

एनएमडीसी स्टील लिमिटेड NMDC STEEL LIMITED

पंजीकृत कार्यालय: द्वारा एनएमडीसी आयरन एंड स्टील प्लांट, पोस्ट: नगरनार, जिला: बस्तर, पिन: 494001, छत्तीसगढ़
Regd. Office: C/o. NMDC Iron & Steel Plant, Post: Nagarnar, Dist: Bastar, Pin: 494001, Chhattisgarh.
नैगम पहचान संख्या/ Corporate Identity Number : U27310CT2015GOI001618

No. 18(3)/2023- Sectt

27.03.2023

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

Dear Sir / Madam,

Security Code: 959957; Security Name: NSL-7.30%-28-8-25-PVT.

Sub: Revision of COUPON RATE for Listed NCDs under Security Code: 959957

Consequent upon the demerger of NMDC Steel Ltd. into a separate Listed Company as per the approved Scheme of Arrangement by the Ministry of Corporate Affairs vide its order dated 06.10.2022, the Non-Convertible Debentures as detailed in the subject line stand transferred and vested in the new listed entity, NMDC Steel Ltd. The BSE vide its Notice No.20230310-63 dated 10th March 2023 has conveyed the transfer and listing of the NCDs in the new entity, NMDC Steel Ltd., copy of which is enclosed at Annexure-I.

A brief on the NCDs: The Non-Convertible Debentures were issued for raising funds to meet the CAPEX requirements of Steel Plant at Nagarnar at a coupon rate of 7.30% for a tenor of 5 years from the date of allotment i.e. 28th of August 2020. The NCDs are unsecured, non-cumulative, non-convertible, redeemable, taxable, bonds of Rs.10 lakhs each (Series I-2020) issued at a face value offered for private placement. The coupon payment are to be made on an annual basis on 28th August of every year for the five years i.e. up to 2025. The redemption date of the instrument is 28th August 2025.

The Information Memorandum issued on 28th August 2020 contains the following clause:-

Quote

Any downgrade, suspension or withdrawal in the credit rating on the Bonds may lower the price of the Bonds; post occurrence of the Demerger Event in case the credit rating of the Demerged Entity is downgraded to AA+ or below any time till the maturity of the NCDs, then the coupon rate shall be enhanced further by additional 25 bps for each notch of rating downgrade below AAA, and such enhanced coupon rate shall be payable effective from the date of rating downgrade.

Unquote

Post demerger, the ratings by M/s ICRA Limited is 'ICRA 'A' on Rating Watch with Developing Implications'. The rating assigned by M/s India Ratings & Research is "IND A-/Stable". As per the above clause of the Information Memorandum the coupon rate has to be revised considering the lowest credit rating received which shall, in the present case be the rating accorded by M/s India Ratings at "IND A-/Stable".

Considering the applicability of reduced assigned rating as per the financials of NMDC Steel Ltd., the proposed coupon rate will be @ **8.8% instead of 7.3% p.a.** and the additional financial implication due to 1.5% (8.80%-7.30%) increase in interest rate, works out to Rs.19.91 crores considering the date of downgrade of ratings from 16th Feb 2023 to 28th Aug 2025.

NCD holders and the exchanges may please make a note of the revision in the coupon rate which now stands at 8.8%. The same may please be taken on record.

Thanking you,

Yours faithfully
For NMDC Steel Limited

(Dilip Kumar Mohanty
Director (Production))

