

एनएमडीसी



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

No. 18(1)/2019- Sectt

11<sup>th</sup> November 2019

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

Dear Sir / Madam,

**Sub: Unaudited Financial Results and Limited Review Report for the second quarter and half year ended 30<sup>th</sup> September 2019**

**Ref: Regulation 30 and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; NSE Symbol: NMDC; BSE Scrip Code: 526371**

The Board of Directors of the Company at its meeting held on Monday the 11<sup>th</sup> November 2019, inter-alia, considered, approved and taken on record the Unaudited Financial Results (Standalone and Consolidated) of the Company for the second quarter and half year ended 30<sup>th</sup> September 2019 along with segment information.

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

1. Unaudited Financial Results (Standalone and Consolidated) of the Company for the second quarter and half year ended 30<sup>th</sup> September 2019 along with segment information.
2. Limited Review Report of the Statutory Auditor on the Unaudited Financial Results (Standalone and Consolidated) of the Company for the second quarter and half year ended 30<sup>th</sup> September 2019.

The Board Meeting commenced at 2.30 p.m. and concluded at 5.10 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



Statement of Un-Audited Standalone Financial Results for the Quarter and Half Year ended 30th September 2019

| Particulars  | INR in crore   |            |            |                 |            |            |
|--|----------------|------------|------------|-----------------|------------|------------|
|  | Quarter Ended  |            |            | Half Year Ended |            | Year Ended |
|  | 30-Sep-19      | 30-Jun-19  | 30-Sep-18  | 30-Sep-19       | 30-Sep-18  | 31-Mar-19  |
|  | Un-audited     | Un-audited | Un-audited | Un-audited      | Un-audited | Audited    |
| I. Revenue from operations   | 2,241.76       | 3,263.74   | 2,437.92   | 5,505.50        | 4,859.91   | 12,152.67  |
| II. Other Income   | 127.54         | 122.82     | 130.95     | 250.36          | 256.09     | 588.30     |
| III. Total income (I+II)   | 2,369.30       | 3,386.56   | 2,568.87   | 5,755.86        | 5,116.00   | 12,740.97  |
| IV. Expenses   |                |            |            |                 |            |            |
| (a) Consumption of raw materials   | 17.65          | 7.95       | 11.99      | 25.60           | 18.56      | 52.00      |
| (b) Consumption of stores & spares   | 52.09          | 50.61      | 51.75      | 102.70          | 103.80     | 264.97     |
| (c) Changes in inventories of finished goods and work-in-progress                          | 49.96          | (12.07)    | 82.27      | 37.89           | 63.12      | (79.22)    |
| (d) Employee benefit expense   | 245.10         | 253.13     | 269.57     | 498.23          | 506.46     | 1,036.75   |
| (e) Royalty and other levies   | 350.79         | 581.70     | 335.94     | 932.49          | 781.55     | 2,003.59   |
| (f) Selling exps incl. freight   | 114.96         | 190.10     | 33.89      | 305.06          | 65.65      | 368.18     |
| (g) Depreciation and amortisation  | 97.56          | 64.77      | 67.52      | 162.33          | 129.10     | 278.89     |
| (h) Finance cost   | 9.72           | 11.73      | 9.65       | 21.45           | 20.46      | 40.32      |
| (i) Other expenses   | 351.02         | 325.48     | 393.10     | 676.50          | 637.46     | 1,576.43   |
| Total expenses   | 1,288.85       | 1,473.40   | 1,255.68   | 2,762.25        | 2,326.16   | 5,541.91   |
| V. Profit from ordinary activities before exceptional items and Tax (III-IV)               | 1,080.45       | 1,913.16   | 1,313.19   | 2,993.61        | 2,789.84   | 7,199.06   |
| VI. Exceptional items - Expenses/(Income)  | -              | -          | -          | -               | -          | -          |
| VII. Profit before tax (V-VI)  | 1,080.45       | 1,913.16   | 1,313.19   | 2,993.61        | 2,789.84   | 7,199.06   |
| VIII. Tax expense  |                |            |            |                 |            |            |
| a) Current Tax   | 409.97         | 689.31     | 694.28     | 1,099.28        | 1,199.88   | 2,752.70   |
| b) Earlier Year Tax (Net)  | -              | -          | -          | -               | -          | 0.85       |
| c) Deferred Tax  | (32.90)        | 44.43      | (17.58)    | 11.53           | (21.86)    | (197.02)   |
| Total tax expense  | 377.07         | 733.74     | 676.70     | 1,110.81        | 1,178.02   | 2,556.53   |
| IX. Net Profit for the period from continuing operations (VII-VIII)                        | 703.38         | 1,179.42   | 636.49     | 1,882.80        | 1,611.82   | 4,642.53   |
| X. Loss from discontinued operations   | (0.17)         | (0.22)     | (0.19)     | (0.39)          | (0.28)     | (0.64)     |
| XI. Tax Expenses of discontinued operations  | (0.06)         | (0.08)     | (0.07)     | (0.14)          | (0.10)     | (0.22)     |
| XII. Loss from Discontinued operations (after tax)   | (0.11)         | (0.14)     | (0.12)     | (0.25)          | (0.18)     | (0.42)     |
| XIII. Profit for the period (IX+XII) :   | 703.27         | 1,179.28   | 636.37     | 1,882.55        | 1,611.64   | 4,642.11   |
| XIV. Other Comprehensive income/(expenses):  |                |            |            |                 |            |            |
| Item that will not be reclassified to profit or loss (net of income tax)                   | 0.45           | 0.44       | 12.01      | 0.89            | 24.03      | (0.13)     |
| XV. Total Comprehensive Income for the period (XIII+XIV)                                   | 703.72         | 1,179.72   | 648.38     | 1,883.44        | 1,635.67   | 4,641.98   |
| XVI. Paid-up Equity Share Capital  | 306.19         | 306.19     | 316.39     | 306.19          | 316.39     | 306.19     |
| XVII. Face value per share (Rs)  | 1              | 1          | 1          | 1               | 1          | 1          |
| XVIII. EPS for the period (Rs.)-basic and diluted before and after extraordinary items (*) | 2.30           | 3.85       | 2.01       | 6.15            | 5.09       | 14.70      |
| (*adjusted on account of buyback)  |                |            |            |                 |            | (*)        |
|  | Not Annualised |            |            |                 |            | Annualised |

Cont....2





Segment wise Standalone Revenue, Results and Capital Employed for the Quarter and Half Year ended 30th September, 2019

INR in crore

| Particulars   | Quarter Ended    |                  |                  | Half Year Ended  |                  | Year Ended       |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 30-Sep-19        | 30-Jun-19        | 30-Sep-18        | 30-Sep-19        | 30-Sep-18        | 31-Mar-19        |
|   | Un-audited       | Un-audited       | Un-audited       | Un-audited       | Un-audited       | Audited          |
| <b>1. Segment Revenue</b>   |                  |                  |                  |                  |                  |                  |
| (Sale /income from each segment)                                  |                  |                  |                  |                  |                  |                  |
| a) Iron Ore   | 2,198.42         | 3,212.14         | 2,398.27         | 5,410.56         | 4,794.87         | 12,001.81        |
| b) Pellet ,Other Minerals & Services                              | 43.34            | 51.49            | 39.65            | 94.83            | 65.04            | 154.69           |
| <b>Total</b>  | <b>2,241.76</b>  | <b>3,263.63</b>  | <b>2,437.92</b>  | <b>5,505.39</b>  | <b>4,859.91</b>  | <b>12,156.50</b> |
| Less: Inter segment revenue                                       | -                | (0.11)           | -                | (0.11)           | -                | 3.83             |
| <b>Sales / Income from Operations</b>                             | <b>2,241.76</b>  | <b>3,263.74</b>  | <b>2,437.92</b>  | <b>5,505.50</b>  | <b>4,859.91</b>  | <b>12,152.67</b> |
| <b>2. Segment Results</b>   |                  |                  |                  |                  |                  |                  |
| (profit (+) / loss (-) before tax and interest from each segment) |                  |                  |                  |                  |                  |                  |
| a) Iron Ore   | 1,035.68         | 1,905.63         | 1,284.43         | 2,941.31         | 2,767.20         | 7,156.93         |
| b) Pellet, Other Minerals & Services                              | 8.89             | (27.83)          | 16.69            | (18.94)          | (18.22)          | (129.60)         |
| <b>Total</b>  | <b>1,044.57</b>  | <b>1,877.80</b>  | <b>1,301.12</b>  | <b>2,922.37</b>  | <b>2,748.98</b>  | <b>7,027.33</b>  |
| Less: Finance Cost  | 9.72             | 11.73            | 9.65             | 21.45            | 20.46            | 40.32            |
| Add : Other unallocable income net off unallocable expenditure    | 45.43            | 46.87            | 21.53            | 92.30            | 61.04            | 211.41           |
| <b>Total Profit Before Tax (incl discontinued operations)</b>     | <b>1,080.28</b>  | <b>1,912.94</b>  | <b>1,313.00</b>  | <b>2,993.22</b>  | <b>2,789.56</b>  | <b>7,198.42</b>  |
| <b>3. Segment Assets</b>  |                  |                  |                  |                  |                  |                  |
| a) Iron Ore   | 5,623.96         | 5,500.72         | 4,286.42         | 5,623.96         | 4,286.42         | 4,904.88         |
| b) Pellet ,Other Minerals & Services                              | 632.29           | 642.90           | 668.86           | 632.29           | 668.86           | 663.88           |
| c) Unallocated  | 23,815.45        | 23,372.39        | 23,658.66        | 23,815.45        | 23,658.66        | 23,630.49        |
| <b>Total</b>  | <b>30,071.70</b> | <b>29,516.01</b> | <b>28,613.94</b> | <b>30,071.70</b> | <b>28,613.94</b> | <b>29,199.25</b> |
| <b>4. Segment Liabilities</b>                                     |                  |                  |                  |                  |                  |                  |
| a) Iron Ore   | 1,353.44         | 1,480.06         | 1,653.77         | 1,353.44         | 1,653.77         | 1,421.66         |
| b) Pellet, Other Minerals & Services                              | 31.38            | 30.86            | 44.54            | 31.38            | 44.54            | 38.77            |
| c) Unallocated  | 1,423.12         | 1,412.14         | 1,333.70         | 1,423.12         | 1,333.70         | 2,370.02         |
| <b>Total</b>  | <b>2,807.94</b>  | <b>2,923.06</b>  | <b>3,032.01</b>  | <b>2,807.94</b>  | <b>3,032.01</b>  | <b>3,830.45</b>  |
| <b>5. Capital Employed</b>  |                  |                  |                  |                  |                  |                  |
| (Segment Assets-Segment Liabilities)                              |                  |                  |                  |                  |                  |                  |
| a) Iron Ore   | 4,270.52         | 4,020.66         | 2,632.65         | 4,270.52         | 2,632.65         | 3,483.22         |
| b) Pellet, Other Minerals & Services                              | 600.91           | 612.04           | 624.32           | 600.91           | 624.32           | 625.11           |
| c) Unallocated  | 22,392.33        | 21,960.25        | 22,324.96        | 22,392.33        | 22,324.96        | 21,260.47        |
| <b>Total</b>  | <b>27,263.76</b> | <b>26,592.95</b> | <b>25,581.93</b> | <b>27,263.76</b> | <b>25,581.93</b> | <b>25,368.80</b> |





STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS AT 30TH SEP, 2019

INR in crore

| Sl.No. | Particulars   | Standalone                             |   |                       |
|--------|---|--|---|-----------------------|
|        |   | As at current period end 30th Sep 2019 | As at previous period end 30th Sep 2018 | As at 31st March 2019 |
|        |   | (Un-Audited)                           | (Un-Audited)                            | Audited               |
| (A)    | <b>ASSETS</b>   |  |   |                       |
|        | <b>1) Non-current assets</b>  |  |   |                       |
|        | a) Property, Plant and equipment                                    | 2,561.51                               | 2,471.54                                | 2,554.49              |
|        | b) Capital work-in-progress   | 14,373.86                              | 12,879.98                               | 13,792.45             |
|        | c) Right-of -Use Assets   | 7.42                                   | -                                       | -                     |
|        | d) Intangible assets  | 104.83                                 | 135.59                                  | 166.20                |
|        | e) Financial assets   |  |   |                       |
|        | i) Investments  | 939.42                                 | 939.26                                  | 939.32                |
|        | ii) Loans   | 796.75                                 | 794.21                                  | 796.49                |
|        | f) Deferred tax assets (net)  | 571.21                                 | 407.57                                  | 582.73                |
|        | g) Other non-current assets   | 3,055.33                               | 2,796.84                                | 2,986.32              |
|        | <b>Total Non-current assets (a)</b>                                 | <b>22,410.33</b>                       | <b>20,424.99</b>                        | <b>21,818.00</b>      |
|        | <b>2) Current assets</b>  |  |   |                       |
|        | a) Inventories  | 633.03                                 | 516.89                                  | 666.17                |
|        | b) Financial assets   |  |   |                       |
|        | i) Investments  | 412.46                                 | 168.41                                  | -                     |
|        | ii) Trade receivables   | 2,305.75                               | 1,154.80                                | 1,424.51              |
|        | iii) Cash and cash equivalents                                      | 49.75                                  | 291.84                                  | 38.33                 |
|        | iv) Bank balances other than (ii) above                             | 3,871.23                               | 4,969.77                                | 4,569.39              |
|        | v) Other Financial Assets   | 435.04                                 | 428.37                                  | 401.01                |
|        | c) Current Tax assets (Net)   | 207.35                                 | 643.78                                  | 451.12                |
|        | d) Other current assets   | 317.46                                 | 422.25                                  | 412.94                |
|        | e) Assets Held for disposal   | 0.51                                   | 0.41                                    | 0.51                  |
|        | <b>Total Current assets (b)</b>                                     | <b>8,232.58</b>                        | <b>8,596.52</b>                         | <b>7,963.98</b>       |
|        | <b>TOTAL ASSETS ( a+b)</b>  | <b>30,642.91</b>                       | <b>29,021.51</b>                        | <b>29,781.98</b>      |
| (B)    | <b>EQUITY AND LIABILITIES</b>                                       |  |   |                       |
|        | <b>1) Equity</b>  |  |   |                       |
|        | a) Equity Share Capital   | 306.19                                 | 316.39                                  | 306.19                |
|        | b) Other Equity   | 27,528.78                              | 25,673.11                               | 25,645.34             |
|        | c) Non-Controlling Interest   |  |   |                       |
|        | <b>Total Equity (I)</b>   | <b>27,834.97</b>                       | <b>25,989.50</b>                        | <b>25,951.53</b>      |
|        | <b>2) Liabilities</b>   |  |   |                       |
|        | <b>i) Non-current Liabilities</b>                                   |  |   |                       |
|        | a) <u>Financial liabilities</u>                                     | 6.42                                   | -                                       | -                     |
|        | b) Provisions   | 790.35                                 | 733.89                                  | 768.39                |
|        | <b>Total Non-current liabilities (II)</b>                           | <b>796.77</b>                          | <b>733.89</b>                           | <b>768.39</b>         |
|        | <b>ii) Current Liabilities</b>                                      |  |   |                       |
|        | a) Financial Liabilities  |  |   |                       |
|        | i) Borrowings   | -                                      | -                                       | 364.15                |
|        | ii) Trade Payables  |  |   |                       |
|        | a) Total outstanding dues of micro and small enterprises            | 7.39                                   | 3.47                                    | 10.19                 |
|        | b) Total outstanding dues of other than micro and small enterprises | 206.36                                 | 167.52                                  | 192.55                |
|        | iii) Other financial liabilities                                    | 1,036.30                               | 1,109.98                                | 1,667.15              |
|        | b) Other current liabilities  | 724.22                                 | 1,001.33                                | 786.76                |
|        | c) Provisions   | 36.90                                  | 15.82                                   | 41.26                 |
|        | <b>Total Current liabilities (III)</b>                              | <b>2,011.17</b>                        | <b>2,298.12</b>                         | <b>3,062.06</b>       |
|        | <b>Total Liabilities IV=( II +III)</b>                              | <b>2,807.94</b>                        | <b>3,032.01</b>                         | <b>3,830.45</b>       |
|        | <b>TOTAL EQUITY AND LIABILITIES (I+IV)</b>                          | <b>30,642.91</b>                       | <b>29,021.51</b>                        | <b>29,781.98</b>      |





Unaudited Standalone Cash Flow Statement for the half year ended 30th September 2019

INR in Crore

| Particulars  | Half Year Ended 30th<br>September 2019 | Half Year Ended 30th<br>September 2018 |
|--|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |  |  |
| Profit/(Loss) before income tax from   |  |  |
| Continued Operations   | 2,993.61                               | 2,789.84                               |
| Discontinued Operations  | (0.39)                                 | (0.28)                                 |
| <b>Profit before income tax including discontinued operations</b>  | <b>2,993.22</b>                        | <b>2,789.56</b>                        |
| Adjustments for non cash/non operational expenses:   |  |  |
| Depreciation & Amortisation expense  | 162.33                                 | 129.10                                 |
| Loss on disposal of property, plant & equipment  | 0.53                                   | 0.20                                   |
| Expenditure on enabling facilities   | 75.48                                  | 77.45                                  |
| Provision for bad & doubtful advances  | 112.06                                 | 103.22                                 |
| Interest Income  | (202.90)                               | (224.91)                               |
| Finance Costs  | 21.45                                  | 20.46                                  |
| <b>Operating Profits before working capital changes</b>  | <b>3,162.17</b>                        | <b>2,895.08</b>                        |
| Adjustments for working capital changes:   |  |  |
| (Increase)/Decrease in Short Term Investment   | (412.46)                               | (168.41)                               |
| (Increase)/Decrease in Trade Receivables   | (993.30)                               | 214.72                                 |
| (Increase)/Decrease in Inventories   | 33.14                                  | 54.80                                  |
| (Increase)/Decrease in Other Receivables   | 89.24                                  | (254.39)                               |
| Increase/(Decrease) in Trade payables  | 11.01                                  | 11.45                                  |
| Increase/(Decrease) in Other Payable   | (518.63)                               | (403.99)                               |
| <b>Cash generated from operations</b>  | <b>1,371.17</b>                        | <b>2,349.26</b>                        |
| Income Taxes paid  | (855.37)                               | (1,241.46)                             |
| <b>Net Cash Flow from operating activities</b>   | <b>515.80</b>                          | <b>1,107.80</b>                        |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |  |  |
| Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds) | (910.07)                               | (780.71)                               |
| Purchase of investments ( in Subsidiaries)   | (0.10)                                 | (152.81)                               |
| Interest received  | 92.73                                  | 168.78                                 |
| Purchase of Investment (Term Deposits with more than three months)   | 229.95                                 | 50.23                                  |
| <b>Net Cash Flow from investing activities</b>   | <b>(587.49)</b>                        | <b>(714.51)</b>                        |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |  |  |
| (Repayment)/Proceeds from borrowings- Current  | (364.15)                               | (500.09)                               |
| Deposits paid towards LCs and BGs (towards non fund based facilities)  | 0.05                                   | 19.01                                  |
| Interest paid  | (21.34)                                | (20.36)                                |
| Dividends paid (including Divident Distribution tax )  | 468.55                                 | 374.02                                 |
| <b>Net Cash Flow from financing activities</b>   | <b>83.11</b>                           | <b>(127.42)</b>                        |
| <b>Net increase (decrease) in Cash and Cash Equivalent</b>   | <b>11.42</b>                           | <b>265.87</b>                          |
| Opening Balance of Cash & Cash equivalents   | 38.33                                  | 25.97                                  |
| <b>Closing Balance of Cash &amp; Cash equivalents</b>  | <b>49.75</b>                           | <b>291.84</b>                          |

Cont...5





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 11<sup>th</sup> November 2019.
2. The unaudited financial results are reviewed by the Statutory Auditors as required under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. An amount of Rs.112.06 crore is provided towards Expected Credit Loss (ECL) during current quarter included in other expenses.
4. The Company has been legally advised that there is no impact of the Hon'ble Supreme Court of India Judgement with reference to the Writ Petition (Civil) No. 114 of 2014 dated 2<sup>nd</sup> August, 2017 on NMDC. However, in case it is found applicable to NMDC at a later date, it may impact the profits of the Company.

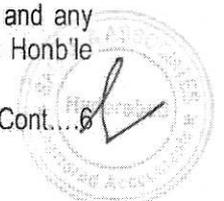
Subsequently, the Bailadila Projects of NMDC have received Show Cause Notices dated. 31.07.2018 from Dist. Collector, South Bastar Dantewada as to why NMDC should not be asked to deposit an amount of Rs.7241.35 crore as compensation as calculated by Collector based on the above judgement. The Company has contested the Show Cause Notices with Dist. Collector, South Bastar Dantewada.

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

5. 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 the order setting aside the condition imposed for levying 80% premium. On the basis of the judgement, NMDC has requested 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 21.08.2019 Hon'ble Mines Tribunal heard the submissions and stayed the Order dated 17.08.2019 issued by 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.





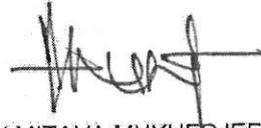
Meanwhile, Ministry of Mines has amended the 'Mineral (Mining by Government Company) Rules, 2015 with regard to renewal of mining leases allocated to Government Companies. Earlier the rule 3 (2) stated that if an application for renewal of mining leases is made to the State Government by a Government 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".

6. The company has adopted Ind AS 116 "Leases" Effective from 1<sup>st</sup> 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 1<sup>st</sup> April 2019. The impact on the profit for the quarter is not material.
7. 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 Srinivasa Rao)  
Partner  
Membership No: 202352



For NMDC Limited,

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

Place : New Delhi  
Date : 11<sup>th</sup> November 2019

**Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results of NMDC LIMITED for the quarter and half year ended on September 30, 2019 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

To  
The Board of Directors  
NMDC LIMITED

We have reviewed the accompanying statement of unaudited standalone financial results of NMDC LIMITED ("the Company") for the quarter and half year ended September 30, 2019, ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/CMD1144/2019 dated March 29, 2019. This Statement includes the results of the six (6) branches of the Company, which have been subjected to a limited review by the branch auditor of the Company. The branch auditor's reports were forwarded to us and the same has been dealt with in preparing this report, in the manner considered necessary by us. Attention is drawn to the fact that the figures in the Statement of Cash flows for the corresponding half year ended September 30, 2018, as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected to review by us since the requirement of submission of Statement of Cash flows has become mandatory from April 1, 2019.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, as amended read with the relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



B.O.: Flat No. FF-3, H.No. 40-6-2, Goteti Apartment, Kandari Hotel Street, Krishna Nagar, Vijayawada - 520 010.

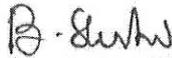
B.O.: H.No. 10-1-86, Mehar Nagar, Old Gajuwaka, Visakhapatnam - 530 026.

B.O.: No. 4, Poes Road, 4th Street, Teynampet, Chennai - 600018.

B.O.: Flat No. 3C, Jeevan Residency, Behind Kalanjali, Renigunta Road, Tirupati - 517 501.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sagar and Associates  
Chartered Accountants  
FRN: 003510S



B Srinivasa Rao  
Partner

M.No. 202352.

UDIN: 19202352AAAAFF5483



Place: New Delhi

Date: 11<sup>th</sup> November, 2019



CIN: L13100TG1958 GOI 001674

**Statement of Un-Audited Consolidated Financial Results for the Quarter and Half Year ended  
30th September 2019**

INR in crore

| Particulars   | Quarter Ended   |                 |                 | Half Year Ended |                 | Year Ended       |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
|   | 30-Sep-19       | 30-Jun-19       | 30-Sep-18       | 30-Sep-19       | 30-Sep-18       | 31-Mar-19        |
|   | Un-audited      | Un-audited      | Un-audited      | Un-audited      | Un-audited      | Audited          |
| I. Revenue from operations  | 2,241.76        | 3,263.74        | 2,437.92        | 5,505.50        | 4,859.91        | 12,152.67        |
| II. Other Income  | 127.63          | 122.91          | 131.13          | 250.54          | 256.47          | 588.96           |
| <b>III. Total income (I+II)</b>   | <b>2,369.39</b> | <b>3,386.65</b> | <b>2,569.05</b> | <b>5,756.04</b> | <b>5,116.38</b> | <b>12,741.63</b> |
| <b>IV. Expenses</b>   |                 |                 |                 |                 |                 |                  |
| (a) Consumption of raw materials  | 17.65           | 7.95            | 11.99           | 25.60           | 18.56           | 52.00            |
| (b) Consumption of stores & spares  | 52.09           | 50.61           | 51.75           | 102.70          | 103.80          | 264.97           |
| (c) Changes in inventories of finished goods and work -in-progress  | 49.96           | (12.07)         | 82.27           | 37.89           | 63.12           | (79.22)          |
| (d) Employee benefit expense  | 245.73          | 253.75          | 270.20          | 499.48          | 507.64          | 1,039.40         |
| (e) Royalty and other levies  | 350.84          | 581.75          | 336.04          | 932.59          | 781.65          | 2,003.78         |
| (f) Selling exps incl. freight  | 114.96          | 190.10          | 33.89           | 305.06          | 65.65           | 368.18           |
| (g) Depreciation and amortisation   | 97.68           | 64.88           | 67.53           | 162.56          | 129.12          | 279.04           |
| (h) Finance cost  | 9.72            | 11.73           | 9.65            | 21.45           | 20.46           | 40.32            |
| (i) Other expenses  | 352.04          | 326.06          | 393.76          | 678.10          | 638.74          | 1,579.14         |
| <b>Total expenses</b>   | <b>1,290.67</b> | <b>1,474.76</b> | <b>1,257.08</b> | <b>2,765.43</b> | <b>2,328.74</b> | <b>5,547.61</b>  |
| V. Profit from ordinary activities before exceptional items and Tax (III-IV)  | 1,078.72        | 1,911.89        | 1,311.97        | 2,990.61        | 2,787.64        | 7,194.02         |
| VI. Exceptional items - Expenses/(Income)   | -               | -               | -               | -               | -               | -                |
| <b>VII. Profit before tax (V-VI)</b>  | <b>1,078.72</b> | <b>1,911.89</b> | <b>1,311.97</b> | <b>2,990.61</b> | <b>2,787.64</b> | <b>7,194.02</b>  |
| VIII. Tax expense   |                 |                 |                 |                 |                 |                  |
| a) Current Tax  | 409.97          | 689.31          | 694.28          | 1,099.28        | 1,199.88        | 2,752.70         |
| b) Earlier Year Tax (Net)   | -               | -               | -               | -               | -               | 0.85             |
| c) Deferred Tax   | (32.90)         | 44.43           | (17.58)         | 11.53           | (21.86)         | (197.02)         |
| <b>Total tax expense</b>  | <b>377.07</b>   | <b>733.74</b>   | <b>676.70</b>   | <b>1,110.81</b> | <b>1,178.02</b> | <b>2,556.53</b>  |
| <b>IX. Profit for the period from continuing operations (VII-VIII)</b>  | <b>701.65</b>   | <b>1,178.15</b> | <b>635.27</b>   | <b>1,879.80</b> | <b>1,609.62</b> | <b>4,637.49</b>  |
| X. Loss from discontinued operations  | (0.17)          | (0.22)          | (0.19)          | (0.39)          | (0.28)          | (0.64)           |
| XI. Tax Expenses of discontinued operations   | (0.06)          | (0.08)          | (0.07)          | (0.14)          | (0.10)          | (0.22)           |
| XII. Loss from Discontinued operations (after tax)  | (0.11)          | (0.14)          | (0.12)          | (0.25)          | (0.18)          | (0.42)           |
| <b>XIII. Profit for the period (IX+XII) :</b>   | <b>701.54</b>   | <b>1,178.01</b> | <b>635.15</b>   | <b>1,879.55</b> | <b>1,609.44</b> | <b>4,637.07</b>  |
| XIV Share of Loss of Associates/JVs   | (9.91)          | (6.65)          | (2.94)          | (16.56)         | (9.67)          | (19.12)          |
| XV Non-Controlling Interest (Profit)/Loss   | (0.31)          | (0.20)          | (0.25)          | (0.51)          | (0.45)          | (0.89)           |
| <b>XVI. Net Profit/loss after taxes, Non-Controlling Interest and share of profit /loss of Associates (XIII+XIV-XV) :</b> | <b>691.94</b>   | <b>1,171.56</b> | <b>632.46</b>   | <b>1,863.50</b> | <b>1,600.22</b> | <b>4,618.84</b>  |
| XVII. Other Comprehensive income/(expenses) (net of income tax)   | 11.18           | 13.58           | 25.15           | 24.76           | 50.31           | 52.44            |
| <b>XVIII. Total Comprehensive Income for the period (XVI+XVII)</b>  | <b>703.12</b>   | <b>1,185.14</b> | <b>657.61</b>   | <b>1,888.26</b> | <b>1,650.53</b> | <b>4,671.28</b>  |
| XIX. Paid-up Equity Share Capital   | 306.19          | 306.19          | 316.39          | 306.19          | 316.19          | 306.19           |
| XX. Face value per share (Re)   | 1.00            | 1.00            | 1.00            | 1.00            | 1.00            | 1.00             |
| XXI. EPS for the period (Rs.)-basic and diluted   | 2.26            | 3.83            | 2.00            | 6.09            | 5.06            | 14.69            |
| (*adjusted on account of buyback)   |                 |                 |                 |                 |                 | (*)              |
|   | Not Annualised  |                 |                 |                 |                 | Annualised       |



-2-

Segment wise Consolidated Revenue, Results and Capital Employed for the Quarter and Half Year ended 30th September 2019

INR in crore

| Particulars   | Quarter Ended |            |            | Half Year Ended |            | Year Ended |
|---|---------------|------------|------------|-----------------|------------|------------|
|   | 30-Sep-19     | 30-Jun-19  | 30-Sep-18  | 30-Sep-19       | 30-Sep-18  | 31-Mar-19  |
|   | Un-audited    | Un-audited | Un-audited | Un-audited      | Un-audited | Audited    |
| <b>1. Segment Revenue</b>   |               |            |            |                 |            |            |
| (Sale /income from each segment)                                  |               |            |            |                 |            |            |
| a) Iron Ore   | 2,198.42      | 3,212.14   | 2,398.27   | 5,410.56        | 4,794.87   | 12,001.81  |
| b) Other Minerals & Services                                      | 43.34         | 51.49      | 39.65      | 94.83           | 65.04      | 154.69     |
| Total   | 2,241.76      | 3,263.63   | 2,437.92   | 5,505.39        | 4,859.91   | 12,156.50  |
| Less: Inter segment revenue                                       | -             | (0.11)     | -          | (0.11)          | -          | 3.83       |
| Sales / Income from Operations                                    | 2,241.76      | 3,263.74   | 2,437.92   | 5,505.50        | 4,859.91   | 12,152.67  |
| <b>2. Segment Results</b>   |               |            |            |                 |            |            |
| (profit (+) / loss (-) before tax and interest from each segment) |               |            |            |                 |            |            |
| a) Iron Ore   | 1,034.25      | 1,904.69   | 1,283.26   | 2,938.94        | 2,765.09   | 7,152.78   |
| b) Other Minerals & Services                                      | 8.70          | (28.05)    | 16.63      | (19.35)         | (18.31)    | (130.34)   |
| Total   | 1,042.95      | 1,876.64   | 1,299.89   | 2,919.59        | 2,746.78   | 7,022.44   |
| Less: Finance Cost  | 9.72          | 11.73      | 9.65       | 21.45           | 20.46      | 40.32      |
| Add : Other unallocable income net off unallocable expenditure    | 45.32         | 46.76      | 21.54      | 92.08           | 61.04      | 211.26     |
| Total Profit Before Tax (incl discontinued operations)            | 1,078.55      | 1,911.67   | 1,311.78   | 2,990.22        | 2,787.36   | 7,193.38   |
| <b>3. Segment Assets</b>  |               |            |            |                 |            |            |
| a) Iron Ore   | 5,611.79      | 5,491.03   | 4,280.12   | 5,611.79        | 4,280.12   | 4,895.79   |
| b) Other Minerals & Services                                      | 622.92        | 630.23     | 656.91     | 622.92          | 656.91     | 651.38     |
| c) Unallocated  | 23,953.38     | 23,509.62  | 23,772.81  | 23,953.38       | 23,772.81  | 23,761.33  |
| Total   | 30,188.09     | 29,630.88  | 28,709.84  | 30,188.09       | 28,709.84  | 29,308.50  |
| <b>4. Segment Liabilities</b>                                     |               |            |            |                 |            |            |
| a) Iron Ore   | 1,354.72      | 1,481.21   | 1,655.13   | 1,354.72        | 1,655.13   | 1,422.41   |
| b) Other Minerals & Services                                      | 37.04         | 33.02      | 46.56      | 37.04           | 46.56      | 40.89      |
| c) Unallocated  | 1,423.13      | 1,412.16   | 1,333.70   | 1,423.13        | 1,333.70   | 2,370.04   |
| Total   | 2,814.89      | 2,926.39   | 3,035.39   | 2,814.89        | 3,035.39   | 3,833.34   |
| <b>5. Capital Employed</b>  |               |            |            |                 |            |            |
| (Segment assets-Segment Liabilities)                              |               |            |            |                 |            |            |
| a) Iron Ore   | 4,257.07      | 4,009.82   | 2,624.99   | 4,257.07        | 2,624.99   | 3,473.38   |
| b) Other Minerals & Services                                      | 585.88        | 597.21     | 610.35     | 585.88          | 610.35     | 610.49     |
| c) Unallocated  | 22,530.25     | 22,097.46  | 22,439.11  | 22,530.25       | 22,439.11  | 21,391.29  |
| Total   | 27,373.20     | 26,704.49  | 25,674.45  | 27,373.20       | 25,674.45  | 25,475.16  |

Cont...3





STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS AT 30TH SEP, 2019

INR in crore

| Sl.No. | Particulars   | As at current period end 30th Sep 2019<br>(Un-audited) | As at previous period end 30th Sep 2018<br>(Un-audited) | As at 31st March 2019<br>(Audited) |
|--------|---|--|---|------------------------------------|
| (A)    | <b>ASSETS</b>   |  |   |                                    |
|        | 1) Non-current assets   |  |   |                                    |
|        | a) Property, Plant and equipment  | 3,205.34   | 3,113.59  | 3,198.51                           |
|        | b) Capital work-in-progress   | 14,403.79  | 12,905.44   | 13,818.90                          |
|        | c) Right-of-Use Assets  | 7.42   | -   | -                                  |
|        | d) Goodwill   | 93.89  | 93.89   | 93.89                              |
|        | e) Intangible assets  | 160.11   | 187.67  | 220.01                             |
|        | f) Financial assets   |  |   |                                    |
|        | i) Investments  | 866.18   | 842.06  | 858.87                             |
|        | ii) Loans   | 154.97   | 154.60  | 154.71                             |
|        | g) Deferred tax assets (net)  | 571.21   | 407.57  | 582.73                             |
|        | h) Other non-current assets   | 3,055.33   | 2,796.84  | 2,986.32                           |
|        | <b>Total Non-current assets</b>   | <b>22,518.24</b>                                       | <b>20,501.66</b>  | <b>21,913.94</b>                   |
|        | 2) Current assets   |  |   |                                    |
|        | a) Inventories  | 633.03   | 516.89  | 666.17                             |
|        | b) Financial assets   |  |   |                                    |
|        | i) Investment   | 412.46   | 168.41  | 1,424.51                           |
|        | ii) Trade receivables   | 2,305.75   | 1,154.80  | 45.67                              |
|        | iii) Cash and cash equivalents  | 56.53  | 305.51  | 4,573.72                           |
|        | iv) Bank balances other than (ii) above   | 3,871.88   | 4,973.59  | 398.44                             |
|        | v) Other Financial Assets   | 432.24   | 426.25  | 451.20                             |
|        | c) Current Tax assets (Net)   | 207.44   | 643.85  | 417.07                             |
|        | d) Other current assets   | 321.22   | 426.03  | 0.51                               |
|        | e) Assets Held for disposal   | 0.51   | 0.41  |                                    |
|        | <b>Total Current assets</b>   | <b>8,241.06</b>  | <b>8,615.74</b>   | <b>7,977.29</b>                    |
|        | <b>TOTAL ASSETS</b>   | <b>30,759.30</b>                                       | <b>29,117.40</b>  | <b>29,891.23</b>                   |
| (B)    | <b>EQUITY AND LIABILITIES</b>   |  |   |                                    |
|        | 1) Equity   |  |   |                                    |
|        | a) Equity Share Capital   | 306.19   | 316.39  | 306.19                             |
|        | b) Other Equity   | 27,625.10  | 25,751.26   | 25,737.81                          |
|        | c) Non-Controlling Interest   | 13.12  | 14.36   | 13.89                              |
|        | <b>Total Equity</b>   | <b>27,944.41</b>                                       | <b>26,082.01</b>  | <b>26,057.89</b>                   |
|        | 2) Liabilities  |  |   |                                    |
|        | i) Non-current Liabilities  |  |   |                                    |
|        | a) Financial liabilities  | 6.42   | -   | 768.52                             |
|        | b) Provisions   | 790.48   | 733.99  | 768.52                             |
|        | <b>Total Non-current liabilities</b>  | <b>796.90</b>  | <b>733.99</b>   | <b>768.52</b>                      |
|        | ii) Current Liabilities   |  |   |                                    |
|        | a) Financial Liabilities  |  |   | 364.15                             |
|        | i) Borrowings   | -  | -   |                                    |
|        | ii) Trade Payables  |  |   |                                    |
|        | a) Total Outstanding dues of Micro Enterprises and Small Enterprises                      | 7.39   | 3.47  | 10.19                              |
|        | b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 206.60   | 167.92  | 192.60                             |
|        | iii) Other financial liabilities  | 1,040.70   | 1,110.95  | 1,668.07                           |
|        | b) Other current liabilities  | 726.18   | 1,003.03  | 788.36                             |
|        | c) Provisions   | 37.12  | 16.03   | 41.45                              |
|        | <b>Total Current liabilities</b>  | <b>2,017.99</b>  | <b>2,301.40</b>   | <b>3,064.82</b>                    |
|        | <b>Total Liability</b>  | <b>2,814.89</b>  | <b>3,035.39</b>   | <b>3,833.34</b>                    |
|        | <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>30,759.30</b>                                       | <b>29,117.40</b>  | <b>29,891.23</b>                   |



Unaudited Consolidated Cash Flow Statement for the half year ended 30th September 2019

INR in Crore

| Particulars  | Half Year Ended 30th<br>September 2019 | Half Year Ended 30th<br>September 2018 |
|--|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |  |  |
| Profit/(Loss) before income tax from   |  |  |
| Continued Operations   | 2,990.61                               | 2,787.64                               |
| Discontinued Operations  | (0.39)                                 | (0.28)                                 |
| <b>Profit before income tax including discontinued operations</b>  | <b>2,990.22</b>                        | <b>2,787.36</b>                        |
| Adjustments for non cash/non operational expenses:   |  |  |
| Depreciation & Amortisation expense  | 162.56                                 | 129.12                                 |
| Loss on disposal of property, plant & equipment  | 0.53                                   | 0.20                                   |
| Expenditure on enabling facilities   | 75.48                                  | 77.45                                  |
| Provision for bad & doubtful advances  | 112.06                                 | 103.22                                 |
| Interest Income  | (203.08)                               | (225.29)                               |
| Finance Costs  | 21.45                                  | 20.46                                  |
| <b>Operating Profits before working capital changes</b>  | <b>3,159.22</b>                        | <b>2,892.52</b>                        |
| Adjustments for working capital changes:   |  |  |
| (Increase)/Decrease in Short Term Investment   | (412.46)                               | (168.41)                               |
| (Increase)/Decrease in Trade Receivables   | (993.30)                               | 214.72                                 |
| (Increase)/Decrease in Inventories   | 33.14                                  | 54.80                                  |
| (Increase)/Decrease in Other Receivables   | 89.83                                  | (254.18)                               |
| Increase/(Decrease) in Trade payables  | 11.20                                  | 11.75                                  |
| Increase/(Decrease) in Other Payable   | (517.76)                               | (390.70)                               |
| <b>Cash generated from operations</b>  | <b>1,369.87</b>                        | <b>2,360.50</b>                        |
| Income Taxes paid  | (855.86)                               | (1,254.33)                             |
| <b>Net Cash Flow from operating activities</b>   | <b>514.01</b>                          | <b>1,106.17</b>                        |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |  |  |
| Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds) | (911.58)                               | (784.57)                               |
| Purchase of investments ( in Subsidiaries)   | (1.12)                                 | (152.99)                               |
| Interest received  | 92.92                                  | 169.29                                 |
| Purchase of Investment (Term Deposits with more than three months)   | 233.63                                 | 60.74                                  |
| <b>Net Cash Flow from investing activities</b>   | <b>(586.15)</b>                        | <b>(707.53)</b>                        |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |  |  |
| (Repayment)/Proceeds from borrowings- Current  | (364.15)                               | (500.09)                               |
| Deposits paid towards LCs and BGs (towards non fund based facilities)  | 0.05                                   | 19.01                                  |
| Interest paid  | (21.45)                                | (20.46)                                |
| Dividends paid (including Divident Distribution tax )  | 468.55                                 | 374.02                                 |
| <b>Net Cash Flow from financing activities</b>   | <b>83.00</b>                           | <b>(127.52)</b>                        |
| <b>Net increase (decrease) in Cash and Cash Equivalent</b>   | <b>10.86</b>                           | <b>271.12</b>                          |
| Opening Balance of Cash & Cash equivalents   | 45.67                                  | 34.39                                  |
| <b>Closing Balance of Cash &amp; Cash equivalents</b>  | <b>56.53</b>                           | <b>305.51</b>                          |

Cont...5





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 11<sup>th</sup> November 2019.
2. Pursuant to the requirements of SEBI (LODR) Regulations, 2015 (as amended), the company has published Consolidated Results for quarter ended 30<sup>th</sup> September 2019 along with the preceding quarter ended 30<sup>th</sup> June 2019 and corresponding quarter ended 30<sup>th</sup> September 2018. 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 unaudited financial results have been reviewed by the Statutory Auditors as required under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. The 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. An amount of Rs. 112.06 crore is provided towards Expected Credit Loss (ECL) during current quarter included in other expenses.
6. The Company has been legally advised that there is no impact of the Hon'ble Supreme Court of India Judgement with reference to the Writ Petition (Civil) No. 114 of 2014 dated 02nd August, 2017 on NMDC. However, in case it is found applicable to NMDC at a later date, it may impact the profits of the Company.

Subsequently, the Bailadila Projects of NMDC have 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 above judgement. The Company has contested the Show Cause Notices with Dist. Collector, South Bastar Dantewada.

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

7. 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 the order setting aside the condition imposed for levying 80% premium. On the basis of the judgement, NMDC has requested the State Govt. to consider the execution of Lease Deed of Donimalai Mine.





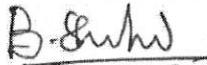
The Government of Karnataka issued an Order dated 17.08.2019 withdrawing the approval for extension of the Donimalai mining lease and with a direction to the Director of DMG to auction the said block. In this regard, the Company on 19.8.2019 filed 'Revision application' before The Hon'ble Mines Tribunal, Government of India. Meanwhile, the State Government issued a notification dated 20.08.2019 inviting tender for auction of the Donimalai Mining block.

On 21.08.2019 Hon'ble Mines Tribunal heard the submissions and stayed the Order dated 17.08.2019 issued by 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"

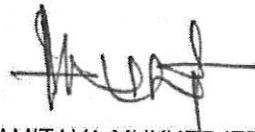
8. The company has adopted Ind AS 116 "Leases" Effective from 1<sup>st</sup> April 2019 and applied the Standard to its leases using the modified retrospective approach and comparative information is not restated. This has resulted in recognising a Right-of-Use Assets and a corresponding Lease Liability of Rs.8.20 crore as at 1<sup>st</sup> April 2019. The impact on the profit for the quarter is not material.
9. 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 Srinivasa Rao)  
Partner  
Membership No: 202352



For NMDC Limited,

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

Place : New Delhi  
Date : 11<sup>th</sup> November 2019

Our website : [www.nmdc.co.in](http://www.nmdc.co.in)

Independent Auditor's Review Report on Consolidated Unaudited Financial Results of NMDC LIMITED for the quarter and half year ended on September 30, 2019 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors  
NMDC LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of NMDC LIMITED ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its associates and joint ventures for the quarter and half year ended September 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with Circular No. CIR/CFD/CMD1144/2019 dated March 29, 2019. Attention is drawn to the fact that the consolidated figures for the corresponding quarter and half year ended September 30, 2018, as reported in the Statement, have been approved by the Parent's Board of Directors, but have not been subjected to review. The consolidated figures in the Statement of Cash flows for the corresponding half year ended September 30, 2018, as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected to review by us since the requirement of submission of Statement of Cash flows has become mandatory from April 1, 2019.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended read with the relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



B.O.: Flat No. FF-3, H.No. 40-6-2, Goteti Apartment, Kandari Hotel Street, Krishna Nagar, Vijayawada - 520 010.

B.O.: H.No. 10-1-86, Mehar Nagar, Old Gajuwaka, Visakhapatnam - 530 026.

B.O.: No. 4, Poes Road, 4th Street, Teynampet, Chennai - 600018.

B.O.: Flat No. 3C, Jeevan Residency, Behind Kalanjali, Renigunta Road, Tirupati - 517 501.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:  
Subsidiaries:

| Sl.No | Name of the Entities   |
|-------|--|
| 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 SARL, Madagaskar (under Closer), Africa   |
| 8.    | NMDC CSR Foundation, India (NCF) (Not-for-profit company, incorporated under section-8 of companies Act, 2013) - Not considered for consolidation. |

Joint Ventures:

| Sl.No | Name of the Entities  |
|-------|---|
| 1.    | NMDC-CMDC Limited, India  |
| 2.    | Jharkhand National Mineral Development Corporation Limited, India |
| 3.    | Kopano- NMDC Minerals (Proprietary) Limited, South Africa         |
| 4.    | NMDC SAIL Limited, India  |
| 5.    | Bastar Railway Pvt. Limited, India                                |

Associates

| Sl.No | Name of the Entities                                |
|-------|---|
| 1.    | International Coal Venture Limited, India           |
| 2.    | Nilachal Ispat Nigam Limited, India                 |
| 3.    | Krishnapatnam Railway Company Limited, India        |
| 4.    | Chhattisgarh Mega Steel Limited, India              |
| 5.    | Romelt-Sail (India) Limited - Under closure, Africa |

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

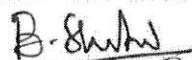


6. We did not review the interim financial statements /financial information/ financial results of six (6) branches included in the standalone unaudited interim financial statements/ financial information/ financial results of the entities included in the Group, whose results reflect total revenues of Rs. 5,501.33 crores, total net profit / (loss) after tax of Rs. 2,812.30 crores and total comprehensive income of Rs. 2,812.30 crores for the period ended September 30, 2019, as considered in the standalone unaudited interim financial statements/ financial information/ financial results of the entities included in the Group. The interim financial statements/ financial information / financial results of these branches have been reviewed by the branch auditors and other auditors whose reports have been furnished to us or other auditors, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches and joint operations, is based solely on the report of such branch auditors and other auditors and the procedures performed by us as stated in paragraph 3 above.

The consolidated unaudited financial results includes the interim financial statements/ financial information/ financial results of seven (7) subsidiaries which have not been reviewed/audited by their auditors, whose interim financial statements/ financial information/ financial results reflect total revenue of Rs. 0.00 crores, total net (loss) after tax of Rs (3.00) crores and total comprehensive loss of Rs. (3.00) crores for the period ended September 30,2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net (loss) after tax of Rs (16.56) crores and and total comprehensive loss of Rs 7.31 crores for the period ended September 30,2019, as considered in the consolidated unaudited financial results, in respect of five (5) associates and five (5) joint ventures, based on their interim financial statements/ financial information/ financial results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the Management, these interim financial statements / financial information / financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For Sagar and Associates  
Chartered Accountants  
FRN: 003510S



B Srinivasa Rao  
Partner

M.No. 202352

UDIN: 19202352 A A A A F G 6342

Place: New Delhi

Date: 11<sup>th</sup> November, 2019

