

एन एम डी सी



NMDC

एन एम डी सी लिमिटेड NMDC Limited

(भारत सरकार का उद्यम) (A GOVT. OF INDIA ENTERPRISE)

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए, कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 028.
Regd. Office : 'Khanij Bhavan' 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.
नैगम पहचान संख्या / Corporate Identity Number : L13100TG1958 GOI 001674

No. 18(1)/2008- Sectt

16th June 2020

1. The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	2. National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
3. The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata – 700001	

Dear Sir / Madam,

Sub: Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31st March 2020

Ref: Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Security ID: NMDC

The Board of Directors of the Company at their meeting held on 16th June 2020, inter-alia, have considered, approved and taken on record the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and financial year ended 31st March 2020.

A copy of the following is enclosed pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Audited Standalone Financial Results of the Company for the quarter and financial year ended 31st March 2020 along with segment information and Statement of Assets and Liabilities.
2. Audited Consolidated Financial Results of the Company for the quarter and financial year ended 31st March 2020 along with segment information and Statement of Assets and Liabilities.
3. Audit Reports of the Statutory Auditors on the Audited Financial Results (Standalone & Consolidated) of the Company for the period ended 31st March 2020.
4. Declaration on audit reports with unmodified opinion on the Annual Audited Financial Results for the financial year ended 31st March 2020.

The Board Meeting commenced at 2.30 p.m. and concluded at 6.30 p.m.

Please take the above information on record.

Thanking you

Yours faithfully,
For NMDC Limited


A S Pardha Saradhi
Company Secretary

Encl: As above



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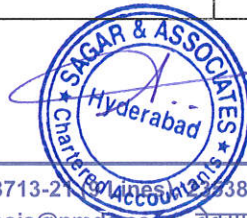
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Statement of Audited Standalone Financial Results for the Quarter and Year ended 31st March 2020

INR in crore

Particulars	Quarter Ended			Year Ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Un-audited	Audited	Audited	Audited
I. Revenue from operations	3,187.34	3,006.38	3,643.32	11,699.22	12,152.67
II. Other Income	133.25	130.18	196.08	513.79	588.30
III. Total income (I+II)	3,320.59	3,136.56	3,839.40	12,213.01	12,740.97
IV. Expenses					
(a) Consumption of raw materials	5.00	5.88	16.07	36.48	52.00
(b) Consumption of stores & spares	73.42	67.03	93.24	243.15	264.97
(c) Changes in inventories of finished goods and work -in-progress	(40.95)	(50.77)	(25.76)	(53.83)	(79.22)
(d) Employee benefit expense	289.87	258.73	281.99	1,046.83	1,036.75
(e) Royalty and other levies	584.08	579.72	501.94	2,096.29	2,003.59
(f) Selling exps incl. freight	203.18	194.19	132.87	702.43	368.18
(g) Depreciation and amortisation	67.47	64.58	80.39	294.38	278.89
(h) Finance cost	(21.33)	9.76	10.24	9.88	40.32
(i) Other expenses	580.80	360.18	550.67	1,617.48	1,576.43
Total expenses	1,741.54	1,489.30	1,641.65	5,993.09	5,541.91
V. Profit from ordinary activities before exceptional items and Tax (III-IV)	1,579.05	1,647.26	2,197.75	6,219.92	7,199.06
VI. Exceptional items - Expenses/(Income)	96.44	-	-	96.44	-
VII. Profit before tax (V-VI)	1,482.61	1,647.26	2,197.75	6,123.48	7,199.06
VIII. Tax expense					
a) Current Tax	336.05	120.26	730.48	1,555.59	2,752.70
b) Earlier Year Tax (Net)	771.32	-	0.85	771.32	0.85
c) Deferred Tax	23.70	150.43	12.48	185.66	(197.02)
Total tax expense	1,131.07	270.69	743.81	2,512.57	2,556.53
IX. Net Profit for the period from continuing operations (VII-VIII)	351.54	1,376.57	1,453.94	3,610.91	4,642.53
X. Loss from discontinued operations	(0.43)	(0.23)	(0.26)	(1.05)	(0.64)
XI. Tax Expenses of discontinued operations	(0.10)	(0.02)	(0.09)	(0.26)	(0.22)
XII. Loss from Discontinued operations (after tax)	(0.33)	(0.21)	(0.17)	(0.79)	(0.42)
XIII. Profit for the period (IX+XII) :	351.21	1,376.36	1,453.77	3,610.12	4,642.11
XIV. Other Comprehensive income/(expenses): Item that will not be reclassified to profit or loss (net of income tax)	(76.57)	0.64	(36.17)	(75.04)	(0.13)
XV. Total Comprehensive Income for the period (XIII+XIV)	274.64	1,377.00	1,417.60	3,535.08	4,641.98
XVI. Paid-up Equity Share Capital	306.19	306.19	306.19	306.19	306.19
XVII. Face value per share (Re)	1	1	1	1	1
XVIII. EPS for the period (Rs.)-basic and diluted before and after extraordinary items (*) (*adjusted on account of buyback)	1.15	4.50	4.63	11.79	14.70
			(*)		(*)
	Not Annualised			Annualised	



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Segment wise Standalone Revenue, Results and Capital Employed for the Quarter and Year ended 31st March 2020

INR in crore

Particulars	Quarter Ended			Year Ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Un-audited	Audited	Audited	Audited
1. Segment Revenue					
(Sale /income from each segment)					
a) Iron Ore	3,166.70	2,991.64	3,588.88	11,568.90	12,001.81
b) Pellet ,Other Minerals & Services	20.64	14.74	58.27	130.21	154.69
Total	3,187.34	3,006.38	3,647.15	11,699.11	12,156.50
Less: Inter segment revenue	-	-	3.83	(0.11)	3.83
Sales / Income from Operations	3,187.34	3,006.38	3,643.32	11,699.22	12,152.67
2. Segment Results					
(profit (+) / loss (-) before tax and interest from each segment)					
a) Iron Ore	1,599.88	1,594.01	2,181.88	6,135.20	7,156.93
b) Pellet, Other Minerals & Services	(141.38)	28.59	(33.58)	(131.73)	(129.60)
Total	1,458.50	1,622.60	2,148.30	6,003.47	7,027.33
Less: Finance Cost	(21.33)	9.76	10.24	9.88	40.32
Add : Other unallocable income net off unallocable expenditure	2.35	34.19	59.43	128.84	211.41
Total Profit Before Tax (incl discontinued operations)	1,482.18	1,647.03	2,197.49	6,122.43	7,198.42
3. Segment Assets					
a) Iron Ore	6,960.21	6,291.85	4,904.88	6,960.21	4,904.88
b) Pellet ,Other Minerals & Services	615.67	626.13	663.88	615.67	663.88
c) Unallocated	23,171.00	24,771.87	23,630.49	23,171.00	23,630.49
Total	30,746.88	31,689.85	29,199.25	30,746.88	29,199.25
4. Segment Liabilities					
a) Iron Ore	1,340.40	1,427.46	1,421.66	1,340.40	1,421.66
b) Pellet, Other Minerals & Services	35.17	30.26	38.77	35.17	38.77
c) Unallocated	2,234.42	1,440.93	2,370.02	2,234.42	2,370.02
Total	3,609.99	2,898.65	3,830.45	3,609.99	3,830.45
5. Capital Employed					
(Segment Assets-Segment Liabilities)					
a) Iron Ore	5,619.81	4,864.39	3,483.22	5,619.81	3,483.22
b) Pellet, Other Minerals & Services	580.50	595.87	625.11	580.50	625.11
c) Unallocated	20,936.58	23,330.94	21,260.47	20,936.58	21,260.47
Total	27,136.89	28,791.20	25,368.80	27,136.89	25,368.80



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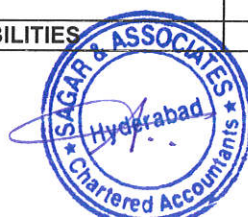


STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS AT 31ST MARCH 2020

INR in crore

Sl.No.	Particulars	Standalone	
		As at current period end 31st March 2020	As at previous period end 31st March 2019
		(Audited)	(Audited)
(A)	ASSETS		
	1) Non-current assets		
	a) Property, Plant and equipment	2,610.26	2,554.49
	b) Right-of-Use Assets	6.58	-
	c) Capital work-in-progress	15,471.56	13,792.45
	d) Intangible assets	399.89	166.20
	e) Intangible assets under development	29.64	-
	f) Financial assets		
	i) Investments	985.59	939.32
	ii) Loans	866.16	796.49
	g) Deferred tax assets (net)	397.06	582.73
	h) Other non-current assets	3,075.48	2,986.32
	Total Non-current assets	23,842.22	21,818.00
	2) Current assets		
	a) Inventories	723.51	666.17
	b) Financial assets		
	i) Trade receivables	2,223.71	1,424.51
	ii) Cash and cash equivalents	60.87	38.33
	iii) Bank balances other than (ii) above	2,331.47	4,569.39
	iv) Other Financial Assets	370.93	401.01
	c) Current Tax assets (Net)	429.15	451.12
	d) Other current assets	1,161.42	412.94
	e) Assets Held for disposal	0.66	0.51
	Total Current assets	7,301.72	7,963.98
	TOTAL ASSETS	31,143.94	29,781.98
(B)	EQUITY AND LIABILITIES		
	1) Equity		
	a) Equity Share Capital	306.19	306.19
	b) Other Equity	27,227.76	25,645.34
	c) Non-Controlling Interest		
	Total Equity	27,533.95	25,951.53
	2) Liabilities		
	i) Non-current Liabilities		
	a) Financial liabilities	5.51	-
	b) Provisions	827.88	768.39
	Total Non-current liabilities	833.39	768.39
	ii) Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	565.57	364.15
	ii) Trade Payables		
	a) Total outstanding dues of micro and small enterprises	15.25	10.19
	b) Total outstanding dues of other than micro and small enterprises	210.30	192.55
	iii) Other financial liabilities	1,219.34	1,667.15
	b) Other current liabilities	543.67	786.76
	c) Provisions	222.47	41.26
	Total Current liabilities	2,776.60	3,062.06
	Total Liabilities	3,609.99	3,830.45
	TOTAL EQUITY AND LIABILITIES	31,143.94	29,781.98

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Audited Standalone Cash Flow Statement for the year ended 31st March 2020

INR in Crore

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax from		
Continued Operations	6,123.48	7,199.06
Discontinued Operations	(1.05)	(0.64)
Profit before income tax including discontinued operations	6,122.43	7,198.42
Adjustments for non cash/non operational expenses:		
Depreciation & Amortisation expense	294.38	278.89
Loss on disposal of property, plant & equipment	(0.02)	(0.28)
Expenditure on enabling facilities	229.91	194.92
Provision for bad & doubtful advances	211.78	249.55
Interest Income	(367.42)	(449.65)
Finance Costs	9.88	40.32
Operating Profits before working capital changes	6,500.94	7,512.17
Adjustments for working capital changes:		
(Increase)/Decrease in Short Term Investment	-	-
(Increase)/Decrease in Trade Receivables	(1,010.98)	(201.32)
(Increase)/Decrease in Inventories	(57.34)	(94.48)
(Increase)/Decrease in Other Receivables	(1,110.34)	(476.02)
Increase/(Decrease) in Trade payables	22.81	43.20
Increase/(Decrease) in Other Payable	12.53	(229.41)
Cash generated from operations	4,357.62	6,554.14
Income Taxes paid	(2,304.68)	(2,602.35)
Net Cash Flow from operating activities	2,052.94	3,951.79
B. CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	(2,399.02)	(1,997.20)
Purchase of investments (in Subsidiaries)	(46.27)	(152.87)
Interest received	406.22	492.46
Purchase of Investment (Term Deposits with more than three months)	1,761.80	918.93
Net Cash Flow from investing activities	(277.27)	(738.68)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Amount paid on buyback of Shares (including transaction charges)	-	(1,006.73)
(Repayment)/Proceeds from borrowings- Current	201.42	(135.94)
Deposits paid towards LCs and BGs (towards non fund based facilities)	7.69	19.02
Interest paid	(9.70)	(40.12)
Dividends paid (including Dividend Distribution tax)	(1,952.54)	(2,036.98)
Net Cash Flow from financing activities	(1,753.13)	(3,200.75)
Net increase (decrease) in Cash and Cash Equivalent	22.54	12.36
Opening Balance of Cash & Cash equivalents	38.33	25.97
Closing Balance of Cash & Cash equivalents	60.87	38.33

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NOTES :

1. The Audit Committee has reviewed the above results and the same have been subsequently approved by the Board of Directors in the meeting held on 16th June 2020.
2. The financial results for the quarter and financial year ended 31st March 2020 have been audited by the Statutory Auditors as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. An unqualified report has been issued by them there on.
3. The Audited Accounts are subject to Supplementary Audit by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013.
4. The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended). The Company adopted Ind AS from 1st April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles of Ind-AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
5. The figures of the last quarters are the balancing figures between the audited figures of the financial years and the published results up to the third quarter of the respective financial years.
6. An amount of Rs 1,692 Crore has been shown under 'Contingent Liabilities' as on 31.03.2019 against Income tax disputes at various forums pertaining to various Assessment years. During the year Govt has enacted 'Vivad Se Vishwas' scheme for settlement pending disputes whereby certain concession on the payable amounts was offered with waiver of interest and Penalty. The Board of the Company has approved settlement of the disputes under the scheme. Accordingly, the Company has opted to settle the disputes under the scheme and as against the total disputed amount of Rs 1,869 Crore (as per joint statement of company and tax authority) for Assessment years up to 2017-18, an amount of Rs 981 Crore has been paid in full settlement of the disputes. This has an impact in reduction of current year PAT by Rs. 795 crores.
7. The Company had been disputing the payment of Service Tax on Royalty for the period 01.04.2016 to 30.06.2017, at various Courts. However, Provision was made in the books towards the service tax on Royalty for the above period and interest on the same upto 31st March 2019. The total liability as on 31.03.2019 was Rs. 281.47 crore (Rs 211.85 Crore towards Service tax and Rs 69.62 Crore towards interest).

The Govt has notified the scheme "Sabka Vishwas (Legacy dispute Resolution) Scheme-2019" during the year to resolve all disputes relating to the erstwhile Service Tax and Central Excise Acts, which are now subsumed under GST, as well as other Indirect Tax enactments. The scheme provided for substantial relief by partial payment of disputed service tax dues with waiver of interest and Penalty. The Company has opted to avail the concessions offered under 'Sabka Vishwas' scheme and has withdrawn all the pending cases with regard to Service tax on Royalty with various courts.

Under the Legacy dispute scheme, the Company has paid an amount of Rs 104.08 Crore towards Service tax on Royalty as well as Rs. 33.40 crore towards Service tax on DMF and NMET (total of Rs. 137.48 crores) for the period from 1st April 2016 to 30th June 2017.

Accordingly, the excess Liability of Rs 177.39 Crore has been withdrawn and shown as 'Exceptional Item' in the accounts.

8. An amount of Rs. 210.24 crore is provided towards Expected Credit Loss (ECL) for the year towards amount recoverable from monitoring committee and included in other expenses.





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9. The Company had received Show Cause Notices dated 31.07.2018 from Dist. Collector, South Bastar Dantewada as to why NMDC should not be asked to deposit an amount of Rs.7,241.35 crore as compensation as calculated by Collector based on the Hon'ble Supreme Court Common Cause Judgement related to Orissa Iron ore mines (Writ Petition Civil No 114 of 2014 dated 2nd August 2017). The Company had been contesting the Show Cause Notices with Dist. Collector, South Bastar Dantewada on the ground that the said Hon'ble Supreme Court judgement is not applicable to NMDC.

Meanwhile, revised show cause notices dated 26.09.2019 were received for a revised amount of Rs 1,623.44 Crore from Dist. Collector, South Bastar, Dantewada, to be replied within 21 days of notice. NMDC while reiterating the fact of non-applicability of the Hon'ble Supreme Court Judgement in the state of Chhattisgarh, has sought time for replying to the show cause notices.

Further to above, Dist. Collector, South Bastar, Dantewada had issued Demand notices dated 15/11/2019 for the amount of Rs 1,623.44 Crore (Bacheli- Rs 1,131.97 Cr & Kirandul Rs 491.47 Cr) asking to deposit the amount within 15 days. As the Mining Leases of the company in the State of Chhattisgarh were expiring on 31.3.2020 and due for renewal, the Company has paid an adhoc amount of Rs 600 Crore under protest and filed writ petitions in the Hon'ble High Court of Bilaspur, Chhattisgarh and a Revision application with Mines Tribunal, Ministry of mines, Government of India, New Delhi praying to set aside the demand notices.

The demand amount of Rs 1,623.44 crores has been shown under 'Contingent Liabilities'.

10. The Government of Karnataka, while renewing the lease of NMDC 's Donimalai Iron Ore Mine, has imposed a new condition asking for a premium of 80% on the average sale value. As the demand of the State Govt. is not as per the provisions of the MMDR Act 2015 and Mineral (Mining by Government Company) Rules, 2015, the company requested the Govt. to reconsider its decision.

Since there was no positive response from the State Govt, the company has suspended its operations from 4th November 2018 and moved the Hon'ble High Court of Karnataka praying for a suitable direction in the matter. The Hon'ble High Court of Karnataka in its judgement dated 10th July 2019 has passed an order setting aside the condition imposed for levying 80 % premium. On the basis of the judgement, NMDC has request ed the State Govt. to consider the execution of Lease Deed of Donimalai Mine.

The Government of Karnataka issued an Order dated 17.08.2019 withdrawing the approval for extension of the Donimalai mining lease and with a direction to the Director of DMG to auction the said block. In this regard, the Company on 19.8.2019 filed 'Revision application' before The Hon'ble Mines Tribunal, Government of India. Meanwhile, the State Government issued a notification dated 20.08 .2019 inviting tender for auction of the Donimalai Mining block. On 21 .08 .20 19 Hon'ble Mines Tribunal heard the submissions and stayed the Order dated 17.08.2019 issued by the Government of Karnataka withdrawing the extension of lease and any consequent action thereon until the next date of hearing. The matter is pending with Hon'ble Mines Tribunal.

Meanwhile, Ministry of Mines has amended the 'Mineral (Mining by Government Company) Rules ,2015 with regard to renewal of mining leases allocated to Government Companies. Earlier the rule 3 (2) stated that if an application for renewal of mining leases is made to the State Government by a Government company, the State Government "MAY, for reasons to be recorded in writing , extend the period of the mining lease for further periods of up to twenty years at a time ". Now the rule is amended by substituting the word "MAY" with "SHALL ". Now the rule reads as "SHALL" for reasons to be recorded in writing, extend the period of mining lease for further periods of up to twenty years at a time ".

Even though the company is regularly corresponding with the State Government for ex tending the lease, response of the State Government is still awaited.

The last hearing at Mines Tribunal took place on 04.03.2020 where in the State Government has requested adjournment upto 24.03.2020. No further hearings could take place due to COVID-19 situation.





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11. The company has adopted Ind AS 116 "Leases" Effective from 1st April 2019 and applied the Standard to its leases using the modified retrospective approach and comparative information is not restated. This has resulted in recognising a Right-of-Use Assets and a corresponding Lease Liability of Rs.8.20 crore as at 1st April 2019. The impact on the profit for the period is not material.
12. Nominated Authority, Ministry of Coal has declared NMDC as successful allottee of Tokisud North Coal Mine (Non-Coking Coal) & Rohne Coal Mine (Coking Coal) block in the state of Jharkhand on 16th December 2019 and 17th March 2020 respectively. For Tokisud block initial payment of Rs. 235.63 crore, which includes upfront payment of Rs.10.86 crore and fixed amount of Rs. 224.77 crore, is made. Pending receipt of allotment order the amount is shown under Capital Advance.
13. **Disclosures with regard to COVID-19 and its impact:**

a) **Financial Impact:**

The COVID 19 had a marginal effect on the operations of the company due to the lock down in the country in March 20. There has been a loss of around 10.01 LMT of Production and 5.50 LMT of Sale of Iron ore during FY 2019-20 (in March 20). This has resulted in a loss in sale revenue around Rs 219 Crore and PBT of Rs 120 crore.

b) **Impact of corona virus on financial reporting - Assets & Liabilities**

- i) **Inventory:** There was no complete halt in the despatch of Iron ore to customers. However, the scale of operations has come down since 21st March 2020. Management do not see any need to write down the inventories in view of COVID-19.
- ii) **Impairment test for assets:** No impairment of non-financial assets like property, plant & equipment, intangibles and goodwill, is felt necessary due to COVID-19.
- iii) **Change in useful life of fixed assets:** No change in useful life of assets is felt necessary due to COVID-19.
- iv) **Fair value of financial assets / instruments:** There is no impact due to COVID 19 in fair value of financial assets/instruments
- v) **Trade receivables – Expected Credit Loss:** No additional ECL is felt necessary due to COVID-19 situation.
- vi) **Leased assets:** No change in conditions in Lease agreements due to COVID-19.
- vii) **Capitalization of borrowing cost:** No borrowings for Capex. Hence not applicable to NMDC.
- viii) **Provision for onerous contract:** No provision is felt necessary of onerous contracts like expected loss which will be incurred to fulfil the commitment give to customer to supply the products at contract prices which are lower than the procurement prices.
- ix) **Going concern assumption need to be reassessed by management:** The management feels that there shall not be any impact on Going Concern Assumption due to COVID 19 as on balance sheet date and next 12 months.
- x) **Impact of COVID 19 on significant uncertainties:** No significant uncertainties have been emerged by the outbreak of the COVID -19 in measuring various assets and liabilities. However due to the overall economic situation in the country, there could be scale down in the operations compared to previous year.

c) **Impact of coronavirus on financial reporting- Revenue & Expenses**

- i) **Revenue recognition:** No reassessment of Revenue is felt necessary considering the impact of COVID 19.
- ii) **Recognition of insurance claims filed due to loss on account of COVID 19:** There has been no Loss for which insurance claims need to be filed due to loss on account of COVID 19,
- iii) **Re-measurement of deferred taxes:** No changes in the deferred taxes is expected due to COVID 19.
- iv) **Revision in risk assessment and materiality:** Management feels that the demand position of iron ore in FY 20-21 shall be lower as compared to FY 19-20 especially in the Q1 and Q2 and things are expected to improve in Q3 and Q4. The prices are also expected to be subdued during the First Half of current year. No operational disruptions are anticipated except for scale down in operations No material risks are anticipated necessitating their provisioning in the accounts for FY19-20.





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- v) **Year-end physical verification:** Physical verification of Inventory has been carried out at various projects.
- vi) **External confirmations:** Letters seeking confirmations have been sent to Debtors and Creditors as per every year practice.

14. **Exceptional items (Depreciation and Amortisation).**

Kumaraswamy Mine:

Govt of Karnataka vide notification dated 14.08.2019 directed NMDC to execute a supplementary/rectification mining lease deed in r/o ML No 1111 of Kumaraswamy mine for the period from 18.10.1972 to 17.10.2022. Accordingly, Supplementary lease deed was executed on 20.03.2020. A demand note amounting Rs. 77.36 crore was received towards Stamp duty and Registration Fee. The same is provided in the books and amortised over the revised lease period. The total amortisation amount for the period from 18th Oct 1972 to 31st March 2020 has come to Rs. 73.49 crore. The amortisation amount of Rs. 71.95 crore pertaining to previous years upto 31st March 2019 is provided in the books and included under Exceptional Item.

During Current Financial year, an amount of Rs, 92.90 crore of PPE items are capitalized which has an impact of Rs 34.88 crore of Depreciation relating to Previous years. Similarly, under Mining Rights under Intangible assets, an amount of Rs.30.74 crore is amortised towards DIOM & KIOM Mining rights. The total amount of Rs. 65.62 crore is included under exceptional items in the consolidated accounts of the company.

Bailadila Mines:

Registration fee and Stamp duty of Rs. 402.32 crore was paid for renewal of Mining leases in Bailadila Sector for the period of twenty years starting from 2015 to 2035 and included in the Intangible assets. The Amortisation for the period from 2015 to 31st March 2019 amounting to Rs.68.26 crore is provided in the books of accounts and included under Exceptional Item.

- 15. The company has opted for the reduced Income Tax rate @ 22% under section 115BAA of Income Tax Act,1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The net saving in the tax is Rs. 440 crore .
- 16. Figures for the previous period have been regrouped wherever considered necessary so as to conform to the classification of the current period.

For M/s Sagar and Associates

Chartered Accountants

FRN No. 003510S

(CA. B. Aruna)

Partner

Membership No: 216454



For NMDC Limited,

(Amitava Mukherjee)

Director (Finance)

DIN- No: 08265207

UDIN: 20216454AAAABU1361

Place : Hyderabad

Date : 16th June 2020



एन एम डी सी लिमिटेड

NMDC Limited

(भारत सरकार का उद्यम) (A GOVT. OF INDIA ENTERPRISE)

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए, कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 028.

Regd. Office : 'Khanij Bhavan' 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.

नैगम पहचान संख्या / Corporate Identity Number : L13100TG1958 GOI 001674

Statement of Audited Consolidated Financial Results for the Quarter and Year ended 31st March 2020

INR in crore

Particulars	Quarter Ended			Year Ended	
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
	Audited	Un-audited	Audited	Audited	Audited
I. Revenue from operations	3,187.34	3,006.38	3,643.32	11,699.22	12,152.67
II. Other Income	133.61	130.21	196.20	514.36	588.96
III. Total income (I+II)	3,320.95	3,136.59	3,839.52	12,213.58	12,741.63
IV. Expenses					
(a) Consumption of raw materials	5.00	5.88	16.07	36.48	52.00
(b) Consumption of stores & spares	73.42	67.03	93.24	243.15	264.97
(c) Changes in inventories of finished goods and work -in-progress	(40.95)	(50.77)	(25.76)	(53.83)	(79.22)
(d) Employee benefit expense	290.56	259.32	282.90	1,049.36	1,039.40
(e) Royalty and other levies	584.08	579.62	501.98	2,096.29	2,003.78
(f) Selling exps incl. freight	203.18	194.19	132.87	702.43	368.18
(g) Depreciation and amortisation	67.68	64.69	80.52	294.93	279.04
(h) Finance cost	(21.33)	9.76	10.24	9.88	40.32
(i) Other expenses	584.32	361.00	551.67	1,623.42	1,579.14
Total expenses	1,745.96	1,490.72	1,643.73	6,002.11	5,547.61
V. Profit from ordinary activities before exceptional items and Tax (III-IV)	1,574.99	1,645.87	2,195.79	6,211.47	7,194.02
VI. Exceptional items - Expenses/(Income)	96.44	-	-	96.44	-
VII. Profit before tax (V-VI)	1,478.55	1,645.87	2,195.79	6,115.03	7,194.02
VIII. Tax expense					
a) Current Tax	336.05	120.26	730.48	1,555.59	2,752.70
b) Earlier Year Tax (Net)	771.47	-	0.85	771.47	0.85
c) Deferred Tax	23.70	150.43	12.48	185.66	(197.02)
Total tax expense	1,131.22	270.69	743.81	2,512.72	2,556.53
IX. Profit for the period from continuing operations (VII-VIII)	347.33	1,375.18	1,451.98	3,602.31	4,637.49
X. Loss from discontinued operations	(0.43)	(0.23)	(0.26)	(1.05)	(0.64)
XI. Tax Expenses of discontinued operations	(0.10)	(0.02)	(0.09)	(0.26)	(0.22)
XII. Loss from Discontinued operations (after tax)	(0.33)	(0.21)	(0.17)	(0.79)	(0.42)
XIII. Profit for the period (IX+XII) :	347.00	1,374.97	1,451.81	3,601.52	4,637.07
XIV Share of Loss of Associates/JVs	(31.18)	19.18	(3.22)	(28.56)	(19.12)
XV Non-Controlling Interest (Profit)/Loss	0.43	(0.25)	(0.26)	(0.33)	(0.89)
XVI. Net Profit/loss after taxes, Non-Controlling Interest and share of profit /loss of Associates (XIII+XIV-XV) :	315.39	1,394.40	1,448.85	3,573.29	4,618.84
XVII. Other Comprehensive income/(expenses) (net of income tax)	(14.78)	(2.99)	(23.02)	6.99	52.44
XVIII. Total Comprehensive Income for the period (XVI+XVII)	300.61	1,391.41	1,425.83	3,580.28	4,671.28
XIX. Paid-up Equity Share Capital	306.19	306.19	306.19	306.19	306.19
XX. Face value per share (Re)	1.00	1.00	1.00	1.00	1.00
XXI. EPS for the period (Rs.)-basic and diluted (*adjusted on account of buyback)	1.03	4.55	4.63	11.67	14.69
			(*)		(*)
			Not Annualised		Annualised



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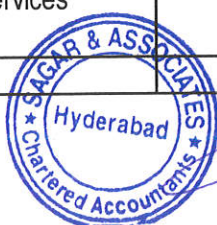


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Segment wise Consolidated Revenue, Results and Capital Employed for the Quarter and Year ended 31st March 2020

INR in crore

Particulars	Quarter Ended			Year Ended	
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
	Audited	Un-audited	Audited	Audited	Audited
1. Segment Revenue					
(Sale /income from each segment)					
a) Iron Ore	3,166.70	2,991.64	3,588.88	11,568.90	12,001.81
b) Pellet ,Other Minerals & Services	20.64	14.74	58.27	130.21	154.69
Total	3,187.34	3,006.38	3,647.15	11,699.11	12,156.50
Less: Inter segment revenue	-	-	3.83	(0.11)	3.83
Sales / Income from Operations	3,187.34	3,006.38	3,643.32	11,699.22	12,152.67
2. Segment Results					
(profit (+) / loss (-) before tax and interest from each segment)					
a) Iron Ore	1,599.14	1,592.81	2,180.66	6,130.89	7,152.78
b) Pellet, Other Minerals & Services	(144.53)	28.50	(34.18)	(135.38)	(130.34)
Total	1,454.61	1,621.31	2,146.48	5,995.51	7,022.44
Less: Finance Cost	(21.33)	9.76	10.24	9.88	40.32
Add : Other unallocable income net off unallocable expenditure	2.18	34.09	59.29	128.35	211.26
Total Profit Before Tax (incl discontinued operations)	1,478.12	1,645.64	2,195.53	6,113.98	7,193.38
3. Segment Assets					
a) Iron Ore	6,945.73	6,278.66	4,895.79	6,945.73	4,895.79
b) Pellet ,Other Minerals & Services	599.00	615.06	651.38	599.00	651.38
c) Unallocated	23,352.63	24,925.24	23,761.33	23,352.63	23,761.33
Total	30,897.36	31,818.96	29,308.50	30,897.36	29,308.50
4. Segment Liabilities					
a) Iron Ore	1,341.91	1,428.83	1,422.41	1,341.91	1,422.41
b) Pellet ,Other Minerals & Services	36.92	34.32	40.89	36.92	40.89
c) Unallocated	2,234.48	1,440.93	2,370.04	2,234.48	2,370.04
Total	3,613.31	2,904.08	3,833.34	3,613.31	3,833.34
5. Capital Employed					
(Segment assets-Segment Liabilities)					
a) Iron Ore	5,603.82	4,849.83	3,473.38	5,603.82	3,473.38
b) Pellet ,Other Minerals & Services	562.08	580.74	610.49	562.08	610.49
c) Unallocated	21,118.15	23,484.31	21,391.29	21,118.15	21,391.29
Total	27,284.05	28,914.88	25,475.16	27,284.05	25,475.16



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STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS AT 31ST MARCH, 2020

INR in crore

Sl.No.	Particulars	As at current period end 31st March 2020	As at previous period end 31st March 2019
		(Audited)	(Audited)
(A)	ASSETS		
	1) Non-current assets		
	a) Property, Plant and equipment	3,253.87	3,198.51
	b) Right- of -Use Assets	7.08	-
	c) Capital work-in-progress	15,500.22	13,818.90
	d) Goodwill	93.89	93.89
	e) Intangible assets	454.66	220.01
	f) Intangible assets under development	29.64	-
	g) Financial assets		
	i) Investments	910.10	858.87
	ii) Loans	224.38	154.71
	h) Deferred tax assets (net)	397.07	582.73
	i) Other non-current assets	3,075.48	2,986.32
	Total Non-current assets	23,946.39	21,913.94
	2) Current assets		
	a) Inventories	723.51	666.17
	b) Financial assets		
	i) Trade receivables	2,223.71	1,424.51
	ii) Cash and cash equivalents	105.57	45.67
	iii) Bank balances other than (ii) above	2,331.89	4,573.72
	iv) Other Financial Assets	365.40	398.44
	c) Current Tax assets (Net)	429.24	451.20
	d) Other current assets	1,168.06	417.07
	e) Assets Held for disposal	0.66	0.51
	Total Current assets	7,348.04	7,977.29
	TOTAL ASSETS	31,294.43	29,891.23
(B)	EQUITY AND LIABILITIES		
	1) Equity		
	a) Equity Share Capital	306.19	306.19
	b) Other Equity	27,366.88	25,737.81
	c) Non-Controlling Interest	8.05	13.89
	Total Equity	27,681.12	26,057.89
	2) Liabilities		
	i) Non-current Liabilities		
	a) Financial liabilities	5.83	-
	b) Provisions	827.96	768.52
	Total Non-current liabilities	833.79	768.52
	ii) Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	565.57	364.15
	ii) Trade Payables		
	a) Total Outstanding dues of Micro Enterprises and Small Enterprises	15.25	10.19
	b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	210.65	192.60
	iii) Other financial liabilities	1,220.02	1,668.07
	b) Other current liabilities	545.25	788.36
	c) Provisions	222.78	41.45
	Total Current liabilities	2,779.52	3,064.82
	Total Liability	3,613.31	3,833.34
	TOTAL EQUITY AND LIABILITIES	31,294.43	29,891.23

Cont.4





Audited Consolidated Cash Flow Statement for Year ended 31st March 2020

INR in Crore

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax from		
Continued Operations	6,115.03	7,194.02
Discontinued Operations	(1.05)	(0.64)
Profit before income tax including discontinued operations	6,113.98	7,193.38
Adjustments for non cash/non operational expenses:		
Depreciation & Amortisation expense	294.93	279.04
Loss on disposal of property, plant & equipment	(0.02)	(0.28)
Expenditure on enabling facilities	229.91	194.92
Provision for bad & doubtful advances	211.78	249.55
Interest Income	(367.72)	(450.27)
Finance Costs	9.88	40.32
Operating Profits before working capital changes	6,492.74	7,506.66
Adjustments for working capital changes:		
(Increase)/Decrease in Short Term Investment	-	-
(Increase)/Decrease in Trade Receivables	(1,010.98)	(201.32)
(Increase)/Decrease in Inventories	(57.34)	(94.48)
(Increase)/Decrease in Other Receivables	(1,109.82)	(473.61)
Increase/(Decrease) in Trade payables	23.11	43.15
Increase/(Decrease) in Other Payable	67.86	(176.59)
Cash generated from operations	4,405.57	6,603.81
Income Taxes paid	(2,279.60)	(2,602.27)
Net Cash Flow from operating activities	2,125.97	4,001.54
B. CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	(2,403.49)	(2,005.96)
Purchase of investments (in Subsidiaries)	(81.43)	(205.58)
Interest received	406.45	493.28
Purchase of Investment (Term Deposits with more than three months)	1,765.71	929.03
Net Cash Flow from investing activities	(312.76)	(789.23)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Amount paid on buyback of Shares (including transaction charges)	-	(1,006.73)
(Repayment)/Proceeds from borrowings- Current	201.42	(135.94)
Deposits paid towards LCs and BGs (towards non fund based facilities)	7.69	18.94
Interest paid	(9.88)	(40.32)
Dividends paid (including Dividend Distribution tax)	(1,952.54)	(2,036.98)
Net Cash Flow from financing activities	(1,753.31)	(3,201.03)
Net increase (decrease) in Cash and Cash Equivalent	59.90	11.28
Opening Balance of Cash & Cash equivalents	45.67	34.39
Closing Balance of Cash & Cash equivalents	105.57	45.67

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NOTES :

1. The Audit Committee has reviewed the above results and the same have been subsequently approved by the Board of Directors in the meeting held on 16th June 2020.
2. Pursuant to the requirements of SEBI (LODR) Regulations, 2015 (as amended), the company has published Consolidated Results for quarter ended 31st March 2020 along with the preceding quarter ended 31st December 2019 and corresponding quarter ended 31st March 2019. The management has used prudent estimate and exercised necessary due-diligence to ensure that the financial results provide a true and fair view of its affairs.
3. The financial results for the quarter and financial year ended 31st March 2020 have been audited by the Statutory Auditors as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. An unqualified report has been issued by them there on.
4. The Audited Accounts are subject to Supplementary Audit by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013.
5. The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended). The Company adopted Ind AS from 1st April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles of Ind-AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
6. The figures of the last quarters are the balancing figures between the audited figures of the financial years and the published results up to the third quarter of the respective financial years.
7. An amount of Rs 1,692 Crore has been shown under 'Contingent Liabilities' as on 31.03.2019 against Income tax disputes at various forums pertaining to various Assessment years. During the year Govt has enacted 'Vivad Se Vishwas' scheme for settlement pending disputes whereby certain concession on the payable amounts was offered with waiver of interest and Penalty. The Board of the Company has approved settlement of the disputes under the scheme. Accordingly, the Company has opted to settle the disputes under the scheme and as against the total disputed amount of Rs 1,869 Crore (as per joint statement of company and tax authority) for Assessment years up to 2017-18, an amount of Rs 981 Crore has been paid in full settlement of the disputes. This has an impact in reduction of current year PAT by Rs. 795 crores.
8. The Company has been disputing the payment of Service Tax on Royalty for the period 01.04.2016 to 30.06.2017, at various Courts. However, Provision has been made in the books towards the service tax on Royalty for the above period and interest on the same upto 31st March 2019. The total liability as on 31.03.2019 was Rs. 281.47 crore (Rs 211.85 Crore towards Service tax and Rs 69.62 Crore towards interest).

The Govt has notified the scheme "Sabka Vishwas (Legacy dispute Resolution) Scheme-2019" during the year to resolve all disputes relating to the erstwhile Service Tax and Central Excise Acts, which are now subsumed under GST, as well as other Indirect Tax enactments. The scheme provided for substantial relief by partial payment of disputed service tax dues with waiver of interest and Penalty. The Company has opted to avail the concessions offered under "Sabka Vishwas" scheme and has withdrawn all the pending cases with regard to Service tax on Royalty with various courts.

Under the Legacy dispute scheme, the Company has paid an amount of Rs 104.08 Crore towards Service tax on Royalty as well as Rs. 33.40 crore towards Service tax on DMF and NMET (total of Rs. 137.48 crores) for the period from 1st April 2016 to 30th June 2017.

Accordingly, the excess Liability of Rs 177.39 Crore has been withdrawn and shown as 'Exceptional Item' in the accounts.





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9. An amount of Rs. 210.24 crore is provided towards Expected Credit Loss (ECL) for the year towards amount recoverable from monitoring committee and included in other expenses.

10. The Company had received Show Cause Notices dated 31.07.2018 from Dist. Collector, South Bastar Dantewada as to why NMDC should not be asked to deposit an amount of Rs.7,241.35 crore as compensation as calculated by Collector based on the Hon'ble Supreme Court Common Cause Judgement related to Orissa Iron ore mines (Writ Petition Civil No 114 of 2014 dated 2nd August 2017). The Company had been contesting the Show Cause Notices with Dist. Collector, South Bastar Dantewada on the ground that the said Hon'ble Supreme Court judgement is not applicable to NMDC.

Meanwhile, revised show cause notices dated 26.09.2019 were received for a revised amount of Rs 1,623.44 Crore from Dist. Collector, South Bastar, Dantewada, to be replied within 21 days of notice. NMDC while reiterating the fact of non-applicability of the Hon'ble Supreme Court Judgement in the state of Chhattisgarh, has sought time for replying to the show cause notices.

Further to above, Dist. Collector, South Bastar, Dantewada had issued Demand notices dated 15/11/2019 for the amount of Rs 1,623.44 Crore (Bacheli- Rs 1,131.97 Cr & Kirandul Rs 491.47 Cr) asking to deposit the amount within 15 days. As the Mining Leases of the company in the State of Chhattisgarh are expiring on 31.3.2020 and due for renewal, the Company has paid an adhoc amount of Rs 600 Crore under protest and filed writ petitions in the Hon'ble High Court of Bilaspur, Chhattisgarh and a Revision application with Mines Tribunal, Ministry of mines, Government of India, New Delhi praying to set aside the demand notices.

The demand amount of Rs 1,623.44 crores has been shown under 'Contingent Liabilities'.

11. The Government of Karnataka, while renewing the lease of NMDC 's Donimalai Iron Ore Mine, has imposed a new condition asking for a premium of 80% on the average sale value. As the demand of the State Govt. is not as per the provisions of the MMDR Act 2015 and Mineral (Mining by Government Company) Rules, 2015, the company requested the Govt. to reconsider its decision.

Since there was no positive response from the State Govt, the company has suspended its operations from 4th November 2018 and moved the Hon'ble High Court of Karnataka praying for a suitable direction in the matter. The Hon'ble High Court of Karnataka in its judgement dated 10th July 2019 has passed an order setting aside the condition imposed for levying 80 % premium. On the basis of the judgement, NMDC has request ed the State Govt. to consider the execution of Lease Deed of Donimalai Mine.

The Government of Karnataka issued an Order dated 17.08.2019 withdrawing the approval for extension of the Donimalai mining lease and with a direction to the Director of DMG to auction the said block. In this regard, the Company on 19.8.2019 filed 'Revision application' before The Hon'ble Mines Tribunal, Government of India. Meanwhile, the State Government issued a notification dated 20.08 .2019 inviting tender for auction of the Donimalai Mining block. On 21 .08 .20 19 Hon'ble Mines Tribunal heard the submissions and stayed the Order dated 17.08.2019 issued by the Government of Karnataka withdrawing the extension of lease and any consequent action thereon until the next date of hearing. The matter is pending with Hon'ble Mines Tribunal.

Meanwhile, Ministry of Mines has amended the 'Mineral (Mining by Government Company) Rules ,2015 with regard to renewal of mining leases allocated to Government Companies. Earlier the rule 3 (2) stated that if an application for renewal of mining leases is made to the State Government by a Government company, the State Government "MAY", for reasons to be recorded in writing , extend the period of the mining lease for further periods of up to twenty years at a time ". Now the rule is amended by substituting the word "MAY" with "SHALL ". Now the rule reads as "SHALL" for reasons to be recorded in writing, extend the period of mining lease for further periods of up to twenty years at a time ".

Even though the company is regularly corresponding with the State Government for ex tending the lease, response of the State Government is still awaited.

The last hearing at Mines Tribunal took place on 04.03.2020 where in the State Government has requested adjournment upto 24.03.2020. No further hearings could take place due to COVID-19 situation.

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12. The company has adopted Ind AS 116 "Leases" Effective from 1st April 2019 and applied the Standard to its leases using the modified retrospective approach and comparative information is not restated. This has resulted in recognising a Right-of-Use Assets and a corresponding Lease Liability of Rs.8.20 crore as at 1st April 2019. The impact on the profit for the period is not material.
13. Nominated Authority, Ministry of Coal has declared NMDC as successful allottee of Tokisud North Coal Mine (Non-Coking Coal) & Rohne Coal Mine (Coking Coal) block in the state of Jharkhand on 16th December 2019 and 17th March 2020 respectively. For Tokisud block initial payment of Rs. 235.63 crore, which includes upfront payment of Rs.10.86 crore and fixed amount of Rs. 224.77 crore, is made. Pending receipt of allotment order the amount is shown under Capital Advance.
14. **Disclosures with regard to COVID -19 and its impact:**

a) Financial Impact:

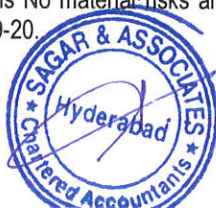
The COVID 19 had a marginal effect on the operations of the company due to the lock down in the country in March 20. There has been a loss of around 10.01 LMT of Production and 5.50 LMT of Sale of Iron ore during FY 2019-20 (in March 20). This has resulted in a loss in sale revenue around Rs 219 crore and PBT of Rs 120 crore.

b) Impact of corona virus on financial reporting - Assets & Liabilities

- i) **Inventory:** There was no complete halt in the despatch of Iron ore to customers. However, the scale of operations has come down since 21st March 2020. Management do not see any need to write down the inventories in view of COVID -19.
- ii) **Impairment test for assets:** No impairment of non-financial assets like property, plant & equipment, intangibles and goodwill, is felt necessary due to COVID-19.
- iii) **Change in useful life of fixed assets:** No change in useful life of assets is felt necessary due to COVID-19.
- iv) **Fair value of financial assets / instruments:** There is no impact due to COVID 19 in fair value of financial assets/instruments
- v) **Trade receivables – Expected Credit Loss:** No additional ECL is felt necessary due to COVID-19 situation.
- vi) **Leased assets:** No change in conditions in Lease agreements due to COVID-19.
- vii) **Capitalization of borrowing cost:** No borrowings for Capex. Hence not applicable to NMDC.
- viii) **Provision for onerous contract:** No provision is felt necessary of onerous contracts like expected loss which will be incurred to fulfil the commitment give to customer to supply the products at contract prices which are lower than the procurement prices.
- ix) **Going concern assumption need to be reassessed by management:** The management feels that there shall not be any impact on Going Concern Assumption due to COVID 19 as on balance sheet date and next 12 months.
- x) **Impact of COVID 19 on significant uncertainties:** No significant uncertainties have been emerged by the outbreak of the COVID -19 in measuring various assets and liabilities. However due to the overall economic situation in the country, there could be scale down in the operations compared to previous year.

C. Impact of coronavirus on financial reporting- Revenue & Expenses

- i) **Revenue recognition:** No reassessment of Revenue is felt necessary considering the impact of COVID 19.
- ii) **Recognition of insurance claims filed due to loss on account of COVID 19:** There has been no Loss for which insurance claims need to be filed due to loss on account of COVID 19,
- iii) **Re-measurement of deferred taxes:** No changes in the deferred taxes is expected due to COVID 19.
- iv) **Revision in risk assessment and materiality:** Management feels that the demand position of iron ore in FY 20-21 shall be lower as compared to FY 19-20 especially in the Q1 and Q2 and things are expected to improve in Q3 and Q4. The prices are also expected to be subdued during the First Half of current year. No operational disruptions are anticipated except for scale down in operations No material risks are anticipated necessitating their provisioning in the accounts for FY19-20.





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- v) **Year-end physical verification:** Physical verification of Inventory has been carried out at various projects.
- vi) **External confirmations:** Letters seeking confirmations have been sent to Debtors and Creditors as per every year practice.

15. **Exceptional items (Depreciation and Amortisation)**

Kumaraswamy Mine:

Govt of Karnataka vide notification dated 14.08.2019 directed NMDC to execute a supplementary/rectification mining lease deed in r/o ML No 1111 of Kumaraswamy mine for the period from 18.10.1972 to 17.10.2022. Accordingly, Supplementary lease deed was executed on 20.03.2020. A demand note amounting Rs. 77.36 crore was received towards Stamp duty and Registration Fee. The same is provided in the books and amortised over the revised lease period. The total amortisation amount for the period from 18th Oct 1972 to 31st March 2020 has come to Rs. 73.49 crore. The amortisation amount of Rs. 71.95 crore pertaining to previous years up to 31st March 2019 is provided in the books and included under Exceptional Item.

During Current Financial year, an amount of Rs.92.90 crore of PPE items are capitalized which has an impact of Rs 34.88 crore of Depreciation relating to Previous years. Similarly, under Mining Rights under Intangible assets, an amount of Rs.30.74 crore is amortised towards DIOM & KIOM Mining rights. The total amount of Rs. 65.62 crore is included under exceptional items in the consolidated accounts of the company.

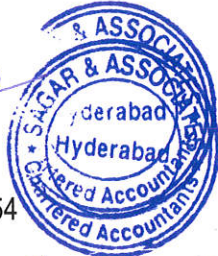
Bailadila Mines:

Registration fee and Stamp duty of Rs. 402.32 crore was paid for renewal of Mining leases in Bailadila Sector for the period of twenty years starting from 2015 to 2035 included in the Intangible assets. The Amortisation for the period from 2015 to 31st March 2019 amounting to Rs.68.26 crore is provided in the books of accounts and included under Exceptional Item.

16. The company has opted for the reduced Income Tax rate @ 22% under section 115BAA of Income Tax Act,1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The net saving in the tax is Rs. 440 crore.
17. Figures for the previous period have been regrouped wherever considered necessary so as to conform to the classification of the current period.

For M/s Sagar and Associates
Chartered Accountants
FRN No. 003510S

(CA. B. Aruna)
Partner
Membership No: 216454



UDIN: 20216459AAAABT1521
Place : Hyderabad
Date : 16th June 2020

For NMDC Limited,


(Amitava Mukherjee)
Director (Finance)
DIN- No: 08265207



Independent Auditor's Report on Quarterly and Year to Date Standalone Financial Results of NMDC Limited pursuant to the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015

To,

Board of Directors of NMDC Limited

We have audited the accompanying Standalone Financial Results of **NMDC Limited** (the 'Company') for the year ended March 31, 2020 (the 'Financial Results'), being submitted by the company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015. These Financial Results, which are the responsibility of the Company's management and approved by the Board of directors, have been prepared on the basis of related financial statements which is in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Financial Results.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Financial Results.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results:

- (i) are presented in accordance with the requirements of Regulation 33 and regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015 and SEBI circular dated 5th July 2016 in this regards and



- (ii) give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the profit, total comprehensive income and other financial information for the Company for quarter and year to date results for the period from April 1, 2019 to March 31, 2020.

Emphasis Of matter:

We draw attention to the following matters in the Notes to the financial statements:

- a) Note No: 2.34.7 of the Financial statements, regarding show cause notice having been served on Baildilla project by the District collector, South Bastar, Dantewada pursuant to judgment of Honorable Supreme court of India with the demand of Rs.1623.44 Crores and the company has paid an adhoc amount of Rs.600 Crores under protest and filed writ petition in the Hon'ble High court of Bilaspur, Chattisgarh and the case is in the hearing stage as explained in the said note.
- b) Note No. 2.34.11 on the Management's assessment of the impact of covid-19 pandemic and the resultant lockdown in Financial Year(FY) 2019-2020 and resulted in a loss in sale of revenue and Profit Before Tax(PBT) was given in the said note. Further management assessed that no operational disruptions are anticipated in FY 2020-21. Except for scale down in operations, no material risks are anticipated necessitating their provisioning in the accounts for FY 2019-2020.
- c) Note No: 2.34.12, regarding exceptional items, as directed by the Government of Karnataka in respect of Donimalai project, supplementary lease deed was executed for Kumaraswamy mines for the period from 18.10.1972 to 17.10.2022 and renewal of Mining leases in respect of Bailadila sector for the period from 2015 to 2035. It is also mentioned in the said Note regarding capitalization of certain assets which has an impact of Depreciation relating to previous years as mentioned in the said note.
- d) Note No: 2.34.14 on test of impairment of investment in Legacy Iron Ore Ltd (LIOL), though there is a difference between the net assets of the company and the market capitalization as at the year end, NMDC felt that, test of market capitalization for impairment of Exploration and Evaluation (E&E) assets may not be appropriate as the investment made to maximize the cash flow by exploring the mines in line with the core activity and to reach main objective of NMDC as such no impairment of investment in LIOL is felt necessary as explained in the said note.



e) Note No: 2.34.15 regarding test of impairment of investment and Loan to Neelachallspat Nigam Ltd(NINL), Cabinet Committee on Economic Affairs (CCEA) had accorded in principle approval for strategic disinvestment of 100% shareholding of NMDC and other Public Sector Undertakings (PSUs) along with transfer of Management control to a Strategic Buyer and as per the loan agreement dated 30th December 2019, the loan amount outstanding along with interest shall be paid back to NMDC as first charge from the disinvestment proceeds as per the applicable laws before payment of other liabilities of NINL. As such no impairment of investment and Loan to NINL is felt necessary as explained in the said note.

Our opinion is not modified in respect of these matters

Other Matters

The Financial Results include the results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subject to limited reviewed by us in terms of our report dated 06th February, 2020.

For Sagar & Associates,
Chartered Accountants
FRN: 003510S



(CA B. Aruna)
Partner
Membership No. 216454
UDIN: 20216454AAAABU1361

Place: Hyderabad
Date: 16-06-2020



Independent Auditor's Report on Quarterly and Year to Date Consolidated Financial Results of NMDC Limited pursuant to the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015

To,

Board of Directors of NMDC Limited

We have audited the accompanying Consolidated Financial Results of **NMDC Limited** (the 'Company') for the year ended March 31, 2020 (the 'Financial Results'), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015. These Financial Results, which are the responsibility of the Company's management and approved by the Board of directors, have been prepared on the basis of related financial statements which is in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Financial Results.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Financial Results. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We did not audit the financial statements and other financial information, in respect of seven subsidiaries, whose Ind-AS financial statements includes total assets of Rs. 779.51crores as at 31st March 2020 and total revenue of Rs0.57crores. These financial statements and other financial information have been audited by other auditors except five subsidiaries which have been certified by their management. The consolidated Ind-AS Financial Statement also includes the Groups Share of net profit/(Loss) of Rs.(28.56) crores for the year ended 31st March 2020, as considered in Ind-AS financial result, in respect of four Associates and four Jointly controlled entities. These financial statements and other financial information have not been audited whose financial statement have been certified by their management, whose



report(s) have been furnished to us. Our opinion on the year to date consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors and certification of management. Our Opinion is not modified in respect of this matter.

In our opinion and to the best of our information and according to the explanations given to us, these consolidated financial year to date results:

- i) Include the year to date financial results of the following entities;

SUBSIDIARIES:

Sl. No.	Name of the entities	Country of incorporation
1	Legacy Iron Ore Limited	Australia
2	J & K Mineral Development Corporation Limited	India
3	NMDC Power Limited	India
4	Karnataka Vijaynagar Steel Limited	India
5	NMDC Steel Limited	India
6	Jharkhand Kolhan Steel Limited	India
7	NMDC CSR Foundation (NCF) (Not-for-profit company, incorporated under Section-2(7) of companies Act,2013) - Not considered for consolidation.	India

JOINT VENTURES:

Sl. No.	Name of the entities	Country of incorporation
1	NMDC-CMDC Limited	India
2	Jharkhand National Mineral Development Corporation Limited	India
3	NMDC SAIL Limited	India
4	Bastar Railway Pvt. Limited	India

ASSOCIATES:



Sl. No.	Name of the entities	Country of incorporation
1	International Coal Venture Limited	India
2	Nilachal Ispat Nigam Limited-	India
3	Krishnapatnum Railway Company Limited	India
4	Chhattishgarh Mega Steel Limited	India

- ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015; and
- iii) give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the profit, total comprehensive income and other financial information for the Company for quarter and year to date results for the period from April 1, 2019 to March 31, 2020.

Emphasis Of matter:

We draw attention to the following matter in the Notes to the financial statements:

- a) Note No: 2.34.7 of the Financial statements, regarding show cause notice having been served on Baildilla project by the District collector, South Bastar, Dantewada pursuant to judgment of Honorable Supreme court of India with the demand of Rs.1623.44 Crores and the company has paid an adhoc amount of Rs.600 Crores under protest and filed writ petition in the Hon'ble High court of Bilaspur, Chattisgarh and the case is in the hearing stage as explained in the said note.
- b) Note No. 2.34.11 on the Management's assessment of the impact of covid-19 pandemic and the resultant lockdown in Financial Year(FY) 2019-2020 and resulted in a loss in sale of revenue and Profit Before Tax(PBT) was given in the said note. Further management assessed that no operational disruptions are anticipated in FY 2020-21. Except for scale down in operations, no material risks are anticipated necessitating their provisioning in the accounts for FY 2019-2020.
- c) Note No: 2.34.12, regarding exceptional items, as directed by the Government of Karnataka in respect of Donimalai project, supplementary



lease deed was executed for Kumaraswamy mines for the period from 18.10.1972 to 17.10.2022 and renewal of Mining leases in respect of Bailadila sector for the period from 2015 to 2035. It is also mentioned in the said Note regarding capitalization of certain assets which has an impact of Depreciation relating to previous years as mentioned in the said note.

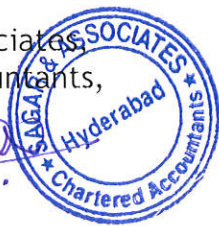
- d) Note No: 2.34.14 on test of impairment of investment in Legacy Iron Ore Ltd (LIOL), though there is a difference between the net assets of the company and the market capitalization as at the year end, NMDC felt that, test of market capitalization for impairment of Exploration and Evaluation (E&E) assets may not be appropriate as the investment made to maximize the cash flow by exploring the mines in line with the core activity and to reach main objective of NMDC as such no impairment of investment in LIOL is felt necessary as explained in the said note.
- e) Note No: 2.34.15 regarding test of impairment of investment and Loan to Neelachallspat Nigam Ltd(NINL), Cabinet Committee on Economic Affairs (CCEA) had accorded in principle approval for strategic disinvestment of 100% shareholding of NMDC and other Public Sector Undertakings (PSUs) along with transfer of Management control to a Strategic Buyer and as per the loan agreement dated 30th December 2019, the loan amount outstanding along with interest shall be paid back to NMDC as first charge from the disinvestment proceeds as per the applicable laws before payment of other liabilities of NINL. As such no impairment of investment and Loan to NINL is felt necessary as explained in the said note.

Our opinion is not modified in respect of these matter.

For Sagar & Associates,
Chartered Accountants,
FRN: 003510S



(CA. B Aruna)
Partner
Membership No.216454
UDIN No: 20216454AAAABT1521



Place: Hyderabad
Date: 16-06-2020

एन एम डी सी



NMDC

एन एम डी सी लिमिटेड NMDC Limited

(भारत सरकार का उद्यम) (A GOVT. OF INDIA ENTERPRISE)

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए, कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 028.
Regd. Office : 'Khanij Bhavan' 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.

नैगम पहचान संख्या / Corporate Identity Number : L13100AP1958 GOI 001674

Declaration on audit reports with unmodified opinion on the Annual Audited Financial Results for the financial year ended 31st March 2020

This is with to SEBI(LODR) Regulations,2015 and amendments made thereto, we hereby declare that the Statutory Auditors of the Company, M/s Sagar And Associates, Chartered Accountants, firm Registration no. 003510S, vide their Auditors Reports dated 16th June 2020 issued an unmodified opinion on the standalone and consolidated financial results of the Company for the financial year ended 31st March 2020.

For NMDC Limited,

(AMITAVA MUKHERJEE)
Director (Finance)
DIN- No: 08265207

Place: Hyderabad
Dated : 16th June 2020