

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 : L13100TG1958 GOI 001674

No. 18(1)/2020- Sectt

15th September 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: Intimation of appointment of Auditors under Section 139 of the Companies Act, 2013 for the financial year 2020-21 by the Comptroller and Auditor General of India

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

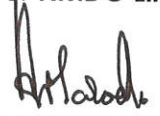
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that the Comptroller and Auditor General of India (C&AG) vide their letter No./CA. V/COY/CENTRAL GOVERNMENT, NMDC(4)/84 dated 10.08.2020 appointed M/s Sagar & Associates, Hyderabad as Statutory Auditors of the Company for the financial year 2020-21. M/s Sagar & Associates vide their letter dated 3rd September 2020 has conveyed their acceptance to the said appointment.

Further, the Comptroller and Auditor General of India (C&AG) vide their above stated letter also appointed M/s Neeraj Prakash & Associates, Allahabad, M/s Agasti & Associates, Durg, M/s Yoganandh & Ram LLP, Bengaluru as Branch Auditors of the Company for the financial year 2020-21.

A copy of the C&AG letter containing the conditions of appointment, acceptance letter issued by M/s Sagar & Associates and their brief profile are enclosed.

This is for your information and records.

Thanking you
Yours faithfully,
For **NMDC Limited**


A S Pardha Saradhi
Company Secretary

Encl: A/a



OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
10, BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110 124

No./CA. V/ COY/CENTRAL GOVERNMENT,NMDC(4)/84

Dated :10/08/2020

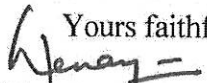
To
THE MANAGING DIRECTOR
N M D C LIMITED
KHANIJ BHAWAN, 10-3-311/A,
CASTLE HILLS, MAZAB TANK,
HYDERABAD-500028

Subject : Appointment of Auditors under section 139 of the Companies Act, 2013 for the financial year 2020-2021

Sir/Madam,

I am directed to state that in exercise of the powers conferred by section 139 of the Companies Act 2013, the Comptroller and Auditor General of India is pleased to appoint the Chartered Accountant firms/Limited Liability Partnerships As per Annexure - II as the Statutory/Joint Statutory/ Branch Auditors of the company for the year (s) : 2020-2021. Statutory/Joint Statutory Auditor (s) of holding company shall also be the auditors of Consolidated Financial Statements under section 139 read with section 129(4) of the Companies Act, 2013.

2. You are requested to contact the concerned auditors individually under intimation to this office
3. The supplementary/test audit under sections 143 (6) & (7) of the Companies Act, 2013 of your company is entrusted to
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AGs OFFICE COMPLEX
SAIFABAD
HYDERABAD-500004
- 4 . The remuneration and other allowances payable to the auditors may be regulated as per the provisions of section 142 of the Companies Act 2013 read with guidelines issued by the Department of Company Affairs vide no. 7/76 dated 8th April, 1976 and no. 8/6/83 dated 07th June, 1984.
5. The audit fees paid/payable to the auditors as intimated by the Company has been indicated in Annexure-II. Any revision in the audit fees payable (including fees for consolidation) for the year 2020-2021 and item-wise details of all remuneration paid to the auditors for other services (other than statutory audit) alongwith the amount of TA/DA paid for 2019-2020 may be intimated.
The said information may be provided as soon as the Accounts for the year 2019-2020 is finalised so as to enable this office to review the appointment/ re-appointment of the appointed auditors.
6. The above appointment is subject to the other conditions stipulated in Annexure-I(available on the CAG's website <http://care.cag.gov.in/policy/terms.pdf>).

Yours faithfully,

(Preethy Narayanan)
Sr. Administrative Officer

Phone : 011-23509240 Fax : 91-11-23237730, 91-11-23509241 E-mail : saoca5@cag.gov.in,
sao2ca5@cag.gov.in

OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
10, BAHADUR SHAH ZAFAR MARG, NEW DELHI-110 002

Appointment of auditors of Government Company/Government controlled other company under Section 139 (5 & 7) of the Companies Act, 2013.

I CONDITIONS FOR THE COMPANY

1. The Company may send a list of Directors and the previous Auditors of the Company giving their names and addresses to the newly appointed Auditors immediately on receipt of this letter.
2. While the auditor is responsible for forming and expressing an independent opinion on the financial statements, the responsibility for their preparation is that of the management of the enterprise. The audit of the financial statements does not relieve the management of its responsibilities relating to the maintenance of adequate accounting records, internal controls and safeguarding of the assets of the enterprise. As provided in Section 134 of the Act, the Company should submit to the auditors the Financial Statements/Consolidated Financial Statements duly approved by the Board of Directors for their report thereon.
3. According to Section 143 (1) of the Act, the books of accounts and vouchers may be made available to the Auditors. A suitable program of audit in consultation with the statutory auditors and the concerned MAB/AG be drawn up so as to complete the audit within the prescribed time schedule. Details of transactions or explanation called for by the Statutory Auditors must be furnished expeditiously.
- 4 (i). The remuneration payable to the Auditors fixed by the Company in accordance with section 142 of the Companies Act, 2013 may be intimated immediately to this office and to the auditors.
(ii) While fixing the auditor's remuneration, due consideration might be given to the volume of work involved, amount of time normally spent by the partners/chartered accountant employees and the audit clerks of the firm/LLP.
(iii) While fixing audit fee due consideration might also be given to the notification No 1-CA (7)/93/2006 dated 18th September 2006 and any subsequent recommendations issued from time to time by the Institute of Chartered Accountants of India prescribing minimum audit fee. It has been clarified that city/town referred to in the Notification refers to city/town of the Head office or Branch office of the auditor to which the audit is actually allotted.
(iv) In cases where audits are allotted to the Branch office of the Firm/LLP no TA/DA should be paid for the audit of the Company/Units located at the same station of the branch.
5. In the interest of maintaining the independence of auditors, no assignment for consultancy, Directorship or other services including those specified in section 144 of the Companies Act, 2013 and Non-audit assignments that involve performing management functions or making management decisions will be provided to the firm/LLP or its Partners, directly or indirectly as per explanation given under section 144 of the Companies Act, 2013, of the Company or its holding company or partly owned subsidiaries of the Company (irrespective of the shareholding) or joint ventures of the company whether under production sharing contract or otherwise, during the year of audit and for one year (to be counted from the date of conclusion of the relevant Annual General Meeting of the Company) after the firm/LLP ceases to be auditor. The above restriction will also be applicable to audit of annual accounts of subsidiary companies /Joint Ventures/Associates except where auditors of such subsidiary companies /Joint Ventures/Associates are appointed by CAG. This condition would not apply in case of auditors being entrusted assignments for the tax audit under Income Tax Act, review of Quarterly/ half yearly

accounts as per SEBI guidelines, VAT audit required under various State Legislations and other statutory certificates related to the audit assignment

6(a) The Company should confirm past audit details including audit fees. The changes in details including the fees in the future may be intimated to this office from time to time. Any other remuneration like TA/DA, Certification fees, tax audit fees, quarterly/half yearly review fees, VAT audit etc. paid to the Statutory/Branch Auditors in addition to the audit fees in the last three years and in future may also be intimated. The remuneration for other work like review of quarterly accounts as per SEBI guidelines, fees for tax audit, other statutory certificates etc should be restricted to a reasonable the percentage of the total audit fee payable to the auditors and which in total should not exceed the fee payable for carrying out the statutory audit. The details of such remuneration may also be intimated to this office for record.

6(b) The Auditors have to comply with the directions issued by this office under Section 143 (5) of the Companies Act, 2013 and for this purpose the auditors have to attend meetings called by the concerned DG/PAG/MAB/AG. For attending such meetings, reasonable expenditure on TA/DA incurred by the auditors may be reimbursed by the company.

7. Proposals for re-organisation of units in the future may be sent to this Office well before the beginning of the financial year the accounts of which are to be audited.

8. The Company may also intimate to this office (i) the date of commencement of audit; and the date on which the comments of the C&AG of India along with the Auditors Report is placed in AGM as per the provisions of 143 (6) of the Companies Act, 2013.

9. To reduce the arrears, *in case of Companies whose accounts are in arrears*, and to avoid delays in appointing auditors for the past few accounting years in arrears, the Company may initiate action for appointment of auditors for the subsequent years soon after the completion of audit of the preceding years. A copy of such certified accounts may be made available direct to the Principal Director (Commercial) in this Office. If the process is repeated in succession, the Company can hold a series of meetings of the shareholders and present the accounts. It can thus clear the accounts for 3-4 years within a period of one year.

II. CONDITIONS FOR THE AUDITORS

1. The Firm/LLP may please intimate their acceptance as auditors of the Company within 3 weeks of receipt of this appointment letter (i) to the Company (ii) to this Office (iii) to the concerned DG/PAG/AG/MAB entrusted with the Supplementary Audit of the Company. If, for any reason the Auditors are not in a position to accept the appointment, they may intimate all the above-mentioned offices immediately along with the reasons for their decision.
2. The appointment / re-appointment of Firm/LLP is subject to its performance in the previous years' audit being adjudged as satisfactory by the DG/PAG/AG /MAB concerned.
3. The appointment/re-appointment of the auditors is subject to the Auditors making the following declarations/undertakings:
 - (i) That the firm/LLP is not disqualified under section 141 of the Companies Act, 2013
 - (ii) That no unreasonable TA/DA, out of pocket expenses will be claimed from the company. In case where audits are allotted to the Branch office of the Firm no TA/DA should be claimed by the firm from the company for the audit of the Company/Units located at the same station of the branch.
 - (iii) That during the year of audit, and for one year (to be counted from the date of conclusion of the relevant Annual General Meeting of the Company) after the Firm/LLP ceases to be Auditor, the Firm/LLP or its partner, cannot accept Directorship or any assignment for consultancy or other services including those specified in section 144 of the Companies act, 2013 and non-audit assignments that involve performing management functions or making management decisions, directly or indirectly (as per explanation given under section 144 of the Companies Act, 2013), of the company or its holding company / subsidiaries (irrespective of the shareholding) / joint ventures of the Company whether under production sharing contract or otherwise. The above restriction would also be applicable to audit of annual accounts of subsidiary companies /Joint Ventures/Associates except where auditors of such subsidiary companies /Joint Ventures/Associates are appointed by CAG. This condition would not apply to assignments for the tax audit under Income Tax Act, VAT audit required under various State Legislations, review of Quarterly/half yearly accounts as per SEBI guidelines and other statutory certificates related to the audit assignment
 - (iv) That no partner/chartered accountant employee of the firm /LLPs has been held guilty of professional misconduct by the Institute of Chartered Accountants of India during last year (in case any partner of the firm/LLP has been held guilty of professional misconduct by the Institute of Chartered Accountant of India, please furnish details thereof).
 - (v) The audit should not be conducted by a person (i) who is not a CA partner /CA employee/ CA article of the firm/LLP to which the audit has been allotted; (ii) who was earlier associated with the audit of the said PSU as a partner/employee of the retiring auditor.
 - (vi) No partner of the firm/LLP would hold post of Director (except in the case of financial companies) or undertake audit or any other job/assignment of any Private organization/ Company which is in the same line of business or having any business relation with that of the PSU.
- 4 The auditor may start the audit of the Company immediately on receipt of the accounts of the Company. However, they should certify the accounts for the year only after the audited accounts for the previous year has been laid before the AGM for their consideration. In case audited accounts of the previous years has been considered but finally not adopted by the shareholders, the auditor can certify the accounts of the succeeding year indicating the fact of the non-adoption of the previous years accounts in their report.

- 5 The time schedule for conducting the audit may be drawn up with scheduling of audit i.e indicating the period of audit of different departments/ units of the PSU and also the name of personnel & their qualification who will be deployed for audit of each unit. A copy of the time schedule so fixed may be sent to the concerned DG/PAG/AG/MAB so that they may also draw their time schedule for supplementary audit.
- 6 The Firm/LLP must complete the audit of the units/branches allotted to them within the time schedule stipulated by the management so that the statutory time schedule for placing the accounts in the AGM could be adhered to.
- 7 Record of audit work done in the form of working papers should be retained with sufficient information so as to support the auditors' significant conclusions and judgments.
- 8 The Auditors shall have to comply with the directions issued by this office under 143(5) of the Companies Act, 2013. The remuneration is inclusive of the fee on account of the additional work involved in this regard. Directions under section 143(5) is available at this office's official website i.e. [www. saiindia.gov.in](http://www.saiindia.gov.in) (CA Empanelment)
9. Statutory auditors of the companies who have adopted SAP should deploy at least one partner/employee having ISA/CISA qualification to conduct the audit. Auditors appointed for Listed PSU should have a valid peer review certificate issued by Peer Review Board of ICAI.
10. The Company/Auditors will have to comply with all the provisions of the Companies Act, 2013. as also all other applicable statutes including directions/guidelines issued by various Regulatory Bodies/ Authorities viz Securities & Exchange Board of India, Reserve Bank of India, Insurance Regulatory Development Authority etc.
11. In case of violation of any of the above conditions by the appointed auditor, this office reserves the right to withdraw the audit(s) allotted to the auditor at any point of time after following the due administrative process.

ANNEXURE - I I

LIST OF CHARTERED ACCOUNTANT FIRMS FOR THE YEAR 2020-2021

Sl. No.	Firm Name	PSU Code / Unit Code	Station	Audit Details	Fees in Rs (As intimated by the PSU)
STATUTORY AUDITOR					
1	SAGAR & ASSOCIATES (HY0209) H.NO: 6-3-244/5, SARADADEVI STREET, PREMNAGAR, HYDERABAD HYDERABAD - 500004,TELANGANA	NMDC ST AR (2)	HYDERABAD	CONSOLIDATED A/CS, STANDALONE A/CS, HO, R & D LABS HYDERABAD, SPONGE IRON UNIT, PALONCHA	1610000
BRANCH AUDITOR					
2	NEERAJ PRAKASH & ASSOCIATES (CR2902) 328/208, LUKERGANJ, PURSHOTTAM KUNJ, NEAR DR. BANERJEE, ALLAHABAD ALLAHABAD - 211001,UTTAR PRADESH	NMDC SILICA (1)	ALLAHABAD	DIAMOND MINING PROJECT, PANNA.	100000
3	AGASTI & ASSOCIATES (SPO046) 334/24 GURU NANAK NAGAR DURG DURG - 491001	NMDC I.O.P. (2)	BAILADILLA	BIOM, KIRANDUAL COMPLEX, BIOM BACHELI COMPLEX, NISP, JAGDALPUR, REGIONAL OFFICE- VIZAG	1346000
4	YOGANANDH & RAM LLP (MD0828) THIRD FLOOR, SRI NARASIMHA NILAYA, NO.263/1, SECOND CROSS, T.MARIAPPA ROAD, SECOND BLOCK JAYANAGAR, BENGALURU. Bangalore - 560011	NMDC donimal (2)	DONIMALAI	DONIMALAI IRON ORE PROJECT, INCLUDING KUMARASWAMY IRON ORE MINE	305000



LETTER OF ACCEPTANCE

September 03, 2020
Hyderabad

✓
The Managing Director,
NMDC Limited
Khanij Bhawan,
10-3-311/A, Castle Hills,
Masab Tank, Hyderabad - 500 028

Sir,

Sub:- Appointment of Auditors u/s 139 of the companies Act, 2013 for the
Financial Year 2020-21 - Reg.

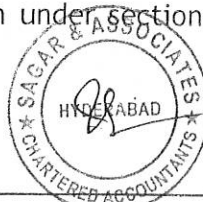
Ref:- No./CA.V/COY/CENTRAL GOVERNMENT, NMDC (4)/84, DATED 10/08/2020
received from O/O C&AG, New Delhi

* * * * *

With Reference to the letter no CA.V/COY/CENTRAL GOVERNMENT, NMDC (4)/84, dated 10/08/2020 received by us on 03.09.2020 from the Office of the Comptroller and Auditor General of India, 10, Bahadur Shah Zafar Marg, New Delhi - 110 124 communicating our appointment as statutory Auditors of M/s NMDC Limited u/s 139 of the companies Act, 2013 for the Financial Year 2020-21. We hereby convey our acceptance for the said assignment.

Further we hereby declare/undertake as follows:-

1. That the firm is not disqualified under section 141 of the companies Act, 2013
2. That no unreasonable TA/DA, out of pocket expenses will be claimed from the Company. In cases where audits are allotted to the branch office of the firm no TA/DA should be claimed by the firm from the company for the audit of the company/Units located at the same station of the branch
3. That during the year of audit, and for one year (to be counted from the date of conclusion of the relevant Annual General Meeting of the Company) after the firm ceases to be Auditor, the firm cannot accept any assignment for consultancy or other services including those specified in section 144 of the Companies Act, 2013 and non-audit assignments that involve performing management function or making management decisions, directly or indirectly (as per explanation given under section 144 of the Companies Act, 2013) of



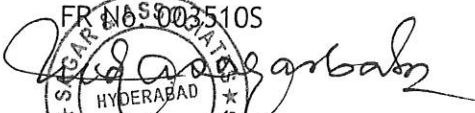

the company or its holding company/subsidiaries (irrespective of the shareholding)/Joint ventures of the Company whether under production sharing contract or otherwise. The above restriction would also be applicable to audit of annual accounts of subsidiary companies/Joint Ventures/Associates except where auditors of such subsidiary companies/Joint Ventures/Associates are appointed by CAG. This condition would not apply to assignments for the tax audit under Income Tax Act, VAT audit required under various state legislations, review of Quarterly/Half yearly accounts as per SEBI guidelines and other statutory certificates related to the audit assignment.

4. That no partner/chartered accountant employee of the firm of auditors has been held guilty of professional misconduct by the Institute of Chartered Accountants of India during last year.
5. The audit would not be done by a person (i) who is neither a partner nor an employee of the CA firm to which the audit has been allotted; (ii) who was earlier associated with the audit of the said PSU as a partner/employee of the retiring auditor.
6. No partner of our firm would hold post of Director (except in the case of financial companies) or undertake audit or any other job/assignment of any Private organization/Company which is in the same line of business or having any business relation with the PSU.

Yours Sincerely,

For Sagar and Associates,
Chartered Accountants

FR No. 0035105



Vidyasagar Babu
Partner

M. No. 027357

CC to: -

The Senior Administrative Officer,
Office of the Comptroller and Auditor General of India,
10, Bahadur Shah zafar Marg.
New Delhi - 110 124

Principal Director General of Commercial Audit
AGs Office Complex
Saifabad, Hyderabad - 500 004



September 08, 2020

To
The Managing Director,
NMDC Limited
Khanij Bhawan,
10-3-311/A, Castle Hills,
Masab Tank, Hyderabad - 500 028

Sir,

Sub :- Submission of Firm Brief Profile - Reg

* * * * *

We M/s Sagar and Associates, Chartered Accountants firm practicing under the chartered Accountant regulations with offices at Hyderabad, Vijayawada, Tirupati, Visakhapatnam & Chennai with 12 partners (All are FCA's) and three of our partners Qualified in DISA and hereby submit enclosed Brief profile of our Firm for your kind perusal

Thanking you

For Sagar and Associates
Chartered Accountants
FR No. 003510S



(D Mandhar)
Partner

SAGAR AND ASSOCIATES CHARTERED ACCOUNTANTS

WHO WE ARE

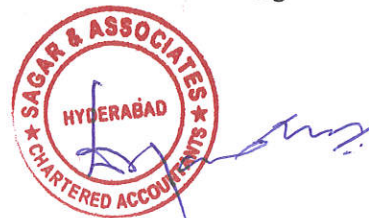
We, SAGAR AND ASSOCIATES is an established firm of chartered Accountants headquartered in Hyderabad with its branches at Vijayawada, Tirupati, Visakhapatnam & Chennai.

The firm comprises of twelve partner Chartered Accountants with rich and varied experience and brilliant track records in the field of Accounting, Auditing, Taxation and other specializations like IS audits, Project evaluations and Valuations for M& A.

The firm has been excelling in the field of Audit and Assurances services in respect of Limited Companies, Banks, PSUs, Statutory bodies and other State and Central Government Departments. They also excel in Taxation matters, Industrial and Project financing, Critical Reviews and Special Audits of Investigative or forensic nature etc and renders quality services to the best satisfaction of the Auditees, Employers and Stakeholders.

OUR DETAILS

Name of the Firm	:	Sagar & Associates Chartered Accountants
Constitution of the Firm	:	Partnership
Firm Registration No with ICAI	:	003510S
Establishment Date	:	28.04.1989
Number of Partners	:	12 Chartered Accountants (11 FCAs and 1 ACA) Three Partners Qualified in DISA
Address of the Head Office	:	H. No. 6-3-244/5, Sarada Devi Street, Prem Nagar, Hyderabad - 500 004
Contact Number	:	040-23395588, 23303371
Mob	:	9848199705
Email ID	:	sagarandassociates@yahoo.co.in sagarandassociates.ca@gmail.com



OUR LOCATIONS

We have branches at Vijayawada, Tirupati, Chennai, & Vishakhapatnam

STAFF STRENGTH Other than partners

A. Chartered Accountants	:	04
B. Article Assistants	:	58 (includes semi-qualified 32)
C. Other staff	:	31 (includes semi-qualified 12 & 2 Ex Bankers)

We are Empaneled

- A. **Comptroller & Audit General of India** - For Statutory Audit of Public Sector under takings (PSU)
Empanelment Reference No : HY0209
- B. **Reserve Bank of India** - For Statutory Audit of Public Sector Banks
Unique Code No. 016105 (Category - I)
- C. **Indian Banks Association** - Forensic audit on behalf of the Banks.

Experience In Audit of Listed Entities

LISTED Companies	BANKS:
1. NMDC Limited (From 2019 onwards)	1. Andhra Bank (2015-16 to 2017-18)
2. Binny Limited (From 2016-17 onwards)	2. Central bank of India (From 2009-10 to 2011-12)
3. NTPC Limited (From 2015-16 to 2018-19)	3. Dhanalakshmi Bank (From 2012-13 to 2014-15)
4. Power Grid Corporation of India Ltd (From 2011-12 to 2014-15)	4. Lakshmi Vilas Bank (From 2010-11 to 2013-14)

