

एन एम डी सी



NMDC

# एन एम डी सी लिमिटेड NMDC Limited

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

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए, कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 028.  
Regd. Office : 'Khanij Bhavan' 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.  
नैगम पहचान संख्या / Corporate Identity Number : L13100AP1958 GOI 001674

No. 18(1)/2008- Sectt

August 8, 2016

<b>The Manager,</b> Department of Corporate Services BSE Limited 25 <sup>th</sup> Floor, P J Towers, Dalal Street, Mumbai, Maharashtra- 400001	<b>The Manager</b> Listing Department National Stock Exchange of India Ltd. Exchange Plaza, C-1,Block G, Bandra Kurla Complex Bandra, East, Mumbai, Maharashtra- 400051
<b>The Manager,</b> The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata - 700001	

**Ref: NMDC Limited**

**Sub: Regulation 8 (1) of SEBI (Buy back of Securities) Regulations, 1998 - Public Announcement**

Dear Sir/Madam,

Further to our intimation dated August 4, 2016, where the company has informed that the Shareholders of the Company have approved the proposal to Buyback fully paid up equity shares of the Company from the existing shareholders on a proportionate basis through the tender offer process, please find the attached the following:

1. A copy of the Public Announcement dated August 4, 2016, published in the newspapers, namely, The Financial Express, Janasatta and Nava Telangana (English, Hindi and Telugu respectively) on August 8, 2016, pursuant to Regulation 8(1) of the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 ("Buyback Regulations"), containing the disclosures as specified in Part A of Schedule II of the Buyback Regulations.

The brief details about the Buyback are set as under:

<b>No. of shares</b>	80,08,25,526 (Eighty Crore Eight Lakh Twenty Five Thousand Five Hundred and Twenty Six )
<b>Price</b>	₹ 94 (Rupees Ninety Four only)
<b>Buy-back Size</b>	₹ 7527,75,99,499 (Rupees Seven Thousand Five Hundred and Twenty Seven Crore Seventy Five Lakh Ninety Nine Thousand Four Hundred and Ninety Nine only)

2. Press release titled "PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF NMDC LIMITED FOR THE BUYBACK OF EQUITY SHARES THOROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED"

We request to take the above information on record.

Thanking you,

Yours faithfully,  
For NMDC Limited

  
A.S. Pardha Saradhi  
Company Secretary  
Encl: A/a





# NMDC Limited

(A Government of India Enterprise)

CIN : L13100AP1958GOI001674

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad-500028; Tel.: (040) 23538757; Fax: (040) 23538759  
E-mail: cs@nmdc.co.in; Website: www.nmdc.co.in; Contact Person: Shri A.S. Partha Saradhi, Company Secretary.

## PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF NMDC LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED.

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 8 (1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "Buyback Regulations") for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Part A of Schedule II to the Buyback Regulations.

**OFFER FOR BUYBACK OF NOT EXCEEDING 80,08,25,526 (EIGHTY CRORE EIGHT LAKHS TWENTY FIVE THOUSAND FIVE HUNDRED AND TWENTY NINE) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ₹ 1 EACH AT A PRICE OF ₹ 94 (RUPEES NINETY FOUR ONLY) PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS**

### 1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 The Board of Directors of NMDC Limited ("NMDC" or the "Company") at their meeting held on June 7, 2016, ("Board Meeting") passed a resolution to buyback equity shares of the Company and sought approval of its shareholders, by a special resolution, through postal ballot notice dated June 7, 2016, the results of which were announced on August 4, 2016. Through the postal ballot, the shareholders of the Company have approved, by way of special resolution, the buyback (the "Buyback") of not exceeding 80,08,25,526 (Eighty Crore Eight Lakh Twenty Five Thousand Five Hundred and Twenty Nine) fully paid up equity shares of face value ₹ 1 each ("Shares" or "Equity Shares") from all the existing shareholders/ beneficial owners of Equity Shares ("Shareholders") of the Company, on a proportionate basis, through the "Tender Offer" process, at a price of ₹ 94 (Rupees Ninety Four) per Equity Share ("Buyback Offer Price") payable in cash, for an aggregate consideration not exceeding ₹ 7,527,75,99,499 (Rupees Seven Thousand Five Hundred Twenty Seven Crore Seventy Five Lakhs Ninety Nine Thousand Four Hundred and Ninety Nine only) (the "Buyback Offer Size").

The Buyback is in accordance with the provisions contained in the Article 6A of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended (the "Companies Act, 2013"), the Companies (Share Capital and Debentures) Rules, 2014 (the "Share Capital Rules"), the Companies (Management and Administration) Rules, 2014, (the "Management Rules") and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE"), Calcutta Stock Exchange ("CSE"), where the Equity Shares of the Company are listed, BSE, NSE and CSE together referred as "Stock Exchanges".

The Buyback Offer Size is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves, as per the audited accounts of the Company for the financial year ended March 31, 2016 (the "last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback") and is within the limits of 25% of the total fully paid up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016. The maximum number of Equity Shares proposed to be bought back represents 20.20% of the total number of Equity Shares in the paid-up share capital of the Company.

1.2 The maximum amount required by the Company for the said Buyback will not exceed ₹ 7,527,75,99,499 (Rupees Seven Thousand Five Hundred and Twenty Seven Crore Seventy Five Lakh Ninety Nine Thousand Four Hundred and Ninety Nine Only), and is within permitted limits.

The Buyback will be met out of cash and/or fixed deposits of the Company lying with the bank. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account, and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section 68(2) (d) of the Companies Act, 2013, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback.

The Buyback Offer Price of ₹ 94 (Rupees Ninety Four Only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares of the Company on stock exchanges where the Equity Shares of the Company are listed, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price of ₹ 94 (Rupees Ninety Four Only) per Equity Share represents (i) premium of 4.08% and 4.07% over the volume weighted average price of the Equity Shares on BSE and NSE respectively, for 2 weeks preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback; (ii) premium of 7.55% and 8.86% over the closing market price of the equity shares on BSE and NSE respectively, as on the date of the intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback.

1.3 The Buyback shall be on a proportionate basis from all the Shareholders of the Company through the "Tender Offer" process, as prescribed under Regulation 4 (1) (a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 (the "SEBI Circular"). Please see paragraph 9 below for details regarding record date and share entitlement for tender in the Buyback.

1.4 The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like SEBI tendering fees, stock exchanges fees, advisors fees, Public Announcement publication expenses, printing & dispatch expenses and other incidental & related expenses.

1.5 A copy of this Public Announcement is available on the Company's website (www.nmdc.co.in) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the websites of the BSE and NSE (www.bseindia.com) and (www.nseindia.com).

### 2. NECESSITY FOR BUYBACK

Share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the members holding Equity Shares of the Company. The Board at its meeting held on Tuesday, June 7, 2016, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ended March 31, 2016 and considering these, the Board decided to allocate a sum of not exceeding ₹ 7,527,75,99,499 (Rupees Seven Thousand Five Hundred and Twenty Seven Crore Seventy Five Lakh Ninety Nine Thousand Four Hundred and Ninety Nine only) for returning to the members holding Equity Shares of the Company through the Buyback.

After considering several factors and benefits to the members holding Equity Shares of the Company, the Board decided to recommend Buyback of not exceeding 80,08,25,526 (Eighty Crore Eight Lakh Twenty Five Thousand Five Hundred and Twenty Nine) equity shares (representing 20.20% of the total number of Equity Shares in the paid-up share capital of the Company) at a price of ₹ 94 (Rupees Ninety Four Only) per Equity Share for an aggregate consideration of not exceeding ₹ 7,527,75,99,499 (Rupees Seven Thousand Five Hundred and Twenty Seven Crore Seventy Five Lakh Ninety Nine Thousand Four Hundred and Ninety Nine only). Buyback is a more efficient form of returning surplus cash to the members holding Equity Shares of the Company, inter-alia, for the following reasons:

- i. The Buyback will help the Company to return surplus cash to its members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholders".
- iii. The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value.
- iv. The Buyback gives an option to the members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment;

### 3. DETAILS OF PROMOTER SHAREHOLDING

3.1 The aggregate shareholding of the Promoter of the Company, as on the date of notice of Postal Ballot i.e. June 7, 2016 is given below:

S.No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of Issued Equity Share Capital
1.	President of India acting through Ministry of Steel, Government of India	3,17,19,46,300	3,17,19,46,300	80.00%

3.2 No shares or other specified securities in the Company were either purchased or sold by the Promoter during a period of six months preceding the date of the board meeting at which the Buyback was approved and from that date till the date of notice of Postal Ballot for Buyback.

3.3 In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company has the option to participate in the Buyback. In this regard, the Promoter as listed in paragraph 3.1, has expressed its intention, vide its letter dated July 7, 2016 to participate in the Buyback and tender an aggregate 99,11,79,000 (Ninety Nine Crore Eleven Lakh and Seventy Nine Thousand) Equity Shares:

S. No.	Name of the Promoters	Number of Shares proposed to be Tended
1.	President of India acting through Ministry of Steel, Government of India	99,11,79,000

3.4 Since the entire shareholding of the Promoter is in demat mode, the details of the date and price of acquisition/ sale of entire Equity Shares that the Promoter has acquired/sold till date are set-out below:

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/ Consideration
November 15, 1958	4	4,000	Subscription to memorandum by Government of India ("GoI")
May 25, 1959	496	4,96,000	Further allotment to GoI
September 17, 1959	500	5,00,000	Further allotment to GoI
January 15, 1960	2,761	27,61,000	Further allotment to GoI
April 20, 1960	292	2,92,000	Further allotment to GoI
June 20, 1960	500	5,00,000	Further allotment to GoI
July 29, 1960	2,000	20,00,000	Further allotment to GoI
October 07, 1960	2,000	20,00,000	Further allotment to GoI
February 20, 1961	2,000	20,00,000	Further allotment to GoI
March 20, 1961	500	5,00,000	Further allotment to GoI
April 20, 1961	5,750	57,50,000	Further allotment to GoI
July 20, 1961	2,000	20,00,000	Further allotment to GoI
August 21, 1961	3,000	30,00,000	Further allotment to GoI
October 20, 1961	2,000	20,00,000	Further allotment to GoI
November 20, 1961	2,500	25,00,000	Further allotment to GoI
February 20, 1962	7,900	79,00,000	Further allotment to GoI
July 20, 1962	7,500	75,00,000	Further allotment to GoI
August 10, 1962	10,000	1,00,00,000	Further allotment to GoI
December 20, 1962	3,500	35,00,000	Further allotment to GoI
March 20, 1963	4,000	40,00,000	Further allotment to GoI
June 17, 1963	7,900	79,00,000	Further allotment to GoI
August 05, 1963	5,000	50,00,000	Further allotment to GoI
October 18, 1963	7,500	75,00,000	Further allotment to GoI
January 25, 1964	2,500	25,00,000	Further allotment to GoI
March 19, 1965	3,500	35,00,000	Further allotment to GoI
August 25, 1965	13,183	1,31,83,000	Further allotment to GoI
May 27, 1966	14,250	1,42,50,000	Further allotment to GoI
July 15, 1966	20,000	2,00,00,000	Further allotment to GoI
October 18, 1966	7,000	70,00,000	Further allotment to GoI
November 19, 1966	9,000	90,00,000	Further allotment to GoI
March 28, 1967	964	9,64,000	Further allotment to GoI
May 15, 1967	12,203	1,22,03,000	Further allotment to GoI
June 13, 1967	15,000	1,50,00,000	Further allotment to GoI
July 13, 1967	10,000	1,00,00,000	Further allotment to GoI
October 19, 1967	18,500	1,85,00,000	Further allotment to GoI
December 06, 1967	20,000	2,00,00,000	Further allotment to GoI
January 29, 1968	14,900	1,49,00,000	Further allotment to GoI
June 03, 1968	1,850	1,85,00,000	Further allotment to GoI
July 08, 1968	8,350	83,50,000	Further allotment to GoI
July 18, 1968	20,000	2,00,00,000	Further allotment to GoI
December 24, 1969	31,800	3,18,00,000	Further allotment to GoI
February 03, 1970	8,200	82,00,000	Further allotment to GoI
April 04, 1970	24,800	2,48,00,000	Further allotment to GoI
July 04, 1970	16,000	1,60,00,000	Further allotment to GoI
August 28, 1970	13,500	1,35,00,000	Further allotment to GoI
September 08, 1970	8,000	80,00,000	Further allotment to GoI
October 24, 1970	6,700	67,00,000	Further allotment to GoI
November 20, 1970	7,800	78,00,000	Further allotment to GoI
December 01, 1970	21,200	2,12,00,000	Further allotment to GoI
February 13, 1971	12,800	1,28,00,000	Further allotment to GoI
March 22, 1971	21,500	2,15,00,000	Further allotment to GoI
May 21, 1971	11,900	1,19,00,000	Further allotment to GoI
July 22, 1971	25,500	2,55,00,000	Further allotment to GoI
September 21, 1971	18,400	1,84,00,000	Further allotment to GoI
November 30, 1971	35,100	3,51,00,000	Further allotment to GoI
January 21, 1972	26,300	2,63,00,000	Further allotment to GoI
February 21, 1972	14,700	1,47,00,000	Further allotment to GoI
April 07, 1972	16,900	1,69,00,000	Further allotment to GoI
August 19, 1972	28,400*	2,84,00,000	Further allotment to GoI
November 14, 1972	81,897*	8,18,97,000	Further allotment to GoI
March 21, 1973	60,403*	6,04,03,000	Further allotment to GoI

Date	(₹)	(₹)	Particulars
May 01, 1978	(11,828)*	(1,18,28,000)	Cancellation
	(60,403)*	(6,04,03,000)	Cancellation
December 22, 1978	25,000	2,50,00,000	Further allotment to GoI
May 09, 1980	4,000	40,00,000	Further allotment to GoI
	25,500**	2,55,00,000	Allotment to GoI pursuant to acquisition in Mandovi Pellets Limited
January 03, 1981	10,000	1,00,00,000	Further allotment to GoI
May 23, 1981	10,000	1,00,00,000	Further allotment to GoI
August 31, 1981	8,500	85,00,000	Further allotment to GoI
November 04, 1981	2,500	25,00,000	Further allotment to GoI
January 15, 1982	12,500	1,25,00,000	Further allotment to GoI
June 09, 1982	23,800	2,38,00,000	Further allotment to GoI
March 28, 1983	39,800	3,98,00,000	Further allotment to GoI
July 04, 1983	30,000	3,00,00,000	Further allotment to GoI
September 08, 1983	25,000	2,50,00,000	Further allotment to GoI
November 11, 1983	5,000	50,00,000	Further allotment to GoI
April 19, 1984	13,500	1,35,00,000	Further allotment to GoI
June 30, 1984	8,000	80,00,000	Further allotment to GoI
March 06, 1985	40,000	4,00,00,000	Further allotment to GoI
April 23, 1985	42,600	4,26,00,000	Further allotment to GoI
September 16, 1985	25,000	2,50,00,000	Further allotment to GoI
December 27, 1985	46,000	4,60,00,000	Further allotment to GoI
April 04, 1986	23,300	2,33,00,000	Further allotment to GoI
July 08, 1986	18,000	1,80,00,000	Further allotment to GoI
February 06, 1987	2,000	20,00,000	Further allotment to GoI
April 18, 1987	2,500	25,00,000	Further allotment to GoI
July 11, 1987	2,500	25,00,000	Further allotment to GoI
December 26, 1987	10,300	1,03,00,000	Further allotment to GoI
May 06, 1988	10,000	1,00,00,000	Further allotment to GoI
June 09, 1989	39,700	3,97,00,000	Further allotment to GoI
August 11, 1989	26,000	2,60,00,000	Further allotment to GoI
September 28, 1989	2,500	25,00,000	Further allotment to GoI
February 22, 1990	29,500	2,95,00,000	Further allotment to GoI
May 29, 1990	32,400	3,24,00,000	Further allotment to GoI
March 26, 1991	38,000	3,80,00,000	Further allotment to GoI
Sub-division of nominal value of Equity Shares of the Company from ₹ 1000 per Equity Share to ₹ 10 per Equity Share vide AGM dated September 24, 1992			
December 28, 1993	(2,130,000)	(17,79,00,000)	Disinvestment to Public**
April 25, 1997	(5,154)	(3,60,000)	Disinvestment to Employees of our Company***
Sub-division of nominal value of Equity Shares of the Company from ₹ 10 per Equity Share to ₹ 1 per Equity Share vide EGM dated April 03, 2008			
June 13, 2008	260,04,40,920	NIL	Bonus issue in the ratio of 2 Equity Shares for 1 Equity Share held
March 27, 2010	(33,22,43,200)	(99,30,42,00,000)	Offer for Sale****
December 12, 2012	(39,64,71,600)	(99,73,27,00,000)	Offer for sale through Stock Exchange Mechanism*****
October 23, 2013	(280)	(39,000)	Offer and allotment of equity shares to an eligible employee of NMDC Limited as per CCEA approval dated October 25, 2012

Notes: \* Upon the transfer of the Kibruva Iron Ore Mines and Maghathaburu Iron Ore Project of the Company to Steel Authority of India and pursuant to an order of the Ministry of Steel and Mines under the Public Sector Iron and Steel Companies (Restructuring and Miscellaneous Provisions) (Modification of paid up Share Capital) Order, 1979 No. 131 dated April 28, 1979, out of 110,297 equity shares (i.e. 28,400 equity shares issued on August 19, 1972 and 81,897 equity shares issued on November 14, 1972) 11,828 equity shares were cancelled.

\*\* Allotment of equity shares pursuant to acquisition of 2,55,00,000 equity shares of ₹ 10/- each fully paid up in Mandovi Pellets Limited on March 25, 1980 by the Company by way of transfer from President of India.

\*\*\* Pursuant to an offer for sale by our Promoter, of 2,13,00,000 Equity Shares of ₹ 10 each of our Company were transferred to certain institutional investors and other members of the public for cash at an average price of ₹ 83.50 per equity share aggregating to ₹ 1,77,65,000/- The Department of Public Enterprises, Ministry of Industries, vide its letter dated D.O. No. DPE/12/1192-Fin dated July 14, 1993 informed our Company and the Ministry of Steel about the divestment of equity shares of our Company by the President of India and requested our Company to take appropriate action for transferring these shares in the name of the parties to whom shares had been sold.

\*\*\*\* Transfer of 5,154 Equity Shares by our Promoters to our employees at a price of ₹ 71 per share aggregating to ₹ 365,934/- The MoS had approved this transfer vide its letter no. 67/94-RM (Vol.-II) dated December 20, 1996

\*\*\*\*\* Offer for Sale of 33,22,43,200 equity shares of ₹ 10/- each of NMDC Limited by the President of India for an issue price at ₹ 300/- per share for the IPO of NMDC Ltd with ₹ 285/- per share for retail eligible employees.

\*\*\*\*\* Offer for sale through Stock Exchange Mechanism of 39,64,71,600 equity shares of ₹ 1/- each of NMDC Limited by the President of India at a floor price at ₹ 147/- per share. The average sale price in NSE was ₹ 150.80 per share in BSE it was ₹ 150.84 per share.

4. The Company confirms that no defaults have been made or subsisting in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payable thereon, redemption of debentures or interest payable thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

5. The Board of Directors of the Company on the date of the Board meeting i.e. June 7, 2016 has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- a) Immediately following the date of this Board meeting and the date on which the results of the Postal Ballot/E-voting will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- b) As regards the Company's prospects for the year immediately following the date of this Board meeting as well as for the year immediately following the date on which the results of the Postal Ballot/E-voting will be declared approving the Buyback, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting and the date on which the results of the Postal Ballot/E-voting will be declared; and
- c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company was being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

6. Report addressed to the Board of Directors by the Company's Statutory Auditors on the permissible capital payment and the opinion formed by the Directors regarding the insolvency.

The text of the report dated July 7, 2016 received from M/s. Tej Raj & Pal, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

**Quote**

**The Board of Directors**  
NMDC Limited  
(A Government of India Enterprise)  
Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad-500028 Telangana, India.

**Dear Sirs,**  
Sub: Proposed Buyback of Equity Shares of not exceeding 25% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016, on a proportionate basis (the "Buyback"), from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism by NMDC Limited (the "Company").

We, M/s Tej Raj & Pal, Chartered Accountants, the Statutory Auditors of the Company, have been informed that the Board of Directors of the Company in their meeting held on 7th June, 2016 decided to buy back Company's fully paid up equity shares as allowed under Section 68, 69 and 70 of the Companies Act, 2013 at a price of ₹ 94 (Rupees Ninety Four Only) per share. In terms of the requirements of Clause (vi) of Schedule II, Part A of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (hereinafter "Buyback Regulations"), we confirm as under in the circumstances in the present context.

- (i) We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2016, as approved by the Board of Directors in the meeting held on 27th May, 2016, as approved by the Board of Directors in their meeting held on 7th June, 2016;
- (ii) The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 68 (2) (c) of the Companies Act, 2013:

Particulars	Amount in ₹
Issued, subscribed and fully paid up equity shares:	
396,47,16,000 Equity Shares of ₹ 1 each, fully paid up	396,47,16,000
<b>Total A</b>	<b>396,47,16,000</b>
<b>Reserves and surplus</b>	
General reserve	295,14,21,43,114
Surplus in the statement of profit and loss	200,35,38,882
Securities premium account	0.00
<b>Total B</b>	<b>297,14,56,81,996</b>
<b>Total C = A+B</b>	<b>301,11,03,97,996</b>
Maximum amount permissible for the Buy-back i.e. 25% of the aggregate fully paid-up share capital and free reserves	75,27,75,99,499