pay a commission, as per Section 40(6) of the Act and provisions under other Applicable Laws, to any Person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, Debenture or debenture stock of the Company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares, Debentures or debenture stock of the Company, if the commission in respect of shares shall be paid or payable out of proceeds of issue or out of profits or both the statutory conditions and requirements shall be observed and complied with and the amount or the rate of commission shall not exceed 5% of the price at which the shares are issued and 2.5% of the price at which Debenture or debenture stock are issued in each case subscribed or to be subscribed. The commission may be paid or satisfied in cash or in shares, Debentures or debenture stock of the Company.

Increase, Reduction and Alteration of Capital

- Subject to the Applicable Laws and the approval of the President, the Directors may with the sanction of the Company in general meeting, increase or reduce the share capital by such sum, and may divide the shares in the capital into several classes of such amounts and with rights, privileges or conditions, as the resolution shall prescribe. The Company may issue preference shares, which shall be liable to be redeemed.
  Subject to the Applicable Laws, the Company may issue equity shares with differential rights with respect to dividend, voting or otherwise.
  The Company shall have the power, subject to and in accordance Applicable Laws, to purchase any of its own fully paid-up shares or other specified Securities at such rates and on such terms and conditions as the Board may deem fit and appropriate and make payment for such purchase(s).
  Subject to the Applicable Laws and these Articles,the Directors may allot and issue shares in the capital of the company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares, and, if so issued, shall be deemed to be fully paid up shares
- Subject to Section 62 of the Act, other Applicable Laws and such directions as may be issued by the President in this regard, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given, as the Directors shall determine and in particular such shares may be preference shares or not
- Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, forfeitures transfer and transmission, lien, voting, surrender and otherwise
- (i) Where at any time, the Company proposes to increase the subscribed capital of the Company by issue of further Shares then:
  - Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid- up on those Shares at that date by sending a letter of offer subject to the following conditions:
    - The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than 15 days (or such other lesser period permitted under Applicable Law) and not

exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

- The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in sub-clause (i) shall contain a statement of this right.
- After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.

(ii) Notwithstanding anything contained in Article 12 (i), the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (i) hereof) in any manner whatsoever, either for cash or for a consideration other than cash.if a special resolution to that effect is passed by the Company in a General Meeting and subject to such other applicable conditions prescribed under Section 62 of the Act

(iii) Nothing in Sub-clause (iii) of Sub-Article (a) of 12 (i) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(iv) Subject to Section 62 of the Act, nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the company. Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

(v) Notwithstanding anything contained in Article 12(iv) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within 60 days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit

- Subject to the Applicable Laws and to such directions as may be issued by the President in this behalf, the Company may, from time to time, by special resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or is superfluous or by reducing the liability on the Shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called upon again or otherwise, and the Board may, subject to the Applicable Laws, accept surrender of Shares.
- Subject to the approval of President, the Company in general meeting may, from time to time, sub-divide or consolidate its Shares or any of them and exercise any of the powers conferred under the Applicable Laws, the Company shall file with the Registrar such notice of exercise of any such power as may be required by the Act
- If at any time, the Capital, by reason of the issue of preference Shares or otherwise, is divided into different classes of share, all or any of the rights and privileges attached to each class may, subject to the Applicable Law be modified, abrogated or dealt with by agreement between the Company and by any person purporting to contract on behalf of that class, provided that such agreement is (a) ratified in writing by the holders of at least three-fourths of the nominal value of the issued Shares of that class, or {b) confirmed by a resolution passed at a separate general meeting and supported by the votes of at least three-fourths of the holders of Shares of that class and all the provisions hereinafter contained as to general meeting shall mutatis mutandis apply to every such meeting except that the quorum thereof shall be Members holding or representing by proxy one-fifth of the nominal amount of the issued Shares of that class. This Article is not by implication to curtail the power of modification which the Company would have if the Article were omitted. Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy back such of the Company's own Shares or other Securities as it may think proper subject to such limits, upon such terms and conditions and subject to such approvals as may be provided by law, or any statutory modification thereto and such other regulations and guidelines as may be issued in this regard.

  Subject to Applicable Lawsand the rules and regulations prescribed in this connection, the Board of Directors, may offer, issue and allot Shares in the Capital of the Company as sweat equity shares or shares under the employees stock option scheme / employees stock option plan / employee stock purchase scheme and such other plans/scheme by whatever name called permitted under Applicable Laws

Share Certificates

- Every Member whose name is entered as a member in the Register, shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine)to several certificates, each for one or more of such Shares and the Company shall complete and keep ready for delivery such certificates within two Months after incorporation, in case of subscribers to the memorandum or after allotment, unless the conditions of issue thereof otherwise provide, or within one Month of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography; but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Provided that, in respect of a share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders

- If any share certificate be worn-out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu, thereof. If any share certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of Rs. 20/-for each certificate as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf. The provisions of Article 16 and 17shall mutatis mutandis apply to the debenture certificates of the Company.

Transfer And Transmission of Shares

- Subject to the provisions of Section 58 of the Act and these Articles the Shares of the Company are freely transferable.Subject to the provisions of Section 58 of the Act, these Articles and other Applicable Laws, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within 60 days (or such other period prescribed under Applicable Laws) from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
- Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the Register as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognize any benami trust or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.
- The instrument of transfer of any share in the Company shall be executed by or on behalf of both by the transferor and transferee and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register in respect thereof.
- The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof. In case of transfer of Shares where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- Every instrument of transfer shall be delivered at the office for registration, accompanied by the certificate of the Shares to be transferred and such evidence, as the Company may require to prove the title of the transferor, on his right to transfer the Shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall, on demand, be returned to the Person depositing the same.
  The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly enter particulars of every transfer or transmission of Shares
- (i) On the death of a Member/ Debenture holder, his legal representatives shall be the only persons recognized by the Company as having any title of his interest in the Shares or Debentures.
  (ii) Nothing contained in Article 18 shall prejudice any power of the Company to register as Shareholder or debenture holder any person to whom the right to any Shares or debentures in the Company has been transmitted by operation of law.
  (iii) In the case of the death of any one or more of the persons named in the Register of Members or Debenture holders as the joint-holders of any share or debenture the survivor or survivors shall be the only persons recognized by the company as having any title to or interest in such share or debenture, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on Shares or Debentures held by him jointly with any other Person.
  (iv) The Executors or Administrators or holders of a Succession Certificate or the legal representatives of a deceased Member or Debenture holder (not being one of two or more joint-holders) shall be the only persons recognized by the Company as having any title to the Shares or Debentures registered in the name of such Member or Debenture holder and the Company shall not be bound to recognize such Executors or Administrators or holders of a Succession Certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate

or Letters of Administration or a Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate of letters of Administration or a Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary

(a) The Board's power under Article 18 shall apply to registration of the transmission of the right to any Shares in, or Debentures of, the Company as they apply to, in the case of registration of transfer of Shares or Debentures.

(b) Notwithstanding any provisions contained in these Articles regarding Certificates/ transfer/Transmission of Shares, the provisions of Depositories Act and regulations made by the Securities and Exchange of India shall apply for Certificate/ transfer/ transmission done in electronic form.

- The Register of members or the Register of Debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time after giving not less than 7 days (or such lesser period as may be specified by the Securities and Exchange Board of India) previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situated
- No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, Power of attorney or similar other document with the Company.

Calls

- The Board may, from time to time, make such calls on uniform basis, as it thinks fit, upon the Members in respect of any moneys, unpaid on their Shares, (whether on account of the nominal value of the Shares or by way of premium) and not by conditions of allotment thereof made payable at fixed timesand each Member shall (subject to receiving at least 14 days' noticespecifying the time or times of payments, and each Member shall pay to the Company at the time or times so specified the amount called on his Shares. Provided however, that the Directors may, from time to time, at their discretion extend the time fixed for the payment of any call.
- Subject to the Applicable Laws, if the sum payable in respect of any call be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made, shall pay interest on the same at such rate not exceeding 10% per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.
- The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same, all or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made, upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12 per cent per annum as the Members paying such sum in advance and the Directors agree upon. Provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Members shall not be entitled to any voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company. The Directors may at any time repay the amount so advanced.
- The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed unless the same is expressly made effective on any other date under such resolution. Not less than 14 days' notice of any call shall be given specifying the place and time of payment and to whom such call shall be paid provided that the Directors may subject to section 49 of the Act, by notice in writing to a Member, revoke the call or extend the time for payment thereof.
- A call may be revoked or postponed as the Directors may determine. No call shall exceed one-fourth of the nominal value of the share (or such other amount determined the Board or permitted under Applicable Laws) or be payable at less than 1 Month (or such other period permitted under Applicable Laws) from the date fixed for the payment of the last proceeding call.

Lein

- The Company shall have first and paramount lien upon all theShares/ Debentures(other than fully paid-up Shares/Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all Dividendspayableand bonuses declared from time to time in respect of such Shares/debentures. Unless otherwise agreed, the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures. The Directors may at any time declare any Shares/ debentures wholly or in part to be exempt from the provisions of this Article.The fully paid Shares will be free from all lien, and the lien of the Company on the partly paid-up Shares/Debentures will be restricted to moneys called or payable at a fixed time in respect of such Shares/Debentures
- The Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists, is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of amount in respect of which the lien

exists as is presently payable, has been given to the registered holder for the time being of the share, or the Person entitled thereto by reason of his death or insolvency to the share

- The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares at the date of the sale. The purchaser shall be registered as the holder of the Shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale

Forfeiture of Shares

- If a Member fails to pay the whole or any part of any call, or installment of a call or any money due in respect of any Shares either by way of principal or interest on or before the day appointed for payment thereof the Board may, at any time thereafter during such time as any part of the call or installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses {legal or otherwise) that may have been incurred by the Company by reason of such non-payments
- The notice aforesaid shall:
  (a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made;
  (b) Name a place or places on and at which such call or installment and interest as Board may determine is to be paid; and
  (c) State that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.
- If the requirements of any such notice as aforesaid are not complied with, any Shares in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other monies payable in respect of the forfeited Shares and not actually paid before forfeiture.
- When any share shall have been so forfeited, notice of the forfeiture shall be given to the holder of the share and an entry of the forfeiture with the date thereof shall be made in the Register of Members.
- A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- At any time before sale of disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- (i) A person whose Shares, have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.
  (ii) The liability of such persons shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares
- (i) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share
  (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of
  (iii) The transferee shall thereupon be registered as the holders of the share.
  (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share
- The provisions of these Articles as to forfeiture shall apply in the case of non- payment of any sum which, by terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
  The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off; annuls the forfeiture there of upon such condition as it thinks fit. Provisions regarding forfeiture to apply in the case of non-payment of sums payable at a fixed time

General Meetings

- Except in the case when for any special reason, time for holding any annual general meeting (not being the first annual general meeting) is extended by the Registrar, by a period not exceeding 3 Months under Section 96 of the Act, no greater interval than 15 Months shall be allowed to elapse between the date of one annual general meeting and that of the next. Every annual general meeting shall be held during business hours i.e., 9 a.m. to 6 p.m. on a day other than National Holiday either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated and the notices calling the meeting shall specify it as the annual general meeting. Such general meeting shall be called "Annual General Meeting" and all other meetings of the Company shall be called "Extra-ordinary General Meeting."
  A Member of the Company may participate in a general meeting through the electronic mode, fhat is, oy way of a video

conferencing facility, subject (o compliance with AppHcable Laws. However the quorum required under Section 103 of the Act, as well as the Chairman of the meeting shall have to be physically present at the place of the meeting
Voting by Postal Ballot is also permitted in case of such requirement from the Shareholders/Members.

- (i) The Directors may call an Extra-ordinary General Meeting whenever they think fit
  (ii) Subject to the provisions of Section 100 of the Act:
    - (a) The Directors shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the Company, upon which all calls or other sums then due have been paid forthwith, proceed to call an Extra-ordinary General Meeting of the Company.
    - (b) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office of the Company and may consist of several documents in like form, each signed by one or more requisitionists. In case of joint holders of Shares, all such holders shall sign the requisition.
    - (c) If the Directors do not proceed, within 21 days or such other lesser period, as may be prescribed, from time to time, under the Act, from the date of the receipt of a valid requisition in regard to any matter, to cause a meeting to be called, the requisitionists or a majority of them in value may themselves call the meeting but in either case, any meeting so called shall be held within three Months from the date of the requisition.
    - (d) Any meeting called under this Article by the requisitionists, shall be called in the same manner as nearly as possible, as that in which meetings are to be called by the Directors.
    - (e) Any reasonable expenses incurred by the requisitionists in calling a meeting under Article 47(b) shall be reimbursed to the requisitionists by the Company and the sums so paid shall be deducted from any fee or any remuneration under Section 197 of the Act, payable to such Directors who were in default in calling the meeting
- A general meeting of the Company may be called, by giving not less than clear twenty one days' notice either in writing or through electronic mode in such manner as prescribed in Companies (Management and Administration) Rules, 2014 and other Applicable Laws. Such notice shall be served on every Member in the manner provided under Actand rules framed thereunder. Ageneralmeeting may be called after giving shorter notice thantwenty one days, if consent, in writing or by electronic mode, isaccorded thereto by Members of the Company, and in the manner specified under the Applicable Laws.
  Provided, however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by Section 114(2)(a) of the Act, notice of such meetings specifying the intention to propose the resolution as a special resolution shall be served
- The accidental omission to give any such notice to or the non-receipt of any such notice by any Member shall not invalidate the proceedings at any meeting
- The business of an ordinary meeting shall be to receive and consider the profit and loss account, the balance sheet, and the report of the Directors and the Auditors, to declare Dividends and to transact any other business which under these Articles ought to be transacted at an ordinary meeting. All other businesses transacted at an ordinary meeting and all businesses transacted at an extra-ordinary meeting, shall be deemed special
- The quorum for a General Meeting shall be as per Section 103(1) (a) of the Act
- (i) The President so long as he is a shareholder of the Company, may fromtime to time, appoint one or more Persons (who need not be a Member or Members of the Company) to represent him at all or any meeting of the Company.
  (ii) Any one of the Persons appointed under sub-clause (i) of this Article who is personally present at the meeting shall be deemed to be a Member for the purposes of a quorum and to be entitled to vote and be present in Person and shall be entitled to represent the President at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.
  (iii) The President may, from time to time, cancel any appointment made under sub-clause (i) of this Article and make fresh appointments.
  (iv) The production, at the meeting, of an order of the President shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
  (v) Any Person appointed by the President under this Article may, if so authorized, by such order, appoint a proxy, whether specially or generally.
- The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting or if there be no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the Members present shall choose another Director as Chairman, and if no Director is present, or if all the Directors present decline to take the chair then, the Members present shall choose one amongst themselves to be the Chairman for the meeting
- If within half-an-hour, from the time appointed for the meeting a quorum is not present:
  - (a) it shall stand adjourned to the same day in the next week, at the same time and placeor such other time and place as the Directors may determine, and if at such adjourned meeting, a quorum is not present, those Members who are present shall be quorum and may transact the business for which the meeting was called.
  - (b) it shall stand cancelled, if the meeting is called by requisitionists under Section 100 of Act.
    Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under sub clause (a), of this Article the Company shall give not less than 3 days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the Registered Office of the Company is situated
- Every question submitted to a meeting shall be decided, in the first instance, by a show of hands or voting carried out

electronically and in the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member

Votes of Members

- Subject to the Applicable Laws and these Articles votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 113 of the Act.
  At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is demanded, or voting is carried out electronically, before or on the declaration of the result of the show of hands demanded by a Member present in person or proxy or by duly authorized representative.Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried or carried unanimously or by a particular majority won or lost and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number of proportion of the vote recorded in favour of or against that resolution.
  No Member not personally present shall be entitled to vote on a show of hands unless such Member is present by attorney or unless such Member is a body corporate present by a representative duly authorized under Section 113 of the Actin which case such attorney or representative may vote on a show of hands as if he was a member of the Company
- The Company shall provide to its Members the facility to exercise their right to vote at general meetings by electronic means. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014and other Applicable Laws, and shall vote only once
- If a poll is duly demanded, it shall be taken in such manner as provided under Section 109 of the Act and at such time and place as the Chairman of the meeting directs(not being later than forty eight hours from the time when the demand was made), and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn
- The Chairman of a general meeting may, with the consent of the Members, adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place
- Subject to the provisions of Section 109 of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment
- The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded
- The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meetings. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
- Upon a show of hands every Member present in Person shall have one vote, every Member shall have one vote through voting by electronic means and upon a poll every Member present inPerson or by proxy or by duly authorized representative shall have one vote for every share held by him.
- A proxy shall not be entitled to vote on a show of hands.
- Any Person entitled under the transmission clause to any Shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such Shares provided that 72hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to such Shares, unless the Directors shall have previously admitted his right to such Shares or his right to vote at such meeting in respect thereof
- Where there are joint registered holders of any share any one of such persons may vote at any meeting, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several Executors or Administrators of a deceased Member in whose name any share stands shall for the purposes of this clause be deemed joint holders thereof
- A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on poll by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy
- On a poll, votes may be given either personally or by proxy or by duly authorized representative.
- A Member entitled to attend and vote at a meeting may appoint another person(whether a Member or not) as his proxy to attend a meeting and vote on a poll. No Member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instruments appointing a proxy shall be in a form as prescribed in the rules made under Section 105 of the Act and rules framed thereunder, and shall be signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid
- A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or

insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation, or transfer or transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

- No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and everyvote whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever. Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive

Board of Directors

- The business of the Company shall be managed by the Board of Directors, the composition of which shall be in accordance with Section 149 of the Act read with rules framed thereunder and other Applicable Laws. The President shall from time to time determine the number of Directors of the Company which shall neither be less than five nor more than sixteen. The Directors shall not be required to hold any qualification Shares
- The Chairman / Chairman-cum-Managing Director shall be appointed by the President and the terms and conditions of his appointment shall also be determined by the President
- The President shall appoint all members of the Board of Directors and all of them except the Government Directors may be appointed in consultation with the Chairman. Part-Time Non-Official Directors shall be appointed for such period, as may be determined by the President, but not exceeding three years at a time
- The Directors shall be paid such remuneration as the President may from time to time determine. The terms and conditions of appointment of whole-time Directors including the Managing Director shall also be determined by the President. Subject to the provisions of Sections197 and 200 of the Act such reasonable additional remuneration as may be fixed by the President may be paid to any one or more of the Directors for extra or special service rendered by him or them or otherwise
- At every Annual General Meeting of the Company one-third of the Part Time Non-Official Directors shall retire by rotation in the manner provided under the Act. The Directors to retire shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall be determined by the President in consultation with the Chairman of the Company. Retiring Directors shall be eligible for reappointment
- The President may from time to time or at any time remove any Director including the Chairman from office at his absolute discretion except that any whole-time Director including the Chairman may be removed from office only in accordance with the terms of his appointment or if no such terms are specified on the expiry of 3 Months' notice in writing or on payment of his salary in lieu of such notice
- The President shall have the power to fill any vacancy in the office of Director caused by retirement, removal, resignation, and death or otherwise
- Subject to Applicable Laws, in place of a Director who is out of India or is about to go out of India or who expects- to be absent for not less than three Months from the state in which meetings of the directors are ordinarily held, the President may appoint, in consultation with the Chairman of the Company, any Person to be an alternate Director during his absence out of India for a period of 3Months while he holds office as an alternate Director shall be entitled to notice of meetings of the Board and to attend and to vote there at accordingly
- Subject to the provisions of the Act, the Board may, on nomination by the President appoint any Person as an Additional Director, but the total number of Directors shall not at any time exceed the maximum limit fixed pursuant to Section 149. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting of the company.
  Subject to the provisions of the Act, the Board shall have the power at any time and from time to time to appoint any Person on nomination by the President to be a Director to fill up a casual vacancy not covered by Article
- Any Person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him
- The Board may, subject to the provision of Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, and in accordance with Chapter XII of the Act and other Applicable Laws,delegate any of their powers to Committees consisting of such member or members of their body as they think fit, and they may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. The proceedings of such a Committee shall be placed before the Board of Directors at its next meeting
- The meetings and proceeding of any such Committee consisting of two or more members shall be governed by the provisions of the Act for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article
- A Committee may elect a chairman of their meetings. If no such chairman is elected or if at any meeting the chairman is not present within 5 minutes after the time appointed for holding the same, the members present may choose one of their members to the chairman of the meeting.
- All acts done by any meeting of the Directors, or a Committee of Directors or by any person acting as a Director shall, notwithstanding that ii be afterwards discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to

acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated When acts of Directors or Committee valid notwithstanding defective appointment, etc

- Subject to the provisions of Section 175 of the Act, a resolution in writing passed by circulation and signed by all or by a majority of Directors shall be as valid and effectual as if it had been passed at meeting of the Directors duly called and constituted.
- Subject to the provisions of Section 179 and 180 of the Act, the Board may, from time to time, entrust and confer upon the Chairman/Managing Director for the time being such of the powers as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient and may, from time to time, revoke, withdraw, alter or vary all or any such powers.
- (i) Subject to the Applicable Laws, the Chairman shall reserve for decision of the President any proposals or decisions of the Board of Directors or any matter brought before the Board which raises, in the opinion of the Chairman an important issue and which is on that account fit to be reserved for the decision of the President and no decision on such an important issue shall be taken in the absence of the Chairman appointed by the President

  (ii) Subject to the Applicable Laws and without prejudice to the generality of the above provision, the Board shall reserve for the decision of the President, any matter relating to:
  - (a) Winding up of the Company.
  - (b) Sale, lease, disposal or otherwise of the whole or substantially the whole of the undertaking of the Company.
  - (c) Appointment in the Company or in any of its subsidiaries of any person, other than foreign technical personnel, who has attained the age of 60 years.
- No action shall be taken by the Company in respect of any proposals or decisions of the Board of Directors reserved for the approval of the President until his approval to the same has been obtained. The President shall have the power to modify or reject such proposals or decisions of the Directors
- Notwithstanding anything contained in any of these Articles, President may from time to time, issue such directives or instructions as may be considered necessary in regard to finances, conduct of business and affairs of the Company and in like manner may vary and annul any such directive or instruction. The Directors shall give immediate effect to the directives or instructions so issued. In particular the President will have power to

  (i) give directives to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest;

  (ii) call for such returns, accounts, and other information with respect to the property and activities of the Company as may be deemed necessary from time to time; and

  (iii) determine in consultation with the Board of Company, annual, short and long term financial and economic objectives of the Company.

  Provided that all directives issued by President shall be in writing addressed to the Chairman. The Board shall except, where President considers that the interest of the national security requires otherwise, incorporate the contents of directives issued by President in the annual report of the Company and also indicate its impact on the financial position of the Company.
- A director of this Company may be, or become a Director of any company promoted by this Company or in which it may be interested as a vendor, member or otherwise and no such directors shall be accountable for any benefit received as Director or member of such company, subject to Section 165 of the Act
- The business of the Company shall be managed by the Directors who may pay all expenses incurred in getting the Company registered and may exercise all such powers of the Company including the powers delegated from time to time by the Govt. of India by way of notifications/ office memorandums/ guidelines etc., as are not, by the Act, or by these Articles
- Subject to Section179of the Act and the Applicable Laws and without prejudice to the general powers conferred by the Act and the other powers conferred by these Articles, the Board of Directors shall have the following powers, that is to say powers
  - (i) To acquire property: to purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorized to acquire at such price, and generally on such terms and conditions as they think fit.
  - (ii) To pay and charge interest etc.: To pay and charge to the capital account of the Company any interest lawfully payable thereto under the Applicable Laws
  - (iii) To authorize the undertaking of capital works: to authorize the undertaking of capital works and to invite and accept tenders including variations if any in approved estimates.
  - (iv) To pay for property in debentures, etc.: to pay for any property, rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in Shares, bonds, debentures, debenture stock or in Shares that may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other Securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
  - (v) To secure contracts by mortgage : to secure the fulfillment of any contracts or engagements entered into by the Company or by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
  - (vi) To create posts and make appointments thereto : to create all posts below the level of Directors on the Board, to make appointments thereto and at their discretion remove or suspend such managers; secretaries, officers,

clerks, agents and servants for permanent or temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they may think fit;

Provided that appointments of persons (whether from the public or the private sector) to posts in the scale of pay as may be decided by the Govt, from time to time, of persons who have already attained the age of 60 years, shall be made only with the approval of the President;

Provided further that in the case of appointment of foreign techniciansapproval of the President shall not be required.

(vii) To appoint trustees: to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration or such trustee or trustees

(viii) To bring and defend action etc. : to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company;

(ix) To refer to arbitration: to refer any claims or demands by or against the Company to arbitration and observe and perform the awards;

(x) To give receipt : to make and give receipts, releases, and other discharges for money payable to the Company, and for the claims and demands of the Company;

(xi) To authorize acceptance etc. : to determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents

(xii) To appoint attorneys: from time to time, to provide for the management of the affairs of the Company outside the steel plant &mining areas which in the context includes the townships and sites of operations of the Company in such manner as they think fit, and in particular to appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;

(xiii) Investment of moneys:To accumulate funds and to invest or otherwise employ moneys belonging to or with the Company not immediately required for purpose thereof, as per the extant guidelines of the Department of Public Enterprise or in the purchase or acquisition of any Shares, Securities, or other investment whatsoever whether movable or immovable upon such terms as may be thought proper and from time to time vary all or any such investment in such manner as the Company may think fit.

(xiv) To give security by way of indemnity: to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

(xv) To give percentage: To give to any Director, officer or other person employed by the Company an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profit shall be treated as a part of the working expenses of the Company, subject to approval of the President of India;

(xvi) To make bye-laws : To make, vary and repeal from time to time bye- laws for the regulation of the business of the Company, its officers and servants;

(xvii) To provide for the welfare of employees: To provide for the welfare of employees or ex employees of the Company or of its predecessors in business and the wives, widows and families or the dependents or connections of such employees or ex-employees, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonuses, profit sharing bonuses or benefits of any other kind, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds, profits sharing or other scheme or trusts or by providing or subscribing or contributing towards places of instruction and recreation, hospitals, and dispensaries, medical and other attendances and other form of assistance, welfare or relief as the Board of Directors shall think fit;

(xviii) To subscribe to charitable and other funds: To subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, or any other institution or objects, or for any exhibition subject to Section 181 of the Act;

(xix) To establish Local Board : from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India, or out of India, and to appoint any person to be members of such local Board and to fix their remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than their power to make call, and to authorize the members for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made in such terms, and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation.

(xx) To make contracts etc. : to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company;

(xxi) To sub-delegate powers : Subject to Section 179 of the Act to sub- delegate all or any of the powers, authorities and discretion for the time being vested in the Directors, subject however, to the ultimate control and authority being retained by them; Any such delegate as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them

(xxii) To create depreciation, reserves and other funds: Subject to the Applicable Laws to set aside before recommending any Dividend out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, Reserve or to Reserve fund to meet contingencies or Insurance Fund or any special or other fund to meet contingencies or to repay redeemable preference Shares. Debentures or Debenture stock and for special Dividends and for equalizing Dividends and for repairing, improving, extending, and maintaining any part of the property of the company and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interest of the Company, and to invest the several sums so set aside or so much there of as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Directors may think fit, and from time to time to deal with and vary such investments and dispose of and apply, and expend all or any part thereof for the benefit of the company, in such manner and for such purposes as the Directors (subject to such restrictions) think conducive to the interest of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of redeemable preference Shares, debentures, or debenture stock and that without being bound to keep the same separate from the other assets, and without being bound to pay or allow interest on the same with power, however, to the Directors at their discretion to pay or allow to credit of such fund, interest at such rate as the Directors may think proper not exceeding six per cent per annum.

(xxiii) To lend money: To lend moneys to subsidiaries and associated organisations, on such terms and conditions as they may consider desirable.

(xxiv) To borrow etc.: To borrow or raise or secure the payment of money in such manner as the Board shall think fit, and in particular by executing mortgages and the issue of debentures, or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital and to purchase, redeem, or pay off any such Securities

(xxv) To promote Companies etc.: Subject to provisions of the Act, to promote or establish wholly or partly owned companies or subsidiaries and establish financial joint ventures in India or abroad with the stipulations that the equity investment should be limited to the ceilings as envisaged by the Department of Public Enterprises for the Company.

(xxvi) To enter with Technology Joint Ventures or Strategic Alliances.

(xxvii) To obtain Technology Know-how: to obtain by purchase or other arrangements, technology and know-how.

(xxviii) To effect organizational restructuring: to effect organizational restructuring including establishment of profit centers, opening of offices in India and aboard, creating new activity centres etc.

(xxix) To structure personnel schemes: To structure and implement schemes relating to personnel and human resource management, training, voluntary or compulsory retirement schemes etc.

(xxx) To appoint additional Director / Directors on nominations by the President.

(xxxi) Powers by virtue of MOU: The powers of the Board shall also stand amended to the extent as reflected in the MOUs entered into between the Company and the Government of India from time to time.

(xxxii) Powers by virtue of Guidelines/Circulars /OMs etc.: The Board of Directors are further empowered to exercise such of the powers as may be delegated by way of Circulars / Office Memoranda issued by the Department of Public Enterprise /OMs issued by concerned administrative ministry/ other Govt. agencies in respect of empowerment to the Board of directors and will automatically become applicable and shall be implemented by the Company accordingly.

Seal

- The Directors shall provide the Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the seal for the time being, and the Seal shall never be used except by the authority of the Directors or a Committee of Directors previously given.
- The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director and of the Secretary or such other Person as the Board may appoint for the purpose; and the said Director or the Person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Meetings of Directors and Quorum

- Subject to the Applicable Laws, in compliance with the extant guidelines, notifications, and circulars issued by the Ministry of Corporate Affairs, from time to time, the Board of Directors shall meet together for the dispatch of business at least once every 3 calendar Months, adjourn, and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business of the Board of Directors shall be one-third of the total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher as provided in Section 174(1) of the Act.
- A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of

the authorities, powers, and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.

- The meeting of the Board may be held at the Registered Office or otherwise
- A Director may at any time convene a meeting of the Directors. Questions arising at any meeting shall be decided by a majority of votes. The Chairman shall have a second or casting vote, in case of an equality of votes
- Any accidental omission to give notice for a general meeting to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the general meeting.
- All notices for Meetings of the Board and general meetings must be proper and issued in compliance with Applicable Laws. Any material irregularityin the notice may affect the validity of the meeting itself and the decisions taken thereat
- The President may nominate a Director as Chairman of the Directors' meetings and determine the period for which he is to hold office. If no such Chairman is nominated; or if at any meeting the Chairman is not present within 5 minutes after the time for holding the same, the Directors present may choose one of their members to be Chairman of the meeting
- Notwithstanding anything contained in the preceding Article regarding the convening Board Meetings, the Company may also conduct such Board meetings or Board Sub-Committee meetings through electronic mode like Video-conferencing or other audiovisual means as prescribed in Applicable Laws and in compliance with the extant guidelines, notifications and circulars issued by the Ministry of Corporate Affairs, from time to time

Capitalisation of Profits and Reserves

- (i) Subject to the Applicable Laws, the Company in General Meeting may, upon the recommendation of the Directors, resolve-
  - (a) to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution and
  - (b) accordingly set free distribution in the manner specified in clause (II) amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportion

  (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (Ill), either in or towards:-
  - (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
  - (b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b}.

  (iii) A Share Premium Account and a Capital Redemption Reserve Account may, for purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares

  (iv) Whenever such a resolution as aforesaid shall have been passed, the Directors shall:
  - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid Shares, if any and
  - (b) Generally do all acts and things required to give effects thereto

  (v) Directors shall have full power

  (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as they think fit, for the case of Shares or debentures becoming distributable infractions; and also

  (b) to authorize any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts or any part of the amounts remaining unpaid on their existing Shares

  (vi) Any agreements made under such authority shall be effective and binding on all such Members.

Division of Profits and Dividends

- The profits of the Company available for payment of Dividend subject to any special rights relating thereof created or authorized to be created by these presents and subject to the provision of these presents as to the reserve fund and amortization of capital shall be divisible among the Members in proportion to the amount of capital held by them respectively. Money paid in advance of calls on any share may carry interest but shall not in respect thereof confer a right (or entitle the holder of the share)to Dividend or to participate in the profits of the Company
- The Company in General Meeting may declare a Dividend to be paid to the Members according to their rights and interests in the profits and may fix the time for payment but no Dividend shall exceed the amount recommended by the Board
- The amount of Dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within 5 days from the date of declaration of Dividend

  Where any instrument of transfer of Shares has been delivered to the Company for registration and the transfer of such Shares has not been registered by the Company, it shall, notwithstanding anything contained in other provisions of the Act.
  - (a) transfer the Dividend in relation to such shares to the special account under the applicable provisions of the Act, unless the Company is authorised by the registered holder of such Shares in writing to pay such Dividend to the

transferee specified in such instrument of transfer; and

(b) keep in abeyance in relation to such Shares any offer of rights Shares under the applicable provisions of the Act and any issue of fully paid-up bonus Shares in pursuance of the applicable provisions of the Act

- No Dividend shall be declared or paid by the Company except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with theprovisions of Section 123 of the Act, or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of the abovementioned section and remaining undistributed.or out of both, or out of the moneyprovided by the Central Government or a State Government for the payment of Dividend by the Company in pursuance of a guarantee given by the Government. No Dividend shall carry interest as againstthe Company
- For the purpose of the last preceding Article the declaration of the Directors asto the amount of the profits of the Company shall be conclusive
- Subject to the provisions of Section 123, the Directors may, from time to time, pay to the Members such interim Dividends as in their judgment the profits and position of the Company justify
- The Directors may retain any Dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts liabilities of engagements in respect of which the lien exists
- Any General Meeting declaring a Dividend may make a call on the Members of such amount as the meeting fixes so that the call on each Member shall not exceed the Dividends payable to him, and the call be made payable at the same time as the Dividend, and the Dividend may, if so, arranged between the Company and the Members be set off against the call
- Subject to the provisions of Section 123 of the Act, no Dividend shall be payable to the registered shareholder of such share or to his order or to his banker, except in cash
- A transfer of shares shall not pass the right to any Dividend declared thereon after transfer and before the registration of the transfer
- The Directors may retain the Dividends payable upon shares in respect of which any person is under the transmission clause Article 23 entitled to become a Member, or which any person under that clause is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same
- Any one of the several persons, who are registered as the joint holders of any share, may give effectual receipts for all Dividends and payments on account of Dividends in respect of such shares
- Unless otherwise directed and subject to the Applicable Laws, any Dividend may be paid either by electronic mode, cheque or warrant sent through the post to the registered address of the Member or person entitled or in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or by any other electronic mode/ transfer; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent
- Notice of the declaration of any Dividend, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided
- No unclaimed or unpaid Dividend shall be forfeited by the Board unless the claim thereto becomes "barred by law" and the Company shall comply with all the provisions of Section 124 of the Act in respect of unclaimed or unpaid Dividend
- Where the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration to any Shareholder entitled to the payment of the Dividend, the Company shall within seven days from the date of expiry of the said period of 30 days, transfer the total amount of Dividend which remains unpaid and unclaimed for a period of 30 days, to a special account to be opened in that behalf in any scheduled bank called "Unpaid Dividend Account." Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the "Investor Education and Protection Fund" established under Section 125 of the Act
- Any General Meeting declaring a Dividend may make a call on the Members for such amount as the meeting fixes, but so that the call on each Member shall not exceed the Dividend payable to him and so that the call be made payable at the same time as the Dividend and the Dividend, may, if so, arranged between the Company and the Members be set off against the calls

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Information Memorandum), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on our website nmdcsteel.nmdc.co.in and at the Registered Office of our Company situated at C/o NMDC Iron & Steel Plant, Post: Nagarnar, Dist: Bastar, PIN: 494 001, Chhattisgarh from 10:00 a.m. to 3:00 p.m. on working days.

Material contracts and documents for inspection

- Fresh Certificate of Incorporation of the Company issued by the Registrar of Companies, Bilaspur, Chhattisgarh dated 04.11.2022.
- Memorandum and Articles of Association, as amended till date.
- Letter under Regulation 37 of the SEBI (LODR) Regulations issued by BSE (DCS/AMAL/PB/R37/2143/2020-21 dated November 17, 2021), NSE (NSE/LIST/28007_II dated November 17, 2021) and CSE (CSE/LD/15358/2021 dated November 18, 2021).
- Scheme of Arrangement between NMDC Limited, NMDC Steel Limited and their respective shareholders and creditors.
- Order dated October 6, 2022 (certified copy received on October 11, 2022) of the Ministry of Corporate Affairs, Government of India, New Delhi sanctioning the Scheme of Arrangement between NMDC Limited, NMDC Steel Limited and their respective shareholders and creditors under section 230-232 of the Companies Act, 2013.
- Audited Financials of the Company for the financial year ended March 31, 2021 and March 31, 2022.
- Tripartite Agreement dated October 25, 2022 with NSDL, RTA and the Company.
- Tripartite Agreement dated October 25, 2022 with CDSL, RTA and the Company.
- BSE letter no. DCS/AMAL/MJ/IP/2618/2022-23 dated December 30, 2022 granting in-principle approval for listing.
- NSE letter no. NSE/LIST/85 dated January 2, 2023 granting in- principle approval for listing.
- CSE letter no. CSE/LD/15753/2023 dated January 6, 2023 granting in-principle approval for listing.
- SEBI's letter no. SEBI/HO/CFD/DCR/RAC-2/P/OW/2023/2574/1 dated January 18, 2023 granting relaxation from the applicability of Rule 19(2)(b) of SCRR for listing of the shares of the Company.

Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, 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 this Information Memorandum is contrary to the provisions of the Companies Act, 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 made in this Information Memorandum are true and correct.

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

Name: Mr. Dilip Kumar Mohanty
Designation: Director

Place: Hyderabad, Telangana
Date: February 15, 2023