

Subsequent to restructuring of Hindustan Steel Works Construction Ltd, share holders agreement signed with NBCC

Board of HSCL to be reconstituted

51% equity to be held by NBCC and 49% by MOHUA in HSCL

Synergy to prove beneficial for achieving economies of scale for NBCC and assist in better manpower optimization:
Hardeep Puri

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A Share Holding Agreement (SHA) was signed in the presence of Shri Chaudhary Birender Singh, Minister of Steel and Sh Hardeep S Puri, Hon'ble MoS(I/C) Ministry of Housing and Urban Affairs here today . After signing the SHA, the shares held by M/o Steel (49%) have been transferred to MoHUA. The Board of HSCL would be reconstituted and CMD or representative of NBCC would become the non-executive Chairman of HSCL. Addressing those present on the occasion, Sh Puri expressed confidence that the synergy would strengthen both the companies which have similar lines of business activity in achieving economies of scale for NBCC and would assist in better manpower optimization.

NBCC has acquired 51% of HSCL's share capital by investing Rs 35.70 crore and HSCL has become a subsidiary of NBCC w.e.f. 01.04.2017. The proposal for restructuring of Hindustan Steel works Construction Ltd (HSCL) - a Company under the administrative control of Ministry of Steel was approved earlier this year. The administrative control of HSCL would also change from M/o Steel to MoHUA.

7. The salient features of the SHA are as follows: -

- a. The SHA will come into force retrospectively w.e.f. 01.04. 2017.
- b. The equity participation would be 51% by NBCC (3,57,00,000.00 shares) and 49% by MoHUA (3,43,00,000.00 shares), totaling 7,00,00, 000.00 number of equity shares in HSCL.
- c. The company, i.e., HSCL shall have a Board of not more than 15 Directors. The functional and nominee Directors will be appointed as per the prescribed procedure by DPE.
- (d) Independent Directors in the company would be appointed following the procedures prescribed by Government/DPE and SEBI.
- (e) The Company shall have at-least one-woman Director on the Board in terms of Companies (Appointment and Qualification of Directors) Rules, 2014.
- (f) The CMD of HSCL would be re-designated as MD of the restructured company and CMD of NBCC or representative will be the Chairperson of the Board of the Company.

BENEFITS OF RESTRUCTURING AND TAKEOVER OF HSCL BY NBCC

- a. Both NBCC and HSCL have similar lines of business activity and takeover would result in economies of scale for NBCC and would assist in better manpower optimization.
- b. Both companies will benefit from each other's resources and expertise.
- c. HSCL will be able to fulfill its commitment of execution of projects in hand and orders secured.

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