

एन एम डी सी



NMDC

# एन एम डी सी लिमिटेड NMDC Limited

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

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

No. 18(1)/2020- Sectt

6<sup>th</sup> February 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: Outcome of Board Meeting, Unaudited Financial Results and Limited Review Report for the quarter and nine months ended 31<sup>st</sup> December 2019**

**Ref: Regulation 30 and 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 their meeting held on Thursday the 6<sup>th</sup> February 2020, inter-alia, have:

1. Considered, approved and taken on record the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and nine months ended 31<sup>st</sup> December 2019 along with segment information.
2. Declared interim dividend at the rate of Rs. 5.29 ps. (Rupees Five and Twenty Nine paise Only) per equity share of face value of Re. 1/- each for the financial year 2019-2020.

In terms of the above at point no.1, the following are 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 quarter and nine months ended 31<sup>st</sup> December 2019 along with segment information.
2. Limited Review Reports of the Statutory Auditors on the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and nine months ended 31<sup>st</sup> December 2019.

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

This is for your information and records.

Thanking you

Yours faithfully,  
For NMDC Limited

  
A S Pardha Saradhi  
Company Secretary

Encl: As above







Segment wise Standalone Revenue, Results and Capital Employed for the Quarter and Nine Months ended 31st December, 2019

INR in crore

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-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	2,991.64	2,198.42	3,618.06	8,402.20	8,412.93	12,001.81
b) Pellet ,Other Minerals & Services	14.74	43.34	31.38	109.57	96.42	154.69
<b>Total</b>	<b>3,006.38</b>	<b>2,241.76</b>	<b>3,649.44</b>	<b>8,511.77</b>	<b>8,509.35</b>	<b>12,156.50</b>
Less: Inter segment revenue	-	-	-	(0.11)	-	3.83
<b>Sales / Income from Operations</b>	<b>3,006.38</b>	<b>2,241.76</b>	<b>3,649.44</b>	<b>8,511.88</b>	<b>8,509.35</b>	<b>12,152.67</b>
<b>2. Segment Results</b>						
(profit (+) / loss (-) before tax and interest from each segment)						
a) Iron Ore	1,594.01	1,035.68	2,207.85	4,535.32	4,975.05	7,156.93
b) Pellet, Other Minerals & Services	28.59	8.89	(77.80)	9.65	(96.02)	(129.60)
<b>Total</b>	<b>1,622.60</b>	<b>1,044.57</b>	<b>2,130.05</b>	<b>4,544.97</b>	<b>4,879.03</b>	<b>7,027.33</b>
Less: Finance Cost	9.76	9.72	9.62	31.21	30.08	40.32
Add : Other unallocable income net off unallocable expenditure	34.19	45.43	90.94	126.49	151.98	211.41
<b>Total Profit Before Tax (incl discontinued operations)</b>	<b>1,647.03</b>	<b>1,080.28</b>	<b>2,211.37</b>	<b>4,640.25</b>	<b>5,000.93</b>	<b>7,198.42</b>
<b>3. Segment Assets</b>						
a) Iron Ore	6,291.85	5,623.96	5,558.58	6,291.85	5,558.58	4,904.88
b) Pellet ,Other Minerals & Services	626.13	632.29	657.15	626.13	657.15	663.88
c) Unallocated	24,771.87	23,815.45	23,977.06	24,771.87	23,977.06	23,630.49
<b>Total</b>	<b>31,689.85</b>	<b>30,071.70</b>	<b>30,192.79</b>	<b>31,689.85</b>	<b>30,192.79</b>	<b>29,199.25</b>
<b>4. Segment Liabilities</b>						
a) Iron Ore	1,427.46	1,353.44	1,802.29	1,427.46	1,802.29	1,421.66
b) Pellet, Other Minerals & Services	30.26	31.38	41.24	30.26	41.24	38.77
c) Unallocated	1,440.93	1,423.12	1,366.26	1,440.93	1,366.26	2,370.02
<b>Total</b>	<b>2,898.65</b>	<b>2,807.94</b>	<b>3,209.79</b>	<b>2,898.65</b>	<b>3,209.79</b>	<b>3,830.45</b>
<b>5. Capital Employed</b>						
(Segment Assets-Segment Liabilities)						
a) Iron Ore	4,864.39	4,270.52	3,756.29	4,864.39	3,756.29	3,483.22
b) Pellet, Other Minerals & Services	595.87	600.91	615.91	595.87	615.91	625.11
c) Unallocated	23,330.94	22,392.33	22,610.80	23,330.94	22,610.80	21,260.47
<b>Total</b>	<b>28,791.20</b>	<b>27,263.76</b>	<b>26,983.00</b>	<b>28,791.20</b>	<b>26,983.00</b>	<b>25,368.80</b>





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 6<sup>th</sup> February 2020.
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. 154.00 crore is provided towards Expected Credit Loss (ECL) during the nine months period and included in other expenses.
4. The Company had received Show Cause Notices dated 31.07.2018 from Dist. Collector, South Bastar Dantewada as to why NMDC should not be asked to deposit an amount of Rs.7,241.35 crore as compensation as calculated by Collector based on the Hon'ble Supreme Court Common Cause Judgement related to Orissa Iron ore mines ( Writ Petition Civil No 114 of 2014 dated 2<sup>nd</sup> August 2017). The Company had been contesting the Show Cause Notices with Dist. Collector, South Bastar Dantewada on the ground that the said Honb'le Supreme Court judgement is not applicable to NMDC.

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

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

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 an 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 the Government of Karnataka withdrawing the extension of lease and any consequent action thereon until the next date of hearing. The matter is pending with Hon'ble Mines Tribunal.

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

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

6. The company has adopted Ind AS 116 "Leases" Effective from 1st April 2019 and applied the Standard to its leases using the modified retrospective approach and comparative information is not restated. This has resulted in recognising a Right-of-Use Assets and a corresponding Lease Liability of Rs.8.20 crore as at 1st April 2019. The impact on the profit for the period is not material.
7. The company elected to opt for the reduced tax rate @ 25.17% (i.e. 22%+10% Surcharge+4% HEC) under section 115BAA of Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly the company has recognised provision for Income Tax and re-measured Deferred Tax Assets. The impact of this change has been recognised in the statement of Profit & Loss for the quarter ended 31<sup>st</sup> December 2019.
8. The Board of Directors has approved the first Interim Dividend of Rs. 5.29 per equity share of Re 1/-, for the financial year 2019-20.
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

UDIN-20202952AAAA0J5510



For NMDC Limited,



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

Place : Hyderabad

Date : 6<sup>th</sup> February 2020



**Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results of NMDC LIMITED for the quarter and nine months ended 31<sup>st</sup> December, 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 nine months ended 31<sup>st</sup> December, 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.

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.

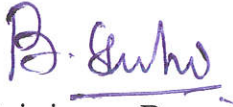
We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform 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.





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: 20202352AAABI5510



Place: Hyderabad

Date: 6<sup>th</sup> February, 2020



CIN: L13100TG1958 GOI 001674

Statement of Un-Audited Consolidated Financial Results for the Quarter and Nine months ended  
31st December 2019

INR in crore

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
I. Revenue from operations	3,006.38	2,241.76	3,649.44	8,511.88	8,509.35	12,152.67
II. Other Income	130.21	127.63	136.29	380.75	392.76	588.96
<b>III. Total income (I+II)</b>	<b>3,136.59</b>	<b>2,369.39</b>	<b>3,785.73</b>	<b>8,892.63</b>	<b>8,902.11</b>	<b>12,741.63</b>
<b>IV. Expenses</b>						
(a) Consumption of raw materials	5.88	17.65	17.37	31.48	35.93	52.00
(b) Consumption of stores & spares	67.03	52.09	67.93	169.73	171.73	264.97
(c) Changes in inventories of finished goods and work-in-progress	(50.77)	49.96	(116.58)	(12.88)	(53.46)	(79.22)
(d) Employee benefit expense	259.32	245.73	248.86	758.80	756.50	1,039.40
(e) Royalty and other levies	579.62	350.84	720.15	1,512.21	1,501.80	2,003.78
(f) Selling exps incl. freight	194.19	114.96	169.66	499.25	235.31	368.18
(g) Depreciation and amortisation	64.69	97.68	69.40	227.25	198.52	279.04
(h) Finance cost	9.76	9.72	9.62	31.21	30.08	40.32
(i) Other expenses	361.00	352.04	388.73	1,039.10	1,027.47	1,579.14
<b>Total expenses</b>	<b>1,490.72</b>	<b>1,290.67</b>	<b>1,575.14</b>	<b>4,256.15</b>	<b>3,903.88</b>	<b>5,547.61</b>
V. Profit from ordinary activities before exceptional items and Tax (III-IV)	1,645.87	1,078.72	2,210.59	4,636.48	4,998.23	7,194.02
VI. Exceptional items - Expenses/(Income)	-	-	-	-	-	-
<b>VII. Profit before tax (V-VI)</b>	<b>1,645.87</b>	<b>1,078.72</b>	<b>2,210.59</b>	<b>4,636.48</b>	<b>4,998.23</b>	<b>7,194.02</b>
VIII. Tax expense						
a) Current Tax	120.26	409.97	822.34	1,219.54	2,022.22	2,752.70
b) Earlier Year Tax (Net)	-	-	-	-	-	0.85
c) Deferred Tax	150.43	(32.90)	(187.64)	161.96	(209.50)	(197.02)
<b>Total tax expense</b>	<b>270.69</b>	<b>377.07</b>	<b>634.70</b>	<b>1,381.50</b>	<b>1,812.72</b>	<b>2,556.53</b>
<b>IX. Profit for the period from continuing operations (VII-VIII)</b>	<b>1,375.18</b>	<b>701.65</b>	<b>1,575.89</b>	<b>3,254.98</b>	<b>3,185.51</b>	<b>4,637.49</b>
X. Loss from discontinued operations	(0.23)	(0.17)	(0.10)	(0.62)	(0.38)	(0.64)
XI. Tax Expenses of discontinued operations	(0.02)	(0.06)	(0.03)	(0.16)	(0.13)	(0.22)
XII. Loss from Discontinued operations (after tax)	(0.21)	(0.11)	(0.07)	(0.46)	(0.25)	(0.42)
<b>XIII. Profit for the period (IX+XII) :</b>	<b>1,374.97</b>	<b>701.54</b>	<b>1,575.82</b>	<b>3,254.52</b>	<b>3,185.26</b>	<b>4,637.07</b>
XIV Share of Loss of Associates/JVs	19.18	(9.91)	(6.23)	2.62	(15.90)	(19.12)
XV Non-Controlling Interest (Profit)/Loss	(0.25)	(0.31)	(0.18)	(0.76)	(0.63)	(0.89)
<b>XVI. Net Profit/loss after taxes, Non-Controlling Interest and share of profit/loss of Associates (XIII+XIV-XV) :</b>	<b>1,394.40</b>	<b>691.94</b>	<b>1,569.77</b>	<b>3,257.90</b>	<b>3,169.99</b>	<b>4,618.84</b>
XVII. Other Comprehensive income/(expenses) (net of income tax)	(2.99)	11.18	25.15	21.77	75.46	52.44
<b>XVIII. Total Comprehensive Income for the period (XVI+XVII)</b>	<b>1,391.41</b>	<b>703.12</b>	<b>1,594.92</b>	<b>3,279.67</b>	<b>3,245.45</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 (Rs)	1.00	1.00	1.00	1.00	1.00	1.00
XXI. EPS for the period (Rs.)-basic and diluted	4.55	2.26	4.96	10.64	10.03	14.69
(*) Adjusted on account of buyback)						(*)
	Not Annualised					Annualised





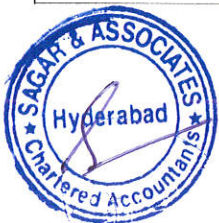


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Segment wise Consolidated Revenue, Results and Capital Employed for the Quarter and Nine months ended 31st December 2019

INR in crore

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-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	2,991.64	2,198.42	3,618.06	8,402.20	8,412.93	12,001.81
b) Other Minerals & Services	14.74	43.34	31.38	109.57	96.42	154.69
<b>Total</b>	<b>3,006.38</b>	<b>2,241.76</b>	<b>3,649.44</b>	<b>8,511.77</b>	<b>8,509.35</b>	<b>12,156.50</b>
Less: Inter segment revenue	-	-	-	(0.11)	-	3.83
<b>Sales / Income from Operations</b>	<b>3,006.38</b>	<b>2,241.76</b>	<b>3,649.44</b>	<b>8,511.88</b>	<b>8,509.35</b>	<b>12,152.67</b>
<b>2. Segment Results</b>						
(profit (+) / loss (-) before tax and interest from each segment)						
a) Iron Ore	1,592.81	1,034.25	2,207.03	4,531.75	4,972.12	7,152.78
b) Other Minerals & Services	28.50	8.70	(77.85)	9.15	(96.16)	(130.34)
<b>Total</b>	<b>1,621.31</b>	<b>1,042.95</b>	<b>2,129.18</b>	<b>4,540.90</b>	<b>4,875.96</b>	<b>7,022.44</b>
Less: Finance Cost	9.76	9.72	9.62	31.21	30.08	40.32
Add : Other unallocable income net off unallocable expenditure	34.09	45.32	90.93	126.17	151.97	211.26
<b>Total Profit Before Tax (incl discontinued operations)</b>	<b>1,645.64</b>	<b>1,078.55</b>	<b>2,210.49</b>	<b>4,635.86</b>	<b>4,997.85</b>	<b>7,193.38</b>
<b>3. Segment Assets</b>						
a) Iron Ore	6,278.65	5,611.79	4,280.12	6,278.66	4,280.12	4,895.79
b) Other Minerals & Services	615.06	622.92	656.91	615.06	656.91	651.38
c) Unallocated	24,925.24	23,953.38	23,772.81	24,925.24	23,772.81	23,761.33
<b>Total</b>	<b>31,818.95</b>	<b>30,188.09</b>	<b>28,709.84</b>	<b>31,818.96</b>	<b>28,709.84</b>	<b>29,308.50</b>
<b>4. Segment Liabilities</b>						
a) Iron Ore	1,428.83	1,354.72	1,655.13	1,428.83	1,655.13	1,422.41
b) Other Minerals & Services	34.32	37.04	46.56	34.32	46.56	40.89
c) Unallocated	1,440.93	1,423.13	1,333.70	1,440.93	1,333.70	2,370.04
<b>Total</b>	<b>2,904.08</b>	<b>2,814.89</b>	<b>3,035.39</b>	<b>2,904.08</b>	<b>3,035.39</b>	<b>3,833.34</b>
<b>5. Capital Employed</b>						
(Segment assets-Segment Liabilities)						
a) Iron Ore	4,849.82	4,257.07	2,624.99	4,849.83	2,624.99	3,473.38
b) Other Minerals & Services	580.74	585.88	610.35	580.74	610.35	610.49
c) Unallocated	23,484.31	22,530.25	22,439.11	23,484.31	22,439.11	21,391.29
<b>Total</b>	<b>28,914.87</b>	<b>27,373.20</b>	<b>25,674.45</b>	<b>28,914.88</b>	<b>25,674.45</b>	<b>25,475.16</b>



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NOTES :

1. The Audit Committee has reviewed the above results and the same have been subsequently approved by the Board of Directors in the meeting held on 6<sup>th</sup> February 2020.
2. Pursuant to the requirements of SEBI (LODR) Regulations, 2015 (as amended), the company has published Consolidated Results for quarter ended 31<sup>st</sup> December 2019 along with the preceding quarter ended 30<sup>th</sup> September 2019 and corresponding quarter ended 31<sup>st</sup> December 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. 154.00 crore is provided towards Expected Credit Loss (ECL) during the nine months period and included in other expenses.
6. The Company had received Show Cause Notices dated 31.07.2018 from Dist. Collector, South Bastar Dantewada as to why NMDC should not be asked to deposit an amount of Rs.7,241.35 crore as compensation as calculated by Collector based on the Hon'ble Supreme Court Common Cause Judgement related to Orissa Iron ore mines ( Writ Petition Civil No 114 of 2014 dated 2<sup>nd</sup> August 2017). The Company had been contesting the Show Cause Notices with Dist. Collector, South Bastar Dantewada on the ground that the said Hon'ble Supreme Court judgement is not applicable to NMDC.

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

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

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".

Even through the company is regularly corresponding with the State Government for extending the lease, response of the State Government is still awaited.

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 period 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



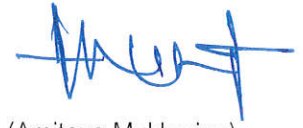
Membership No: 202352

UDIN- 20202352 AAAA BK3276

Place : Hyderabad

Date : 6<sup>th</sup> February 2020

For NMDC Limited,



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



**Independent Auditor's Review Report on Consolidated Unaudited Financial Results of NMDC LIMITED for the quarter and nine months ended 31<sup>st</sup> December, 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 nine months ended ~~31<sup>st</sup> December, 2018~~ **31<sup>st</sup> December, 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 nine months ended 31<sup>st</sup> December, 2018, as reported in the Statement, have been approved by the Parent's Board of Directors, but have not been subjected to review.
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.

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.

B.O.: Flat No. FF-3, H.No. 40-6-2, Goteti Apartment, Kandari Hotel Street, Krishna Nagar, Vijayawada - 520 006.

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.





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

Subsidiaries:

<b>Sl.No</b>	<b>Name of the Entities</b>
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:

<b>Sl.No</b>	<b>Name of the Entities</b>
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

<b>Sl.No</b>	<b>Name of the Entities</b>
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. 8507.52 crores, total net profit / (loss) after tax of Rs. 4362.57 crores and total comprehensive income of Rs. 4362.57 crores for the period ended 31<sup>st</sup> December, 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 (4.38) crores and total comprehensive loss of Rs. (4.38) crores for the period ended 31<sup>st</sup> December, 2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs 2.62 crores and total comprehensive income of Rs 20.24 crores for the period ended 31<sup>st</sup> December, 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: 20202352AAAA BK3276



Place: Hyderabad

Date: 6<sup>th</sup> February, 2020