

Invbk/CMG/SKS/16-17/125

September 14, 2016

The Manager
Department of Corporate Services
BSE Limited
 25th Floor, Phiroze Jeejeebhoy Towers
 Dalal Street
 Mumbai, Maharashtra- 400 001
The Manager,
 The Calcutta Stock Exchange Limited,
 7, Lyons Range,
 Kolkata - 700001

The Manager
Listing Department
National Stock Exchange of India Limited
 Exchange Plaza, C-1, Block G,
 Bandra Kuria Complex, Bandra East, Mumbai
 Maharashtra- 400 051

Dear Sirs,

Subject: CASH OFFER FOR BUYBACK BY NMDC LIMITED ("COMPANY") OF EQUITY SHARES OF FACE VALUE OF ₹1 EACH AT A PRICE OF ₹94 PER EQUITY SHARE NOT EXCEEDING 80,08,25,526(EIGHTY CRORE EIGHT LAKHS TWENTY FIVE THOUSAND FIVE HUNDRED AND TWENTY SIX) EQUITY SHARES, ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS ("BUYBACK OFFER").

This is in relation to the buyback by the Company of fully paid-up equity shares of face value ₹1 each ("Shares" or "Equity Shares") not exceeding 80,08,25,526 (Eighty Crore Eight Lakhs Twenty Five Thousand Five Hundred And Twenty Six) Equity Shares, from all the existing shareholders/ beneficial owners of Equity Shares of the Company, including the Promoters, on a proportionate basis, through the "Tender Offer" process, in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended ("the Companies Act, 2013") and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "**Buyback Regulations**").

The Buyback Offer has been authorized pursuant to the resolution passed by the Board of Directors of the Company on June 7, 2016. The buyback will be offered at the rate of ₹94 per Equity Share ("**Buyback Offer Price**") payable in cash, for an aggregate consideration of not exceeding ₹7527,75,99,499 (Rupees Seven Thousand Five Hundred Twenty Seven Crore Seventy Five Lakh Ninety Nine Thousand Four Hundred And Ninety Nine Only)(the "**Buyback Offer Size**"). The Buyback Size represents not exceeding 25% of the aggregate of the Company's 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 standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 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 maximum number of Equity Shares proposed to be bought back pursuant to the Buyback Offer represents 20.20% of the total number of equity shares in the paid-up share capital of the Company.

We have been appointed by the Company to act as the Manager to the Buyback Offer in terms of the Buyback Regulations. Please refer to the letter dated August 16, 2016 in relation to the filing of the Draft Letter of Offer dated August 12, 2016, of the Buyback Offer.



Singh

(Wholly Owned Subsidiary of IDBI Bank Limited)

Please find enclosed a printed copy and a compact disc containing the soft copy (in pdf version) of the Letter of Offer dated September 12, 2016 of the Company in relation to the Buyback Offer ("Letter of Offer"), as Annexure 1, for your information and records. Please note that the date of opening of the Buyback Offer is Monday, September 19, 2016 and the date of closing of the Buyback Offer is Friday, September 30, 2016. For further information on the timelines, please refer to the schedule of activities of the offer given in the Letter of Offer.

Thanking you,

Yours faithfully,
IDBI Capital Markets & Securities Limited
(Formerly known as IDBI Capital Market Services Limited)



Authorized Signatory
Sumit Singh
Designation: Senior Manager
Enclosed: As above



LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you, being an Eligible Shareholder of NMDC Limited (the “Company”) as on the Record Date in accordance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended and subsequent amendments thereof. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Buyback Offer (IDBI Capital Markets & Securities Limited) or the Registrar to the Buyback Offer (Karvy Computershare Private Limited). Please refer to the section on ‘Definitions’ for the definition of the capitalized terms used herein.



Registered & Corporate Office: Khanij Bhavan 10-3-311/A, Castle Hills, Masab Tank, Hyderabad-500028, Telangana, India
CIN: L13100AP1958GOI001674

Contact Person: Shri A.S. Pardha Saradhi (Company Secretary)

Tel: +91 (40) 23538757, **Fax:** +91 (40) 23538759, **Email:** cs@nmdc.co.in

Website: www.nmdc.co.in

CASH OFFER FOR BUYBACK OF NOT EXCEEDING 80,08,25,526 (EIGHTY CRORE EIGHT LAKHS TWENTY FIVE THOUSAND FIVE HUNDRED AND TWENTY SIX) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 1 EACH, REPRESENTING 20.20% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY AS ON MARCH 31, 2016, FROM ALL THE EXISTING SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE i.e. FRIDAY, AUGUST 19, 2016 ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” PROCESS AT A PRICE OF ₹ 94 (RUPEES NINETY FOUR ONLY) PER EQUITY SHARE FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING ₹ 7527,75,99,499 (RUPEES SEVEN THOUSAND FIVE HUNDRED TWENTY SEVEN CRORE SEVENTY FIVE LAKH NINETY NINE THOUSAND FOUR HUNDRED AND NINETY NINE ONLY)

- 1) The Buyback is in accordance with the provisions contained in Article 6A of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, Regulation 4(1)(a) and other applicable provisions contained in the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities under applicable laws including but not limited to SEBI, the Stock Exchanges and Reserve Bank of India etc.
- 2) The Buyback Offer size represents 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 standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 25% 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.
- 3) The Letter of Offer is sent to the Eligible Shareholders as on the Record Date i.e. Friday, August 19, 2016.
- 4) The procedure for acceptance is set out in paragraph 20 (*Procedure for Tender Offer and Settlement*) on page 36 of this Letter of Offer. The Tender Form is enclosed together with this Letter of Offer.
- 5) For mode of payment of cash consideration to the Eligible Shareholders, please refer to paragraph 20.27 (*Method of Settlement*) on page 40 of this Letter of Offer.
- 6) A copy of the Public Announcement, the Draft Letter of Offer and this Letter of Offer (including Tender Form) is expected to be available on the website of SEBI - <http://www.sebi.gov.in>.
- 7) Eligible Shareholders are advised to refer to paragraph 17 (*Details of Statutory Approvals*) on page 31 of this Letter of Offer and paragraph 21 (*Note on Taxation*) on page 42 of this Letter of Offer before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: MONDAY, SEPTEMBER 19, 2016

BUYBACK CLOSES ON: FRIDAY, SEPTEMBER 30, 2016

(LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATIONS FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: TUESDAY, OCTOBER 4, 2016 by 5.00 P.M.)

MANAGER TO THE BUYBACK OFFER



IDBI CAPITAL MARKETS & SECURITIES LIMITED
(formerly known as IDBI Capital Market Services Limited)
3rd Floor, Mafatal Centre, Nariman Point, Mumbai- 400 021
Contact person: Sumit Singh
Tel: +91 (22) 4322 1219
Fax: 91 (22) 2285 0785
Email: nmdc.buyback@idbicapital.com
Website: www.idbicapital.com
SEBI Registration No.: INM000010866
Validity Period: Permanent
CIN: U65990MH1993GOI075578

REGISTRAR TO THE BUYBACK OFFER



KARVY COMPUTERSHARE PRIVATE LIMITED
Karvy Selenium Tower B, Plot No 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad- 500 032
Contact Person: M Muralikrishna
Tel: +91 (40) 67162222
Fax: +91 (40) 23431551
E-mail: murali.m@karvy.com
Website: www.karvycomputershare.com
SEBI Registration No.: INR000000221
Validity Period: Permanent Registration
CIN: U72400TG2003PTC041636

TABLE OF CONTENTS

Sl. No.	Content	Page No.
1	Schedule of the Activities of the Buyback Offer	3
2	Definition of Key Terms	4
3	Disclaimer Clause	6
4	Text of the Resolution passed at the Board Meeting	8
5	Details of Public Announcement	11
6	Details of the Buyback	12
7	Authority for the Buyback	13
8	Necessity of the Buyback	14
9	Management Discussion and Analysis of the likely impact of Buyback on the Company	14
10	Basis of Calculating Buyback Price	18
11	Sources of Funds for the Buyback	19
12	Details of the Escrow Account and the Amount to be deposited therein	19
13	Capital Structure and Shareholding Pattern	20
14	Brief Information about the Company	21
15	Financial Information about the Company	29
16	Stock Market Data	30
17	Details of Statutory Approvals	31
18	Details of Registrar to the Buyback Offer	32
19	Process and Methodology for the Buyback	32
20	Procedure for Tender Offer and Settlement	36
21	Note on Taxation	42
22	Declaration by the Board of Directors	44
23	Auditors Certificate	45
24	Documents for Inspection	47
25	Details of Compliance Officer	47
26	Details of the remedies available to the Shareholders/ Beneficial Owners	47
27	Details of Investor Service Centre	48
28	Details of Manager to the Buyback Offer	48
29	Declaration by the Directors regarding authenticity of the information in the Letter of Offer	48
	Tender Form for Demat Shareholders	
	Tender Form for Physical Shareholders	

1 SCHEDULE OF THE ACTIVITIES OF THE BUYBACK OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback	June 7, 2016	Tuesday
Date on which the result of the postal ballot through which the Shareholders approved the Buyback was declared	August 4, 2016	Thursday
Date of Public Announcement for Buyback	August 4, 2016	Thursday
Date of publication of the Public Announcement for the Buyback	August 8, 2016	Monday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	August 19, 2016	Friday
Date of Opening of the Buyback Offer	September 19, 2016	Monday
Date of Closing of the Buyback Offer	September 30, 2016	Friday
Last date of receipt of the completed Tender Forms and other specified documents including physical Equity Share certificates by the Registrar	October 4, 2016	Tuesday
Last date of verification of Tender Forms by the Registrar	October 5, 2016	Wednesday
Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares by the Registrar	October 6, 2016	Thursday
Last date of settlement of bids on the Stock Exchanges	October 7, 2016	Friday
Last date of dispatch of share certificate(s) by RTA/ payment to shareholders/ return of unaccepted demat shares by Stock Exchanges to Shareholder Broker/ Eligible Shareholders	October 7, 2016	Friday
Last date of extinguishment of Equity Shares	October 13, 2016	Thursday

2 DEFINITION OF KEY TERMS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.

Term	Description
Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buyback Offer
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circular
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder upto the Eligible Equity Shares
Articles/ AOA	Articles of Association of the Company
Board Meeting	Meeting of the Board of Directors held on June 7, 2016 approving the proposal for the Buyback Offer
Board/ Board of Directors/ Director(s)	Board of directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof)
BSE	BSE Limited
Buyback/ Buyback Offer/ Offer/ Buyback Offer Size	Buyback of not exceeding 80,08,25,526 (Eighty Crore Eight Lakhs Twenty Five Thousand Five Hundred and Twenty Six) Equity Shares at a price of ₹ 94 (Rupees Ninety Four only) per Equity Share for an aggregate consideration not exceeding ₹ 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), on a proportionate basis, from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism in terms of the Buyback Regulations read with SEBI Circular
Buyback Committee/Committee	The Buyback Committee of the Board, constituted and authorized for the purposes of the Buyback by way of a resolution of the Board dated June 7, 2016
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio/percentage of Buyback applicable in the category to which such Eligible Shareholder belongs
Buyback Closing Date	Friday, September 30, 2016
Buyback Opening Date	Monday, September 19, 2016
Buyback Regulations	Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended from time to time
CCEA	Cabinet Committee on Economic Affairs
CDSL	Central Depository Services (India) Limited
Company/NMDC/ "we"	NMDC Limited, unless the context states otherwise
Companies Act, 1956	The Companies Act, 1956, as amended (to the extent applicable)
Companies Act, 2013	The Companies Act, 2013, as amended (to the extent notified)
Company's Broker	Karvy Stock Broking Limited
CPSE	Central Public Sector Enterprise
CSE	Calcutta Stock Exchange
Depositories	Collectively, NSDL and CDSL
Designated Stock Exchange	The designated stock exchange for the Buyback, being, BSE
DIN	Director Identification Number

Term	Description
Draft Letter of Offer/ Offer Document/ DLoF	The draft letter of offer dated August 12, 2016 filed with SEBI through the Manager to the Buyback Offer, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
Eligible Equity Shares	Eligible Equity Shares means the lower of: (i) Total number of Equity Shares held by an Eligible Shareholder as on the Record Date; or (ii) Total number of Equity Shares tendered by an Eligible Shareholder.
Equity Shares/ Shares	Fully paid-up equity shares of face value ₹ 1 each of the Company
Equity Shareholders/ Shareholders	Holders of the Equity Shares of the Company and includes beneficial owner(s) thereof
Eligible Shareholder(s)	All shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. August 19, 2016
Escrow Account	The escrow account titled "NMDC Limited Escrow Account Buy Back 2016" opened with the Escrow Agent in terms of the Escrow Agreement
Escrow Agent	IndusInd Bank Limited
Escrow Agreement	The escrow agreement dated August 19, 2016 entered into between the Company, Escrow Agent and the Manager
FCNR	Foreign Currency Non Resident account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in by the Eligible Shareholders to participate in the Buyback
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year
GoI	Government of India
HUF	Hindu Undivided Family
Income Tax Act	Income-tax Act, 1961, as amended
Letter of Offer	This Letter of Offer dated September 12, 2016 containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer
LTCG	Long-term Capital Gains
Ltd.	Limited
Manager / Manager to the Buyback Offer / IDBI	IDBI Capital Markets & Securities Limited (<i>Formerly known as IDBI Capital Market Services Limited</i>)
NECS	National Electronic Clearing Service
NEFT	National Electronic Funds Transfer
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s), FPI(s) and erstwhile OCBs
NRE	Non Residents External
NRI	Non Resident Indian
NSE	The National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer Period / Tendering Period	Period of 10 working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Offer Price / Buyback Offer Price/ Buyback Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹ 94 (Rupees Ninety Four only) per Equity Share, payable in cash
PAN	Permanent Account Number
Promoter	President of India acting through Ministry of Steel, Government of India
Public Announcement / PA	The public announcement, made in accordance with the Buyback Regulations, dated August 4, 2016, published in all editions of the Financial Express (English National daily), Jansatta (Hindi daily) and

Term	Description
	Hyderabad edition of Nava Telangana (Regional language daily) on August 8, 2016
Ratio of Buyback	The ratio of the Buy-back: (i) in case of Small Shareholders, 1 (One) Equity Share for every 1 (One) Equity Share held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, 6 (Six) Equity Shares for every 31 (Thirty One) Equity Shares held by such Eligible Shareholder on the Record Date
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Friday, August 19, 2016
RTGS	Real Time Gross Settlement
Registrar to the Buyback Offer/ Registrar	Karvy Computershare Private Limited
SEBI	Securities and Exchange Board of India
SEBI Circular	Tendering of Equity Shares by 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
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Shareholder Broker	A stock broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Eligible Shareholder, who holds Equity Shares of market value not more than two lakh rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. Friday, August 19, 2016
STCG	Short-term Capital Gains
Stock Exchanges	BSE, NSE and CSE, being the stock exchanges where the Equity Shares of the Company are listed
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
TRS	Transaction Registration Slip
UCC	Unique client code
Working Day	Working day shall have the meaning ascribed to it under the Buyback Regulations

3 DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of this Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buyback Offer, IDBI Capital Markets & Securities Limited (formerly known as IDBI Capital Market Services Limited) has certified that the disclosures made in this Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act, 2013 and the Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Letter of Offer, the Manager to the Buyback Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose. The Manager to the Buyback Offer, IDBI Capital Markets &

Securities Limited (formerly known as IDBI Capital Market Services Limited) has furnished to SEBI a due diligence certificate dated August 12, 2016 in accordance with Buyback Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to the Letter of Offer, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement dated August 4, 2016 and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer.*
- *All the legal requirements connected with the said Buyback offer including SEBI (Buy Back of Securities) Regulations, 1998, have been duly complied with.*
- *The disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the Company to make a well informed decision in respect of the captioned Buyback offer.*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended”*

The filing of the Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoter/ Board of Directors declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ mis-representation, the Promoter/ Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 1956 (or any re-enactment or replacement thereof), Companies Act, 2013, Buyback Regulations and other applicable laws and regulations.

Promoter/ Board of Directors also declare and confirm that funds borrowed from the banks and financial institutions will not be used for the Buyback.

Disclaimer for U.S. Persons:

The information contained in this Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in Regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in other foreign countries:

This Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Forward Looking Statement:

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘aim’, ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, ‘will continue’, ‘will pursue’ or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

4 TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on Tuesday, June 7, 2016. The extracts of the minutes of the Board Meeting are as follows:

“RESOLVED THAT pursuant to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the “Companies Act”), and in accordance with Article 6A of the Articles of Association of the Company, the Companies (Share Capital and Debentures) Rules, 2014 (the “Share Capital Rules”) to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the “**Buyback Regulations**”), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to the approval of shareholders by postal ballot or e-voting and also such other approvals, permissions and sanctions of Securities and Exchange Board of India (“**SEBI**”), Registrar of Companies, Hyderabad, Andhra Pradesh & Telangana (the “**ROC**”) and/ or other authorities, institutions or bodies (the “**Appropriate Authorities**”), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the “**Board**” which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approved by majority the buy back by the Company of its fully paid-up equity shares of ₹ 1 each not exceeding 80,08,25,526 (Eighty Crore Eight Lakhs Twenty Five Thousand Five Hundred and Twenty Six) equity shares (representing 20.20% of the total number of equity shares in the paid-up share capital of the Company, and is not exceeding 25% of the total number of equity shares in the paid-up share capital of the Company i.e. 99,11,79,000 equity shares) at a price of ₹ 94 (Rupees Ninety Four only) per equity share (the “**Buyback Offer Price**”) of face value of ₹ 1 each, payable in cash for an aggregate consideration not exceeding ₹ 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) (the “**Buyback Offer Size**”), which 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 from the equity shareholders of the Company, as on the record date, on a proportionate basis, through the **Tender Offer** route as prescribed under the Buyback Regulations (hereinafter referred to as the “**Buyback**”).

RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015

RESOLVED FURTHER THAT such Buyback may be made out of the Company’s free reserves and / or such other sources as may be permitted by law through “Tender Offer” route and as required by the Buyback Regulations and the Companies Act, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under proviso to Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT Company has complied and shall continue to comply with Section 70 of the Companies Act, 2013 wherein:

- a) It shall not directly or indirectly purchase its own shares:
 - i. through any subsidiary company including its own subsidiary companies; or
 - ii. through any investment company or group of investment companies; or

- b) There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years.
- c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act, 2013

RESOLVED FURTHER THAT confirmation is hereby made by the Board of Directors that:

- a) all equity shares of the Company are fully paid up;
- b) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting;
- c) the Company shall not issue and allot any shares or other specified securities including by way of bonus, till the date of closure of this Buyback;
- d) the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations.
- e) the Company shall not buy back its shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- f) that the aggregate consideration for Buyback not exceeding ₹ 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) does not exceed 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 (as per the last audited financial statements available as on the date of the Board meeting);
- g) that the maximum number of equity shares proposed to be purchased under the Buyback i.e. 80,08,25,526 (Eighty Crore Eight Lakhs Twenty Five Thousand Five Hundred and Twenty Six) equity shares, does not exceed 25% of the total number of equity shares in the paid-up share capital of the Company;
- h) 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 as prescribed under the Companies Act, 2013 and rules made thereunder;
- i) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date.

RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, the Board hereby confirms that the Board of Directors have made a full enquiry into the affairs and prospects of the Company and that based on such full inquiry conducted into the affairs and prospects of the Company, the Board of Directors has formed an 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 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.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders including the Promoter(s) of the Company as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 ("**SEBI Takeover Regulations**") as the Board may consider appropriate,

from out of its free reserves and/or share premium account and/or surplus and/or cash balances and/ or internal accruals of the Company and/or such other sources or by such mechanisms as may be permitted by Law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT the Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback.

RESOLVED FURTHER THAT the Company shall not Buyback the locked-in equity shares or other specified securities, if any and non-transferable equity shares or other specified securities, if any, till the pendency of the lock-in or till the equity shares or other specified securities become transferable;

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, placed before the meeting be and is hereby approved and Smt. Bharathi S Sihag, Chairman cum Managing Director and Shri Devinder Singh Ahluwalia, Director (Finance) be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Shri. A.S. Pardha Saradhi, Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI.

RESOLVED FURTHER THAT the Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Overseas Corporate Bodies, if any, shall be subject to such approvals, if, and to the extent necessary or required including approvals from Reserve Bank of India under Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any.

RESOLVED FURTHER THAT as per the provisions of Section 68(8) of the Companies Act, 2013, the Company will not issue same kind of shares or other specified securities within a period of 6 months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

RESOLVED FURTHER THAT no information/ material likely to have a bearing on the decision of the investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/ misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and Buyback Regulations.

RESOLVED FURTHER THAT the buyback is being proposed in keeping with the Company's desire to enhance overall shareholders value and the buyback would lead to reduction in total number of equity shares.

RESOLVED FURTHER THAT the approval of Board for appointment of Manager to the Offer i.e. IDBI Capital Market Services Limited and Legal Advisors i.e. Dhir & Dhir Associates, be and is hereby accorded.

RESOLVED FURTHER THAT a Committee be constituted ("**Buyback Committee**") comprising of Chairman cum Managing Director, Director (Finance) and Shri A.S. Pardha Saradhi, Company Secretary and that Company Secretary shall also act as the Secretary to the Buyback Committee. Further, the Buyback Committee is hereby authorized, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

- a) finalizing the terms of buyback like the mechanism for the buyback, record date, entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the buyback;
- b) to enter into escrow arrangements as may be required in terms of the Buyback Regulations;
- c) opening, operation and closure of all necessary accounts, including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
- d) preparation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, ROC, the stock exchanges and other Appropriate Authority;

- e) making all applications to the Appropriate Authority for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;
- f) extinguishment of dematerialized shares and physical destruction of share certificates and filing of certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/ or the Board, as required under applicable law;
- g) appoint any intermediaries / agencies / persons as may be required for the purposes of the Buyback and decide and settle the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof;
- h) to affix the Common Seal of the Company on relevant documents required to be executed for the buyback of shares in accordance with the provisions of the Articles of Association of the Company.
- i) sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other Appropriate Authorities.
- j) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.
- k) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.
- l) to delegate all or any of the authorities conferred on them to any Director(s), Officer(s), Authorized Signatory(ies)/ Representative(s) of the Company.
- m) to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.
- n) to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback.

RESOLVED FURTHER THAT the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two members.

RESOLVED FURTHER THAT in terms of Regulation 19(3) of the Buyback Regulations, Shri A.S. Pardha Saradhi, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/ or any obligation on the Company or the Board or the Buyback Committee to buyback any shares and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by Law.

RESOLVED FURTHER THAT the Company do maintain a register of securities bought back wherein details of equity shares bought back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.

RESOLVED FURTHER THAT any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby severally authorized to file necessary e-forms with the Registrar of Companies, Hyderabad, Andhra Pradesh & Telangana and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

5 DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 8(1) of the Buyback Regulations, the Company has made a Public Announcement dated August 4, 2016 in relation to the Buyback which was published on August

8, 2016 in the following newspapers. The Public Announcement was issued within two working days from the date of the Shareholder's approving the Buyback, by special resolution through postal ballot, the result of which was declared on August 4, 2016.

Publication	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Nava Telangana	Telugu	Hyderabad

The Public Announcement is available on the SEBI website at www.sebi.gov.in

6 DETAILS OF THE BUYBACK

The Board of Directors of NMDC Limited on June 7, 2016 passed a resolution to buyback equity shares of the Company and sought approval of 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 of not exceeding 80,08,25,526 (Eighty Crore Eight Lakhs Twenty Five Thousand Five Hundred and Twenty Six) fully paid-up equity shares of face value ₹ 1 each from all the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the “**Tender Offer**” process, at a price of ₹ 94 (Rupees Ninety Four only) per Equity Share payable in cash, for an aggregate maximum amount of ₹ 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).

The Buyback is in accordance with the provisions of 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 (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 SEBI, BSE, NSE and CSE.

The Buyback Offer Size represents 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 standalone 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 issued, subscribed and paid-up equity share capital of the Company.

The maximum amount required by the Company for the said Buyback will not exceed ₹ 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), and is within permitted limits.

The Buyback will be met out of 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 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.

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 in SEBI Circular.

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

The aggregate shareholding of the Promoter as on the date of publication of Public Announcement (i.e. August 8, 2016) is as follows:

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%

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 has expressed its intention vide its letter dated June 7, 2016 to participate in the Buyback and tender an aggregate of 99,11,79,000 (Ninety Nine Crore Eleven Lakh and Seventy Nine Thousand) equity shares as follows:

S. No.	Name of the Promoter	Equity Shares held as on June 7, 2016	Equity Shares intended to be offered in the Buyback
1.	President of India acting through Ministry of Steel, Government of India	3,17,19,46,300	99,11,79,000

Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter in the Company may increase or decrease from the existing 80.00% holding in the total paid-up equity share capital and voting rights of the Company. The Promoter of the Company is already in control over the Company and therefore such increase/decrease in voting rights of the Promoter will not result in any change in control over the Company.

Post Buyback, the non-promoter shareholding of the Company may increase or decrease from the existing 20.00% of the post Buyback equity share capital of the Company. Even, in case of an increase in the non-promoter shareholding, post Buyback, the non-promoter shareholding, may still fall short of the minimum public shareholding as per the listing conditions/ SEBI Listing Regulations. However, the Company shall achieve the minimum level of public shareholding as specified in Rule 19(2) and/ or Rule 19A of Securities Contracts (Regulation) Rules, 1957 within the timeframe as prescribed in Securities Contracts (Second Amendment) Rules, 2014, notification dated August 22, 2014.

7 AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with the provisions of 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 Share Capital Rules, 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 SEBI, BSE, NSE and CSE.

The Board of Directors at their meeting on June 7, 2016 passed a resolution approving buyback of Equity Shares of the Company and sought approval of Shareholders, by a special resolution, through the

postal ballot notice dated June 7, 2016. The results of the postal ballot were announced on August 4, 2016. The Shareholders of the Company have approved the Buyback by way of a special resolution, as aforesaid.

8 NECESSITY OF THE 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, the 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 ₹ 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) 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 Six) 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 ₹ 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). 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 of 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 shareholder”;
- 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;
- v. Optimizes the capital structure.

9 MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1 The Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the company could have otherwise deployed towards generating investment income. Assuming there is full response to the Buyback to the extent of 100%, the funds deployed by the Company towards the Buyback would be ₹ 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) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
- 9.2 The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
- 9.3 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 has expressed its intention, vide its letter dated June 7, 2016, to participate in the Buyback and tender an aggregate of 99,11,79,000 (Ninety

Nine Crore Eleven Lakh Seventy Nine Thousand) Equity Shares. The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.

9.4 Since the entire shareholding of the Promoter is in the demat mode, the details of the date and price of acquisition/ sale of entire Equity Shares that the Promoter has acquired/sold till date as per the information provided by the Promoter vide its letter dated June 7, 2016, 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 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	1,650	1,650,000	Further allotment to GoI
July 08, 1968	8,350	83,50,000	Further allotment to GoI
July 18, 1969	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	6,200	62,00,000	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

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
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
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	238,00,000	Further allotment to GoI
March 26, 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 ₹ 1,000 per Equity Share to ₹ 10 per Equity Share vide AGM dated September 24, 1992			
December 28, 1993	(21,30,000)	(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

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
			Share held
March 27, 2010	(33,22,43,200)	(9930,42,00,000)	Offer for Sale*****
December 12, 2012	(39,64,71,600)	(5973,27,00,000)	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 25-10-2012
Total Current Holding	317,19,46,300		

Note:

* Upon the transfer of the Kiriburu Iron Ore Mines and Meghahatubure 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 1,10,297 equity share (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 25,50,000 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 2,130,000 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 ₹ 17,78,55,000. The Department of Public Enterprises, Ministry of Industries, vide its letter dated D.O.No.DPE/12(1)/92-Fin dated July 14, 1993 informed our Company and the Ministry of Steel about the disinvestment 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 Promoter to our employees at a price of ₹ 71 per share aggregating to ₹ 3,65,934. The MoS had approved this transfer vide its letter no. 6(2)/94-RMI (Vol.-II) dated December 20, 1996

***** Offer for Sale of 33,22,43,200 equity shares of ₹ 1 each of NMDC Limited by the President of India for a issue price at ₹ 300 per share for the FPO of NMDC Ltd with ₹ 285 per share for retail and 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.

- 9.5 Assuming that the Promoter i.e. President of India acting through Ministry of Steel, Government of India, tenders 99,11,79,000 Equity Shares in the Buyback (in accordance with the declaration provided by them) and if
- All the public Shareholders participate upto their entitlement (full acceptance), then the aggregate shareholding of the Promoter, post Buyback will increase from the existing 80.00% to 80.86% and the aggregate shareholding of the public in the Company shall decrease from 20.00% to 19.14% of the post Buyback equity share capital of the Company; or
 - None of the public shareholders participate, then the aggregate shareholding of the Promoter, post Buyback will decrease from the existing 80.00% to 74.94% and the aggregate shareholding of the public in the Company shall increase from 20.00% to 25.06% of the post Buyback equity share capital of the Company.
- 9.6 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, FIIs, FPIs, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback.

- 9.7 The Company is a debt free Company and the debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by Section 68 of the Companies Act, 2013, even if the response to the Buyback is to the extent of 100% (full acceptance).
- 9.8 In compliance with regulation 19 (1) (b) of the Buyback Regulations the Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.9 The Company shall not raise further capital for a period of one year from the closure of Buyback Offer except in discharge of its subsisting obligations.
- 9.10 Salient financial parameters consequent to the Buyback based on the standalone audited financial statements as on March 31, 2016 of the Company are as under:

Parameters	Pre-Buyback	Post- Buyback*
Net worth (₹ in Crores)	30,105.98	22,578.22
Return on Networth (%)	9.70	11.03
Earnings Per Share (₹) (of ₹ 1 each) (not annualized)	7.64	9.57
Book Value per Share (₹)	75.93	71.36
P/E as per the latest audited financial results	13.43	10.71
Total Debt/ Equity Ratio	Nil	Nil

* Assuming full acceptance of Equity Shares in the Buyback offer in the ratio of Buyback

Note:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Capital + Reserves and Surplus) / No. of Equity Shares Subscribed
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Average Net Worth excluding revaluation reserves
Debt- Equity Ratio	Long Term Debt/ Net Worth
P/E as per latest audited financial results	Market Value Per Share/ Earnings per Share Market value has been taken as ₹ 102.55 (price on BSE as of August 5, 2016 for both pre and post buyback P/E ratio) as public announcement was published on August 8, 2016

10 BASIS OF CALCULATING BUYBACK PRICE

- 10.1 The Buyback 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.
- 10.2 The Buyback price of ₹ 94 (Rupees Ninety Four only) per Equity Share represents (i) a 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; and (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.

- 10.3 For trends in the market price of the Equity Shares, please refer to paragraph 16 (*Stock Market Data*) of this Letter of Offer.
- 10.4 The closing market price of the Equity Shares as on the date of intimation to the BSE and NSE for the Board Meeting for considering the Buyback i.e. June 7, 2016, was ₹ 91.65 and ₹ 91.45 on BSE and NSE, respectively.
- 10.5 The book value of the Company pre-Buyback as on March 31, 2016 was ₹ 75.93 which will decrease to ₹ 71.36 post Buyback Offer based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.10 of this Letter of Offer.
- 10.6 The earning per share of the Company pre-Buyback as on March 31, 2016 was ₹ 7.64 which will increase to ₹ 9.57 post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Letter of Offer.
- 10.7 The Return of Net-worth of the Company pre Buyback as on March 31, 2016 was 9.70% which will increase to 11.03% post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Letter of Offer.

11 SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 80,08,25,526 (Eighty Crore Eight Lakhs Twenty Five Thousand Five Hundred and Twenty Six) Equity Shares at a price of ₹ 94 per Equity Share would be ₹ 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) (excluding transaction costs viz brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.).
- 11.2 The Buyback shall be made out of the free reserves of the Company as at March 31, 2016 (the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). 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.
- 11.3 The funds for the Buyback will be met out of cash and/or fixed deposits of the Company lying with the bank. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.4 This Buyback is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buyback, being a reduction in the treasury income that the Company could have otherwise earned on the funds deployed.

12 DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

- 12.1 In accordance with Regulation 10 of the Buyback Regulations, the Company has appointed IndusInd Bank Limited, having its registered office at 2401 Gen Thimmayya Road Contonment, Pune, Maharashtra- 411001, as the Escrow Agent for the aforementioned Buyback. An Escrow Agreement dated August 19, 2016 has been entered into amongst the Company, IDBI Capital Markets & Securities Limited (*formerly known as IDBI Capital Market Services Limited*) and Escrow Agent.
- 12.2 In accordance with the Escrow Agreement, the Company has opened an Escrow Account in the name and style "NMDC Limited Escrow Account Buy Back 2016" bearing account number 201000653140 with the Escrow Agent. In compliance with the provision of the Regulation 10(2) of the Buyback Regulations, the Company has deposited cash of ₹ 767,77,59,950 (Rupees Seven Hundred and Sixty Seven Crore Seventy Seven Lakh Fifty Nine Thousand Nine Hundred and Fifty only) being equivalent to 25% upto ₹ 100 crore and 10% thereafter of the total consideration payable by the Company under the Buyback Offer, assuming full acceptance. IDBI Capital Markets & Securities Limited has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.

12.3 *M/s. Tej Raj & Pal, Chartered Accountants*, located at 2nd Floor, 252 3RT, Central Bank of India Building, Vijay Nagar Colony, Hyderabad- 500 057, Telangana, Tel. No.: 7683865691; Contact Person: CA B. Vijay (Membership No.: 214678) have certified, vide their certificate dated August 8, 2016 that the Company has adequate financial resources for fulfilling all obligations under the Buyback Offer.

12.4 Based on the above certificate, the Manager to the Buyback Offer has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

13 CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1 The present capital structure of the Company, is as follows:

Particulars	Aggregate value at face value (₹ in crore)
Authorised share capital	
400,00,00,000 Equity Shares of ₹ 1 each	400.00
Issued, subscribed and paid up share capital before the Buyback	
396,47,16,000 Equity Shares of ₹ 1 each, fully paid up	396.47
Issued, subscribed and paid up share capital after the Buyback	
316,38,90,474 Equity Shares of ₹ 1 each, fully paid up	316.38*

*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

13.2 During the 3 years preceding the date of the publication of Public Announcement (i.e. August 8, 2016), the Company has not bought back any Equity Shares under any Buyback programme.

13.3 As on the date of the publication of Public Announcement (i.e. August 8, 2016), there are no outstanding preference shares, partly paid-up Equity Shares or outstanding convertible instruments or calls in arrears.

13.4 The shareholding pattern of the Company pre-Buyback, as on record date i.e. August 19, 2016, as well as the post Buyback (assuming full acceptance of the Buyback) shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing equity share capital	No. of Equity Shares	% of the post Buyback equity share capital
Promoter	3,171,946,300	80.00	2,558,224,252	80.86
Foreign Investors (including Non Resident Indians, FIIs, FPIs and Foreign Mutual Funds)	142,027,238	3.58	113,639,337	3.59
Financial Institutions/ Banks/ Mutual Funds promoted by Banks/ Institutions	553,484,631	13.96	446,979,842	14.13
Other (public, public bodies corporate etc.)	97,257,831	2.45	45,052,388	1.42
Total	3,964,716,000	100.00	3,163,895,819	100.00

*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

13.5 Assuming that the Promoter i.e. President of India acting through Ministry of Steel, Government of India, tenders 99,11,79,000 (Ninety Nine Crore Eleven Lakh Seventy Nine Thousand) Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to 80.86% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to 74.94% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.

- 13.6 No shares or other specified securities in the Company were either purchased or sold by the Promoter during the period of six months preceding the date of the Board Meeting at which the Buyback was approved i.e. June 7, 2016 and from that date till the date of notice of Postal Ballot for Buyback.

Subsequent to the date of postal ballot notice i.e. June 7, 2016, till the date of this Letter of Offer, the Promoter of the Company has not entered into any transactions in relation to the Equity Shares of the Company.

- 13.7 No Equity Shares have been purchased/ sold/ transferred by the Promoter of the Company during the period of twelve months preceding the date of publication of the Public Announcement (i.e. August 8, 2016).
- 13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act, 2013.
- 13.9 The Company shall not issue any Equity Shares including by way of bonus, from the date of publication of the Public Announcement till the date of closure of this Buyback.

14 BRIEF INFORMATION ABOUT THE COMPANY

- 14.1 The Company was incorporated on November 15, 1958 under the Companies Act, 1956 as a Government company. The Company's registered office is situated at Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad-500028, Telangana, India. The Company is under the administrative control of the Ministry of Steel, Government of India.
- 14.2 The Company has been accorded the status of Schedule-A Public Sector Company. In recognition to the Company's growing status, the Company has been categorized by the Department of Public Enterprises as "NAVRATNA" Public Sector Enterprise in 2008.
- 14.3 Since inception, it is involved in the exploration of wide range of minerals including iron ore, copper, rock phosphate, lime stone, dolomite, gypsum, bentonite, magnesite, diamond, tin, tungsten, graphite, beach sands, etc.
- 14.4 The Company is India's one of the largest iron ore producer by volume, presently producing about 30 million tonnes of iron ore from 3 fully mechanized mines viz., Bailadila Deposit- 14/11C, Bailadila Deposit-5, 10/11A (Chhattisgarh State) and Donimalai Iron Ore Mines (Karnataka State). NMDC Projects have following accreditations:
- ISO 9001: 2008 – OMS Certification for all its iron ore mines and R&D Centre
 - ISO 14001: 2004 – EMS Certification for all its production mines
 - OHSAS 18001: 2007 – OHMS Certification for all its production mines

Back up of an ISO 9001 certified R&D Centre, which has been declared as the "Centre of Excellence" in the field of mineral processing by the Expert Group of UNIDO.

- 14.5 The Equity Shares of the Company are listed on BSE, NSE and CSE.
- 14.6 Details of changes in share capital of the Company since incorporation are as follows:

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
15-Nov-1958	4	1,000	1,000	4,000	4	4,000	4,000
25-May-1959	496	1,000	1,000	4,96,000	500	4,96,000	5,00,000
17-Sep-1959	500	1,000	1,000	5,00,000	1,000	5,00,000	10,00,000
15-Jan-1960	2,761	1,000	1,000	27,61,000	3,761	27,61,000	37,61,000
20-Apr-1960	292	1,000	1,000	2,92,000	4,053	2,92,000	40,53,000
20-Jun-1960	500	1,000	1,000	5,00,000	4,553	5,00,000	45,53,000
29-Jul-1960	2,000	1,000	1,000	20,00,000	6,553	20,00,000	65,53,000

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
7-Oct-1960	2,000	1,000	1,000	20,00,000	8,553	20,00,000	85,53,000
20-Feb-1961	2,000	1,000	1,000	20,00,000	10,553	20,00,000	1,05,53,000
20-Mar-1961	500	1,000	1,000	5,00,000	11,053	5,00,000	1,10,53,000
20-Apr-1961	5,750	1,000	1,000	57,50,000	16,803	57,50,000	1,68,03,000
20-Jul-1961	2,000	1,000	1,000	20,00,000	18,803	20,00,000	1,88,03,000
21-Aug-1961	3,000	1,000	1,000	30,00,000	21,803	30,00,000	2,18,03,000
20-Oct-1961	2,000	1,000	1,000	20,00,000	23,803	20,00,000	2,38,03,000
20-Nov-1961	2,500	1,000	1,000	25,00,000	26,303	25,00,000	2,63,03,000
20-Feb-1962	7,900	1,000	1,000	79,00,000	34,203	79,00,000	3,42,03,000
20-Jul-1962	7,500	1,000	1,000	75,00,000	41,703	75,00,000	4,17,03,000
10-Aug-1962	10,000	1,000	1,000	1,00,00,000	51,703	1,00,00,000	5,17,03,000
20-Dec-1962	3,500	1,000	1,000	35,00,000	55,203	35,00,000	5,52,03,000
20-Mar-1963	4,000	1,000	1,000	40,00,000	59,203	40,00,000	5,92,03,000
17-Jun-1963	7,900	1,000	1,000	79,00,000	67,103	79,00,000	6,71,03,000
5-Aug-1963	5,000	1,000	1,000	50,00,000	72,103	50,00,000	7,21,03,000
18-Oct-1963	7,500	1,000	1,000	75,00,000	79,603	75,00,000	7,96,03,000
25-Jan-1964	2,500	1,000	1,000	25,00,000	82,103	25,00,000	8,21,03,000
19-Mar-1965	3,500	1,000	1,000	35,00,000	85,603	35,00,000	8,56,03,000
25-Aug-1965	13,183	1,000	1,000	1,31,83,000	98,786	1,31,83,000	9,87,86,000
27-May-1966	14,250	1,000	1,000	1,42,50,000	1,13,036	1,42,50,000	11,30,36,000
15-Jul-1966	20,000	1,000	1,000	200,00,000	1,33,036	2,00,00,000	13,30,36,000
18-Oct-1966	7,000	1,000	1,000	70,00,000	1,40,036	70,00,000	14,00,36,000
19-Nov-1966	9,000	1,000	1,000	90,00,000	1,49,036	90,00,000	14,90,36,000
28-Mar-1967	964	1,000	1,000	9,64,000	1,50,000	9,64,000	15,00,00,000
15-May-1967	12,203	1,000	1,000	122,03,000	1,62,203	1,22,03,000	16,22,03,000
13-Jun-1967	15,000	1,000	1,000	150,00,000	1,77,203	1,50,00,000	17,72,03,000
13-Jul-1967	10,000	1,000	1,000	1,00,00,000	1,87,203	1,00,00,000	18,72,03,000
19-Oct-1967	18,500	1,000	1,000	1,85,00,000	2,05,703	1,85,00,000	20,57,03,000
6-Dec-1967	20,000	1,000	1,000	2,00,00,000	2,25,703	2,00,00,000	22,57,03,000
29-Jan-1968	14,900	1,000	1,000	1,49,00,000	2,40,603	1,49,00,000	24,06,03,000
3-Jun-1968	1,650	1,000	1,000	16,50,000	2,42,253	16,50,000	24,22,53,000
8-Jul-1968	8,350	1,000	1,000	83,50,000	2,50,603	83,50,000	25,06,03,000
18-Jul-1969	20,000	1,000	1,000	2,00,00,000	2,70,603	2,00,00,000	27,06,03,000
24-Dec-1969	31,800	1,000	1,000	3,18,00,000	3,02,403	3,18,00,000	30,24,03,000
3-Feb-1970	6,200	1,000	1,000	62,00,000	3,08,603	62,00,000	30,86,03,000
4-Apr-1970	24,800	1,000	1,000	2,48,00,000	3,33,403	2,48,00,000	33,34,03,000
4-Jul-1970	16,000	1,000	1,000	1,60,00,000	3,49,403	1,60,00,000	34,94,03,000
28-Aug-1970	13,500	1,000	1,000	1,35,00,000	3,62,903	1,35,00,000	36,29,03,000
8-Sep-1970	8,000	1,000	1,000	80,00,000	3,70,903	80,00,000	37,09,03,000
24-Oct-1970	6,700	1,000	1,000	67,00,000	3,77,603	67,00,000	37,76,03,000
20-Nov-1970	7,800	1,000	1,000	78,00,000	3,85,403	78,00,000	38,54,03,000
1-Dec-1970	21,200	1,000	1,000	2,12,00,000	4,06,603	2,12,00,000	40,66,03,000
13-Feb-1971	12,800	1,000	1,000	1,28,00,000	4,19,403	1,28,00,000	41,94,03,000
22-Mar-1971	21,500	1,000	1,000	2,15,00,000	4,40,903	2,15,00,000	44,09,03,000
21-May-1971	11,900	1,000	1,000	1,19,00,000	4,52,803	1,19,00,000	45,28,03,000
22-Jul-1971	25,500	1,000	1,000	2,55,00,000	4,78,303	2,55,00,000	47,83,03,000
21-Sep-1971	18,400	1,000	1,000	1,84,00,000	4,96,703	1,84,00,000	49,67,03,000
30-Nov-1971	35,100	1,000	1,000	3,51,00,000	5,31,803	3,51,00,000	53,18,03,000
21-Jan-1972	26,300	1,000	1,000	2,63,00,000	5,58,103	2,63,00,000	55,81,03,000
21-Feb-1972	14,700	1,000	1,000	1,47,00,000	5,72,803	1,47,00,000	57,28,03,000
7-Apr-1972	16,900	1,000	1,000	1,69,00,000	5,89,703	1,69,00,000	58,97,03,000
19-Aug-1972	28,400*	1,000	1,000	2,84,00,000	6,18,103	2,84,00,000	61,81,03,000

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
14-Nov-1972	81,897*	1,000	1,000	8,18,97,000	7,00,000	8,18,97,000	70,00,00,000
21-Mar-1973	60,403*	1,000	1,000	6,04,03,000	7,60,403	6,04,03,000	76,04,03,000
24-Jul-1973	36,600*	1,000	1,000	3,66,00,000	7,97,003	3,66,00,000	79,70,03,000
23-Oct-1973	15,000*	1,000	1,000	1,50,00,000	8,12,003	1,50,00,000	81,20,03,000
22-Jan-1974	8,400*	1,000	1,000	84,00,000	8,20,403	84,00,000	82,04,03,000
07-Dec-1974	2,500*	1,000	1,000	25,00,000	8,22,903	25,00,000	82,29,03,000
22-Feb-1975	17,500*	1,000	1,000	1,75,00,000	8,40,403	1,75,00,000	84,04,03,000
15-Apr-1976	50,000*	1,000	1,000	5,00,00,000	8,90,403	5,00,00,000	89,04,03,000
15-Jun-1976	15,000*	1,000	1,000	1,50,00,000	9,05,403	1,50,00,000	90,54,03,000
26-Nov-1976	10,000*	1,000	1,000	1,00,00,000	9,15,403	1,00,00,000	91,54,03,000
29-Jan-1977	10,000*	1,000	1,000	1,00,00,000	9,25,403	1,00,00,000	92,54,03,000
01-Apr-1977	30,800*	1,000	1,000	3,08,00,000	9,56,203	3,08,00,000	95,62,03,000
31-Oct-1977	15,000*	1,000	1,000	1,50,00,000	9,71,203	1,50,00,000	97,12,03,000
10-Mar-1978	24,000*	1,000	1,000	2,40,00,000	9,95,203	2,40,00,000	99,52,03,000
1-May-1978	(11,828)*	1,000	1,000	1,18,28,000	9,83,375	1,18,28,000	98,33,75,000
	(295,203)*	1,000	1,000	29,52,03,000	6,88,172	10,00,000	68,81,72,000
22-Dec-1978	25,000	1,000	1,000	2,50,00,000	7,13,172	2,50,00,000	71,31,72,000
9-May-1980	4,000	1,000	1,000	40,00,000	7,17,172	40,00,000	71,71,72,000
	25,500*	1,000	1,000	2,55,00,000	7,42,672	2,55,00,000	74,26,72,000
3-Jan-1981	10,000	1,000	1,000	1,00,00,000	7,52,672	1,00,00,000	75,26,72,000
23-May-1981	10,000	1,000	1,000	1,00,00,000	7,62,672	1,00,00,000	76,26,72,000
31-Aug-1981	8,500	1,000	1,000	85,00,000	7,71,172	85,00,000	77,11,72,000
4-Nov-1981	2,500	1,000	1,000	25,00,000	7,73,672	25,00,000	77,36,72,000
15-Jan-1982	12,500	1,000	1,000	1,25,00,000	7,86,172	1,25,00,000	78,61,72,000
9-Jun-1982	23,800	1,000	1,000	2,38,00,000	8,09,972	2,38,00,000	80,99,72,000
26-Mar-1983	39,800	1,000	1,000	3,98,00,000	8,49,772	3,98,00,000	84,97,72,000
4-Jul-1983	30,000	1,000	1,000	3,00,00,000	8,79,772	3,00,00,000	87,97,72,000
8-Sep-1983	25,000	1,000	1,000	2,50,00,000	9,04,772	2,50,00,000	90,47,72,000
11-Nov-1983	5,000	1,000	1,000	50,00,000	9,09,772	50,00,000	90,97,72,000
19-Apr-1984	13,500	1,000	1,000	1,35,00,000	9,23,272	1,35,00,000	92,32,72,000
30-Jun-1984	8,000	1,000	1,000	80,00,000	9,31,272	80,00,000	93,12,72,000
6-Mar-1985	40,000	1,000	1,000	4,00,00,000	9,71,272	4,00,00,000	97,12,72,000
23-Apr-1985	42,600	1,000	1,000	4,26,00,000	10,13,872	4,26,00,000	1,01,38,72,000
16-Sep-1985	25,000	1,000	1,000	2,50,00,000	10,38,872	2,50,00,000	1,03,88,72,000
27-Dec-1985	46,000	1,000	1,000	4,60,00,000	10,84,872	4,60,00,000	1,08,48,72,000
4-Apr-1986	23,300	1,000	1,000	2,33,00,000	11,08,172	2,33,00,000	1,10,81,72,000
8-Jul-1986	18,000	1,000	1,000	1,80,00,000	11,26,172	1,80,00,000	1,12,61,72,000
6-Feb-1987	2,000	1,000	1,000	20,00,000	11,28,172	20,00,000	1,12,81,72,000
18-Apr-1987	2,500	1,000	1,000	25,00,000	11,30,672	25,00,000	1,13,06,72,000
11-Jul-1987	2,500	1,000	1,000	25,00,000	11,33,172	25,00,000	1,13,31,72,000
26-Dec-1987	10,300	1,000	1,000	1,03,00,000	11,43,472	1,03,00,000	1,14,34,72,000
6-May-1988	10,000	1,000	1,000	1,00,00,000	11,53,472	1,00,00,000	1,15,34,72,000
9-Jun-1989	39,700	1,000	1,000	3,97,00,000	11,93,172	3,97,00,000	1,19,31,72,000
11-Aug-1989	26,000	1,000	1,000	2,60,00,000	12,19,172	2,60,00,000	1,21,91,72,000
28-Sep-1989	2,500	1,000	1,000	25,00,000	12,21,672	25,00,000	1,22,16,72,000
22-Feb-1990	29,500	1,000	1,000	2,95,00,000	12,51,172	2,95,00,000	1,25,11,72,000
29-May-1990	32,400	1,000	1,000	3,24,00,000	12,83,572	3,24,00,000	1,28,35,72,000
26-Mar-1991	38,000	1,000	1,000	3,80,00,000	13,21,572	3,80,00,000	1,32,15,72,000
Sub-division of nominal value of Equity shares of the Company from Rs. 1,000 per Equity Share to ₹10 per Equity Share vide AGM dated September 24, 1992. The cumulative no. of shares increased from 13,21,572							

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
Equity Shares of ₹ 1,000 each to 13,21,57,200 Equity Shares of ₹ 10 each.							
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. The cumulative no. of shares increased from 13,21,57,200 Equity Shares of ₹ 10 each to 1,32,15,72,000 Equity Shares of ₹ 1 each							
13-Jun-2008	2,64,31,44,000	1	Nil	2,64,31,44,000	3,96,47,16,000	2,64,31,44,000	3,96,47,16,000

Notes:

* Upon the transfer of the Kiriburu Iron Ore Mines and Meghahatuburu Iron Ore Project from the Company to the 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, an aggregate of 307,031 equity shares of the Company were cancelled with effect from May 01, 1978. These equity shares comprised 11,828 equity shares (i.e. out of 1,10,297 equity shares issued on August 19, 1972 and November 14, 1972); 60,403 equity shares issued on March 21, 1973; 36,600 equity shares issued on July 24, 1973; 15,000 equity shares issued on October 23, 1973; 8400 equity shares issued on January 22, 1974; 2500 equity shares issued on December 07, 1974; 17,500 equity shares issued on February 22, 1975; 50,000 equity shares issued on April 15, 1976; 15,000 equity shares issued on June 15, 1976; 10,000 equity shares issued on November 26, 1976; 10,000 equity shares issued on January 29, 1977; 30,800 equity shares issued on April 01, 1977; 15,000 equity shares issued on October 31, 1977 and 24,000 equity shares issued on March 10, 1978

**Allotment of equity shares to Government of India as consideration for the acquisition of 2,550,000 fully paid up equity shares of ₹ 10 each in Mandovi Pellets Limited on March 25, 1980 by the Company by way of transfer from the President of India.

Reference to GoI in this section shall mean the President of India, acting through the Ministry of Steel.

14.7 The Board of Directors of the Company as on the date of publication of Public Announcement (i.e. August 8, 2016) was as under:

Sl. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
1.	Bharathi Sivaswami Sihag, Qualification: (1) Post Graduate and M. Phil in History from Delhi University, (2) M.S. Degree from Cornell University, Ithaca, New York, USA in Development Studies Occupation: Additional Secretary & Financial Advisor, Ministry of Steel Age: 57 Years DIN: 02154196	Chairman cum Managing Director	March 16, 2015	<ul style="list-style-type: none"> • Rashtriya Ispat Nigam Limited • Mecon Limited • J&K Mineral Development Corporation Limited • KIOCL Limited • Steel Authority of India Limited • NMDC-CMDC Limited • International Coal Ventures Private Limited • Jharkhand National Mineral Development Corporation Limited
2.	Syedain Abbasi Qualification: M.A. - Modern Indian History Occupation: Joint Secretary, Ministry of Steel, Government of India Age: 49 Years DIN: 01790604	Independent Government Nominee Director	October 18, 2012	Nil

Sl. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
3.	Narendra Kumar Nanda Qualification: (i) B.Tech. (Mining) ii) M.Tech. (By Research) in Mining Engg. Occupation: Government Service Age: 55 Years DIN: 02455894	Director (Technical)	December 01, 2008	<ul style="list-style-type: none"> • J&K Mineral Development Corporation Limited • NMDC-CMDC Limited • NMDC Power Limited • Jharkhand National Mineral Development Corporation Limited • NMDC Steel Limited • Karnataka Vijaynagar Steel Limited • Jharkhand Kolhan Steel Limited • NMDC-SAIL Limited • Legacy Iron Ore Limited • KOPANO-NMDC Minerals (PTY) Limited
4.	Dr. Tanugula Ramakishan Rao Qualification: i) Ph.D. - Indian Agricultural Research Institute, New Delhi ii) M.S. in Economic Policy Management- Columbia University, USA Occupation: Government Service Age: 54 Years DIN:01312449	Director (Commercial)	November 17, 2014	<ul style="list-style-type: none"> • Krishnapatnam Railway Company Limited • NMDC Power Limited • Neelachal Ispat Nigam Limited • Bastar Railway Private Limited • Legacy Iron Ore Limited
5.	Pradip Kumar Satpathy Qualification: Bachelor of Engineering (Mining) Occupation: Government Service Age: 53 Years DIN: 07036432	Director (Production)	December 13, 2014	<ul style="list-style-type: none"> • NMDC-CMDC Limited • Jharkhand Mineral Development Corporation Limited • NMDC-SAIL Limited
6.	Devinder Singh Ahluwalia Qualification: (1) Bachelor of Commerce (Hons.) from Delhi University and (2) Cost Accountant Occupation: Government Service Age: 58 Years DIN: 02164448	Director (Finance)	January 1, 2015	<ul style="list-style-type: none"> • J&K Mineral Development Corporation Limited • Legacy Iron Ore Limited • KOPANO-NMDC Minerals (PTY) Limited

Sl. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
7.	Sandeep Tula Qualification: Post Graduate Diploma in Social Work Occupation: Government Service Age: 56 Years DIN: 07261884	Director (Personnel)	August 03, 2016	<ul style="list-style-type: none"> Indian Iron and Steel Sector Skill Council
8.	Bhagwati Mahesh Baldewa Qualification: Bachelor of Commerce, Rajasthan University and Management Program (OMP) Occupation: Business Age: 53 Years DIN: 01537251	Independent Director	November 13, 2015	<ul style="list-style-type: none"> Mahesh Vidya Bhawan Limited SKP Labs Private Limited
9.	Arun Kumar Srivastava Qualification: Chartered Accountant Occupation: Senior Partner of M/s Kumar Swarup & Co., Chartered Accountants Age: 60 Years DIN: 01940109	Independent Director	November 13, 2015	Nil
10.	Pradip Bhargava Qualification: 1) Post Graduate in Mathematics 2) M.Sc. Development Studies from Bath University, U.K Occupation: Retired from the Indian Administrative Service Age: 66 Years DIN: 01986827	Independent Director	November 27, 2015	Nil
11.	Rajesh Kumar Mangal Qualification: Chartered Accountant Occupation: Senior Partner of M/s B. Jain & Associates, Chartered Accountants Age: 49 Years DIN: 03033081	Independent Director	November 13, 2015	<ul style="list-style-type: none"> Bharat Petroleum Corporation Limited Rishi Corporate Services Private Limited
12.	Shyam Murari Nigam Qualification: Post Graduate in Physics, Mathematics & Bachelor of Law Occupation: Retired as Member, Central Board of Direct Taxes (CBDT), Department of Revenue, Ministry of Finance and Special Secretary to the Government of India Age: 61 Years DIN: 07355272	Independent Director	November 27, 2015	Nil
13.	Dr. Syamal Kumar Sarkar Qualification: (i) Doctor of Philosophy in Economics (ii) M.A. in Economics Occupation: Retired as	Independent Director	November 27, 2015	Nil

Sl. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
	Secretary, Department of Personnel and Training, Ministry of Personnel, Public Grievances and Pensions, Government of India Age: 62 Years DIN: 07387840			

14.8 The details of changes in the Board of Directors during the last 3 years from the date of the publication of the Public Announcement (i.e. August 8, 2016) are as under:

S. No.	Name, Designation and DIN	Date of Joining/Appointment	Date of Cessation	Reason
1.	Bharathi Sivaswami Sihag Designation: Chairman cum Managing Director DIN: 02154196	16.03.2015	Continuing	-
2.	Syedain Abbasi Designation: Independent Government Nominee Director DIN: 01790604	18.10.2012	Continuing	-
3.	Narendra Kumar Nanda Designation: Director (Technical) DIN: 02455894	01.12.2008	Continuing	-
4.	Dr. Tanugula Ramakishan Rao Designation: Director (Commercial) DIN:01312449	17.11.2014	Continuing	-
5.	Pradip Kumar Satpathy Designation: Director (Production) DIN: 07036432	13.12.2014	Continuing	-
6.	Devinder Singh Ahluwalia Designation: Director (Finance) DIN:02164448	01.01.2015	Continuing	-
7.	Sandeep Tula Designation: Director (Personnel) DIN: 07261884	03.08.2016	Continuing	-
8.	Bhagwati Mahesh Baldewa Designation: Independent Director DIN: 01537251	13.11.2015	Continuing	-
9.	Arun Kumar Srivastava Designation: Independent Director DIN: 01940109	13.11.2015	Continuing	-
10.	Pradip Bhargava Designation: Independent Director DIN: 01986827	27.11.2015	Continuing	-
11.	Rajesh Kumar Mangal Designation: Independent Director DIN: 03033081	13.11.2015	Continuing	-
12.	Shyam Murari Nigam Designation: Independent Director DIN: 07355272	27.11.2015	Continuing	-
13.	Dr. Syamal Kumar Sarkar Designation: Independent Director DIN: 07387840	27.11.2015	Continuing	-
14.	Swaminathan. Thiagarajan Designation: Director (Finance) DIN: 02721001	9.07.2009	01.01.2015	Superannuation
15.	Rajendra .Nath. Aga Designation: Independent Director DIN: 01676588	03.12.2010	03.12.2013	Completion of tenure

S. No.	Name, Designation and DIN	Date of Joining/Appointment	Date of Cessation	Reason
16.	Parminder Hira Mathur Designation: Independent Director DIN: 00077306	03.12.2010	03.12.2013	Completion of tenure
17.	Dronadeb Rath Designation: Independent Director DIN: 00317139	03.12.2010	03.12.2013	Completion of tenure
18.	Subimal Bose Designation: Director (Production) DIN: 03570144	17.06.2011	01.11.2014	Superannuation
19.	Sarbesh Kumar Das Designation: Director (Commercial) DIN: 03613327	11.08.2011	01.09.2014	Superannuation
20.	Rabindra Singh Designation: Director (Personnel) DIN: 03641126	01.10.2011	01.09.2015	Superannuation
21.	Surinder Jit Sibal Designation: Independent Director DIN: 03626423	28.12.2011	28.12.2014	Completion of tenure
22.	Chandra Shekhar Verma Designation: Chairman-cum- Managing Director DIN: 00121756	25.05.2012	21.04.2014	Superannuation (Holding additional charge as CMD/NMDC upto 20.04.2014)
23.	Edodiyil Kunhiraman. Bharat Bhushan Designation: Government Nominee Director DIN: 01124966	26.07.2012	29.04.2013	Completion of tenure
24.	Dr Noor Mohammad Designation: Independent Director DIN: 02703408	26.11.2012	26.11.2015	Completion of tenure
25.	Vinai Kumar Agarwal Designation: Independent Director DIN: 00233282	26.11.2012	26.11.2015	Completion of tenure
26.	Mahesh Shah Designation: Independent Director DIN: 00405556	26.11.2012	26.11.2015	Completion of tenure
27.	Vinod Kumar Thakral Designation: Govt. Nominee Director DIN: 00402959	07.06.2013	16.03.2015	Completion of tenure
28.	Narendra Kothari Designation: Chairman Cum Managing Director DIN: 06393713	21.04.2014	31.12.2015	Superannuation

14.9 The buyback will not result in any benefit to the Directors of the Company/ Promoter and persons in control of the Company/ group companies except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the Equity Share Capital post Buyback.

The Board of Directors of the Company hold the following Equity Shares as on the date of publication of Public Announcement (i.e. August 8, 2016):

S. No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Percentage of issued Equity Share capital
1.	Narendra Kumar Nanda, Director (Technical)	320	320	Negligible
2.	Pradip Kumar Satpathy Director (Production)	320	320	Negligible
3.	Pradip Bhargava, Independent Director	100	100	Negligible

15 FINANCIAL INFORMATION ABOUT THE COMPANY

- 15.1 The salient financial information of the Company, as extracted from the standalone audited financial statements for the last three financial years viz. March 31, 2016 (subject to the approval of Shareholders in the upcoming Annual General Meeting), March 31, 2015 and March 31, 2014 is detailed below:

(Rs. in crores)

Key Financials	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)	For the year ended March 31, 2014 (Audited)
Revenue from Operations	6,455.80	12,356.41	12,058.20
Other Income	1,774.39	2,265.40	2,094.52
Total Income	8,230.19	14,621.81	14,152.72
Total Expenses	3,266.21	4,578.06	4,284.98
Interest	65.44	0.00	1.85
Depreciation	207.75	162.23	150.41
Exceptional Items: Expense / (Income)	184.78	113.01	(45.48)
Profit Before Tax	4,506.01	9,768.51	9,760.96
Provisions for Tax (including Deferred Tax)	1,477.19	3,346.21	3,339.72
Profit/(Loss) discontinuing operation	(0.49)	(0.44)	(1.16)
Profit/ (Loss) After Tax	3,028.33	6,421.86	6,420.08
Paid-up Equity Share Capital	396.47	396.47	396.47
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	29,709.51	31,929.90	29,586.46
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	30,105.98	32,326.37	29,982.93
Total Debt, excluding working capital loans	-	-	-

- 15.2 Financial Ratios for the last three financial years viz. Fiscal 2016, 2015 and 2014 are as under:

Particulars	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)	For the year ended March 31, 2014 (Audited)
Earnings per Share (₹)	7.64	16.20	16.19
Debt/ Equity Ratio	-	-	-
Book Value (₹ per Share)	75.93	81.54	75.62
Return on Net worth (%)	9.70	20.61	22.34
Total Debt/ Net worth (%)	Negligible	-	-

Notes:

- Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
- Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares Subscribed
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Average Net Worth excluding revaluation reserves
Debt- Equity Ratio	Long Term Debt/ Net Worth

15.3 The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as may be applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Companies Act, 2013 and the rules made thereunder. The Company further declares that it will comply with Regulation 23 of the Buyback Regulations.

16 STOCK MARKET DATA

16.1 The Company's Equity Shares are listed on BSE, NSE and CSE. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of publication of the Public Announcement (i.e. August 8, 2016) from February 2016 to July 2016 and the corresponding volumes on the BSE and NSE is as follows:

For BSE:

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume traded in the period (No. of Shares)
Preceding 3 years								
April 01, 2015 - March 31, 2016	139.40	April 13, 2015	2,78,467	75.20	February 12, 2016	5,15,615	103.11	6,56,97,002
April 01, 2014 - March 31, 2015	196.15	June 06, 2014	4,81,186	123.00	March 26, 2015	3,14,001	156.45	7,55,13,424
April 01, 2013 - March 31, 2014	148.90	February 10, 2014	2,58,598	92.65	August 06, 2013	1,11,330	125.92	5,33,35,622
Preceding 6 months								
July, 2016	103.95	July 28, 2016	5,54,862	94.00	July 19, 2016	6,85,438	96.89	75,70,877
June, 2016	95.35	June 30, 2016	4,61,341	85.30	June 02, 2016	2,87,705	91.14	54,79,794
May, 2016	99.20	May 03, 2016	1,97,689	87.60	May 24, 2016	1,85,910	91.60	45,20,279
April, 2016	104.55	April 08, 2016	3,34,163	93.75	April 29, 2016	2,03,089	99.69	47,76,405
March, 2016	102.10	March 23, 2016	2,72,774	80.55	March 01, 2016	2,18,808	94.46	79,20,315
February, 2016	94.95	February 23, 2016	9,16,273	75.20	February 12, 2016	5,15,615	84.35	1,32,69,229

Source: www.bseindia.com

* High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

For NSE:

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume traded in the period (No. of Shares)
Preceding 3 years								
April 01, 2015 - March 31, 2016	139.35	April 13, 2015	22,55,499	75.15	February 12, 2016	20,11,558	103.08	51,14,31,862
April 01, 2014 - March 31, 2015	196.00	June 06, 2014	43,30,281	123.05	March 26, 2015	31,84,442	156.46	66,76,34,603
April 01, 2013 - March 31, 2014	149.00	February 10, 2014	23,64,560	92.70	August 07, 2013	58,57,277	125.93	68,82,01,713
Preceding 6 months								
July, 2016	106.85	July 28, 2016	76,41,394	93.85	July 20, 2016	51,25,473	96.88	5,78,67,882
June, 2016	95.50	June 30, 2016	36,44,400	85.20	June 02, 2016	18,39,519	91.15	4,31,49,778
May, 2016	99.25	May 03, 2016	23,49,528	87.50	May 24, 2016	18,26,308	91.59	3,90,64,672
April, 2016	104.70	April 08, 2016	22,85,468	93.60	April 29, 2016	27,68,010	99.66	4,02,56,766
March, 2016	102.00	March 23, 2016	23,32,935	80.50	March 01, 2016	24,76,349	94.46	5,87,89,683
February, 2016	95.00	February 23, 2016	65,13,576	75.15	February 12, 2016	20,11,558	84.30	8,84,35,115

Source: www.nseindia.com

* High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

16.2 The closing market price of the Equity Shares of the Company:

- As on June 6, 2016 i.e. the trading day before June 7, 2016, being the date of Board Meeting approving the Buyback was ₹ 90.15 per Equity Share on BSE and ₹ 90.20 per Equity Share on NSE.
- As on June 7, 2016, i.e. the date of Board Meeting approving the Buyback was ₹ 91.65 per Equity share on BSE and ₹ 91.45 per Equity share on NSE.
- As on June 8, 2016, i.e. the day immediately after June 7, 2016, being the date of Board Meeting approving the Buyback was ₹ 90.40 per Equity Share on BSE and ₹ 90.55 per Equity Share on NSE.
- As on August 8, 2016, i.e. the date of publication of Public Announcement was issued was ₹ 102.20 per Equity Share on BSE and ₹ 101.75 per Equity Share on NSE.

17 DETAILS OF STATUTORY APPROVALS

- The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, 2013, FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.
- Non-Resident Shareholders (excluding OCBs) permitted under the automatic process prescribed under applicable FEMA Regulations, read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI.
- Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- As on date, there are no other statutory or regulatory approvals required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.

- 17.5 The Buyback has been approved by the Board of Directors in their meeting held on June 7, 2016 and by the Shareholders through postal ballot, the results of which were declared on August 4, 2016

18. DETAILS OF REGISTRAR TO THE BUYBACK OFFER

Eligible Shareholders holding Shares in dematerialized form and Shareholder Brokers (who have submitted bids on behalf of Eligible Shareholders holding shares in physical form) are required to send the Tender Form, TRS, physical share certificate (for physical Shareholders only) and other documents by superscribing the envelope as “NMDC Buyback Offer 2016” to the Registrar to the Buyback Offer either by registered post/courier or hand delivery at their below office, so that the same are received within 2 (two) days from the Buyback Closing Date i.e. Tuesday, October 4, 2016 (by 5 p.m.):



Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad- 500 032

Contact Person: M Muralikrishna

Tel: +91 (40) 67162222

Fax: +91 (40) 23431551

E-mail: murali.m@karvy.com

Website: www.karvycomputershare.com

SEBI Registration No.: INR000000221

Validity Period: Permanent Registration

CIN: U72400TG2003PTC041636

TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK OFFER.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1 The Company proposes to buyback not exceeding 80,08,25,526 (Eighty Crore Eight Lakhs Twenty Five Thousand Five Hundred and Twenty Six) Equity Shares from the Eligible Shareholders of the Company, on a proportionate basis, through the Tender Offer process at a price of ₹ 94 (Rupees Ninety Four only) per Equity Share, payable in cash for an aggregate maximum amount of ₹ 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) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. 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. The Buyback is in accordance with the provisions of 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 and rules made thereunder, the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc. 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 standalone 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 aggregate of 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 Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback.

- 19.2 The aggregate shareholding of the Promoter as on Record Date is 317,19,46,300 (Three Hundred Seventeen Crore Nineteen Lakhs Forty Six Thousand Three Hundred) Equity Shares, which represents 80.00% (eighty percent) of the existing Equity Share capital of the Company. 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 of the Company has expressed its intention, vide its letter dated June 7, 2016, to participate in the Buyback and tender an aggregate of 99,11,79,000 (Ninety Nine Crore Eleven Lakh and Seventy Nine Thousand) Equity Shares.

19.3 Assuming that the Promoter i.e. President of India acting through Ministry of Steel, Government of India, tenders 99,11,79,000 (Ninety Nine Crore Eleven Lakh and Seventy Nine Thousand) Equity Shares, in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to 80.86% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to 74.94% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.

19.4 Record Date, Ratio of the Buyback and entitlement of each Shareholder

- a) The Buyback Committee in its meeting held on August 4, 2016 announced August 19, 2016 as Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
- b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders (“**Reserved Category**”); and
 - General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)
- c) As defined in the Buyback Regulations, a “**Small Shareholder**” is a shareholder who holds Equity Shares having market value, on the basis of closing price on the stock exchanges in which the highest trading volume as on Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakh only). As on Record Date, the volume of Shares traded on NSE was 45,41,604 shares and on BSE was 5,92,484 Shares. Accordingly, NSE being the exchange with highest turnover, the closing price was ₹ 108.95 and hence all Shareholders holding not more than 1,835 Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.
- d) Based on the above definition, there are 2,10,774 Small Shareholders with aggregate shareholding of 4,18,03,192 Shares, as on Record Date, which constitutes 1.05% of the outstanding paid up equity share capital of the Company and 5.22% of the number of 80,08,25,526 Equity Shares which are proposed to be bought back as part of this Buyback Offer.
- e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be 12,01,23,829 Equity Shares which is higher of:
 - i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 80,08,25,526 Equity Shares which works out to 12,01,23,829 Equity Shares; or
 - ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. $(4,18,03,192 / 3,96,47,16,000) \times 80,08,25,526$] which works out to 84,43,749 Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter also intends to offer Equity Shares held by them in the Buyback.

However, since in this case the total number of Equity Shares held by the Small Shareholders on the Record Date is 4,18,03,192, which is less than 12,01,23,829 (higher of (i) and (ii) above) the maximum number of Equity Shares reserved for Small Shareholders will be restricted to the total number of Equity Shares held by the Small Shareholders as on Record Date.

- f) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, 4,18,03,192 Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of 75,90,22,334 Equity Shares.
- g) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category	Ratio of Buyback
Reserved Category	1 (One) Equity Share out of every 1 (One) fully paid-up Equity Shares held on the Record Date
General Category	6 (Six) Equity Shares out of every 31 (Thirty One) fully paid-up Equity Shares held on the Record Date

The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is 100% and General category for all other Eligible Shareholders is 19.348437530%.

19.5 Fractional Entitlements

If the Buyback Entitlement, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 (one) Equity Share) then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback Offer, for both categories of Eligible Shareholders.

Since the entitlement ratio in case of the Reserved Category is 1 (One) Equity Share for each 1 (One) fully paid-up Equity Share held on the Record Date, the clauses pertaining to fractional entitlement, zero entitlement, additional shares tendered in the Reserved category etc. will not be applicable to Reserved Category.

19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance (i.e. 100%) of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a) above, in case, there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in paragraph 19.6 (a) and (b) above, in case, there are any validly tendered unaccepted Shares in the Reserved Category (“**Reserved Category Additional Shares**”) and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c) above, will be made as follows:
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance (i.e.100%) of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a) above, in case, there are any validly tendered unaccepted Shares in the General Category (**“General Category Additional Shares”**) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the General Category Additional Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b) above, will be made as follows:
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Shares between Categories

- a) After acceptances of tenders, as mentioned in 19.6 and 19.7 above, in case, there are any Shares left to be bought back in one category (**‘Partially filled Category’**), and there are additional unaccepted validly tendered Shares (**‘Further Additional Shares’**) in the second Category (**‘Over Tendered Category’**), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid Acceptances per Shareholder shall be equal to the Further Additional Shares validly tendered by an Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Shares before acceptance in paragraph 19.8(a) above out of the Shares left to be bought back in the Partially Filled Category, provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.8(a) above:
 - For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback Offer from each Eligible Shareholder, in accordance with above clauses, shall be lower of the following:

- the number of Shares tendered by the respective Shareholder, and
- the number of Shares held by the respective Shareholder, as on the Record Date.

- 19.10 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with above clauses.

20 PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1 The Buyback is open to all Eligible Shareholder(s) holding Shares either in physical and/or dematerialized form on the Record Date.
- 20.2 The Company proposes to effect the Buyback through Tender Offer process, on a proportionate basis. This Letter of Offer and Tender Form, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.
- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.5 Eligible Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in paragraph 19 (*Process and Methodology for the Buyback*) of this Letter of Offer.
- 20.6 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 20.7 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and the such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.
- 20.8 As elaborated under Paragraph 19.4 (b) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories: (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Shareholders, and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 20.9 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 20.10 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, Notice Number 20150930-1 dated September 30, 2015 from BSE and following the procedure prescribed in the Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

- 20.11 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 20.12 For implementation of the Buyback, the Company has appointed Karvy Stock Broking Limited as the registered broker to the Company (the “**Company’s Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:

Karvy Stock Broking Limited

Karvy House, 46, Street No. 1,
Banjara Hills, Hyderabad- 500034

Contact Person: Mr. Srikrishna Gurazada

Tel: +91 (40) 23312454

Fax: +91 (40) 23311968

Email: service@karvy.com

Website: www.karvy.com

SEBI Registration Number: NSE: INB/ INF/ INE 230770138, BSE: INB 010770130

CIN: U67120TG1995PLC019877

- 20.13 The Company will request BSE to provide the separate Acquisition Window to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE would be the Designated Stock Exchange for this Buyback Offer. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Shareholder Broker**”).

In the event Shareholder Broker(s) of Eligible Shareholder is not registered with BSE then that Eligible Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through that BSE registered stock broker after submitting the details as may be required by that stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company’s Broker to bid by using quick UCC facility.

- 20.14 At the beginning of the Tendering Period, the order for buying Equity Shares shall be placed by the Company through the Company’s Broker. During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. In the tendering process, the Company’s Broker may also process the orders received from the Shareholders.

- 20.15 Shareholder Broker can enter orders for demat Shares as well as physical Shares.

- 20.16 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Shareholder for selling the Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance.

- 20.17 The cumulative quantity tendered shall be made available on BSE website- www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.

- 20.18 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

20.19 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form

Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.

The Shareholder Broker would be required to place a bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE. Before placing the bid, the concerned Shareholder Broker would need to transfer the tendered Equity Shares to the special account of Clearing Corporation of India Limited (“**Clearing Corporation**”), by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order/bid entry. The details of the settlement number for the Buyback shall be informed in the issue opening circular that will be issued by BSE/ Clearing Corporation.

For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Tendering Period i.e. date of closing of the Buyback Offer. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“TRS”) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, Number of Equity Shares tendered etc.

Eligible Shareholders who have tendered their Equity Shares in the Buyback may deliver the Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system either by registered post or courier or hand delivery to the Registrar to the Buyback Offer at the address mentioned on the cover page of this Letter of Offer not later than 2 (two) days from the Closing Date i.e. Tuesday, October 4, 2016 (by 5 p.m.). The envelope should be superscribed as “NMDC Buyback Offer 2016”. In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance. Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
- ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

20.20 Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in the Physical form

Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include:

- a) The Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares.
- b) Original share certificates.
- c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company.
- d) Self-attested copy of the PAN Card(s) of all Shareholders.
- e) Any other relevant documents such as (but not limited to):
 - i. Duly attested Power of Attorney if any person other than the Eligible Shareholder has signed the relevant Tender Form
 - ii. Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
 - iii. Necessary corporate authorisations, such as Board Resolutions etc., in case of companies

- f) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

Any Shareholder Broker who places a bid for physical Equity Shares, is required to deliver Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in Paragraph hereinabove) either by registered post or courier or hand delivery to the Registrar to the Buyback Offer at the address mentioned on the cover page of this Letter of Offer not later than 2 (two) days from the Buyback Closing Date i.e. Tuesday, October 4, 2016 (by 5 p.m.). The envelope should be superscribed as “**NMDC Buyback Offer 2016**”. One copy of the TRS will be retained by Registrar to the Buyback Offer and it will provide acknowledgement of the same to the Shareholder Broker.

Shareholders holding physical shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard.

Registrar to the Buyback Offer will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as ‘unconfirmed physical bids’. Once Registrar to the Buyback Offer confirms the bids, they will be treated as ‘Confirmed Bids’.

In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback Offer before the Buyback Closing Date.

20.21 Additional requirements in respect of tenders by Non-resident shareholders

- a) While tendering their Equity Shares under the Buyback Offer, all Eligible Shareholders being Non-resident Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI wherever applicable). In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- b) FII/FPI shareholders should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents should include:
- a copy of the permission received by them from RBI at the time of the original acquisition of Shares
 - a letter from the Shareholder’s authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-resident shareholder from the appropriate account as specified by RBI in its approval.
 - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.

In case the Non-resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer i.e. by way of credit to an non-repatriation bank account or issuance of Rupee demand draft.

- d) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.

20.22 Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any Eligible Shareholder, shall not invalidate the Buyback Offer in any way. Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Tender Form downloaded from SEBI website (www.sebi.gov.in) or obtain a duplicate copy of the same by writing to the Registrar to the Buyback Offer. Please note that the Company shall accept Equity Shares validly tendered for the Buyback Offer on the basis of their holding and entitlement as appearing in the records of the Company as on the Record Date.

20.23 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

20.24 The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.

20.25 In case of non-receipt of the Letter of Offer / Tender Form:

- a) **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.nmdc.co.in or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding), stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.
- b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Buyback Offer by providing an application in writing on a plain paper signed by all Eligible Shareholders (in case of joint holding) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Shareholders' PAN card(s), executed share transfer form in favour of the Company and other necessary documents. The transfer form SH-4 can be downloaded from the Company's website i.e. www.nmdc.co.in. Shareholders/ Shareholder Broker must ensure that the Tender Form, along with TRS and the requisite documents, reach the Registrar to the Buyback Offer not later than 2 (two) days from the Buyback Closing Date Tuesday, October 4, 2016 (by 5 p.m.). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by BSE before the Buyback Closing Date, otherwise the same are liable to be rejected.

20.26 Acceptance of orders

The Registrar shall provide details of order Acceptance to Clearing Corporation of India Limited (the "Clearing Corporation") within specified timelines.

20.27 Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

- (i) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

- (ii) The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Shareholder Broker/ custodian participants will receive funds payout in their settlement bank account. The Shareholder Broker / custodian participants would pay the consideration to their respective clients. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.
- (iii) The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "**Demat Escrow Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.
- (iv) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to the respective Shareholder Broker by Clearing Corporation as part of the exchange pay out process, not later than Friday, October 7, 2016. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant. The Shareholder Broker / custodian participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.
- (v) Equity Shares in Physical form, to the extent tendered but not accepted, will be returned back to the concerned Shareholders directly by Registrar to the Buyback Offer. The Company will issue a new single share certificate for all the unaccepted and excess physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted and excess / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders' sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than Friday, October 7, 2016.
- (vi) Every Shareholder Broker who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (vii) Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Shareholder Broker, in respect of accepted Equity Shares, could be net of such costs, applicable taxes charges and expenses (including brokerage) and the Manager and Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- (viii) The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations and Companies Act, 2013.

20.28 Settlement of Funds/Payment Consideration

The settlements of fund obligation for dematerialised and physical Equity Shares shall be effected through existing settlement accounts of trading members. Funds shall be made to the settlement account of the trading members who have entered the sell order for Eligible Shareholders.

20.29 Special Account opened with the Clearing Corporation

The details of transfer of the dematerialised Equity Shares to the special account by trading member or custodians shall be informed in the issue opening circular that will be issued by the BSE or Clearing Corporation.

20.30 Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

For Eligible Shareholders holding shares in the dematerialized form if:

- a. the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or
- b. if there is a name mismatch in the dematerialised account of the Shareholder.

For Eligible Shareholders holding Equity Shares in the physical form if:

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of October 4, 2016 (Tuesday) by 5:00 p.m.;
- b. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

21 NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 (“**Income Tax Act**”) relating to treatment of income-tax in case of Buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

i. Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:

- Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
- Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)

ii. Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

a. Resident Shareholders being:

- Individuals, HUF, AOP and BOI
- Others

b. Non Resident Shareholders being:

- NRIs
- FIIs
- Others:
 - Company
 - Other than Company

2. SHARES HELD AS INVESTMENT

i. For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement (“DTAA”).

ii. The taxability as per the provisions of the Income Tax Act is discussed below.

- a. Nature of capital gains as per the provisions of the Income Tax Act.

As per the provisions of the Income Tax Act, for the purpose of determining as to whether the capital gains are short-term or long-term in nature:

- Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
 - Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).
- b. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act.

Buyback of shares through a recognized stock exchange

- iii. Where transaction for transfer of such equity shares (i.e. buyback) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):
- LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
 - STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

3. SHARES HELD AS STOCK-IN-TRADE

- i. If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.
- ii. Resident Shareholders
- For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - For persons other than individuals, HUF, AOP, BOI profits would be taxable at the rate of 30%. No benefit of indexation by virtue of period of holding would be available in any case.
- iii. Non Resident Shareholders
- For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.
 - Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
 - For foreign companies, profits would be taxed in India @ 40%
 - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

4. TAX DEDUCTION AT SOURCE

- i. In case of Resident Shareholders
- In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.
- ii. In the case of Non Resident Shareholders
- Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

5. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

Notes:

- i. In addition to the above Capital Gain Tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:
 - a. In case of foreign companies and FIIs: Surcharge is levied @ 2% on the amount of income tax if total income exceeds ₹ 1 crore but does not exceed ₹ 10 crore and @ 5% on the amount of income-tax if total income exceeds ₹ 10 crore.
 - b. In case of other non-resident assesses (i.e. other than foreign companies): Surcharge @ 15% for non-resident individual/HUF (@12% in case of others) is levied where the total income exceeds ₹ 1 crore.
 - c. In case of domestic companies: Surcharge @ 7% is levied where the total income exceeds ₹1 crore but does not exceed ₹ 10 crore and @ 12% is levied where the total income exceeds ₹ 10 crore.
 - d. In case of resident assesses (i.e. other than domestic companies): Surcharge @ 15% (@12% in case of firm, local authority & Co-operative Society) is levied where the total income exceeds ₹ 1 crore.
 - e. Further in a case where surcharge is levied, Education Cess of 2% and Secondary and Higher Education Cess of 1% will be levied on the amount of income-tax plus surcharge.
- ii. The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares.
- iii. All the above benefits are as per the current tax laws (including amendments made by the Finance Act, 2016), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendments in the law or relevant regulations would necessitate a review of the above.
- iv. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

22 DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulations:

The Board of Directors made the below mentioned declaration as on the date of passing the board resolution approving the Buyback i.e. June 7, 2016. Subsequently, pursuant to the authority granted to the Buyback Committee by the Board of Directors of the Company, in terms of resolutions dated June 7, 2016, the Buyback Committee has confirmed on behalf of Board of Directors that:

- i. The Board of Directors of 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 payment thereon, redemption of debentures or interest payment thereon redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institutions or banking company.
- ii. The Board of Directors of the Company confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:
 - a. Immediately following the date of the Board Meeting on June 7, 2016 and the date of this Letter of Offer, there will be no grounds on which the Company can be found unable to pay its debts;
 - b. As regards the Company's prospects for the year immediately following the date of the Board Meeting and the date of this Letter of Offer, having regard to the Board's intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will in the Board's view be available to the Company during the said 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 the Board Meeting approving the Buyback and within a period of one year from the date of this Letter of Offer, as the case may be;

- c. In forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company were 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.

This declaration is made and issued by the Buyback committee (under the authority of the Board of Directors) in terms of the resolution passed at its meeting held on September 12, 2016.

For and on behalf of the Board of Directors of Company

Sd/-

Smt. Bharathi S Sihag
Chairman cum Managing Director
DIN: 02154196

Sd/-

Shri Devinder Singh Ahluwalia
Director (Finance)
DIN: 02164448

23 AUDITORS CERTIFICATE

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

The text of the report dated June 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:

To,
The Board of Directors
NMDC Limited
(A Government of India Enterprise)
Khanij Bhawan
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 have 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 (xi) of Schedule II, Part A of the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (hereinafter "**Buyback Regulations**"), we confirm as under:

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

- iii. Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on 7th June, 2016 is unreasonable in all the circumstances in the present context.
- iv. The Board of Directors in their meeting held on June 7, 2016, have formed the opinion in terms of Clause (xi) of Part A of the Schedule II of the Buyback Regulations, on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date and from the date on which the result of the shareholders' resolution shall not be with regard to the Buyback is declared.
- v. We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

The compliance with the provisions of the Companies Act, 2013 and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to report on the amount of permissible capital for the buyback and report that the audited accounts on the basis of which calculation with reference to buyback is done and read the resolution of the Board of Directors for the meeting held on June 7, 2016 referred to in paragraph (i) and (v) above.

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in postal ballot notice, public announcement and letter of offer to be circularised to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with buyback of not exceeding 80,08,25,526 (Eighty Crore Eight Lakhs Twenty Five Thousand Five Hundred and Twenty Six) equity shares, in pursuance of provisions of section 68, 69 and 70 of the Companies Act, 2013, Buyback Regulations and should not be used for any other purpose or by any other person.

For M/s Tej Raj & Pal
Chartered Accountants
Firm Registration Number: 304124E

CA B. Vijay
Partner
Membership No.: 214678
Place: Delhi
Date: June 7, 2016

Unquote

24 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of NMDC Limited at the Registered Office: Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad-500028, Telangana, India, from 10.00 a.m. to 5.00 p.m. on any day, except Saturdays, Sundays and public holidays, during the Tendering Period.

- i. Copy of the Certificate of Incorporation;
- ii. Memorandum and Articles of Association of NMDC Limited;
- iii. Copy of the annual reports of NMDC Limited for the last three financial years ended March 31, 2015, March 31, 2014 and March 31, 2013 and audited accounts for the financial year ended March 31, 2016;
- iv. Certified true copy of the resolution passed by the Board of Directors at the meeting held on June 7, 2016 approving proposal for Buyback;
- v. Certified true copy of the special resolution of the Shareholders passed by way of postal ballot dated August 4, 2016 along with Scrutinizer's Report;
- vi. Copy of Report dated June 7, 2016 received from M/s. Tej Raj & Pal, Chartered Accountants, the Statutory Auditor of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- vii. Copy of Declaration of solvency and an affidavit verifying the same in Form SH-9, as prescribed under section 68(6) of the Companies Act, 2013;
- viii. SEBI Comments vide letter no. CFD/DCR/SKS/25223/1/2016 dated September 7, 2016 ;
- ix. Copy of Escrow Agreement dated August 19, 2016 between NMDC Limited, IndusInd Bank Limited and IDBI Capital Markets & Securities Limited;
- x. Copy of the certificate from M/s. Tej Raj & Pal, Chartered Accountants, the Statutory Auditor of the Company, dated August 8, 2016 certifying that the Company has adequate funds for the purposes of Buyback;
- xi. Copy of Public Announcement dated August 4, 2016 published in the newspapers on August 8, 2016 regarding Buyback of Equity Shares; and
- xii. Opinion dated August 8, 2016 obtained by the Company on taxation.

25 DETAILS OF COMPLIANCE OFFICER

Shri A.S. Pardha Saradhi, Company Secretary
NMDC Limited
Khanij Bhavan, 10-3-311/A,
Castle Hills, Masab Tank,
Hyderabad-500028, India
Tel: +91 (40) 23538757
Fax: +91 (40) 23538759
E-mail: cs@nmdc.co.in

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 11:00 a.m. to 4:00 p.m. on all working days except Saturday, Sunday and Public holidays.

26 DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback for redressal.

If the Company makes any default in complying with the provisions of Section 68, 69, 70 of the Companies Act, 2013, or the rules made thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013.

The address of the concerned office of the Registrar of Companies is as follows:

The Registrar of Companies (Hyderabad)
2nd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad - 500 068

27 DETAILS OF INVESTOR SERVICE CENTRES

In case of any query, the shareholders may also contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10:00 a.m. and 5:00 p.m. at the following address:



KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad- 500 032

Contact Person: M Muralikrishna

Tel: +91 (40) 67162222

Fax: +91 (40) 23431551

E-mail: murali.m@karvy.com

Website: www.karvycomputershare.com

SEBI Registration No.: INR000000221

Validity Period: Permanent Registration

CIN: U72400TG2003PTC041636

28 DETAILS OF MANAGER TO THE BUYBACK OFFER



IDBI CAPITAL MARKETS & SECURITIES LIMITED

(Formerly known as IDBI Capital Market Services Limited)

3rd Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021

Contact Person: Sumit Singh

Tel: +91 (22) 4322 1219

Fax: +91 (22) 2285 0785

E-mail: nmhc.buyback@idbicapital.com

Website: www.idbicapital.com

SEBI Registration Number: INM000010866

Validity Period: Permanent

CIN: U65990MH1993GOI075578

29 DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer and confirms that the information in this Letter of Offer contain true, factual and material information and does not contain any misleading information. The Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on September 12, 2016.

For and on behalf of the Board of Directors of
NMDC Limited

Sd/-

Smt. Bharathi S Sihag
Chairman cum Managing
Director
DIN: 02154196

Sd/-

Shri Devinder Singh Ahluwalia
Director (Finance)
DIN: 02164448

Sd/-

Shri. A.S. Pardha Saradhi
Company Secretary

Date: September 12, 2016

Place: New Delhi

Enclosure:

1. Tender Form for Demat Shareholders
2. Tender Form for Physical Shareholders

TENDER FORM
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

BUYBACK OPENS ON:	Monday, September 19, 2016
BUYBACK CLOSES ON:	Friday, September 30, 2016

Bid Number:
Date:

For Registrar use		
Inward No.	Date	Stamp

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

India Tax Residency Status: Please tick appropriate box

Resident in India Non-Resident in India Resident of _____ (Shareholder to fill the country of residence)

To,
The Board of Directors
NMDC Limited
 Khanij Bhavan 10-3-311/A, Castle Hills, Masab Tank, Hyderabad-500028, Telangana, India
 c/o Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District,
 Nanakramguda, Hyderabad- 500 032,
 Tel: +91 (40) 67162222 Fax: +91 (40) 23431551

Dear Sirs,

Sub: Letter of Offer dated September 12, 2016 to Buyback not exceeding 80,08,25,526 Equity Shares of NMDC Limited (the "Company") at a price of ₹ 94 (Rupees Ninety Four only) per Equity Share ("Buyback Offer Price"), payable in cash ("Buyback")

- I/We (having read and understood the Letter of Offer dated September 12, 2016) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share.
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I / We irrevocably and unconditionally agree that the consideration for the accepted Equity Shares will be paid to the Shareholder Broker as per secondary market mechanism.
- I/We agree to receive, at my own risk, the invalid / unaccepted Equity Shares under the Buyback offer in the demat account from where I / We have tendered the Equity Shares in the Buyback Offer. In case, if for any reason the Equity Shares cannot be credited to the above demat account, I/We agree to receive a single share certificate for the unaccepted Shares in physical form.
- I/We agree that the excess demat Shares or unaccepted demat Shares, if any, tendered would be returned to the Shareholder Broker by Clearing Corporation in payout.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and rules made thereunder and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

-----**Tear along this line**-----
Acknowledgement Slip: NMDC Limited- Buyback Offer
(to be filled by the Equity Shareholder) (subject to verification)

Folio No./DP ID: _____

Client ID _____

Received from Shri./ Smt. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures)

(In Words)

STAMP OF BROKER

Please quote Client ID No. & DP ID No. for all future correspondence

11. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Name of the Depository Participant	
DP ID No.	
Client ID with the Depository Participant	

12. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Shareholder(s)				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID of the Sole/First Equity Shareholder				

*Corporate must affix rubber stamp and sign

Applicable for all Non- resident Shareholders- I / We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the Equity Shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, NMDC Limited- Buyback offer
Karvy Computershare Private Limited
 Karvy Selenimum, Tower B, Plot Number 31- 32, Gachibowli, Financial District,
 Nanakramguda, Hyderabad 500 032;
Contact Person: M. Muralikrishna
Tel: +91 (40) 67162222 **Fax:** +91 (40) 23431551 **E-mail:** murali.m@karvy.com;
Website: www.karvycomputershare.com; **SEBI Registration Number:** INR000000221
Validity Period: Permanent Registration **CIN:** U72400TG2003PTC041636

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

1. This Buyback offer will open on Monday, September 19, 2016 and close on Friday, September 30, 2016.
2. The Equity Shares tendered in the Buyback shall be rejected if (i) the tenderer is not a Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid.
3. Shareholders who desire to tender their Equity Shares in the dematerialized form under the Buyback would have to do so through their respective Shareholder Broker by indicating the details of Equity Shares they intend to tender under the Buyback offer.
4. Shareholders should submit (by registered post / courier / hand delivery) their duly filled Tender Form to the Registrar to the Buyback Offer (as mentioned in paragraph 18 of the Letter of Offer) only post placing the bid via the Shareholder Broker.
5. The Buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of Equity Shares in the special account of the Clearing Corporation or a non-receipt of valid bid in the exchange bidding system.
6. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
7. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Equity Shareholder, number of Equity Shares held, Client ID number, DP name, DP ID number and number of Equity Shares tendered. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by the BSE before the closure of the Buyback.
8. Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
9. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
10. By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
11. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
12. All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, NMDC Limited- Buyback offer
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad 500 032
Contact Person: M Muralikrishna
Tel: +91 (40) 67162222 **Fax:** +91 (40) 23431551 **E-mail:** murali.m@karvy.com;
Website: www.karvycomputershare.com; **SEBI Registration Number:** INR000000221
Validity Period: Permanent Registration **CIN:** U72400TG2003PTC041636

TENDER FORM
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

BUYBACK OPENS ON:	Monday, September 19, 2016
BUYBACK CLOSES ON:	Friday, September 30, 2016

Bid Number:
Date:

For Registrar use		
Inward No.	Date	Stamp

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

India Tax Residency Status: Please tick appropriate box

Resident in India Non-Resident in India Resident of _____ (Shareholder to fill the country of residence)

To,
The Board of Directors
NMDC Limited

Khanij Bhavan 10-3-311/A, Castle Hills, Masab Tank, Hyderabad-500028, Telangana, India
c/o Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad- 500 032
Tel: +91 (40) 67162222 Fax: +91 (40) 23431551

Dear Sirs

Sub: Letter of Offer dated September 12, 2016 to Buyback not exceeding 80,08,25,526 Equity Shares of NMDC Limited (the "Company") at a price of ₹ 94 (Rupees Ninety Four only) per Equity Share ("Buyback Offer Price"), payable in cash ("Buyback")

- I/We (having read and understood the Letter of Offer dated September 12, 2016) hereby tender / offer my / our Equity Shares in response to the Buyback in accordance with the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share certificates.
- I / We hereby affirm and warrants that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of Equity Share certificates has been notified to the Company.
- I / We irrevocably and unconditionally agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the Shareholder Broker as per secondary market mechanism.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback offer in accordance with the Companies Act, 2013 and the rules made thereunder and the Buyback Regulations.
- I / We authorize the Company to split the Equity Share certificates and issue a new consolidated Equity Share certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback.
- Details of Equity Shares held and tendered / offered for Buyback:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buy Back		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

-----Tear along this line-----

Acknowledgement Slip: NMDC Limited – Buyback Offer
(to be filled by the Equity Shareholder) (subject to verification)

Ledger Folio No.: _____

Received from Shri./ Smt. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with: _____

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

Please quote Ledger Folio No. for all future correspondence

STAMP OF BROKER

11. Details of Share Certificate(s) Enclosed:

Total No. of Share Certificates Submitted:

Serial No.	Folio No.	Share Certificate No.	Distinctive No.		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
Total					

In case the number of folios and equity share certificates enclosed exceed four no.'s, please attach a separate sheet giving details in the same format as above.

12. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

- | | |
|---|---|
| <input type="checkbox"/> Power of Attorney | <input type="checkbox"/> Previous RBI approvals for acquiring the Equity Shares of NMDC Limited tendered in the Buyback |
| <input type="checkbox"/> Corporate authorizations | <input type="checkbox"/> Death Certificate |
| <input type="checkbox"/> Succession Certificate | <input type="checkbox"/> Self attested copy of Permanent Account Number (PAN Card) |
| <input type="checkbox"/> TRS | <input type="checkbox"/> Others (please specify)_____ |

13. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Shareholder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID of the Sole/First Equity Shareholder				

*Corporate must affix rubber stamp and sign

Applicable for all Non- resident Shareholders- I / We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.

14. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled)

Name of the Bank	Branch and City	Account Number (indicate type of account)

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:

Investor Service Centre, NMDC Limited- Buyback offer
Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District,
 Nanakramguda, Hyderabad- 500 032;
Contact Person: M Muralikrishna
Tel: +91 (40) 67162222 **Fax:** +91 (40) 23431551 **E-mail:** murali.m@karvy.com;
Website: www.karvycomputershare.com; **SEBI Registration Number:** INR000000221
Validity Period: Permanent Registration **CIN:** U72400TG2003PTC041636

INSTRUCTIONS

This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

1. This Buyback offer will open on Monday, September 19, 2016 and close on Friday, September 30, 2016.
2. Eligible Shareholder who wish to tender their Equity Shares in response to this Buyback Offer should submit the following documents to their Shareholder Broker who in turn would deliver the said documents along with Transaction Registration Slip (TRS) to the Registrar and Transfer Agent ("RTA") / may submit the requisite documents directly to the RTA; the documents should be sent to the RTA only after the placement of a valid bid; non-receipt of the below mentioned documents by the RTA till Tuesday, October 4, 2016 by 5:00 p.m shall result in the rejection of the tendered Equity Shares:
 - i. The Tender form duly signed (by all Shareholders in case of shares are in joint names) in the same order in which they hold shares;
 - ii. Original Share Certificates;
 - iii. Valid share transfer form(s) (SH-4) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company.
 - iv. Self-attested copy of the Shareholder's PAN Card.
 - v. Any other relevant documents such as (but not limited to) :
 - Duly attested Power of Attorney registered with the Registrar, if any person other than the Shareholder has signed the relevant Tender Form;
 - Notarized copy of death certificate/succession certificate or probated will, if the original Shareholder has deceased;
 - Necessary corporate authorization, such as Board Resolutions etc., in case of companies;
 - vi. In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder of the Company would be required to submit a self-attested copy of address proof consisting of any one of the following documents: Valid Aadhar Card, Voter identity card or Passport.
3. Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
4. All documents/ remittances sent by or to Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
5. All documents as mentioned above shall be enclosed with the valid Tender Form otherwise the Equity Shares will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others:
 - i. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of October 4, 2016 (Tuesday) by 5:00 p.m.;
 - ii. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
 - iii. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
 - iv. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
 - v. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.For other grounds of rejection please refer to the Letter of Offer.
6. By agreeing to participate in Buyback the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the company for such regulatory reporting, if required by the Company.
7. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
8. The Equity Shares tendered in the Buyback shall be rejected if (i) the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the share certificate of the Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid.
9. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Eligible Shareholder, folio number, Share certificate number, number of Equity Shares held and number of Equity Shares tendered and enclosing other relevant documents such as physical Equity Share certificate, copy of PAN card and Form SH-4 in favour of the Company in case of Equity Shares being held in physical form. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by the BSE before the closure of the Buyback.
10. All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line -----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:

**Investor Service Centre, NMDCLimited- Buyback offer
Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad- 500 032

Contact Person: M Muralikrishna

Tel: +91 (40) 67162222 **Fax:** +91 (40) 23431551 **E-mail:** murali.m@karvy.com

Website: www.karvycomputershare.com **SEBI Registration Number:** INR000000221

Validity Period: Permanent Registration **CIN:** U72400TG2003PTC041636

Form No. SH-4

Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution.....

FOR THE CONSIDERATION stated below the “Transferor(s)” named do hereby transfer to the “Transferee(s)” named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L13100AP1958GOI001674
Name of the company (in full): NMDC Limited
Name of the Stock Exchange where the company is listed, if any: BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange

DESCRIPTION OF SECURITIES:

Kind/Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)

No. of Securities being Transferred		Consideration Received (Rs)	
In Figures	In Words	In words	In figures

Distinctive Number	From				
	To				
Corresponding Certificate Nos:					

TRANSFEROR’S PARTICULARS

Registered Folio Number	
Name(s) in full	Signature (s)
1.	
2.	
3.	

I, hereby confirm that the Transferor has signed before me.

Signature of the Witness	
Name of the Witness	
Address of Witness	
	Pin Code:

TRANSFEEE'S PARTICULARS

	1	2	3
Name in full			
Father's/ Mother's/ Spouse Name			
Address, Mobile/Ph. No. E-mail ID Pin Code			
Occupation			
Existing folio no., if any			
PAN No.			
Signature			

Folio No. of Transferee: _____

Specimen Signature of Transferee(s)

- 1. _____
- 2. _____
- 3. _____

Existing Folio No. If any

- 1. _____
- 2. _____

Value of stamp affixed: Rs. _____

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, Letter of allotment.
- (3) Copy of PAN CARD of all the Transferees (For all listed Cos).
- (4) Other, Specify.....

Stamps:

--

For office use only

Checked by _____

Signature tallied by _____

Entered in the Register of Transfer on _____ **vide Transfer No.** _____

Approval Date _____

Power of attorney/Probate/Death Certificate/Letter of Administration

Registered on _____ **at No.** _____