

**NMDC LIMITED  
HYDERABAD**

**INVITATION FOR EXPRESSION OF INTEREST**

**FOR**

**STRATEGIC JOINT VENTURE PARTNER FOR  
THREE MILLION TONNES PER ANNUM CAPACITY INTEGRATED STEEL  
PROJECT AT NAGARNAR (CHHATTISGARH)**

**February 2013**

## CONTENTS

<b>Sl No</b>	<b>Heading</b>	<b>Page No</b>
1	Background of the Company	3
2	Project background, status & objective for Expression of Interest	3 - 4
3	Eligibility criteria for prospective joint venture partner	5
4	Information / documents to be furnished by the prospective joint venture partner	5 - 6
5	General Conditions	6
6	Time Schedule & EOI Submission	6 – 7
7	Contact Address for Further Information	7
8	Disclaimer	7
	Table-1 : Major Project Facilities	8

## **1.0 Background of the Company**

M/s NMDC Limited was incorporated in 1958 as a Government of India fully owned public enterprise under the administrative control of the Ministry of Steel, Government of India. Since inception, it is involved in the exploration of wide range of minerals including iron ore, rock phosphate, lime stone, dolomite, gypsum, beach sand etc. Being India's single largest iron ore producer and exporter, M/s NMDC Ltd. is presently producing about 30 million tons of iron ore from 3 fully mechanized mines viz., Bailadila Deposit-14/11C, Bailadila Deposit-5, 10/11A (Chhattisgarh State) and Donimalai Iron Ore Mines (Karnataka State) which are awarded ISO 9001-2000 certification. The Company has its corporate office at Hyderabad.

M/s NMDC Ltd. has made valuable and substantial contribution to the National efforts in the mineral sector during the last five decades and has been accorded the status of schedule-A Public Sector Company. In recognition to the Company's growing status and consistent excellent performance, the Company has been categorized by the Department of Public Enterprises as "NAVRATNA" Public Sector Enterprise in 2008.

The Company achieved an annual turnover of Rs 11,262 crores and posted net profit of Rs 7,265 crores in FY 2011-12. Its shares are listed in the Stock Exchange (BSE & NSE). The information on current value at which NMDC shares are being traded in the market can be obtained by visiting website [www.nmdc.co.in/investor/stockprice](http://www.nmdc.co.in/investor/stockprice). Government of India has recently reduced its equity share holding in the Company through disinvestment of 10% government shares.

Further information about the Company is available at website [www.nmdc.co.in](http://www.nmdc.co.in).

## **2.0 Project Background, Status & Objectives for Expression of Interest (EOI)**

### **2.1 Project Background**

As part of value addition, M/s NMDC Ltd. is in the process of setting up a green field 3 Mtpa capacity integrated steel plant through BF-BOF route at Nagarnar, district Bastar in the State of Chhattisgarh. This prestigious plant is being set up with most modern technology which would immensely contribute towards economic development of Bastar region of Chhattisgarh on long term basis.

The approved project cost was Rs 15,525 crores (Base date : 4<sup>th</sup> Qr. 2008). The project cost is envisaged to be financed in the debt-equity ratio of 1 : 4.

The plant is being set up by various turnkey contractors for nine major turnkey packages like Raw Material Handling System (RMHS), Coke Ovens, Byproduct Plant, Sinter Plant, Blast Furnace Complex, Steel Melting Shop, Thin Slab Caster with Hot Strip Mill, Oxygen Plant, Lime & Dolo Plant and other auxiliary Facilities.

The details of major project facilities are furnished in Table-1.

## 2.2 Present Status of the Project

Out of the above mentioned nine major packages, order for eight packages worth Rs 12,000 crores are already finalized. The basic engineering for five packages is at advanced stage of completion. The basic engineering for remaining three major packages has also started. About 80 % of site enabling works like construction water, construction power, roads & drainage, site leveling etc are already completed. The civil & structural work for RMHS, Coke Oven, Sinter Plant, Blast Furnace and SMS has started. Equipment supply for RMHS and Blast Furnace has also commenced. Overall project progress is around 30%. The plant is scheduled to be commissioned by September'2015.

## 2.3 Objectives of the EOI

- 2.3.1 In order to run the plant effectively, a number of managerial, operating & maintenance manpower with adequate skill / experience in steel plant operation would be required at various levels of the organizational strata. It is envisaged that around 3500 regular workforce would be required to run the 3 Mtpa capacity steel plant of M/s NMDC Ltd. This estimate excludes the manpower required for social services including medical facilities, township etc. In addition, there would be need to engage personnel through contract to carry out supporting services like repair & maintenance, cleaning & upkeep, security, transport, canteen operation etc. Considering the large size Blast Furnace / BOF and thin slab caster with hot strip mill with state-of-the-art technology envisaged in the present steel project, sufficiently experienced & skilled manpower would be required by M/s NMDC Ltd. in another 12 – 18 months time. **Therefore, M/s NMDC Ltd. seeks global participation by strategic joint venture partner (single entity) for successful operation & maintenance of the plant.**
- 2.3.2 Further, M/s NMDC Ltd. also seeks **equity participation (maximum upto 49%) in the project by the strategic joint venture partner (single entity)** for its successful completion. The extent of equity participation by the strategic joint venture partner shall be firmed up at subsequent stage. This would also reinforce M/s NMDC's efforts in effective project management strategy/planning and execution during implementation.
- 2.3.3 Since M/s NMDC Ltd. would be major source for supply of iron ore, **it is seeking strategic joint venture partner with single entity who can supply the other critical input i.e. coking coal and low ash non-coking coal requirement of the steel project on long term basis.**
- 2.3.4 M/s NMDC Ltd. is also seeking strategic joint venture partner with single entity who can provide the technology for downstream facilities like Cold Rolling Mill and / or production of silicon steel (CRNO & CRGO) at an appropriate stage of the steel project.

With the above mentioned objectives, M/s NMDC Ltd. invites Expression of Interest (EOI) from eligible parties (Indian as well as global) for joint venture participation by single entity on long term basis for successful realization of this steel project and its successful operation & maintenance.

### **3.0 Eligibility Criteria for Prospective joint venture partner**

#### **3.1 Technical Eligibility Criteria**

- 3.1.1 Should have minimum last five consecutive years of experience in Operation & Maintenance of an integrated steel plant of minimum 2.5 Mtpa capacity based on BF-BOF route in India or Abroad.  
Should also have the capability to mobilize trained & experienced manpower for running an integrated steel plant based on BF-BOF process route.
- 3.1.2 Should have the capability to supply coking coal and low ash non-coking coal requirement of a 3 Mtpa capacity steel plant (BF-BOF route) on long term basis.
- 3.1.3 Should provide the technology for downstream facilities like Cold Rolling Mill and / or production of silicon steel (CRNO & CRGO) either themselves or by inducting suitable technology provider at an appropriate stage of the steel project.

#### **3.2 Financial Eligibility Criteria**

- 3.2.1 The annual turnover from steel business should be minimum Rs 5,000 crores (USD 0.9 billion) and average Rs 7,000 crores (USD 1.27 billion) for past three consecutive financial years.
- 3.2.2 The net worth should be positive for past three consecutive financial years.
- 3.2.3 The average annual net profit from steel business should be minimum Rs 200 crores (USD 36 million) over past three consecutive financial years.
- 3.2.4 Should have financial capability to mobilize fund for equity participation in the steel project (as indicated in Para 2.3.2 above).

**Note :**

In case of a group company, combined turnover / net profit can also be considered from steel business only.

### **4.0 Information / Documents to be furnished by the Prospective joint venture partner**

1. Profile of the prospective joint venture partner.
2. Details of the current manpower deployment in steel operation giving category-wise break-up.
3. Past five consecutive years steel production data.
4. Last three consecutive years annual reports with audited balance sheet and profit & loss account covering information on turnover, net worth and net profit from steel business.
5. Company's Memorandum of Association and Articles of Association.
6. All relevant documents in support of the technical & financial eligibility criteria as indicated in Section 3.0 above.

Interested eligible prospective joint venture partner should submit the EOI alongwith all supporting information / documents together with a sum (Non-Refundable) of Rs 2,00,000/- (Rupees Two Lakhs Only) or USD 4,000/- (US Dollar Four Thousands Only) either through electronic transfer or through Demand draft favoring “NMDC Ltd., Hyderabad” drawn on any Recognized Bank, payable at Hyderabad, INDIA.

## **5.0 General Conditions**

1. M/s NMDC Ltd. reserves the right to reject any or all the EOI proposals or drop the proposal of receiving the EOI at any time without assigning any reasons thereof and without liability for compensation of costs.
2. The submission of Expression of Interest does not automatically qualify or finally select the prospective joint venture partner as Joint Venture partner.
3. M/s NMDC Ltd. will not accept or respond to Proponents’ requests for information on the status and progress of EOI evaluation process. All proponents will be informed in writing of the outcome of the EOI process at its conclusion. Additional information regarding the EOI process may be posted on M/s NMDC Ltd. website from time to time.
4. All Expressions of Interest documents will become the property of M/s NMDC Ltd. upon submission. In submitting the EOI, the proponent is agreeing to allow M/s NMDC Ltd., to use the ideas contained therein, and that no consideration is payable. Where the proponent believes that information provided in response to this EOI is, or should be kept confidential; or disclosure of this information would unreasonably affect the Proponent’s business affairs, notice is to be given at the time of delivery of the information or documents by clearly marking such information ‘Confidential’. In so far as practicable, M/s NMDC Ltd. will give effect to the Proponent’s stated wishes, and requests for access to such information will be determined under the RTI Act.
5. The prospective joint venture partner, at its own expenses, can have its own assessment of progress at site and current status of the steel project at Nagarnar.

## **6.0 Time Schedule & EOI Submission**

Expression of Interest must be delivered alongwith all relevant supporting information / documents within thirty (30) days from the date of issue of EOI at the following address :

Director (Technical)  
NMDC Limited  
(A Government of India Enterprise)  
10-3-311/A, Khanij Bhavan, Castle Hills, Masab Tank,  
Hyderabad – 500 028 (Andhra Pradesh), INDIA

The Expression of Interest addressed as above may be sent by Regd. Post or Speed Post or through Courier service so as to reach the addressee within the time schedule specified above. However, Advance Copy can also be sent through facsimile or email or in CD followed by the Hard Copy within the above mentioned period.

Any EOI (including an EOI received at any point in the Company other than the location of lodgment, regardless of when it was received) will be deemed to be late if it is received at the postal address provided in “Hard Copy” after the Last date & Time of Submission. Such late received EOI shall not be considered and will be summarily rejected.

## **7.0 Contact Address for Further Information**

Any clarification / request for further information regarding this EOI should be directed to the following address :

Name : Mr. Atul Bhatt  
Designation : Executive Director (Business Development)  
Address : NMDC Limited  
(A Government of India Enterprise)  
10-3-311/A, Khanij Bhavan, Castle Hills, Masab Tank,  
Hyderabad – 500 028 (Andhra Pradesh), INDIA  
Phone No : 040-23538764  
E-mail address: [atulbhatt@nmdc.co.in](mailto:atulbhatt@nmdc.co.in) / cc. to: [rajankr@nmdc.co.in](mailto:rajankr@nmdc.co.in)  
Fax No. : 040-23591761

## **8.0 Disclaimer**

The issue of this document, does not, in any way commit, or otherwise oblige M/s NMDC Ltd. to proceed with all or any of the proposals received.

The EOI request is not the subject of any process contract or any contractual obligation between M/s NMDC Ltd. and the applicant or potential applicants.

M/s NMDC Ltd., may at its absolute discretion, elect to abandon any part or whole of the process without giving prior intimation to the applicant or potential applicants.

M/s NMDC Ltd. reserves the right to consider or reject any proposal at any point of time without assigning any reasons, whatsoever.

**Table-1 : Major Project Facilities**

<b>Sl. No.</b>	<b>Facilities</b>	<b>Details</b>
1.	Coke Oven & By Product Complex	2 x 67 ovens, 7.0 m tall
2.	Sinter Plant	1 x 460 m <sup>2</sup>
3.	Blast furnace complex	4500 m <sup>3</sup>
4.	Basic Oxygen furnace	2 x 175 t
5.	Ladle furnace	2 x 175 t
6.	RH-OB	1 x 175 t
7.	Thin Slab caster	2 x 1 strand
8.	Hot strip finishing train	6 stands
9.	Lime & Dolo Plant	2 x 500 t/d & 1 x 300 t/d
10.	Oxygen plant	2 x 1250 t/d

**Corrigendum No. 1:**

**The Expression of Interest(EOI) for Joint Venture in Steel Plant**

The following is hereby notified in respect of the above referred EOI

1. The time of submission is extended up to 5 pm on 12<sup>th</sup> April 2013.
2. Interested parties may submit any queries for clarification by 5pm on 7<sup>th</sup> April 2013.
3. The details for submitting a sum of (Non-Refundable) of Rs 2,00,000 (Rupees Two Lakhs Only) or USD 4,000 (US Dollar Four thousand only) through electronic transfer are as follows:

- |                   |                           |
|-------------------|---------------------------|
| a. Beneficiary    | :NMDC Limited             |
| b. Current A/c No | :52057027191              |
| c. Name of Bank   | : State Bank of Hyderabad |
| d. Branch         | :NMDC Branch(20728)       |
| e. IFS Code       | : SBHY0020728             |

All other terms and conditions mentioned in the EOI remain unchanged.