

एन एम डी सी



NMDC

एन एम डी सी लिमिटेड NMDC Limited

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

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए, कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 028.

Regd. Office : 'Khanij Bhavan' 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.

नैगम पहचान संख्या / Corporate Identity Number : L13100AP1958 GOI 001674

No. 18(1)/2008- Sectt

September 6, 2016

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

Dear Sir / Madam,

Sub: 58th Annual Report 2015-16 of NMDC Limited

Ref: Security ID: NMDC

Please find attached the 58th Annual Report 2015-16 of NMDC Limited for the ensuing 58th Annual General Meeting of the Company scheduled to be held on Thursday the 29th September 2016 at 11.30 a.m. at Katriya Hotel & Towers, 8, Raj Bhavan Road, Somajiguda, Hyderabad – 500082, Telangana, India..

Thanking you

Yours faithfully,
For **NMDC Limited**


A S Pardha Saradhi
Company Secretary

Encl: A/a

Tapping Treasures Trove of Excellence



NMDC Limited
(A Government of India Enterprise)

58th **Annual Report** **2015-16**





Review meeting by Hon'ble Union Minsiter of Steel
Shri Chaudhary Birender Singh





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STATUTORY AUDITORS

M/s. Tej Raj & Pal
Hyderabad, Telangana

BRANCH AUDITORS

M/s. O P Totla & Co.
Raipur, Chhattisgarh

M/s. Vijay Panchappa & Co.
Dharwad, Karnataka

M/s. Gopal Gupta & Co.
Allahabad, Uttar Pradesh

SECRETARIAL AUDITORS

D.Hanumanta Raju & Co.
Hyderabad, Telangana

COST AUDITORS

Prasad Bharathula & Associates
Hyderabad, Telangana

BANKERS

State Bank of India
Canara Bank
State Bank of Mysore
State Bank of Hyderabad

REGD. OFFICE:

NMDC Limited

"Khanij Bhavan",
10-3-311/A, Castle Hills
Masab Tank, Hyderabad - 500 028
CIN : L13100AP1958GOI001674
Website : www.nmdc.co.in

SHARE TRANSFER AGENT

M/s Aarathi Consultants Pvt Ltd
D.No. 1-2-285, Domalguda
Hyderabad - 500 029.
Phone Nos. 040-27638111/27634445
Fax No. 040-27632184
Email: info@aarathiconsultants.com



Achievements 2015-16

◆ Turnover	–	Rs.	6,456 Crores
◆ Profit before Tax (including discontinued operations)	–	Rs.	4,505 Crores
◆ Cash Profit	–	Rs.	4,713 Crores
◆ Net Profit	–	Rs.	3,028 Crores
◆ Total Assets	–	Rs.	33,346 Crores
◆ Net Worth	–	Rs.	30,106 Crores
◆ Book Value per Share	–	Rs.	75.93
◆ Earnings per Share	–	Rs.	7.64
◆ Return on Capital Employed	–		17%
◆ Return on Net Worth	–		10%
◆ Dividend :			
- Interim	I	–	950%
	II	–	150%
◆ Value added per Employee	–	Rs.	86.89 Lakh
◆ Output per Manshift (Iron Ore)	–		31.47 Tonnes



Board of Directors



Bharati S. Sihag
Chairman-cum-Managing Director
& Govt. Nominee Director



Syedain Abbasi
Govt. Nominee Director



Dr. Narendra K. Nanda
Director (Technical)



Dr. T.R.K. Rao
Director (Commercial)



P.K. Satpathy
Director (Production)



D.S. Ahluwalia
Director (Finance)



Sandeep Tula
Director (Personnel)



CA A.K. Srivastava
Independent Director
(w.e.f. 13.11.2015)



**Bhagwati Mahesh
Baldewa**
Independent Director
(w.e.f. 13.11.2015)



Rajesh Mangal
Independent Director
(w.e.f. 13.11.2015)



Pradip Bhargava
Independent Director
(w.e.f. 27.11.2015)



S.M. Nigam
Independent Director
(w.e.f. 27.11.2015)



**Dr. Syamal Kumar
Sarkar**
Independent Director
(w.e.f. 27.11.2015)



Rabindra Singh
Director (Personnel)
(Upto 31.08.2015)



Dr. Noor Mohammad
Independent Director
(upto 25.11.2015)



Vinai Kumar Agarwal
Independent Director
(upto 25.11.2015)



Mahesh Shah
Independent Director
(upto 25.11.2015)



Narendra Kothari
Chairman-cum-Managing Director
(Upto 31.12.2015)

As on 30.08.2016 (date of printing)



Senior Management



Atul Bhatt
Executive Director
(BD & CP)
Head Office



C.E. Kindo
Executive Director (PC)
Head Office



Alok Kumar Mehta
Executive Director
(Engg. & Proj.)
Head Office



M. Shiva Shunmuganathan
Executive Director
(Finance)
Head Office



Prasant Das
General Manager (Tech.)
NISP



Dr. R.K. Srivastava
General Manager (Medi.Ser.)
NISP



V.V.S. Sundaram
General Manager (P&A)
Head Office



Arun Kumar Shukla
General Manager
Bachel Complex



V.S. Prabhakar
General Manager (Proj.)
NISP



G. Mallikharjuna Rao
General Manager (Fin.)
Head Office



Usha Singh
General Manager (CP)
Head Office



D.V.G. Lakshmana Rao
General Manager (Fin.)
Head Office



J.M. Sudhakar Rao
General Manager (Mat.)
Head Office



E.R. Sree Kumar
General Manager (Cont.)
Head Office



Rajasekhar
General Manager
(Pellet Plant)
DIOM, Donimalai



T.S. Cherian
General Manager
BIOM, Kirandul Complex



B. Sahoo
General Manager
DIOM, Donimalai



Sumit Deb
General Manager (Comm)
Head Office



A.S. Pardha Saradhi
Company Secretary

As on 30.08.2016 (date of printing)



Directors' Report for the year 2015-16

Dear Members,

Your Directors are pleased to present the 58th Annual Report on the performance of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March 2016 and the Report thereon by the Comptroller and Auditor General of India.

1.0 PERFORMANCE HIGHLIGHTS

During the year under review, the Company has recorded turnover of Rs.6,456 crores, achieved Profit Before Tax (PBT) of Rs.4,505 crores and achieved Profit after Tax (PAT) of Rs.3,028 crores.

The major performance highlights are summarized as under:

- Achieved production of 285.74 MT and sales of 288.39 MT
- Turnover for the year under review was Rs.6,456 crores compared to Rs.12,356 crores in the previous financial year 2014-15 recording a decrease of 48%.
- Profit before tax (PBT) was Rs.4,505 crores compared to Rs.9,768 crores in the previous financial year 2014-15 recording a decrease of 54%.
- Profit after tax (PAT) was Rs.3,028 crores compared to Rs.6,422 crores in the previous financial year 2014-15 recording a decrease of 53%.
- Net worth increased to Rs.30,106 crores as on 31.03.2016, 7% lower than Rs.32,326 crores in the previous financial year 2014-15.



View of Pellet Plant at Donimalai, Karnataka



- The Company has declared Interim Dividends of Rs.11.00 per share for FY 2015-16 which is the highest ever dividend paid by the Company.
- Capital expenditure of Rs.3,679 crore has been incurred during the year under review, which is the highest since inception in any year.
- Incorporated two subsidiary companies - Jharkhand Kolhan Steel Ltd. and NMDC-SAIL Ltd.
- The Board of Directors has approved buyback of equity shares in its meeting dated 07.06.2016 for 80,08,25,526 equity shares from the shareholders of the Company through the tender offer route @ Rs.94/- per share aggregating Rs.7,528 crores.



Annual General Meeting - 2015 of Legacy Iron Ore Limited

2.0 PHYSICAL PERFORMANCE

2.1 Production

Product	Achievement		Percentage of change
	2014-15	2015-16	
Iron Ore (lakh tonnes)	304.41	285.74	(-) 6.13%
Diamond (Carats)	35,085	35,558	1.35%
Sponge Iron (Tonnes)	28,994	6,614	(-) 77.19%

3.0 SALES OF IRON ORE

Particulars	Physical (in lakh tonnes)			Value (Rs. in crore)		
	Achievement		% of change	Achievement		% of change
	2014-15	2015-16		2014-15	2015-16	
Domestic	280.49	277.13	(-)1.20%	10,828.16	5,975.13	(-)44.82%
Export through MMTC	24.67	11.26	(-)54.36%	1,369.53	352.80	(-)74.24%
Total Sales	305.16	288.39	(-)5.50%	12,197.69	6,327.93	(-)48.12%



3.1 Other Sales

Products	Achievement	
	2014-15	2015-16
a) Diamond		
Sales (carats)	38,789	36,683
Value (Rs. in crore)	50.06	52.61
b) Sponge Iron		
Sales (tonnes)	25,191	8,365
Value (Rs. in crore)	48.09	11.67
c) Wind Power		
Sales (lakh units)	176	185
Value (Rs. in crore)	5.96	6.30

4.0 FINANCIAL PERFORMANCE

4.1 Operating Results

Parameter	Achievement		Percentage of change
	2014-15	2015-16	
Profit Before Tax (PBT) (Rs. in crore)	9,768	4,505	(-)54%
Profit After Tax (PAT) (Rs. in crore)	6,422	3,028	(-)53%
Net Worth (Rs. in crore)	32,326	30,106	(-)7%
Book value per share (Rs.)	81.54	75.93	(-)7%
Earnings per Share (Rs.)	16.20	7.64	(-)53%

4.2 Profit & Dividend

During the year under review, your Company has earned profit before tax of Rs.4,505 crores on a turnover of Rs.6,456 crores in comparison with previous year's achievement of Rs.9,768 crores and Rs.12,356 crores respectively.

The Company has declared first Interim Dividend for FY 2015-16 @ Rs.9.50 per share involving an outgo of Rs.3,766 crores. Second Interim Dividend for the financial year 2015-16 was declared @ Rs.1.50 per share involving an outgo of Rs.595 crores.

The total interim dividend paid aggregates Rs.11.00 per share.



The total interim dividends for the current year is Rs.4,361 crores. Share of Government with equity stake of 80% is Rs.3,489 crores. No final dividend has been recommended by the Board of Directors for the year under review.

Meltdown in the prices of commodities especially iron ore, weakening of Chinese demand and low cost capacity addition of iron ore affected the profitability of the Company substantially during the year under review.

4.3 TRANSFER TO RESERVES

The Company proposed to transfer an amount of Rs.400 crores from net profit to General Reserve.

4.4 MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT. - Nil

4.5 DEPOSITS

The Company has not accepted any deposits covered under Chapter-V of the Companies Act, 2013 during the year under review.

5.0 INTERNAL CONTROL SYSTEMS

Necessary disclosure in respect of Internal Control Systems and their adequacy has been made in Annexure-C to the Independent Auditors' Report dated 27.05.2016 which forms part of the Annual Report.

6.0 (a) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Necessary details in this regard have been disclosed in the financial statements.

(b) RELATED PARTY DISCLOSURE

Disclosures on related party transactions forms part of the Notes to the Balance Sheet both of Standalone and Consolidated.

7.0 (a) STATUTORY AUDITOR'S REPORT

The Audit Report for both Standalone and Consolidated Financial Statements for the FY 2015-16 is unmodified and does not contain any qualification, reservation or adverse remark.

(b) SECRETARIAL AUDIT REPORT

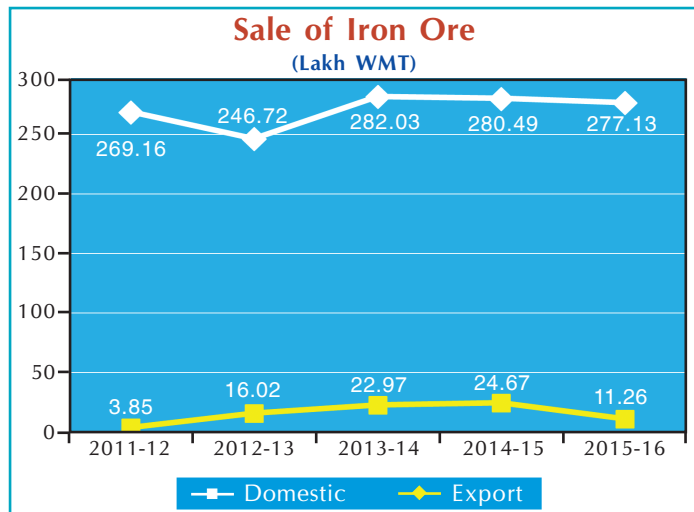
The Secretarial Audit Report for the FY 2015-16 by M/s Hanumanta Raju & Co., Company Secretary in whole time practice does not contain any qualification, reservation or adverse remark.

8.0 NEW PROJECTS & BUSINESS DIVERSIFICATIONS

8.1 Projects under construction

8.1.1 Bailadila Deposit - 11/B

With a strategic vision to augment production, the construction of Deposit 11B mine at an enhanced capacity





of 7.0 Million tons of ROM per annum has been taken up. The estimated capital expenditure towards this is Rs.607 crores. Out of this Rs.320 crores is for Plant and Rs.188 crores is for mining machineries. The plant was commissioned on 22/08/2016. There after PG tests of 11-B project (7 MTPA Capacity) were completed in Nov.25 and production commenced.

8.1.2 Kumaraswamy Iron Ore Project

As an addition to present Donimalai Iron Ore Mine and augmenting production Capacity, the construction of Kumaraswamy Iron Ore Mine with a capacity of 7.0 MTPA is being taken up

with an estimated capital outlay of Rs.898.55 crores. MECON was appointed as the EPCM consultant. The entire project is being executed through six packages. Orders have been placed for all the packages and the major works have been completed. Integrated trial of crushing plant and downhill conveyor is in progress. Electrical substation charged. Service center facilities and water pipe line works are completed. Production is scheduled during the FY 2016-17.

8.1.3 1.2 MTPA Pellet Plant at Donimalai

One of the main objectives of this project is to prolong the life of the Tailing Dam at Donimalai by using slimes for making pellets. M N Dastur & Co. was appointed as the EPCM consultant. Execution of the Project is divided into Six Packages. The estimated capital expenditure is Rs.572 crores. Major works completed. MRSS Package was commissioned. Integrated Load Trails of Beneficiation Plant and Pellet Plant are in progress. Production of Pellets is scheduled in FY 2016-17.

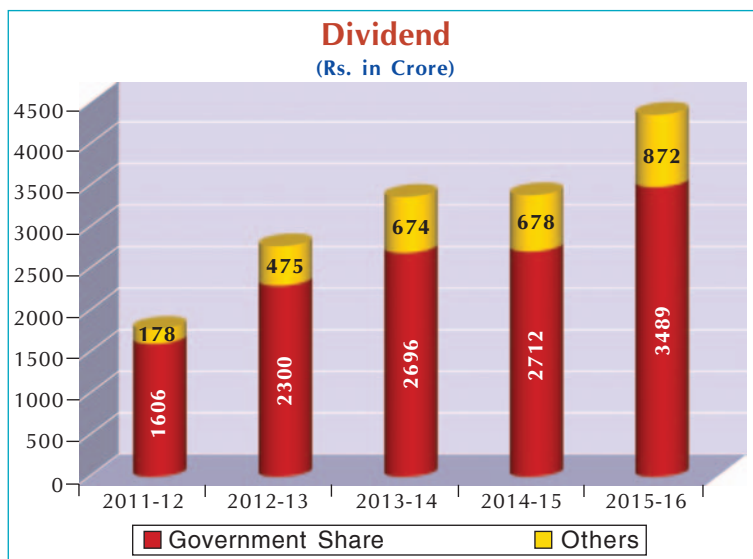
8.1.4 3.0 MTPA Integrated Steel Plant in Chhattisgarh

As you are aware, your Company is setting up a 3.0 MTPA Integrated Steel Plant at Nagarnar near Jagdalpur in Bastar District of Chhattisgarh where the Company is in possession of about 2120 acres of land for the Steel Plant, township (Construction colony and Studio Apartments) and for other facilities.

Necessary statutory clearances including Environmental Clearance from Ministry of Environment & Forests (MOEF) and the Government of Chhattisgarh have been obtained. Rail Transport Clearance was received and the Final Detailed Project Report of Railway siding is also approved by East Coast Railway, Government of Chhattisgarh has sanctioned water and power for construction as well as for operation of the plant. Regarding power for operation of the Steel Plant from Raipur through Chhattisgarh State Power Transmission Company Limited (CSPTCL) is progressing at site.

Engineering Consultancy and Project Monitoring Services contracts have been awarded to M/s. MECON Ltd.

For expeditious execution and commissioning of the Steel Plant, the nine Major Technological packages in respect of various production units viz. Sinter Plant, Blast Furnace Complex, Raw Material Handling System,





Coke Oven Plant, By Product Plant, Steel Melting Shop, Thin Slab Caster & Hot Strip Mill, Lime & Dolo Plant and Oxygen Plant have been awarded on turnkey basis to various global companies from countries like Germany, Italy, Austria, China, France, USA and several others. Major Indian Companies are also participating like L&T, BHEL, NCC, BEC & BEEKAY. Most of the auxiliary packages have also been awarded. Installation of the plant is moving at fast pace. Already more than 75% of major civil work has been completed and structural as well as equipment erection are at various stages of completion.

All critical packages required for commissioning of plant are tendered out and most of them are already awarded. So far, NMDC has invested Rs.9,162 crores in the Steel Plant.

8.1.5 Ore Beneficiation and Slurry Pipeline Transportation system from Bailadila to Vizag

The Slurry Pipeline Transportation System is intended for transportation of Pellet Feed Concentrate from Bailadila to Vizag via Jagdalpur along National/State Highways with a provision of partial off-take at Nagarnar for making Pellets required for feeding to NMDC's proposed Steel Plant at Nagarnar. For first phase of implementation, investment proposal for construction of 2 MTPA Ore Processing Plant at Bachel, 15 MTPA Slurry Pipeline system from Bachel to Nagarnar and 2 MTPA Pellet Plant at Nagarnar was approved by NMDC Board.

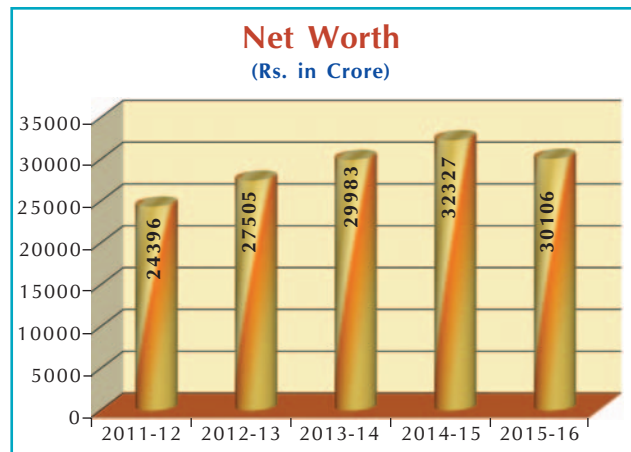
Memorandum of Understanding for implementation of the Project with Chhattisgarh State Government was signed in May 2015 in presence of Prime Minister of India and Chief Minister of Chhattisgarh.

Various permissions for crossing Water bodies, Roads under PWD, National Highways and other district roads for laying the Slurry Pipeline have been received. Environmental clearance for setting up of the Pellet Plant has also been received. Activities for obtaining other clearances like MoEF clearance for Iron ore processing plant and Slurry Pipeline system, Consent for Establishment, Clearance from Railways for crossing railway tracks are in progress. Mecon is engaged as EPCM Consultant for this part of Project and basic engineering is completed.

8.1.6 Panthal Magnesite Project

J & K Mineral Development Corporation Limited (J & KMDC), a subsidiary of NMDC Limited has decided to set up a 30,000 TPA Dead Burnt Magnesia Plant at Panthal, Jammu.

M/s Dastur & Co is the EPCM consultant for this Project. The project is planned to be executed in four packages. Soil investigation work (Pkg-3) was completed. Execution of Balance civil and structural works (Pkg-4) is in progress. Letter for award of work for Pkg-1 for Material Handling, Material processing and kilns (technology package) has been placed on consortium of FLSmidth and IFCO, USA and contract agreement signed on 23.06.2015. MoEFCC, received a letter from H.K Governor of J&K and after examining the same and in view of proximity of the project to Holy Shrine of Vaishno Devi, MoEFCC has kept the Environment Clearance letter dated 03.05.2011 in abeyance. Accordingly, at present all the works at site are on hold. NMDC has taken up the issue with Govt of J&K for resolving the issue at the earliest.

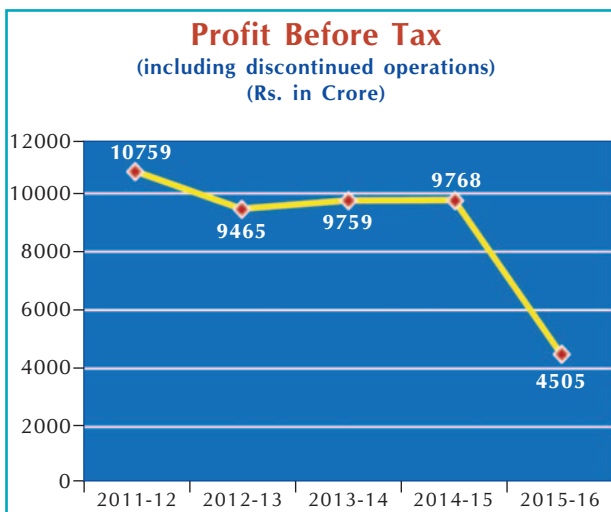




8.1.7 (a) Screening Plant III at Kirandul Complex

MoEF has accorded 1st stage clearance in Jan'2012. Environment clearances was received on 05.11.2013. 2nd stage forest clearance was received on 10.04.2015. Tree cutting permission for major portion of land has been received. Tree cutting permission for the remaining land is yet to be received.

To augment the production capacity of Kirandul Complex, construction of 12.0 MTPA screening plant with loading facilities is envisaged. This plant caters to both Dep.11-B & Dep.14 of Kirandul Complex. The estimated capital expenditure is Rs.951 crores. TATA Consulting Engineers (TCE) was appointed as the EPCM consultant. The entire project has been planned to be executed in seven packages.



(b) Screening Plant II at Donimalai Complex:

To sustain production without interruption due to frequent breakdown of the existing screening plant, it is proposed to set-up a Screening Plant-II with Capital Outlay of Rs.400 Cr, which can handle / treat ore from either Kumaraswamy mine or Donimalai mine or both the mines. The installed capacity of this screening plant-II is to process Iron Ore up to 7 MTPA with a provision for handling additional 3 MTPA in future.

Applications have been submitted for obtaining statutory clearances, which are under process.

M/s M.N. Dastur & Co, Kolkata was appointed as EPCM Consultant.

8.1.8 Doubling of Railway Line between Kirandul and Jagdalpur

NMDC signed a MoU with Ministry of Railways on 21.12.2012 for doubling of rail line between Kirandul and Jagdalpur. The Project is required to augment evacuation capacity of Bailadila Sector by rail from the existing 28 MTPA to 40 MTPA of iron ore. The estimated Project cost is Rs.1,143.60 crores at 2013 price level and the expected date of commissioning is Jan'2019. An amount of Rs.300 crores has been deposited with East Coast Railways and the expenditure incurred as on 31.03.2016 is Rs.268.50 crores. For execution purpose, Railways has divided the 150 km length of doubling work into three Sections namely, Jagdalpur to Silakjori 45.50 km, Kirandul to Gidam 52.23 km and Silakjori to Gidam 52.73 km. Work is in progress in all three sections.

In section-I i.e., Jagdalpur to Silakjori, Track work has been completed in the 17 km stretch between Jagdalpur and Tokopal stations. After obtaining approval of Commissioner of Railway Safety (CRS) the said 17 km stretch will be opened for commercial operation.

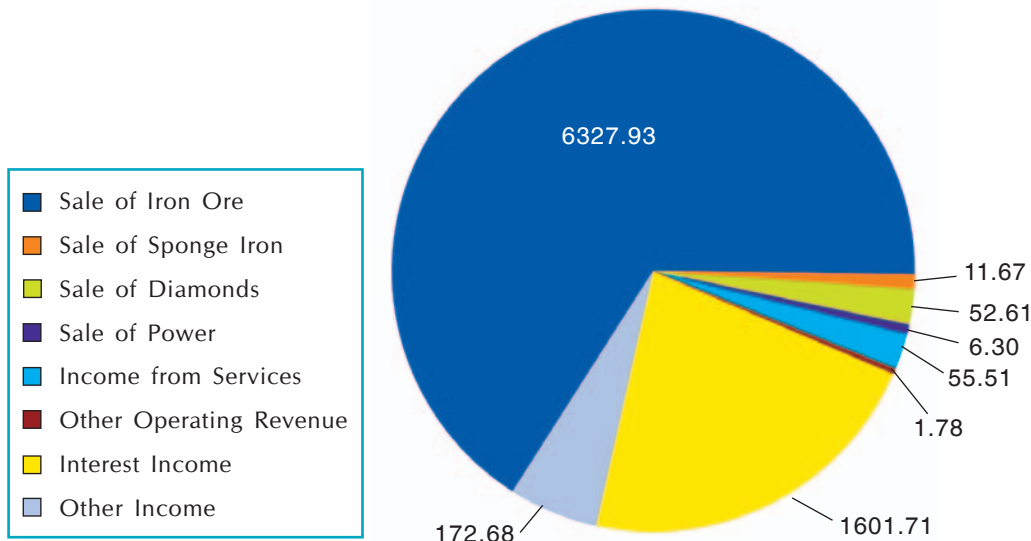
8.1.9 Steel Plant at Bellary

In pursuance of the MoU signed between the Government of Karnataka and your Company, action for setting up of a 3 MTPA Integrated Steel Plant at Bellary, in the State of Karnataka has been initiated by the Company. Acquisition of about 3000 acres of land for the proposed steel plant through Karnataka Industrial Area



Break-up of Total Income (2015-16)

(Rs. in Crore)



Development Board (KIADB) is under progress subsequent to publication of statutory preliminary notification in the gazette of Karnataka in this respect.

Govt. of Karnataka had issued final notification under Section 28(4) of KIAD Act 1966 declaring private land of about 2850 acres is acquired by state Govt. So far, the company has deposited Rs.637.20 crores with KIADB, being the cost of the private land plus service charges payable to KIADB in terms of the agreement executed between your Company and KIADB.

As a next step KIADB is presently disbursing the compensation to individual land owners and thereafter hand over the possession of land to NMDC.

Government of Karnataka also accorded approval towards allotment of water and power for operation of the proposed steel plant. M/s MECON has been engaged as consultant for preparation of Techno Economic Feasibility Report (TEFR).

8.1.10 Rail Link between Dalli-Rajhara-Rowghat-Jagdalpur Railway Line Project

Laying of Railway line from 0 to 17 km from Dalli-Rajhara to Dondi towards Rowghat has been completed. Work on the next phase i.e., from 18 to 42 km from Dondi to Kaveti is in progress. Construction of Rail line from Dalli-Rajhara to Rowghat 95 km is being co-ordinated by SAIL with Railways.

Rail link between Rowghat-Jagdalpur of 142 km length at an estimated cost of Rs.2000 crores is proposed to be implemented by a JV company incorporated by the name "Bastar Railway Pvt. Ltd." having equity participation of NMDC 43%, IRCON 26%, SAIL 21% and Govt. of Chhattisgarh 10%.

NMDC signed a MoU with IRCON, SAIL and Govt. of Chhattisgarh on 09.05.2015. NMDC released pooled fund of Rs.6.50 crores to IRCON on 30.07.2015 for taking up both route survey and preparation of feasibility report. Detailed survey from Jagdalpur to Kondagaon (70 km) is completed and Kondagaon to Rowghat (72 km) is in progress.



Over view of Deposit-10/11A, Bachel Complex, Chhattisgarh

NMDC has projected rail traffic of 4 MTPA by 2017, gradually increasing to maximum of 10.5 MTPA by 2037. CMDC has projected rail traffic of 0.343 MTPA by 2017, gradually increasing to 4.90 MTPA by 2024.

Based on the above Traffic projections, IRCON will prepare draft feasibility report and DPR. The Shareholders agreement (SHA) was signed on 20.01.2016.

8.2 NMDC Global

8.2.1 Australia

Legacy Iron Ore, Perth, Australia

Legacy Iron Ore Ltd is an ASX listed entity based in Perth, Australia with a focus on iron ore, gold and base metals. NMDC had participated in the Legacy Iron's rights issue in August 2014 and subscribed to its portion of equity with an investment of A\$12.11 million. Post rights issue, NMDC's equity in Legacy Iron had increased from 48.82% to 78.56%.

Legacy is presently carrying out exploration in its 19 exploration tenements in Western Australia in Iron Ore, Gold and base metals. Legacy has 60% interest in Mt Bevan Iron Ore Project which has a JORC compliant Indicated and Inferred resource of 1.17 billion tonnes magnetite. Legacy's major gold focus lies in the South Laverton region and base metals focus lies in the Koongie Park region of Western Australia.

8.2.2 International Coal Ventures Pvt. Ltd. (ICVL)

ICVL post acquisition of Benga mine at Mozambique had tried various options of cost reduction and minimize the cash loss in operation. The company had achieved significant reduction in cost compared to the pre acquisition era. However, with the depressed coking coal prices, the operations continued to make losses. The mining operations had stopped from 31st December 2015. ICVL is undertaking a strategic review for future course of action.



8.2.3 Kopano NMDC Minerals (Pty) Limited

The Board Meeting and AGM of Kopano NMDC Minerals Ltd was held on 20th May 2016. The company has proposed for tie ups with other companies in the present market scenario and develop coking coal and manganese projects both independently and jointly in South Africa.



Board Meeting and AGM of Kopano NMDC Minerals (Pty) Limited at Johannesburg

8.2.4 Venture into Strategic Raw materials

Tungsten metal is of strategic importance due to its essential requirement in defence and aerospace sector and currently India meets its entire requirement through imports. NMDC is in discussions with defence PSUs for forging a strategic alliance to acquire/invest-in prospective tungsten mineral assets abroad.

8.3 Leases for minerals

8.3.1 Iron Ore

8.3.1.1 In respect of Bailadila-1 & 3

Your Company has filed Writ Petition before the Hon'ble High Court of Delhi against allotment of PL of Deposit-1 in favor of Tata Steel & PL of Deposit-3 in favor of ESSAR Steels. The Writ Petitions being heard before the Hon'ble High Court of New Delhi.

8.3.1.2 The PLs being pursued in Chhattisgarh

Your Company has applied 2 PL's in Dantewada District and is pursuing the PLs with Chhattisgarh Government.

8.3.1.3 In Jharkhand

Sasangoda:

A JV Company (NMDC 60% & JSMD 40%), Jharkhand National Mineral Development Corporation Limited (JNMDC) has been incorporated on 06.08.2012, with its registered office at Ranchi. DMG, Government of Jharkhand has granted PL for iron ore & Manganese in Sasangoda NE area in favor of JNMDC Limited for a period of 3 years. Detailed Geological mapping and topographical survey have been completed. Forest Clearance application for conducting drilling and other exploration works is submitted online on MoEF & CC website. Lol has been issued for carrying out exploratory drilling in PL area. Drilling will commence once Forest Permission is obtained.

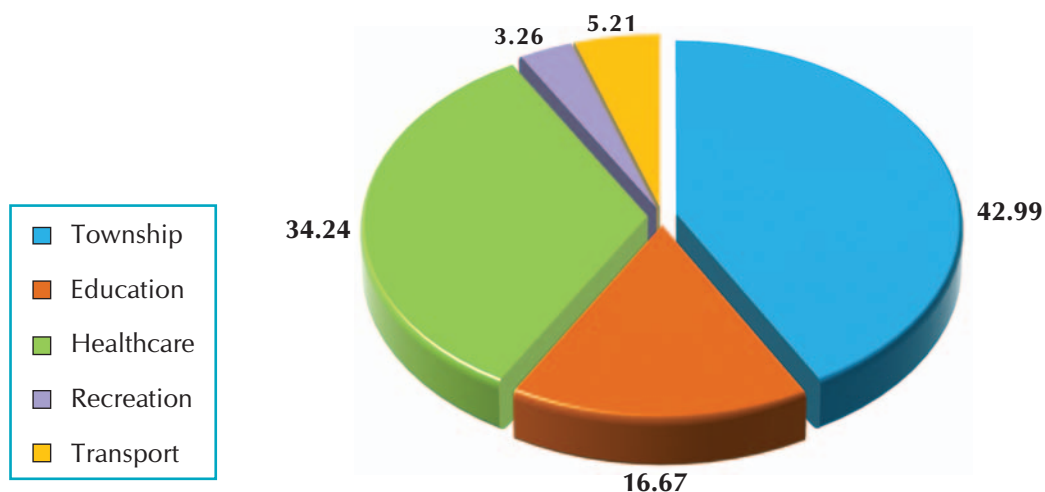
MoU with DMG, Jharkhand:

Your Company has signed MoU with Dept. of Mines & Geology (DMG), Jharkhand for exploration Iron ore and other minerals in the State of Jharkhand. Under the MoU signed, your Company is executing exploration for iron ore in Silpunji - Kantoria area in West Singhbhum Dist. Geological mapping and topographical survey on 1:4000 scale has been completed.



Break-up of Expenditure on Social Amenities (2015-16)

(Rs. in Crore)



8.3.1.4 In Karnataka

Your Company is pursuing for ML for Ramandurg and Kumarswamy Deposit (contiguous to ML No.1111). Ramandurg iron ore deposit is subjudice and pending in the Hon'ble Supreme Court of India. The Hon'ble High Court of Karnataka vide order dated 02.01.2014 has disposed of the case of Kumarswamy iron ore deposit providing relief to NMDC.

8.3.1.5 In Odisha

Your Company is pursuing for ML for Mankadnacha iron ore deposit.

8.3.2 Diamond

8.3.2.1 In Andhra Pradesh

Your Company is pursuing forest clearance for exploration in 3 PLs falling in the Forest area (Renewal application submitted) in Kalyandurg area, Anantapur District. Recommendation of DFO, CF, PCCF and Special Chief Secretary to Govt. Environment, Forest, Science and Technology Department, A.P. are also uploaded online. Now the proposals are pending with MOEF &CC, New Delhi. Once the Forest Permission is granted, exploration will be commenced in 3 PL areas.

Your Company has also applied two more prospective blocks for Diamond and Iron Ore in Anantapur district on 25.09. 2012 and 23.10.2013 respectively. NMDC has requested State Govt. to reserve these areas in favour of NMDC under 17A (2A) of MM (D&R) Amendment Act, 2015.

8.3.2.2 In Madhya Pradesh

Your Company has applied 17 Nos. of areas for Diamond and Iron ore (5 Prospective Blocks in Panna Dist., 5 PL's in Tikamgarh Dist., 3 Large Prospective Blocks for Diamond, 3 Prospective Blocks for Iron Ore and 1 Prospective Block for various minerals like Diamond, Gold, PGE, Nickel, etc.).

Panna PL and Prospective Blocks:

Exploration to start after signing of Tripartite MoU among NMDC, MPSMC & GoMP in rest of the 5 Prospective Blocks namely Karmatiya Prospective Block, Lakshampur Prospective Block, Pali prospective block, Khirwa South and Khirwa West.



Tikamgarh PL's:

Based on RP works, 5 PL applications namely Acharra, Dargany Kalan, Jalandarpur, Sunrai Khas & Birorakhet were submitted to Mining Officer, Tikamgarh on 27.02.2013.

MoM, New Delhi requested Secretary, MRD, GOMP Bhopal, Controller General of IBM and Director General of GSI for their comments for grant of Prospecting License in Dargany Kalan and Jalandarpur in favour of NMDC under 4(2)(a) of Mineral (Evidence of Mineral Content) Rules, 2015 and Rule 7 of MCR, 1960 & 3A to 3E of MCDR, 1988. Your Company will start detail exploration in these areas after grant of PL.

Large area Diamond Prospective Blocks:

Your company has applied three large area Prospective Blocks namely Damoh Block, Chhattarpur Panna Block and Chhattarpur Panna Block 2 for diamond exploration. Exploration to start after signing of Tripartite MoU among NMDC, MPSC & GoM in these areas.

Iron Ore Prospective Blocks:

Three Prospective Blocks were applied for Iron Ore i.e. Sidhi Block, Bagrodha PF & Dulchipur RF and Dhaurra Village. GoM has given permission to NMDC for prospecting works in Dhaurra area after getting statutory clearances from forest and revenue departments under Sub-section (1) of Section (4) of MM(D&R) Amendment Act, 2015. Exploration to start after signing of Tripartite MoU among NMDC, MPSC & GoM in these areas.

Prospective block for various minerals:

One area was applied for various minerals (Diamond, Gold, PGE, Nickel, etc.) in Jabalpur Katni Block (563 Sq. Km.). Exploration to start after signing of Tripartite MoU among NMDC, MPSC & GoM in this area.

8.3.3 Platinum Group of elements

8.3.3.1 In Uttar Pradesh

Your Company is pursuing for Tsganan area, Dangli and Dangli RF in Lalitpur District.

8.3.4 Coal

For Shahpur East & Shahpur West Coal Blocks:

- Hon'ble Supreme Court of India, cancelled all the coal blocks by Govt. of India vides its verdict dated 24.09.2014 both the Coal Blocks and MoC, GoI issued Ordinance on 21.10.2014. Thus, Shahpur East & Shahpur West Coal Blocks allotted to your Company were de-allocated.
- NMDC had made revised claims towards expenditure incurred during development activities to Ministry of Coal in respect of MOC's circular No. 110/1/2014/NA dated 16.12.2015.
- As per the directives of Ministry of Coal, GoI, Coal Controller (HQ), Kolkata has returned Original Bank Guarantees in respect of Shahpur West Coal Block and Shahpur East Coal Block.

Coal Blocks allocation under Section-5 of the Coal Mines (Special Provisions) Act, 2015:

- As per the Section-5 of the Coal Mines (Special Provisions) Act, 2015, Your Company is trying to get Coking & Non Coking Coal Blocks for captive and commercial mining.

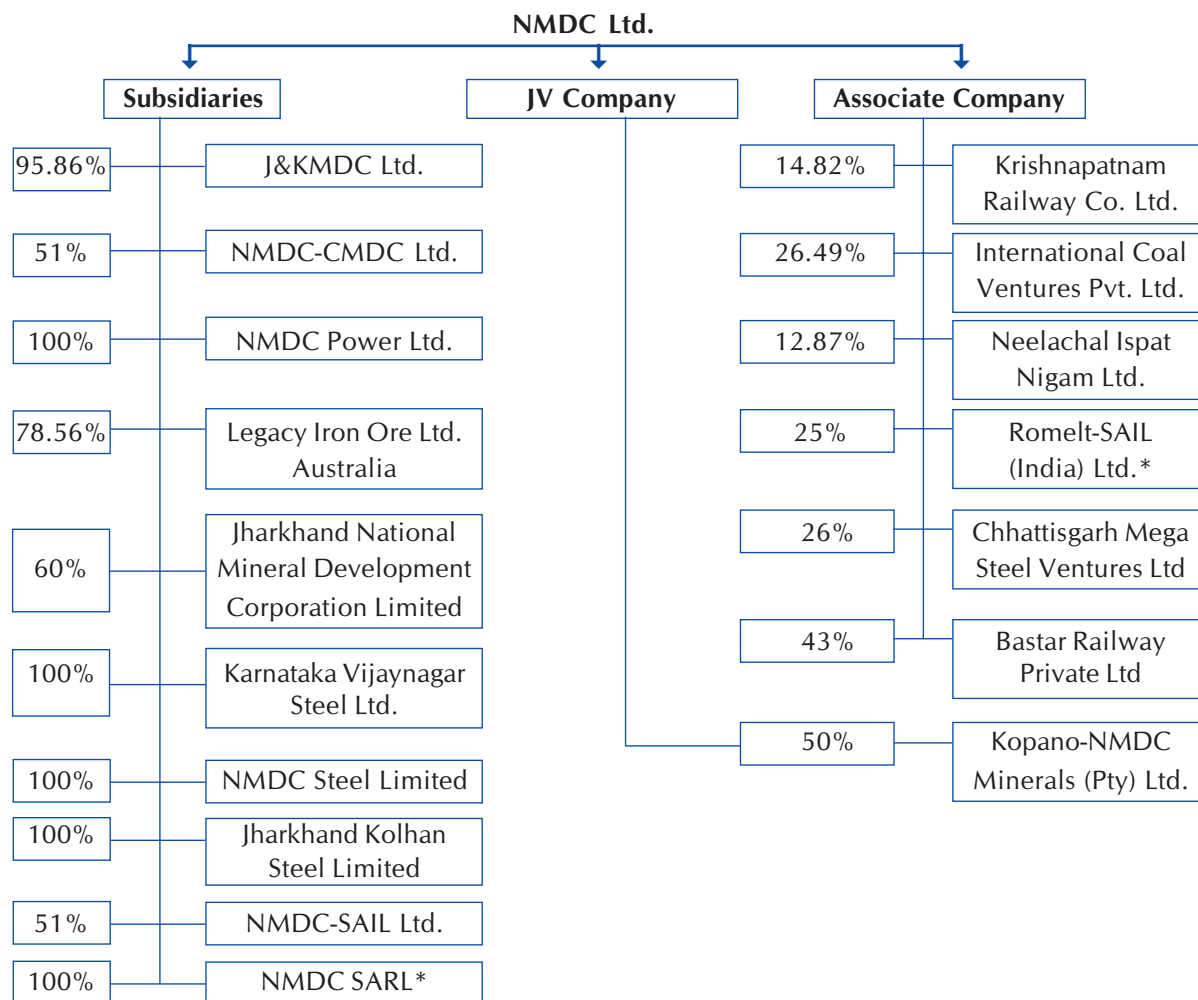


Signing of MoU between NMDC and ISRO to identify mineral potential areas using Satellite Technology



9.0 SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES MONITORING FRAMEWORK

- a) NMDC has ten subsidiaries and stake in seven Associate / JV Companies. The names of these Companies and percentage of NMDC stake in these companies are as follows:



* Under closure

- b) The subsidiaries of NMDC are Board managed with the primary interest to manage such Companies in the best interest of the shareholders. The framework for Subsidiary / Associate / JV Companies are as under:
- i) All investments in these Companies are approved by the Board of Directors.
 - ii) The Company nominates its representatives on the Board of these Companies.
 - iii) The minutes of the meeting of these Companies are placed before the Board.
- c) Incorporation of 2 subsidiary companies
- i) A 100% subsidiary company by the name Jharkhand Kolhan Steel Ltd. was incorporated on 24.09.2015 to develop a steel plant in the State of Jharkhand through SPV route.
 - ii) NMDC-SAIL Ltd. with shareholding ratio of 51:49 between NMDC & SAIL was incorporated on 23.05.2016 for the purpose of setting up a mining SPV with CMDC.



10.0 ENVIRONMENT MANAGEMENT:

The Company has obtained Environmental clearance from GoI, MOEFCC, New Delhi for (i) Bailadila Iron Ore Project, Deposit-13 at Kirandul, Chhattisgarh for production capacity of 10 million tons per annum and (ii) Setting up of 2 MTPA Pellet Plant at Integrated Iron and Steel Plant complex at Nagarnar in Chhattisgarh. Expert Appraisal Committee, MOEFCC in its meeting held on 28.01.2016 has also recommended the project "setting up of 4 MTPA Iron Ore Beneficiation Plant at Bacheli along with Slurry Pipeline from Bacheli to Nagarnar" for Environmental Clearance. The Environmental Public consultation meetings held successfully for Bailadila Iron Ore Project, Deposit-4 on 07.12.2015 at Dantewada and on 10.03.2016 for proposed Screening Plant-II at Donimalai. The Company also obtained Terms of Reference from MOEFCC on 08.01.2016 for preparation of EIA report for obtaining Environmental clearance for capacity expansion of Bailadila Iron Ore Project, Deposit-14/11C, Kirandul from 12.0 to 20.0 MTPA. The Company is in process for obtaining Environmental clearances for other expansion projects.



Annual Plan Meeting 2016-17

The Company has obtained stage-1 forest clearances from MOEFCC for (i) diversion of 33.00 Ha forest land for construction of Iron Ore Beneficiation plant at Bacheli on 02.11.2015 and (ii) 4.01 Ha forest land for Transmission line of Pellet plant at Donimalai on 22.09.2015. The company is pursuing with State and Central Government for obtaining forest clearances for other proposals.

The company has participated in Chhattisgarh Hari Har during the year 2015 and contributed Rs.10.97 crores to C.G.R.V.V.N. Ltd., Raipur for undertaking 100-km road side tree plantation in state of Chhattisgarh. The company is undertaking all environmental pollution control works such as de-silting of check dams / check bunds, Tailing dams and construction of buttress walls at toe of waste dumps and Geo-coir matting on waste rock dumps for stabilization of dumps. The company is organizing environmental monitoring studies at all the production projects by engaging MOEFCC recognized laboratories. The studies indicated that PM10 PM2.5 SO2, NOx and CO levels at the projects are well within the prescribed limits as per MOEFCC/CPCB standards.

10.1 Sustainable Development Performance

Under S.D. programme, the Company has installed Sewage Treatment Plant with SBR technology at Bacheli at a cost of Rs.6.61 crores for treatment of township domestic waste water. The Company has taken up GHG assessment for the year 2014-15 and disclosed GHG emissions in Carbon disclosure project for first time. The similar studies for the year 2015-16 are also taken up for GHG assessment and disclosure in CDP.



NMDC's delegation meeting with Indian Ambassador to Kazakhstan for Tungsten opportunities



11.0 SAFETY

Mine Safety - Activities

NMDC has its training centers in all its projects. They are equipped with infrastructure as required under Mines Vocational Training Rules. These centers cater to the needs of basic training, refresher training and training for skilled workers and also for those injured on duty.

In each mining project of NMDC sufficient number of workmen inspectors are nominated / appointed for mining operations, mechanical and electrical installations as per statutory requirements.



*NMDC bagged Governance Now
PSU Awards - 2015*

Mine Level Tripartite Safety Committee Meetings

have been conducted in each of the operating mines. This meeting is conducted once in a year at project level with senior officials, Union Representatives and DGMS Officials in which Safety Performance and its appraisal are made and the recommendations are implemented.

Corporate Level Tripartite Safety Committee Meetings are being held regularly once in a year at Head Office. 26th Corporate Level Tripartite Safety Committee Meeting of Bailadila Iron Ore Mines / Diamond Mining Project was conducted on 17.07.2015 and Donimalai Iron Ore Mine / Kumaraswamy Iron Ore Mine was conducted on 05.10.2015.

Safety Committees have been constituted in every operating mine and pit safety meetings are held every month discussing the safety matters and corrective actions related to work atmosphere.

Man days lost per 1000 man days worked for the year 2014-15 is 0.14 and 0.34 for the year 2015-16.

12.0 ISO CERTIFICATION

Integrated Management System (IMS) i.e. Quality Management System - ISO 9001:2008; Environmental Management System - ISO 14001:2004; Occupational Health & Safety Management System - OHSAS 18001:2007 & Social Accountability - SA 8000 Certification Standards.

Consultancy work of integrating all the four systems i.e. Quality Management System (QMS - ISO 9001:2008); Environmental Management System (EMS - ISO 14001:2004; Occupational Health & Safety Management System (OHSMS - OHSAS 18001:2007; Social Accountability (SA 8000) has been completed at all the projects viz. BIOM, Bacheli Complex; BIOM, Kirandul Complex; Donimalai Iron Ore Mine; Diamond Mining Project and R&D Centre.

Certifying body, M/s DNV Business Assurance India Private Limited, Hyderabad was appointed for BIOM, Bacheli Complex; BIOM, Kirandul Complex; DIOM and R&D Centre.

First Stage Audit completed at BIOM, Bacheli Complex and BIOM, Kirandul Complex. Certification Audit is scheduled in the month of May 2016 at both the Projects.

For DIOM and R&D Center Certification Audit has been completed and recommended for certification of all the four standards.

Certifying body, M/s RINA India Private Limited, Mumbai was appointed for Diamond Mining Project, Panna. Certification Audit completed and recommended for certification.



OHS Activities:

Occupational Health Services (OHS) have been provided with adequate manpower and infrastructure and are functioning in full-fledged manner at all the projects, headed by Qualified Doctors trained in OHS at Central Labour Institute, Mumbai. Periodical Medical Examination under statute is carried out regularly in all the projects, with a planned programme.



Rajbhasha Pakhwada function at NMDC Head Office

Safety Management System:

Safety Management system has been implemented in all our mines. Risk Assessment studies are being conducted regularly.

13.0 IMPLEMENTATION OF INTEGRITY PACT:

- With the objective of improving transparency in public procurement and contracts, we have entered into MoU with Transparency International India for implementation of Integrity Pact Programme during September 2007.
- We are one of the first Mining Navaratna Company to have entered into the Integrity Pact Programme during the year 2007.
- For covering the majority of the procurements initially (2007), the threshold values for entering into the Integrity Pact have been fixed as follows:

Civil Works	-	Rs.50.00 crores
Contracts	-	Rs.50.00 crores
Procurement	-	Rs.15.00 crores

- To widen the coverage of Integrity Pacts, the threshold limits have been revised from 2009 onwards as follows:

Civil Works	-	Rs.20.00 crores
Contracts	-	Rs.20.00 crores
Procurement	-	Rs.10.00 crores



NMDC received TOLIC's Rajbhasha Trophy - 2014-15 for commendable implementation of Rajbhasha

1st Batch of IEM

1. Shri M. Gopalakrishna, IAS (Retd.), from 04.10.2007 to 30.09.2010.
2. Dr. S. Ramnarayan, Prof. ISB, Hyderabad, from 04.10.2007 to 30.09.2010.

2nd Batch of IEM

1. Shri S. Anwar, IAS (Retd.), from 21.09.2010 to 30.09.2013
2. Dr. J.S. Juneja, Former Chairman, NSIC, from 01.10.2010 to 30.09.2013



3rd Batch of IEM

1. Shri Ajit Kumar Jain, IAS (Retd.), from 26.12.2013
2. Shri Ramesh Chandra Panda, IAS (Retd.), from 19.12.2013

The review meetings with IEMs are conducted regularly on a quarterly basis.



State Level Vendor Development Programme for SC/ST MSE Entrepreneurs organized by NMDC in association with DICCI & MSME, DI, Hyderabad

14.0 NMDC's R&D Centre at Hyderabad

NMDC has an R&D Centre at Hyderabad which has been bestowed with "Centre of Excellence" by UNIDO. The centre has capabilities for undertaking studies on mineralogy, batch ore dressing, mineral beneficiation pilot plant, agglomeration, pyro and hydro metallurgy, bulk solids flowability with facilities for chemical analysis, electronic data processing and development of new products.

15.0 Global Exploration Centre, Raipur

NMDC's Global Exploration Centre at Raipur is continuously doing exploration in the mines of NMDC and adding new reserves every year. NMDC has offered to State Governments to undertake free exploration to quantify mineral resources in the State.

16.0 Implementation of Official Language Policy

Your Company continued its efforts to successfully implement Official Language Policy of Govt. of India and related Act and Rules in its Headquarter, projects and units.

Hindi Workshops were conducted in every quarter at Headquarter and its Projects/units in order to impart training to Officers and employees to do their official work in Hindi. Training on Unicode Hindi Software was also imparted. Hindi Stenography training classes were conducted regularly. Meetings of Rajbhasha Representatives nominated in various departments of Head Office were conducted to give momentum and direction in increasing usage of Rajbhasha.

To propagate use of Official Language, cash incentive schemes for noting and drafting in Hindi, working on computer in Hindi, dictation in Hindi were operated. Hindi Fortnight was organized during which various competitions were conducted and prizes were distributed. To encourage use of Hindi, another innovative scheme named "Monthly Hindi Competition for Non-Hindi speaking personnel" has been started.

Meetings of Official Language Implementation Committees of Headquarter and various projects/units were conducted in every quarter. To monitor implementation of Official Language Policy and suggest ways and means to improve upon that, inspections of various projects and units were done and desk trainings were also conducted during such inspections. Various departments at Headquarter were also inspected.

A Seminar on Rajbhasha was organized under the aegis of Ministry of Steel for Officers of all the PSUs of the Ministry at New Delhi.

During the year Rajbhasha Technical Seminars were conducted. House Journal in Hindi "Khanij Bharati" was published from Head Office. Hindi / bilingual magazines viz Sarjana, Takaneeki Sopan, Takaneeki Khitiz, Baila Samachar, Bacheli Samachar, Doni Samachar, Nisp Patrika and NMDC Samachar, She News were published from Head Office and Projects.



Rajbhasha Trophy was awarded to NMDC Headquarter by Town Official Language Implementation Committee (Undertakings), Hyderabad-Secunderabad in recognition of commendable work done in field of implementation of Rajbhasha.



Glimpse of Swachhta Pakhwada at Head Office

17.0 Details required to be furnished in terms of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

NMDC is looking to improve its Vendor base under MSE Category in procurement of goods. It always supports and encourages the participation of MSEs in various procurements duly indicating the concessions applicable for MSEs as per Govt. guidelines in all the tender documents. NMDC has given exclusive Expression of Interest for vendor empanelment of SC/ST MSEs during 2015-16.

During the FY 2015-16, NMDC has participated in various National and State Level Vendor Development Programmes/MSME Expo for Buyer - Seller meet at Hyderabad, Guntur, Raipur, Bangalore, Hubli, Tumkur and Shimoga.

18.0 Manpower

18.1 Employee-Employer relations

The overall industrial relations situation was peaceful and cordial during the year. There was no strike/lockout against the Company's policies affecting production and productivity.

18.2 Scheduled Castes & Scheduled Tribes

65 candidates belonging to Scheduled Caste and 79 candidates belonging to Scheduled Tribes were appointed in the year 2015 against 469 posts filled by direct recruitment.



Overview of Blast Furnace at NISP, Nagarnar (under construction)

18.3 Strength of SCs & STs as on 31st March 2016

- 1. Total number of employees = 5773
- 2. Scheduled Castes amongst them = 990
- 3. Scheduled Tribes amongst them = 1221
- 4. Total SCs and STs = 2211
- 5. Physically challenged employees = 63

18.4 Particulars of employees drawing remuneration of Rs.8.5 lakhs per month or Rs.1.02 crores per annum under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

NIL



18.5 Staff Welfare activities

Adequate facilities for education, health, accommodation and recreation were in place. Various Bipartite fora have been functioning satisfactorily.

18.6 Promotion of Sports

Inter Project tournaments, both indoor and outdoor, for employees and games & sports for the wards of employees were held in different Projects during the year apart from promoting sports events under CSR.



Overview of Sinter Plant at NISP, Nagarnar

18.7 Disclosure under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

No complaint has been received and no case has been filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year 2015-16.

19.0 HUMAN RESOURCES DEVELOPMENT

- Human Resource Development activities embraced many structured, focused and progressive interventions during FY 2015-16 taking a further step into clustering of training families first time scientifically.
- Apart from training, seminars, conferences & symposium many other in-house customized training programs were conducted like mentoring & coaching, capability building program, senior management program for strategic growth, advance management program, program on MoU etc. Assessment Development Center was conducted for Succession Planning by covering 14 Executives in the level of E-7 and above. Under skill development program as an initiative of Government of India, a tripartite MoU was signed with NSDC and NSDF for skilling 1200 nos. of non-stakeholders.
- 229 ETs have been recruited in year 2015. All of them underwent induction program for one week and are undergoing training in all the projects of NMDC and reputed steel plants as a part of ETs one year training scheme.
- 40 Quality Circles were functioning throughout the year in association with Quality Circle Forum of India QCFI and bagged many par excellence & excellence awards in National Conference of Quality Circles (NCQC).
- HRMS Training Clustering prepared for 1255 Executives to facilitate tailor-made customized HRD programs.
- In-Company Training Programs: 333 Executives trained through 14 customized training programs under tie-up arrangements.
- External Training Programs: 849 Executives covered through 190 training Programs on various subjects.
- Foreign Training Programs: 25 Executives were sent abroad for exposure / AMP.
- Capability Building Program: 88 middle and senior level executives imparted training on "Capability Building & Mentoring" to develop leadership pipeline.
- NMDC participated in various business quizzes & case study contests organized by MTI, Ranchi, SCOPE, New Delhi, INSSAN, New Delhi etc. and bagged few Awards in the area of Case Study and HR related issues.



20.0 VIGILANCE

NMDC Vigilance Department guides and facilitates impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive measures. Department had taken several initiatives during the year. Various programmes were conducted for awareness on vigilance matters for the employees of the Corporation. Executives of Vigilance Department were nominated for training / workshops being organized in India.

Vigilance Department in NMDC is certified under ISO 9001:2008 conforming to the Quality Management System. It has been certified as per ISO standards since October 2006 by Integrated Quality Certification Private Limited, Bangalore. For re-certification of Quality Management System (QMS) of Vigilance Department, M/s. Integrated Quality Certification Pvt Ltd conducted an external audit on 22.1.2016 and the certification was extended up to 14.9.2018.

During the year (Apr, 2015 - March, 2016) 118 surprise checks, 96 regular inspections and 7 CTE type inspections were conducted. During period, 60 grievances were addressed in the CPGRAMS Portal. Complaints received were taken up for investigation and necessary disciplinary action wherever required was recommended.

Apart from these, the thrust area studies were conducted on following core activities:

1. Ore despatches by Rail and Road including penalty and demurrage payments, chemical analysis of ore.
2. Maintenance Contracts of HEMS(MARC & CAP)
3. Standardisation of specifications
4. CSR activities
5. Estate Matters

Guidelines for Banning of Business prepared by the Vigilance Department has been implemented.

In-house quarterly magazine of the Vigilance department "Sphoorthy" is being published periodically.

As part of implementation of "Leveraging of Technology for transparency" in all the transactions, information about limited tender enquiries above Rs.30 lakhs, details of contracts concluded above Rs.10 lakhs, works awarded on nomination basis, single tender basis above Rs.1 lakh, information regarding bill payments to the contractors etc., are provided on the company's website. Efforts to encourage e-procurement, e-tender, e-auction are being made continuously.

NMDC has adopted implementation of Integrity Pact since November, 2007. The threshold limit of Rs.20 crores in case of civil works and contracts and Rs.10 crores in case of procurement is being followed. Till date, the Integrity Pact is entered into 75 contracts with a value of Rs.20,131.65 crores. As such, more than 90% of the total value of the contracts is covered under Integrity Pact. In addition, procurements through e-procurement and sales through are in place.



Vigilance Awareness Week at Head Office



The Vigilance Awareness Week on the theme "Preventive Vigilance as a tool of Good Governance" commenced from 26.10.2015 to 31.10.2015 with the administration of pledge to all the employees. On 28.10.15 and 29.10.2015, a two day workshop on "Vigilance aspect in procurement".

Units of NMDC at - Kirandul, Bachel, Donimalai, Panna, NISP, Nagarnar, Sponge Iron Unit and Regional Offices at New Delhi, Bangalore, Kolkata, Vizag etc., observed the Vigilance Awareness Week.



7th Public Sector Day Celebrations at Head Office

CVC's Annual Sectoral Review Meeting with CVOs of Steel and Mines Sector was held on 26.11.2015 at NMDC, Hyderabad.

21.0 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 with respect to Directors Responsibility Statement it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the financial year ended 31.03.2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22.0 DECLARATION ON MEETING THE CRITERIA OF INDEPENDENCE AS PER THE COMPANIES ACT, 2013

The Independent Directors have given a declaration on meeting the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 in the FY 2016-17. The Board of Directors at its 495th meeting held on 27.05.2016 has noted the declaration as made by the Independent Directors.



23.0 NUMBER OF BOARD MEETINGS HELD

During the year under review 11 meetings of the Board was held. For further details, reference may kindly be made to Corporate Governance Section of the Annual Report.

24.0 IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board at its 442nd meeting held on 19.01.2012 has approved the Risk Assessment and Risk Mitigation Policy / Enterprise Risk Management (ERM) of the company. Accordingly, the company has constituted a Board level Risk Management Committee comprising of all Functional Directors (excluding CMD) and one Independent Director.

The company as a part of its current Risk Management Policy has identified top 15 Risks That Matters (RTMs) and documented Mitigation Plan / Strategy for the same.

During the year under review, four meetings of the Board level Risk Management Committee were held.

25.0 NMDC STRATEGIC MANAGEMENT PLAN (NMDC VISION 2025).

The Board of Directors at its 485th meeting approved a long-term strategic management plan (SMP), 'Vision 2025', as per which its Iron ore Mining capacity was envisaged to be increased to 75 million tonnes per annum (MTPA) by 2018-19 and 100 MTPA by FY 2021-22. This was in line with the roadmap charted out by the Ministry of Steel, Government of India to augment India's steel production to 300 MTPA in the next decade. SMP 2025 was formulated after extensive deliberations within the company across functional areas, adopting a bottoms-up approach to ensure ownership.

Since the formulation of SMP, the business environment for commodities/iron ore witnessed severe downturn, necessitating a re-look at the ambitious growth agenda. The prices of steel products and iron ore have come down significantly in the last one year. The subdued market conditions are likely to continue in the foreseeable future for both the steel and the iron ore industry globally, with supplies exceeding demand. Accordingly, 'Vision 2025' of the Company is under review to align the growth plan in line with global and Indian iron ore market scenario.

The expansion plan of NMDC takes into account the high prospects of the growth of the Indian Steel Industry in the coming years with several factors indicating the same, such as, thrust of the government on infrastructure development, growing urbanization, extensive plans of rail network expansion, improving power generation, etc. Low per capita steel consumption in the country at 61 kg/t vis-à-vis the world average of 208 kg/t also indicate the huge growth potential the Indian steel industry has.

Besides the expansion plan, the SMP approved by the Board in June, 2015 also envisaged introduction of systemic interventions in six strategic transformation areas - Business, Operations, Sustainability, Capital Projects, Human Resource and IT. Several



Graduation Ceremony - 2015 of NMDC sponsored tribal girls at Apollo College of Nursing, Hyderabad



initiatives in this respect are under implementation such as, License-to-Operate computer-based model (in which all the statutory approvals will be brought under one umbrella), setting up of Business Excellence Cell for working towards cost reduction, developing senior management dash board, etc. Thrust is also being given on profitability improvements programmes and strategic interventions in automation, technology and productivity.



Induction Programme for NMDC Executive Trainees

26.0 DIRECTORS

The following Directors ceased to be Directors on the Board of the Company:

	w.e.f.
i) Shri Rabindra Singh, Director (Personnel)	31.08.2015
ii) Dr. Noor Mohammad, Independent Director	25.11.2015
iii) Shri Vinai Kumar Agarwal, Independent Director	25.11.2015
iv) Shri Mahesh Shah, Independent Director	25.11.2015
v) Shri Narendra Kothari, CMD	31.12.2015

The following Directors were appointed on the Board of the Company:

	w.e.f.
i) CA. Arun Kumar Srivastava, Independent Director	13.11.2015
ii) Smt. Bhagwati Mahesh Baldewa, Independent Director	13.11.2015
iii) Shri Rajesh Kumar Mangal, Independent Director	13.11.2015
iv) Shri Pradip Bhargava, Independent Director	27.11.2015
v) Dr. Syamal Kumar Sarkar, Independent Director	27.11.2015
vi) Shri S.M. Nigam, Independent Director	27.11.2015
vii) Shri Sandeep Tula, Director (Personnel)	03.08.2016

The Board places on record its deep appreciation for the valuable contribution made by Shri Rabindra Singh, Dr. Noor Mohammad, Shri Vinai Kumar Agarwal, Shri Mahesh Shah and Shri Narendra Kothari during their tenure on the Board of the Company.

Smt. Bharathi S. Sihag, AS & FA, Ministry of Steel, Govt. of India has been assigned the additional charge of the post of CMD w.e.f. 01.01.2016. Dr. T.R.K. Rao was assigned the additional charge of the post of Director (Personnel) from 01.12.2015 to 02.08.2016.



27.0 AUDIT

a. Statutory Auditors

On the advice of the Comptroller and Auditor General of India, New Delhi, your Company appointed the following firms of Chartered Accountants as Statutory Auditors of the Company for the year 2015-16:

S.No.	Unit	Statutory Auditors
1	Head Office, R&D Centre, SIU & Consolidation	M/s. Tej Raj & Pal, Chartered Accountants 2nd Floor, 252 3RT, Central Bank of India Building, Opp. Vijay Nagar Colony Post Office Hyderabad-500057, Telengana
2	Kirandul Bacheli NISP, Jagdalpur Vizag Office	M/s. O P Totla & Co., Chartered Accountants C-16, First Floor, Shyam Market, Near LIC Building, Pandri, Raipur-492004(C.G)
3	Donimalai	M/s. Vijay Panchappa & Co. Chartered Accountants Maruti Complex II Floor Line Bazar Dharwad, Dharwad-580001
4	Panna	M/s. Gopal Gupta & Co., Chartered Accountants 588, Mutthiganj, 1st Floor, Allahabad-211003(UP)

b. Cost Auditors

M/s Prasad Bharathula & Associates
Cost and Management Consultants
House No.2-4-911, Road No.6,
Samatapuri Colony, Post. Saroornagar,
HYDERABAD - 500 035

c. Secretarial Auditors

M/s D. Hanumanta Raju & Co.
Company Secretaries
B-13, F1, P.S. Nagar, Vijaynagar Colony
Hyderabad - 500 057



Celebration of International Yoga Day

28.0 IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

All the provisions of the RTI Act 2005 are being complied with by the Company. In order to ensure timely disposal of RTI applications, PIOs have been appointed in each of NMDC's Units. A close monitoring of the RTI applications received is done to ensure that the replies are sent in time.



The details of RTI applications received in Head Office and all the Units of the Company during the period 01.04.2015 to 31.03.2016 are as follows:

Month	No of Applications received (Pending As on 01.04.2015)	Information Provided	Rejected
April 2015*	32	19	01
May 2015	22	15	Nil
June 2015	25	30	Nil
July 2015	135	43	Nil
August 2015	54	129	02
September 2015	110	23	Nil
October 2015	81	47	20
November 2015	80	123	01
December 2015	60	74	16
January 2016	69	77	Nil
February 2016	28	45	02
March 2016	20	39	01
TOTAL	716	664	43

* Includes previous year pending cases - 15

Pending as on 31.03.2016 - 07 Requests and 02 Applications have been transferred to other CPIOs.

Necessary disclosures under RTI Act, 2005 has been made in NMDC's website under the link: <https://www.nmdc.co.in/RighttoInformationAct.aspx>

29.0 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE. NIL

30.0 AWARDS RECEIVED BY THE COMPANY

The details of awards received by the Company are as follows:

- HRD Awards: Corporate HRD participated in National Awards like NIPM, ISTD, Greentech etc. and bagged coveted Awards like Genentech Platinum Award, NIPM National Award & ISTD National Certificate for "Excellence in Training Activities" during the year 2015.
- "Rajbhasha Trophy" for the Year 2014-15 was awarded to NMDC Headquarter by Town Official Language Implementation Committee, Hyderabad-Secunderabad for commendable implementation of Rajbhasha on 10-10-2015.
- "Vishwa Mukti Rashtriya Rajbhasha Sammaan-2015" was conferred on NMDC for excellent implementation of Rajbhasha at a function organized at Vishakhapatnam on 16.11.2015.
- "Special Award for Implementation of Rajbhasha in C region" was given to NMDC Headquarter in a programme organized by Rajbhasha Sewa Sansthan at Goa on 10-05-2015.



- "Rajbhasha Sri Sammaan" was awarded to BIOM, Kirandul Complex by Bharatiya Bhasha ewam Sanskrati Kendra, New Delhi at a function organized at Goa on 31-10-2015.
- On 06th Jun'2015, CMD, NMDC received "India Pride Award-2015" under the category Metals, Minerals and Trade (including Mining) from Shri Arun Jaitley, Hon'ble Union Minister of Finance, Corporate Affairs & I&B.
- On 23rd Jul'2015 NMDC received "India's Top PSUs Award 2015" under the sector Mining - Metals & Minerals category" organized by Dun & Bradstreet.
- On 8th October 2015, ED(NISP) received "IIIE Performance Excellence Award (Platinum category)" organized by IIIE.
- On 14th November'2015, CMD, NMDC received "Tata Gold Medal" by the Indian Institute of Metals for the year 2015.
- On 17th December'2015, NMDC received "Governance Now PSU Award" from 'Governance Now Magazine'.



Jig - a gravity preconcentration/ concentration unit at R&D Centre

31.0 VIGIL MECHANISM

NMDC being a PSU, the guidelines of Central Vigilance Commission (CVC) are applicable which provides adequate safeguard against victimization of the employees. No person has been denied access to the Audit Committee. The Board of Directors at its 451st meeting held on 20.09.2012 approved the internal Whistle Blower Policy of NMDC. In terms of the said Policy, CVO, NMDC has been designated as the Nodal Officer for implementation of Internal Whistle Blower Policy. The internal Whistle Blower Policy has also been uploaded on the intranet of the Company for information of all the employees.

32.0 DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN WHICH ARE REPORTABLE TO CENTRAL GOVT. - NIL

33.0 BUYBACK OF EQUITY SHARES BY THE COMPANY

The Board of Directors of the Company at its meeting held on 7th June, 2016 approved buyback of not exceeding 80,08,25,526 (Eighty Crore Eight Lakh Twenty Five Thousand Five Hundred and Twenty Six) equity shares of the Company (representing 20.20% of the total number of equity shares in the paid-up share capital of the Company), from all the members holding equity shares of the Company on a proportionate basis through the "Tender Offer" route at a price of Rs.94/- (Rupees Ninety Four only) per equity share of face value of Rs.1/- each payable in cash for an aggregate consideration not exceeding Rs.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 shall be not exceeding 25% of the aggregate of fully paid up share capital and free reserves of the Company as per audited accounts of the Company for the financial year ended March 31, 2016.

Approval of the shareholders of the Company has been sought by way of Special Resolution through postal ballot vide Postal Ballot notice dated 7th June 2016. Further, the Special Resolution was duly approved by the shareholders through Postal Ballot, the results of which were declared on 4th August, 2016. Public Announcement dated 4th August, 2016 was published in newspapers on 8th August, 2016. The Draft Letter of Offer (DLOF) was approved in the Buyback Committee.



34.0 IMPLEMENTATION OF ERP IN NMDC

ERP, as a business solution software suite, integrates various business activities and information flow in the organisation into a unified system. The broad advantages of ERP implementation are as follows:

- Increase in operational efficiency, productivity and responsiveness.
- Integration of various cross functional activities, procedures, systems. Native integration exists across all functional modules viz. Production, Maintenance, Finance, HR, Materials Management, Sales etc.
- Transparency and visibility of decision making.
- Provides visibility of business process end to end.
- Information is available in real-time.
- Easier Regulatory Compliance.



Education City at Geedam, Dantewada

- Deloitte has been appointed as ERP Consultant. Tender for procurement of ERP licenses and selection of Implementation Partner(IP) was issued on 23/03/2016. Offers received against this tender were opened on 15/06/2016 and are under evaluation. Go-live date for ERP implementation is scheduled for 01/07/2018.

35.0 REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER THE COMPANIES (ACCOUNTS) RULES, 2014 IS AT ANNEXURE-I.

36.0 CORPORATE GOVERNANCE

Report on Corporate Governance is at Annexure-II

37.0 REPORT ON MANAGEMENT DISCUSSIONS AND ANALYSIS

A Report on Management discussions and Analysis as required in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is at Annexure-III.

38.0 EXTRACT OF ANNUAL RETURN UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013.

The extract of Annual Return as provided under Sub-Section (3) of Section 92 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is at Annexure-IV.

39.0 SECRETARIAL AUDIT REPORT

Secretarial Audit Report in Form No.MR-3 pursuant to Section 204(1) of the Companies Act, 2013 is at Annexure-V.

40.0 BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility Report (BRR) is at Annexure-VI.

41.0 GLOBAL COMPACT - COMMUNICATION ON PROGRESS

Report on compliance with principles of Global Compact is at Annexure-VII.



42.0 STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES (FORM AOC-1) IS ENCLOSED AT ANNEXURE-VIII.

43.0 REPORT ON CSR ACTIVITIES

The Company has in place a Board approved Corporate Social Responsibility.

The major focus of the CSR activities of the company are primarily in the following areas:

- i. Education promotion
- ii. Health care, Water & Sanitation
- iii. Infrastructure development
- iv. Integrated Development of Villages
- v. Skill development for sustainable income generation



Under Skill India Initiative of Govt. of India, NMDC is organizing programmes for non-NMDC stakeholders in partnership with NSDC

Report in terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is at Annexure-IX.

44.0 ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the support, cooperation and guidance received from the Ministry of Steel, Ministry of Mines and Ministry of Forests & Environment and other Departments of Government of India and the State Governments of Andhra Pradesh, Chhattisgarh, Karnataka, Madhya Pradesh, Jharkhand and Telangana.

Your Directors acknowledge the support extended by the valued and esteemed international and domestic customers, Shareholders stakeholders, MMTC, Chennai Port Trust, Visakhapatnam Port Trust, Railways and other Departments of the Central and State Governments. We believe that our long-term success is dependant on our domestic customer relationship and responsiveness. We will do everything possible to provide our customers better, timely and value added services.

The success of your Company is due to the commitment and dedicated efforts of the managers and employees at all levels. Your Directors place on record their appreciation and also acknowledge the support and co-operation of All India NMDC Workers' Federation and their members for the smooth functioning of the Company's operations.

(Bharathi S. Sihag)

Chairman-cum-Managing Director

Place : New Delhi
Date : 12th August, 2016



Annexure - I

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of energy:

i. The project pertains to utilization of dolochar generated during sponge iron production. It has been estimated that in near future there will be more than 450 units for sponge iron production in the country with total capacity over 40 mt, which will generate around 10 mt of dolochar as waste. The utilization and disposal of such a huge amount of waste in the form of dolochar is a major challenge. The dolochar invariably contains 15-30% fixed carbon which can be efficiently utilized through adoption of appropriate technology. The proposed research is an attempt to develop method for utilizing dolochar in entrained type gasifiers.

- **Studies of utilization of dolo-char waste in iron ore sintering processes to partially replace coke.**
- **Development of Entrained flow Gasification System using non-coking coal blended with dolochar for thermal applications. (Collaborative research work with IMMT, Bhubaneswar)**

ii. **Steps will be taken to commercialize the result of ongoing studies**

iii. **Expenditure: Rs.12.0 lakh**

B. Technology Absorption:**I. Technology Absorption****1.0 TECHNOLOGY DEVELOPMENT PROJECTS:****R&D for alternative Iron making Technology:**

The tripartite agreement was signed between NMDC, NLC and ECT in January 2016 after getting approval from Ministry of Steel and Coal. M/s M N Dastur have been engaged by ECT for preparing a feasibility study report.

NMDC's R&D Centre at Hyderabad:

R&D Centre is committed to maintain its excellence in undertaking product and Technology Development Missions related to ore and Minerals through continual improvement in process performance for enhanced customer satisfaction.

It undertakes R&D work related to mineral processing, flow sheet development, mineralogical studies etc. R&D Centre extends vital support to NMDC's existing mines. Expertise of R&D Centre is also being extensively used by other organizations in iron ore and allied sectors in India and abroad.

The Centre has implemented Integrated Management System comprising ISO 9001 : 2008 (Quality Management System), ISO 14001 : 2004 (Environment Management System), OHSAS 18001 : 2007 (Occupational Health and Safety Assessment System) and SA 8000 : 2008 (Social Accountability). It has Department of Scientific and Industrial Research (DSIR) recognition as in-house R&D unit. It's Chemical Lab. has been accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) in the field of chemical testing.

The thrust of NMDC Ltd.'s R&D Centre are towards:

- Developing technologies for enhanced utilization of iron ore fines.
- Providing technical solutions to the problems related to quality and productivity of NMDC mines.
- Upgradation of processing Technology of existing process plants for better productivity and meet the customer requirement.



- Development of Technology for utilization of mine wastes.
- Development of Value Added process and product through innovation.

NMDC, being one of the MOU signing companies, has set yearly targets for all units including R&D. In this direction R&D Centre has achieved rating of "Excellent" in the MOU performance indicator for the 2015-16. Achievements and improvements carried out in the development of new process, products, cost reduction, and quality improvement etc., of NMDC, R&D Centre during 1st April 2015 to 31st March 2016 are listed below.

2.0 Projects as per MOU system with Ministry of Steel 2015-16:

1.1 Development of an eco friendly tailing disposal system by filtration of iron ore tailings and study of issues related to their transportation and storage (Phase - 3).

To develop a process which can recover maximum water from the iron ore tailings and enable disposal of tailings in solid or semi-solid form which would minimize the environmental hazard and also make iron ore mining sustainable.

The tailing samples are amenable for paste thickening as well as filtration. It is possible to get a paste with 56 - 72% solids and yield stress in the range of 75 - 300 Pa. The filtration tests revealed that it is possible to produce a filter cake with moisture content ranging from 14 to 24%.

1.2 Recovery of iron values and pure silicon dioxide from rejects of lean grade iron ore tailing at lab. scale level by hydrometallurgical route

1. To recover iron values from rejects of lean grade iron ore tailings (rejects contains Fe 30% to 40%) by hydrometallurgical route.
2. To recover silicon dioxide from rejects of lean grade iron ore tailings by hydrometallurgical route.

Mines waste is by-product of growth. With the increasing demand for raw materials for industrial production and fast depletion of non-renewable resources, developing countries like INDIA can ill-afford to allow waste without productive utilization. The present studies have proved that lean grade iron Ore tailings, which were hitherto considered as waste material, can be processed for number of by-products which has may have economic potential.

The commercial exploitation through application of suitable process would help in:

- Recovering value added products
- Reducing dump volume there by making additional space at mine site and handling problems
- Finding a way to get a raw materials for many value added product; and
- Cleaning up environment by efficient utilization of lean grade iron ore tailings.

Process for recovery of recovery of iron values and silicon dioxide through hydrometallurgical route was studied. The process parameters for leaching, digestion and precipitation, processes were established. The recovery of iron and silicon dioxide was 80-90% laboratory process and the purity of the products achieved was > 95%.

1.3 Reduction studies with iron ore sample from Bacheli by lignite as part of developing alternate iron making process

To establish a process of iron making using lignite as reductant. Pig iron / iron nuggets produced from iron ore fines and lignite coal will be used as reductant in iron making process.



2.0 In-house Programs

2.1 Studies on the influence of temperature on flow properties of bulk solids

To assess the influence of selected bulk solids' temperature on flow properties viz. unconfined yield strength, cohesion, internal friction, wall friction and flow functions at ambient and elevated temperatures.

The influence of temperature on fly ash is very significant at elevated temperature (70 deg. C). The flow function of fly ash is in easy flowing range at 70 deg C while it is in very cohesive range at ambient temperature (23 deg. C). While coal is exhibiting an increase in wall friction at elevated temperature resulting in steeper slopes to promote flow along walls.

2.2 Characterisation and beneficiation studies with slimes samples from Kirandul and Bacheli

To carry out characterization studies and beneficiation studies on as received samples of Kirandul and Bacheli slimes.

Accordingly optimization studies on desliming and magnetic separation were carried out.

- i. Homogenization and drawing sub samples for batch scale studies.
- ii. Batch scale beneficiation studies using Hydrocyclone and Magnetic separator.

Operating conditions were established to obtain maximum yield at the desired grade of the concentrate keeping the grade of the tailings below the threshold limit.

2.3 Bulk concentrates production for 15 million ton slurry pipeline for rheological studies and flow sheet development for 2 MT beneficiation plant at Bacheli

Flow sheet development and production of iron ore concentrate (+ 65% Fe) in bulk and characterization of the iron ore concentrate, to find its rheological properties.

To validate the conceptual process flow sheet finalized in the TEFR and fine-tune the process flow sheet from the results obtained by conducting beneficiation studies on-10 mm fines of Dep-5 & TD1 slime.

Beneficiation studies suggested that the sample is amenable for beneficiation through physical beneficiation techniques. About 1 ton concentrate was produced for pelletisation studies.

2.4 Physical and metallurgical characterization of iron ore samples received from various mines

The performance and efficiency of blast furnace operation and DRI process mainly depend upon the chemical, physical and metallurgical behavior of the raw materials, especially the iron bearing materials.

Comprehensive characterizations of iron ore samples from various mines were taken up. Fifteen lump, CLO and fines iron ore samples, each weighing about 2.0 ton were received from all operating mines of NMDC Limited. Two iron ore samples were received from Orissa Mines to compare its characteristics with NMDC ores. These iron ore samples were subjected to chemical, mineralogical, physical and metallurgical characterization.

2.5 Pelletization studies with iron ore concentrate obtained after beneficiation of Bacheli and Kirandul Complex fines and slime

The study was undertaken to provide necessary data to MECON Limited for basic engineering including initial equipment sizing and finalizing of PG parameters for proposed 2.0 MTPA Pellet Plant at Nagarnar.

Pelletization study was carried out at pilot scale pot grate furnace, which has facility of up-draught drying and down draught firing, on samples prepared from concentrate of Bacheli slime and fines and composite ore (mixture of Bacheli and Kirandul ores concentrate in 50: 50 ratio). Various batches of fired pellets were produced with varying basicity and firing temperature until optimum



quality of pellets were produced. Optimized conditions were noted and corresponding chemical, physical and metallurgical properties of fired pellets were measured.

3.0 Sponsored Programmes 2015-16

3.1 Flowability study of lignite for design of gravity flow silos for Neyveli Lignite Corporation, Tamilnadu {M/s BHEL, Tiruchirapalli}

To determine the flow properties of lignite at different moisture conditions and evaluate the design parameters for storage silos and suggest feasible modifications to the existing silos to improve their live capacity.

The study was commissioned to establish the actual silos design parameters to be followed for handling lignite of high moisture contents. The data generated were also useful to assess the flowability of the existing silos which are experiencing the flow related problems like rat-holing, bridging, arching and limited capacity utilization. This will help to suggest feasible solutions/modifications to correct the silo flow problems.

3.2 Flowability study of three iron ore fines samples of SAIL, Gua Mines to design reliable gravity flow silos/bunkers/hoppers and transfer chutes {M/s L&T, Kolkata}

To study the flow properties of different iron ore samples (3 nos.) of SAIL, Gua Mines and establish the design parameters for reliable gravity flow silo/hoppers and chutes.

3.3 Flowability study of coal for design of gravity flow silos for coal handling plant of NCL-Khadia Project {M/s. L&T, Kolkata}

To study the flow characteristics of coal fines under simulated field conditions and evaluate the design parameters for storage silos.

3.4 Flowability study of coal and limestone samples for design of reliable gravity flow silos and transfer chutes for Dhamra Port Company Ltd., Adani SEZ, Orissa {M/s ThyssenKrupp Industries India Pvt. Limited}

To study the flow properties of coal and limestone samples to establish the design parameters for reliable gravity flow silo/hoppers and transfer chutes.

4.0 Collaborative Programmes

4.1 Critical analysis of accretion formation (ring) in rotary kiln process at SIU, Paloncha {Dept. of Metallurgical Engineering JNTUCEH, Hyderabad}

To find out the root causes for the shorter campaign life of DR kiln and to analyse various reasons for the accretion formation of DR kiln in Sponge Iron unit, Palvoncha.

4.2 Improving the efficiency of dense medium cyclone separating the high NGM coal samples using GPU based CPM and PERT methods (IIT Hyderabad) {Oct. 2013 to Oct. 2016}

- i. To undertake a detailed literature review on the existing numerical models used for the performance prediction of dense medium cyclone (DMC).
- ii. To conduct test work on thermal coal with Graphical processing unit CPU CFD codes.

5.0 Investigation, Testing & Characterization Programmes

5.1 Physical and metallurgical characterization of iron ore samples

16 iron ore samples received on from Bachel Complex (Deposit-5 & Deposite-10 & 11A) and from Kirandul Complex (Deposit-14 & Deposit-11C).

5.2 Characterizations of iron ore and coal samples

Three iron ore and four coal samples received on 04.09.2015 from Sponge Iron Unit, Paloncha, for chemical, metallurgical and proximate analysis.

5.3 Testing of ferro-silicon sample from DMP Panna.



6.0 Sponsored Assignments

1. Characterisation studies of Iron ore lump and fines sample (*M/s Ashra Business International*).
2. Characterisation, Beneficiation and recovery of valuable minerals from Manganese Mine waste {*M/s Radhika Minerals*}.
3. Characterisation & Batch scale Beneficiation studies on Manganese {*M/s Tecdatum, Hyderabad*}.
4. Beneficiation studies with Beach sand sample {*M/s Ahome Consultants Pvt. Ltd.*}.
5. Metallurgical characterization of one iron ore pellet sample received on 03.06.2015 from M/s BRPL, Jajpur.
6. Metallurgical characterization of one iron ore pellet sample received on 16.07.2015 from M/s ESSAR, Paradeep.
7. Metallurgical characterization of two iron ore pellet samples received on 31.08.2015 from M/s BRPL, Jajpur.

7.0 Technical Services / Other Assignments

7.1 Review of Basic Engineering Design Documents of the proposed 15 MTPA Iron Ore Slurry Pipeline from Bachel to Nagarnar, 2 MTPA Iron Ore Beneficiation Plant at Bachel, 2 MTPA Pellet Plant at Nagarnar and Return Water Pipeline.

"Draft" Basic Engineering Design Documents of the proposed 15 MTPA Iron Ore Slurry Pipeline from Bachel to Nagarnar, 2 MTPA Iron Ore Beneficiation Plant at Bachel, 2 MTPA Pellet Plant at Nagarnar and Return Water Pipeline were received by R&D Centre from Engineering & Project Dept. The documents were reviewed and inputs provided for modification.

7.2 Characterization and Beneficiation studies on goethite rich iron ore from Deposit No. 14 & 11C

Utilization of goethite rich iron ore by beneficiation, through gravity and magnetic concentration methods.

7.3 Characterization and process development for utilization of hydrated iron ore from Bailadila sector (Deposit 10 sample)

8.0 FUTURE PLANS

8.1 Proposed collaborative Research works 2015-16

8.2 CSIRO, Australia: Characterization and beneficiation studies on laterite / goethite Iron ores, Development of dry beneficiation technologies for processing of hydrated iron ores. Agreement was signed between NMDC and CSIRO, Australia in Jan 2016.

8.3 The tripartite agreement was signed between NMDC and ECT in January 2016 after getting approval from Ministry of Steel and Coal. M/s M N Dastur have been engaged by ECT for preparing a feasibility study report.

**9.0 R&D EXPENDITURE, TURNOVER AND PAT YEAR WISE LAST THREE YEARS**

Rs.in Crore

YEAR	R & D Expenditure	Annual Turnover of NMDC	Percentage (%)	PAT	Exp. % PAT
2013-14	16.74	12,058.20	0.14	6,420.08	0.26
2014-15	18.49	12,356.41	0.16	6,421.86	0.29
2015-16	17.64	6,455.80	0.27	3,028.33	0.58

10.0 Foreign Exchange Earnings & Outgo

- a) Foreign Exchange Earnings - Nil
- b) Foreign Exchange Outgo - Rs.241.54 crores



Annexure - II

Report on Corporate Governance

1. A brief statement on Company's philosophy

NMDC, a Navaratna Company, believes in financial prudence, customer satisfaction, transparency, accountability and commitment to values. The good governance it practices is based on its stated belief and the guidelines of the Government of India issued from time to time should go a long way in enhancing value for all those who are associated with the Company: shareholders, customers, suppliers, creditors, Government of India, State Governments, Governmental agencies/departments and the society at large. The Board of Directors have approved the Policy on Corporate Governance.

2. Board of Directors

As on 31st March 2016, the Board of NMDC comprises of Chairman-cum-Managing Director, five Whole time / Functional Directors, two Government Nominee Directors and six Non-Executive (Independent) Directors.

a. Composition and category of Directors:**Whole-time / Functional Directors**

- i) Smt. Bharathi S. Sihag, Chairman-cum-Managing Director (Addl. Charge) (w.e.f. 01.01.2016)
- ii) Dr. Narendra K. Nanda, Director (Technical)
- iii) Dr. T.R.K. Rao, Director (Personnel) (Addl. Charge) (w.e.f. 01.12.2015)
- iv) Dr. T.R.K. Rao, Director (Commercial)
- v) Shri P.K. Satpathy, Director (Production)
- vi) Shri D.S. Ahluwalia, Director (Finance)
- vii) Shri Rabindra Singh, Director (Personnel) (upto 31.08.2015)
- viii) Shri Narendra Kothari, Chairman-cum-Managing Director (upto 31.12.2015)

Government of India Nominee Directors

- i) Smt. Bharathi S. Sihag, Additional Secretary & Financial Adviser (AS&FA), Ministry of Steel
- ii) Shri Syedain Abbasi, Joint Secretary, Ministry of Steel

Independent Directors (Non-Executive)

- i) CA. Arun Kumar Srivastava (w.e.f. 13.11.2015)
- ii) Smt. Bhagwati Mahesh Baldewa (w.e.f. 13.11.2015)
- iii) Shri Rajesh Kumar Mangal (w.e.f. 13.11.2015)
- iv) Shri Pradip Bhargava (w.e.f. 27.11.2015)



- v) Dr. Syamal Kumar Sarkar (w.e.f. 27.11.2015)
- vi) Shri S.M. Nigam (w.e.f. 27.11.2015)
- vii) Dr. Noor Mohammad (upto 25.11.2015)
- viii) Shri Vinai Kumar Agarwal (upto 25.11.2015)
- ix) Shri Mahesh Shah (upto 25.11.2015)

The Chairman-cum-Managing Director and Functional Directors are appointed by Government of India for a period of five years or till the age of superannuation or until further orders whichever is earlier. The Directors are initially appointed by the Board as Additional Director in terms of the provisions of the Companies Act, 2013 and thereafter by the shareholders in the Annual General Meeting. The appointment may, however, be terminated by either side on three months notice or on payment of three months salary in lieu thereof.

Government Nominee Directors representing Ministry of Steel, Government of India retire from the Board on ceasing to be official of Ministry of Steel, Government of India.

Non Executive Directors (Independent) are normally appointed for a tenure of 3 years.

b. BOARD MEETINGS

Board Meeting Procedure:

The Board Meetings are convened by giving appropriate advance notice after seeking approval of the Chairman of the Board / Committee as the case may be. In order to address specific urgent needs, meetings are also convened at a shorter notice. Resolutions are also passed by way of circulation in the eventuality of exigencies or urgency.

Detailed agenda note are circulated in advance to the Board Members for facilitating meaningful, informed and focused decision at the meeting. In case of special and exceptional circumstances, additional / supplemental agenda item(s) are also permitted.

Information placed before the Board of Directors

The Board of Directors has complete access to information within the Company. The information inter alia regularly supplied to the Board includes:

- Annual Operating Plans and Budgets and any updates.
- Capital Budget, Revenue Budget and any updates.
- Quarterly / Annual Results of the Company.
- Minutes of Meeting of Audit Committee and other Committees of the Board.
- Minutes of the Meeting of Board of Directors of Subsidiary Companies.
- Major Investments in Subsidiaries, Joint Ventures and Strategic Alliances.
- Disclosure of Interest by Directors and other statutory items.
- Major expansion plans of the Company.
- Any significant development in Human Resources / Industrial Relations.



Attendance of each Director at the Board Meeting and the last AGM

Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM Attended
1	Smt. Bharathi S. Sihag Chairman-cum-Managing Director (Addl. Charge) (w.e.f. 01.01.2016)	11	7	NO
2	Dr. Narendra K. Nanda Director (Technical)	11	11	YES
3	Dr. T.R.K. Rao Director (Commercial) & Director (Personnel) (Addl Charge)	11	11	YES
4	Shri P.K. Satpathy Director (Production)	11	8	YES
5	Shri D.S. Ahluwalia Director (Finance)	11	11	YES
6	Shri Syedain Abbasi	11	3	YES
7	CA. Arun Kumar Srivastava (w.e.f. 13.11.2015)	5	5	NO
8	Smt. Bhagwati Mahesh Baldewa (w.e.f. 13.11.2015)	5	4	NO
9	Shri Rajesh Kumar Mangal (w.e.f. 13.11.2015)	5	2	NO
10	Shri Pradip Bhargava (w.e.f. 27.11.2015)	4	4	NO
11	Dr. Syamal Kumar Sarkar (w.e.f. 27.11.2015)	4	4	NO
12	Shri S.M. Nigam (w.e.f. 27.11.2015)	4	4	NO
13	Shri Rabindra Singh Director (Personnel) (upto 31.08.2015)	4	4	NO
14	Shri Narendra Kothari Chairman-cum-Managing Director (upto 31.12.2015)	8	8	YES
15	Dr. Noor Mohammad	7	6	YES
16	Shri Vinai Kumar Agarwal	7	7	YES
17	Shri Mahesh Shah	7	6	YES



c. Number of other Boards or Board Committees in which he / she is a Member or Chairperson

Sl. No.	Name of the Director	No. of Directorship and Committee Membership / Chairpersonship		
		Other Directorship	Committee Membership	Committee Chairpersonship
1	Smt. Bharathi S. Sihag Chairman-cum-Managing Director (Addl. Charge) (w.e.f. 01.01.2016)	8	–	–
2	Dr. Narendra K. Nanda Director (Technical)	10	1	–
3	Dr. T.R.K. Rao Director (Commercial) & Director (Personnel) (Addl Charge)	4	–	–
4	Shri P.K. Satpathy Director (Production)	2	1	–
5	Shri D.S. Ahluwalia Director (Finance)	3	1	–
6	Shri Syedain Abbasi	1	–	–
7	CA. Arun Kumar Srivastava (w.e.f. 13.11.2015)	1	–	–
8	Smt. Bhagwati Mahesh Baldewa (w.e.f. 13.11.2015)	–	–	–
9	Shri Rajesh Kumar Mangal (w.e.f. 13.11.2015)	1	–	–
10	Shri Pradip Bhargava (w.e.f. 27.11.2015)	1	–	–
11	Dr. Syamal K. Sarkar (w.e.f. 27.11.2015)	–	–	–
12	Shri S.M. Nigam (w.e.f. 27.11.2015)	2	2	–
13	Dr. Noor Mohammad	–	1	–
14	Shri Vinai Kumar Agarwal	–	1	–
15	Shri Mahesh Shah	2	2	–
16	Shri Rabindra Singh Director (Personnel) (upto 31.08.2015)	1	–	–
17	Shri Narendra Kothari Chairman-cum-Managing Director (upto 31.12.2015)	4	–	–

**Notes:**

- i) Excluding Private Limited Companies, Foreign Companies and Section 8 Companies.
- ii) Chairpersonship / Membership of only the Audit Committee and Stakeholders' Relationship Committee are considered [Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]. Committee Membership of NMDC is also included.
- iii) Directors are not inter se related to each other.

d. No. of Board Meetings held, dates on which held.

During the year 2015-16, eleven (11) Board meetings were held, the details of which are given below:

S.No.	Board Meeting No.	Board Meeting Date	Board Strength	No. of Directors Present
1	483	10.04.2015	11	11
2	484	28.05.2015	11	9
3	485	25.06.2015	11	11
4	486	11.08.2015	11	10
5	487	07.09.2015	10	9
6	488	10.11.2015	10	9
7	489	25.11.2015	13	10
8	490	30.12.2015	13	11
9	491	28.01.2016	12	11
10	492	12.02.2016	12	9
11	493	19.03.2016	12	11

Brief Resume of the Directors appointed / re-appointed and expertise in specific functional areas forms part of the Annual Report.

3. Audit Committee**i. Brief description of terms of reference**

The role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;



- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;



- Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- To review the follow up action on the audit observations of the C&AG audit.
- To review the follow up action taken on the recommendations of Committee on Public Undertakings of the Parliament.
- Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- Review all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.
- Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security;
 - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- Consider and review the following with the management, internal auditor and the independent auditor:
 - Significant findings during the year, including the status of previous audit recommendations.
 - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**ii. Composition, name of Members and Chairperson****The Audit Committee consists of the following Directors:**

- Shri S.M. Nigam, Independent Director and Chairman (w.e.f. 27.11.2015)
- Dr. Narendra K. Nanda, Director (Technical) and Member
- Shri Rajesh Kumar Mangal, Independent Director and Member (w.e.f.13.11.2015)
- CA. Arun Kumar Srivastava, Independent Director and Member (w.e.f. 13.11.2015)
- Shri Pradip Bhargava, Independent Director and Member (w.e.f. 27.11.2015)
- Shri Vinai Kumar Agarwal, Independent Director and Member (upto 25.11.2015)
- Dr. Noor Mohammad, Independent Director and Member (upto 25.11.2015)
- Shri Mahesh Shah, Independent Director and Chairman (upto 25.11.2015)
- The Company Secretary acts as the Secretary to the Audit Committee pursuant to Regulation 18(1)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Director (Finance), Representatives of Statutory Auditors, Internal Auditors, Functional Directors, besides, Head of Finance and Executives of other Departments are invited on need basis.

iii. Meetings and attendance during the year

During the year under report, ten meetings of the Audit Committee were held. The details of attendance of the Members are indicated below:

Sl. No.	Meeting No.	Meeting Date	Strength of Audit Committee	No. of Members Present
1	74	09.04.2015	4	4
2	75	27.05.2015	4	3
3	76	08.06.2015	4	4
4	77	11.08.2015	4	4
5	78	18.08.2015	4	3
6	79	31.08.2015	4	4
7	80	07.09.2015	4	4
8	81	10.11.2015	4	3
9	82	11.02.2016	5	5
10	83	19.03.2016	5	5



iv. Attendance of each Director at the Audit Committee meetings

Sl.No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri S.M. Nigam Independent Director & Chairman (w.e.f. 27.11.2015)	2	2
2	Dr. Narendra K. Nanda Director (Technical)	10	8
3	Shri Rajesh Kumar Mangal Independent Director & Member (w.e.f. 13.11.2015)	2	2
4	Shri Pradip Bhargava Independent Director & Member (w.e.f. 27.11.2015)	2	2
5	CA. Arun Kumar Srivastava Independent Director & Member (w.e.f. 13.11.2015)	2	2
6	Shri Mahesh Shah Independent Director & Chairman (upto 25.11.2015)	8	8
7	Shri Vinai Kumar Agarwal Independent Director & Member (upto 25.11.2015)	8	8
8	Dr. Noor Mohammad Independent Director & Member (upto 25.11.2015)	8	7

4. Nomination, Remuneration & HR Committee

The Board of Directors at its 411th meeting held on 24.04.2009 had constituted a Remuneration Committee of Directors in line with the DPE OM dated 26.11.2008.

Subsequently, keeping in view OM No.18(8)/2005-GM dated 14.05.2010 issued by DPE, the Board of Directors at its 430th meeting held on 01.02.2011 re-constituted the Remuneration Committee. In compliance with Section 178 of the Companies Act, 2013, the Board at its 474th meeting held on 30.05.2014 reconstituted the Remuneration Committee as Nomination & Remuneration Committee. The said Committee has been renamed as "Nomination, Remuneration & HR Committee".

The scope, powers and terms of reference of the Nomination, Remuneration & HR Committee are as per the directives issued by DPE, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 etc.

The present composition of the Nomination, Remuneration & HR Committee is as under:

S.No.	Name
1	Dr. Syamal Kumar Sarkar, Independent Director & Member
2	Shri S.M. Nigam, Independent Director & Member
3	Shri Pradip Bhargava, Independent Director & Member
4	Director (Personnel), NMDC, Secretary to attend as Special Invitee



During the year under review, 1 meeting of the Nomination, Remuneration & HR Committee was held on 10.11.2015. All the Members attended the meeting of the Nomination, Remuneration & HR Committee.

NMDC being a Government Company, the terms and conditions of appointment and remuneration of Functional Directors are determined by Government through its administrative Ministry, Ministry of Steel. Non-executive Part-time Official Directors (Independent) do not draw any remuneration. The non-executive Directors are paid sitting fee as approved by the Board within the ceiling fixed under the Companies Act, 2013 and as per the guidelines issued by the Government of India. The Company has not adopted any mechanism for performance evaluation criteria for Independent Directors.

The details of remuneration paid to Functional Directors during the financial year 2015-16 are as follows:

(Rs.in lakhs)

Sl. No.	Name of the Director	Salary & Perquisites as per Section 17(1) & (2) of Income Tax Act, 1961	Retirement & Other Benefits	Total
1	Shri Narendra Kothari, CMD (upto 31.12.2015)	50.43	3.02	53.45
2	Dr. Narendra K. Nanda, Director (Technical)	48.50	4.96	53.46
3	Shri Rabindra Singh, Director (Personnel) (upto 31.08.2015)	52.03	1.84	53.87
4	Dr. T.R.K. Rao, Director (Commercial)	25.91	3.77	29.68
5	Shri P.K Satpathy, Director (Production)	35.26	4.08	39.34
6	Shri D.S. Ahluwalia, Director (Finance)	27.78	5.31	33.09
	Total	2,39.91	22.98	262.89

Notes:

- Sl. No. 1 & 3 includes retirement benefits
- The Salary of Whole Time Directors is governed by pay scales and rules of the Government. No variable incentive is being paid to Directors except Performance Related Pay being paid to them on annual basis as per DPE guidelines
- Notice period of 3 months or salary in lieu thereof is required for severance from the service.
- The company has not introduced any stock option scheme.
- Smt. Bharathi S. Sihag, Addl. Secretary & Financial Advisor, Ministry of Steel, GOI is holding additional charge as CMD, NMDC w.e.f 01.01.2016. Hence, the above details are not applicable to her.

The remuneration does not include the provision made on actuarial valuation of retirement benefit schemes and provision made for post retirement medical benefits as the same is not separately identifiable for individual Directors.



During the year, the part-time non-official Directors (Independent Directors) received sitting fees for attending the meetings of the Board / Committees as follows:

S.No.	Name of the Director	Sitting Fees (in Rs.) (Including Service Tax)
1	Dr. Noor Mohammad (upto 25.11.2015)	5,67,804
2	Shri Vinai Kumar Agarwal (upto 25.11.2015)	8,63,976
3	Shri Mahesh Shah (upto 25.11.2015)	6,81,476
4	CA Arun Kumar Srivastava (w.e.f. 13.11.2015)	1,83,200
5	Smt. Bhagwati Mahesh Baldewa (w.e.f. 13.11.2015)	1,60,300
6	Shri Rajesh Mangal (w.e.f. 13.11.2015)	91,600
7	Shri Pradip Bhargava (w.e.f. 27.11.2015)	2,06,100
8	Dr. Syamal Kumar Sarkar (w.e.f. 27.11.2015)	1,60,300
9	Shri S.M. Nigam (w.e.f. 27.11.2015)	1,83,200
	Total:	30,97,956

Notes:

During the year under review, the part-time Directors (Independent Directors) were paid sitting fees of Rs.20,000/- per meeting. In respect of Board level Committee Meeting, sitting fees was Rs.20,000/- per meeting. Govt. Directors and Functional Directors are not paid sitting fees for attending the meeting of the Board or any Committee meeting thereof.

No. of Equity Shares of the Company held by Directors as on 31st March, 2016.

S.No.	Name of the Director	No. of Shares of the Company
1	Smt. Bharathi S. Sihag, Chairman-cum-Managing Director (Addl. Charge) (w.e.f. 01.01.2016) & Govt. Nominee Director	NIL
2	Dr. Narendra K. Nanda, Director (Technical)	320
3	Dr. T.R.K. Rao, Director (Commercial)	NIL
4	Shri P.K. Satpathy, Director (Production)	320
5	Shri D.S. Ahluwalia, Director (Finance)	NIL
6	Shri Syedain Abbasi, Govt. Nominee Director	NIL
7	CA. Arun Kumar Srivastava, Independent Director	NIL
8	Smt. Bhagwati Mahesh Baldewa, Independent Director	NIL
9	Shri Rajesh Kumar Mangal, Independent Director	NIL
10	Shri Pradip Bhargava, Independent Director	100
11	Dr. Syamal K. Sarkar, Independent Director	NIL
12	Shri S.M. Nigam, Independent Director	NIL
13	Shri Rabindra Singh, Director (Personnel)	NIL
14	Shri Narendra Kothari, Chairman-cum-Managing Director (upto 31.12.2015)	NIL
15	Dr. Noor Mohammad, Independent Director	NIL
16	Shri Vinai Kumar Agarwal, Independent Director	NIL
17	Shri Mahesh Shah, Independent Director	NIL

**5. Shareholders Committee****Share Transfer Committee**

The Board has constituted the Share Transfer Committee (STC) to consider and approve all related issues of Shares and Share transfers. The Members of the Committee are as under:

- i) Chairman-cum-Managing Director
- ii) Director (Technical)
- iii) Director (Commercial)
- iv) Director (Production)
- v) Director (Finance)
- vi) Company Secretary

During the year under report, six (6) meetings of the Committee were held. The details of attendance of the Members are indicated below:

S.No.	Meeting No.	Meeting Date	Strength of STC	No. of Members present
1.	190	14.05.2015	6	6
2.	191	28.05.2015	6	6
3.	192	16.07.2015	6	6
4.	193	01.08.2015	6	6
5.	194	24.09.2015	6	6
6.	195	21.10.2015	6	5



Attendance of each Member at the Share Transfer Committee meetings

Sl.No.	Composition	No. of meetings held	No. of meetings attended
1	Chairman-cum-managing Director	6	6
2	Director (Technical)	6	5
3	Director (Commercial)	6	6
4	Director (Production)	6	6
5	Director (Finance)	6	6
6	Company Secretary	6	6

6. Shareholders'/Investors' Grievance/Stakeholders Committee

Composition: The Board has constituted the Shareholders'/Investors' Grievance/Stakeholders Committee comprising Chairman of Audit Committee (Chairman of the Committee) and Director (Finance) and Director (Production) as Members.

During the year under report, four (4) meetings of the Committee were held. The details of attendance of the Members are indicated below:

S.No.	Meeting No.	Meeting Date	Strength of Committee	No. of Members present
1	25	24.06.2015	3	3
2	26	11.08.2015	3	3
3	27	10.11.2015	3	3
4	28	11.02.2016	3	2

Attendance of each Member at the Shareholders' / Investors' Grievance / Stakeholders' Committee

Sl.No.	Composition	No. of meetings held	No. of meetings attended
1	Chairman, Audit Committee	4	4
2	Director (Production)	4	3
3	Director (Finance)	4	4

M/s Karvy Computershare Pvt. Ltd., Hyderabad were appointed as Registrar to the offer for sale by Government of India. All grievances / complaints relating to offer for sale made by Government of India are exclusively dealt by M/s Karvy Computershare Pvt. Ltd., Hyderabad.

**Name of the Non-Executive Director heading the Committee - Shri S.M. Nigam**

Name and designation of the Compliance Officer: Shri A.S. Pardha Saradhi, Company Secretary

Details in respect of shareholders' complaints:

- Number of complaints received - 61
- Number of complaints not solved to the satisfaction of the shareholders - Nil
- Number of complaints pending - Nil

During the year, under SCORES, 06 investor complaints were received & resolved and no complaint was pending as on 31.03.2016.

Other Board level Sub-Committees of Directors

Apart from the above mentioned Committees, the Board also constituted various other Sub-Committees with specific terms of reference as per requirement. The minutes of such Board level Sub-Committees are placed before the Board.

7. General Body Meetings

- i. Location and time where last three AGMs held.
- ii. Whether any special resolution passed in the previous 3 AGMs.

The details of the General Meetings held for the past three years are as under:

AGM No.	Venue	Date & time	Special Resolutions passed
55th AGM	Hotel Taj Krishna, Hyderabad	20.09.13 at 1100 hrs	–
56th AGM	Hotel Taj Krishna, Hyderabad	29.09.14 at 1130 hrs	–
57th AGM	Hotel ITC Kakatiya, Hyderabad	29.09.15 at 1130 hrs	–

- iii. During the year 2015-16, there was no occasion to resort to Postal Ballot for consideration of the shareholders of the Company.

8. Means of communication**Quarterly Results:**

The Company publishes quarterly Un-audited / Annual Audited financial results through leading National Daily Commercial / Economic newspapers and also Local language Daily newspapers including Hindi Daily newspaper.

These results are also posted on Company's website: www.nmdc.co.in. The Company's website also contains a dedicated section on 'Investors' where shareholders information is available viz. Annual Reports, Financial Details, etc.

In addition, the Company communicates major achievements and important events taking place in the Company through Press, Electronic Media and also on its Website. Presentation made to institutional investors / analysts are uploaded on Company's website.



9. General Shareholder Information

i. AGM date, time and venue

Date	Time	Venue
29.09.2016	1130 hrs.	Katriya Hotel & Towers, 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana

ii. Financial Year: 1st April - 31st March

iii. Dividend Payment date:

- (a) Dividends as declared were paid within 30 days of declaration as per the provisions of the Companies Act, 2013.
- (b) Details of interim dividends paid during the year under review are as under:

(Rs. in crores)

Particulars	GOI Share	Others	Total Dividend	% of Share Capital
1st Interim	3,013.35	753.13	3,766.48	950
2nd Interim	475.79	118.92	594.71	150
Final*	–	–	–	–
Total	3,489.14	872.05	4,361.19	1100
Previous Year (Including Final Dividend)	2,712.00	677.83	3,389.83	855

* Considering that Rs.11 per share has already been declared as interim dividends, no final dividend was recommended by the Board.

Date of Book Closure: from 24th September, 2016 to 29th September, 2016 (both days inclusive)

iv. Financial Calendar for 2016-17

1st quarter results	(Unaudited)	on or before 14.09.2016
2nd quarter results	(Unaudited)	on or before 14.12.2016
3rd quarter results	(Unaudited)	on or before 14.02.2017
4th quarter results	(Audited)	on or before 30.05.2017

v. Listing on Stock Exchanges

NMDC shares are listed on three (3) Stock Exchanges at BSE Ltd, Mumbai, National Stock Exchange of India Ltd., Mumbai and The Calcutta Stock Exchange Ltd., Kolkata. Listing Fees for the year 2016-17 has been paid to the three Stock Exchanges (BSE Ltd., National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Ltd.).



vi. Stock Code:

Sl.No.	Name of the Stock Exchange where Company's equity shares are listed	Security Code / Symbol
i)	BSE Ltd., Mumbai	526371
ii)	National Stock Exchange of India Ltd., Mumbai	NMDC
iii)	The Calcutta Stock Exchange Ltd., Kolkata	24131

vii. Market price data: High, Low during each month in last financial year

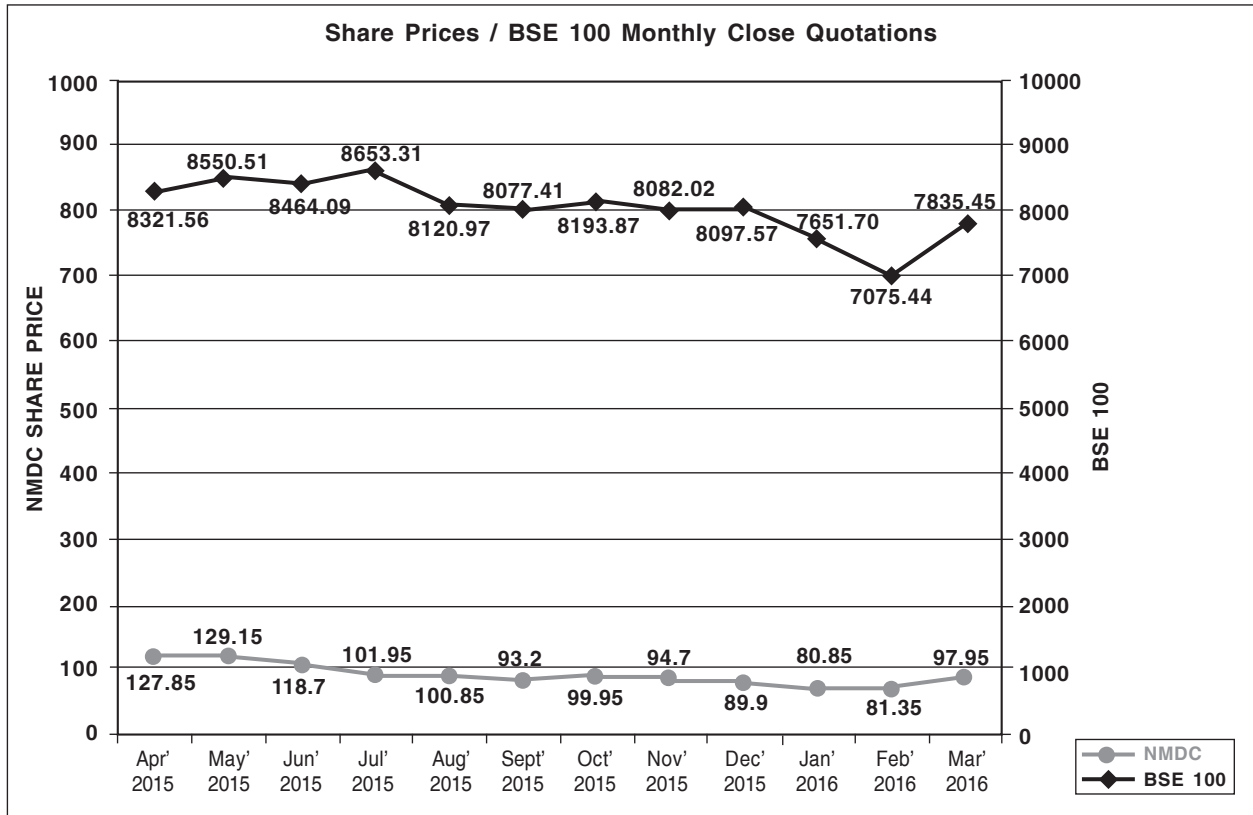
Market average prices at BSE Ltd. (BSE) & National Stock Exchange of India Ltd. (NSE)

Year	Month	BSE		NSE	
		Highest	Lowest	Highest	Lowest
2015	April	139.40	124.10	139.35	124.15
2015	May	136.55	126.15	136.75	125.85
2015	June	129.90	113.30	129.70	113.10
2015	July	119.25	101.05	119.25	101.05
2015	August	105.00	90.10	105.00	90.00
2015	September	105.00	91.20	105.20	89.10
2015	October	105.50	92.60	105.50	92.60
2015	November	100.75	90.25	100.75	90.10
2015	December	96.50	86.15	96.90	86.50
2016	January	94.05	76.60	95.00	76.30
2016	February	94.95	75.20	95.00	75.15
2016	March	102.10	80.55	102.00	80.50



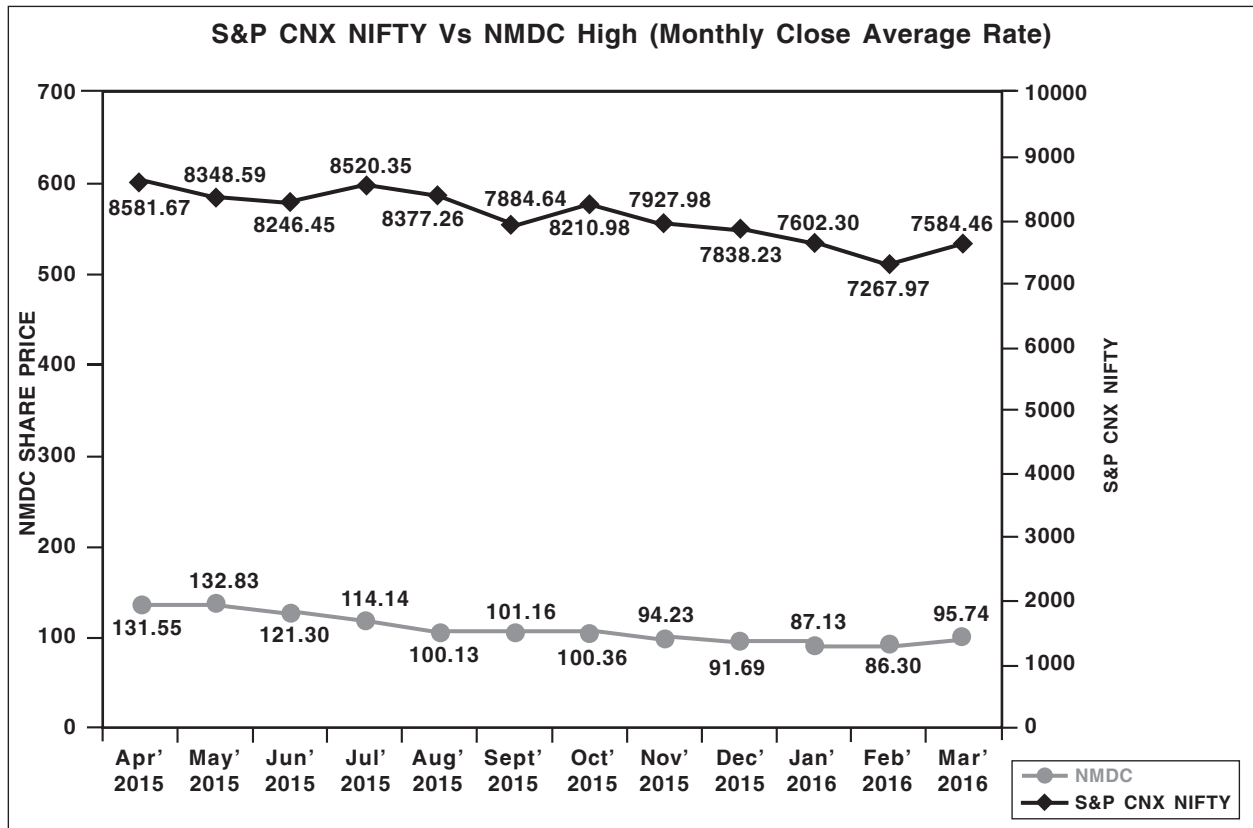
viii. Performance in comparison to broad based indices such as BSE Sensex, CRISIL Index etc.

a) BSE Sensex and NMDC Share Price





b) NIFTY and NMDC Share Price



ix. Registrar & Share Transfer Agent

The Company has appointed Aarthi Consultants Pvt. Ltd., Hyderabad as Share Transfer Agent for looking after the works relating to share transfer/transmission etc., and dematerialization / rematerialization of shares of the Company with CDSL and NSDL.

x. Share Transfer System

The Company has a Share Transfer Committee comprising of Chairman-cum-Managing Director, Director (Technical), Director (Finance), Director (Production), Director (Commercial) and Company Secretary which considers the request for Transfer / Transmission of shares, dematerialization of shares etc. The share transfer committee considers request for issue of share certificates. Transfers in physical form are registered after ascertaining objections, if any, from the transferors; and no valid transfer applications are kept pending beyond the stipulated period of fifteen days. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories viz, NSDL and CDSL within 15 days.



xi. (a) Shareholding Pattern of the Company as on 31st March, 2016

Category	Category of shareholder	No. of share holders	No. of fully paid up equity shares held	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of Securities				Share holding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) as a % of (A+B+C2)	Number of equity shares held in dematerialized form
						No. of Voting Rights					
						Class eg: X	Class eg: Y	Total	Total as a % of (A+B+C)		
(A)	Promoter & Promoter Group	1	3171946300	3171946300	80.00	3171946300	0	3171946300	80.00	3171946300	
(B)	Public	215982	792769700	792769700	20.00	792769700	0	792769700	20.00	792571915	
(C)	Non Promoter-Non Public										
(C1)	Shares underlying DRs	0	0	0	NA	0	0	0	0	0	
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	
	Total	215983	3964716000	3964716000	100.00	3964716000	0	3964716000	100.00	3964518215	



(b) Distribution of Shareholding by size as on 31.03.2016

Sl.No.	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 - 5000	213945	99.06	54469141	54469141	1.37
2	5001 - 10000	1096	0.51	8069145	8069145	0.2
3	10001 - 20000	447	0.21	6423125	6423125	0.16
4	20001 - 30000	132	0.06	3337802	3337802	0.08
5	30001 - 40000	51	0.02	1785493	1785493	0.05
6	40001 - 50000	53	0.02	2448337	2448337	0.06
7	50001 - 100000	94	0.04	6838155	6838155	0.17
8	100001 & Above	165	0.08	3881344802	3881344802	97.9
	Total	215983	100	3964716000	3964716000	100

(c) Top ten shareholders of the company as on 31.03.2016

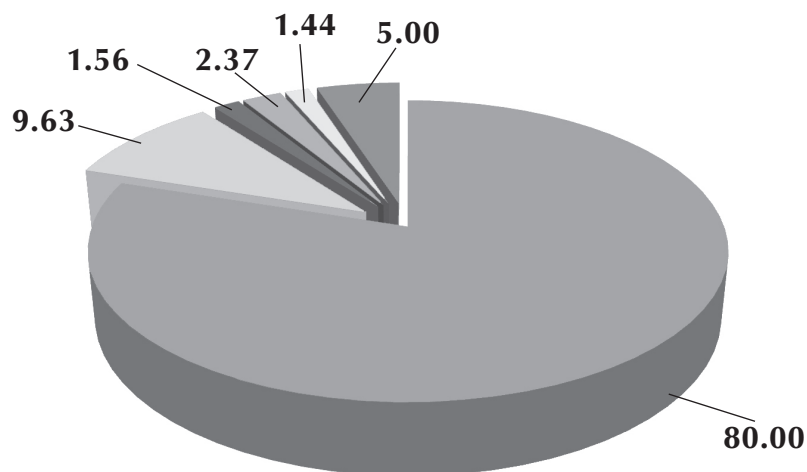
Sl.No.	Shareholder	No. of Shares	%	Group	Category
1	President of India	3171946300	80	Promoter	Central Government/ State Government(s)
2	Life Insurance Corporation of India	381661465	9.63	Public	Insurance Companies
3	LIC of India Pension Plus Mixed Fund	61980050	1.56	Public	Financial Institutions/ Banks
4	The Master Trust Bank of Japan Ltd. As Trustee of Eastpring Investments Asia Oceania High Dividend	18755674	0.47	Public	Foreign Portfolio Investor (Corporate)
5	ICICI Prudential NIFTY 100 ETF	17919052	0.45	Public	Mutual Funds/UTI
6	Matthews India Fund	17599300	0.44	Public	Foreign Institutional Investors
7	Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Index Fund	12443326	0.31	Public	Foreign Institutional Investors
8	EDGBASTON Asian Equity Trust	12081224	0.3	Public	Foreign Institutional Investors
9	State Bank of India	11421580	0.29	Public	Financial Institutions/ Banks
10	Canara Bank-Mumbai	10772388	0.27	Public	Financial Institutions/ Banks



(d) Geographical Distribution of Shareholders as on 31.03.2016

Sl.No.	City	No. of Shareholders	% to Total	No. of Shares	% to Total
1	AHMEDABAD	12927	5.85	4593835	0.12
2	BANGALORE	10842	4.91	5001803	0.13
3	BHUBANESWAR	665	0.30	186048	0.00
4	CHANDIGARH	869	0.39	286668	0.01
5	CHENNAI	9187	4.16	13598239	0.34
6	GUWAHATI	498	0.23	211277	0.01
7	HYDERABAD	9963	4.51	3691284	0.09
8	JAIPUR	5258	2.38	1477363	0.04
9	KANPUR	1291	0.58	297437	0.01
10	KOLKATA	11939	5.40	14254300	0.36
11	MUMBAI	37040	16.76	701198943	17.69
12	NAGPUR	1230	0.56	321525	0.01
13	NEW DELHI	14341	6.49	3184562618	80.32
14	PATNA	1177	0.53	804484	0.02
15	TRIVANDRUM	630	0.29	196742	0.00
16	OTHERS	103153	46.67	34033434	0.86
	TOTAL	221010	100.00	3964716000	100.00

SHAREHOLDING PROFILE AS ON 31.03.2016



■ President of India

■ LIC

■ LIC Mutual Fund

■ FII

■ FPI

■ Others



xii. Dematerialization of shares and liquidity

The shares of the Company are dematerialized with Central Depository Services (India) Ltd and National Securities Depository Limited. The addresses of the Depositories are as under:

- (i) National Securities Depository Limited
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
- (ii) Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street
Mumbai - 400 023

No. of Shares held in dematerialized and physical mode as on 31st March, 2016 are as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in NSDL	3,93,98,18,548	99.37
Held in dematerialized form in CDSL	2,46,99,667	0.62
Physical	1,97,785	0.01
Total	3,96,47,16,000	100.00

xiii. Outstanding GDRs/ADRs/Warrants or warrants or any Convertible instruments, conversion date and likely impact on equity : NIL

xiv. Commodity price risk or foreign exchange risk and hedging activities.

Exports of Iron ore by NMDC to JSM / POSCO during FY 2015-16 which is based upon Cabinet decision constitutes a very small percentage of its total turnover. The payment against exports are all remitted in Indian rupee by MMTC to the company as per the agreement. However, Commodity price risk does exist due to prices based on demand and supply in global market as well as domestic market and other factors. Hedging activities are not undertaken by NMDC.

xv. Unclaimed Dividend

Pursuant to the provisions of the Companies Act, 2013, the dividends declared by the company, which remained unpaid or unclaimed, the particulars are given below:

Sl.No.	Particulars of Dividend	Date of declaration of Dividend	Proposed date of transfer to IEPF*
1	Final Dividend for the year 2008-09	29.08.2009	28.09.2016
2	Interim Dividend for the year 2009-10	23.01.2010	22.02.2017
3	Final Dividend for the year 2009-10	05.08.2010	04.09.2017
4	Interim Dividend for the year 2010-11	01.02.2011	01.03.2018
5	Final Dividend for the year 2010-11	20.09.2011	19.10.2018
6	Interim Dividend for the year 2011-12	31.10.2011	30.11.2018
7	2nd Interim Dividend for the year 2011-12	31.01.2012	01.03.2019
8	Final Dividend for the year 2011-12	20.09.2012	19.10.2019
9	Interim Dividend for the year 2012-13	07.11.2012	06.12.2019
10	2nd Interim Dividend for the year 2012-13	13.02.2013	12.03.2020
11	Final Dividend for the year 2012-13	25.09.2013	24.10.2020
12	Interim Dividend for the year 2013-14	24.10.2013	23.11.2020
13	2nd Interim Dividend for the year 2013-14	10.02.2014	09.03.2021
14	Interim Dividend for the year 2014-15	31.10.2014	30.11.2021
15	2nd Interim Dividend for the year 2014-15	06.02.2015	05.03.2022
16	Final Dividend for the year 2014-15	29.09.2015	28.10.2022
17	Interim Dividend for the year 2015-16	12.02.2016	11.03.2023
18	2nd Interim Dividend for the year 2015-16	19.03.2016	18.04.2023

* Investor Education and Protection Fund (IEPF)



xvi. Unclaimed Shares Suspense Account

Pursuant to an offer for sale, Government of India has disinvested 8.38% of its holding in the Company aggregating 33,22,43,200 equity shares of Rs.1/- each in the financial year 2009-10. During this period, two demat accounts were opened with NSDL & CDSL for crediting unclaimed / suspense equity shares. As per Schedule-V Part F of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, disclosures with respect to unclaimed suspense account are as follows:

Sl. No.	Particulars	NSDL		CSDL	
		Shareholders	Equity Shares	Shareholders	Equity Shares
1	Opening balance as on 01.04.2010	403	46,400	174	24,460
2	Requests received during the year 2010-11	361	41,760	174	24,460
3	Requests resolved during the year	361	41,760	174	24,460
4	Pending as on 31.03.2011	42	4,640	Nil	Nil
5	Requests received during the year 2011-12	8	1,100	Nil	Nil
6	Pending as on 31.03.2012	34	3,540	Nil	Nil
7	Requests received during the year 2012-13	7	1,060	Nil	Nil
8	Pending as on 31.03.2013	27	2,480	Nil	Nil
9	Requests received during the year 2013-14	Nil	Nil	Nil	Nil
10	Pending as on 31.03.2014	27	2,480	Nil	Nil
11	Requests received during the year 2014-15	1	320	Nil	Nil
12	Pending as on 31.03.2015	26	2,160	Nil	Nil
13	Requests resolved during the year	0	0	Nil	Nil
14	Pending as on 31.03.2016	26	2,160	Nil	Nil

The voting rights on these equity shares mentioned in the closing balance shall remain frozen till the rightful owner of such shares claims the shares.

xvii. Plant / Mine Locations:

The mines / units of the Company are located in the following locations:

- a. Bailadila Iron Ore Mine
Kirandul Complex
P.O. Kirandul
Distt: Dantewada (Chhattisgarh)
- b. Bailadila Iron Ore Mine
Bachel Complex
P.O. Bachel
Dist: Dantewada (Chhattisgarh)



- c. Donimalai Iron Ore Mine
Donimalai Township
Dist: Bellary - 583 118, Karnataka
- d. Diamond Mining Project
Majhgawan
Panna - 488 001 (MP)
- e. Sponge Iron Unit, NMDC Limited
SIIL Campus,
Paloncha - 507 154
Dist. Khammam (Telangana)

xviii. Address for Correspondence :

NMDC Limited
Regd. Office: 10-3-311/A
Castle Hills, Masab Tank
Hyderabad - 500 028
E-mail: ims@nmdc.co.in

xix. Investors having any complaints relating to Company "other than Offer for Sale made by the Government of India" may register the complaint with M/s Aarathi Consultants Pvt. Ltd. at the following address:

M/s Aarathi Consultants Pvt Ltd.,
D.No. 1-2-285, Domalguda
Hyderabad - 500 029.
Phone Nos. 040-27638111/27634445,
Fax No. 040-27632184
Email : ims@nmdc.co.in,
info@aarathiconsultants.com
Website : www.aarathiconsultants.com
Contact Person: Mr. G. Bhaskara Murthy, General Manager

xx. Investors having any grievance relating to "Offer for Sale made by the Government of India in March 2010" may register the complaint with M/s Karvy Computershare Pvt. Ltd. at the following address:

Karvy Computershare Pvt. Ltd.
Karvy Selenium, Tower B,
Plot No.31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Tel: 040-23420815, Fax: 040-23431551
Email: nmdc.ipo@karvy.com
Contact Person: Mr. M. Murali Krishna, General Manager

xxi. Investor Relation Cell

The Investor Relation Cell is also looked after by Board & Company Affairs Department. The Company organizes Investors / Analysts / Brokers meet at regular intervals. Corporate Presentation made to Investors / Analysts / Brokers are uploaded on the Company's website and also informed to Stock Exchanges.



10. Other Disclosures

- i. There are no materially significant related party transactions' that may have a potential conflict with the interests of Company at large.
- ii. There was no case of non-compliance by the Company of the Companies Act, 2013 or SEBI Regulations or the Board or any statutory authority. These authorities have not passed any strictures or imposed any penalty on the Company on any matter related to capital markets during last three years.
- iii. NMDC being a PSU, the guidelines of Central Vigilance Commission (CVC) are applicable which provides adequate safeguard against victimization of the employees. No person has been denied access to the Audit Committee. However, in keeping with the direction of Ministry of Steel, Government of India, the Board of Directors approved the internal Whistle Blower Policy of NMDC. In terms of the said Policy, CVO NMDC has been designated as the Nodal Officer for implementation of Internal Whistle Blower Policy. The internal Whistle Blower Policy has also been uploaded on the intranet of the Company for information of all the employees.
- iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements - Necessary disclosure has been made.
- v. Web link where Policy for determining Material Subsidiaries is disclosed:
<https://www.nmdc.co.in/Docs/Corp%20Gov/Policy%20on%20Material%20Subsidiaries.pdf>
- vi. Web link where Policy on dealing with Related Party Transactions. NIL
- vii. Disclosure of commodity price risks and commodity hedging activities.
May refer Sl.XIV of General Shareholder Information.
- viii. Other than the sitting fees paid (Rs.20,000/- per sitting of the Board level Meetings and Board level Committee Meeting), part-time Directors have had no pecuniary relationship or transactions with the Company during the year under report.
- ix. Details of Presidential Directives issued by Central Government and their compliances during the year and also in the last 3 years:
The Company is following the Presidential Directives and guidelines issued by the Government of India from time to time regarding reservation for SCs, STs and OBCs, implementation of wage revision etc. It has complied with all Presidential Directives applicable to it during the year and also during the last three years.
- x. Items of expenditure debited in books of accounts, which are not for the purposes of the business.
Nil.
- xi. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.
Nil
- xii. Details of Administrative and Office expenses as a percentage of total expenses was 3.54%.

11. Discretionary Requirements

In respect of discretionary requirements as prescribed in Part-E of Schedule-II to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the extent of compliance are as under:

A. The Board:

The Chairman cum Managing Director of the Company who is in whole time employment, is the Chairman of the Board. Therefore, there is no need for maintenance of a separate Chairman's office. As on the date of the report, AS & FA, Ministry of Steel is holding the additional charge of the post of CMD.

**B. Shareholder Rights:**

The Quarterly Financial Results of the Company are published widely in leading newspapers. The said results are also hosted on the website of the Company.

C. Modified opinion(s) in Audit Report:

The Audit Report for both standalone and consolidated Financial Statements for the FY 2015-16 is unmodified. The Company always aims to present financial statements with unmodified audit opinion.

D. Separate posts of Chairperson and Chief Executive Officer:

All appointments to the Board of the Company viz. Functional, Govt. nominees and Independent Directors are made by Govt. of India.

E. Reporting of Internal Auditor:

Necessary mechanism / framework in respect of reporting of Internal Auditor directly to Audit Committee is being explored.

F. Training of Board Members:

The Directors of the Company are nominated for suitable training / programmes / seminars / mines visit from time to time. The Board of Directors has also approved a policy on training.

12. NMDC's Code for Prevention of Insider Trading

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of NMDC has approved the Internal Code of Conduct for Prevention of Insider Trading in dealing with Securities of NMDC Limited. The Code is framed with an aim that the employees of the Company and his/her Dependents shall not derive any benefit or assist others to derive any benefit from the access to and possession of Price Sensitive Information about the Company which is not in the public domain.

13. Meeting of Non-official (Independent) Directors

In compliance with DPE vide Office Memorandum No. F. No. 16(4)/2012-GM dated 28th Dec 2012 and Companies Act, 2013 a separate meeting of Non-official (Independent) Directors was held on 19.03.2016 without the attendance of Functional and Government Directors and members of management.

14. Code of Conduct

A copy of the Code of Conduct of Board of Directors and Senior Management is posted at the website of the Company. Declaration as required under SEBI Regulations is annexed at Annexure-II (A).

15. Compliance Certificate of CEO / CFO

As required in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Compliance Certificate duly signed by CEO, NMDC [CMD] and CFO, NMDC [Director (F)] has been taken on record by the Board.

16. Compliance Certificate

In Compliance Part-E of Schedule-V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate from the Company Secretary in whole-time practice regarding compliance of conditions of Corporate Governance is annexed at Annexure II (B).



Annexure - II(A)

**DECLARATION AS REQUIRED UNDER REGULATION 26(3) READ
WITH PART-D OF SCHEDULE-V OF SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

In compliance with Regulation 26(3) read with Part-D of Schedule-V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of the Board and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March, 2016.

A handwritten signature in black ink, appearing to read 'B. Sihag'.

(Bharathi S. Sihag)

Chairman-cum-Managing Director

Place : New Delhi

Date : 12th August, 2016



Annexure - II(B)

B-13, F-1, P.S. Nagar,
Vijayanagar Colony, Hyderabad - 500 057.
Phone : (0) 91-40-23340985, 23347946, 23341213
e-mail : dhr300@gmail.com, dhr300@yahoo.com
website : www.dhanumantarajuandco.com



CS DATLA HANUMANTA RAJU
B.COM., LL.B., PGDT, M.B.A., FCS
PARTNER

D. HANUMANTA RAJU & CO.
COMPANY SECRETARIES

CERTIFICATE

TO
THE MEMBERS OF
NMDC LIMITED

We have examined the compliance of conditions of Corporate Governance by NMDC Limited (*"the Company"*), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') entered in to by the Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016 and the Guidelines on Corporate Governance for Central Public Sector Enterprises, issued by the Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

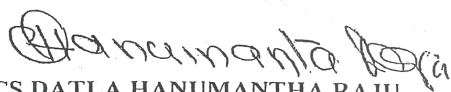
In our opinion and to the best of our information and according to the explanations given to us, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ Listing Regulations, as applicable and DPE Guidelines.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date : 23.07.2016



For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES


CS DATLA HANUMANTHA RAJU
PARTNER
FCS: 4044, CP NO: 1709



Annexure - III

Management Discussion & Analysis Report for the year 2015-16

NMDC, a Navratna PSU under Ministry of Steel, has been actively contributing to development of the nation for more than five decades and has grown from strength to strength in its journey of nation building. Primarily engaged in the business of exploring minerals and developing mines to produce raw materials for the steel industry, it is now integrating forward into value-added products like pellets. Additionally, it is in advanced stages of setting up a 3 Million tonnes per annum (Mtpa) integrated steel plant at Nagarnar, Jagdalpur in Chhattisgarh State.

NMDC continues to pursue policies and programmes to deliver long term value to all its stakeholders. Whilst it has a strong history of rewarding its shareholders through dividend payments, it has also over the years continued to enhance its investment in the socio-economic development of the local communities.

1. Industry Structure and Developments

The steel industry witnessed a major growth cycle over the past 15 years, on account of China's growth. It, in-turn, stimulated a massive increase in global iron ore production, more than doubling from 950 million tonnes per annum (Mtpa) in 2000 to over 2200 Mtpa in 2015. These market fundamentals incentivized new iron ore producers to enter the industry, and encouraged existing players to expand their operations, to meet this unprecedented demand. Now there are clear signs of the Chinese steel demand slowing down, the industry is passing through a phase where the iron ore supply is exceeding demand globally. The surplus scenario is likely to continue in the coming years. As a result, the prices of steel products and iron ore have come down substantially in the recent past. At the same time, low cost capacity additions are taking place which are expected to displace a part of the high-cost supplies.

NMDC, however, is bullish on the growth prospects of India's steel industry with its competitive advantages and the impetus being given by the government to infrastructure growth, urbanization and rising incomes. Low per capita steel consumption in the country at 60.6 kg/t vis-à-vis the world average of 208 kg/t also indicate the huge growth potential of the Indian steel industry.

It would also be pertinent to mention that iron mining industry in India is expected to witness enhanced competition over the next few years. On one hand, with iron ore imports are becoming competitive / viable with respect to domestic supplies, especially on the west coast (with lower global prices and lower seaborne freight rates). On the other hand, domestic iron ore production is on the rise, with easing of restrictions on mining - production increased by over 20% in FY 2016 over FY 2015 and this trend is likely to continue in the near term. Additionally, with domestic steelmakers now having the options are likely to integrate backwards with acquisition of iron ore mines through the auction route under MMDR Amendment Act 2015 this may well impact the market for merchant miners adversely in the medium to long-term. Iron mining industry in India is expected to witness enhanced competition over the next few years.

Ministry of Steel's objective of raising India's steel production to 300mtpa by FY2025 on the back of strong long-term growth prospects is expected to remain a primary growth driver for Indian steel and iron ore industry in the long term.

NMDC's business would continue to be affected by developments impacting the demand-supply scenario of iron ore in both the global and domestic markets.

**2. Opportunities and Threats****a) Opportunities**

- i) Envisaged growth in domestic steel demand in the housing, infrastructure, automotive, consumer durables and other sectors in the coming years.
- ii) Growing urbanization of the Indian economy coupled with rising income levels of the burgeoning Indian middle class.
- iii) Government initiatives such as Make-in-India, Freight corridors, 100 Smart cities, Rural electrification and Housing for all by 2022.
- iv) Acquisition of Strategic mineral assets based on business potential and national interest.
- v) Grow business through Special Purpose Vehicles (SPVs) envisaged in mineral rich states. Play an important role in both the Steel and Mining SPVs being set up in these states.
- vi) NMDC being one of the agencies nominated to undertake exploration activities - to intensify exploration for mapping of minerals across the country.

b) Threats

- i) Backward integration by Steel makers into iron ore mining through auction route will significantly shrink the market of the Company.
- ii) Quantum jump of production of merchant miners in Orissa may lead to oversupply situation in the near term.
- iii) Lowering of the global iron ore prices coupled with all-time low seaborne freight rates have made imports competitive for coastal based plants particularly on west-coast.
- iv) Huge surplus Steel capacity in most regions including China will continue to exert downward pressure on steel prices.
- v) Indian iron ore industry will continue to be uncompetitive on a global level due to higher rates of royalty and other levies such as DMF, NMET, Export duty etc. as well as significantly higher logistic costs.
- vi) Increasing regulatory pressure on environment, safety and sustainability.
- vii) Disturbances due to Maoist activities in Bailadila region from where majority of NMDC's production comes.
- viii) NMDC may be affected by government actions, including the imposition of tariffs and duties, speculative trades, regulatory issues arising due to judicial verdicts, the development of products substitutes or replacements, recycling practices, an increase in capacity or an oversupply of the Company's products in its main markets.



3. Product-wise performance

Financial Performance of NMDC

(Rs. in Cr.)

Details	2011-12	2012-13	2013-14	2014-15	2015-16
Sale of Iron Ore	11,167.56	10,558.71	11,899.52	12,197.69	6,327.93
Sale of Diamonds	9.84	28.51	49.85	50.06	52.61
Sale of Wind Power	-	-	1.05	5.96	6.30
Sale of Sponge Iron	65.93	73.50	56.01	48.09	11.67
Sales - Others	1.36	5.60	5.91	8.75	1.78
Income from Services	17.20	37.95	45.86	45.87	55.51
Turnover	11,261.89	10,704.27	12,058.20	12,356.41	6,455.80
PBT	10,759.47	9,465.12	9,759.20	9,767.84	4,505.27
PAT	7,265.39	6,342.37	6,420.08	6,422.00	3,028.33
Dividend	1,784.12	2,775.30	3,370.01	3,390.00	4,361.19

Physical Performance of NMDC

Details	2011-12	2012-13	2013-14	2014-15	2015-16
Production:					
Production of Iron Ore WMT (In lakh tonnes)	272.60	271.84	300.25	304.41	285.74
Production of Sponge Iron (tonnes)	37,260.00	36,289.00	29,734.00	28,993.96	6,614.26
Production of Diamonds (carats)	18,043.44	31,533.39	37,081.70	35,085.46	35,558.31
Sales:					
Sale of Iron Ore (in lakh tonnes)	273.01	262.74	305.00	305.16	288.39
Sale of Diamonds (carats)	8,085.00	17,862.57	43,487.63	38,788.58	36,682.93
Sale of Sponge Iron (tonnes)	33,731.79	37,599.54	30,572.34	25,191.38	8,364.52



4. Outlook for NMDC

NMDC proposes to augment its production capacity of iron ore from the present level of about 37 million tonnes to 50 million tonnes by 2018-19 and 67 million tonnes by 2021-22. It has also embarked on value addition projects by setting up pelletization plants by utilizing slimes and 3.0 MTPA integrated steel plant in Chhattisgarh.

Government of India has charted a road map to augment India's Steel production capacity to 300 Mtpa in the next decade. To fulfill this vision NMDC proposes to act as a facilitator and developer of green field steel plants by creating Special Purpose Vehicles (SPVs) in the mineral rich states of Jharkhand, Karnataka and Chhattisgarh.

NMDC proposes to diversify into other commodities like Steel making raw materials (coking coal, manganese ore nickel); Fertilizer raw materials (rock phosphate potash); as well as thermal coal based on business and long term growth potential. It also proposes to invest in strategic raw materials like: tungsten, rare earth minerals, etc. which are required by our nation for long term supply security. In line with this strategy, NMDC plans to expand its geographical footprint beyond India selectively into key mining countries.

NMDC is committed to focus on maintaining cost competitiveness in global and domestic market in a scenario where prices are expected to remain subdued.

Along with robust strategic planning to support its growth agenda, NMDC continues to enhance organizational capabilities and other enablers to achieve its short-term and long-term objectives.

5. Risks and Concerns

NMDC is exposed to sharp fluctuations in demand for its products and volatility in prices. Weaker commodity price outlook would continue to impact NMDC over the next few years till the global and domestic markets recover.

The MMDR Amendment Act 2015 poses increased risks for NMDC related with acquisition of new mining leases along with potential impact of reduction in existing customer base.

One of the major risks that NMDC is facing is the disturbances due to Maoist activities in Bailadila region. The Company is in contact with the Government agencies at all levels for support and protection of its employees and installations. The initiatives taken by the Government of Chhattisgarh and the Central Government are expected to find a solution to the risk at the earliest.

Timely enhancement of evacuation capacity in line with production plans also remains a potential risk. This could impact production and inventory levels for NMDC.

6. Internal control systems and their adequacy

NMDC has put in place all the necessary internal control system. Necessary disclosure in respect of Internal Control Systems and their adequacy has been made in Annexure-C to the Independent Auditors' Report dated 27.05.2016 which forms part of the Annual Report.

7. Discussion on financial performance with respect to operational performance

Details on financial performance with respect to operational performance are given in detail in the Directors' Report. However, for the year under review, the Company has achieved production of 285.74 MT of Iron Ore. In respect of diamond, the Company achieved production of 35,558.31 carats. On the financial performance, the turnover of the Company for the year under review was Rs.6,456 crores. PBT for the year under review was Rs.4,505 crores. PAT for the year under review was Rs.3,028 crores. Net worth of the Company was Rs.30,106 crores.



8. Material developments in Human Resources/ Industrial Relations front, including number of people employed.

The employees of the Company have been dedicated and loyal to the Company. Though there has been attrition in certain disciplines, the employees in general have remained with the Company through thick and thin. On the part of the Management, it is ensuring all-round comfort levels to its employees, including the required training at all levels based on the need.

It is worth highlighting that industrial relations have been cordial all along during the year. Any difference is sorted out through bipartite discussions at appropriate fora. The cooperation and support of workmen represented by AINMDCWF in this regard is praiseworthy.

The Company is planning and also initiated various diversification projects viz. Steel Plant, Pellet Plant, coal mining etc. Since inception, the employees of the Company are exposed only to Iron Ore industry. The Company's diversification project needs people with specific skill and knowledge in other industries viz. up gradation of skills for operating equipment with latest technology. In order to get people with requisite knowledge and skills, the Company has decided to train /retrain its existing manpower and also to go for fresh induction.

During the last five years, the number of people on rolls as on 31st March 2016 are as follows:

2011-12	:	5,924
2012-13	:	5,777
2013-14	:	5,664
2014-15	:	5,490
2015-16	:	5,773

9. Environmental Protection and Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation.

Relevant Information in this regard is disclosed in the Directors' Report.

10. Corporate Social Responsibility

The Company is actively involved in various CSR initiatives. Detailed information is disclosed in the Directors' Report.



Annexure - IV

**Form No.MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2016
(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014**

I. REGISTRATION AND OTHER DETAILS

CIN	L13100AP1958GOI001674
Registration Date	15.11.1958
Name of the Company	NMDC LIMITED
Category/Sub Category of the Company	Union Government Company under administrative control of Ministry of Steel.
Address of the Registered office and Contact details	Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028
Whether listed Company	Yes
Name, Address and contact details of the Registrar and Transfer Agent	M/s Aarthi Consultants Pvt Ltd., D.No. 1-2-285, Domalguda Hyderabad - 500 029. Phone Nos. 040-27638111/27634445, Fax No. 040-27632184 Email : ims@nmdc.co.in , info@aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and description of main products/services	NIC Code of the product /service	% to total turnover of the Company
Mining of Iron Ore	071 - Mining of Iron Ore*	99

* As per National Industrial Classification - Ministry of Statistics & Programme Implementation, Government of India.


III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	J&K Mineral Development Corporation Ltd., JAMMU	U14107JK1989SGC001110	Subsidiary	74	2(87)(ii)
2.	NMDC-CMDC Ltd. RAIPUR (CG)	U13100CT2008GOI020711	Subsidiary	51	2(87)(ii)
3.	NMDC Power Ltd. HYDERABAD	U40100AP2011PLC077952	Subsidiary	100	2(87)(ii)
4.	Jharkhand National Mineral Development Corporation Ltd. RANCHI	U10300JH2012GOI000585	Subsidiary	60	2(87)(ii)
5.	Karnataka Vijaynagar Steel Ltd. BENGALURU	U27100KA2014GOI077968	Subsidiary	100	2(87)(ii)
6.	NMDC Steel Ltd. NAGARNAR	U27310CT2015GOI001618	Subsidiary	100	2(87)(ii)
7.	Legacy Iron Ore Ltd. # AUSTRALIA	ACN125010353	Subsidiary	78	2(87)(ii)
8.	Jharkhand Kolhan Steel Ltd. RANCHI	U27100JH2015GOI003192	Subsidiary	100	2(87)(ii)
9.	NMDC-SAIL Ltd. HYDERABAD	U27320TG2016GOI109798	Subsidiary	51	2(87)(ii)
10.	NMDC-SARL * MADAGASCAR	883408	Subsidiary	100	2(87)(ii)
11.	Krishnapatnam Railway Company Ltd., SECUNDERABAD	U45200TG2006PLC051378	Associate	14.81	2(6)
12.	Neelachal Ispat Nigam Ltd. BHUBANESWAR	U27109OR1982GOI001050	Associate	12.87	2(6)
13.	International Coal Ventures Pvt. Ltd., NEW DELHI	U10100DL2009PTC190448	Associate	24.80	2(6)
14.	Bastar Railway Pvt. Ltd.	U74900CT2016PTC007251	Associate	43	2(6)
15.	Chhattisgarh Mega Steel Ltd	U27100CT2015GOI001627	Associate	26	2(6)
16.	Romelt-SAIL (India) Ltd. * NEW DELHI	U74899DL1997PLC090025	Associate	25	2(6)
17.	Kopano-NMDC Minerals (Pty.) Ltd. ## South Africa	2010/006788/07	JV	50	2(6)

* Under Closure

Incorporated in Australia

Incorporated in South Africa



IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity))

i. Category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
1 Indian									
(a) Individuals/Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b) Central Government/ State Government(s)	3171946300	0	3171946300	80	3171946300	0	3171946300	80	0
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0
(d) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
(e) Any Others(Specify)	0	0	0	0	0	0	0	0	0
(e-i) Mutual Funds	0	0	0	0	0	0	0	0	0
(e-ii) Trusts	0	0	0	0	0	0	0	0	0
Sub Total (A)(1)	3171946300	0	3171946300	80	3171946300	0	3171946300	80	0
2 Foreign									
(a) Individuals (Non Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Bodies Corporate	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e) Any Others(Specify)	0	0	0	0	0	0	0	0	0


IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity (Contd...))
i. Category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
(e-i) Overseas Corporate Bodies	0	0	0	0	0	0	0
Sub Total (A)(2)	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	3171946300	0	3171946300	3171946300	0	3171946300	80
(B) Public Shareholding							
1 Institutions		0		0	0	0	0
(a) Mutual Funds/UTI	3258676	0	3258676	19447591	0	19447591	0.49
(b) Financial Institutions/Banks	97107125	0	97107125	103280820	0	103280820	2.61
(c) Central Government/State Government(s)	0	0	0	0	0	0	0
(d) Venture Capital Funds	0	0	0	0	0	0	0
(e) Insurance Companies	368753443	0	368753443	414077746	0	414077746	10.44
(f) Foreign Institutional Investors	194417411	0	194417411	93789436	0	93789436	2.37
(g) Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h) Qualified Foreign Investor	0	0	0	0	0	0	0
(i) Any Others(Specify)		0		0	0	0	0
(i-i) Foreign Companies	0	0	0	0	0	0	0



IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity (Contd....))

i. Category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
(i-ii) FPO Unclaimed Shares A/c	2160	0	2160	0	2160	0	2160	0	0
Sub Total (B)(1)	663538815	0	663538815	16.74	630597753	0	630597753	15.91	-0.83
B2 Non-Institutions									
(a) Bodies Corporate	28868983	32000	28900983	0.73	18591418	32000	18623418	0.47	-0.26
(b) Individuals		0			0	0	0	0	0
(l) Individual shareholders holding nominal share capital upto Rs.1 lakh	48118253	128800	48247053	1.22	69353157	127395	69480552	1.75	0.53
(ll) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2602628	0	2602628	0.07	5164447	0	5164447	0.13	0.06
(c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d) Any Others(Specify)		0			0	0	0	0	0
(d-i) Non Resident Individuals	2998942	0	2998942	0.08	4404791	0	4404791	0.11	0.03
(d-ii) Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
(d-iii) Trusts	3274962	0	3274962	0.08	3599798	0	3599798	0.09	0.01
(d-iv) Employees	20999	43520	64519	0	23169	38390	61559	0	0
(d-v) Clearing Members	1760597	0	1760597	0.04	3667302	0	3667302	0.09	0.05
(d-vi) Foreign Nationals	0	0	0	0	0	0	0	0	0
(d-vii) Foreign Portfolio Investor (Individuals)	0	0	0	0	0	0	0	0	0



IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity (Contd...))

i. Category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d-viii) Foreign Portfolio Investor (Corporate)	41381201	0	41381201	1.04	57170080	0	57170080	1.44	0.4
Sub Total (B)(2)	129026565	204320	129230885	3.26	161974162	197785	162171947	4.09	0.83
Total Public Shareholding (B) = (B)(1) + (B)(2)	792565380	204320	792769700	20	792571915	197785	792769700	20	0
Total (A) + (B)	3964511680	204320	3964716000	100	3964518215	197785	3964716000	100	0
(C) Shares held by Custodians and against Depository Receipts have been issued		0							0
1 Sharesholding of Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
2 Public Shareholding	0	0	0	0	0	0	0	0	0
Grand Total (A) + (B) + (C)	3964511680	204320	3964716000	100	3964518215	197785	3964716000	100	0



IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity (Contd...))

ii. Share holding of Promoters

Sl. No.	Name of the Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change in share-holding during the year
		Number of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	PRESIDENT OF INDIA	3171946300	80	0	3171946300	80	0	0
	Total	3171946300	80	0	3171946300	80	0	0

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Shares of the Company	Number of Shares	% of total Shares of the Company
1	President of India				
	At the beginning of the year	3171946300	80	3171946300	80
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	3171946300	80	3171946300	80



iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Shares of the Company	Number of Shares	% of total Shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	395363072	9.9720	395363072	9.9720
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	10-Apr-15	5548022	0.1399	400911094	10.1120
	17-Apr-15	1236048	0.0312	402147142	10.1432
	24-Apr-15	1160000	0.0293	403307142	10.1724
	08-May-15	988319	0.0249	404295461	10.1973
	15-May-15	3744381	0.0944	408039842	10.2918
	22-May-15	3671682	0.0926	411711524	10.3844
	29-May-15	6001619	0.1514	417713143	10.5358
	05-Jun-15	1606593	0.0405	419319736	10.5763
	19-Jun-15	788524	0.0199	420108260	10.5962
	26-Jun-15	3173512	0.0800	423281772	10.6762
	30-Jun-15	1410243	0.0356	424692015	10.7118
	03-Jul-15	766966	0.0193	425458981	10.7311
	10-Jul-15	3200371	0.0807	428659352	10.8119
	17-Jul-15	327598	0.0083	428986950	10.8201
	14-Aug-15	3562010	0.0898	432548960	10.9100
	21-Aug-15	2107218	0.0531	434656178	10.9631
	28-Aug-15	4761526	0.1201	439417704	11.0832
	04-Sep-15	1506804	0.0380	440924508	11.1212
	11-Sep-15	875334	0.0221	441799842	11.1433



Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Shares of the Company	Number of Shares	% of total Shares of the Company
2	09-Oct-15	1558132	0.0393	443357974	11.1826
	16-Oct-15	1356332	0.0342	444714306	11.2168
	At the end of the year			444714306	11.2168
	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE OF EASTSPRING INVESTMENTS ASIA OCEANIA HIGH DIVIDEND				
	At the beginning of the year	32850422	0.8286	32850422	0.8286
	10-Apr-15	587609	0.0148	33438031	0.8434
	17-Apr-15	880336	0.0222	34318367	0.8656
	24-Apr-15	193224	0.0049	34511591	0.8705
	01-May-15	-248647	-0.0063	34262944	0.8642
	08-May-15	199915	0.0050	34462859	0.8692
	15-May-15	1404723	0.0354	35867582	0.9047
	22-May-15	507170	0.0128	36374752	0.9175
	12-Jun-15	685730	0.0173	37060482	0.9348
	19-Jun-15	838582	0.0212	37899064	0.9559
	26-Jun-15	523063	0.0132	38422127	0.9691
	30-Jun-15	89549	0.0023	38511676	0.9714
	24-Jul-15	410814	0.0104	38922490	0.9817
	28-Aug-15	-1763203	-0.0445	37159287	0.9372
	04-Sep-15	-990212	-0.0250	36169075	0.9123
	11-Sep-15	-1031279	-0.0260	35137796	0.8863
	16-Oct-15	-333357	-0.0084	34804439	0.8779
	13-Nov-15	-314968	-0.0079	34489471	0.8699
20-Nov-15	-355597	-0.0090	34133874	0.8609	
08-Jan-16	-480770	-0.0121	33653104	0.8488	
31-Dec-15	480770	0.0121	34133874	0.8609	
15-Jan-16	-738942	-0.0186	33394932	0.8423	



Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Shares of the Company	Number of Shares	% of total Shares of the Company
	29-Jan-16	-799709	-0.0202	32595223	0.8221
	05-Feb-16	-685994	-0.0173	31909229	0.8048
	19-Feb-16	-2636204	-0.0665	29273025	0.7383
	25-Feb-16	-10193639	-0.2571	19079386	0.4812
	04-Mar-16	-323712	-0.0082	18755674	0.4731
	At the end of the year			18755674	0.4731
3	MATTHEWS INDIA FUND				
	At the beginning of the year	23423892	0.5908	23423892	0.5908
	11-Sep-15	-1435000	-0.0362	21988892	0.5546
	18-Sep-15	-215000	-0.0054	21773892	0.5492
	01-Jan-16	-750000	-0.0189	21023892	0.5303
	08-Jan-16	-438689	-0.0111	20585203	0.5192
	31-Dec-15	438689	0.0111	21023892	0.5303
	15-Jan-16	-1000000	-0.0252	20023892	0.5051
	22-Jan-16	-1610000	-0.0406	18413892	0.4644
	31-Mar-16	-814592	-0.0205	17599300	0.4439
	At the end of the year			17599300	0.4439
4	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND				
	At the beginning of the year	14156651	0.3571	14156651	0.3571
	01-May-15	60280	0.0015	14216931	0.3586
	08-May-15	68500	0.0017	14285431	0.3603
	14-Aug-15	-68500	-0.0017	14216931	0.3586
	21-Aug-15	-164400	-0.0041	14052531	0.3544
	28-Aug-15	-320580	-0.0081	13731951	0.3464
	04-Sep-15	-438400	-0.0111	13293551	0.3353
	11-Sep-15	-230160	-0.0058	13063391	0.3295



Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Shares of the Company	Number of Shares	% of total Shares of the Company
	22-Sep-15	-49320	-0.0012	13014071	0.3282
	25-Sep-15	-10960	-0.0003	13003111	0.3280
	30-Sep-15	-180840	-0.0046	12822271	0.3234
	18-Dec-15	-61272	-0.0015	12760999	0.3219
	25-Dec-15	-28314	-0.0007	12732685	0.3211
	15-Jan-16	-79037	-0.0020	12653648	0.3192
	22-Jan-16	-39432	-0.0010	12614216	0.3182
	05-Feb-16	-143140	-0.0036	12471076	0.3146
	12-Feb-16	-59010	-0.0015	12412066	0.3131
	11-Mar-16	31260	0.0008	12443326	0.3139
	At the end of the year			12443326	0.3139
5	INVESTEC GLOBAL STRATEGY FUND A/C ASIAN EQUITY FUND				
	At the beginning of the year	12889962	0.3251	12889962	0.3251
	04-Sep-15	132900	0.0034	13022862	0.3285
	06-Nov-15	-701113	-0.0177	12321749	0.3108
	At the end of the year			12321749	0.3108
6	ROBECO CAPITAL GROWTH FUNDS				
	At the beginning of the year	11699324	0.2951	11699324	0.2951
	05-Jun-15	-683856	-0.0172	11015468	0.2778
	22-Jan-16	-389954	-0.0098	10625514	0.2680
	At the end of the year			10625514	0.2680
7	STATE BANK OF INDIA				
	At the beginning of the year	11421580	0.2881	11421580	0.2881
	At the end of the year			11421580	0.2881



Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Shares of the Company	Number of Shares	% of total Shares of the Company
8	CANARA BANK-MUMBAI				
	At the beginning of the year	10772388	0.2717	10772388	0.2717
	At the end of the year			10772388	0.2717
9	GMO EMERGING MARKETS FUND				
	At the beginning of the year	9042423	0.2281	9042423	0.2281
	24-Apr-15	224090	0.0057	9266513	0.2337
	01-May-15	121700	0.0031	9388213	0.2368
	22-May-15	-3324655	-0.0839	6063558	0.1529
	29-May-15	-2465193	-0.0622	3598365	0.0908
	19-Jun-15	309309	0.0078	3907674	0.0986
	18-Sep-15	-343517	-0.0087	3564157	0.0899
	22-Sep-15	-643761	-0.0162	2920396	0.0737
	25-Sep-15	-140644	-0.0035	2779752	0.0701
	30-Oct-15	78078	0.0020	2857830	0.0721
	15-Jan-16	-214627	-0.0054	2643203	0.0667
	05-Feb-16	-999033	-0.0252	1644170	0.0415
	12-Feb-16	-815000	-0.0206	829170	0.0209
	At the end of the year			829170	0.0209
10	THE NEW INDIA ASSURANCE COMPANY LIMITED				
	At the beginning of the year	8316508	0.2098	8316508	0.2098
	17-Jul-15	66604	0.0017	8383112	0.2114
	24-Jul-15	270229	0.0068	8653341	0.2183
	31-Jul-15	275000	0.0069	8928341	0.2252
	07-Aug-15	362253	0.0091	9290594	0.2343
	14-Aug-15	25914	0.0007	9316508	0.2350
	At the end of the year			9316508	0.2350



v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Shares of the Company	Number of Shares	% of total Shares of the Company
1.	Dr. Narendra K. Nanda, Director (Technical) At the beginning of the year Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): At the end of the year	320	–	320	0%
2.	Shri P.K. Satpathy Director (Production) At the beginning of the year Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): At the end of the year	320	–	320	0%
3.	Shri Pradip Bhargava Independent Director At the beginning of the year Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): At the end of the year	100	–	100	0%

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment
(Rs. in Crores)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	0	0	0	0
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due				
Total (i + ii + iii)	0	0	0	0
Change in the indebtedness during the financial year				
Addition *	2,353.70	0.00	0.00	2,353.70
Reduction **	848.43			848.43
Net Change	1,505.27	0.00	0.00	1,505.27
Indebtedness at the end of the Financial year	0.00			
i. Principal Amount	1,496.95			1,496.95
ii. Interest due but not paid	0.00			
iii. Interest accrued but not due	8.32			8.32
Total (i + ii + iii)	1,505.27			1,505.27

* Includes principal amount of Rs.2,339.53 crores and interest of Rs.14.17 crores.

** Includes principal amount of Rs.842.58 crores and interest of Rs.5.85 crores.



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTORS AND/OR MANAGER

Sl. No.	Particulars of Remuneration	Name of MD / WTD / MANAGER						Total Amount
		Shri Narendra Kothari, CMD (upto 31.12.2015) #	Dr. Narendra K. Nanda, Director (Technical)	Shri Rabindra Singh, Director (Personnel) (up to 31.08.2015) #	Dr. T.R.K. Rao, Director (Commercial)	Shri P.K. Satpathy, Director (Production)	Shri D.S. Ahluwalia, Director (Finance)	
1	a Gross Salary u/s 17(1) of the Income Tax Act, 1961	3,840,243	4,646,617	4,492,285	2,303,340	3,116,829	2,738,152	21,137,465
	b Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	1,202,852	203,772	710,607	287,270	409,500	39,600	2,853,601
	c Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	0	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0	0
	- As % of profit	0	0	0	0	0	0	0
	- Others, specify	0	0	0	0	0	0	0
5	Others, Please specify							
	TOTAL UPTO 31.03.2016	5,043,095	4,850,389	5,202,892	2,590,610	3,526,329	2,777,752	23,991,067
	Ceiling as per the Act							

Notes

- 1 Includes Basic ,FPA,DA,PERKS(Taxable),HRAs,PRP,LEC,SPL leave where applicable.
- 2 Includes perquisite value of conveyance ,accommodation ,Assets & furniture where applicable.
- 3 # INCLUDE RETIREMENT PAYMENTS
- 4 Smt. Bharathi S. Sihag, Addl. Secretary & Financial Advisor, Ministry of Steel, GOI was holding as additional charge as CMD w.e.f 01.01.2016.
Hence, the above details are not applicable to her.



B. REMUNERATION TO OTHER DIRECTORS

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors									TOTAL (Including Service Tax)	
		Dr. Noor Mohammad (upto 25.11.2015)	Shri Vinai Kumar Agarwal (upto 25.11.2015)	Shri Mahesh Shah (upto 25.11.2015)	CA Arun Kumar Srivastava (w.e.f. 13.11.2015)	Smt. Bhagwati Mahesh Baldewa (w.e.f. 13.11.2015)	Shri Rajesh Mangal (w.e.f. 13.11.2015)	Shri Pradip Bhargava (w.e.f. 27.11.2015)	Dr. Syamal Kumar Sarkar (w.e.f. 27.11.2015)	Shri S.M. Nigam (w.e.f. 27.11.2015)		
1	Independent Directors											
	Fees for attending board/committee meetings	567,804	863,976	681,476	183,200	160,300	91,600	206,100	160,300	183,200	3,097,956	
	Commission	-	-	-	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	-	-	-	
	Total (1)	567,804	863,976	681,476	183,200	160,300	91,600	206,100	160,300	183,200	3,097,956	
2	Other Non-executive Directors for attending board/committee meetings											
	Commission	-	-	-	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	-	-	-	-	
	Grand Total (1 + 2)	567,804	863,976	681,476	183,200	160,300	91,600	206,100	160,300	183,200	3,097,956	
	Total Managerial Remuneration											
	Overall Ceiling as per the Act											



C. RENUMERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WTD/MANAGERS

(Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Company Secretary
1	a Gross Salary u/s 17(1) of the Income -tax Act,1961	1,659,716
	b Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	
	c Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	– As % of profit	
	– Others, specify	
5	Others, please specify	
	TOTAL	1,659,716

Notes

1 Includes Basic, FPA, DA, PERKS (Taxable), HRAs, PRP, LEC, SPL leave where applicable.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalties/ Punishment/ Compounding fee imposed	Authority RD/NCLT/ COURT	Appeal made, if any (Details)
A. Company Penalty Punishment Compounding B. Directors Penalty Punishment Compounding C. Other Officers in Default Penalty Punishment Compounding			NIL		



Annexure - V

Office :
B-13 P.S. Nagar,
Vijayanagar Colony, Hyderabad - 500 057.
Phone : (0) 91-40-23340985, 23347946, 23341213
e-mail : dhr300@gmail.com, dhr300@yahoo.com
website : www.dhanumantarajuandco.com



DR DATLA HANUMANTA RAJU
B.COM., LL.B., PGDT, M.B.A., FCS
PARTNER

D. HANUMANTA RAJU & CO.
COMPANY SECRETARIES

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,
NMDC LIMITED
Khanij Bhavan 10-3-311/A
Castle Hills, Masab Tank
Hyderabad – 500 028.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NMDC LIMITED** (hereinafter called the company). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India, 1980 and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and read with the statutory auditor's report on financial statements and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, according to the explanations given to us, the company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;





D. Hanumanta Raju & Co,
Company Secretaries

NMDC LIMITED

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the company.

- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the period of audit).
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the period of audit);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit).
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the period of audit); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period of audit).
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) Other laws **specifically** applicable to the company include:
- A. Mines Act, 1952 and Mines Rules, 1955
 - B. Mines and Minerals (Development and Regulation) Act, 1957
 - C. Metallic Ferrous Mines Regulations, 1961
 - D. Indian Electricity Rules, 1956,
 - E. MCR (Mineral Concession Rules) 1960
 - F. Forest Conservation Act, 1980
 - G. Wild Life Act, 1977
 - H. The Explosives Act, 1884
 - I. The Explosives Rules, 2008





D. Hanumanta Raju & Co,
Company Secretaries

NMDC LIMITED

- J. Indian Boilers Act, 1923
- K. Central Electricity Authority Regulations, 2010
- L. Welfare Cess Fund

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with effect from 01.07.2015
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited (NSE), the Calcutta Stock Exchange Limited (CSE)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.


We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Hyderabad
Date : 30.07.2016



For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES


CS DATLA HANUMANTHA RAJU
PARTNER
FCS: 4044, CP NO: 1709

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



D. Hanumanta Raju & Co,
Company Secretaries

NMDC LIMITED

'Annexure A'

To,
The Members,
NMDC LIMITED
Khanij Bhavan 10-3-311/A
Castle Hills, Masab Tank
Hyderabad – 500 028.


Our report of even Date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

Place: Hyderabad
Date : 30.07.2016



For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES


CS DATLA HANUMANTHA RAJU
PARTNER
FCS: 4044, CP NO: 1709



Annexure - VI

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** L13100AP1958G01001674
2. **Name of the Company** NMDC Limited (NMDC)
3. **Registered address** Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028
4. **Website** www.nmdc.co.in
5. **E-mail id** ims@nmdc.co.in
6. **Financial Year reported** April 1, 2015 - March 31, 2016
7. **Sector(s) that the Company is engaged in (industrial activity code-wise): The Company is engaged in exploration and production of Iron Ore along with Diamond, production and sale of Sponge Iron and generation and sale of Wind Power.**

Description	Group	Class	Sub Class
Mining of Iron Ore	071	0710	07100
Mining of Diamond	089	0899	08991
Manufacture of Sponge Iron	241	2410	24102
Electric power generation (wind)	351	3510	35106

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

Iron Ore, Diamond and Sponge Iron

9. **Total number of locations where business activity is undertaken by the Company**

Number of National Locations : Four (4) - Chhattisgarh, Karnataka, Madhya Pradesh and Telangana

10. **Markets served by the Company - Local/State/National/International:** NMDC serves the National market and also the International market by exporting iron ore to countries like Japan and South Korea.



Section B: Financial Details of the Company

1. Paid up Capital (INR)	396.47 crores
2. Total Turnover (INR) (Total Income)	6,456 crores
3. Total profit after taxes (INR)	3,028 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit before tax.	Rs.210.09 Cr. (2.17% of average PBT of three preceding years)

5. List of activities in which expenditure in 4 above has been incurred:

NMDC has framed a comprehensive CSR policy for addressing its objectives, focus areas, organizational mechanism, guidelines for identifying the CSR activities along with the implementation and monitoring strategies. The policy also addresses in detail the budgetary allocation, approval methodology and fund utilization mechanism. The major areas in which expenditure has been incurred are as listed below :

- Education promotion
- Health care, Water & Sanitation
- Infrastructure development
- Integrated Development of Villages
- Skill development for sustainable income generation
- Promotion of Sports, Art and culture
- Agriculture &
- Others

Section C: Other Details

1. Does the Company have any subsidiary company / companies?

Yes. NMDC has eight Indian subsidiary companies, viz;

- J&KMDC Limited
- NMDC-CMDC Limited
- NMDC Power Limited
- Jharkhand National Mineral Development Corporation Limited
- Karnataka Vijaynagar Steel Limited
- NMDC Steel Limited
- Jharkhand Kolhan Steel Limited
- NMDC-SAIL Limited

2. Do the subsidiary company / companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

NMDC keeps all its subsidiaries informed about the Business Responsibility initiatives. It also encourages its subsidiaries to participate in such initiatives.

3. Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No.



Section D: Business Responsibility Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR Policy/Policies

DIN Number	02455894
Name	Dr. Narendra K. Nanda
Designation	Director (Technical)

b) Details of the BR head

S.No	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Shri A.S. Pardha Saradhi
3	Designation	Company Secretary
4	Telephone number	040-23538757
5	Email-id	cs_pardha@nmdc.co.in

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.



		Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate link for the policy to be viewed online	Yi	Yii	Yiii	Yiv	Yv	Yvi	Yvii	Yviii	Yix
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y#	Y#	Y#	Y^	Y#	Y^	Y#	Y#	Y#

* All the policies are embed and aligned to ISO 14001:2004 (Environmental management systems), ISO 9001:2008 (Quality management systems) and OHSAS 18001:2007 (Occupational health and safety), United Nations Global Compact, Corporate Environmental Policy and CSR policy.

Impact assessment of the major CSR initiatives of the Company has been carried out by a third party in 2014 Besides this, NMDC has also taken up impact assessment of ten Education Institutions created under CSR Programme was carried out in 2014-15, an Expression of Interest has been invited during 2015-16 to empanel agencies to carry out impact assessments on a regular basis.

(i) Memorandum of understanding between NMDC Limited and Transparency International (India) TII (ii), (v), (vii),(ix) <https://www.nmdc.co.in/Handlers/DownloadCommunicationOnProgress.ashx?ID=65243eb7-5ad1-4ba5-9fd8-24fa0012c626> (iii) <https://www.nmdc.co.in/Docs/Service%20Regulations.pdf> (iv) <https://www.nmdc.co.in/CSR/Default.aspx> (vi) <https://www.nmdc.co.in/EnvironmentalMgmt.aspx> (viii) <https://www.nmdc.co.in/CSR/Default.aspx>

Internal; ^ External



2a. If answer to S. No. 1 against any principle is 'No', provide explanation:

Sl.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR:

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

NMDC assesses its BR performance on regular basis. Also, the Chairman-cum-Managing Director of NMDC communicates the performance of the NMDC on the ten principles of the International framework 'United Nations Global Compact' annually.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

NMDC has been one of the earliest signatories to the United Nations Global Compact Network and has also played an active role in the formation and growth of the network in India. Please see the below hyperlink for more information on the NMDC's performance and actions taken on the 10 principles of United Nations Global Compact.

<https://www.nmdc.co.in/Handlers/DownloadCommunicationOnProgress.ashx?ID=65243eb7-5ad1-4ba5-9fd8-24fa0012c626>

NMDC has published its CSR policy and also publishes monthly update on all CSR activities on its website. Please see below given hyperlink for more information:

<https://www.nmdc.co.in/CSR/Default.aspx>

NMDC also publishes its Corporate Environmental policy along with six monthly environmental progress reports for its project sites on its website. Please see the below hyperlink for more information on the environmental progress reports.

<https://www.nmdc.co.in/EnvironmentalMgmt.aspx>



Section E: Principle-wise Performance

Principle 1: Ethics, transparency and accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

Yes, NMDC and its subsidiaries are committed to working with stakeholders in government, business and civil society to promote good governance, responsible use of mineral wealth and to prevent corruption. NMDC has also signed the Integrity Pact (IP) with Transparency International India (TII). Also, The Vigilance department at NMDC guides and facilitates for impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive attitude.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

About 61 shareholder complaints have been received in the financial year 2015-16 and all of them have been successfully resolved. NMDC has formulated its Whistle Blower Policy to achieve the highest possible standards of ethical, moral and legal business conduct and also to strengthen its commitment to open and transparent communication.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

NMDC employs sustainable mining practices and production processes for all its three products viz; Iron Ore, Diamond and Sponge Iron. It ensures to implement appropriate environmental measures in all its mining operation phases to safeguard the environmental parameters such as air, water, land, noise and biodiversity. NMDC wishes to embark on low carbon growth trajectory its operations. Few of the measures taken in this respect are : recycle and reuse of water for beneficiation, construction of ameliorative measures like buttress walls, Afforestation in Bailadalia region, secondary waste treatment at Bacheli , Bailadila for recycling of treated water in the process, digging contour trenches and biological reclamation of rock waste dumps to minimize land erosion and, construction of check dams, effluent treatment plant, sewage treatment plant for treating effluents to avoid water pollution.

Along with safeguarding the environment, NMDC also supports the local community along its mining belts. It has a well defined CSR policy run by the CSR department. The CSR team consults the local community around its mining belts and identifies the major focus areas for implementing various CSR activities. It has contributed to the society by implementing activities like building of residential schools and hostels, operating 'hospitals on wheels', conducting medical camps and providing free treatment to local tribal's, electrification of villages and many more such initiatives.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):**
 - i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?



NMDC believes in optimum consumption of its electricity, fuel oil, lubricant oil and water. It sets targets for specific consumption of water and energy, to achieve the target it conducts energy audits for all its project sites. The energy audits also help to identify and prioritise energy efficient technological measures and savings opportunities. The specific energy consumption at the project sites is seen to be improving with the implementation of few of the energy efficient, measures. Even though the specific water consumption is low as compared to electricity, NMDC believes in water management, the secondary waste water treatment at most of the project sites is treated, recycled and used in the process.

- ii. Reduction during usage by consumers (energy, water) achieved since the previous year?

The volume of NMDC's final product is bulk in nature and gets complex to track the reduction during usage by consumer. However, it sensitizes the use of water and energy where ever possible.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, NMDC employs sustainable sourcing practices. It utilizes Alternative Fuels and Raw Materials (AFR) which help to conserve natural resources and encourages procurement through vendors who adopt sustainable practices. While the transportation is concerned, most of the bulk materials are transported by rail. NMDC has also made proper arrangements to control dust emissions during loading and unloading of the raw material and finished product(s) at the sites.

- 4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

Yes, NMDC supports and encourages the participation of local and small vendors in procurement of goods and services. During F.Y. 2015-16, NMDC has participated in National and State level vendor development programme conducted by MSME, DI Institute at Hyderabad. NMDC has also attended Vendor development programme conducted by MSME Bengaluru, Raipur, Shimoga etc. through our projects, wherein prospective MSE's were explained the requirements of NMDC and invited applications for vendor empanelment from the interested MSEs. In addition to the above, during FY 2015-16 NMDC has invited an Expression of Interest in the leading newspapers exclusively for empanelling SC/ST MSEs.

- 5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.**

Yes, NMDC employs safe, scientific and environmental friendly methods of mining and mineral processing. It strives to apply the 3R policy (reduce, re-use and recycle) to its waste management plan with the aim of avoiding potentially harmful environmental and social impacts, during both the operational and post-closure phases. NMDC's mining sites are expected to continually research, develop and implement productivity improvement measures and waste reduction initiatives along with exploring the re-use of by products. Different lubricants in NMDC mines are disposed of to the agencies duly authorized for recycling. It has also set its target to treat, recycle and reuse its secondary waste water from the mining operations.



Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees (as on 31.03.2016):

Total: 5773 Category wise breakup is shown below:

Executives: 1518, Jr. Officers: 206, Workmen: 4049

2. Please indicate the total number of employees hired on temporary / contractual / casual basis:

Contract Labour: 9385

3. Please indicate the number of permanent women employees:

There are 293 permanent women employees.

4. Please indicate the number of permanent employees with disabilities:

There are 63 permanent employees with disabilities

5. Do you have an employee association that is recognized by Management

Yes,

- Majority of the unions at project level have formed an independent apex body called All India NMDC workers federation (AINMDCWF).
- Supervisors have their own association (NMDC Supervisors' Association) at unit level and at corporate level.
- Executives have their own association (NMDC Officers' Association) at unit level and at the corporate level.

6. What percentage of your permanent employees are members of this recognized employee association?

All our permanent employees (100%) are members of their respective recognized employee association.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

There have been nil complaints with regard to child labour, forced labour, involuntary labour, discriminatory employment and sexual harassment in the FY2015-16. The requisite information the the prescribed proforma is furnished hereunder:

Sl.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil



8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

The safety training of the employees is a vital component of the Occupational Health and Safety Policy at NMDC. As the motto of NMDC goes 'A Safe Mine is a Productive Mine'. The target is to achieve Zero Accident with optimum use of human resources, materials & machines with higher production / dispatches.

The percentage of employees given Safety and Skill Up-gradation Training for the FY 2015-16:

Sl.No.	Particulars	Percentage	
		Safety Training	Skill Upgradation Training
1	Permanent Employees	29.79	24.93
2	Permanent Women Employees	7.14	4.95
3	Casual / Temporary / Contractual Employees	50.12	0
4	Employees with disabilities	37.04	0

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes, NMDC has mapped its internal and external for the purpose of stakeholder engagements. The key categories are as below:

- Government and Regulatory Authorities
- Customers
- Investors
- Employees
- Local Community
- NGO's and other stakeholders

NMDC engages with the identified stakeholders and communicates its major environmental, social and community development initiatives in different forms and also considers the stakeholders feedback in planning future initiatives and programmes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, NMDC has identified the disadvantaged, vulnerable and marginalized stakeholders with the help of socio-demographic data of the community through base line surveys conducted as the part of its CSR policy objectives.



3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, some of the major CSR activities implemented by NMDC which have benefitted the disadvantaged, vulnerable and marginalized stakeholders are given below:

- During the academic year 2015-16, 40 Tribal girl students under the 'NMDC Balika Siksha Yojana', were given sponsorship for Nursing Course, which is a unique initiative in State of Chhattisgarh to benefit Tribal girls of Bastar Division.
- A total of 18,000 SC/ST background students covered under NMDC Shiksha Sahyag Yojna, Scholarship Scheme for continuation of education beyond 8th class in FY 2015-16.
- Integrated Village Development Programme in 18 backward villages around NMDC's Bailadila projects, which are primarily inhabited by Tribal(s) is in progress and has shown good results in terms of increase in farm yields and improvement in living standards in the last financial year.
- Support to Mid-Day Meal Scheme to provide nutritious & wholesome meals in Govt. Schools around Donimalai mines, Karnataka, covering 8000 students.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, NMDC and its subsidiaries are committed to working with stakeholders in government, business and civil society to promote good governance, responsible use of mineral wealth and to prevent corruption. NMDC has also signed the Integrity Pact (IP) with Transparency International India (TII). Also, The Vigilance department at NMDC guides and facilitates for impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive attitude.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

There have been Nil cases of human right violation during the FY 2015-16.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The environmental management at NMDC is governed by its Corporate Environmental Policy. The policy extends to NMDC and its subsidiaries.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

Yes, NMDC understands and recognizes the implications that climate change would have on its business, environment and community. NMDC has framed policies around the climate change and other global environmental challenges. It stands committed in promoting greater environmental responsibility in



mining and processing of minerals for sustainable development. The environmental management at NMDC is governed by its Corporate Environmental Policy. The Policy outlines its commitment to prevention and control of environmental pollution, conserve the natural resources, monitor and ensure compliance, continual environmental performance improvement, safeguarding the environment, educating its employees and communities about the environmental commitments, and applying proven management practices to prevent or mitigate negative environmental impacts.

NMDC believes that Greenhouse gas emissions are one of the key concerns of "cost to environment" for modern business, it wishes to Embark on low carbon growth trajectory in its operations. NMDC measures, records, calculate and reports its GHG's every financial year. The possible mitigation measures proposed for the thrust areas of mining, mechanical and electrical services are being looked into for abatement. Also, NMDC being a signatory to the 'United Nations Global Compact, it reports its environmental performance annually under the defined principles of UNGC. The hyperlinks to view the Corporate Environmental Policy and UNGC principles are given below. The GHG emissions have also been disclosed in Carbon disclosure project for F.Y 2014-15.

<https://www.nmdc.co.in/EnvironmentalMgmt.aspx>

<https://www.nmdc.co.in/Handlers/DownloadCommunicationOnProgress.ashx?ID=65243eb7-5ad1-4ba5-9fd8-24fa0012c626>

https://www.nmdc.co.in/Docs/Environment/Concept%20Note%20Climate%20Change%20NMDC_23rd%20Sept%202015.pdf

3. Does the Company identify and assess potential environmental risks? Y / N

Yes, NMDC has defined methods of identifying and assessing potential environmental risks .It carries out Environmental Impact Assessment of operations/activities to identify impacts on the surrounding environment and initiate mitigation measures accordingly. EIA for all its mines and industrial activities has been conducted and mitigation measures are been implemented accordingly. Regular monitoring of environmental parameters is carried out to ensure the effectiveness of the measures implemented and to comply with the CPCB laws.

NMDC project sites are certified to ISO 9001: 2008, ISO 14001: 2004 and OHSAS 18001- 2007 and as a part of requirements of ISO -14001 EMS (IMS): 2004 carries out aspect-impact studies for all the activities and operations for identification of critical activities for setting objectives and targets. The system is audited biannually through third party auditors (apart from the periodic audits carried out by certified internal auditors) to verify adequacy and effectiveness of the system and to identify changes if any required in objectives, targets and management plan. The Integrated Management System comprising of ISO: 9001, EMS-14001, OHSMS 18001 and Social Accountability at all NMDC projects is completed and certificate is awaited.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, NMDC has a project related to Clean Development Mechanism. It is a 10.5MW Wind Project, initiated in 2009. The project has been registered with the United Nations Framework Convention for Climate Change (UNFCCC).



5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? Y / N. If yes, please give hyperlink to web page etc.

Yes, NMDC being a signatory to UNGC, it stands committed in encouraging the development of environment-friendly technologies along with its Corporate Environmental Policy. Also, NMDC's research and development centre has earned rare distinction of competence of undertaking technology development mission related to efficient mineral processing. To know more about the initiatives, please see the hyperlink given below:

<https://www.nmdc.co.in/EnvironmentalMgmt.aspx>

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes. All emissions & wastes generated by NMDC are monitored on a regular basis and are within permissible limits as specified by CPCB/SPCB. Also, the returns are filed regularly to the statutory authorities as per requirement. To know more about the initiatives, please see the hyperlink given below:

<https://www.nmdc.co.in/EnvironmentalMgmt.aspx>

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

Yes. NMDC is a member of various trade and chambers / associations. Few of the major ones are listed below:

- Federation of Indian Mineral Industries, New Delhi
- All India Management Association, New Delhi
- Federation of Indian Chamber of Commerce and Industry, New Delhi
- Standing Conference of Public Enterprises, New Delhi
- Confederation of Indian Industry (CII)
- Indian Iron and Steel Sector Skill Development Council
- Federation of Indian Export Organization, Chennai
- The Associated Chambers of Commerce & Industry of India



2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, following are the broad areas:

- Sustainable Mining Practices
- Energy Conservation
- Inclusive Development

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

Yes, NMDC has host of programmes / initiatives / projects in its identified focus sectors defined in the CSR Policy. Some of the major CSR initiatives are listed below:

Literacy and Education

- NMDC's Siksha Sahayog Yojana
- NMDC Balika Siksha Yojana
- Polytechnic College at Dantewada
- ITIs at Dantewada and Nagarnar
- Operation of Mobile IT Van in Dantewada, Chhattisgarh
- Sub-Regional Science Center Bellary
- Construction and operation of educational institutions

Healthcare

- Free medical treatment at project hospitals
- Hospitals on wheels
- Medical Camps
- Provided support to Govt. Medical Collage Jagdalpur, Chhattisgarh

Rural Development & Infrastructure

- Construction of roads and Bridges
- Electrification of villages and provision of solar street lights



- Providing drinking water through thermal & solar energy based water supply schemes and installation of hand pumps Farmers development scheme
- Farmers development scheme
- Integrated Village Development in 18 villages in south Bastar, Dantewada Dist.

Others

- Construction of Shanti Dham at Bellary, home for the elderly and destitute
- Constructed School Toilet Blocks under Swachh Bharat Mission

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

NMDC takes up various CSR activities through an internal team as well as in partnership with nongovernmental organization (NGO's), State / District Authorities and Trusts depending on the specifications of the activity proposed. The CSR initiatives taken up through partnerships are evaluated and monitored jointly by the CSR department and the partnering organization.

3. Have you done any impact assessment of your initiative?

Yes, an impact assessment of major CSR initiatives of the Company has been carried out by a third party. Besides this, NMDC has also taken up impact assessment of ten Education Institutions created under CSR Programme.

4. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

NMDC has spent an amount of Rs.210.65 crores in development projects as under in FY 2015-16 broadly under the following heads:

(1) Education (2) Drinking Water (3) Health and Hygiene (4) Free Medical Treatment (5) Infrastructure (6) Financial Assistance (7) Rural Development (8) Sanitation (9) Miscellaneous

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, the CSR team at NMDC takes project feedback from the beneficiaries to know its impact or scope for improvements if any. Also, the impact assessment carried out by a third party along with the NMDC CSR team for its major CSR initiatives captures the effectiveness of the community development projects and responses of the community people towards the initiative. Besides this, the Farmers Development Programme has been subject of appreciation at the highest levels of Government.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner****1. What percentage of customer complaints / consumer cases are pending as on the end of financial year**

There has been one customer complaint pending in FY 2015-16.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Not Applicable. Our product being a bulk commodity, it is not feasible to put product labels. The product specifications are being displayed on the Company's website. To know more about the product specifications. Please see the below hyperlink:

<https://www.nmdc.co.in/Products.aspx>

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.

No case is pending against NMDC as of end of financial year 2015-16.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Yes, NMDC carries out Customer Satisfaction Survey every year at all its Iron Ore Projects against various parameters on a 10 Point Scale and NMDC has incorporated 'Customer Satisfaction' in its MoU with Administrative Ministry, being signed every year. The Customer Satisfaction works out to 96% with excellent rating during 2015-16.

Cautionary Statement

The statements in the Directors' Report and Management Discussion and Analysis Report are forward looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors that may arise. Shareholders / Readers are cautioned not to place undue reliance on the forward looking statements.



Annexure - VII

Global Compact - Communication on ProgressED/EPS/GC/03
25th June 2016

Dear Stakeholders,

The **United Nations Global Compact**, is a call to companies to align strategies and operations based on universal principles of protection of human rights, labour rights, environment protection and also anti-corruption initiatives and take actions that advance societal goals. It is the world's largest corporate sustainability initiative with 13000 corporate participants and other stakeholders over 170 countries.

Since inception, NMDC has been following these principles while conducting its business and these principles are reflected in all its activities. NMDC as one of the earliest signatories of this initiative has also played an active role in the formation and growth of the Global Compact Network in India.

During the past year, the UN Global Compact has taken several initiatives towards Sustainable Development. NMDC has also, in its sphere of activities, taken several steps for aligning its operations with Ten Principles of Global Compact and has also taken action to advance broader societal needs be it by way of protection of environment or taking up new CSR initiatives. During the year the Company has taken up GHG assessment and disclosed GHG emissions in Carbon disclosure project for the first time. Under CSR initiatives, NMDC has spent about Rs.210.09 crores during FY 2015-16 - the highest ever since inception.

In the coming years, the UN Global Compact will play a critical role in helping signatories and Governments work to achieve the SDGs. NMDC will also play a significant role in this regard. It will be my endeavor to continue support to the UN Global Compact and its ten principles.

With warm regards,

Yours sincerely

Bharathi S. Sihag

Chairman-cum-Managing Director



Principle 1:

Business should support and respect the protection of internationally proclaimed human rights.

Commitment

Being a Government of India Company, NMDC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also encompasses the fundamental human rights as envisioned in the Universal Declaration of Human Rights. NMDC stands committed to support and respect the protection of internationally proclaimed human rights.

Systems

Though there is no specific provision as such for human rights in the Manual on Personnel Management of the Company, the sub-stratum of the Manual ensures that its employees enjoy the fundamental human rights.

NMDC has in its management system provisions for health, safety, housing and education. Comprehensively covering all these aspects, NMDC has appropriate systems in place.

Actions

Health

- NMDC gives full and free medical care to its employees and the eligible members of their families.
- Under the NMDC Contributory Scheme for post-retirement medical facilities, the retired employees and their spouses get medical care for a nominal life-time membership.

Safety

- Being basically a mining organization, NMDC attaches greater importance for safety of the employees. In its mining projects, NMDC has its own Training Centres equipped with the infrastructure as required under the Mines Vocational Training Rules. These centres cater to the needs of basic training, refresher

training, and training for skilled trades and also for those injured on duty.

- Sufficient number of workmen inspectors are nominated/appointed for mining operations, mechanical installations and electrical installations in terms of the statutory requirement
- Occupational Health Centres have been provided in the projects.
- Doctors have been given specialized training in occupational health.
- Periodical medical examinations of employees are done in accordance with the prescribed schedule.
- Safety appliances such as safety shoes, helmets, rain suits, goggles, etc, are provided to employees periodically.
- Every month safety committee meetings are conducted and accident analysis is discussed and remedial measures implemented.

Housing

- NMDC provides accommodation for the employees and the members of their families on nominal rents.
- NMDC provides house building advances for its employees to build their own houses at such locations in India as suitable to them.

Education

- NMDC trains its employees regularly to update themselves, professionally, managerially and technically.
- NMDC encourages its employees to better their educational and professional qualification by giving suitable incentives, study leave, etc.
- NMDC takes care of the school education of the employees' children in its projects and gives



incentives and scholarships for their higher education. As its projects are located in remote areas, NMDC has arranged for quality schooling facilities at the projects itself.

- The schooling facilities available at the project are extended to the children of the surrounding villages as well.

Performance during the year 2015-16

- NMDC is providing complete health care to its employees and the members of their families.
- The injury frequency rate was 1.54 Mandays lost on account of accidents were 350.
- Housing has been extended to all its employees. In addition, house building advances were given to 06 employees (cumulatively to 2275 employees).
- Training coverage is 75.87% of employees. Training mandays as % of working mandays is 4.14.
- Basic education has been extended to 100% of the employees' children.
- Recognizing the meritorious service rendered by the employees on the occasion of this year's Corporation Day, ie, 15 November 2015, NMDC has awarded suitable mementos to (a) 188 employees (cumulatively 7518) who have rendered 20 years' service; (b) 167 employees (cumulatively 6227) who have rendered 25 years' service; (c) 152 employees (cumulatively 5517) who have rendered 30 years' service (d) 49 employees (cumulatively 1772) who have rendered 35 years' service by organizing suitable function.
- 247 employees (cumulatively 4655) who retired from the Company were given service certificates and suitable mementos during farewell parties, specially arranged in their honour, in appreciation of their service to NMDC. 181 employees (cumulatively 1736) who retired after putting in 30 years service in Government/ PSUs were awarded special mementos.

Principle 2:

Business should ensure that they are not complicit in human rights abuses.

Commitment

Being a Government of India Company, NMDC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also supports the fundamental human rights as envisioned in the Universal Declaration of Human Rights. NMDC stands committed to protecting human rights in its workplaces.

Systems

- NMDC, being a Government Company, has come to inherit the Government regulations and, therefore, protecting human rights and ensuring that it is not complicit in human rights abuses, is a natural extension to all its policies and programmes.
- The security arrangement in the mines of the Company is given to the Central Industrial Security Force (a Government arm), who owes equal allegiance to the Constitution of India and is duty bound to protect human rights.
- A Grievance Redressal procedure is in vogue.
- A separate Committee for redressal of grievances of women employees in particular has been constituted.
- NMDC has recognized Scheduled Caste/ Scheduled Tribe Associations in each of its units and corporate office.

Actions & Performance during the year 2015-16

No case of human rights violation has been reported during the year.



Principle 3:

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Commitment

NMDC stands committed to the protection of freedom of association among its employees and business partners.

Systems

NMDC has three layers of employees: workmen, supervisors and executives.

1. Workmen, who are mostly location specific, have their own Unions. More than one Union are functioning in each of the main units. Besides their affiliations to national bodies, cutting across such affiliations to central organizations, majority of the Unions at project level have formed an independent apex body called All-India NMDC Workers' Federation (AINMDCWF) positioned at the corporate office at Hyderabad. All these Unions have been given assistance by the Management as considered necessary for their functioning.

The details of such affiliated Unions, unit-wise, are given below:

a Bailadila Iron Ore Mine, Kirandul Complex

- i Samyuktha Khadan Mazdoor Sangh (SKMS) affiliated to All India Trade Union Congress (AITUC).
- ii Metal Mine Works Union (MMWU) affiliated to Indian National Trade Union Congress (INTUC).

b Bailadila Iron Ore Mine, Bacheli Complex

- i Samyuktha Khadan Mazdoor Sangh (SKMS) affiliated to AITUC.
- ii Metal Mine Workers Union (MMWU) affiliated to INTUC.

c Donimalai Iron Ore Mine

- i. Donimalai Iron Ore Project Employees Association (DIOPEA) affiliated to AITUC.

- ii Metal Mine Workers Union (MMWU) affiliated to INTUC.

d Diamond Mining Project.

- i Panna Hira Khadan Mazdoor Sangh (PHKMS) affiliated to BMS.
- ii Madhya Pradesh Rashtriya Heera Khani Mazdoor Sangh (MPRHKMS) affiliated to INTUC.

2. NMDC is totally committed to workers' participation in the management. In pursuit of such commitment, Committees/Councils, both statutory and non-statutory, are functioning at the shop level, project level and at corporate level with equal number of representatives of the management and the Unions.
3. Supervisors and Executives have their own associations at unit level and at the corporate office.

Actions

Decisions related to workmen such as wage settlement, incentives, bonus, line of promotions, working conditions, welfare measures, etc are taken in consultation with the representatives of unions/Associations, both at the unit level and at the corporate level.

Performance during the year 2015-16

- All the workmen are subject to collective bargaining agreements and the supervisors and executives are governed by understanding/consultations.
- No man days were lost during the year because of rift or strike by employees due to the effectiveness of Collective Bargaining.
- The unanimous decisions taken at the Joint Committees are implemented and monitored.



Principle 4:

Business should support the elimination of all forms of forced and compulsory labour.

Commitment

NMDC stands committed not to resort to any form of forced and compulsory labour.

Systems

- No employee is required to deposit any sum of money for employment in NMDC.
- A service bond is insisted upon from only such of those employees who have been posted abroad. The bond period is for two years or a nominal amount of Rs.2,00,000/-.
- Any employee joining the Company should declare that he or she is not an insolvent.

Actions

- Appointment orders issued by the Company very specifically state the various important conditions of appointment.

- Printed copies of Service Regulations and other rules are distributed to all Units for reference and use by every employee.
- The workmen in particular are given a copy of the certified Standing Orders precisely containing their general terms and conditions governing service conditions.
- The Personnel Manual is available in the Intranet site for reference.
- Employees are given incentives for achieving higher levels of output.
- Workmen have the additional facility of over-time payment for working beyond the prescribed working hours.

Performance during the year 2015-16

No form of forced or compulsory labour was resorted to.

Principle 5:

Business should support the effective abolition of child labour.

Commitment

NMDC stands committed not to engage any child labour and do all that it can to abolish it from its surroundings.

Systems

- For appointment in the Company, the minimum age prescribed and scrupulously followed is 18 years.
- Age verification is done with reference to approved documents in accordance with the practices prescribed by the Government of India.
- All employees are paid much above the minimum wages prescribed from time to time.

Free and complete health care is given to all the employees and the members of their families. Free schooling facilities are provided at projects. Scholarships and hostel accommodation allowance, etc, are given for children's higher education.

- Skill development programme has been launched for training and increasing the employability of local qualified youth of adjoining villages of Bailadila projects by providing monetary and other assistance.

Actions

- All contractors are forbidden to engage child labour.



- Government enforcement agencies like Inspectors from Labour Department inspect the sites of construction to check for employment of child labour. Those found guilty are liable for punitive action by the Government.
- Records of the labourers engaged by the contractors are kept at worksites.

Performance during the year 2015-16

- No child labour was employed by NMDC.
- No child labour was allowed to be employed by the contractors working for NMDC.
- NMDC does not promote trade with organisations engaging child labour.

Principle 6:

Business should support the elimination of discrimination in respect of employment and occupation.

Commitment

NMDC, by itself and as a Government Company, stands committed to follow the policy of non-discrimination in all matters - recruitment, employment opportunity, promotion, etc.

Systems

- The Constitution of India, under Article 15, unambiguously prohibits discrimination on grounds of religion, race, caste, sex or place of birth.
- As a Government company, NMDC is bound to follow the Government directives, which are abundantly clear against any discrimination in any matters.
- As a measure of protecting and improving the conditions of the downtrodden, special provisions have been made in terms of the Government directives in respect of candidates belonging to Scheduled Caste, Scheduled Tribe and Backward class, both in recruitment and promotion.
- NMDC Recruitment and Promotion Rules provide for qualifications, skill and experience required for candidates for recruitment and promotion at various levels.
- The grievance procedure in the Company is designed in a very simple and easy to handle way for the employees to get grievances, if any, to be resolved quickly.

- Unions and Associations representing the various levels of employees have easy access to the management to discuss and resolve discriminations, if any, quickly and effectively.

Actions

- The Company periodically assesses and evaluates job contents and job requirements.

Performance during 2015-16

No discrimination was resorted to in respect of employment and occupation.

The Government directives against discrimination was adhered to in all matters.

The special provisions in respect of candidates belonging to Scheduled Castes, Scheduled Tribes and Backward classes made by the Government by way of Directives have been adhered to.

As on 31st March, 2016 the manpower position was:

- Total number of employees 5773
- Scheduled Caste employees 990 (17.15%)
- Scheduled Tribe employees 1221 (21.15%)
- Backward Class employees 985 (17.67%)
- Men : Women ratio 18.7 : 1



Principle 7:

Business should support a pre-cautionary approach to environmental challenges.

Commitment

As a responsible corporate citizen, NMDC Ltd believes in maintaining ecological balance and NMDC is committed to ensure that its environmental systems and practices are aligned with international best practices such as the ISO: 14001-Environmental Management System standard. All major production projects of NMDC i.e Bailadila Deposit-5,10/11A, Bailadila Deposit-14/11C, Donimalai Iron Ore Project and Diamond Mining Project, Majhgawan, Panna have accredited with ISO: 14001. This standard enables NMDC to manage its environmental impacts while adhering to the requirements not only of the standard itself but also to those of national and international norms, legislation, and regulations. It also forms the foundation for continuous improvement in environmental performance.

Sustainable Development Policy

1. We, at NMDC, aim at being responsible miners with commitment to sustainable development in all our locations. We ensure that the sustainable development ethos are considered and integrated in all our decision making processes and business planning.
2. We believe that market competitiveness on a long run can be achieved only by adopting the best practices of health, safety and environmental management, community management, and actively engaging our stakeholders in addition to the economic performance of the organization.
3. We comply in full with the laws and regulations where we operate. We aspire to be a benchmark by adopting international standards in the field of Sustainable Development.
4. NMDC Sustainability Policy is integrated with Environmental Policy, Occupational Health and Safety Policy, Community Development Policy and together they provide the broad framework for driving business in a responsible manner.

System :

In order to ensure pollution-free environment, NMDC has built the following programmes into the day-to-day working of the mines:

- Environmental norms as laid down by the Ministry of Environment and Forests, and the State and the Central Pollution Control Boards are meticulously followed.
- Regular physical monitoring for all environmental parameters, like micro-meteorology, ambient air quality, surface and ground water quality and ground water levels, work zone and ambient noise levels and soil quality through recognised environmental laboratories of MoEFCC/CPCB.
- Detailed Bio diversity conservation studies, carbon foot print, Energy audits, Water audit, etc.
- Environment up gradation works like afforestation at project sites, participating in C.G. Hari Har programme (road side tree plantation), reclamation of waste rock dumps and mined out areas.
- Disaster Management Plans for the tailing dams at the projects.
- Protection measures for explosives' magazines at the projects.

Actions

- A separate department for environment management, headed by a General Manager has been positioned to extensively monitor and effectively implement environment management programmes.
- Separate Cells at production projects have been set up with qualified and experienced Environment Scientists/Engineers.
- Expert organizations in the area have been engaged to measure and report periodically the various parameters.



Pollution Control Measures Covered

- Judicious and scientific planning of direct excavation, waste rock dumping and sitting infrastructure areas.
- Restricting use of forestlands to the barest minimum level.
- Constructing ameliorative measures like buttress walls, digging contour trenches, biological reclamation of waste rock dumps, etc. to minimize land erosion.
- Construction of check dams, Effluent Treatment Plant, Sewage Treatment Plant for treating effluents from service centers, Auto shops, etc to avoid water pollution.
- Constructed Sewage Treatment Plant with SBR technology at Bacheli at a cost of Rs.6.61 Cr for treatment of township domestic waste water.
- Regular water sprinkling and grading of haul roads, scientific and massive afforestation for abating air pollution.
- Create green belts; densify open scrublands, good arboriculture, and follow avenue plantation practices for improving the overall environment as well as aesthetic value.
- Importance of value index of the region is envisaged and also to eradicate effects of visual intrusion by proper land scaping.
- Regular maintenance of Heavy Earth Moving Machineries and OCSL Plant equipments and adopting good housekeeping practices there by reducing noise pollution.
- Monitor all environmental parameters such as PM10, PM2.5, SO₂, NO_x, CO, Fugitive dust emissions in ambient air, water quality as per IS standards in respect of oxidation pond, discharge water from auto shops and service centers, tailing dam discharge water etc., on regular basis following the statutory acts and their amendments of the GOI viz.
- Regular monitoring of ground water levels and quality.
- Preparation and timely submission of six-monthly reports to MOEF, GOI Regional offices and annual environmental audit reports to respective state pollution control boards.
- Creating environment awareness amongst all the employees and their children and the local population through celebration of Mines Environment & Mineral Conservation (MEMC) week under the aegis of Indian Bureau of Mines & World Environment Day celebrations.
- Basic and refresher Training of employees for environmental consciousness by conducting regular classes under mines Vocational Training Rules.
- Undertake of peripheral village community development works like improving roads, constructing school buildings, community halls, distributing books and stationery, extending schooling and medical facilities available in the project townships to the local people including adivasis as well.
- Providing safe drinking water to the township dwellers and extending drinking water supply to population of neighbouring villages.
- Obtaining consents for establishment and operation of mines / plants from the respective state pollution control boards.
- Obtaining environmental clearances for new / expansion projects from central Govt.
- Obtaining forestland clearances for renewal / fresh grant of mining leases.
- Massive afforestation drive through social forestry division of the local forest department.
- Stabilization of all the passive waste rock dumps and mined out areas.

Performance during the year 2015-16

Environmental clearances from MoEF&CC New Delhi

- obtained Environmental clearance from GoI, MOEF&CC, New Delhi for (i) Bailadila Iron Ore Project, Deposit-13 at Kirandul, Chhattisgarh



for production capacity of 10 million tons per annum and (ii) Setting up of 2 MTPA Pellet Plant at Integrated Iron and Steel Plant complex at Nagarnar in Chhattisgarh.

- Expert Appraisal Committee, MoEFCC in its meeting held on 28/1/2016 has also recommended the project "setting up of 4 MTPA Iron Ore Beneficiation Plant at Bacheli along with Slurry Pipeline from Bacheli to Nagarnar" for Environmental Clearance.
- The Environmental Public consultation meetings held successfully for Bailadila Iron Ore Project, Deposit-4 on 7/12/2015 at Dantewada and on 10/3/2016 for proposed Screening Plant-II at Donimalai.
- Obtained Terms of Reference from MOEFCC on 8/1/2016 for preparation of EIA report for

obtaining Environmental clearance for capacity expansion of Bailadila Iron Ore Project, Deposit-14/11C, Kirandul from 12.0 to 20.0 MTPA. The Company is in process for obtaining Environmental clearances for other expansion projects.

Forest clearances from MoEF & CC New Delhi

- Obtained stage-1 forest clearances from MOEFCC for (i) diversion of 33.00 Ha forest land for construction of Iron Ore Beneficiation plant at Bacheli on 2/11/2015 and (ii) 4.01 Ha forest land for Transmission line of Pellet plant at Donimalai on 22/9/2015. The Company is pursuing with State and Central Government for obtaining forest clearances for other proposals.

Principle 8:

Business should undertake initiatives to promote greater environmental responsibility.

Commitment

NMDC stands committed to promoting greater environmental responsibility in mining and processing of minerals in its mines for sustained development.

NMDC's Sustainable Development Policy states, we shall therefore endeavour to:

1. We, at NMDC, aim at being responsible miners with commitment to sustainable development in all our locations. We ensure that the sustainable development ethos are considered and integrated in all our decision making processes and business planning.
2. We believe that market competitiveness on a long run can be achieved only by adopting the best practices of health, safety and environmental management, community management, and actively engaging our stakeholders in addition to the economic performance of the organization.
3. We comply in full with the laws and regulations where we operate. We aspire to be

a benchmark by adopting international standards in the field of Sustainable Development.

4. NMDC Sustainability Policy is integrated with Environmental Policy, Occupational Health and Safety Policy, Community Development Policy and together they provide the broad framework for driving business in a responsible manner.

Systems

- Environmental aspects are carefully considered and appropriately incorporated at the planning stage of a project itself.
- Training programmes are arranged for employees on environmental awareness.

Actions

- NMDC is implementing IMS covering ISO14001: EMS, 9001 and OSHAS 180001 in its major production mines.
- Water used for washing of ore is reclaimed for re-use.



- The electricity generated in the downhill conveyors is fed back into the grid, thereby reducing the draw of electricity from the main grid at its projects in Bailadila and Donimalai.
- Distributed/displayed printed copies of the Environmental Policy of the Company among its employees and local communities.

Performance during the year 2015-16

- As against the permissible limit of 120 microns per cu m of SO₂ and Nox in

ambient air, the values actually encountered at NMDC's mines were less than 30 microns per cu.m and carbon monoxide was observed to be below the detectable limit of the approved instruments.

- About 25% of the annual consumption of different lubricants in NMDC mines was disposed of to agencies duly authorized for recycling as per HWM Rules and its amendments issued by the Ministry of Environment and Forests, Government of India.

Principle 9:

Business should encourage the development and diffusion of environmentally friendly technologies.

Commitment

NMDC stands committed to encouraging the development and diffusion of environment-friendly technologies, NMDC's Environmental Policy states,

- Prevent and control environmental pollution due to mining and associated activities by adopting safe, scientific and environmental friendly methods of mining and mineral processing for applicable legal requirements like forest, environmental and other statutory clearances.
- Maintain the machineries in excellent condition to ensure minimum impact of their operation on environment.

Systems/Actions

- Dust collectors are provided to the drills to control fugitive emissions at source.
- Wet drilling is adopted to mitigate the effect of dust on the work force.
- Main mine haul roads air regularly graded and water mixed with additives is sprinkled to suppress dust.

- Jet sprinklers are provided at all strategic and transverse points to control dust during crushing and transportation of ore at the plant.
- Closed conveyor belt system is provided to control dust generation and spreading during ore transportation.
- Rubber screens and rubber linings are provided at transfer points and along conveyor system to control noise and dust generation.

Performance during the year 2015-16

The environmental monitoring studies indicated that levels of PM₁₀ & PM_{2.5} are well below the permissible levels prescribed by MOEFCC/CPCB.

Sustainable Development Performance

Under S.D. programme, the Company has installed Sewage Treatment Plant with SBR technology at Bachel at a cost of Rs.6.61 Cr for treatment of township domestic waste water. The Company has taken up GHG assessment for the year 2014-15 and disclosed GHG emissions in Carbon disclosure project for first time. The similar studies for the year 2015-16 are also taken up for GHG assessment and disclosure in CDP.



Principle 10:

Business should work against corruption in all its forms, including extortion and bribery.

Commitment

Vigilance Department guides and facilitates impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive measures.

Systems

- The Vigilance Dept. at the Corporate Office is headed by Chief Vigilance Officer and assisted by Vigilance Officers drawn from various branches. At each of the Projects, there are two Vigilance Officers.
- The Chief Vigilance Officer has the equal status of Functional Director of the Company. He/she is appointed by the Government of India on deputation.
- Vigilance Studies are monitored by the Vigilance Officers under the guidance of CVO.
- Surprise, regular checks, CTE type inspections and other major vigilance investigations are carried out based on the strength of complaint / source information.
- All the executives of the Corporation have to submit Annual Property Returns every year as on 1st January.
- Employees are required to furnish the information regarding acquisition/disposal of movable and immovable property. As per CDA Rules of the Company acquisition of movable property exceeding Rs.50,000/- in case of executive and Rs.35,000/- in case of workmen to be intimated to Vigilance Department within 30 days from the date of its acquisition. But in the case of Immovable property irrespective of its value, prior permission to be obtained before the acquisition.
- Foreign travels by employees are monitored.
- The Chief Vigilance Officer has been nominated as the 'Nodal Authority' to receive grievances from CPGRAMS and others.
- A manual for Uniform Recruitment Policy was prepared and submitted to Personnel Department and the same is being considered for approval.
- Continuously following up for putting in place the Contracts Manual and updating existing Materials Management and Personnel Manuals.
- Guidelines for appointment of Consultants/ Advisors suggested to management.

Actions

- Action Plan for the year 2015-16 was finalized wherein various studies were carried out by the Vigilance Officers. The reports received were discussed in detail and improvements in systems / procedures were suggested whenever required.
- Surprise and regular checks were carried out in every quarter during the year. The deficiencies and deviations wherever noticed were brought to the knowledge of the Management for corrective action.
- Pending disciplinary / CTE / CBI cases were reviewed in the quarterly meetings of VOs held at Head Office, and follow-up actions were taken for timely completion of inquiries and awarding penalties.
- Many system improvements such as uniformity in recruitment process, banning of negotiations with L1 party, procurement and awarding of contracts on single tender / nomination basis, implementation of e-payment etc., are taken up as part of preventive vigilance.
- Vigilance Awareness week was observed in the Corporate Office and all units of NMDC. Various competitions, seminars and lecture



programmes were arranged to create awareness of Vigilance amongst the employees during the week.

- No. of Training Programmes were conducted for Employees / Executives Trainees on preventive vigilance.
- The progress on vigilance activities and disciplinary cases were appraised through a Note to Board of Directors for review on half-yearly basis.
- System for lodging of online complaints and submission of Annual Property Returns by all the executives is in place.
- Online system provided for submission of forms for declaration of assets and liabilities under "Lokpal and Lokayuktas Act 2013".
- The Vigilance Department recommends for rotation of staff posted in sensitive posts in order to ensure that no vested interests are developed.
- Engineering Works Manual in place and put on NMDC intranet website.
- Guidelines for Banning of Business were prepared by the Vigilance and approved by the Competent Authority and now in place.

Performance during the year 2015-16

NMDC Vigilance Department guides and facilitates impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive measures. Department had taken several initiatives during the year. Various programmes were conducted for awareness on vigilance matters for the employees of the Corporation. Executives of Vigilance Department were nominated for training / workshops being organized in India.

Vigilance Department in NMDC is certified under ISO 9001:2008 conforming to the Quality Management System. It has been certified as per ISO standards since October 2006 by Integrated Quality Certification Private Limited, Bangalore. For re-certification of Quality Management System (QMS) of Vigilance Department, M/s. Integrated Quality Certification Pvt Ltd conducted an external

audit on 22.1.2016 and the certification is extended up to 14.9.2018.

During the year (Apr, 2015 - March, 2016) 118 surprise checks, 96 regular inspections and 7 CTE type inspections were conducted. During period, 60 grievances were addressed in the CPGRAMS Portal. Complaints received were taken up for investigation and necessary disciplinary action wherever required was recommended.

Apart from these, the thrust area studies were conducted on following core activities.

1. Ore despatches by Rail and Road including penalty and demurrage payments, chemical analysis of ore.
2. Maintenance Contracts of HEMS(MARC & CAP)
3. Standardisation of specifications
4. CSR activities
5. Estate Matters

Guidelines for Banning of Business were prepared by the Vigilance and submitted with recommendations for having the same in the organisation. The same has now been approved by the Competent Authority and being incorporated in all tenders.

In-house quarterly magazine of the Vigilance department "Sphoorthy" is being published periodically.

As part of implementation of "Leveraging of Technology for transparency" in all the transactions, information about limited tender enquiries above Rs.30 lakhs, details of contracts concluded above Rs.10 lakhs, works awarded on nomination basis, single tender basis above Rs.1 lakh, information regarding bill payments to the contractors etc., are provided on the Company's website. Efforts to encourage e-procurement, e-tender, e-auction are being made continuously.

NMDC has adopted implementation of Integrity Pact since November, 2007. The threshold limit of Rs.20 crores in case of civil works and contracts and Rs.10 crores in case of procurement is being



followed. Till date, the Integrity Pact is entered into 75 contracts with a value of Rs.20,131.65 crores. As such, more than 90% of the total value of the contracts is covered under Integrity Pact.

The Vigilance Awareness Week from 26.10.2015 to 31.10.2015 on the theme "**Preventive Vigilance as a tool of Good Governance**" commence with the administration of **pledge to all the employees**.

A two day workshop on "**Vigilance aspect in procurement**" for the officers in the rank of E1-E4 from the projects, Units & Head office was organised wherein 53 executives from all units participated. In this workshop, talks by senior officers from Materials/ Finance Departments of NMDC, Shri A.R.Srinivasa, Former Advisor, CTE,CVC, Shri Sandeep Baldava, Partner, Ernst & Young were organized. Banners and Slogans related to Vigilance Awareness were displayed at various places in the office premises.

As directed by the CVC, Elocution/Debate/Panel discussion was organised in no of schools/Colleges for the students.

The Valedictory function of the Vigilance Awareness Week was attended by the CMD, Functional

Directors and the Chief guest Shri K.R.Nandan, Vigilance Commissioner, Govt of Telengana. In his address to award winners from schools and colleges, CMD emphasized that every student should develop moral values right from childhood and develop Vigilant nature against corrupt practices prevailing in the society. He also said that every employee of the Corporation should be a vigilance officer and create awareness on a continuous basis. Shri K.R.Nandan in his address emphasized the need for preventive and proactive vigilance.

Prizes were distributed by the Chief Guest to the winners of NMDC employees in the competitions held during the Week.

Units of NMDC at - Kirandul, Bachel, Donimalai, Panna, NISP, Nagarnar, Sponge Iron Unit and Regional Offices at New Delhi, Bangalore, Kolkata, Vizag etc., too observed the Vigilance Awareness Week.

CVC's Annual Sectoral Review Meeting with CVOs of Steel and Mines Sector was held on 26.11.2015 at NMDC, Hyderabad. The entire commission was present in the meeting.



ANNEXURE-VIII
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES /
ASSOCIATE COMPANIES / JOINT VENTURES (FORM AOC-1)

Part "A": Subsidiaries

Sl.No	Particulars	Details									(Amount in Rs.)
		1	2	3	4	5	6	7	8	9	
1	Name of the subsidiary	J&K Mineral Development Corporation Limited, Jammu	NMDC CMDC Limited, Raipur	NMDC SARL,* Madagascar	NMDC Power Limited, Hyderabad	Jharkhand National Mineral Development Corporation Ltd., Ranchi	Legacy Iron Ore Limited, Perth, Australia	Karnataka Vijaynagar Steel Limited, Karnataka	NMDC Steel Limited, Chhattisgarh	Jharkhand Kolhan Steel Limited, Hyderabad	
2	Date since when subsidiary was acquired	19.05.1989	19.06.2008	27.07.1999	12.12.2011	06.08.2012	20.04.2007	29.12.2014	02.01.2015	24.09.2015	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April-March	April-March	Jul-June	April-March	April-March	April-March	April-March	Jan-15-March-16 (15 Months)	Sep-15-March-16 (7 months)	
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Rupees	Rupees	MGA	Rupees	Rupees	AUD@51.24	Rupees	Rupees	Rupees	
5	Share Capital	297,400,300	702,590,000	1,000,000	5,500,000	100,000	3,179,249,491	100,000	100,000	100,000	
6	Reserves & Surplus	(156,851,339)	(17,563,647)		(38,142,803)	(386,038)	(2,393,511,914)	(155,530)	(131,210)	(54,963)	
7	Total Assets	352,490,313	719,127,635	764,072,266	8,693,886	18,268	797,000,436	6,372,077,700	99,400	100,000	
8	Total Liabilities	211,941,352	34,101,282	763,072,266	41,336,689	304,306	11,262,859	6,372,133,230	130,610	54,963	
9	Investments										
10	Turnover										
11	Profit before taxation	(16,491,598)	(10,524,029)		(1,026,490)	(31,968)	(68,532,011)	(25,038)	(131,210)	(54,963)	
12	Provision for taxation										
13	Profit after taxation	(16,491,598)	(10,524,029)		(1,026,490)	(31,968)	(68,532,011)	(25,038)	(131,210)	(54,963)	
14	Proposed Dividend										
15	Extent of Shareholding (in %)	95.86%	51%	100%	100%	60%	78.56%	100%	100%	100%	

* Amount is taken as MGA

- Names of subsidiaries which are yet to commence operations - All the subsidiary companies are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year - NIL



ANNEXURE-VIII

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES (FORM AOC-1) (Contd...)

Part "B": Associates and Joint Ventures
Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amount in Rs.)

Name of Associates/Joint Ventures	Associates				Joint Venture
	International Coal Ventures Pvt Ltd.	Neelachal Ispat Nigam Limited	* Krishnapatnam Railway Company Limited	Romelt-Sail (India) Limited	
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016		31.03.2016
2. Date on which the Associate or Joint Venture was associated or acquired	14.01.2009	08.12.2004	13.10.2006	02.09.1999	01.09.2010
3. Shares of Associate/ Joint Ventures held by the company on the year end					
No.	281,357,143	74,799,878	40,000,000	105,000	50
Amount of Investment in Associates / Joint Venture	2,813,571,430	1,005,997,560	400,000,000	1,050,000	324
Extent of Holding %	26.49%	12.87%	14.82%	25%	50%
4. Description of how there is significant influence	By Shareholding	By Shareholding	By Shareholding	By Shareholding	By Shareholding
5. Reason why the associate / joint venture is not consolidated					
6. Networth attributable to share holding as per latest audited Balance sheet (Rs. In Crore)	237.68	26.15	35.45	-	-
7. Profit /Loss for the year					
i. Considered in Consolidation					
ii. Not Considered in Consolidation					

1. Names of associates or joint ventures which are yet to commence operations.

* **International Coal Ventures Pvt Ltd.** - Post acquisition of Benga Mines ICVL has been deemed to have commenced business.

* **Neelachal Ispat Nigam Ltd.** - Commenced operations.

* **Krishnapatnam Railway Co. Ltd.** - Out of total length of 113KM of New BG Rail Line Project from Obularipalle to Krishnapatnam, a portion of 21KM from Vankatachalam to Krishnapatnam is already operational. However, the balance portion of the project is under construction, which is expected to start commercial operations in October, 2017.

* **Romelt-SAIL (India) Ltd.** - Under closure.

* **Kopano-NMDC Minerals (Pty) Ltd.** - yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year- NIL
*3. Accounts of 2015-16 was considered for consolidation of accounts based on un-audited results.

**Annexure - IX****Annual Report on CSR Activities
in Board's Report****1. A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

NMDC has been undertaking various CSR activities since its inception, which is reflection of the Company's commitment towards its stakeholders and the society well being. NMDC strives for excellence in promoting sustainable development and improvement in quality of life of its surrounding communities through CSR, based on ethical, transparent and sound governance practices.

While pursuing its business vision which includes expansion of ongoing activities in India & abroad and to diversify into new areas of mineral exploration and steel making, NMDC makes efforts to add value and augment quality of life of the people living primarily in and around NMDC's projects. NMDC is committed to uplift the under privileged living in the areas in and around its establishments predominantly inhabited by Scheduled Castes and Scheduled Tribes population and other deprived sections of the society.

NMDC has a well defined Board approved CSR policy, which provides the necessary guidelines for conceiving and implementing its various CSR initiatives aiming at over all well being of the people of these under developed areas. All the CSR initiatives in NMDC are undertaken in conformity to the Schedule-VII of the Companies Act, 2013 and necessarily uploaded on the Company's website. The focus areas of Company's CSR initiatives includes education, infrastructure development, Swachh Bharat Mission, health care, sanitation and hygiene, drinking water, environment, skill development, promotion of sports and culture.

The web link is - <http://www.nmdc.co.in/CSR/Default.aspx>

Major CSR activities taken up by NMDC in FY 2015-16**A) Education**

- Operation of Residential School at Nagarnar, Bastar District, Chhattisgarh,
- Industrial Training Institute (ITI) at Nagarnar, Bastar District, Chhattisgarh,
- Support to nutrition & wholesome Mid-day Meal Scheme around Donimalai mines, Karnataka,
- Scholarship Scheme, Bastar Region, (Chhattisgarh) & Donimalai (Karnataka), covering 18,000 students.
- Education Hub at Jawanga Geedam in Dantewada District,
- Polytechnic College at Dantewada,
- Astha Gurukul - Residential School for SC, ST, Orphans etc.,
- Saksham - Residential School for children with special needs,

**B) Health Care, Water & Sanitation**

Free Treatment at Project Hospitals, Hospital on Wheels (state of art mobile medical vans), Medical camps, Visits of Project Hospital Doctors and Para medical staff to the Villages.

Financial support to State Authorities for the construction of Govt. Medical Collage, Jagdalpur, Chhattisgarh.

Swachh Bharat Mission**i. Swachh Vidyalaya Abhiyaan - Construction of Toilet Blocks**

NMDC has constructed toilet blocks in the identified schools of Bastar division (Dantewada, Sukma, Bijapur, Bastar, Kondagaon & Narayanpur districts) of Chhattisgarh and Panna District of Madhya Pradesh.

ii. Cleanliness Campaign

NMDC has committed itself for conduct of a comprehensive cleanliness campaign involving:

- a) 16 Villages in the surrounding areas of Bailadila Projects in Dantewada District, Chhattisgarh.
- b) Projects / Plants of NMDC
- c) Townships of NMDC Projects.

C) Infrastructure Development

NMDC is supporting State Authorities for developing various infrastructure works. Major infrastructure works taken up during 2015-16 as follows:

- I. Gaurav Path in Dantewada along with a bridge on Dankini river
- II. Jagdalpur bypass road of 19.4KM length
- III. Railway over bridge in Dantewada

D) Integrated Rural Development

Implementation in 18 Villages in surrounding areas of Bailadila Projects, South Bastar District, with the coverage of 8 villages in 2009-10. Present Coverage - 18 villages with the canvas covering Education, Agriculture, Healthcare and awareness, Income generation through acquisition of income-earning skills, SHGs, Lift irrigation and modern tools & techniques of cultivation. The total number of Beneficiaries is about 20000 people and most of them are Tribal.

CSR awards:

NMDC has bagged various awards in the area of CSR

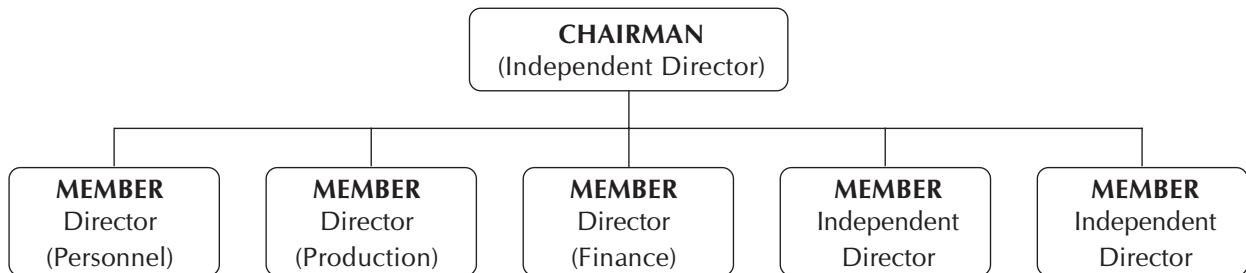
- 1) Global CSR Excellence & Leadership Award under Best Corporate Social Responsibility Practices Category. (Award Conferred by World CSR Congress).



- 2) Annual Greentech CSR Award 2015 - Platinum Category in Metal & Mining Sector for Balika Siksha Yojna (Award Conferred by Greentech Foundation).
- 3) Annual Greentech CSR Award 2015 - Gold Category in Metal & Mining Sector for Mid-Day Meal Scheme (Award Conferred by Greentech Foundation).

2. The composition of CSR & Sustainability Committee:

In compliance with the provisions of Section 135 (1) of Companies Act, 2013, NMDC has Constituted a Board Level Sub Committee on CSR & sustainability. Composition of CSR & Sustainability Committee as follows:



3. Average Net Profit of the Company for last three financial years

Rs.9,664.05 Cr

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

Rs.193.28 Cr.

5. Details of CSR Spent during the financial year

- a. Total amount to be spent for the financial year - Rs.193.28 Cr
- b. Amount unspent - Not Applicable
- c. Manner in which the amount spent during the financial year: Enclosed at Annexure.

6. In case company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide reason for not spending the amount in its Board report.

NMDC has spent Rs.210.09 Cr. during the year 2015-16 which is 2.17% of average net profit against 2% specified in the Companies Act, 2013.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and policy of the Company.

Sd/-
Sandeep Tula
Director (Personnel)

Sd/-
Pradip Bhargava
Independent Director & Chairman
CSR & Sustainability Committee



Statement of Details of CSR Budget & Expenditure during F.Y. 2015-16

		(Rs. in Lakhs)					
S.No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State & Dist where Projects or Programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure upto the Reporting Period	Amount spent: Direct or through implementing agency
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation and making available safe drinking water;	Eradicating hunger, poverty & malnutrition, promoting health care, Sanitation, making available safe drinking water	Local Area Chhattisgarh, Karnataka, Madhya Pradesh, Telangana Other Area Maharashtra Andhra Pradesh	6152.44	7703.53	7703.53	Directly, Through implementing Agencies & State Govt.
2	Promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled and livelihood enhancement projects	promoting education including special education promoting employment enhancing vocation skills	Local Area Chhattisgarh, Karnataka, Madhya Pradesh, Telangana	10302.57	5244.35	5244.35	Directly, Through implementing Agencies & State Govt.
3	Promoting gender equality, empowering women and reducing inequalities faced by socially and economically backward groups	promoting gender equality, empowering women, setting up homes & hostels for women orphans; setting up old & age homes measures for reducing inequalities faced by socially and economically backward groups	Local Area Chhattisgarh, Karnataka, Telangana	127.08	137.74	137.74	Directly, Through implementing Agencies & State Govt.



Statement of Details of CSR Budget & Expenditure during F.Y. 2015-16 (Contd...)

(Rs. in Lakhs)							
S.No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State & Dist where Projects or Programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure upto the Reporting Period	Amount spent: Direct or through implementing agency
4	Ensuring environmental sustainability, protection of flora & fauna and animal welfare;	Ensuring environmental sustainability, ecological balance, protection of flora & fauna & agroforestry Animal welfare conservation of natural resources	Local Area Chhattisgarh Karnataka Other Area Andhra Pradesh	1625.67	103.38	103.38	Directly & State Govt.
5	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Protection of national heritage, art & culture including restoration of buildings & sites of historical importance and works of art setting up public libraries promotion & development of traditional arts & handicrafts	Local Area Chhattisgarh, Karnataka	744.61	201.25	201.25	State Govt.
6	Measures for the benefit of armed forces veterans, war widows and their dependents	Measures for the benefit of armed forces veterans, war widows & their dependents	Local Area Karnataka	10	0	0	



Statement of Details of CSR Budget & Expenditure during F.Y. 2015-16 (Contd...)

(Rs. in Lakhs)							
S.No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State & Dist where Projects or Programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure upto the Reporting Period	Amount spent: Direct or through implementing agency
7	Training to promote rural sports, nationally recognized sports	Training to promote rural sports, nationally recognized sports, paralympic sports & olympic sports	Local Area Chhattisgarh Madhya Pradesh	993.87	414.24	414.24	Directly, Through implementing agencies & State Govt.
8	Rural Development Projects	Infrastructure Development, Integrated Village Development	Local Area Chhattisgarh Karnataka Madhya Pradesh	8596.69	7204.55	7204.55	Directly, Through implementing agencies & State Govt.
9	Budget Provision - remained unallocated/unutilized against specific works			1266.99	0	0	
	GRAND TOTAL			29819.92	21009.04	21009.04	

The CSR Programmes are carried out primarily in the following districts of States as mentioned below:

Chhattisgarh - Bastar, Dantewada, Sukma, Kondagaon, Narayanpur, Bijapur, Kanker
Karnataka- Bellary
Madhya Pradesh - Panna"

For further details on CSR activities taken up in the year 2015-16 please visit: <http://www.nmdc.co.in/CSR/Default.aspx>
For any queries please contact The Company Secretary, NMDC Limited



Ten Years Performance

(Rs. in Crore)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Operating Statistics:										
Production @										
1 Iron Ore (WMT) (in lakh tonnes)	285.74	304.41	300.25	271.84	272.60	251.55	238.03	285.15	298.16	262.25
2 Diamonds (Carats)	35,558.31	35,085.46	37,081.70	31,533.39	18,043.44	10,865.93	16,529.21	-	-	1,703.00
3 Sponge Iron (in tonnes)	6,614.26	28,993.96	29,734.36		36,289.00	37,259.54	38,962.00			
Sales										
1 Iron Ore (WMT) (in lakh tonnes)	288.39	305.16	305.00	262.74	273.01	263.15	240.85	264.72	281.84	255.89
2 Diamonds (Carats)	36,682.93	38,788.58	43,487.63	17,863.00	8,085.00	18,421.22	7,335.34	-	2,631.51	4,588.00
3 Sponge Iron (in tonnes)	8,364.52	25,191.38	30,572.34	37,600.00	33,732.00	39,775.00				
Financial Statistics:										
Income										
1 Sales Iron Ore	6,327.93	12,197.69	11,899.52	10,558.71	11,167.56	11,285.33	6,222.60	7,559.11	5,705.32	4,170.92
2 Sales: other products and services	127.87	158.72	158.68	145.56	94.33	83.61	16.49	4.92	5.99	14.92
3 Net Revenue from Operations	6,455.80	12,356.41	12,058.20	10,704.27	11,261.89	11,368.94	6,239.09	7,564.03	5,711.31	4,185.84
4 Other Income	1,774.39	2,265.40	2,094.52	2,238.87	2,016.49	1,205.70	861.71	884.04	670.53	354.69
PROFIT										
1 EBDITA	4,778.46	9,930.07	9,865.98	9,616.84	10,891.12	9,848.69	5,280.48	6,721.79	5,007.47	3,578.33
2 Depreciation	207.75	162.23	104.93	138.52	130.17	121.52	73.16	73.56	60.00	80.02
3 Interest	65.44	-	1.85	13.20	1.48					-
4 PBT	4,505.27	9,767.84	9,759.20	9,465.12	10,759.47	9,727.17	5,207.32	6,648.23	4,947.47	3,498.31
5 Taxes	1,476.94	3,345.98	3,339.12	3,122.75	3,494.08	3,227.95	1,760.06	2,275.85	1,696.49	1,178.10
6 PAT	3,028.33	6,421.86	6,420.08	6,342.37	7,265.39	6,499.22	3,447.26	4,372.38	3,250.98	2,320.21
7 Dividend	4,361.19	3,389.83	3,370.01	2,775.30	1,784.12	1,308.35	693.82	876.20	651.53	465.19
FINANCIAL POSITION										
1 Equity (^)	396.47	396.47	396.47	396.47	396.47	396.47	396.47	396.47	132.16	132.16
2 Reserves & Surplus	29,714.57	31,935.27	29,591.83	27,114.49	24,009.89	18,818.05	13,875.96	11,240.44	8,157.49	5,668.77
3 Gross Fixed Assets	3,730.39	2,944.65	2,769.91	2,581.95	2,388.12	2,272.82	1,771.14	1,669.17	1,421.40	1,304.15
4 Net Fixed Assets	1,906.97	1,333.69	1,362.28	1,264.66	1,188.80	1,099.26	787.15	746.63	568.06	504.90
5 Other Assets (intangible)	5.06	5.37	5.37	6.24	10.07	14.45	16.78	22.20	24.55	26.80
6 Capital Work-in-Progress	9,722.88	7,710.03	5,276.89	3,236.09	1,494.16	677.17	561.29	248.31	111.83	112.97
7 Current Assets	19,276.08	23,889.76	23,861.19	25,592.18	23,195.21	19,171.56	14,263.61	11,771.02	8,282.70	5,525.84
8 Current Liabilities	3,040.87	1,989.00	1,340.82	3,235.68	2,105.13	1,780.72	1,347.66	1,164.75	774.76	417.36
9 Deferred Tax Asset	(122.22)	(98.40)	(107.25)	(104.49)	(100.09)	(102.88)	(84.88)	(58.04)	(6.01)	(26.60)
10 Net Worth	30,105.98	32,326.37	29,982.93	27,504.72	24,396.29	19,200.07	14,255.65	11,614.71	8,265.10	5,774.13
11 Book value per share (Rs.) (^)	75.93	81.54	75.62	69.37	61.53	48.43	35.96	29.30	625.40	436.91
12 Earning per share (Rs.) (^)	7.64	16.20	16.19	16.00	18.33	16.39	8.69	11.03	245.99	175.56
13 Valued added per emp Rs.In lakhs	86.89	182.23	178.54	159.04	167.10	159.05	93.58	122.75	94.72	67.12

(^) During 2008-09, Equity share sub-divided from Rs.10/- per share to Rs.1/- per share and Bonus shares issued in the ratio of 1:2



TEJ RAJ & PAL

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Independent Auditor's Report

To
The Members
NMDC Limited
Hyderabad

Report on the Financial Statements

We have audited the accompanying standalone financial statements of NMDC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's



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judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as amended

issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**ANNEXURE A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order.

2. As required by section 143 (5) of the act, we give in "**ANNEXURE - B**", a statement on the matters specified by the Comptroller and Auditor General of India for the Company.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the



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directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "ANNEXURE - C".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There are no pending litigations for the Company that will impact

the financial position of the Company;

- ii. There are no foreseeable losses on long-term contracts including derivative contracts;
- iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA B Vijay
Partner
Mem No 214678

Place : Hyderabad
Date : 27-05-2016



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“Annexure A” to the Independent Auditor’s Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are physically verified by the management over a period of three years. In our opinion the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of fixed assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company as to whether the title deeds of immovable properties are held in the name of the company, our observations are listed below:
 - A. Below are Leasehold Lands (General / Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification:
 1. Land for Bailadila Estate at Jagdalpur measuring 10 (Acres) valuing Rs.7,333/-;
 2. Land acquisition for Screening Plant measuring 470 (Acres) valuing Rs.3,16,416/-;
 3. Land acquisition for intake arrangement measuring 14.13 (Acres) valuing Rs.23,769/-;
 4. Land for Sankini Nalla W/supply scheme for 10 & 11A proj. measuring 2 (Hectares) valuing Rs.10,97,400/-;
 5. Land for Sankini Nalla W/supply scheme for 10 & 11A proj. measuring 3 (Hectares) valuing Rs.18,04,200/-;
 6. Land Lease Hold of Dep No. 10 for Iron Ore measuring 308.13 (Hectares) valuing Re.1/-;
 7. Land Lease Hold of Pocket No. 1, 2 and 3 Near Bhansi measuring 189.956 (Hectares) valuing Re.1/-;
 8. Land Lease Hold of Bacheli Float Ore Area measuring 99.956 (Hectares) valuing Re.1/-;
 9. Land Lease Hold Dep No. 11C Mines & Fine Ore Dump measuring 122.619 (Hectares) valuing Rs.1,53,44,299/-;
 10. Land for operation township at Hill top Location: Hilltop (Measurement is Under reconciliation) valuing Rs.10,564/-;



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11. Building (Social Amenities) with Gross Block - Rs.75,73,23,199/- and Net Block Rs.63,18,65,570/-;
 12. Land Lease Hold (for Town Ship) Type II Qtr in Kirandul measuring 20.81 (Hectares) valuing Rs.1,00,590/-;
 13. Buildings (General) with Gross Block - Rs.24,43,22,980/- and Net Block Rs.17,07,51,184/-
- B. Below are Leasehold Lands (General) for which the company holds possession letter issued by Joint Secretary, Mining resources Department Raipur:
1. Land Lease Hold Dep No. 14 Mines measuring 407.55 (Hectares) valuing Rs.6,99,87,154/-
 2. Land Lease Hold Dep No. 14 Non Mining measuring 546.882 (Hectares) valuing Rs.10,66,22,023/-
 3. Land Lease Hold of Dep No. 11 For Iron Ore measuring 1,809.23 (Hectares) valuing Re.1/-
- C. Below are Leasehold Lands (General) for which the Company holds possession Letter Issued by Mining Officer District, South Bastar, Dantewada:
1. Mining Lease of DEP No. 05 measuring 1334.463 (Acres) and valuing Rs.68,30,81,258/-
 2. Mining Lease of DEP No. 10 measuring 764.379 (Acres) and valuing Rs.34,76,68,456/-
 3. Mining Lease of DEP No 10 (FO) measuring 352.858 (Acres) and valuing Rs.14,92,37,757/-
 4. Mining Lease of DEP No 11A measuring 764.379 (Acres) and valuing Rs.2,71,92,866/-
- D. Below are Leasehold Lands (General) for which the Company holds possession Letter Issued by Chief Secretary, Mining resources Dept. M.P:
1. Land Lease Hold of Dep No. 14 for Float Ore measuring 317.79 (Hectares) valuing Rs.18,770/-
- E. Portion of total land at Research & Development Center measuring 9.12 acres which had expired during Feb 07 (6.66 acres) and the balance in Feb 10 (2.46 acres).
- F. Below are Freehold Lands (General / Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification:
1. Private land from Adivasi for Pipe line from Nerli Dam to Screening Plant measuring 1.54 (Acres) valuing Rs.7,375/-



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2. Land for Bhansi camp Location: Bhansi valuing Rs.7,840/-
3. Land acquired for Const. of Intake water supply to Screening Plant Location: Bacheli measuring 14 (Acres) valuing Rs.18,987/-
4. Value of PVT Land for Oxidation Pond Location: Bacheli measuring 17.77 (Acres) valuing Rs.13,294/-
5. 4 Acres land for Rly Siding at Bacheli Location: Bacheli measuring 4 (Acres) valuing Rs.5,502/-
6. Land acquired from Adivasi for Tailing Dam near Parapur measuring 81.39 (Acres) valuing Rs.2,11,395/-
7. Acquisition of Land for Tailing Dam and diff of Amt. paid vide JV NO/1246 1/88. (Measurement under Reconciliation) valuing Rs.30,635/-
8. Forest land for uniflow rly. Dispatch system measuring 2 (Hectares) valuing Rs.12,40,000/-
9. Buildings (General) with Gross Block - Rs.39,41,46,810.00 & Net Block - Rs.26,86,59,423/-
10. Land Areas in Bacheli Pargana measuring 14.40 (Acres) valuing Rs.49,53,000/-
11. Land Area in Bacheli Pargana (Kameli Kala) measuring 2.1 (Acres) valuing Rs.5,57,000/-
12. Land Area in Bacheli Pargana (Poro Kameli) measuring 3.27 (Acres) valuing Rs.13,41,000/-
13. Land Areas in Kodendar Pargana measuring 21.32 (Acres) valuing Rs.1,46,85,000/-
14. Land Area in Bada Bacheli measuring 1.46 (Acres) valuing Rs.3,84,000/-
15. Land Areas in Bada Bacheli Pargana measuring 6.33 (Acres) valuing Rs.23,10,000/-
16. Land Areas in Padapur Pargana measuring 9.28 (Acres) valuing Rs.24,43,000/-
17. Land - Area in Kodendar Pargana measuring 3.48 (Acres) valuing Rs.9,16,000/-
18. Land - Area in Jagdalpur measuring 5.823 (Hectares) valuing Rs.10,57,78,000/-
19. Land for Accumulation of Slimes measuring 39.58 (Acres) valuing Rs.70,95,02,000/-
20. Land at Madadi VIL measuring 15.79 (Acres) valuing Rs.44,67,22,000/-
21. Land Freehold in Kirandul Pargana measuring 47.18 (Acres) valuing Rs.22,569/-
22. Land Freehold (Construction of 100 Permanent Type-C Qtrs) measuring 75.9 (Acres) valuing Rs.46,200/-



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23. Land Free Hold for Construction of K.V. School Near Praleosh Vidyalaya measuring 21.62 (Acres) valuing Rs.22,39,610/-
 24. Buildings (Social Amenities) with Gross Block - Rs.62,18,21,873/- and Net Block - Rs.48,86,76,147/-
 25. Land Area in Bada Bacheli Pargana measuring 0.32 (Acres) valuing Rs.1,58,000/-
- (2) (a) The management has conducted the physical verification of inventory at reasonable Intervals.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
 - (3) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of clause (3) (iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.
 - (4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
 - (5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
 - (6) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act. Company is generally maintaining proper cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
 - (7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income - Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 - (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute, except the following:



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Name of the Statute/Authority	Nature of dues	Period to which it relates	Forum	Amount (Rs. in Crores)
Nagar Palika, Kirandul	Export Tax	1995-96	High Court, Chhattisgarh	11.01
Nagar Palika, Kirandul	Conservancy Tax	1997-98 to 2005-06, 2014-15 2015-16	High Court, Chhattisgarh	0.63
MP Commercial Tax Act, 1994	Commercial Tax	2002-03 2005-06 2008-09	Dy.Commissioner of Commercial Tax (Appeal), Sagar	1.60
Nagarpalika, Bade Bacheli	Export Tax	May 2001 to July 2002 and March 2010 to March 2016	High Court of Chhattisgarh	0.67
DFO, Dantewada and State of Chhattisgarh	Forest Permit Fee	Jun'2002 to Oct'2012	High Court, Chhattisgarh	143.80
GHMC, Hyderabad	Property Tax	2011-12	GHMC, Hyderabad	0.10
Karnataka Forest Tax Act, 1963	Forest Development Tax	2008-09 to 2010-11	High Court of Karnataka, Bangalore	243.68
Karnataka Sales Tax Act, 1957	Tax on REP Licenses	1991-92 to 1992-93	Deputy Commissioner of Commercial Taxes, Bellary	0.80
Karnataka Motor Vehicle Taxation Act 1957	Road Tax on Dumpers	2003-04	Regional Transport Officer, Hospet	0.96
MMDR Act	Royalty	Sept-1977 to Aug-2005	Madhya Pradesh State Govt.	0.89
Service Tax Act	Service Tax	2007-08 to 2011-12	Commissioner of Customs, Central Excise & Service Tax, Hyderabad	1.12
Commercial Tax Department, Government of Chhattisgarh	Entry Tax	2008-09	Commissioner (Appeals) Commercial Tax Department, Government of Chhattisgarh	0.01
Sales Tax Authority	Sales Tax	2006-7, 2012-13 2013-14	Sales Tax Authority	0.52
Nagarpalika Parishad, Bade Bacheli	Property Tax	2016	Nagar Palika Bacheli	56.07

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- (8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA B Vijay
Partner

Mem No 214678

Place : Hyderabad
Date : 27-05-2016

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“Annexure B” to the Independent Auditor’s Report of Even Date on the Financial Statements of NMDC Limited

Report on the Directions of the Comptroller and Auditor General of India required under sub section 5 of Section 143 of the Companies Act, 2013 ("the Act")

S.No.	Point	Reply
1.	Whether the Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Company as to whether the title deeds of immovable properties are held in the name of the Company, our observations are listed below:</p> <p>A. Below are Leasehold Lands (General / Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification:</p> <ol style="list-style-type: none"> 1. Land for Bailadila Estate at Jagdalpur measuring 10 (Acres) valuing Rs.7,333/-; 2. Land acquisition for Screening Plant measuring 470 (Acres) valuing Rs.3,16,416/-; 3. Land acquisition for intake arrangement measuring 14.13 (Acres) valuing Rs.23,769/-; 4. Land for Sankini Nalla W/supply scheme for 10 & 11A proj. measuring 2 (Hectares) valuing Rs.10,97,400/-; 5. Land for Sankini Nalla W/supply scheme for 10 & 11A proj. measuring 3 (Hectares) valuing Rs.18,04,200/-; 6. Land Lease Hold of Dep No. 10 for Iron Ore measuring 308.13 (Hectares) valuing Rs.1/-; 7. Land Lease Hold of Pocket No. 1, 2, and 3 Near Bhansi measuring 189.956 (Hectares) valuing Rs.1/-; 8. Land Lease Hold of Bachel Float Ore Area measuring 99.956 (Hectares) valuing Rs.1/-; 9. Land Lease Hold Dep No. 11C Mines & Fine Ore Dump measuring 122.619 (Hectares) valuing Rs.1,53,44,299/-;



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S.No.	Point	Reply
		<p>10. Land for operation township at Hill top Location: Hilltop (Measurement is Under reconciliation) valuing Rs.10,564/-;</p> <p>11. Building (Social Amenities) with Gross Block - Rs.75,73,23,199/- and Net Block Rs.63,18,65,570/-;</p> <p>12. Land Lease Hold (for Town Ship) Type II Qtr in Kirandul measuring 20.81 (Hectares) valuing Rs.1,00,590/-;</p> <p>13. Buildings (General) with Gross Block - Rs.24,43,22,980/- and Net Block Rs.17,07,51,184/-</p> <p>B. Below are Leasehold Lands (General) for which the Company holds possession letter issued by Joint Secretary, Mining resources Department Raipur:</p> <p>1. Land Lease Hold Dep No. 14 Mines measuring 407.55 (Hectares) valuing Rs.6,99,87,154/-</p> <p>2. Land Lease Hold Dep No. 14 Non Mining measuring 546.882 (Hectares) valuing Rs.10,66,22,023/-</p> <p>3. Land Lease Hold of Dep No. 11 For Iron Ore measuring 1,809.23 (Hectares) valuing Rs.1/-</p> <p>C. Below are Leasehold Lands (General) for which the Company holds possession Letter Issued by Mining Officer District, South Bastar, Dantewada:</p> <p>1. Mining Lease of DEP No. 05 measuring 1334.463 (Acres) and valuing Rs.68,30,81,258/-</p> <p>2. Mining Lease of DEP No. 10 measuring 764.379 (Acres) and valuing Rs.34,76,68,456/-</p> <p>3. Mining Lease of DEP No 10 (FO) measuring 352.858 (Acres) and valuing Rs.14,92,37,757/-</p> <p>4. Mining Lease of DEP No 11A measuring 764.379 (Acres) and valuing Rs.2,71,92,866/-</p> <p>D. Below are Leasehold Lands (General) for which the Company holds possession Letter Issued by Chief Secretary, Mining resources Dept. M.P:</p> <p>1. Land Lease Hold of Dep No. 14 for Float Ore measuring 317.79 (Hectares) valuing Rs.18,770/-</p>

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S.No.	Point	Reply
		<p>E. Portion of total land at Research & Development Center measuring 9.12 acres which had expired during Feb 07 (6.66 acres) and the balance in Feb 10 (2.46 acres).</p> <p>F. Below are Freehold Lands (General / Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification:</p> <ol style="list-style-type: none"> 1. Private land from Adivasi for Pipe line from Nerli Dam to Screening Plant measuring 1.54 (Acres) valuing Rs.7,375/- 2. Land for Bhansi camp Location: Bhansi valuing Rs.7,840/- 3. Land acquired for Const. of Intake water supply to Screening Plant Location: Bacheli measuring 14 (Acres) valuing Rs.18,987/- 4. Value of PVT Land for Oxidation Pond Location: Bacheli measuring 17.77 (Acres) valuing Rs.13,294/- 5. 4 Acres land for Rly Siding at Bacheli Location: Bacheli measuring 4 (Acres) valuing Rs.5,502/- 6. Land acquired from Adivasi for Tailing Dam near Parapur measuring 81.39 (Acres) valuing Rs.2,11,395/- 7. Acquisition of Land for Tailing Dam and diff of Amt. paid vide JV NO/1246 1/88. (Measurement under Reconciliation) valuing Rs.30,635/- 8. Forest land for uniflow rly. Dispatch system measuring 2 (Hectares) valuing Rs.12,40,000/- 9. Buildings (General) with Gross Block - Rs.39,41,46,810.00 & Net Block - Rs.26,86,59,423/- 10. Land Areas in Bacheli Pargana measuring 14.40 (Acres) valuing Rs.49,53,000/- 11. Land Area in Bacheli Pargana (Kameli Kala) measuring 2.1 (Acres) valuing Rs.5,57,000/- 12. Land Area in Bacheli Pargana (Poro Kameli) measuring 3.27 (Acres) valuing Rs.13,41,000/-

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TEJ RAJ & PAL

Chartered Accountants

S.No.	Point	Reply
		<p>13. Land Areas in Kodendar Pargana measuring 21.32 (Acres) valuing Rs.1,46,85,000/-</p> <p>14. Land Area in Bada Bacheli measuring 1.46 (Acres) valuing Rs.3,84,000/-</p> <p>15. Land Areas in Bada Bacheli Pargana measuring 6.33 (Acres) valuing Rs.23,10,000/-</p> <p>16. Land Areas in Padapur Pargana measuring 9.28 (Acres) valuing Rs.24,43,000/-</p> <p>17. Land - Area in Kodendar Pargana measuring 3.48 (Acres) valuing Rs.9,16,000/-</p> <p>18. Land - Area in Jagdalpur measuring 5.823 (Hectares) valuing Rs.10,57,78,000/-</p> <p>19. Land for Accumulation of Slimes measuring 39.58 (Acres) valuing Rs.70,95,02,000/-</p> <p>20. Land at Madadi VIL measuring 15.79 (Acres) valuing Rs.44,67,22,000/-</p> <p>21. Land Freehold in Kirandul Pargana measuring 47.18 (Acres) valuing Rs.22,569/-</p> <p>22. Land Freehold (Construction of 100 Permanent Type-C Qtrs) measuring 75.9 (Acres) valuing Rs.46,200/-</p> <p>23. Land Free Hold for Construction of K.V. School Near Praleosh Vidyalaya measuring 21.62 (Acres) valuing Rs.22,39,610/-</p> <p>24. Buildings (Social Amenities) with Gross Block - Rs.62,18,21,873/- and Net Block - Rs.48,86,76,147/-</p> <p>25. Land Area in Bada Bacheli Pargana measuring 0.32 (Acres) valuing Rs.1,58,000/-</p>
2	Whether there are any cases of waiver/write off of debts/loans/	According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no cases of waiver/write off of the debts/loans/interest etc. during the financial year 2015-16.

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S.No.	Point	Reply
	interest etc.? If yes, the reasons therefore and the amount involved.	
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no inventory lying with any third party nor there are any assets received as gifts / grants from government or other authorities during the financial year 2015-16.

Place : Hyderabad
Date : 27-05-2016

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA B Vijay
Partner
Mem No 214678



TEJ RAJ & PAL

Chartered Accountants

“Annexure C” to the Independent Auditor’s Report of Even Date on the Financial Statements of NMDC Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NMDC Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



TEJ RAJ & PAL

Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA B Vijay
Partner
Mem No 214678

Place : Hyderabad
Date : 27-05-2016



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF NMDC LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of NMDC Limited, Hyderabad for the year ended on 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of NMDC Limited, Hyderabad for the year ended on 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

**For and on the behalf of the
Comptroller and Auditor General of India**

(Arabinda Das)

**Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad**

**Place: Hyderabad
Date: 08 June 2016**

**Balance Sheet as at 31st March, 2016**

(Rs. in Crore)

Particulars	Note No	Figures as at the end of current reporting period 31-March-2016	Figures as at the end of previous reporting period 31-March-2015
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2.1	396.47	396.47
Reserves & Surplus	2.2	29,714.57	31,935.27
		30,111.04	32,331.74
Non-current Liabilities:			
Deferred Tax Liability (Net)	2.3	122.22	98.40
Other Long term Liabilities	2.4	50.48	40.10
Long Term Provisions	2.5	20.96	10.60
		193.66	149.10
Current Liabilities:			
Short-term Borrowings	2.6	1,496.95	-
Trade Payables	2.7		
Outstanding dues of micro and small enterprises		0.31	0.19
Other than micro & small enterprises		324.11	226.09
		324.42	226.28
Other current Liabilities	2.8	1,217.40	1,140.84
Short term Provisions	2.9	2.10	621.88
		3,040.87	1,989.00
TOTAL		33,345.57	34,469.84
ASSETS:			
NON-CURRENT ASSETS:			
Fixed Assets:			
Tangible Assets	2.10	1,638.48	1,243.14
Intangible Assets	2.11	268.49	90.55
Capital Work in Progress	2.12	9,722.88	7,710.03
		11,629.85	9,043.72
Non-current investments	2.13	695.41	561.93
Long term Loans and Advances	2.14	1,739.17	969.06
Other non-current assets	2.15	5.06	5.37
		14,069.49	10,580.08
CURRENT ASSETS:			
Inventories	2.16	636.96	691.88
Trade receivables	2.17	1,896.08	1,752.33
Cash and bank balances	2.18	14,763.57	18,443.14
Short term Loans and Advances	2.19	1,239.08	1,994.66
Other Current Assets	2.20	740.39	1,007.75
		19,276.08	23,889.76
TOTAL		33,345.57	34,469.84
Significant accounting policies and Notes on accounts forming part of accounts.	1 & 2		

Subject to our Report of even date

For M/s Tej Raj & Pal

Chartered Accountants

Firm Regn No: 304124E

(CA B Vijay)

Partner

Membership No: 214678

Place : Hyderabad

Date : 27/05/2016

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)

Director (Finance)

(BHARATHI S. SIHAG)

Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)

Company Secretary

Statement of Profit and Loss for the Year Ended 31st March, 2016

(Rs. in Crore)

Particulars	Note No	Figures for the current reporting period 31-March-2016	Figures for the previous reporting period 31-March-2015
I. Gross Revenue from Operations	2.21	6,457.27	12,362.47
Less : Excise duty		<u>1.47</u>	<u>6.06</u>
Net Revenue from operations		6,455.80	12,356.41
II. Other Income	2.22	1,774.39	2,265.40
III. Total Revenue (I + II)		8,230.19	14,621.81
IV. Expenses:			
Consumption of raw materials	2.23	9.73	27.67
Consumption of Stores & Spares		282.37	320.17
Changes in inventories of finished goods and work-in-progress	2.24	63.12	(16.99)
Employee Benefit expense	2.25	671.31	700.09
Power, Electricity and Water	2.26	67.67	64.22
Repairs & Maintenance	2.27	119.26	104.14
Royalty & Other Levies		882.31	1,390.11
Selling Expenses	2.28	417.12	1,168.30
Finance cost	2.29	65.44	-
Depreciation & Amortisation	2.10 & 2.11	207.75	162.23
Other Expenses	2.30	753.32	<u>820.35</u>
Total Expenses		3,539.40	<u>4,740.29</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		4,690.79	9,881.52
VI. Exceptional items	2.31	184.78	113.01
VII. Profit before extraordinary items and tax (V-VI)		4,506.01	9,768.51
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		4,506.01	9,768.51
X. Tax expense:			
(1) Current tax		1,566.31	3,384.21
Earlier years (net)		(112.94)	(33.76)
(2) Deferred tax		23.82	<u>(4.24)</u>
		1,477.19	3,346.21
XI. Profit for the year from continuing operations after tax (IX-X)		3,028.82	6,422.30
XII. Profit from discontinuing operations before tax		(0.74)	(0.67)
XIII. Tax expense of discontinuing operations		(0.25)	(0.23)
XIV. Profit from discontinuing operations after tax (XII-XIII)		(0.49)	(0.44)
XV. Profit for the year (XI + XIV)		3,028.33	6,421.86
XVI. Earning per equity share:			
(Face value Rs.1/- each)			
(i) Basic		7.64	16.20
(ii) Diluted		7.64	16.20
Significant accounting policies and Notes on accounts forming part of accounts.	1&2		

Subject to our Report of even date

For and on behalf of the Board

For M/s Tej Raj & Pal
Chartered Accountants
Firm Regn No: 304124E

(CA B Vijay)
Partner
Membership No: 214678

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(BHARATHI S. SIHAG)
Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)
Company Secretary

Place : Hyderabad
Date : 27/05/2016



Cash Flow Statement for the year ended 31st March, 2016

(Rs. in Crore)

	Year ended 31-Mar-16	Year ended 31-Mar-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	4,506.01	9,768.51
Profit before tax from discontinued operations	(0.74)	(0.67)
<i>Adjustments for :</i>		
Depreciation & Amortisation (incl impairment)	225.60	191.87
Interest on deposits with banks	(1,601.71)	(1,964.59)
Other Interest income	(66.45)	(220.93)
Prov for bad & doubtful advances & Misc.losses written off	2.34	5.03
Profit/loss on sale of fixed assets (net)	1.29	(2.08)
Unamortised expenditure written off	0.31	–
Operating profit before working capital adjustments	3,066.65	7,777.14
Increase(-)/Decrease(+) in Inventories	54.92	(10.69)
Increase(-)/Decrease(+) in Trade Receivables	(143.75)	(303.91)
Increase(-)/Decrease(+) in Short term Borrowings	1,496.95	–
Increase(-)/Decrease(+) in Short term and Long term Loans & Advances	108.34	(180.04)
Increase(-)/Decrease(+) in accrued interest on deposits with banks	267.34	(282.03)
Increase(-)/Decrease(+) in Assets held for disposal	0.02	0.16
Increase(+)/Decrease(-) in long term, Short term Liabilities and trade payables	185.08	39.24
Increase(+)/Decrease(-) in long term and Short term Provisions	10.92	(1.25)
Cash Generated from Operations	5,046.47	7,038.62
Interest (Finance Cost)	65.44	–
Direct taxes (Net)	(1,737.28)	(3,031.40)
Net Cash Flow from Operating Activities	3,374.63	4,007.22
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible and Intangible Assets	(820.28)	(181.15)
Increase(-)/Decrease(+) in Capital work in progress	(2,024.15)	(2,433.14)
Increase(-)/Decrease(+) in Capital advances	158.95	(38.24)
Purchase of Investments	(133.48)	(311.56)
Interest on deposits with Banks	1,601.71	1,964.59
Other interest income	66.46	220.93
Sale/Deletion of Fixed Assets	31.40	6.39
Increase(-)/Decrease (+) in Investment in term deposits with more than three months	5,379.83	(693.73)
Increase(-)/Decrease(+) in Bank Deposits offered as security for BG/LCs	(1,734.72)	935.73
Net Cash flow from Investing Activities	2,525.72	(530.18)



	(Rs. in Crore)	
	Year ended 31-Mar-16	Year ended 31-Mar-15
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest (Finance Cost)	(65.44)	–
Payment of dividends	(4,876.60)	(2,874.42)
Tax on dividend	(992.77)	(574.71)
Increase(-)/Decrease (+) in balances with banks for unpaid dividend	(119.76)	(0.17)
Net cash used in Financing Activities	<u>(6,054.57)</u>	<u>(3,449.30)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	<u>(154.22)</u>	<u>27.74</u>
Cash & Cash equivalents at the end of the year	34.47	188.69
Cash & Cash equivalents at the beginning of the year	188.69	160.95
	<u>(154.22)</u>	<u>27.74</u>
Components of Cash & Cash equivalents:		
Cash & cheques on hand	0.07	0.09
Balances with Scheduled banks		
in current account	34.40	88.60
in Term deposits with original maturity less than 3 months	–	100.00
	<u>34.47</u>	<u>188.69</u>

Note : The previous year figures have been rearranged/regrouped wherever necessary to conform to current year classification.

Subject to our Report of even date

For M/s Tej Raj & Pal

Chartered Accountants

Firm Regn No: 304124E

(CA B Vijay)

Partner

Membership No: 214678

Place : Hyderabad

Date : 27/05/2016

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)

Director (Finance)

(BHARATHI S. SIHAG)

Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)
Company Secretary



Significant Accounting Policies and Notes on Accounts

Note-1 : Significant Accounting Policies

A. BASIS OF ACCOUNTING

The Company prepares its financial statements as a going concern, under historical cost convention and on accrual basis, in accordance with the generally accepted accounting principles.

B. BALANCE SHEET

1. FIXED ASSETS:

- 1.1 Fixed Assets are stated at historical cost.
- 1.2 Assets acquired / constructed by the Company with the subsidy sanctioned by Iron Ore Mines Labour Welfare Cess Fund are capitalised to the extent of cost to the company. However, the work-in-progress and the subsidy thereon are shown separately till capitalisation.
- 1.3 The fixed assets acquired against Govt. Grants are shown in the Balance Sheet after deducting the grant received. However, where the grant received is equal to the cost of the asset, such asset is shown at a nominal value of Re.1/- per asset.
- 1.4 The Insurance Spares which can only be used in connection with an item of Fixed Asset and whose use is expected to be irregular are capitalised and depreciated from the date of acquisition over the balance useful life of the respective assets.

2. DEPRECIATION:

- 2.1 Depreciation is charged on straight-line method based on the useful life of the assets as prescribed in Schedule II of the Companies Act 2013. Wherever there is no suitable life in Schedule II, the same shall be determined by technical assessment.
- 2.2 Residual value of all the assets is considered as Nil, except vehicles, which is considered at 5% of the original cost.

2.3 Fixed Assets costing Rs.5,000 or less are fully depreciated in the year of purchase.

2.4 Depreciation is charged on pro-rata monthly basis on additions / disposals of assets during the year taking the first day of the month for acquisition / commissioning and the last day of the month for disposals.

2.5 In respect of additions forming an integral part of an existing asset, depreciation is charged over the remaining useful life of the asset. In case the asset is already fully depreciated, such additions are depreciated in full.

2.6 Cost of leasehold land is amortized over the period of lease.

2.7 The life of the assets constructed on leasehold land is restricted to the lease period except in case of mining projects.

3. DEVELOPMENT EXPENSES:

Development expenses (pre-construction period expenses) and Expenses on removal of overburden and preparation of mining benches are amortized in ten annual installments from the date of commencement of production.

4. INVESTMENTS:

Long-term investments are stated at cost. A provision for diminution is made to recognise the decline in value, other than temporary, on an individual investment basis.

5. INVENTORIES:

5.1 Raw materials, Stores and spares (including loose tools and implements), work in process and finished products are valued at lower of cost and net realisable value of the respective units.



The basis of determining the cost is

Raw materials	:	Weighted average cost
Stores and spares	:	Weighted average cost
Stores in Transit	:	At cost
Work in process and Finished goods	:	Material cost plus appropriate share of labour, related overheads and levies

- 5.2 In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.
- 5.3 Stationery, Medical, Canteen, School Stores, Cotton Waste, Hospital Stores and Lab stores (excluding for R & D Lab) charged off to Revenue on procurement.
- 5.4 No credit is taken in respect of stock of run of mine ore, embedded ore, Iron ore slimes, partly used stores and spares.

6. FOREIGN CURRENCY TRANSACTIONS:

- 6.1 Foreign Currency Transactions are accounted for at the exchange rates prevailing on the date of transactions.
- 6.2 Fixed Assets are translated at the exchange rates on the date of transaction. The exchange difference in each financial year, up to the period of settlement is taken to Statement of Profit and Loss.
- 6.3 The monetary items in foreign currencies are translated at the closing exchange rate on the date of Balance Sheet and gains / losses thereon adjusted in the Statement of Profit and Loss.

C. STATEMENT OF PROFIT AND LOSS

1. REVENUE RECOGNITION:

- 1.1 **Export Sales:** Export sales are recognized on the date of Bill of Lading. However, final adjustments are made in the year of receipt of discharge port analysis.
- 1.2 **Domestic Sales:** Domestic sales are accounted on the date of Forwarding Note (Rail dispatches) / Lorry receipt / Delivery challan.

However, in case of spot auction under electronic mode, the sale is recognized on conclusion of the auction.

- 1.3 **Obsolete Stores & Scrap:** Income is accounted on realization basis in respect of used / surplus / obsolete / unserviceable materials / waste products and scrap.

2. EMPLOYEES BENEFITS:

2.1 Payments under Employees' Family Benefit Scheme:

Under the NMDC Employees' family benefit scheme, monthly payments are made till the normal date of retirement to the family members of those employees who are discharged from service due to medical reasons or death, on deposit of the amount envisaged in the scheme and liability for the payments are accounted for on the basis of actuarial valuation and the amount is administered by a separate Trust.

2.2 Gratuity & Provident fund:

- 2.2.1 Gratuity payable to eligible employees is administered by a separate Trust. Payments to the trust towards contributions and other demands are made on the basis of actuarial valuation.



2.2.2 The Company's contribution to the provident fund is remitted to a separate trust based on a fixed percentage of the eligible employees' salary. Further, the Company makes good the shortfall, if any, between the return from investments of trust and the notified rate of interest on actuarial valuation basis.

2.3 Pension Fund:

Defined contributions to NMDC Employees' Contributory Pension Scheme are made on accrual basis at a rate as approved from time to time to a fund which is administered by a separate Trust.

2.4 Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation and the amount is administered by a separate trust.

2.5 Other Benefits:

Liability towards Long Service Award, Settlement Allowance and Post Retirement Medical Facilities to employees as at the end of the year is recognized on the basis of actuarial valuation. Such amounts towards Settlement Allowance and Post Retirement Medical Benefits are administered by a separate trust.

3. GENERAL:

3.1. Research & Development Expenditure:

The expenditure on Fixed Assets relating to Research & Development is capitalized and depreciated in the same method as any other assets of the Company. Other Research & Development expenditure of revenue nature

incurred during the year is charged off to Statement of Profit and Loss.

3.2. Mine Closure Obligation:

The liability to meet the obligation of mine closure and restoration of environment as per Mines & Minerals (Development and Regulation) Act 1957 (MMDR 1957) at the time of closure of the mine has been estimated on the basis of technical assessment and charged to Statement of Profit and Loss on the basis of Run of Mine ore production of the mine. The liability is remitted to a Fund maintained by LIC.

3.3 Pre-paid Expenses:

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed Rs.10,00,000/- in each case.

3.4 Prior period adjustments:

Income/expenditure relating to prior period of over Rs.10,00,000/- in each case arising out of errors and omission are accounted as prior period adjustment.

3.5 Insurance Claims:

Insurance claims are accounted as under :
In case of transit insurance - on the basis of claim lodged with the Insurance Company.

In case of other Insurance - on the basis of Survey reports received.

Differences between insurance claims accounted for and actual receipt are accounted as Miscellaneous Expenditure / Income in the year of settlement.

Subject to our Report of even date

For M/s Tej Raj & Pal
Chartered Accountants
Firm Regn No: 304124E

(CA B Vijay)
Partner
Membership No: 214678

Place : Hyderabad
Date : 27/05/2016

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(BHARATHI S. SIHAG)
Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)
Company Secretary



2. Notes on Accounts for the Year Ended 31st March 2016

Note-2.1 : Share Capital

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Authorised: 4,00,00,00,000 Equity Share (Previous year 4,00,00,00,000) of Re.1/- each (Previous year Re.1/- each)	400.00	400.00
Issued, Subscribed & Paid up: 3,96,47,16,000 Equity Shares of Re.1/- each fully paid up (Previous year 3,96,47,16,000 Equity shares of Re.1/- each fully paid up)	396.47	396.47
TOTAL	396.47	396.47

Addl. Notes :

1) No new shares were issued during the current year. Hence, there is no change in number of shares outstanding as at the beginning and as at the end of the reporting period.

2) Terms/Rights attached to equity shares :

The Company has only one class of equity shares having par value of Re.1/- each and each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

3) The details of shares in the Company held by each shareholder holding more than 5% shares :

Name of the Share holder	2015-16		2014-15	
	% of share-holding	No. of shares	% of share-holding	No. of shares
i) Hon'ble President of India	80.00	3,171,946,300	80.00	3,171,946,300
ii) LIC of India	9.63	381,661,465	8.52	337,787,162



Note-2.2 : Reserves and Surplus

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
a) General Reserve (Free Reserve)		
As per last Balance Sheet	29,114.22	28,114.22
Add : Additions during the year	400.00	1,000.00
At the end of the year	29,514.22	29,114.22
b) Capital Grant- R&D (Corresponding nominal value of assets Rs.881/- (P.Y. Rs.881/-))	-	-
c) Statement of Profit and Loss -Surplus		
As per last Balance Sheet	2,821.05	1,477.61
Less : Depreciation due to implementation of Schedule -II of the Companies Act, 2013	-	(8.95)
Add : Profit for the year	3,028.33	6,421.86
	5,849.38	7,890.52
Less : Appropriations :		
Interim Dividend	4,361.19	2,874.42
Tax on Interim Dividend	887.84	574.71
Proposed Final Dividend	-	515.41
Tax on Final Dividend	-	104.93
General Reserve	400.00	1,000.00
	5,649.03	5,069.47
At the end of the year	200.35	2,821.05
TOTAL	29,714.57	31,935.27



Note-2.3 : Deferred Tax Liability (Net)

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
A. Deferred tax Liability :		
Related to fixed assets	133.13	96.43
Accrued expenses	(0.01)	11.89
	<u>133.12</u>	<u>108.32</u>
B. Deferred tax assets :		
Provision for bad and doubtful debts and advances	6.07	5.17
Provision for post retirement medical benefits	4.77	4.68
Misc.expenses	0.06	0.07
	<u>10.90</u>	<u>9.92</u>
C. Net deferred tax liability (A-B)	<u><u>122.22</u></u>	<u><u>98.40</u></u>

Note-2.4 : Other Long Term Liabilities

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Deposits from Suppliers, Contractors and Others	50.48	40.10
TOTAL	<u><u>50.48</u></u>	<u><u>40.10</u></u>

Note-2.5 : Long Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Employee Benefits :		
Long Service Reward	20.96	10.60
TOTAL	<u><u>20.96</u></u>	<u><u>10.60</u></u>

Note-2.6 : Short Term Borrowings

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Secured		
Loan against FDs	1,496.95	—
TOTAL	<u><u>1,496.95</u></u>	<u><u>—</u></u>
Secured (With Fixed Deposits)	1,496.95	—
Un-secured	—	—

The Company does not have any continuing default in repayment of Loans and Interest on the Balance Sheet date.



Note-2.7 : Trade Payables

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Outstanding dues of micro and small enterprises	0.31	0.19
Other than micro & small enterprises	324.11	226.09
	324.42	226.28
TOTAL	324.42	226.28

Disclosure relating to Micro and Small Enterprises :

i) (a) The principal amount remaining unpaid to the supplier as at the end of the year.	0.31	0.19
i) (b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year.	NIL	NIL
ii) the amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL



Note-2.8 : Other Current Liabilities

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Advances from customers	116.04	110.19
Unpaid Dividend	2.30	1.45
Mine closure liability	333.99	302.73
Less : Fund with LIC	326.47	299.51
	<u>7.52</u>	<u>3.22</u>
Others:		
Deposits from Suppliers, Contractors and Others	63.61	65.54
Interest Accrued on short Term Loan	8.32	–
Other Payables (like withholding and other taxes payable, amounts payable to employees and others)	1,019.61	960.44
TOTAL	<u>1,217.40</u>	<u>1,140.84</u>

Note-2.9 : Short Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Employee Benefits :		
Long Service Reward	2.10	1.54
Others :		
Proposed Final dividend	–	515.41
Tax on Final dividend	–	104.93
	<u>–</u>	<u>620.34</u>
	<u>2.10</u>	<u>621.88</u>

Details of Provisions (in Compliance of AS-29)

(Rs. in Crore)

	Opening Balance 1-Apr-15	Addition during year	Adjustment during year	Closing Balance 31-Mar-16
Proposed Dividend and Tax thereon	620.34	5,249.03	5,869.37	–
	–	(4,069.47)	(3,449.13)	(620.34)

Note : Figures in bracket indicate previous year figures



Note-2.10 : Tangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK				
	As at 1st Apr, 2015	Additions during the year	Ded/Adj during the year	Internal transfer	As at 31st MAR 2016
A. General					
Land :					
- Free hold	255.56	16.10	-	-	271.66
- Lease hold	2.41	3.42	-	-	5.83
Buildings	143.51	19.23	(0.01)	2.61	165.34
Plant & Machinery	778.00	357.38	(1.31)	-	1,134.07
Heavy Mobile Equipmt.	910.80	33.03	(29.71)	-	914.12
Furniture & fittings	17.04	3.31	(0.05)	0.02	20.32
Vehicles	37.65	2.87	(2.08)	-	38.44
Office Equipment	61.90	6.87	(0.35)	(0.03)	68.39
Others :					
Roads, bridges etc.	105.38	19.35	-	(0.02)	124.71
Dams, Wells & Pools	25.53	5.19	-	(2.58)	28.14
Adit & tunnel	3.71	-	-	-	3.71
Railway sidings	55.60	0.15	-	-	55.75
Locomotives	7.21	-	-	-	7.21
Electrical Installations	104.53	49.96	-	-	154.49
Sanitary & W. S. Installations	18.00	24.93	-	-	42.93
TOTAL 'A'	2,526.83	541.79	(33.51)	-	3,035.11
Figures for the previous year	2,415.75	116.67	(5.59)	-	2,526.83
B. Social Facilities					
Land :					
- Free hold	0.29	-	-	-	0.29
- Lease hold	0.02	-	-	-	0.02
Buildings	147.91	30.67	(0.06)	-	178.52
Plant & Machinery	0.24	-	-	-	0.24
Furniture & fittings	3.23	4.86	(0.20)	(0.02)	7.87
Vehicles	3.77	-	(0.36)	-	3.41
Office Equipment	11.94	9.31	(0.29)	0.02	20.98
Others :					
Roads, bridges etc.	8.55	1.94	(0.03)	-	10.46
Cess fund quarters	12.57	-	(0.07)	-	12.50
Dams, Wells & Pools	0.25	-	-	-	0.25
Cess Fund Vehicles	-	-	-	-	-
Electrical Instaln.	3.75	1.07	-	-	4.82
Sanitary & W.S.Instlns.	10.12	1.88	-	-	12.00
Cess fund other assets	0.10	-	-	-	0.10
TOTAL 'B'	202.74	49.73	(1.01)	-	251.46
Figures for the previous year	170.86	31.74	0.14	-	202.74
TOTAL 'A + B'	2,729.57	591.52	(34.52)	-	3,286.57
Figures for the previous year	2,586.61	148.41	(5.45)	-	2,729.57



Note-2.10 : Tangible Assets (Contd..)

(Rs. in Crore)

ASSETS	DEPRECIATION BLOCK					NET BLOCK		
	Upto 31st March 2015	For the year	Prior period adj.	Deductions/adjustments	Internal transfers	Upto 31st March 2016	As at 31st March 2016	As at 31st March 2015
A. General								
Land :								
- Free hold	-	-	-	-	-	-	271.66	255.56
- Lease hold	0.90	0.19	-	-	-	1.09	4.74	1.51
Buildings	45.88	4.66	-	-	0.19	50.73	114.61	97.63
Plant & Machinery	550.57	27.02	17.69	(1.27)	-	594.01	540.06	227.43
Heavy Mobile Equipmt.	587.52	94.52	0.47	(27.78)	-	654.73	259.39	323.28
Furniture & fittings	9.02	1.47	-	(0.01)	0.01	10.49	9.83	8.02
Vehicles	20.13	2.99	-	(1.96)	-	21.16	17.28	17.52
Office Equipment	41.46	6.28	-	(0.34)	(0.01)	47.39	21.00	20.44
Others :								
Roads, bridges etc.	46.53	16.73	-	-	-	63.26	61.45	58.85
Dams, Wells & Pools	16.35	0.39	-	-	(0.19)	16.55	11.59	9.18
Adit & tunnel	3.71	-	-	-	-	3.71	-	-
Railway sidings	19.91	3.74	-	-	-	23.65	32.10	35.69
Locomotives	7.21	-	-	-	-	7.21	-	-
Electrical Installations	57.89	9.75	-	-	-	67.64	86.85	46.64
Sanitary & W. S. Installations	12.28	0.64	-	-	-	12.92	30.01	5.72
TOTAL 'A'	1,419.36	168.38	18.16	(31.36)	-	1,574.54	1,460.57	1,107.47
Figures for the previous year	1,235.10	186.14	(0.38)	(1.50)	-	1,419.36	1,107.47	1,180.65
B. Social Facilities								
Land :								
- Free hold	-	-	-	-	-	-	0.29	0.29
- Lease hold	0.02	-	-	-	-	0.02	-	-
Buildings	34.17	3.10	0.17	(0.04)	-	37.40	141.12	113.74
Plant & Machinery	0.10	0.01	-	-	-	0.11	0.13	0.14
Furniture & fittings	2.08	0.62	-	(0.02)	(0.01)	2.67	5.20	1.15
Vehicles	2.76	0.20	-	(0.33)	-	2.63	0.78	1.01
Office Equipment	7.83	1.75	-	(0.03)	0.01	9.56	11.42	4.11
Others :								
Roads, bridges etc.	5.67	0.48	-	(0.02)	-	6.13	4.33	2.88
Cess fund quarters	6.00	0.17	-	(0.08)	-	6.09	6.41	6.57
Dams, Wells & Pools	0.19	-	-	-	-	0.19	0.06	0.06
Cess Fund Vehicles	-	-	-	-	-	-	-	-
Electrical Instaln.	2.20	0.27	-	-	-	2.47	2.35	1.55
Sanitary & W.S.Instlns.	5.95	0.23	-	-	-	6.18	5.82	4.17
Cess fund other assets	0.10	-	-	-	-	0.10	-	-
TOTAL 'B'	67.07	6.83	0.17	(0.52)	-	73.55	177.91	135.67
Figures for the previous year	60.01	7.15	0.29	(0.38)	-	67.07	135.67	110.85
TOTAL 'A + B'	1,486.43	175.21	18.33	(31.88)	-	1,648.09	1,638.48	1,243.14
Figures for the previous year	1,295.11	193.29	(0.09)	(1.88)	-	1,486.43	1,243.14	1,291.50



Note-2.11 : Intangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK			
	As at 1st Apr, 2015	Additions during the year	Ded/Adj during the year	As at 31st MAR 2016
GENERAL				
Goodwill	14.09	–	–	14.09
Computer software	10.23	0.24	–	10.47
Mining rights	190.74	228.52	–	419.26
TOTAL	215.06	228.76	–	443.82
Figures for the previous year	183.30	32.74	(0.98)	215.06

Note - 2.11 : Intangible Assets (Contd..)

(Rs. in Crore)

ASSETS	AMORTISATION BLOCK					NET BLOCK	
	Upto 31 st March 2015	For the year	Prior period adj.	Deductions/ adjustments	Upto 31 st March 2016	As at 31 st March 2016	As at 31 st March 2015
GENERAL							
Goodwill	14.09	–	–	–	14.09	–	–
Computer software	7.68	1.26	–	–	8.94	1.53	2.55
Mining rights	102.74	49.56	–	–	152.30	266.96	88.00
TOTAL	124.51	50.82	–	–	175.33	268.49	90.55
Figures for the previous year	112.52	12.53	(0.54)	–	124.51	90.55	70.78



Additional notes to 2.10 & 2.11 : TANGIBLE AND INTANGIBLE ASSETS

1. Lease hold land measuring 3021.35 sq. mtrs. (Previous year 3,021.35 sq mtrs) has been taken from Vizag Port Trust authorities for construction of Regional Office Building and the Lease Deed has expired on 11.07.2012. Lease hold land measuring 1431.32 sq. mtrs. (Previous year 1431.32 sq. mtrs) has been taken from Vizag Port Trust authorities for construction of Screening Plant at Port Area and the lease deed has expired on 17.06.2010. Action is on hand to renew the lease periods of the above lands. However, the rents have been accounted till 31.03.2016.
2. The value of land of 155.55 hectares taken over from District Industries Centre, Jagdalpur for construction of Steel Plant near Nagarnar has not been brought into the books as the amount payable is not ascertainable in the absence of any demand from the concerned authorities.
3. Formal agreements / Transfer deeds remain to be executed in respect of the following:
 - (a) Renewal of Mining Leases at Deposit 10 (Float Ore) & Panna (supplementary lease) & Donimalai.
 - (b) Lease deeds in respect of parts of land for township at Bachel Complex, Kirandul Complex and Panna Project.
 - (c) Mining lease to the extent of 33.58 hectares (Mining Area) and 19.42 hectares (Plant area) of Silica Sand Plant near Lalapur (Allahabad).
 - (d) Lease in respect of a portion of the total land at R&D Center measuring 9.12 acres has expired during Feb 07 (6.66 acres) and the balance in Feb 2010 (2.46 acres). The process of renewal of the lease is under progress.
 - (e) Only Provisional allotment letters issued for the land to the extent of 13.43 acres purchased from M/s APIIC at Industrial park, Paloncha. However, on physical survey found only 11.35 acres of land. No effect is given in books, pending confirmation from M/s APIIC.
 - (f) Land to the extent of 26.39 acres purchased at Patancheru, Hyderabad from the Official Liquidator of Allwyn Watches Ltd. However, on physical survey found only 24.23 acres of land. No effect is given in books, pending confirmation from the Official Liquidator of Allwyn Watches Ltd.
 - (g) Land at Raipur to the extent of 57,432.99 Sq. Ft. has been acquired from Chhattisgarh Housing Board, however as per the actual land measurement taken by surveyor the total land comes to 62,205.96 Sq. Ft. The registration formalities are in the process for the total land.



4. Reconciliation of Depreciation and Amortisation as per Statement of Profit and Loss:

(Rs. in Crore)

Note no	Particulars	2015-16	2014-15
Note No.2.10	Depreciation on Tangible Assets	175.21	193.28
Note No.2.11	Amortisation of Intangible Assets	50.82	12.53
	Total	226.03	205.81
Note No.2.12.1	Transferred to IEDC	(-18.28)	(-)30.01
	Transferred to Profit & Loss A/C / Reserve	-	(-)13.57
Depreciation and amortisation as per Statement of Profit and Loss		207.75	162.23

Prior period Depreciation:

(Rs. in Crore)

Note no	Particulars	2015-16	2014-15
Note No. 2.30.1	Depreciation prior period charged to Statement of Profit and Loss	17.86	(-)0.42
Note No. 2.12.1	Depreciation prior period transferred to IEDC	0.47	-
Prior period depreciation as per note 2.10 Tangible Assets		18.33	-

5. During the year Crushing plant & Downhill conveyer System of 11B project has been commissioned on 22nd August 2015 and capitalized at a value of Rs.350.71 crore including the incidental expenditure during construction allocated to respective fixed assets. An amount of Rs.0.39 crore has been taken as contribution of value addition in the trail run production and as such excluded from project cost. Accordingly depreciation of Rs.9.35 crore has been accounted during the year as a result of said capitalization.



Note-2.12 : Capital Work in Progress

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Construction work in progress	8,936.39	7,042.48
Construction Stores	1.70	2.11
Capital Assets in stores awaiting installation or in transit	32.11	20.65
Expenditure incidental to construction awaiting allocation (See note 2.12.1)	752.68	644.79
TOTAL	9,722.88	7,710.03

Note-2.12.1 : Expenditure Incidental to Construction Awaiting Allocation

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
a. Opening balance	644.79	489.25
b. Net Expenditure incurred during the year		
Consumption of stores and spares	0.15	0.06
Employee Benefit expense :		
Salaries, Wages & Bonus	42.98	24.76
Contribution to Provident fund, EPS, DLI	2.79	4.11
Contribution to Pension Fund	0.14	—
Contribution to Gratuity fund	2.85	1.62
Staff Welfare expenses	5.50	5.10
	54.26	35.59
Power, Electricity & Water	14.40	10.11
Repairs and Maintenance	1.46	2.21
Depreciation and amortisation	18.28	30.05
Depreciation and amortisation-Prior period	0.47	—
Other expenses :		
Rent, Insurance, Rates and taxes	0.24	0.09
Payment to auditors : As auditors	0.03	0.03
Payment to auditors : For Other Services	0.03	0.02
Reimbursement of expenses	0.01	—
	0.07	0.05
Travelling and Conveyance expenses	1.90	1.87
Consultancy expenditure	54.55	64.61
CISF/Security expenditure	1.54	1.12
Other expenditure	20.27	13.01
	167.59	158.77
Less : Recoveries/Income		
Other income	(3.52)	3.23
Total b	171.11	155.54
Sub-total (a+b)	815.90	644.79
Less : Amount allocated to Fixed assets/ Capital W I P	63.22	—
TOTAL	752.68	644.79



Note-2.13 : Non-Current Investments

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
In Equity Shares:		
<i>Investments in Subsidiary Companies :</i>		
i) 1,15,34,50,796 (Previous year 1,15,34,50,796) Equity Shares fully paid up in Legacy Iron Ore Ltd, Australia (No face value in Australia)	168.53	168.53
<i>Trade & Unquoted at cost:</i>		
i) 28,51,002 (Previous Year 3,51,002) Equity shares of Rs.100/- each fully paid up J&KMDC Ltd., Jammu	28.51	3.51
ii) 41,85,590 (Previous Year 41,85,590) Equity shares of FMG Rs.2500/- each fully paid up Company NMDC SARL, Madagascar Less : Investment deration	7.20 7.20	7.20 7.20
iii) 3,58,32,090 (Previous Year 3,58,32,090) Equity shares of Rs.10/- each fully paid up in NMDC CMDC Ltd. (NCL)	35.83	35.83
iv) 5,50,000 (Previous year 50,000) Equity Shares of Rs.10/- each fully paid up in NMDC Power Ltd (NPL)	0.55	0.05
v) 6,000 (Previous year 6000) Equity shares of Rs.10/- each fully paid in Jharkhand National Mineral Development Corporation Limited (JNMDC)	0.01	0.01
vi) 10,000 (Previous Year 10,000) Equity shares of Rs.10/- each of NMDC Steel Limited (NSL)	0.01	0.01
vii) 10,000 (Previous year 10,000) Equity shares of 10/- each of Karnataka Vijaynagar Steel Limited (KVSL)	0.01	0.01
viii) 10,000 (previous year Nil) equity shares of Rs.10/- each in Jharkhand Kolhan Steel Limited (JKSL)	0.01	-
<i>Investments in Joint venture - Trade and unquoted at cost</i>		
i) 50 (Previous year 50) equity shares of South African Rand Re.1/- each fully paid in Kopano-NMDC Minerals (Proprietary) Limited (Rs.324/- only)	-	-
<i>Investments in Associates - Trade and unquoted at cost</i>		
<i>Trade & quoted at cost:</i>		
i) 1,05,000 (previous year 1,05,000) Equity shares of Rs.10/- each fully paid up in Romelt SAIL India Ltd., New Delhi Less : Deration	0.11 0.11	0.11 0.11
ii) 28,13,57,143 (Previous year 12,78,57,143) Equity shares of Rs.10/- each fully paid up in International Coal Ventures (P) Ltd	281.36	127.86
iii) 4,00,00,000 (Previous year 4,00,00,000) Equity shares of Rs.10/- each fully paid up in Krishnapatnam Railway Company Ltd.	40.00	40.00
iv) 7,47,99,878 (previous year 7,47,99,878) equity shares of Rs.10/- each fully paid up in NINL, Bhubaneswar	100.60	100.60



Note-2.13 : Non-Current Investments (Contd..)

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
<i>Advance against equity for Trade and unquoted investments in Associates :</i>		
i) 3,99,70,000 (Previous year 8,55,00,000) equity shares of Rs.10/- each in International Coal Ventures (P) Ltd. fully paid up, pending issue of shares	39.97	85.50
<i>Non-trade and unquoted shares in co-operative societies</i>		
i) 150 Shares (previous year 150 Shares) of Rs.1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul Rs.1,50,000/- (Previous year Rs.1,50,000/-)	0.02	0.02
ii) 500 Shares (previous year 500 Shares) of Rs.10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli Rs.5,000/- (previous year Rs.5,000/-)	-	-
iii) 25 Shares (previous year 25 Shares) of Rs.100/- each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai Rs.2,500/- (previous year Rs.2,500/-)	-	-
	0.02	0.02
TOTAL	695.41	561.93

1. Aggregate amount of Quoted Investments Rs.168.53 crore (Previous year - Rs.168.53 crore). Market value Rs.35.28 crore (Previous year- Rs.32.70 crore).
2. Aggregate amount of Unquoted Investments Gross Rs.534.19 crore and Net Rs.526.88 crore (Previous Year Gross Rs.400.69 crore and Net Rs.393.38 crore).
3. Aggregate amount of provision for diminution in value of the investments is Rs.7.31 crore. (Previous year Rs.7.31 crore).
4. All the above are long term investments.



Note-2.14 : Long Term Loans and Advances

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Capital Advances	363.73	522.68
Loans and advances to related parties :		
Loans and Advances to Subsidiaries	672.13	3.73
Loans and Advances to Directors	—	—
	672.13	3.73
Others:		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	634.84	375.33
Deposit with Others	68.47	67.32
Less : Provision	—	—
	68.47	67.32
TOTAL	1,739.17	969.06
Secured, considered good	17.19	16.74
Unsecured, considered good	1,721.98	952.32
Doubtful	—	—

Note-2.15 : Other Non-Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Un amortised expenditure: (to the extent not written off or adjusted)		
Development expenses	5.06	5.37
TOTAL	5.06	5.37



Note-2.16.1 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Raw materials	12.00	11.54
Work-in-Process :		
Diamonds	12.69	16.73
Sponge Iron	1.25	0.69
	13.94	17.42
Finished Goods :		
Iron Ore	463.35	514.88
Sponge Iron	5.36	9.81
Diamonds & Precious Stones	26.02	27.19
	494.73	551.88
Generated Iron ore fines at Sponge Iron unit	0.23	0.53
	0.23	0.53
TOTAL	520.90	581.37

Inventories are valued at cost or NRV whichever is lower.

Note-2.16.2 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Stores & Spares	115.76	110.18
Loose tools and Implements	0.30	0.33
TOTAL	116.06	110.51
G. TOTAL	636.96	691.88
1. Stores and Spares include:		
a) Stores-in-transit	3.99	15.48
b) Obsolete stores & spares valued at Re.1/- per unit of their original value of Rs.3.4 crore (previous year Rs.4.07 crore)	0.03	0.03



Note-2.17 : Trade Receivables

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Trade receivables outstanding for a period exceeding six months from the due date of payment	1,104.09	938.29
Other trade receivables	807.75	829.24
	<u>1,911.84</u>	<u>1,767.53</u>
Less : Provision for bad & doubtful trade receivables	15.76	15.20
	<u>1,896.08</u>	<u>1,752.33</u>
TOTAL	<u>1,896.08</u>	<u>1,752.33</u>
See Note no: 2.34		

1. Particulars of Trade Receivables:

i) Secured, Considered good	–	–
ii) Unsecured considered good	1,896.08	1,752.33
iii) Doubtful	15.76	15.20

Note-2.18 : Cash and Bank Balances

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
CASH AND CASH EQUIVALENTS :		
Balances with Banks		
On Current Accounts	34.40	88.60
On Deposit Accounts (Maturity less than 3 months)	–	100.00
	<u>34.40</u>	<u>188.60</u>
Cash on hand	0.07	0.09
	<u>34.47</u>	<u>188.69</u>
OTHER BANK BALANCES :		
Balances with banks on Deposits accounts (Maturity more than 3 months but less than one year)	10,932.90	16,312.73
Bank deposits offered as security for Bank Guarantees and Letters of Credit	3,674.99	1,940.27
Balances with Banks for unpaid dividend	121.21	1.45
	<u>14,729.10</u>	<u>18,254.45</u>
TOTAL	<u>14,763.57</u>	<u>18,443.14</u>



Note-2.19 : Short-term Loans and Advances

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Loans and advances to related parties:		
Loans and advances to Subsidiaries	1.73	31.60
Loans and advances to Directors	–	0.01
Others :		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	363.34	1,332.43
Less : Provision for bad and doubtful advances	1.78	1.55
	361.56	1,330.88
Advance Income tax & TDS	9,132.56	10,490.35
Less : Provision	8,263.16	9,869.45
	869.40	620.90
Advance Fringe benefit tax	–	0.04
Less : Provision	–	0.04
	–	–
Inter Corporate Loans to PSUs	4.50	4.50
Less : Loans deration	4.50	4.50
	–	–
Balances with Customs and Port Trust	5.90	10.82
Deposit with Others	0.49	0.45
Less : Provision	–	–
	0.49	0.45
TOTAL	1,239.08	1,994.66
Secured, considered good	4.19	4.28
Unsecured, considered good	1,234.89	1,990.38
Doubtful	6.28	6.09



Note-2.20 : Other Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Accrued interest on deposits with banks	740.04	900.82
Accrued interest on Other	–	106.56
Assets held for disposal (See note 2.20.1)	0.35	0.37
TOTAL	<u>740.39</u>	<u>1,007.75</u>

Note-2.20.1 : Assets held for Disposal

(Rs. in Crore)

Assets	Gross Block	Depreciation Block	Net Block
	As at 31-March-2016	Upto 31-March-2016	As at 31-March-2016
Free hold land	0.18	–	0.18
Vehicles	3.41	3.24	0.17
TOTAL	3.59	3.24	0.35
Figures for the previous year	4.64	4.27	0.37



Note-2.21 : Gross Revenue from Operations

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Sale of Products :		
Iron ore :		
Export through MMTC	352.80	1,369.53
Domestic	5,975.13	10,828.16
	<u>6,327.93</u>	<u>12,197.69</u>
Sponge Iron	13.14	54.15
Diamonds	52.61	50.06
	<u>6,393.68</u>	<u>12,301.90</u>
Sale of Power	6.30	5.96
Sale of Services	55.51	45.87
Other operating revenue	1.78	8.74
TOTAL	<u><u>6,457.27</u></u>	<u><u>12,362.47</u></u>

Note-2.22 : Other Income

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Interest income :		
On deposits with Banks	1,601.71	1,964.59
Others	66.45	220.93
	<u>1,668.16</u>	<u>2,185.52</u>
Profit on sale of assets	1.22	2.19
Other non-operating Income	105.01	77.69
TOTAL	<u><u>1,774.39</u></u>	<u><u>2,265.40</u></u>



Note-2.23 : Consumption of Raw Materials

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Iron ore	5.70	10.29
Coal	3.93	16.94
Lime Stone	0.05	0.16
Internal handling of raw materials	0.05	0.28
TOTAL	9.73	27.67

Note-2.24 : Changes in Inventories of Finished Goods and Work-in-Progress

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Work-in-process:		
Balance as at the beginning of the Year	17.42	10.68
Less : Balance as at close of the Year	13.94	17.42
	3.48	(6.74)
Finished Goods:		
Balance as at the beginning of the Year	553.26	543.77
Less : Balance as at close of the Year	494.12	553.26
	59.14	(9.49)
Excise duty on accretion/decretion of stock (net)	0.50	(0.76)
	59.64	(10.25)
TOTAL	63.12	(16.99)



Note-2.25 : Employee Benefit Expense

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Salaries, Wages & Bonus	471.92	512.20
Contribution to Provident fund and other funds :		
Provident Fund & DLI	37.15	35.70
Pension Funds	23.91	22.98
Gratuity Fund	18.98	8.58
Staff Welfare Expenses	119.35	120.63
TOTAL	671.31	700.09

Note-2.26 : Power, Electricity & Water

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Power charges	51.76	49.63
Electricity charges	14.44	12.86
Water Charges	1.47	1.73
TOTAL	67.67	64.22



Note-2.27 : Repairs and Maintenance

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Buildings	28.11	24.24
Plant and Machinery	35.91	34.55
Vehicles	0.69	0.85
Others	54.55	44.50
TOTAL	119.26	104.14

Note-2.28 : Selling Expenses

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Railway freight	271.53	640.90
Export duty	36.53	401.64
Infrastructure Development cess	11.69	10.34
Environmental Development cess	11.69	10.34
Other selling expenses	85.68	105.08
TOTAL	417.12	1,168.30

Note-2.29 : Finance Cost

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
i) Interest on Short term Borrowings	14.17	-
ii) Interest - Others	51.27	-
TOTAL	65.44	-

- i) Interest on short term borrowing is for meeting Working Capital Requirement.
- ii) Other interest includes Rs.37.63 crore towards interest on delay in payment of differential royalty to Dept. of Mines & Geology (DMG), Govt. of Karnataka and Rs.13.64 crore is on account of interest on demand raised by Service Tax Dept. for which the Company has preferred an appeal in Tribunal against the orders of Commissioner (Appeals)."



Note-2.30 : Other Expenses

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Rent	3.19	3.54
Insurance	7.31	6.74
Rates & Taxes	7.58	7.15
Directors' Travelling expenses	2.71	3.61
Directors' Sitting fee	0.32	0.21
Payment to Auditors:		
As Auditors:	0.22	0.22
For Taxation matters	0.01	0.02
For Other services	0.17	0.17
For reimbursement of expenses	0.13	0.07
	0.53	0.48
Loss on sale/adjustment of Assets	2.51	0.11
Miscellaneous losses written off	1.33	3.25
Provision for doubtful debts/advances	1.01	1.78
Mine closure Obligation	4.30	7.79
Raising and Transportation	85.04	99.50
Local Area Development (Towards SPV in Karnataka)	197.26	285.19
Entertainment	1.17	0.99
Donations	0.15	0.12
Travelling & Conveyance	28.59	26.39
Advertisement & Publicity	15.09	20.52
Postage, Telephone & Telex	3.09	5.27
Stationery & Printing	3.09	4.20
Consultancy charges	6.49	11.81
CISF/Security guards	95.04	86.44
Safety expenses	1.24	1.25
Unamortised expenditure written off	0.31	–
Corporate Social Responsibility	210.09	188.65
Loss in Exchange variation (net)	0.76	0.06
Environmental Development	16.19	21.18
Other expenses	43.20	36.16
Prior period items (See Note 2.30.1)	15.73	(2.04)
TOTAL	753.32	820.35



Note-2.30.1 : Prior-Period Items

(Rs. in Crore)

	For the year ended 31-March-2016		For the year ended 31-March-2015	
	Income	Expenditure	Income	Expenditure
Consumption of stores & spares	-	-	0.92	-
Repairs & Maintenance	-	-	0.50	-
Other Income	0.20	-	0.05	-
Depreciation & Amortisation	-	17.85	0.41	-
Other Expenses	3.34	-	0.16	-
Stock Adjustment	-	1.42	-	-
TOTAL	3.54	19.27	2.04	-
Net Income (-) / Expenditure (+)	-	15.73	-	(2.04)



Note-2.31 : Exceptional Items

(Rs. in Crore)

Particulars	As at 31-MAR-16	As at 31-MAR-15
Income :		
DMF (from Customers) From 12/01/2015 to 16/09/2015 & NMET (from Customers) From 12/01/2015 to 13/08/2015	54.74	—
	3.35	—
	<u>58.09</u>	<u>—</u>
Less:		
Expenditure :		
Contribution towards Pension Scheme for the earlier periods from 01.01.2007 up to Mar 2014	—	113.01
DMF (to Govt.) From 12/01/2015 to 16/09/2015 & NMET(to Govt.) From 12/01/2015 to 13/08/2015	228.77	—
	14.10	—
	<u>242.87</u>	<u>113.01</u>
TOTAL (Expenditure)	<u>184.78</u>	<u>113.01</u>

DMF & NMET

As per the Gazette Notification dated 27th March 2015 enacting the Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 and subsequent notifications dated 17th Sept 2015 and 14th Aug 2015 for contribution to District Mineral Foundation (DMF) & National Mineral Exploration Trust (NMET), the Company is required to pay 30% of royalty towards DMF and 2% of royalty towards NMET with effect from 12th Jan 2015.

In the State of Karnataka Central Empowered Committee (CEC) constituted by the Hon'ble Supreme court of India, has vide letter no. 01.12.2015, directed Monitoring Committee, conducting e-auctions not to recover the above levies from the buyers in the e-auction and accordingly the amounts not been accounted as part of sales. In the State of Chhattisgarh the levy of DMF & NMET from retrospective dates has been challenged in the Courts of law. Orders have been passed by the Court not to take coercive actions for recovery of retrospective amounts from the customers. As such, to the extent of the amount realised only has been accounted as sales income.



Note-2.32 : Additional Information

(Rs. in Crore)

	For the year ended 31-March-2016		For the year ended 31-March-2015	
2.32.1. Value of imports calculated on CIF basis:				
i. Components & Spare parts		14.13		11.40
ii. Capital Goods		218.81		215.24
2.32.2. Expenditure in foreign currency:				
i. Consultancy charges		1.91		1.91
ii. Others		6.69		11.90
2.32.3. Particulars of consumption of raw material				
Raw material	Value	Percentage	Value	Percentage
a) Imported	–	–	–	–
b) Indigenous	9.73	100	27.67	100
	9.73	100	27.67	100
2.32.4. Particulars of consumption of Stores & spares:				
Components & spare parts (including consumable stores)	Value	Percentage	Value	Percentage
a) Imported	30.43	10.78	36.22	11.31
b) Indigenous	251.94	89.22	283.95	88.69
	282.37	100	320.17	100
2.32.5. Foreign Exchange earnings :	–	–	–	–



Note-2.33 : Contingent Liabilities and Commitments (to the extent not provided for)

A. Contingent liabilities

(Rs. in Crore)			
	Particulars	As at 31-MAR-16	As at 31-MAR-15
1.1	Claims against the company not acknowledged as debts consisting of:		
A	Disputed claims under Property tax, Export tax, Conservancy Tax, Sales tax, Service Tax, Income tax etc.	2,114.94	462.29
B	Claims by contractors under arbitration	0.16	0.16
C	Other claims on company not acknowledged as debts	88.44	221.79
1.2	Contingent liability on bills discounted under LCs	0.30	6.21

The Company has issued letter of comfort in favour of International Coal Venture (P) Limited (ICVL) in furtherance for providing Corporate Guarantee of US\$ 30 Mn by them to EXIM Bank on behalf of Minas De Benga Limitada, Mozambique (Borrower), a downstream operating subsidiary of ICVL, New Delhi in respect of short term working capital loan. The said letter of comfort does not in any way constitute the guarantee or security by the Company of the duties of the borrower to meet its obligation under the said facility.

B. Commitments:

(Rs. in Crore)			
	Particulars	As at 31-MAR-16	As at 31-MAR-15
1.1	Estimated amount of contracts remaining to be executed on Capital account	7,489.83	8,116.28
1.2	Other commitments -commitments to subsidiaries and JV	231.07	54.70

1.3 Disputed Claims under Income Tax Act

The Hon'ble ITAT has delivered the orders in favour of the Company on the subject matter of alleged under invoicing pertaining to the Financial Years 2006-07 to 2009-10. The Department has filed appeals before the High Court and pending its decision, the amount of Rs.1,652.54 cr is included under contingent liability.

1.4 Disputed claims under Forest Development tax Act:

Government of Karnataka had introduced Forest Development Tax (FDT) to pay at the rate of 12% on the sale value of iron ore with effect from 27.08.2008. NMDC preferred an appeal before



Hon'ble High Court of Karnataka and the court passed an interim order directing the Company to pay 50% of FDT, consisting of 25% in cash and balance 25% in the form of Bank Guarantee. Accordingly the Company has deposited an amount of Rs.121.84 crore (previous year Rs.121.84 crore) in cash against the said demand which has been shown under Short term Loans and Advances and submitted bank guarantee of similar amount. The balance liability of Rs.243.69 crore (previous year Rs.243.69 crore) is included under disputed taxes under 1.1A - Contingent Liabilities.

Hon'ble High Court of Karnataka vide order dated 03.12.2015 has quashed the orders of Government of Karnataka levying the FDT and ordered refund of the tax collected within three months and accordingly the Company has lodged refund claims. However, Government of Karnataka has filed a Special Leave Petition with Hon'ble Supreme Court of India, challenging the orders of Hon'ble High Court of Karnataka. Hon'ble Supreme Court of India has accepted the same and imposed stay on refund of the FDT amount. Hence, status quo is maintained.

1.5 Service tax:

The Company had claimed refund of service tax paid on export related expenditure for an amount of Rs.42.38 crore for the period from July 2012 to Jun 2014 under Notification No 41/2012 and the same has been admitted and refunded by the Department. But subsequently on the appeal filed by the department, the Commissioner (Appeals) has ordered to pay back the amount along with interest under the pretext that the Company is not the exporter, hence not entitled to the relief. Accordingly, the refunds recognised during the earlier periods along with the interest till date amounting to Rs.75.21 crore has been charged to expenditure. However, an appeal has been filed before the Tribunal against the above orders.

2.34 : Mining issues at Donimalai Complex in Karnataka

"The Monitoring Committee has retained 10% of sale proceeds for the period from 04/10/2011 to 31/03/2016, amounting to Rs.1,105.05 crore (previous year Rs.907.78 crore) pending finalisation of R&R Plans. This amount is included under 'Trade receivables'."

The Rehabilitation and Reclamation (R & R) Plans were prepared by ICFRE and submitted to the Central Empowered Committee appointed by the Hon'ble Supreme Court for consideration. As the draft R & R plan prepared by ICFRE is not made available, the Company is not in a position to make any reliable estimate of any financial implication involved.

Hence no liability has been provided towards the implementation of R & R plans in the accounts for 2015-16", which is in line with AS 29.



Note-2.35 : Disclosure Under Accounting Standards

2.35.1 Employee Benefits as per AS-15(Rev)

GENERAL DESCRIPTION OF DEFINED BENEFIT PLANS :

PLAN	DESCRIPTION
1. Provident fund	The Company's contribution to the provident fund is remitted to a separate trust based on a fixed percentage of the eligible employees' salary. Further, the Company makes good the shortfall, if any, between the return from investments of trust and the notified rate of interest on actuarial valuation basis.
2. Gratuity	Eligible amount is paid to the employees on separation by NMDC Group Gratuity Trust.
3. Accrued Leave Salary	Encashment of accumulated leave is payable as per the rules of the Company to the employees during the service/on separation by the NMDC Employees Superannuation Benefit Fund Trust.
4. Settlement Allowance	Employees are paid eligible amount at the time of retirement for their settlement by the NMDC Employees Superannuation Benefit Fund Trust.
5. Post Retirement Medical Facilities	Retired employees opting for the Post Retirement Benefit Scheme on contribution of prescribed amount can avail medical benefits as per the Scheme and the liability is funded to NMDC Employees Superannuation Benefit Fund Trust.
6. Family Benefit Scheme	Monthly payments to disabled separated employees/legal heirs of deceased employees on deposit of prescribed amount, till the notional date of superannuation and the liability is funded to NMDC Employees Superannuation Benefit Fund Trust.
7. Long Service Award	Employees are presented with an award in kind on rendering prescribed length of service.
8. Contribution to Defined Contribution Pension scheme	The Company's contribution to the defined contribution pension scheme is remitted to a separate trust based on a fixed percentage of the eligible employees' salary.

OTHER DISCLOSURES :

i) Provident fund :

The Company has conducted Actuarial valuation of its PF trust and the trust do not have any deficit as on 31st Mar 2016.



ii) Other defined benefit plans :

(Rs. in Crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
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A. Changes in the present value of the Obligation as on 31st Mar 2016

Present value of obligation at the beginning of the year	177.59 (176.84)	109.43 (93.62)	24.46 (24.29)	269.15 (225.44)	24.69 (18.71)	12.13 (13.38)
Interest cost	14.21 (14.15)	8.75 (7.49)	– (1.94)	20.99 (20.29)	– (–)	– (–)
Current service cost	4.97 (4.68)	24.03 (15.45)	– (0.81)	23.33 (25.63)	– (–)	– (–)
Past service cost	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)
Benefits paid/payable	-25.35 (-24.51)	-12.61 (-8.27)	-1.21 (-1.25)	-21.91 (-19.58)	-5.29 (-4.07)	-2.10 (–)
Actuarial gain/loss on obligation	15.42 (6.44)	-23.04 (1.14)	-5.94 (-1.33)	13.30 (17.37)	8.48 (10.05)	13.03 (-1.25)
Present value of obligation at the end of the period (Previous year)	186.84 (177.59)	106.56 (109.43)	17.31 (24.46)	304.86 (269.15)	27.88 (24.69)	23.06 (12.13)

B. Changes in the fair value of the Plan Assets as on 31st Mar 2016

(Rs in Crore)

Fair value of plan assets at the beginning of the year	176.62 (185.50)	103.98 (103.12)	30.53 (29.17)	224.30 (184.09)	16.95 (14.79)	– (–)
Expected return on plan assets	14.26 (16.05)	9.14 (9.46)	2.72 (2.70)	20.29 (18.90)	2.30 (2.31)	– (–)
Contributions	0.13 (0.15)	5.45 (0.03)	0.05 –	41.22 (40.89)	7.74 (4.11)	– (–)
Benefits paid/payable	-25.35 (-24.51)	-12.61 (-8.27)	-1.21 (-1.25)	-21.91 (-19.58)	-5.29 (-4.07)	– (–)
Actuarial gain/loss on plan assets	0.01 (-0.57)	4.53 (-0.36)	0.33 (-0.09)	0.01 (–)	-0.01 (0.18)	– (–)
Fair value of plan assets at the end of the period	165.67 (176.62)	110.49 (103.98)	32.42 (30.53)	263.91 (224.30)	21.69 (16.95)	– (–)



ii) Other defined benefit plans (Contd.) :

(Rs. in Crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
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C. Amounts recognised in the Balance Sheet as on 31st March, 2016

Present value of the obligations at the end of the year	186.84 (177.59)	106.56 (109.43)	17.31 (24.46)	304.86 (269.15)	27.88 (24.69)	23.06 (12.13)
Fair value of plan assets at the end of the year	165.67 (176.62)	110.49 (103.98)	32.42 (30.53)	263.91 (224.30)	21.69 (16.95)	- (-)
Liability(+)/Asset (-) recognised in the balance sheet	21.17 (0.97)	-3.93 (5.45)	-15.11 (-6.07)	40.95 (44.85)	6.19 (7.74)	23.06 (12.13)

D. Amounts recognised in the Statement of P&L for the period ended 31st March, 2016

(Rs in crore)

Current service cost	4.97 (4.68)	24.03 (15.45)	- (0.81)	23.33 (25.63)	- (-)	- (-)
Past service cost	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest cost	14.21 (14.15)	8.75 (7.49)	- (1.94)	20.99 (20.29)	- (-)	- (-)
Expected return on plan assets	-14.26 (-16.05)	-9.14 (-9.46)	-2.72 (-2.70)	-20.29 (-18.90)	-2.30 (-2.31)	- (-)
Net actuarial gain/loss recognised in the year	15.43 (5.87)	-23.04 (1.14)	-5.94 (-1.33)	13.31 (17.37)	8.47 (9.87)	13.03 (-1.25)
Expenses recognised in Statement of Profit and Loss	20.35 (8.65)	0.60 (14.62)	-8.66 (-1.28)	37.34 (44.39)	6.17 (7.56)	13.03 (-1.25)



E. Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post-retirement medical benefit scheme:

	one percentage point increase in medical inflation rate	one percentage point decrease in medical inflation rate
i. Increase/Decrease on aggregate service and interest cost of post retirement medical benefits	Rs.1.26 cr (Rs.1.02 cr)	- Rs.1.14 cr (-Rs.0.93 cr)
ii. Increase/(Decrease) on present value of defined benefit obligations as at 31-03-2016	Rs.25.34 cr (Rs.25.59 cr)	- Rs.22.94 cr (-Rs.21.81 cr)

Note : Figures in bracket indicate previous year figures

F. PRINCIPAL ACTUARIAL ASSUMPTIONS :

DESCRIPTION	2015-16	2014-15
i. Discount Rate	8.00%	7.80%
ii. Mortality Rate	LIC 1994-96 ultimate	LIC 1994-96 ultimate
iii. Medical Cost Trend rates	4%	4%
iv. Withdrawal rate	1% to 3%	1% to 3%
v. Future salary increase	6.50%	5%

The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

G. The Actuarial gains or losses arising during the year are taken to Statement of Profit and Loss.



Note-2.35.2 : Segment Reporting as per AS-17

The Management evaluates the Company's performance and allocates the resources based on analysis of various performance indicators by business / product segments i.e.

- i) Iron Ore
- ii) Other minerals & services

The inter segment transfers are accounted for at market prices as charged to other customers and the same are offsetted in consolidation.

The Company has identified the primary and secondary segment reporting under AS-17 as under:

Information about Business Segments

Primary Business Segments

(Rs. in Crore)

	Iron Ore		Other Minerals & Services		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. REVENUE								
External Sales	6,327.93	12,197.68	127.87	158.73	–	–	6,455.80	12,356.41
Inter-Segment Sales	0.02	7.80	–	–	(0.02)	(7.80)	–	–
Total Revenue	6,327.95	12,205.48	127.87	158.73	(0.02)	(7.80)	6,455.80	12,356.41
2. RESULT								
Segment Result	3,099.90	7,950.64	(15.35)	(102.70)	(33.07)	(115.72)	3,051.48	7,732.22
Unallocated Corporate Exps							(148.94)	(149.91)
Operating Profit							2,902.54	7,582.31
Finance Cost							(65.44)	–
Interest Income							1,668.17	2,185.52
Income Taxes							(1,476.94)	(3,345.97)
Net Profit							3,028.33	6,421.86
3. OTHER INFORMATION								
Segment Assets	5,378.39	4,995.08	176.40	191.54	27,785.72	29,277.85	33,340.51	34,464.47
Segment Liabilities	1,006.66	886.91	17.31	17.39	2,088.34	1,135.40	3,112.31	2,039.70
Additions to assets during the year :								
Tangible Assets	517.67	135.72	1.68	2.57	72.17	10.12	591.52	148.41
Intangible Assets	228.71	29.97	–	–	0.05	2.77	228.76	32.74
Depreciation and Amortisation expenses during the year	195.20	189.09	2.80	3.32	9.75	9.53	207.75	201.94
Impairment reversal/ provided	–	–	–	–	–	–	–	–
Non-Cash expenses other than Depreciation & amortization	2.63	4.81	0.02	0.21	–	0.01	2.65	5.03



Secondary Segments

Sales Revenue by location of Customers:

(Rs. in Crore)

Revenue from External customers	Curr. Year	Prev. Year
- Domestic	6,103.00	10,986.89
- Export : through MMTC	352.80	1,369.52
TOTAL	6,455.80	12,356.41

Assets by Geographical Location:

(Rs. in Crore)

Location	Carrying amount of Segment Assets		Additions to Tangible and Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chhattisgarh	11,985.04	9,513.83	699.72	151.07
Andhra Pradesh	18,398.59	22,265.15	21.81	0.70
Others	2,956.88	2,685.49	98.75	29.38
TOTAL	33,340.51	34,464.47	820.28	181.15



2.35.3 Related Party Disclosures (AS-18):

(i) List of Related parties with whom transactions have taken place and their relationships:

A.	Subsidiary Companies:	% of Shareholding
1	J&K Mineral Development Corporation Limited, Jammu	95.86
2	NMDC SARL, Madagascar (in the process of liquidation)	100
3	NMDC-CMDC Ltd., Raipur	51
4	NMDC Power Ltd, Hyderabad	100
5	Jharkhand National Mineral Development Corporation Ltd, Ranchi	60
6	Legacy Iron Ore Ltd, Perth, Australia	78.56
7	Karnataka Vijaynagar Steel Limited, Bengaluru	100
8	NMDC Steel Limited, Nagarnar	100
9	Jharkhand Kolhan Steel Limited, Ranchi	100

B.	Joint venture Company :	% of shareholding
1	Kopano-NMDC Minerals (Proprietary) Limited, Johannesburg, South Africa	50

C.	Associate Companies:	% of shareholding
1	Romelt-Sail (India) Limited, New Delhi (in the process of liquidation)	25
2	International Coal Ventures Pvt Ltd, New Delhi	26.49
3	Neelachal Ispat Nigam Ltd, Bhubaneswar	12.87
4	Krishnapatnam Railway Co. Ltd, Secunderabad.	14.82

D. Key Management Personnel: as on 31/03/2016

Directors :

1. Smt. Bharathi S. Sihag (CMD) w.e.f 1st January 2016 (*)
2. Sri Narendra Kothari (CMD) up to 31st December 2015
3. Sri Narendra K Nanda (Dir. Tech)
4. Sri Rabindra Singh (Dir. Personnel) up to 31st August 2015
5. Dr T R K Rao (Dir. Commercial) (**)
6. Sri P K Satpathy (Dir. Production)
7. Sri D S Ahluwalia (Dir. Finance)

Company Secretary :

8. Sri A.S Pardha Saradhi

(*) Holding additional charge as CMD along with Additional Secretary and Financial advisor of Ministry of Steel.

(**) Holding Additional Charge of Director Personnel w.e.f. 1st December 2015.



ii) Transactions during the year with Related parties:

(Rs. in Crore)

Sl No	Particulars	Year ended	
		31-MAR-16	31-MAR-15
1.	Subsidiary Companies:		
	a) Investments:		
	Opening balance	215.15	12.32
	Moved from associate-(Legacy)	–	99.63
	Investment made during the year	25.51	103.20
	Closing balance	240.66	215.15
	Investment deration/Provision	7.20	7.20
	b) Loans and Advances:		
	Opening balance	35.33	31.02
	Advances given during the year (net)	638.53	4.31
	Advance written off in earlier years written back	–	–
	Closing balance	673.86	35.33
2.	Joint venture Company :		
	a) Investments :		
	Opening balance (Rs.324/-) (P. Year (Rs.324/-)	–	–
	Investment made during the year Nil	–	–
	(P. Year (324/-)	–	–
	Closing balance (Rs.324/-)	–	–
	b) Loan & Advance	0.02	–
3.	Associate Companies:		
	Investments (incl Advance for investment):		
	Opening balance	354.06	245.34
	Moved to Subsidiary (Legacy)	–	(99.63)
	Contribution towards equity	107.97	208.35
	Closing balance	462.03	354.06
	Deration against diminution in value of investment	0.11	0.11
4.	Key Management Personnel:		
	Key Managerial Personnel Remuneration	2.63	3.51

Company has deposited an amount of Rs.478.52 crore during the year aggregating to Rs.637.20 crore with Karnataka Industrial Area Development Boards (KIADB) for acquisition of land for setting up of Steel plant at Karnataka. The amount was shown as Capital advance under the head Long term loans and advances as on 31/03/2015. Board in its meeting held on 28/11/2014 deliberated that the land purchased in respect of Karnataka Steel plant shall be purchased in the name of new subsidiary Company to be floated for the purpose of setting up of Steel Plant. Subsequent to the incorporation of wholly owned subsidiary Karnataka Vijaynagar Steel Limited, based on request the Government of Karnataka vide its order no. CI 264 SPI 2009, Bengaluru dated 10/07/2015 has approved the proposal of the Company to transfer the Project being set up in favour of Karnataka Vijaynagar Steel Limited a wholly owned subsidiary of the Company.

In view of the approval of Government of Karnataka, the advance of Rs.637.20 crore deposited with KIADB for acquiring the land for setting up of steel plant in Karnataka has been shown as Loans and Advances to Subsidiary under the head Long term loans and advances as on 31/03/2016.


2.35.4 Earnings per share (AS-20):- The details are as under:

Particulars	Year ended	
	31-MAR-16	31-MAR-15
1. Profit after Tax (Rs Crore)	3,028.33	6,421.86
2. No of Equity shares	3,96,47,16,000	3,96,47,16,000
3. Nominal value per Equity share (Rs)	1	1
4. Basic and Diluted Earnings per share (Rs)	7.64	16.20

2.35.5 Accounting for Taxes on income (AS-22) : Necessary details have been disclosed in note no: 2.3.

2.35.6 Discontinuing Operations (AS-24) :

On 25/02/2008 the Board of directors had announced a plan to dispose off the plant and machinery of Silica Sand Project, Lalapur which is included in the segment of "Other minerals and services." Pending disposal, the unit is kept under care & maintenance.

(Rs. in Crore)

Particulars	AS AT	
	31-MAR-16	31-MAR-15
Silica Sand Project, Lalapur		
Carrying value of Assets	0.35	0.34
Carrying value of liabilities	0.59	0.52

The following statement shows the revenue and expenses of discontinued operations:

(Rs. in Crore)

Particulars	For the year ended 31-Mar-2016	For the year ended 31-Mar-2015
A. Revenue		
Revenue from operations	–	–
Other income	–	–
Total Revenue	–	–
B. Expenses		
Power, Electricity and Water	0.24	0.24
Repairs and Maintenance	0.03	0.03
Other expenses	0.47	0.40
Total Expenses	0.74	0.67
C. Profit(+)/Loss(-) from discontinued operations before tax (A-B)	-0.74	-0.67



2.35.7 Intangible Assets (AS-26) : R&D

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is Rs.22.21 crore (previous year Rs.22.02 crore), including expenditure of Rs.5.32 crore (previous year Rs.4.86 crore) on feasibility studies.

The amount of revenue expenditure incurred at Research & Development unit, Hyderabad is as under:

(Rs. in Crore)		
Head of account	2015-16	2014-15
Consumption of Stores and Spares	0.24	0.25
Power, Electricity & Water	0.57	0.72
Employee benefit expense	9.67	9.72
Repairs and Maintenance	0.40	0.31
Other expenditure	3.77	3.88
Depreciation & Amortisation	3.37	3.28
Total expenditure	<u>18.02</u>	<u>18.16</u>
Less : Other income	1.13	1.00
Total net R&D expenditure	<u>16.89</u>	<u>17.16</u>

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are Rs.0.75 crore. (Previous year Rs.1.78 crore).

2.35.8 Joint ventures (AS-27) - Jointly controlled entity :

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership	
		2015-16	2014-15
Kopano-NMDC Minerals (Proprietary) Limited	South Africa	50%	50%

Other details of Company's share in each of the assets, liabilities, income, expenses and contingent liabilities have not been disclosed as the transactions during the year are very insignificant. However, the Company's share of commitment as on 31/03/2016 is Rs.0.07 crore (previous year Rs.0.33 crore).



2.35.9 Impairment of Assets (AS - 28):

The impairment of assets has been reviewed during the year in respect of the following cash generating units, included under the segment 'Other Minerals and Services' and decided to maintain same status:

(Rs. in Crore)

Unit	Year of impairment	Impaired Amount as on 01-04-15	Adjustments during 2015-16			Impaired Amount as on 31-03-16
			Reversal	Deletion	Addition	
SSP, Lalapur	2005-06	12.54	–	–	–	12.54
SAF Plant at Sponge Iron Unit	2004-05	15.48	–	–	–	15.48

1. The Recoverable amount of the assets of SSP, Lalapur unit has been arrived at considering the 'value in use'. Since the value in use has resulted in negative cash flows, the recoverable amount has been taken as nil without applying any discount rate.
2. In the case of SAF plant at the Sponge Iron Unit, the impairment is based on net selling price as assessed by the approved valuer.
3. The validity of the forest clearance of Panna Supplementary mining lease is up to 30-06-2015. As per the provisions of Mines and Mineral (Development and Regulation) Amendment Act 2015 and circular dated 01-04-2015 issued by MoEFCC the above mining lease shall be deemed to have been extended up to 30-06-2020 and accordingly the operations of the project are continued beyond 30-06-2015.

2.35.10 Provisions, Contingent Liabilities and Contingent Assets (AS-29) : Necessary details in regard to provisions have been disclosed in notes 2.9.



Note-2.36 : Disclosure as required under Regulation 34(3) and 53(f)

2.36.1 Loans and advances in the nature of loans to Subsidiary companies where there is no repayment schedule or no interest :

(Rs. in Crore)

Name of the Company	Outstanding balance		Maximum Balance outstanding	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
J&K Mineral Development Corporation Limited, Jammu	32.39	30.91	32.64	30.91
NMDC SARL, Madagaskar	–	–	–	–
NMDC-CMDC Ltd., Raipur	0.28	0.17	0.28	0.75
NMDC Power Ltd, Hyderabad	3.93	4.20	3.93	4.20
Jharkhand National Mineral Development Corporation Limited, Ranchi	0.03	0.03	0.03	0.03
Karnataka Vijayanagar Steel Limited, Bengaluru	637.20	–	637.20	–
NMDC Steel Limited, Nagarnar	0.01	–	0.01	–

2.36.2 There are no Investments by the loanees as mentioned in 2.36.1 in the shares of NMDC Ltd.

2.36.3 No loans and advances have been given to the Associate Companies.

2.36.4 There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested except as stated above.



Note-2.37 : Others

2.37.1 CSR Expenditure :

- a) Gross amount required to be spent by the Company during the year is Rs.193.28 crore (2% of the last three years average PBT Rs.9,664.05 crore). (Previous Year Rs.198.00 crore (2% of the last three years average PBT Rs.9,894.60 crore).
- b) Amount spent during the year on account of CSR activities is Rs.210.09 crore (Previous Year Rs.188.65 crore).

2.37.2 Replies to some of the letters seeking confirmation of balances with regard to Trade receivables, Advances and Deposits are awaited.

2.37.3 Figures for the previous year have been regrouped/rearranged wherever considered necessary so as to confirm to the classification of the current year.

Subject to our Report of even date

For M/s Tej Raj & Pal
Chartered Accountants
Firm Regn No: 304124E

(CA B Vijay)
Partner
Membership No: 214678

Place : Hyderabad
Date : 27/05/2016

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(BHARATHI S. SIHAG)
Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)
Company Secretary

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**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2015-16**



TEJ RAJ & PAL

Chartered Accountants

Independent Auditor's Report

To
The Members
NMDC Limited
Hyderabad

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NMDC Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entity comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"). ***This audit report is a Revised Independent Auditor's Report to override our earlier Independent Auditor's Report issued on May 27, 2016 upon consequent revision of accounts as mentioned under "Emphasis of Matter".***

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting

principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report



TEJ RAJ & PAL

Chartered Accountants

under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our

audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

A reference is invited to Paragraph No. 2.36.4 of Note No. 2.36 - Notes to Accounts forming part of Accounts - regarding revision of accounts in the light of observations of Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act, 2013.

Our opinion is not modified in respect of this matter.

Other Matters

- (a) We did not audit the financial statements / financial information of the eight subsidiaries whose financial statements / financial information reflect the total assets of Rs.824.96 crore as at 31st March, 2016, total revenues of Rs.1.60 crore and net cash outflows of Rs.0.32 crore for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss of



TEJ RAJ & PAL

Chartered Accountants

Rs.85.42 crore for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of associates, whose financial statements / financial information have not been audited by us.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate companies, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements / financial information of one jointly controlled entity, whose financial statements / financial information reflect the total assets of Rs.0.001 crore as at 31st March, 2016 and total revenues of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss of Rs.2.39 crore for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of associates, whose financial statements / financial information have not been audited by us.

These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associate Companies and jointly controlled entity,

and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate Companies and jointly controlled entity, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(5) of the Companies Act 2013, based on the comments in the auditors' report of the holding company, subsidiary companies, associate companies and jointly controlled entity incorporated in India, we give in "**ANNEXURE - A**", to this report, a statement on the directions issued by the Comptroller and Auditor General of India, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation



TEJ RAJ & PAL

Chartered Accountants

- of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled company incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "ANNEXURE - B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- There are no pending litigations which would impact the consolidated financial position of the Group, its associate companies and jointly controlled entity.
 - The Group, its associate companies and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - There has been no delay in transferring amount, required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, associate companies and jointly controlled entity incorporated in India.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA B Vijay
Partner
Mem No 214678

Place : Hyderabad
Date : 14-06-2016



TEJ RAJ & PAL

Chartered Accountants

“Annexure A” to the Independent Auditor’s Report of Even Date on the Consolidated Financial Statements of NMDC Limited

Report on the Directions of the Comptroller and Auditor General of India required under sub section 5 of Section 143 of the Companies Act, 2013 ("the Act")

S.No.	Point	Reply
1.	Whether the group Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	<p>We the auditors of the group, have noticed the following observations</p> <p>A. Below are Leasehold Lands (General / Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification:</p> <ol style="list-style-type: none"> 1. Land for Bailadila Estate at Jagdalpur measuring 10 (Acres) valuing Rs.7,333/-; 2. Land acquisition for Screening Plant measuring 470 (Acres) valuing Rs.3,16,416/-; 3. Land acquisition for intake arrangement measuring 14.13 (Acres) valuing Rs.23,769/-; 4. Land for Sankini Nalla W/supply scheme for 10 & 11A proj. measuring 2 (Hectares) valuing Rs.10,97,400/-; 5. Land for Sankini Nalla W/supply scheme for 10 & 11A proj. measuring 3 (Hectares) valuing Rs.18,04,200/-; 6. Land Lease Hold of Dep No. 10 for Iron Ore measuring 308.13 (Hectares) valuing Rs.1/-; 7. Land Lease Hold of Pocket No. 1, 2, and 3 Near Bhansi measuring 189.956 (Hectares) valuing Rs.1/-; 8. Land Lease Hold of Bachel Float Ore Area measuring 99.956 (Hectares) valuing Rs.1/-; 9. Land Lease Hold Dep No. 11C Mines & Fine Ore Dump measuring 122.619 (Hectares) valuing Rs.1,53,44,299/-;

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Hyderabad – 500 057 Telangana

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TEJ RAJ & PAL

Chartered Accountants

S.No.	Point	Reply
		<p>10. Land for operation township at Hill top Location: Hilltop (Measurement is Under reconciliation) valuing Rs.10,564/-;</p> <p>11. Building (Social Amenities) with Gross Block - Rs.75,73,23,199/- and Net Block Rs.63,18,65,570/-;</p> <p>12. Land Lease Hold (for Town Ship) Type II Qtr in Kirandul measuring 20.81 (Hectares) valuing Rs.1,00,590/-;</p> <p>13. Buildings (General) with Gross Block - Rs.24,43,22,980/- and Net Block Rs.17,07,51,184/-</p> <p>B. Below are Leasehold Lands (General) for which the company holds possession letter issued by Joint Secretary, Mining resources Department Raipur:</p> <p>1. Land Lease Hold Dep No. 14 Mines measuring 407.55 (Hectares) valuing Rs.6,99,87,154/-</p> <p>2. Land Lease Hold Dep No. 14 Non Mining measuring 546.882 (Hectares) valuing Rs.10,66,22,023/-</p> <p>3. Land Lease Hold of Dep No. 11 For Iron Ore measuring 1,809.23 (Hectares) valuing Rs.1/-</p> <p>C. Below are Leasehold Lands (General) for which the Company holds possession Letter Issued by Mining Officer District, South Bastar, Dantewada:</p> <p>1. Mining Lease of DEP No. 05 measuring 1334.463 (Acres) and valuing Rs.68,30,81,258/-</p> <p>2. Mining Lease of DEP No. 10 measuring 764.379 (Acres) and valuing Rs.34,76,68,456/-</p> <p>3. Mining Lease of DEP No. 10 (FO) measuring 352.858 (Acres) and valuing Rs.14,92,37,757/-</p> <p>4. Mining Lease of DEP No. 11A measuring 764.379 (Acres) and valuing Rs.2,71,92,866/-</p>

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S.No.	Point	Reply
		<p>D. Below are Leasehold Lands (General) for which the company holds possession Letter Issued by Chief Secretary, Mining resources Dept. M.P:</p> <ol style="list-style-type: none"> 1. Land Lease Hold of Dep No. 14 for Float Ore measuring 317.79 (Hectares) valuing Rs 18,770/- <p>E. Portion of total land at Research & Development Center measuring 9.12 acres which had expired during Feb 07 (6.66 acres) and the balance in Feb 10 (2.46 acres).</p> <p>F. Below are Freehold Lands (General / Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification:</p> <ol style="list-style-type: none"> 1. Private land from Adivasi for Pipe line from Nerli Dam to Screening Plant measuring 1.54 (Acres) valuing Rs.7,375/- 2. Land for Bhansi camp Location: Bhansi valuing Rs.7,840/- 3. Land acquired for Const. of Intake water supply to Screening Plant Location: Bacheli measuring 14 (Acres) valuing Rs.18,987/- 4. Value of PVT Land for Oxidation Pond Location: Bacheli measuring 17.77 (Acres) valuing Rs.13,294/- 5. 4 Acres land for Rly Siding at Bacheli Location: Bacheli measuring 4 (Acres) valuing Rs.5,502/- 6. Land acquired from Adivasi for Tailing Dam near Parapur measuring 81.39 (Acres) valuing Rs.2,11,395/- 7. Acquisition of Land for Tailing Dam and diff of Amt. paid vide JV NO/1246 1/88. (Measurement under Reconciliation) valuing Rs.30,635/- 8. Forest land for uniflow rly. Dispatch system measuring 2 (Hectares) valuing Rs.12,40,000/- 9. Buildings (General) with Gross Block - Rs.39,41,46,810/- & Net Block - Rs.26,86,59,423/- 10. Land Areas in Bacheli Pargana measuring 14.40 (Acres) valuing Rs.49,53,000/-



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S.No.	Point	Reply
		11. Land Area in Bacheli Pargana (Kameli Kala) measuring 2.1 (Acres) valuing Rs.5,57,000/-
		12. Land Area in Bacheli Pargana (Poro Kameli) measuring 3.27 (Acres) valuing Rs.13,41,000/-
		13. Land Areas in Kodendar Pargana measuring 21.32 (Acres) valuing Rs.1,46,85,000/-
		14. Land Area in Bada Bacheli measuring 1.46 (Acres) valuing Rs.3,84,000/-
		15. Land Areas in Bada Bacheli Pargana measuring 6.33 (Acres) valuing Rs.23,10,000/-
		16. Land Areas in Padapur Pargana measuring 9.28 (Acres) valuing Rs.24,43,000/-
		17. Land - Area in Kodendar Pargana measuring 3.48 (Acres) valuing Rs.9,16,000/-
		18. Land- Area in Jagdalpur measuring 5.823 (Hectares) valuing Rs.10,57,78,000/-
		19. Land for Accumulation of Slimes measuring 39.58 (Acres) valuing Rs.70,95,02,000/-
		20. Land at Madadi VIL measuring 15.79 (Acres) valuing Rs.44,67,22,000/-
		21. Land Freehold in Kirandul Pargana measuring 47.18 (Acres) valuing Rs.22,569/-
		22. Land Freehold (Construction of 100 Permanent Type-C Qtrs) measuring 75.9 (Acres) valuing Rs.46,200/-
		23. Land Free Hold for Construction of K.V. School Near Praleosh Vidyalaya measuring 21.62 (Acres) valuing Rs.22,39,610/-
		24. Buildings (Social Amenities) with Gross Block - Rs.62,18,21,873/- and Net Block - Rs.48,86,76,147/-
		25. Land Area in Bada Bacheli Pargana measuring 0.32 (Acres) valuing Rs.1,58,000/-

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S.No.	Point	Reply
2	Whether there are any cases of waiver/write off of debts / loans / interest etc.? If yes, the reasons therefore and the amount involved.	We the auditors of the group did not come across any case of waiver / write off of the debts / loans / interest etc. during the financial year 2015-16.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	We the auditors of the group, were informed that neither inventory of the Company is lying with any third party nor there are any assets received as gifts / grants from government or other authorities during the financial year 2015-16.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA B Vijay
Partner
Mem No 214678

Place : Hyderabad
Date : 14-06-2016

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“Annexure B” to the Independent Auditor’s Report of Even Date on the Consolidated Financial Statements of NMDC Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, We have audited the internal financial controls over financial reporting of NMDC Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the



TEJ RAJ & PAL

Chartered Accountants

other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, Subsidiary companies and Associate Companies, which are incorporated in India and having materiality impact, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the Subsidiary companies and Associate companies having materiality impact, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA B Vijay
Partner

Mem No 214678

Place : Hyderabad
Date : 14-06-2016



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NMDC LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2016

The preparation of consolidated financial statements of NMDC Limited, Hyderabad for the year ended on 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is/are responsible for expressing opinion on these financial statements under Section 143 read with Section 129(4) of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 14 June 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of NMDC Limited, Hyderabad for the year ended on 31 March 2016. We conducted a supplementary audit of the financial statements of NMDC Limited, Hyderabad, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to the subsidiary Legacy Iron Ore Limited, Perth, Australia and joint venture Kopano-NMDC Minerals (Proprietary) Limited, South Africa being private entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditors nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No.2.36.4 of consolidated financial statements, I have no further comments to offer upon or supplement to the Statutory Auditors' report, under section 143(6)(b) read with section 129(4) of the Act.

For and on the behalf of the
Comptroller and Auditor General of India

(Arabinda Das)

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad
Date: 27 June 2016



Annexure

Subsidiaries

1. J&K Mineral Development Corporation Limited, Jammu
2. NMDC-CMDC Limited, Raipur
3. NMDC Power Limited, Hyderabad
4. NMDC Steel Limited, Nagarnar
5. Jharkhand National Mineral Development Corporation Limited, Ranchi
6. Jharkhand Kolhan Steel Limited, Ranchi
7. Karnataka Vijaynagar Steel Limited, Bengaluru

Associate Companies

1. International Coal Ventures Pvt Limited, New Delhi
2. Neelachal Ispat Nigam Limited, Bhubaneswar
3. Krishnapatnam Railway Company Limited, Secunderabad

Consolidated Balance Sheet as at 31st March, 2016

(Rs. in Crore)

Particulars	Note No	Figures as at the end of current reporting period 31-March-2016	Figures as at the end of previous reporting period 31-March-2015
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2.1	396.47	396.47
Other Comprehensive Income			
Reserves & Surplus	2.2	29,559.52	31,870.17
		29,955.99	32,266.64
Minority interest		50.42	50.59
Non-current Liabilities:			
Deferred Tax Liability (Net)	2.3	122.22	98.33
Other Long term Liabilities	2.4	50.48	40.57
Long Term Provisions	2.5	21.02	10.80
		193.72	149.70
Current Liabilities:			
Short-term Borrowings	2.6	1,496.95	-
Trade payables			
Outstanding dues of micro and small enterprises	2.7	0.31	0.19
Other than micro & small enterprises		324.21	226.25
		324.52	226.44
Other current Liabilities	2.8	1,225.52	1,148.43
Short term Provisions	2.9	2.19	622.04
		3,049.18	1,996.91
TOTAL		33,249.31	34,463.84
ASSETS :			
NON-CURRENT ASSETS:			
Fixed Assets:			
Tangible Assets	2.10	1,641.30	1,246.18
Intangible Assets	2.11	405.69	221.99
Capital Work in Progress	2.12	9,814.56	7,800.58
		11,861.55	9,268.75
Non-current investments	2.13	339.27	319.11
Long term Loans and Advances	2.14	1,705.84	966.90
Other non-current assets	2.15	5.06	5.37
		13,911.72	10,560.13
CURRENT ASSETS:			
Inventories	2.16	636.96	691.88
Trade receivables	2.17	1,896.08	1,752.33
Cash and bank balances	2.18	14,809.06	18,486.06
Short term Loans and Advances	2.19	1,253.02	1,965.63
Other Current Assets	2.20	742.47	1,007.81
		19,337.59	23,903.71
TOTAL		33,249.31	34,463.84
Significant accounting policies and Notes on accounts forming part of accounts.			
	1 & 2		

Subject to our Report of even date

For M/s Tej Raj & Pal

Chartered Accountants

Firm Regn No: 304124E

(CA B Vijay)

Partner

Membership No: 214678

Place : Hyderabad

Date : 14/06/2016

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)

Director (Finance)

(BHARATHI S. SIHAG)

Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)

Company Secretary

**Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2016**

(Rs. in Crore)

Particulars	Note No	Figures for the current reporting period 31-March-2016	Figures for the previous reporting period 31-March-2015
I. Gross Revenue from Operations	2.21	6,457.27	12,362.47
Less : Excise duty		<u>1.47</u>	<u>6.06</u>
Net Revenue from operations		6,455.80	12,356.41
II. Other Income	2.22	1,775.99	2,266.92
III. Total Revenue (I + II)		8,231.79	14,623.33
IV. Expenses :			
Consumption of raw materials	2.23	9.73	27.67
Consumption of Stores & Spares		282.37	320.17
Changes in inventories of finished goods and work-in-progress	2.24	63.12	(16.99)
Employee Benefit expense	2.25	674.99	702.91
Power, Electricity and Water	2.26	67.69	64.25
Repairs & Maintenance	2.27	119.39	104.23
Royalty & Other Levies		882.68	1,390.22
Selling Expenses	2.28	417.12	1,168.30
Finance cost	2.29	65.50	0.14
Depreciation & Amortisation	2.10 & 2.11	209.17	172.56
Other Expenses	2.30	<u>758.96</u>	<u>828.99</u>
Total Expenses		3,550.72	4,762.45
V. Profit before exceptional and extraordinary items and tax (III-IV)		4,681.07	9,860.88
VI. Exceptional items	2.31	184.78	113.01
VII. Profit before extraordinary items and tax (V-VI)		4,496.29	9,747.87
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		4,496.29	9,747.87
X. Tax expense :			
(1) Current tax		1,566.31	3,384.21
Earlier years (net)		(112.94)	(33.76)
(2) Deferred tax		<u>23.89</u>	<u>(4.19)</u>
XI. Profit for the year from continuing operations after tax (IX-X)		3,019.03	3,346.26
XII. Profit from discontinuing operations before tax		(0.74)	(0.67)
XIII. Tax expense of discontinuing operations		(0.25)	(0.23)
XIV. Profit from discontinuing operations after tax (XII-XIII)		(0.49)	(0.44)
XV. Profit for the year (XI + XIV)		3,018.54	6,401.17
Share of minority(loss)		2.02	(3.94)
Share of losses of associates		(87.81)	(50.49)
Profit after adjusting minority interest and share of losses of associates		2,932.75	6,346.74
XVI. Earning per equity share:			
(Face value Rs.1/- each)			
(i) Basic		7.40	16.01
(ii) Diluted		7.40	16.01
Significant accounting policies and Notes on accounts forming part of accounts.	1 & 2		

Subject to our Report of even date

For M/s Tej Raj & Pal

Chartered Accountants

Firm Regn No: 304124E

(CA B Vijay)

Partner

Membership No: 214678

Place : Hyderabad

Date : 14/06/2016

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)

Director (Finance)

(BHARATHI S. SIHAG)

Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(Rs. in Crore)

	Year ended 31-Mar-16	Year ended 31-Mar-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	4,496.29	9,747.87
Profit before tax from discontinued operations	(0.74)	(0.67)
<i>Adjustments for :</i>		
Depreciation & Amortisation (incl impairment)	227.02	202.20
Interest on deposits with banks	(1,603.21)	(1,965.94)
Other Interest income	(66.53)	(221.05)
Profit/loss on reinstatement of investments	–	–
Prov for bad & doubtful advances & Misc.losses written off	2.34	7.48
Profit/loss on sale of fixed assets (net)	1.29	(1.70)
Operating profit before working capital adjustments	3,056.46	7,768.19
Increase(-)/Decrease(+) in Inventories	54.92	(10.69)
Increase(-)/Decrease(+) in Trade Receivables	(143.75)	(303.91)
Increase(-)/Decrease(+) in Short term Borrowings	1,496.95	–
Increase(-)/Decrease(+) in Short term and Long term Loans & Advances	733.75	(180.70)
Increase(-)/Decrease(+) in accrued interest on deposits with banks	267.32	(282.03)
Increase(-)/Decrease(+) in Assets held for disposal	0.02	0.16
Increase(+)/Decrease(-) in long term, Short term Liabilities and trade payables	185.08	40.35
Increase(+)/Decrease(-) in long term and Short term Provisions	10.71	(0.97)
Cash Generated from Operations	5,661.46	7,030.40
Finance Cost	65.50	0.14
Direct taxes (Net)	(1,737.28)	(3,031.40)
Net Cash Flow from Operating Activities	3,989.68	3,999.14
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible and Intangible Assets	(824.80)	(279.01)
Increase(-)/Decrease(+) in Capital work in progress	(2,025.28)	(2,503.17)
Increase(-)/Decrease(+) in Capital advances	(478.25)	(38.24)
Purchase of Investments	(195.59)	(205.83)
Reinstatement of investments	87.81	108.55
Interest on deposits with Banks	1,603.21	1,965.94
Other interest income	66.53	221.05
Sale of Investments	–	–
Sale/Deletion of Fixed Assets	34.56	6.39
Increase(-)/Decrease(+) in Investment in term deposits with more than three months	5,385.85	(727.23)
Increase(-)/Decrease(+) in Bank Deposits offered as security for BG/LCs	(1,733.37)	934.39
Net Cash flow from Investing Activities	1,920.67	(517.16)



(Rs. in Crore)

	Year ended 31-Mar-16	Year ended 31-Mar-15
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest on income tax	(65.50)	(0.14)
Payment of dividends	(4,876.60)	(2,874.42)
Tax on dividend	(992.77)	(574.71)
Increase(-)/Decrease(+) in balances with banks for unpaid dividend	(119.76)	(0.17)
Net cash used in Financing Activities	<u>(6,054.63)</u>	<u>(3,449.44)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	<u>(144.28)</u>	<u>32.54</u>
Cash & Cash equivalents at the end of the year	51.23	195.51
Cash & Cash equivalents at the beginning of the year	195.51	162.97
	<u>(144.28)</u>	<u>32.54</u>
Components of Cash & Cash equivalents:		
Cash & cheques on hand	0.08	0.09
Balances with Scheduled banks		
in current account	36.80	92.04
in Term deposits with original maturity less than 3 months	14.35	103.38
	<u>51.23</u>	<u>195.51</u>

Note : The previous year figures have been rearranged/regrouped wherever necessary to conform to current year classification.

Subject to our Report of even date

For M/s Tej Raj & Pal

Chartered Accountants

Firm Regn No: 304124E

(CA B Vijay)

Partner

Membership No: 214678

Place : Hyderabad

Date : 14/06/2016

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)

Director (Finance)

(BHARATHI S. SIHAG)

Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)

Company Secretary



Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2016

Note-1 : Significant Group Accounting Policies

A. BASIS OF ACCOUNTING

The Company prepares its financial statements as a going concern, under historical cost convention and on accrual basis, in accordance with the generally accepted accounting principles.

iv) Investments in Associates are accounted for using equity method as per Accounting Standard 23 - "Accounting for investments in Associates in Consolidated Financial Statements".

B. PRINCIPLES OF CONSOLIDATION

The consolidated Financial statements have been prepared on the following basis :

i) The consolidated financial statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.

v) The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

ii) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as specified in Accounting Standard 21 - "Consolidated Financial Statements."

vi) Minorities share in net profit/loss of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.

iii) The financial statements of Joint venture entities are combined by applying proportionate consolidation method on a line by line basis on like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard 27 - "Financial reporting of Interests in Joint ventures."

vii) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.

viii) The financial statements of Legacy Iron Ore Ltd, Australia have been prepared in accordance with Australian Accounting Standards and the relevant Australian Laws and also on accrual basis and according to the historical cost basis assuming the company is a going concern and converted in Indian Rupees considering as non-integral operation as per Accounting Standard 11 Accounting for effects of changes in Foreign Exchange rates' for the purpose of Consolidated Financial Statements.

**C. BALANCE SHEET****1. FIXED ASSETS:**

1.1 Fixed Assets are stated at historical cost.

1.2 Assets acquired / constructed by the Company with the subsidy sanctioned by Iron Ore Mines Labour Welfare Cess Fund are capitalised to the extent of cost to the company. However, the work-in-progress and the subsidy thereon are shown separately till capitalisation.

1.3 The fixed assets acquired against Govt. Grants are shown in the Balance Sheet after deducting the grant received. However, where the grant received is equal to the cost of the asset, such asset is shown at a nominal value of Re.1/- per asset.

1.4 The Insurance Spares which can only be used in connection with an item of Fixed Asset and whose use is expected to be irregular are capitalised and depreciated from the date of acquisition over the balance useful life of the respective assets.

2. DEPRECIATION:

2.1 Depreciation is charged on straight-line method based on the useful life of the assets as prescribed in Schedule II of the Companies Act 2013. Where ever there is no suitable life in Schedule II the same shall be determined by technical assessment.

2.2 Residual value of all the assets is considered as Nil, except vehicles, which is considered at 5% of the original cost.

2.3 Fixed Assets costing Rs.5,000/- or less are fully depreciated in the year of purchase.

2.4 Depreciation is charged on pro-rata monthly basis on additions / disposals of assets during the year taking the first day of the month for acquisition / commissioning and the last day of the month for disposals.

2.5 In respect of additions forming an integral part of an existing asset, depreciation is charged over the remaining useful life of the asset. In case the asset is already fully depreciated, such additions are depreciated in full.

2.6 Cost of leasehold land is amortized over the period of lease.

2.7 The life of the assets constructed on leasehold land is restricted to the lease period except in case of mining projects.

3. Exploration and Evaluation Expenditure**3.1 In respect of Legacy Iron Ore Ltd.**

Mineral tenements are carried at cost, less accumulated impairment loss. Mineral exploration and evaluation is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest or sale of that area of interest, or exploration and evaluation activities have not reached a stage of that area of interest which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations on or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area of interest are written off in full against profit in the year in which the decision to abandon that area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

4. DEVELOPMENT EXPENSES:

Development expenses (pre-construction period expenses) and Expenses on removal of overburden and preparation of mining benches are amortized in ten annual installments from the date of commencement of production



5. INVESTMENTS:

Long-term investments are stated at cost. A provision for diminution is made to recognise the decline in value, other than temporary, on an individual investment basis.

6. INVENTORIES:

6.1 Raw materials, Stores and spares (including loose tools and implements), work in process and finished products are valued at lower of cost and net realisable value of the respective units.

The basis of determining the cost is

Raw materials : Weighted average cost

Stores and spares : Weighted average cost

Stores in Transit : At cost

Work in process and Finished goods : Material cost plus appropriate share of labour, related overheads and levies

6.2 In case of identified obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

6.3 Stationery, Medical, Canteen, School stores, Cotton Waste, Hospital stores and lab stores (excluding for R & D Lab) charged off to Revenue on procurement.

6.4 No credit is taken in respect of stock of run of mine ore, embedded ore, Iron ore slimes, Partly used stores and spares.

7. FOREIGN CURRENCY TRANSACTIONS:

7.1 Foreign Currency Transactions are accounted for at the exchange rates prevailing on the date of transactions.

7.2 Fixed Assets are translated at the exchange rates on the date of transaction. The exchange difference in each financial year, up to the period of settlement is taken to Statement of Profit and Loss.

7.3 The monetary items in foreign currencies are translated at the closing exchange rate on the date of balance sheet and gains / losses thereon adjusted in the Statement of Profit and Loss.

C. STATEMENT OF PROFIT AND LOSS

1. REVENUE RECOGNITION:

1.1 Export sales: Export sales are recognized on the date of Bill of Lading. However, final adjustments are made in the year of receipt of discharge port analysis.



1.2 Domestic sales: Domestic sales are accounted on the date of Forwarding Note (Rail dispatches) / Lorry receipt / Delivery challan.

However, in case of spot auction under electronic mode, the sale is recognized on conclusion of the auction.

1.3 Obsolete Stores & Scrap: Income is accounted on realization basis in respect of Used / Surplus/ obsolete/unserviceable materials/waste products and scrap.

2. EMPLOYEES BENEFITS:

2.1 Payments under Employees' Family Benefit Scheme:

Under the NMDC Employees' family benefit scheme, monthly payments are made till the normal date of retirement to the family members of those employees who are discharged from service due to medical reasons or death, on deposit of the amount envisaged in the scheme and liability for the payments are accounted for on the basis of actuarial valuation and the amount is administered by a separate Trust.

2.2 Gratuity & Provident fund:

2.2.1 Gratuity payable to eligible employees is administered by a separate Trust. Payments to the trust towards contributions and other demands are made on the basis of actuarial valuation.

2.2.2 The Company's contribution to the provident fund is remitted to a separate trust based on a fixed percentage of the eligible employees' salary. Further, the company makes good the shortfall, if any, between the return from investments of trust and the notified rate of interest on actuarial valuation basis.

2.3 Pension Fund

Defined contributions to NMDC Employees' Contributory Pension Scheme

are made on accrual basis at a rate as approved from time to time to a fund which is administered by a separate Trust.

2.4 Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation and the amount is administered by a separate trust.

2.5 Other Benefits:

Liability towards Long service award, Settlement Allowance and Post Retirement Medical Facilities to employees as at the end of the year is recognized on the basis of actuarial valuation. Such amounts towards Settlement Allowance and Post retirement medical benefits are administered by a separate trust.

3. GENERAL:

3.1 Research & Development Expenditure:

The expenditure on Fixed Assets relating to Research & Development is capitalized and depreciated in the same method as any other assets of the Company. Other Research & Development expenditure of revenue nature incurred during the year is charged off to Statement of Profit and Loss.

3.2 Mine Closure Obligation:

The liability to meet the obligation of mine closure and restoration of environment as per Mines & Minerals (Development and Regulation) Act 1957 (MMDR 1957) at the time of closure of the mine has been estimated on the basis of technical assessment and charged to Statement of Profit and Loss on the basis of Run of Mine ore production of the mine. The liability is remitted to a Fund maintained by LIC.

3.3 Pre-paid Expenses:

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed Rs.10,00,000/- in each case.



3.4 Prior period adjustments:

Income/expenditure relating to prior period of over Rs.10,00,000/- in each case arising out of errors and omission are accounted as prior period adjustment.

3.5 Insurance Claims:

Insurance Claims are accounted as under:

In case of transit insurance on the basis of claim lodged with the Insurance Company.

In case of other insurance on the basis of survey reports received.

Difference between claims accounted for and actual receipts are accounted as miscellaneous expenditure/Income in the year of settlement.

Subject to our Report of even date

For M/s Tej Raj & Pal
Chartered Accountants
Firm Regn No: 304124E

(CA B Vijay)
Partner
Membership No: 214678

Place : Hyderabad
Date : 14/06/2016

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(BHARATHI S. SIHAG)
Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)
Company Secretary



2. Notes on Accounts for the Year Ended 31st March 2016

Note-2.1 : Share Capital

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Authorised: 4,00,00,00,000 Equity Shares (Previous year 4,00,00,00,000) of Re.1/- each (Previous year Re.1/- each)	400.00	400.00
Issued, Subscribed & Paid up: 3,96,47,16,000 Equity Shares of Re.1/- each fully paid up (Previous year 3,96,47,16,000 Equity shares of Re.1/- each fully paid up)	396.47	396.47
TOTAL	396.47	396.47

Addl. Notes :

- 1) No new shares were issued during the current year. Hence, there is no change in number of shares outstanding as at the beginning and as at the end of the reporting period.
- 2) Terms/Rights attached to equity shares : The Company has only one class of equity shares having par value of Re.1/- each and each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 3) The details of shares in the Company held by each shareholder holding more than 5% shares :

Name of the Share holder	As on 31.03.2016		As on 31.03.2015	
	% of share- holding	No. of shares	% of share- holding	No. of shares
i) Hon'ble President of India	80.00	3,171,946,300	80.00	3,171,946,300
ii) LIC of India	9.63	381,661,465	8.52	337,787,162



Note-2.2 : Reserves and Surplus

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
a) General Reserve (Free Reserve)		
As per last Balance Sheet	29,114.22	28,114.22
Add : Additions during the year	400.00	1,000.00
At the end of the year	29,514.22	29,114.22
b) Capital Grant- R&D (Corresponding nominal value of assets Rs.881/- (P.Y. Rs.881/-))	-	-
c) Foreign Exchange Translation Reserve	5.63	-
d) Statement of Profit and Loss - Surplus		
As per last Balance Sheet	2,755.95	1,436.14
Less : Depreciation due to implementation of Schedule-II Companies Act, 2013	-	(8.96)
Adjustments on Consolidation	-	51.50
Add : Profit for the year	2,932.75	6346.74
	5,688.70	7,825.42
Less : Appropriations :		
Interim Dividend	4,361.19	2,874.42
Tax on Interim Dividend	887.84	574.71
Proposed Final Dividend	-	515.41
Tax on Final Dividend	-	104.93
General Reserve	400.00	1,000.00
	5,649.03	5,069.47
At the end of the year	39.67	2,755.95
TOTAL	29,559.52	31,870.17



Note-2.3 : Deferred Tax Liability (Net)

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
A. Deferred tax Liability:		
Related to fixed assets	133.13	96.48
Accrued expenses	<u>(0.01)</u>	<u>11.89</u>
	133.12	108.37
B. Deferred tax assets :		
Provision for bad and doubtful debts and advances	6.07	5.17
Provision for post retirement medical benefits	4.77	4.80
Misc. Expenses	<u>0.06</u>	<u>0.07</u>
	10.90	10.04
C. Net deferred tax liability (A-B)	<u>122.22</u>	<u>98.33</u>

Note-2.4 : Other Long Term Liabilities

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Deposits from Suppliers, Contractors and Others	50.48	40.57
TOTAL	<u>50.48</u>	<u>40.57</u>

Note-2.5 : Long Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Gratuity	0.06	0.06
Long Service Reward	20.96	10.74
TOTAL	<u>21.02</u>	<u>10.80</u>

Note-2.6 : Short Term Borrowings

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Loan against FDs	1,496.95	—
TOTAL	<u>1,496.95</u>	<u>—</u>

Secured (With Fixed Deposits) 1,496.95 —

Un-secured — —

The Company does not have any continuing default in repayment of Loans and interest on the Balance Sheet date.



Note-2.7 : Trade Payables

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Outstanding dues of micro and small enterprises	0.31	0.19
Other than micro & small enterprises	<u>324.21</u>	<u>226.25</u>
	<u>324.52</u>	<u>226.44</u>
	<u>324.52</u>	<u>226.44</u>

Note-2.8 : Other Current Liabilities

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Advances from customers	116.04	110.19
Unpaid Dividend	2.30	1.45
Mine closure liability	333.99	302.73
Less : Fund with LIC	<u>326.47</u>	<u>299.51</u>
	7.52	3.22
Deposits from Suppliers, Contractors and Others	64.81	65.87
Interest Accrued on short Term Loan	8.32	–
Other Payables (like withholding and other taxes payable, amounts payable to employees and others)	1,026.53	967.70
TOTAL	<u>1,225.52</u>	<u>1,148.43</u>

Note-2.9 : Short Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Employee Benefits:		
Accrued leave	0.09	0.16
Long Service Reward	2.10	1.54
Others:		
Proposed Final dividend	–	515.41
Tax on Final dividend	–	<u>104.93</u>
	<u>–</u>	<u>620.34</u>
	<u>2.19</u>	<u>622.04</u>

Details of Provisions (in Compliance of AS-29)

(Rs. in Crore)

	Opening Balance 1-Apr-15	Addition during year	Adjustment during year	Closing Balance 31-Mar-16
Proposed Dividend and Tax thereon	620.34	5,249.03	5,869.37	–
	–	(4,069.47)	(3,449.13)	(620.34)

Note : Figures in bracket indicate previous year figures



Note-2.10 : Tangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK				
	As at 1st Apr, 2015	Additions during the year	Ded/Adj during the year	Internal transfer	As at 31st MAR 2016
A. General					
Land :					
- Free hold	257.95	16.10	-	-	274.05
- Lease hold	2.41	3.42	-	-	5.83
Buildings	143.69	19.23	(0.01)	2.61	165.52
Plant & Machinery	778.00	357.38	(1.31)	-	1,134.07
Heavy Mobile Equipt.	910.80	33.03	(29.71)	-	914.12
Furniture & fittings	17.33	3.31	(0.05)	0.02	20.61
Vehicles	38.16	2.87	(2.08)	-	38.95
Office Equipment	63.07	6.87	(0.35)	(0.03)	69.56
Others :					
Roads, bridges etc.	109.28	19.35	-	(0.02)	128.61
Dams, Wells & Pools	25.53	5.19	-	(2.58)	28.14
Adit & tunnel	3.71	-	-	-	3.71
Railway sidings	55.60	0.15	-	-	55.75
Locomotives	7.21	-	-	-	7.21
Electrical Installations	104.55	49.96	-	-	154.51
Sanitary & W. S. Installations	18.00	24.93	-	-	42.93
TOTAL 'A'	2,535.29	541.79	(33.51)	-	3,043.57
Figures for the previous year	2,423.72	118.20	(6.63)	-	2,535.29
B. Social Facilities					
Land :					
- Free hold	0.29	-	-	-	0.29
- Lease hold	0.02	-	-	-	0.02
Buildings	147.91	30.67	(0.08)	-	178.50
Plant & Machinery	0.24	-	-	-	0.24
Furniture & fittings	3.23	4.86	(0.20)	(0.02)	7.87
Vehicles	3.77	-	(0.36)	-	3.41
Office Equipment	11.94	9.31	(0.31)	0.02	20.96
Others :					
Roads, bridges etc.	8.55	1.94	(0.03)	-	10.46
Cess fund quarters	12.57	-	(0.07)	-	12.50
Dams, Wells & Pools	0.25	-	-	-	0.25
Cess Fund Vehicles	-	-	-	-	-
Electrical Instaln.	3.75	1.07	-	-	4.82
Sanitary & W.S.Instlns.	10.12	1.88	-	-	12.00
Cess fund other assets	0.10	-	-	-	0.10
TOTAL 'B'	202.74	49.73	(1.05)	-	251.42
Figures for the previous year	170.86	31.74	0.14	-	202.74
TOTAL 'A + B'	2,738.03	591.52	(34.56)	-	3,294.99
Figures for the previous year	2,594.58	149.94	(6.49)	-	2,738.03



Note-2.10 : Tangible Assets (Contd..)

(Rs. in Crore)

ASSETS	DEPRECIATION BLOCK					NET BLOCK		
	Upto 31st March 2015	For the year	Prior period adj.	Deductions/adjustments	Internal transfers	Upto 31st March 2016	As at 31st March 2016	As at 31st March 2015
A. General								
Land :								
- Free hold	-	-	-	-	-	-	274.05	257.95
- Lease hold	0.90	0.19	-	-	-	1.09	4.74	1.51
Buildings	46.06	4.66	-	-	0.19	50.91	114.61	97.63
Plant & Machinery	550.57	27.02	17.69	(1.27)	-	594.01	540.06	227.43
Heavy Mobile Equipmt.	587.52	94.52	0.47	(27.78)	-	654.73	259.39	323.28
Furniture & fittings	9.23	1.52	-	(0.01)	0.01	10.75	9.86	8.10
Vehicles	20.23	3.10	-	(1.96)	-	21.37	17.58	17.93
Office Equipment	42.49	6.35	-	(0.35)	(0.01)	48.48	21.08	20.58
Others :								
Roads, bridges etc.	50.43	16.73	-	-	-	67.16	61.45	58.85
Dams, Wells & Pools	16.35	0.39	-	-	(0.19)	16.55	11.59	9.18
Adit & tunnel	3.71	-	-	-	-	3.71	-	-
Railway sidings	19.91	3.74	-	-	-	23.65	32.10	35.69
Locomotives	7.21	-	-	-	-	7.21	-	-
Electrical Installations	57.91	9.75	-	-	-	67.66	86.85	46.64
Sanitary & W. S. Installations	12.28	0.64	-	-	-	12.92	30.01	5.72
TOTAL 'A'	1,424.80	168.61	18.16	(31.37)	-	1,580.20	1,463.37	1,110.49
Figures for the previous year	1,240.36	186.33	(0.38)	(1.50)	-	1,424.80	1,110.49	1,183.08
B. Social Facilities								
Land :								
- Free hold	-	-	-	-	-	-	0.29	0.29
- Lease hold	0.02	-	-	-	-	0.02	-	-
Buildings	34.16	3.07	0.17	(0.01)	-	37.39	141.11	113.75
Plant & Machinery	0.10	0.01	-	-	-	0.11	0.13	0.14
Furniture & fittings	2.08	0.60	-	-	(0.01)	2.67	5.20	1.15
Vehicles	2.76	0.20	-	(0.35)	-	2.61	0.80	1.01
Office Equipment	7.83	1.73	-	(0.03)	0.01	9.54	11.42	4.11
Others :								
Roads, bridges etc.	5.67	0.49	-	(0.03)	-	6.13	4.33	2.88
Cess fund quarters	6.00	0.17	-	(0.08)	-	6.09	6.41	6.57
Dams, Wells & Pools	0.19	-	-	-	-	0.19	0.06	0.06
Cess Fund Vehicles	-	-	-	-	-	-	-	-
Electrical Instaln.	2.20	0.27	-	-	-	2.47	2.35	1.55
Sanitary & W.S.Instlns.	5.94	0.23	-	-	-	6.17	5.83	4.18
Cess fund other assets	0.10	-	-	-	-	0.10	-	-
TOTAL 'B'	67.05	6.77	0.17	(0.50)	-	73.49	177.93	135.69
Figures for the previous year	60.01	7.14	0.28	(0.38)	-	67.05	135.69	110.85
TOTAL 'A + B'	1,491.85	175.38	18.33	(31.87)	-	1,653.69	1,641.30	1,246.18
Figures for the previous year	1,300.37	193.47	(0.10)	(1.88)	-	1,491.85	1,246.18	1,293.93



Note-2.11 : Intangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK			
	As at 1st April 2015	Additions during the year	Ded/Adj during the year	As at 31st March 2016
GENERAL				
Goodwill	107.98	–	–	107.98
Computer software	10.23	0.24	–	10.47
Mining rights	238.74	233.04	(1.00)	470.78
TOTAL	356.95	233.28	(1.00)	589.23
Figures for the previous year	228.86	129.07	(0.98)	356.95

Note - 2.11 : Intangible Assets (Contd..)

(Rs. in Crore)

ASSETS	AMORTISATION BLOCK					NET BLOCK	
	Upto 31 st March 2015	For the year	Prior period adj.	Deductions/ adjustments	Upto 31 st March 2016	As at 31 st March 2016	As at 31 st March 2015
GENERAL	14.09	–	–	–	14.09	93.89	93.89
Computer software	7.68	1.26	–	–	8.94	1.53	2.55
Mining rights	113.19	50.81	–	(3.49)	160.51	310.27	125.55
TOTAL	134.96	52.07	–	(3.49)	183.54	405.69	221.99
Figures for the previous year	113.72	21.78	(0.54)	–	134.96	221.99	71.93



Additional notes to 2.10 & 2.11 : TANGIBLE AND INTANGIBLE ASSETS

1. Lease hold land measuring 3021.35 sq. mtrs. (Previous year 3,021.35 sq mtrs) has been taken from Vizag Port Trust authorities for construction of Regional Office Building and the Lease Deed has expired on 11.07.2012. Lease hold land measuring 1431.32 sq. mtrs. (Previous year 1431.32 sq. mtrs) has been taken from Vizag Port Trust authorities for construction of Screening Plant at Port Area and the lease deed has expired on 17.06.2010. Action is on hand to renew the lease periods of the above lands. However, the rents have been accounted till 31.03.2016.
2. The value of land of 155.55 hectares taken over from District Industries Centre, Jagdalpur for construction of Steel Plant near Nagarnar has not been brought into the books as the amount payable is not ascertainable in the absence of any demand from the concerned authorities.
3. Formal agreements / Transfer deeds remain to be executed in respect of the following:
 - (a) Renewal of Mining Leases at Deposit 10 (Float Ore) & Panna (supplementary lease) & Donimalai.
 - (b) Lease deeds in respect of parts of land for township at Bacheli Complex, Kirandul Complex and Panna Project.
 - (c) Mining lease to the extent of 33.58 hectares (Mining area) and 19.42 hectares (Plant area) of Silica Sand Plant near Lalapur (Allahabad).
 - (d) Lease in respect of a portion of the total land at R&D Center measuring 9.12 acres has expired during Feb 07 (6.66 acres) and the balance in Feb 2010 (2.46 acres). The process of renewal of the lease is under progress.
 - (e) Only Provisional allotment letters issued for the land to the extent of 13.43 acres purchased from M/s APIIC at Industrial park, Paloncha. However, on physical survey found only 11.35 acres of land. No effect is given in books, pending confirmation from M/s APIIC.
 - (f) Land to the extent of 26.39 acres purchased at Patancheru, Hyderabad from the Official Liquidator of Allwyn Watches Ltd. However, on physical survey found only 24.23 acres of land. No effect is given in books, pending confirmation from the Official Liquidator of Allwyn Watches Ltd.
 - (g) Land at Raipur to the extent of 57,432.99 Sq. Ft. has been acquired from Chhattisgarh Housing Board, however as per the actual land measurement taken by surveyor the total land comes to 62,205.96 Sq. Ft. The registration formalities are in the process for the total land.
4. Reconciliation of Depreciation and Amortisation as per Statement of Profit and Loss:

(Rs. in Crore)

Note no	Particulars	2015-16	2014-15
Note No: 2.10	Depreciation on Tangible Assets	175.38	193.47
Note No: 2.11	Amortisation of Intangible Assets	52.07	21.78
	Total	227.45	215.25
Note No: 2.12.1	Transferred to IEDC	(-)18.28	(-)29.12
	Transferred to Profit & Loss A/C / Reserve	-	(-)13.57
Depreciation and amortisation as per Statement of Profit and Loss		209.17	172.56



Prior period Depreciation:

(Rs. in Crore)

Note no	Particulars	2015-16	2014-15
Note No: 2.30.1	Depreciation prior period charged to Statement of Profit and Loss	17.85	(-)0.42
Note No: 2.12.1	Depreciation prior period transferred to IEDC	0.47	–
Prior period depreciation as per note 2.10 Tangible Assets		18.32	–

5. During the year Crushing plant & Downhill conveyer System of 11B project has been commissioned on 22nd August 2015 and capitalized at a value of Rs.350.71 crore including the incidental expenditure during construction allocated to respective fixed assets. An amount of Rs.0.39 crore has been taken as contribution of value addition in the trail run production and as such excluded from project cost. Accordingly depreciation of Rs.9.35 crore has been accounted during the year as a result of said capitalization.



Note-2.12 : Capital Work in Progress

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Construction work in progress	8,960.74	7,065.90
Less : Provision	0.15	0.15
	<u>8,960.59</u>	<u>7,065.75</u>
Construction Stores	1.70	2.11
Capital Assets in stores awaiting installation or in transit	32.11	20.65
Expenditure incidental to construction awaiting allocation (See note 2.12.1)	820.16	712.07
TOTAL	<u><u>9,814.56</u></u>	<u><u>7,800.58</u></u>

Note-2.12.1 : Expenditure Incidental to Construction Awaiting Allocation

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
a. Opening balance	712.07	489.32
b. Net Expenditure incurred during the year		
Consumption of stores and spares	0.15	0.06
Employee Benefit expense :		
Salaries, Wages & Bonus	42.98	24.76
Contribution to Provident fund, EPS, DLI	2.79	4.11
Contribution to Pension Fund	0.14	—
Contribution to Gratuity fund	2.85	1.62
Staff Welfare expenses	5.50	5.10
	<u>54.26</u>	<u>35.59</u>
Power, Electricity & Water	14.40	10.11
Repairs and Maintenance	1.46	2.21
Depreciation and amortisation	18.28	30.05
Depreciation and amortisation-prior period	0.47	—
Other expenses :		
Rent, Insurance, Rates and taxes	0.24	0.09
Payment to auditors : As auditors	0.03	0.03
Payment to auditors : For other services	0.03	0.02
Reimbursement of expenses	0.01	—
	<u>0.07</u>	<u>0.05</u>
Travelling and Conveyance expenses	1.90	1.87
Consultancy expenditure	54.55	64.61
CISF/Security expenditure	1.54	1.12
Other expenditure	20.47	80.22
	<u>167.79</u>	<u>225.98</u>
Less : Recoveries/Income		
Other income	(3.52)	3.23
Total (b)	<u>171.31</u>	<u>222.75</u>
Sub-total (a + b)	<u>883.38</u>	<u>712.07</u>
Less : Amount allocated to Fixed assets/ Capital WIP	63.22	—
TOTAL	<u><u>820.16</u></u>	<u><u>712.07</u></u>



Note-2.13 : Non-Current Investments

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
In Equity Shares:		
i) 41,85,590 (Previous Year 41,85,590) Equity shares of FMG Rs.2,500/- each fully paid up in wholly owned subsidiary Company NMDC SARM, Madagascar	7.20	7.20
Less : Investment deration	7.20	7.20
	-	-
<u>Investments in Joint venture - Trade and unquoted at cost</u>		
i) 50 (Previous year 50) equity shares of South African Rand Re.1/- each fully paid in Kopano-NMDC Minerals (Proprietary) Limited (Rs.324/- only)	-	-
<u>Investments in Associates - Trade and unquoted at cost</u>		
<u>Trade & quoted at cost:</u>		
i) 1,05,000 (previous year 1,05,000) Equity shares of Rs.10/- each fully paid up in Romelt SAIL India Ltd., New Delhi	0.11	0.11
Less : Deration	0.11	0.11
	-	-
ii) 28,13,57,143 (Previous year 12,78,57,143) Equity shares of Rs.10/- each fully paid up in International Coal Ventures (P) Ltd	237.68	127.86
iii) 4,00,00,000 (Previous year 4,00,00,000) Equity shares of Rs.10/- each fully paid up in Krishnapatnam Railway Company Ltd	35.45	37.84
iv) 7,47,99,878 (previous year 7,47,99,878) equity shares of Rs.10/- each fully paid up in NINL, Bhubaneswar	26.15	67.89



Note-2.13 : Non-Current Investments (Contd..)

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
<i>Advance against equity for Trade and unquoted investments in Associates :</i>		
i) 3,99,70,000 (Previous year 8,55,00,000) equity shares of Rs.10/- each in International Coal Ventures (P) Ltd. fully paid up, pending issue of shares	39.97	85.50
<i>Non-trade and unquoted shares in co-operative societies</i>		
i) 150 Shares (previous year 150 Shares) of Rs.1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul Rs.1,50,000/- (Previous year Rs.1,50,000/-)	0.02	0.02
ii) 500 Shares (previous year 500 Shares) of Rs.10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bachelu Rs.5,000/- (previous year Rs.5,000/-)	-	-
iii) 25 Shares (previous year 25 Shares) of Rs.100/- each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai Rs.2,500/- (previous year Rs.2,500/-)	-	-
	<u>0.02</u>	<u>0.02</u>
TOTAL	<u><u>339.27</u></u>	<u><u>319.11</u></u>

Aggregate amount of Unquoted Investments Gross Rs.346.58 crore and Net Rs.339.27 crore (Previous Year Gross Rs.326.42 crore and Net Rs.319.11 crore)



Note-2.14 : Long Term Loans and Advances

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Capital Advances	1,002.51	524.26
Others:		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	634.86	375.32
Deposit with Others	68.47	67.32
Less : Provision	—	—
	68.47	67.32
TOTAL	<u>1,705.84</u>	<u>966.90</u>
Secured, considered good	17.19	16.06
Unsecured, considered good	1,688.65	950.84
Doubtful	—	—

Note-2.15 : Other Non-Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Un amortised expenditure: (to the extent not written off or adjusted)		
Development expenses	5.06	5.37
TOTAL	<u>5.06</u>	<u>5.37</u>



Note-2.16.1 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Raw materials	12.00	11.54
Work-in-Process:		
Diamonds	12.69	16.73
Sponge Iron	1.25	0.69
	13.94	17.42
Finished Goods:		
Iron Ore	463.35	514.88
Sponge Iron	5.36	9.81
Diamonds & Precious Stones	26.02	27.19
	494.73	551.88
Generated Iron ore fines at Sponge Iron unit	0.23	0.53
	0.23	0.53
TOTAL	520.90	581.37

Note-2.16.2 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Stores & Spares	115.76	110.18
Loose tools and Implements	0.30	0.33
TOTAL	116.06	110.51
G. TOTAL	636.96	691.88
Inventories are valued at cost or NRV whichever is lower.		
1. Stores and Spares include:		
a) Stores-in-transit	3.99	15.48
b) Obsolete stores & spares valued at Re.1/- per unit of their original value of Rs.3.4 crore (previous year Rs.4.07 crore)	0.03	0.03



Note-2.17 : Trade Receivables

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Trade receivables outstanding for a period exceeding six months from the due date of payment	1,104.09	938.29
Other trade receivables	807.75	829.24
	1,911.84	1,767.53
Less : Provision for bad & doubtful trade receivables	15.76	15.20
	1,896.08	1,752.33
TOTAL	1,896.08	1,752.33
See Note no: 2.34		

1. Particulars of Trade Receivables:

i) Secured, Considered good	-	-
ii) Unsecured considered good	1,896.08	1,752.33
iii) Doubtful	15.76	15.20

Note-2.18 : Cash and Bank Balances

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
CASH AND CASH EQUIVALENTS :		
Balances with Banks		
On Current Accounts	36.80	92.04
On Deposit Accounts (Maturity less than 3 months)	14.35	103.38
	51.15	195.42
Cash on hand	0.08	0.09
	51.23	195.51
OTHER BANK BALANCES :		
Balances with banks on Deposits accounts (Maturity more than 3 months but less than one year)	10,961.57	16,347.42
Bank deposits offered as security for Bank Guarantees and Letters of Credit	3,675.05	1,941.68
Balances with Banks for unpaid dividend	121.21	1.45
	14,757.83	18,290.55
TOTAL	14,809.06	18,486.06



Note-2.19 : Short-term Loans and Advances

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Loans and advances to related parties		
Loans and advances to Directors	–	0.01
Others :		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	379.57	1,335.92
Less : Provision for bad and doubtful advances	2.81	2.54
	376.76	1,333.38
Advance Income tax & TDS	9,132.67	10,490.41
Less : Provision	8,263.16	9,869.46
	869.51	620.95
Advance Fringe benefit tax	–	0.04
Less : Provision	–	0.04
	–	–
Inter Corporate Loans to PSUs	4.50	4.50
Less : Loans deration	4.50	4.50
	–	–
Balances with Customs and Port Trust	5.90	10.82
Accrued Interest	0.34	–
Deposit with Others	0.51	0.47
Less : Provision	–	–
	0.51	0.47
TOTAL	1,253.02	1,965.63
Secured, considered good	4.19	4.28
Unsecured, considered good	1,248.83	1,961.35
Doubtful	7.31	7.08



Note-2.20 : Other Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2016	Figures as at the end of 31-March-2015
Accrued interest on deposits with banks	740.12	1,007.44
Assets held for disposal	0.35	0.37
Current investments	2.00	-
TOTAL	742.47	1,007.81

Note-2.21 : Gross Revenue from Operations

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Sale of Products :		
Iron ore :		
Export through MMTC	352.80	1,369.53
Domestic	5,975.13	10,828.16
	<u>6,327.93</u>	<u>12,197.69</u>
Sponge Iron	13.14	54.15
Diamonds	52.61	50.06
	<u>6,393.68</u>	<u>12,301.90</u>
Sale of Power	6.30	5.96
Sale of Services	55.51	45.87
Other operating revenue	1.78	8.74
TOTAL	6,457.27	12,362.47

Note-2.22 : Other Income

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Interest Income :		
On deposits with Banks	1,603.21	1,965.94
Others	66.53	221.05
	<u>1,669.74</u>	<u>2,186.99</u>
Profit on sale of assets	1.22	2.19
Other non-operating Income	105.03	77.74
TOTAL	1,775.99	2,266.92



Note-2.23 : Consumption of Raw Materials

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Iron ore	5.70	10.29
Coal	3.93	16.94
Lime Stone	0.05	0.16
Internal handling of raw materials	0.05	0.28
TOTAL	9.73	27.67

Note-2.24 : Changes in Inventories of Finished Goods and Work-in-Progress

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Work-in-process:		
Balance as at the beginning of the Year	17.42	10.68
Less : Balance as at close of the Year	13.94	17.42
	3.48	(6.74)
Finished Goods:		
Balance as at the beginning of the Year	553.26	543.77
Less : Balance as at close of the Year	494.12	553.26
	59.14	(9.49)
Excise duty on accretion/decretion of stock (net)	0.50	(0.76)
	59.64	(10.25)
TOTAL	63.12	(16.99)



Note-2.25 : Employee Benefit Expense

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Salaries, Wages & Bonus	475.29	514.68
Contribution to Provident fund and other funds :		
Provident Fund, EPS & DLI	37.38	35.97
Pension Fund	23.91	22.98
Gratuity Fund	18.99	8.60
Staff Welfare Expenses	119.42	120.68
TOTAL	<u>674.99</u>	<u>702.91</u>

Note-2.26 : Power, Electricity & Water

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Power charges	51.76	49.63
Electricity charges	14.46	12.89
Water Charges	1.47	1.73
TOTAL	<u>67.69</u>	<u>64.25</u>



Note-2.27 : Repairs and Maintenance

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Buildings	28.11	24.24
Plant and Machinery	35.92	34.55
Vehicles	0.70	0.90
Others	54.66	44.54
TOTAL	119.39	104.23

Note-2.28 : Selling Expenses

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Railway freight	271.53	640.90
Export duty	36.53	401.64
Infrastructure Development cess	11.69	10.34
Environmental Development cess	11.69	10.34
Other selling expenses	85.68	105.08
TOTAL	417.12	1,168.30

Note-2.29 : Finance Cost

(Rs. in Crore)

	Figures as at the end of Current reporting period 31-Mar-2016	Figures as at the end of Previous reporting period 31-Mar-2015
i) Interest on Short term Borrowings	14.23	–
ii) Interest - Others	51.27	0.14
TOTAL	65.50	0.14



Note-2.30 : Other Expenses

(Rs. in Crore)

	For the year ended 31-March-2016	For the year ended 31-March-2015
Rent	4.60	4.58
Insurance	7.47	7.19
Rates & Taxes	7.91	7.18
Directors' Travelling expenses	2.79	3.61
Directors' Sitting fee	0.91	0.60
Payment to Auditors:		
As Auditors:	0.38	0.43
For Taxation matters	0.01	0.02
For Other services	0.17	0.17
For reimbursement of expenses	0.13	0.07
	0.69	0.69
Loss on sale/adjustment of Assets	2.51	0.49
Miscellaneous losses written off	1.33	5.70
Provision for doubtful debts/advances	1.01	1.78
Mine closure Obligation	4.30	7.79
Raising and Transportation	85.04	99.50
Local Area Development (Towards SPV in Karnataka)	197.26	285.19
Entertainment	1.21	1.04
Donations	0.15	0.12
Travelling & Conveyance	28.90	26.41
Advertisement & Publicity	15.10	20.52
Postage, Telephone & Telex	3.19	5.37
Stationery & Printing	3.12	4.27
Consultancy charges	7.35	13.40
CISF/Security guards	95.11	86.51
Safety expenses	1.24	1.25
Unamortised expenditure written off	0.31	-
Corporate Social Responsibility	210.09	188.65
Loss in Exchange variation (net)	0.76	0.06
Environmental Development	16.19	21.18
Other expenses	44.59	37.95
Prior period items (See Note 2.30.1)	15.83	(2.04)
TOTAL	758.96	828.99



Note-2.30.1 : Prior-Period Items

(Rs. in Crore)

	For the year ended 31-March-2016		For the year ended 31-March-2015	
	Income	Expenditure	Income	Expenditure
Consumption of stores & spares	–	–	0.92	–
Repairs & Maintenance	–	–	0.50	–
Other Income	0.20	–	0.05	–
Depreciation & Amortisation	–	17.85	0.41	–
Other Expenses	3.34	0.10	0.16	–
Stock Adjustment	–	1.42	–	–
TOTAL	3.54	19.37	2.04	–
Net Income (-) / Expenditure (+)		15.83		(2.04)



Note-2.31 : Exceptional Items

(Rs. in Crore)

	For the year ended 31-March-2016		For the year ended 31-March-2015	
	Income	Expenditure	Income	Expenditure
Income				
i) DMF (from Customers) From 12/01/2015 to 16/09/2015	54.74		–	
ii) NMET (from Customers) From 12/01/2015 to 13/08/2015	3.35		–	
Expenditure				
iii) Contribution towards Pension Scheme for the earlier periods from 01.01.2007 up to Mar 2014	–			113.01
iv) DMF (to Govt.) From 12/01/2015 to 16/09/2015		228.77	–	–
v) NMET (to Govt.) From 12/01/2015 to 13/08/2015		14.10	–	–
TOTAL	58.09	242.87	–	113.01
Net Income (-) / Expenditure (+)		184.78		113.01

As per the Gazette Notification dated 27th March 2015 enacting the Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 and subsequent notifications dated 17th Sept 2015 and 14th Aug 2015 for contribution to District Mineral Foundation (DMF) & National Mineral Exploration Trust (NMET), the Company is required to pay 30% of royalty towards DMF and 2% of royalty towards NMET with effect from 12th Jan 2015.

The State of Karnataka Central Empowered Committee (CEC) constituted by the Hon'ble Supreme court of India, has vide letter dated 01.12.2015, directed Monitoring Committee, conducting e-auctions not to recover the above levies from the buyers in the e-auction and accordingly the amounts not been accounted as part of sales. In the State of Chhattisgarh the levy of DMF & NMET from retrospective dates has been challenged in the Courts of law. Orders have been passed by the Court not to take coercive actions for recovery of retrospective amounts from the customers. As such, to the extent of the amount realised only has been accounted as sales income.



Other Notes to Consolidated Financial Statements:

Note-2.32 : The Subsidiary Companies, Associate Companies considered in the Consolidated Financial Statements are as Follows:

Sl. No.	Name of the Company	Country of Incorporation	Proportion (%) of Company's ownership interest	
			As on 31/03/2016	As on 31/03/2015
Subsidiary Companies				
1	J&K Mineral Development Corporation Limited, Jammu	India	95.86	74
2	NMDC CMDC Limited, Raipur	India	51	51
3	NMDC Power Limited, Hyderabad	India	100	100
4	Jharkhand National Mineral Development Corporation Limited, Ranchi	India	60	60
5	Legacy Iron Ore Limited, Perth, Australia.	Australia	78.56	78.56
6	Karnataka Vijaynagar Steel Limited (KVSL), Bengaluru	India	100	100
7	NMDC Steel Limited, Nagarnar	India	100	–
8	Jharkhand Kolhan Steel Limited, Ranchi	India	100	–
Associate Companies				
1	International Coal Ventures Pvt Limited, New Delhi	India	26.49	24.80
2	Neelachal Ispat Nigam Limited, Bhubaneswar	India	12.87	12.87
3	Krishnapatnam Railway Company Limited, Secunderabad.	India	14.82	14.82
Joint Ventures				
1	Kopano-NMDC Minerals (Proprietary) Limited	South Africa	50	50

- i) The consolidated financial statements are drawn by considering audited financial statements of the above mentioned subsidiaries for the year ended 31/03/2016.

In respect of NMDC Steel Ltd., the first financial statements of the Company are prepared for the period from 2nd January 2015 (the date of incorporation) to 31st March 2016 in compliance with Section 2(41) of the Companies Act, 2013, and the same are considered for consolidation.

- ii) In respect of Associate companies, the consolidated financial statements are drawn by considering the audited financial statements for the period ending 31/03/2016 in respect of Neelachal Ispat Nigam Limited and International Coal Venture Limited (consolidated Financial Statements). In respect of KRCL unaudited financial statements for the period ended 31/03/2016 are considered.



- iii) In respect of Joint Venture ie. Kopano -NMDC Minerals (Proprietary) Limited, South Africa, the consolidated financial statements are drawn by considering the latest available unaudited financial statements of 2015-16.
- iv) The Board of Directors of J&KMDC Limited in its 57th meeting held on 23rd May 2002 had taken a decision to wind up the Company subject to approval of Govt. of India and State Govt. of Jammu & Kashmir. Subsequently, based on DPR & Due Diligence Report, Board in its 95th meeting held on 19th Feb 2010 has approved the Capex of Rs.131.89 crore for setting up of 100 TPD DBM Plant, which was further revised to Rs.143 crore in its 96th meeting held on 1st May 2010. Accordingly, appointment of EPCM consultant has been made; environmental work, balance civil & structural works have been awarded and further actions are being taken for awarding the contract for Technology package etc. In view of the above developments towards revival of the project, the accounts are prepared on "going concern" basis, under historical convention and in accordance with generally accepted accounting principle.
- v) The Government of Karnataka vide its Order No. CI 264 SPI 2009, Bengaluru dated: 10.07.2015 has approved the proposal of NMDC to transfer the project approval in favour of Karnataka Vijaynagar Steel Limited, a wholly owned subsidiary of M/s NMDC Ltd.

KVSL Board in its meeting held on 30.03.2016 has approved that the expenditure made till date in the books of NMDC on the project shall be transferred to Karnataka Vijaynagar Steel Limited.

Accordingly, KVSL recognized a liability of an amount of Rs.637.20 crore which was earlier paid by NMDC to Karnataka Industrial Area Development Board (KIADB) towards advance for acquisition of 2968 acres of land for setting up of steel plant.

2.32.1 The following subsidiary/JV/Associate Companies are not consolidated for the following reasons:

- a) The accounts of the subsidiary Company i.e. NMDC SARM, Madagascar is under closure and in the process of winding up. The above subsidiary suffers from significant impairment in its ability to transfer funds to the parent company in terms of para 11 of AS 21.
- b) The accounts of the associate Company Romelt-SAIL (India) Limited, New Delhi as the Company is in the process of winding up and suffers from significant impairment in its ability to transfer funds to the investor in terms of para 9 (b) of AS 23.



Note-2.33 : Contingent Liabilities and Commitments (to the extent not provided for)

A. Contingent liabilities

(Rs. in Crore)

	Particulars	As at 31-MAR-16	As at 31-MAR-15
A.	Contingent liabilities		
1.1	Claims against the Company not acknowledged as debts consisting of:		
a	Disputed claims under Property tax, Export tax, Conservancy Tax, Sales tax, Income tax, Service tax etc.	2,161.47	503.70
b	Claims by contractors under arbitration	0.16	0.16
c	Other claims on Company not acknowledged as debts	88.44	221.79
1.2	Contingent liability on bills discounted under LCs/BGs	7.33	6.21
1.3	a) Corporate Guarantee of USD 30 million submitted to EXIM Bank on behalf of ICVL Mauritius in respect of short term working capital loan.	52.99	–
	b) Corporate Guarantee by NINL to MMTC Ltd. For Rs.945 crore - (Company share 12.87 %)	121.62	–
B.	Commitments:		
1	Estimated amount of contracts remaining to be executed on Capital account	7,578.33	8,284.44

In respect of NMDC Limited :

(i) Disputed Claims under Income Tax Act.

The Hon'ble ITAT has delivered the orders in favour of the company on the subject matter of alleged under invoicing pertaining to the Financial Years 2006-07 to 2009-10. The Department has filed appeals before the High Court and pending its decision, the amount of Rs.1,652.54 crore is included under contingent liability.

(ii) Disputed claims under Forest Development tax Act:

Government of Karnataka had introduced Forest Development Tax (FDT) to pay at the rate of 12% on the sale value of iron ore with effect from 27.08.2008. NMDC preferred an appeal before Hon'ble High Court of Karnataka and the court passed an interim order directing the Company to pay 50% of FDT, consisting of 25% in cash and balance 25% in the form of Bank Guarantee. Accordingly the Company has deposited an amount of Rs.121.84 crore (previous year Rs.121.84 crore) in cash against the said demand which has been shown under Short term Loans and Advances and submitted bank guarantee of similar amount. The balance liability of Rs.243.69 crore (previous year Rs.243.69 crore) is included under disputed taxes under 1.1A - Contingent Liabilities.



Hon'ble High Court of Karnataka vide order dated 03.12.2015 has quashed the orders of Government of Karnataka levying the FDT and ordered refund of the tax collected within three months and accordingly the Company has lodged refund claims. However, Government of Karnataka has filed a Special Leave Petition with Hon'ble Supreme Court of India, challenging the orders of Hon'ble High Court of Karnataka. Hon'ble Supreme Court of India has accepted the same and imposed stay on refund of the FDT amount. Hence, status quo is maintained.

(iii) Service Tax:

The Company had claimed refund of service tax paid on export related expenditure for an amount of Rs.42.38 crore for the period from July 2012 to Jun 2014 under Notification No 41/2012 and the same has been admitted and refunded by the Department. But subsequently on the appeal filed by the department, the Commissioner (Appeals) has ordered to pay back the amount along with interest under the pretext that the Company is not the exporter, hence not entitled to the relief. Accordingly, the refunds recognised during the earlier periods along with the interest till date amounting to Rs.75.21 crore has been charged to expenditure. However, an appeal has been filed before the Tribunal against the above orders.

2.34 Mining Issues at Donimalai Complex in Karnataka:

The Monitoring Committee has retained 10% of sale proceeds for the period from 04/10/2011 to 31/03/2016, amounting to Rs.1,105.05 crore (previous year Rs.907.78 crore) pending finalisation of R&R Plans. This amount is included under 'Trade receivables'.

The Rehabilitation and Reclamation (R & R) Plans were prepared by ICFRE and submitted to the Central Empowered Committee appointed by the Hon'ble Supreme Court for consideration. As the draft R & R plant prepared by ICFRE is not made available, the company is not in a position to make any reliable estimate of any financial implication involved.

Hence no liability has been provided towards the implementation of R & R plans in the accounts for 2015-16", which is in line with AS 29.



Note-2.35 : Disclosures Under Accounting Standards

2.35.1 Employee Benefits as per AS-15(Rev)

GENERAL DESCRIPTION OF DEFINED BENEFIT PLANS :

PLAN	DESCRIPTION
1. Provident fund	The Company's contribution to the provident fund is remitted to a separate trust based on a fixed percentage of the eligible employees' salary. Further, the Company makes good the shortfall, if any, between the return from investments of trust and the notified rate of interest on actuarial valuation basis.
2. Gratuity	Eligible amount is paid to the employees on separation by NMDC Group Gratuity Trust.
3. Accrued Leave Salary	Encashment of accumulated leave is payable as per the rules of the Company to the employees during the service/on separation by the NMDC Employees Superannuation Benefit Fund Trust.
4. Settlement Allowance	Employees are paid eligible amount at the time of retirement for their settlement by the NMDC Employees Superannuation Benefit Fund Trust.
5. Post Retirement Medical Facilities	Retired employees opting for the Post Retirement Benefit Scheme on contribution of prescribed amount can avail medical benefits as per the Scheme and the liability is funded to NMDC Employees Superannuation Benefit Fund Trust.
6. Family Benefit Scheme	Monthly payments to disabled separated employees/legal heirs of deceased employees on deposit of prescribed amount, till the notional date of superannuation and the liability is funded to NMDC Employees Superannuation Benefit Fund Trust.
7. Long Service Award	Employees are presented with an award in kind on rendering prescribed length of service.
8. Contribution to Defined Contribution Pension scheme	The Company's contribution to the defined contribution pension scheme is remitted to a separate trust based on a fixed percentage of the eligible employees' salary.

OTHER DISCLOSURES :

i) Provident fund :

The Company has conducted Actuarial valuation of its PF trust and the trust do not have any deficit as on 31st Mar 2016.



ii) Other defined benefit plans :

(Rs. in Crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
--	-----------------	-----------------------------	-----------------------------	---	------------------------------	---------------------------

A. Changes in the present value of the Obligation as on 31st Mar 2016

Present value of obligation at the beginning of the year	177.59 (176.84)	109.43 (93.62)	24.46 (24.29)	269.15 (225.44)	24.69 (18.71)	12.13 (13.38)
Interest cost	14.21 (14.15)	8.75 (7.49)	- (1.94)	20.99 (20.29)	- (-)	- (-)
Current service cost	4.97 (4.68)	24.03 (15.45)	- (0.81)	23.33 (25.63)	- (-)	- (-)
Past service cost	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Benefits paid/payable	-25.35 (-24.51)	-12.61 (-8.27)	-1.21 (-1.25)	-21.91 (-19.58)	-5.29 (-4.07)	-2.10 -
Actuarial gain/loss on obligation	15.42 (6.44)	-23.04 (1.14)	-5.94 (-1.33)	13.30 (17.37)	8.48 (10.05)	13.03 (-1.25)
Present value of obligation at the end of the period (Previous year)	186.84 (177.60)	106.56 (109.43)	17.31 (24.46)	304.86 (269.15)	27.88 (24.69)	23.06 (12.13)

B. Changes in the fair value of the Plan Assets as on 31st Mar 2016

(Rs in Crore)

Fair value of plan assets at the beginning of the year	176.62 (185.50)	103.98 (103.12)	30.53 (29.17)	224.30 (184.09)	16.95 (14.79)	- (-)
Expected return on plan assets	14.26 (16.05)	9.14 (9.46)	2.72 (2.70)	20.29 (18.90)	2.30 (2.31)	- (-)
Contributions	0.13 (0.15)	5.45 (0.03)	0.05 (-)	41.22 (40.89)	7.74 (4.11)	- (-)
Benefits paid/payable	-25.35 (-24.51)	-12.61 (-8.27)	-1.21 (-1.25)	-21.91 (-19.58)	-5.29 (-4.07)	- (-)
Actuarial gain/loss on plan assets	0.01 (-0.57)	4.53 (-0.36)	0.33 (-0.09)	0.01 (-)	-0.01 (-0.18)	- (-)
Fair value of plan assets at the end of the period	165.67 (176.62)	110.49 (103.98)	32.42 (30.53)	263.91 (224.30)	21.69 (16.96)	- (-)



ii) Other defined benefit plans (Contd.) :

(Rs. in Crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
--	----------	----------------------	----------------------	------------------------------------	-----------------------	--------------------

C. Amounts recognised in the Balance Sheet as on 31st Mar 2016

Present value of the obligations at the end of the year	186.84 (177.59)	106.56 (109.43)	17.31 (24.46)	304.86 (269.15)	27.88 (24.69)	23.06 (12.13)
Fair value of plan assets at the end of the year	165.67 (176.62)	110.49 (103.98)	32.42 (30.53)	263.91 (224.30)	21.69 (16.95)	– (–)
Liability(+)/Asset(-) recognised in the balance sheet	21.17 (0.97)	-3.93 (5.45)	-15.11 (-6.07)	40.95 (44.85)	6.19 (7.74)	23.06 (12.13)

D. Amounts recognised in the Statement of P&L for the period ended 31st Mar 2016

(Rs in Crore)

Current service cost	4.97 (4.68)	24.03 (15.45)	– (0.81)	23.33 (25.63)	– (–)	– (–)
Past service cost	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)
Interest cost	14.21 (14.15)	8.75 (7.49)	– (1.94)	20.99 (20.29)	– (–)	– (–)
Expected return on plan assets	-14.26 (-16.05)	-9.14 (-9.46)	-2.72 (-2.70)	-20.29 (-18.90)	-2.30 (-2.31)	– (–)
Net actuarial gain/loss recognised in the year	15.43 (5.87)	-23.04 (1.14)	-5.94 (-1.33)	13.31 (17.37)	8.47 (9.87)	13.03 (-1.25)
Expenses recognised in Statement of Profit and Loss	20.35 (8.65)	0.60 (14.62)	-8.66 (-1.28)	37.34 (44.39)	6.17 (7.56)	13.03 (-1.25)



E. Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post-retirement medical benefit scheme:

	one percentage point increase in medical inflation rate	one percentage point decrease in medical inflation rate
i. Increase/Decrease on aggregate service and interest cost of post retirement medical benefits	Rs.1.26 cr (Rs.1.02 cr)	- Rs.1.14 cr (-Rs.0.93 cr)
ii. Increase/(Decrease) on present value of defined benefit obligations as at 31-03-2016	Rs.25.34 cr (Rs.25.59 cr)	- Rs.22.94 cr (-Rs.21.81cr)

Note : Figures in bracket indicate previous year figures

F. PRINCIPAL ACTUARIAL ASSUMPTIONS :

DESCRIPTION	2015-16	2014-15
i. Discount Rate	8.00%	7.80%
ii. Mortality Rate	LIC 1994-96 ultimate	Ultimate
iii. Medical Cost Trend rates	4%	4%
iv. Withdrawal rate	1% to 3%	1% to 3%
v. Future salary increase	6.50%	5%

The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

G. The Actuarial gains or losses arising during the year are taken to Statement of Profit and Loss.



Note-2.35.2 : Segment Reporting as per AS-17

The Management evaluates the Company's performance and allocates the resources based on analysis of various performance indicators by business / product segments i.e.

- i) Iron Ore
- ii) Other minerals & services

The inter segment transfers are accounted for at market prices as charged to other customers and the same are offsetted in consolidation.

The Company has identified the primary and secondary segment reporting under AS-17 as under:

Information about Business Segments

Primary Business Segments

(Rs. in Crore)

	Iron Ore		Other Minerals & Services		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. REVENUE								
External Sales	6,327.93	12,197.68	127.87	158.73	–	–	6,455.80	12,356.41
Inter-Segment Sales	0.02	7.80	–	–	(0.02)	(7.80)	–	–
Total Revenue	6,327.95	12,205.48	127.87	158.73	(0.02)	(7.80)	6,455.80	12,356.41
2. RESULT								
Segment Result	3,090.72	7,930.86	(17.40)	(103.87)	(33.08)	(115.72)	3,040.24	7,711.27
Unallocated Corporate Exps							(148.92)	(149.91)
Operating Profit							2,891.32	7,561.36
Finance Cost							(65.50)	–
Interest Income							1,669.73	2,185.84
Income Taxes							(1,477.01)	(3,346.03)
Share of Minority							2.02	(3.94)
Share of associates							(87.81)	(50.49)
Net Profit							2,932.75	6,346.74
3. OTHER INFORMATION								
Segment Assets	5,623.93	5,078.98	212.52	219.24	27,407.80	29,160.25	33,244.25	34,458.47
Segment Liabilities	1,011.14	888.44	21.19	31.65	2,088.34	1,135.40	3,120.67	2,055.49
Additions to assets during the year :								
Tangible Assets	517.67	137.25	1.68	2.57	72.18	10.12	591.53	149.94
Intangible Assets	233.24	32.41	–	–	0.04	2.77	233.28	35.18
Depreciation and Amortisation expenses during the year	196.36	189.09	3.05	3.32	9.75	9.53	209.16	201.94
Impairment reversal/provided	–	–	–	–	–	–	–	–
Non-Cash expenses other than Depreciation & amortization	2.63	4.81	0.02	0.21	–	0.01	2.65	5.03



Secondary Segments

Sales Revenue by location of Customers:

(Rs. in Crore)

Revenue from External customers	Curr. Year	Prev. Year
- Domestic	6,103.00	10,986.89
- Export : through MMTC	352.80	1,369.52
TOTAL	6,455.80	12,356.41

Assets by Geographical Location:

(Rs. in Crore)

Location	Carrying amount of Segment Assets		Additions to Tangible and Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chhattisgarh	11,985.50	9,513.83	704.24	151.07
Andhra Pradesh	18,222.63	22,322.32	21.81	0.70
Jammu	35.25	26.82	-	-
Others	3,000.87	2,595.50	98.75	33.35
TOTAL	33,244.25	34,458.47	824.80	185.12



2.35.3 Related Party Disclosures (AS-18) :

As per para no.7 of AS-18, no disclosure is required in consolidated financial statements in respect of intra-group transactions. Consequently, related party disclosures are not made in the consolidated financial statements.

2.35.4 Earnings per share (AS-20): The details are as under:

(Rs. in Crore)

Particulars	Year ended	
	31-March-2016	31-March-2015
1. Profit after Tax (Rs in Cr) after adjusting minority interest and shares of losses associates	2,932.75	6,346.74
2. No of Equity shares	3,96,47,16,000	3,96,47,16,000
3. Nominal value per Equity share (Re)	1	1
4. Basic and Diluted Earnings per share (Rs)	7.40	16.01

2.35.5 Accounting for Taxes on income (AS-22) :

Necessary details have been disclosed in note no: 2.3.

2.35.6 Discontinuing Operations (AS-24) :

On 25/02/2008 the Board of directors had announced a plan to dispose off the plant and machinery of Silica Sand Project, Lalapur which is included in the segment of "Other minerals and services." Pending disposal, the unit is kept under care & maintenance.

(Rs. in Crore)

Particulars	AS AT	
	31-March-16	31-March-15
Silica Sand Project, Lalapur		
Carrying value of Assets	0.35	0.34
Carrying value of liabilities	0.59	0.52



The following statement shows the revenue and expenses of discontinued operations:

(Rs. in Crore)

Particulars	For the year ended 31-March-2016	For the year ended 31-March-2015
A. Revenue		
Revenue from operations	-	-
Other income	-	-
Total Revenue	-	-
B. Expenses		
Power, Electricity and Water	0.24	0.24
Repairs and Maintenance	0.03	0.03
Other expenses	0.47	0.40
Total Expenses	0.74	0.67
C. Profit(+)/Loss(-) from discontinued operations before tax (A-B)	-0.74	-0.67

2.35.7 Intangible Assets (AS-26) : Research & Development Expenditure

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is Rs.22.21 crore (previous year Rs.22.02 crore), including expenditure of Rs.5.32 crore (previous year Rs.4.86 crore) on feasibility studies.

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are Rs.0.75 crore. (Previous year Rs.1.78 crore).

2.35.8 Joint ventures (AS-27) - Jointly controlled entity :

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership	
		2015-16	2014-15
Kopano-NMDC Minerals (Proprietary) Limited	South Africa	50%	50%

Other details of Company's share in the contingent liabilities and capital commitments have not been disclosed as the transactions during the year are very insignificant.



2.35.9 Impairment of Assets (AS - 28):

The impairment of assets has been reviewed during the year in respect of the following cash generating units, included under the segment 'Other Minerals and Services' and decided to maintain same status:

(Rs. in Crore)

Unit	Year of impairment	Impaired Amount as on 01-04-15	Adjustments during 2015-16			Impaired Amount as on 31-03-16
			Reversal	Deletion	Addition	
SSP, Lalapur	2005-06	12.54	-	-	-	12.54
SAF Plant at Sponge Iron Unit	2004-05	15.48	-	-	-	15.48

1. The Recoverable amount of the assets of SSP, Lalapur unit has been arrived at considering the 'value in use'. Since the value in use has resulted in negative cash flows, the recoverable amount has been taken as nil without applying any discount rate.
2. In the case of SAF plant at the Sponge Iron Unit, the impairment is based on net selling price as assessed by the approved valuer.
3. The validity of the forest clearance of Panna Supplementary mining lease is up to 30-06-2015. As per the provisions of Mines and Mineral (Development and Regulation) Amendment Act 2015 and circular dated 01-04-2015 issued by MoEFCC the above mining lease shall be deemed to have been extended up to 30-06-2020 and accordingly the operations of the project are continued beyond 30-06-2015.

2.35.10 Provisions, Contingent Liabilities and Contingent Assets (AS-29) : Necessary details in regard to provisions have been disclosed in notes 2.9.



Note-2.36 : Others

2.36.1 CSR Expenditure :

- a) Gross amount required to be spent by the company during the year is Rs.193.28 crore, which is 2% of the last three years average PBT i.e., Rs.9,664.05 crore. (Previous Year Rs.198.00 crore which is 2% of the last three years average PBT Rs.9,894.60 crore).
- b) Amount spent during the year on account of CSR activities is Rs.210.09 crore (Previous Year Rs.188.65 crore).

2.36.2 Replies to some of the letters seeking confirmation of balances with regard to Trade receivables, Advances and Deposits are awaited.

2.36.3 Figures for the previous year have been re-grouped/re-arranged wherever considered necessary so as to conform to the classification of the current year.

2.36.4 The Consolidated Financial Statement approved by Board of Directors in the 495th Board meeting and certified by the Statutory Auditor on 27th May 2016 were revised in the light of the observations of the Comptroller and Auditor General of India u/s 143 (6)(b) of the Companies Act 2013 resulting decrease in Assets & Liabilities by Rs.36.37 crore in the Balance Sheet as at 31st March, 2016 and decrease in the "Profit after adjusting minority interest and share of losses of associates" by Rs.36.37 crore in Profit & Loss for the year ended 31st March 2016.

Subject to our Report of even date

For M/s Tej Raj & Pal
Chartered Accountants
Firm Regn No: 304124E

(CA B Vijay)
Partner
Membership No: 214678

Place : Hyderabad
Date : 14/06/2016

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(BHARATHI S. SIHAG)
Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)
Company Secretary



NOTICE
of
58th Annual General Meeting
of
NMDC LIMITED
(CIN : L13100AP1958GOI001674)

Date : 29th September, 2016
Day : Thursday
Time : 11.30 hrs
Venue : Katriya Hotel & Towers
8, Raj Bhavan Road
Somajiguda
Hyderabad - 500 082, Telangana

C O N T E N T S

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Notice

Notice is hereby given that the 58th Annual General Meeting (AGM) of NMDC Limited will be held at 11.30 hours on Thursday the 29th September 2016 at Katriya Hotel & Towers, 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31st March 2016 including Audited Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors' and Auditors' thereon.
2. To confirm the payment of Interim dividends on equity shares aggregating to Rs 11.00 per equity share of Rs 1.00 each for the financial year 2015-16.
3. To appoint a Director in place of Dr. T.R.K. Rao (DIN: 01312449), who retires by rotation and being eligible, offers himself for re-appointment as Director (Commercial) of the Company.
4. To appoint a Director in place of Shri P.K. Satpathy, (DIN: 07036432), who retires by rotation and being eligible, offers himself for re-appointment as Director (Production) of the Company.
5. **To fix remuneration of Statutory Auditors for the financial year 2016-17**

In terms of the Section 142 of the Companies Act, 2013, the remuneration of Auditors of Government Companies, appointed by Comptroller and Auditor-General of India, shall be fixed by the Company in General Meeting or in such manner as the Company

in General Meeting may determine. Hence, it is proposed that the Members may authorize the Board to fix the remuneration of the Statutory Auditors of the Company for the financial year 2016-17, as may be deemed fit.

B. SPECIAL BUSINESS:

6. To appoint CA Arun Kumar Srivastava (DIN: 01940109) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT CA Arun Kumar Srivastava (DIN: 01940109), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and is not liable to retire by rotation."

7. To appoint Smt Bhagwati Mahesh Baldewa (DIN: 01537251) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:



"RESOLVED THAT Smt Bhagwati Mahesh Baldewa (DIN: 01537251), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and is not liable to retire by rotation."

8. To appoint Shri Rajesh Kumar Mangal (DIN: 03033081) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Rajesh Kumar Mangal (DIN: 03033081), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company

pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and is not liable to retire by rotation."

9. To appoint Shri Pradip Bhargava (DIN: 01986827) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Pradip Bhargava (DIN: 01986827), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and is not liable to retire by rotation."

10. To appoint Dr. Syamal Kumar Sarkar (DIN: 07387840) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s)



the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. Syamal Kumar Sarkar (DIN: 07387840), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and is not liable to retire by rotation."

11. To appoint Shri Shyam Murari Nigam (DIN: 07355272) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Shyam Murari Nigam (DIN: 07355272), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed

as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and is not liable to retire by rotation."

12. To appoint Shri Sandeep Tula (DIN: 07261884) as a Whole-time Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Sandeep Tula (DIN: 07261884) who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director (Personnel) of the Company, liable to retire by rotation."

13. To ratify the remuneration of the Cost Auditors of the Company for the financial year 2016-17 and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory



modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs 5.50 lakhs (excluding service tax, travelling, out-of-pocket expenses and other incidental expenses) payable to M/s Prasad Bharathula & Associates, Cost and Management Consultants having office at H.No.2-4-911, Road No.6, Samatapuri Colony, Post. Saroornagar, Hyderabad - 500 035 appointed as the Cost Auditors by the Board of Directors of the Company for conducting the audit of the cost records of the Company and providing Cost Audit Report, and all such reports, annexures, records, documents etc., for the financial year 2016-17, that may be required to be prepared and submitted by the Cost Auditors under applicable statute.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, things, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

14. To keep Register of Members at other place and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 88, 94 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 5(2) of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to keep, maintain and preserve Register of Members and Index of Members of the Company in physical and/or in electronic form as permitted under the Act/Rules at the office of its Registrar and Share Transfer Agents situated at Hyderabad.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things, matters and take all such steps as may be necessary, expedient and desirable to give effect to this resolution."

By Order of the Board

(A.S. Pardha Saradhi)
Company Secretary

Place : New Delhi
Date : August 12, 2016

Copy to:

1. All Members
2. All Directors
3. Statutory Auditors
4. Secretarial Auditors

Encls:

1. Notes to Notice.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business.
3. Proxy Form and Attendance Slip.
4. A copy of the 58th Annual Report of the Company for the year 2015-16.



Notes to the Notice

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND, A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, STAMPED AND SIGNED, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE ANNUAL GENERAL MEETING.

MEMBERS ARE REQUESTED TO NOTE THAT A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business, as set out above is annexed hereto.
3. Brief resume of the Directors seeking appointment or re-appointment as mandated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed

from 24th September, 2016 to 29th September 2016 (both days inclusive).

5. During the financial year, the Company had declared two interim dividends @ Rs 9.50 per Equity Share and @ Rs 1.50 per Equity Share of the Company of Rs 1.00 each totaling to Rs 4,361 crores.
6. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agent of the Company M/s Aarthi Consultants Pvt Ltd., D.No. 1-2-285, Domalguda, Hyderabad - 500 029. Phone Nos. 040-27638111/27634445, Fax No. 040-27632184, Email : ims@nmdc.co.in, info@arthiconsultants.com, Website : www.arthiconsultants.com
7. Members are requested to address all correspondence relating to divestment of 33,22,43,200 equity shares of the Company made by Government of India in the month of March, 2010 to the Registrars to the Issue M/s Karvy Computershare Pvt, Ltd., Karvy Selenium, Tower- B, Plot No. 31 & 32, Financial district, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, Telangana, Tel: 040- 67161500, Fax: 040- 23001153, Email: nmdc.ipo@karvy.com/einward.ris@karvy.com Website: www.karvycomputershare.com.
8. The Company has designated an exclusive e-mail ID called ims@nmdc.co.in for redressal of shareholders'/investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above e-mail address.
9. Members holding shares in electronic form may please note that the bank account details



and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.

10. Reserve Bank of India (RBI) is providing ECS facility for payment of dividend in select cities. Members holding shares in physical form are advised to submit particulars of their bank account, viz., names and address of the branch of bank, 9 digit MICR code of the branch, type of account and account number, to M/s Aarthi Consultants Private Ltd, the Registrar and Share Transfer Agent of the Company.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
12. Members are requested to register their e-mail address and changes therein from time to time with the Company/Share Transfer Agent (STA) of the Company for service of documents, notices, annual reports etc. through registered e-mail as notified by the Ministry of Corporate Affairs, Government of India dated 19th March 2015 vide the Companies (Management and Administration) Amendment Rules, 2015 which is available

at www.mca.gov.in and in terms of Regulation 36(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Other members, who have not registered their email addresses, the Annual Report has been sent at their registered postal address. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.

13. Pursuant to section 205A and 205C of the Companies Act, 1956, dividends which had remained unclaimed for a period of seven years from the date of transfer of the same will have to be transferred to the 'Investor Education Protection Fund' established by the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for various years are requested to make their claim to M/s Aarthi Consultants Pvt. Limited, Hyderabad, Registrar and Share Transfer Agent of the Company. Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims. It is to mention that there is no unclaimed dividend pending for seven years with NMDC Limited.
14. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to M/s Aarthi Consultants Private Ltd or the Company to enable them to incorporate the same on the dividend warrant.
15. Members desirous of obtaining any information/clarification(s) concerning the accounts and operations of the Company or



intending to raise any query are requested to forward the same at least 10 days before the date of the Meeting to the Company Secretary at the Registered Office of the Company.

16. The Annual Accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the holding and subsidiary companies, desirous of seeking such information. Further, Annual Accounts of the subsidiary companies will also be kept for inspection, by any investor, at the Registered Office of the Company as well as at the Registered Office of the subsidiary companies, during its business hours.
17. Members who have not en-cashed their dividend warrants within its validity period may write to the Company at its Registered Office or M/s Aarthi Consultants Private Ltd, Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
18. In terms of provisions of the Companies Act, 2013 nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares on individual name are advised to avail of the nomination facility Form SH-13 in their own interest. Blank form can be had from M/s Aarthi Consultants Private Ltd on request. Members holding shares in dematerialized form may contact their respective DPs for registration of nomination.
19. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agent, M/s Aarthi Consultants Private Ltd., for consolidation.
20. Pursuant to provisions of the Companies Act, 2013, the Auditors of a Government Company

are appointed or re-appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is to be fixed by the Company in the Annual General Meeting. The Members at the General Meeting may authorize the Board to fix the appropriate remuneration of Auditors for the year 2016-17 after taking into consideration the increase in volume of work and pertaining inflation, etc.

21. Members are requested:

- (i) To bring their copies of Annual Report and Attendance Slip duly completed and signed to the meeting.
- (ii) To quote their Folio/DP & Client Identification No. in all correspondence.
- (iii) Not to bring brief case, bags, eatables, cell phone etc. as they are prohibited inside the Meeting Hall for security reasons.
- (iv) To notify immediately any change of their address and bank particulars to the Company or its Share Transfer Agent, in case shares are held in physical form.

AND

In case their shares are held in dematerialized form, information should be submitted directly to their respective Depository Participants and not to the Company/Share Transfer Agent, without any delay.

- (v) To note that no gift/coupons will be distributed at the meeting.
22. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the



Company, provided that not less than three days of notice in writing is given to the Company.

23. The Register of Directors and Key Management Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

24. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

25. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturday, Sunday and National Holiday), between 11.00 AM to 1.00 PM up to the date of AGM.

26. NMDC, being a Government Company, all the appointments to the Board and terms and conditions thereto are fixed by the Government of India.

27. The details regarding remuneration of Board Members have been given in Corporate Governance Report.

28. None of the Directors have any relationship with other Directors, Manager(s) and other Key Managerial Personnel of the Company.

29. Voting through electronic means

I. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, the Company has made arrangements for providing e-voting facility to the shareholders of the Company to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL), an authorised Agency of Ministry of Corporate Affairs (MCA), Government of India.

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period begins on 25th September, 2016 (10.00 a.m. IST) and ends on 28th September, 2016 (5.00 p.m. IST). The voting rights shall be proportionate to the shares held on 23rd September, 2016. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The instructions for shareholders for remote e-voting are as under:



A. In case a Shareholder receives an email from NSDL [for Shareholders whose email IDs are registered with the Company/Depository Participant(s)] :

- i. Open e-mail and the attached PDF file viz; "remote e-Voting.pdf" giving your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
- ii. Open internet browser by typing the URL <https://www.evoting.nsdl.com/>

EVEN

(Remote E Voting Event Number)
USER IDPASSWORD/PIN
- iii. Click on "Shareholder - Login".
- iv. Put User ID and password as initial password noted in step (i) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the attached PDF file as initial password.
- vi. The Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii. Home page of "remote e-Voting" opens. Click on e-Voting: Active Voting Cycles.
- viii. Select "EVENT" (E-Voting Event Number) of NMDC Limited which is 105060. Now you are ready for "e-Voting" as "Cast Vote" page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to dhr300@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Shareholder receives physical copy of the Notice of AGM [for Shareholders whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

- i. Initial password is provided in the ballot form.
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) of "A" above, to cast vote.



- VI.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- VII.** If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- VIII.** You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX.** The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
- X.** Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the date of dispatch of Notice, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to Company's Registrar and Transfer Agents, M/s Aarthi Consultants Private Ltd.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI.** A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII.** A person, whose name is recorded in the register of members or in the register of

beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- XIII.** Shri D Hanumanta Raju, Practicing Company Secretary (Membership No. FCS: 4044), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV.** The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV.** The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him/her in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI.** The results declared along with Scrutinizer's Report shall be placed on the Company's website www.nmdc.co.in and on the website of NSDL: <https://www.evoting.nsdl.com> immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the BSE Limited (BSE), National Stock Exchange of India Limited (NSE), and other stock exchanges, where the shares of the Company are listed.



Information pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on re-appointment of Directors

(a) Brief Resume of the Director

Name	Dr. T.R.K. RAO
Date of Birth & Age	14.07.1961 & 54 years
Date of Appointment	17.11.2014
Qualifications	<p>i) Doctor of Philosophy - Indian Agricultural Research Institute, New Delhi</p> <p>ii) Master in Economic Policy Management - Columbia University, USA</p>
(b) Nature of expertise in specific functional areas	<p>Dr. T.R.K. Rao belongs to the 1986 batch of Indian Railway Traffic Service (IRTS) and held various key positions in the Ministry of Railways and State Government. His earlier positions included Vice-Chairman-cum-Managing Director of A.P. Mineral Development Corporation Ltd., Hyderabad, Managing Director of Sports Authority and Executive Director (Finance, Marketing & Public Relations) in Singareni Collieries Limited. He also served as a Special Secretary Infrastructure and Revenue (Disaster Management) in Govt. of A.P. In Railways, he worked as Additional Divisional Manager and Dy. General Manager and other senior level assignments. He holds Doctorate Degree from Indian Agricultural Research Institute, New Delhi and also Master in Economic Policy Management from Columbia University, USA. He has also worked as Consultant at the World Bank, Washington DC. He served as Director on various Boards like Hindustan Shipyard Ltd, GMR Hyderabad, Visakhapatnam Port Trust etc. He is also Director on the Board of Krishnapatnam Railway Company Limited, NMDC Power Limited, Neelachal Ispat Nigam Limited, Bastar Railway Private Limited, and Legacy Iron Ore Limited.</p>
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL

**(a) Brief Resume of the Director**

Name	Shri P.K. SATPATHY
Date of Birth & Age	28.08.1961 & 54 years
Date of Appointment	13.12.2014
Qualifications	B.E. (Mining)
(b) Nature of expertise in specific functional areas	Shri Satpathy is a Bachelor of Engineering (Mining) with 1st class Mine Manager Certificate of Competency. Shri Satpathy held key positions in various projects of NMDC. Prior to this appointment as Director (Production), he was General Manager of BIOM, Kirandul Complex, Chhattisgarh. He has varied experience of 32 years in the field of iron ore and copper mining. He has attended various National and International seminars and presented paper in Fragblast - International Seminar in 2012 and also attended Management Development Programmes in IIM, Ahmedabad and IIM, Kolkata. Prior to joining NMDC in 1996, Shri Satpathy worked in Hindustan Copper Limited in Malanjkhand Copper Project in various key positions. He is also Director on the Board of NMDC-CMDC Limited, Jharkhand Mineral Development Corporation Limited, and NMDC-SAIL Limited.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	320



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS

Item No. 6: Appointment of CA Arun Kumar Srivastava (DIN: 01940109) as an Independent Director of the Company

Pursuant to the order issued by the Ministry of Steel, Government of India vide order no F.No. 1/10/2015-BLA dated 13th November 2015, CA Arun Kumar Srivastava (DIN: 01940109) was appointed as an Additional Director of the Company with effect from 13th November 2015 subject to his re-appointment by the shareholders in the Annual General Meeting as an Independent Director of the Company. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of CA Arun Kumar Srivastava as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below:

(a) Brief Resume of the Director	
Name	CA Arun Kumar Srivastava
Date of Birth & Age	21.06.1956 & 60 years
Date of Appointment	13.11.2015
Qualifications	Chartered Accountant
(b) Nature of expertise in specific functional areas	CA Arun Kumar Srivastava, a Chartered Accountant started his career as a Lecturer of Commerce in the University of Lucknow in the year 1978 and later on shifted to Vidyant Hindu Degree College in 1981 and served as Lecturer upto 1985. He resigned as Lecturer in the year 1985 to join the Profession of Accountancy as Practicing Chartered Accountant. Since then he is in Practice based at Lucknow and Branch offices at Faizabad and Sitapur districts of Uttar Pradesh. As a Professional Accountant he has conducted Audit of the Accounts of PSUs' like National Thermal Power Corporation, Power Grid Corporation of India Limited, Tehri Hydro Power Corporation, PSU Banks etc. Since 1988 he is practicing as Senior Partner of M/s Kumar Swarup & Co., Chartered Accountants. The main areas of services being rendered by the Firm are in the area of Audit and Direct Taxes. CA Arun Kumar Srivastava is a former Independent Director on the Board of SAIL.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL

CA Arun Kumar Srivastava submitted a declaration that he meets the criteria of independence under Section 149(7) of the Act. He is not liable to retire by rotation in terms of provision of Section 149(13) of the Companies Act, 2013.

Save and except CA Arun Kumar Srivastava and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as an Independent Director and recommend this Resolution for approval of the shareholders.



Item No 7: Appointment of Smt Bhagwati Mahesh Baldewa (DIN: 01537251), as an Independent Director of the Company

Pursuant to the order issued by the Ministry of Steel, Government of India vide order no F.No. 1/10/2015-BLA dated 13th November 2015, Smt Bhagwati Mahesh Baldewa (DIN: 01537251) was appointed as an Additional Director of the Company with effect from 13th November 2015 subject to her re-appointment by the shareholders in the Annual General Meeting as an Independent Director of the Company. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, she would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Smt Bhagwati Mahesh Baldewa as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below:

(a) Brief Resume of the Director	
Name	Smt Bhagwati Mahesh Baldewa
Date of Birth & Age	16.04.1963 & 53 years
Date of Appointment	13.11.2015
Qualifications	i) Bachelor of Commerce, Rajasthan University ii) Certificate Program in Management (OMP), S.P Jain School of Global Management
(b) Nature of expertise in specific functional areas	Smt. Bhagwati Mahesh Baldewa is accomplished in an unusually wide range of domains. She has been a successful entrepreneur, and has founded companies in sectors related to chemicals, ayurvedic herbs, hospitality and the import/export of commodities. She has been a prolific writer and influential orator, and has used her excellent communication and persuasion skills to mobilize thousands of people in social upliftment programs. Because of her professional maturity, interpersonal skills, cooperative attitude and quick learning, Smt. Baldewa excels at administration, leadership and maximizing productivity of whichever teams she is a part of. She is also passionate about social service and has been an ardent philanthropist with major impact in rural development and quality of life in the poor. She is also a Director on the Board of SKP Labs Private Limited, and Mahesh Vidya Bhavan Limited.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL

Smt Bhagwati Mahesh Baldewa submitted a declaration that she meets the criteria of independence under Section 149(7) of the Act. She is not liable to retire by rotation in terms of provision of Section 149(13) of the Companies Act, 2013.

Save and except Smt Bhagwati Mahesh Baldewa and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.7 of the Notice.

Board considers it desirable that the Company should continue to avail itself of her services as an Independent Director and recommend this Resolution for approval of the shareholders.



Item No 8: Appointment of Shri Rajesh Kumar Mangal (DIN: 03033081), as an Independent Director of the Company

Pursuant to the order issued by the Ministry of Steel, Government of India vide order no F.No. 1/10/2015-BLA dated 13th November 2015, Shri Rajesh Kumar Mangal (DIN: 03033081), was appointed as an Additional Director of the Company with effect from 13th November 2015 subject to his re-appointment by the shareholders in the Annual General Meeting as an Independent Director of the Company. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Rajesh Kumar Mangal as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below:

(a) Brief Resume of the Director	
Name	Shri Rajesh Kumar Mangal
Date of Birth & Age	28.09.1966 & 49 years
Date of Appointment	13.11.2015
Qualifications	Chartered Accountant
(b) Nature of expertise in specific functional areas	Shri Rajesh Kumar Mangal, a Chartered Accountant in professional practice since 1992 as a Senior Partner of M/s B. Jain & Associates, Chartered Accountants based at Jaipur with a team of 9 Partners. Shri Rajesh Mangal is having rich experience of more than 22 years of Audits, Taxation, Company Law Matters and Finance Consultancy for Corporates/PSUs/Banks, extensive knowledge and understanding of business practices, financial planning, SME/Corporate lending, Risk Management, possess time management and organizational skills, multitasking skills and ability to work independently as well in a team. He is also a Director on the Board of Rishi Corporate Services Private Limited and Bharat Petroleum Corporation Limited.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	Bharat Petroleum Corporation Limited
(e) No. of Equity Shares held in NMDC Limited	NIL

Shri Rajesh Kumar Mangal submitted a declaration that he meets the criteria of independence under Section 149(7) of the Act. He is not liable to retire by rotation in terms of provision of Section 149(13) of the Companies Act, 2013.

Save and except Shri Rajesh Kumar Mangal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.8 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as an Independent Director and recommend this Resolution for approval of the shareholders.



Item No 9: Appointment of Shri Pradip Bhargava (DIN: 01986827), as an Independent Director of the Company

Pursuant to the order issued by the Ministry of Steel, Government of India vide order no F.No. 1/10/2015-BLA dated 27th November 2015, Shri Pradip Bhargava (DIN: 01986827), was appointed as an Additional Director of the Company with effect from 27th November 2015 subject to his re-appointment by the shareholders in the Annual General Meeting as an Independent Director of the Company. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Pradip Bhargava as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below:

(a) Brief Resume of the Director	
Name	Shri Pradip Bhargava
Date of Birth & Age	17.06.1949 & 67 years
Date of Appointment	27.11.2015
Qualifications	(i) Post Graduate in Mathematics from St. Stephens College, Delhi University (ii) M.Sc. Development Studies from Bath University, U.K
(b) Nature of expertise in specific functional areas	Shri Bhargava joined the Indian Administrative Service in July 1973 and held many assignments in the Government of Uttar Pradesh, Union Government in Delhi and the Government of Madhya Pradesh. The postings were mostly in the Departments dealing with Irrigation, Power, Rural Development, Health & Family Welfare, Taxation etc. Shri Bhargava retired from the Indian Administrative Service in June 2009.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	100

Shri Pradip Bhargava submitted a declaration that he meets the criteria of independence under Section 149(7) of the Act. He is not liable to retire by rotation in terms of provision of Section 149(13) of the Companies Act, 2013.

Save and except Shri Pradip Bhargava and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.9 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as an Independent Director and recommend this Resolution for approval of the shareholders.



Item No 10: Appointment of Dr. Syamal K Sarkar (DIN: 07387840), as an Independent Director of the Company

Pursuant to the order issued by the Ministry of Steel, Government of India vide order no F.No. 1/10/2015-BLA dated 27th November 2015, Dr. Syamal K Sarkar (DIN: 07387840), was appointed as an Additional Director of the Company with effect from 27th November 2015 subject to his re-appointment by the shareholders in the Annual General Meeting as an Independent Director of the Company. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Dr. Syamal K Sarkar as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below:

(a) Brief Resume of the Director	
Name	Dr. Syamal K Sarkar
Date of Birth & Age	18.07.1954 & 61 years
Date of Appointment	27.11.2015
Qualifications	(i) Doctor of Philosophy in Economics from State University of New York (SUNY), Stony Brook, New York, USA. (ii) Master of Arts from State University of New York (SUNY), Stony Brook, New York, USA.
(b) Nature of expertise in specific functional areas	Dr. Syamal K. Sarkar has more than 38 years of experience in administration and has held several senior positions in Government of West Bengal and in the Central Government. Dr. Sarkar retired as Secretary, Department of Personnel and Training, Ministry of Personnel, Public Grievances and Pensions, Government of India on 31.07.2014. Dr. Sarkar has published / edited many books on infrastructure regulation and is a regular contributor in national dailies and international journals. He also teaches in the TERI University, Delhi.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL

Dr. Syamal K. Sarkar submitted a declaration that he meets the criteria of independence under Section 149(7) of the Act. He is not liable to retire by rotation in terms of provision of Section 149(13) of the Companies Act, 2013.

Save and except Dr. Syamal K. Sarkar and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.10 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as an Independent Director and recommend this Resolution for approval of the shareholders.



Item No 11: Appointment of Shri Shyam Murari Nigam (DIN: 07355272), as an Independent Director of the Company

Pursuant to the order issued by the Ministry of Steel, Government of India vide order no F.No. 1/10/2015-BLA dated 27th November 2015, Shri Shyam Murari Nigam (DIN: 07355272), was appointed as an Additional Director of the Company with effect from 27th November 2015 subject to his re-appointment by the shareholders in the Annual General Meeting as an Independent Director of the Company. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Shyam Murari Nigam as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below:

(a) Brief Resume of the Director	
Name	Shri Shyam Murari Nigam
Date of Birth & Age	26.06.1955 & 61 years
Date of Appointment	27.11.2015
Qualifications	i) Master of Science (Physics) from Kanpur University ii) Master of Science (Mathematics) from Kanpur University iii) Bachelor of Law from Kanpur University
(b) Nature of expertise in specific functional areas	Shri S.M. Nigam started his career in the year 1977 as a Lecturer in the Department of Physics in a Post Graduate College. Shri Nigam has more than 37 years of experience in Income Tax in various positions and retired on 30.06.2015 as Member, Central Board of Direct Taxes(CBDT), Department of Revenue, Ministry of Finance and Special Secretary to the Government of India. Shri Nigam specializes in Finance, Legal, Taxation, Internal Vigilance, Administration and training.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL

Shri Shyam Murari Nigam submitted a declaration that he meets the criteria of independence under Section 149(7) of the Act. He is not liable to retire by rotation in terms of provision of Section 149(13) of the Companies Act, 2013.

Save and except Shri Shyam Murari Nigam and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.11 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as an Independent Director and recommend this Resolution for approval of the shareholders.



Item No 12:- Appointment of Shri Sandeep Tula (DIN: 07261884), as a Whole-time Director of the Company

Pursuant to the order issued by the Ministry of Steel, Government of India vide order No. 3(1)/2015-BLA dated 3rd August 2016, Shri Sandeep Tula (DIN: 07261884), was appointed as an Additional Director of the Company with effect from 3rd August 2016 subject to his re-appointment by the shareholders in the Annual General Meeting, he is liable to retire by rotation in terms of provision of the Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Sandeep Tula as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below:

(a) Brief Resume of the Director	
Name	Shri Sandeep Tula
Date of Birth & Age	16.08.1959 & 56 years
Date of Appointment	03.08.2016
Qualifications	i) Graduate from Kanpur University, ii) Post Graduate Diploma in Social Work from Kolkata University
(b) Nature of expertise in specific functional areas	Shri Sandeep Tula started his career in the year 1983 in SAIL as Management Trainee and rose to the level of General Manager (P&A) in 2013 and was Head of Personnel Department of Durgapur Steel Plant of SAIL. Shri Tula joined NMDC Limited as General Manager (P&A) in 2013. Prior to his appointment as Director (Personnel), he was Executive Director (P&A). He has about 33 years of rich experience in all facets of Personnel Management in varied work situations in different units of SAIL and NMDC Limited. He is also a Director on the Board of Indian Iron and Steel Sector Skill Council.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL

Shri Sandeep Tula is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Save and except Shri Sandeep Tula and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.12 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as Director and recommend this Resolution for approval of the shareholders.

**Item No. 13: Ratification of the Remuneration of Cost Auditors of the Company for the financial year 2016-17**

The Board at its meeting held on 19th March 2016, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Prasad Bharathula & Associates, Cost and Management Consultants as the Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending 31st March 2017 at a remuneration of Rs 5.50 lakhs (excluding service tax, travelling, out-of-pocket expenses and other incidental expenses).

M/s Prasad Bharathula & Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 13 to the Notice for ratification of the Remuneration payable to Cost Auditors of the Company for the financial year ending 31st March 2017.

The Board commends the Ordinary Resolution set out at item no. 13 of the notice for approval by the members.

None of the Directors and/or Key Management Personnel of the Company and/or their relatives are, in any way, concerned or interested financially or otherwise in the Resolution set out at Item No.13 of the Notice.

Item No. 14: To keep Register of Members etc at other place

Pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, the Registers of Members etc which includes Index under Section 88 of the Act shall be kept and maintained at the Registered Office of the Company. The Register may also be kept and maintained at any other place other than registered office of the Company by obtaining the approval of the Members by way of a Special Resolution.

In view of the above, it is proposed to authorize the Registrar and Share Transfer Agents of the Company to keep, maintain, preserve and authenticate Register of Members etc of the Company instead of maintaining the same at Registered Office of the Company for better administrative control and for convenience of the Members of the Company.

Presently M/s Aarathi Consultants Private Limited, the Registrar and Share Transfer Agents of the Company are authorized to keep, maintain, preserve and authenticate Register of Members etc of the Company, at its office situated at D.No. 1-2-285, Domalguda Hyderabad - 500 029, Telangana, India.



The Board commends the Special Resolution set out at Item No. 14 of the Notice for approval of the Members of the Company.

None of the Directors and/or Key Management Personnel of the Company and/or their relatives are, in any way, concerned or interested financially or otherwise in the Resolution set out at Item No.14 of the Notice.

By Order of the Board of Directors,
For and on behalf of **NMDC Limited**

(A.S. Pardha Saradhi)
Company Secretary

Place : New Delhi

Date : August 12, 2016



NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028
Telangana, India
(CIN : L13100AP1958GOI001674)

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)		
Registered Address		
Email ID		
Folio No./Client ID		
DP ID		No. of Shares
I/We, being a member/members of above named Company, hereby appoint:		
1. Name		
Address		
Email ID		Signature
Or failing him/her		
2. Name		
Address		
Email ID		Signature
Or failing him/her		
3. Name		
Address		
Email ID		Signature

As my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 58th Annual General Meeting of the Company, to be held on Thursday the 29th September, 2016 at 11.30 hrs. at Katriya Hotel & Towers, 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For*	Against*
	Ordinary Business		
1.	To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31st March 2016 including Audited Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors' and Auditors' thereon.		
2.	To confirm the payment of Interim dividends on equity shares aggregating to Rs 11.00 per equity share of Rs 1.00 each for the financial year 2015-16.		
3.	To appoint a Director in place of Dr. T.R.K. Rao (DIN: 01312449), who retires by rotation and being eligible, offers himself for re-appointment as Director (Commercial) of the Company.		
4.	To appoint a Director in place of Shri P.K. Satpathy, (DIN: 07036432), who retires by rotation and being eligible, offers himself for re-appointment as Director (Production) of the Company.		
5.	To fix remuneration of Statutory Auditors for the financial year 2016-17 In terms of the Section 142 of the Companies Act, 2013, the remuneration of Auditors of Government Companies, appointed by Comptroller and Auditor-General of India, shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Hence, it is proposed that the Members may authorize the Board to fix the remuneration of the Statutory Auditors of the Company for the financial year 2016-17, as may be deemed fit.		
	Special Business		
6.	To appoint CA Arun Kumar Srivastava (DIN: 01940109) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution: "RESOLVED THAT CA Arun Kumar Srivastava (DIN: 01940109), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director,		

Resolution No.	Resolutions	For*	Against*
	<p>be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and is not liable to retire by rotation."</p>		
7.	<p>To appoint Smt Bhagwati Mahesh Baldewa (DIN: 01537251) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:</p> <p>"RESOLVED THAT Smt Bhagwati Mahesh Baldewa (DIN: 01537251), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and is not liable to retire by rotation."</p>		
8.	<p>To appoint Shri Rajesh Kumar Mangal (DIN: 03033081) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:</p> <p>"RESOLVED THAT Shri Rajesh Kumar Mangal (DIN: 03033081), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities</p>		

Resolution No.	Resolutions	For*	Against*
	and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and is not liable to retire by rotation."		
9.	<p>To appoint Shri Pradip Bhargava (DIN: 01986827) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:</p> <p>"RESOLVED THAT Shri Pradip Bhargava (DIN: 01986827), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and is not liable to retire by rotation."</p>		
10.	<p>To appoint Dr. Syamal Kumar Sarkar (DIN: 07387840) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:</p> <p>"RESOLVED THAT Dr. Syamal Kumar Sarkar (DIN: 07387840), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and is not liable to retire by rotation."</p>		
11.	To appoint Shri Shyam Murari Nigam (DIN: 07355272) as an Independent Director and in this regard to consider and if thought fit,		

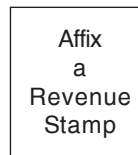
Resolution No.	Resolutions	For*	Against*
	<p>to pass, with or without modification(s) the following resolution as an Ordinary Resolution:</p> <p>"RESOLVED THAT Shri Shyam Murari Nigam (DIN: 07355272), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and is not liable to retire by rotation."</p>		
12.	<p>To appoint Shri Sandeep Tula (DIN: 07261884) as a Whole-time Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:</p> <p>"RESOLVED THAT Shri Sandeep Tula (DIN: 07261884) who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director (Personnel) of the Company, liable to retire by rotation."</p>		
13.	<p>To ratify the remuneration of the Cost Auditors of the Company for the financial year 2016-17 and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:</p> <p>"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs 5.50 lakhs (excluding service tax, travelling, out-of-pocket expenses and other incidental expenses) payable to M/s Prasad Bharathula & Associates, Cost and Management Consultants having office at H.No.2-4-911, Road No.6, Samatapuri Colony, Post. Saroornagar, Hyderabad - 500 035 appointed</p>		

Resolution No.	Resolutions	For*	Against*
	<p>as the Cost Auditors by the Board of Directors of the Company for conducting the audit of the cost records of the Company and providing Cost Audit Report, and all such reports, annexures, records, documents etc., for the financial year 2016-17, that may be required to be prepared and submitted by the Cost Auditors under applicable statute.</p> <p>RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, things, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution."</p>		
14.	<p>To keep Register of Members at other place and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:</p> <p>"RESOLVED THAT pursuant to the provisions of Sections 88, 94 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 5(2) of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to keep, maintain and preserve Register of Members and Index of Members of the Company in physical and/or in electronic form as permitted under the Act/Rules at the office of its Registrar and Share Transfer Agents situated at Hyderabad.</p> <p>RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things, matters and take all such steps as may be necessary, expedient and desirable to give effect to this resolution."</p>		

Signed this day of2016

Signature of Member.....

Signature of Proxy-----



Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of Members, not exceeding fifty, and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. It is optional to put an 'X' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she deems appropriate.



NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028
Telangana, India
(CIN : L13100AP1958GOI001674)

ATTENDANCE SLIP 58th ANNUAL GENERAL MEETING

L.F./Demat A/c No. _____

No. of Shares held _____

Names(s) in Full

Name & Address as registered with the Company

1. _____

2. _____

3. _____

I hereby record my presence at the meeting of the 58th Annual General Meeting of Shareholders of NMDC Ltd at Katriya Hotel & Towers, 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, on Thursday the 29th September, 2016 at 11.30 hours.

Please tick in the Box

Equity Shareholder

Proxy

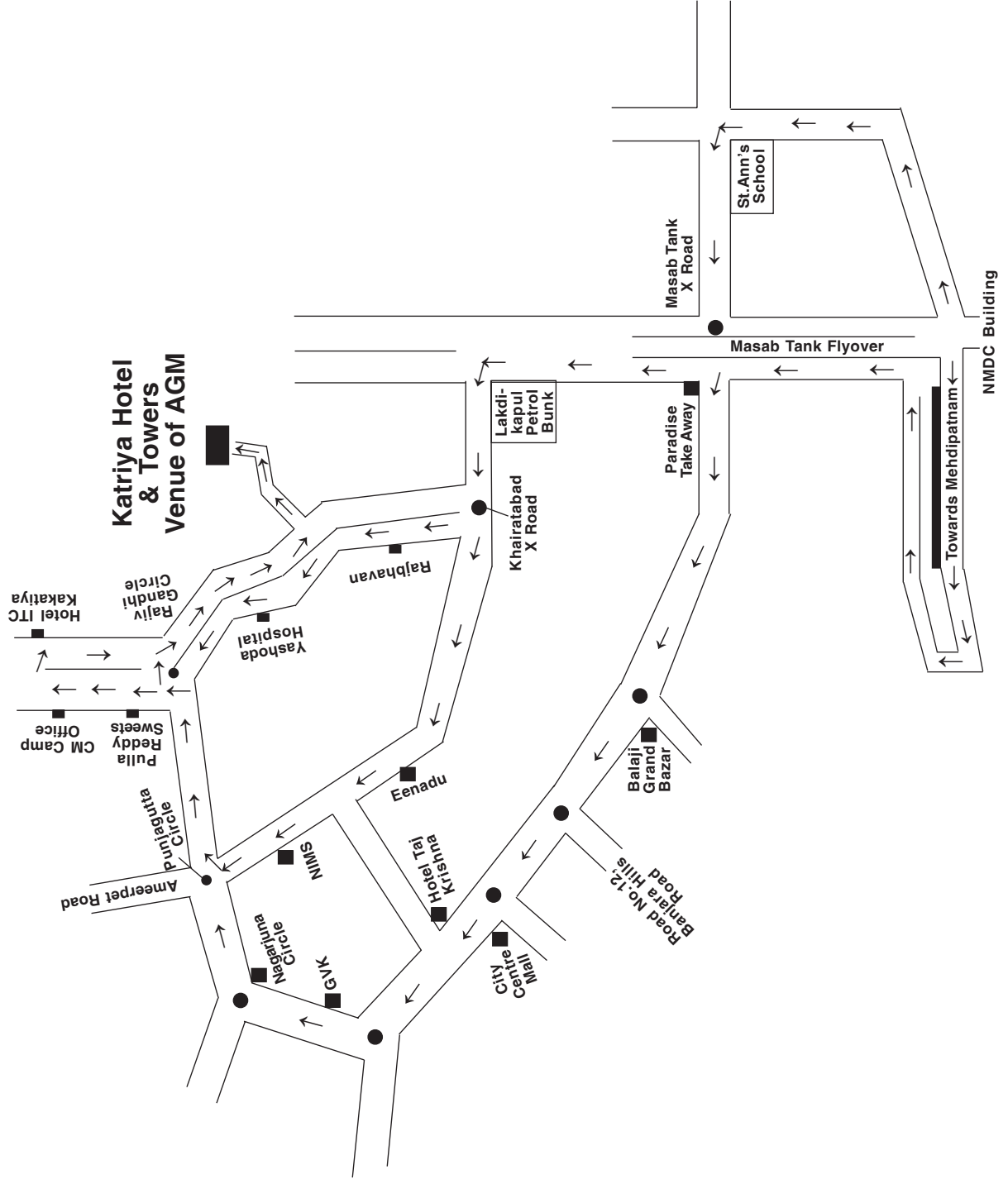
Equity Shareholder's Signature

Proxy's Signature

Notes:

1. Equity Shareholders/ Proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue of the meeting.
2. Equity Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the venue of the meeting.

Route Map for the Venue of the 58th AGM to be held on 29th September 2016 at 1130 hrs.





NMDC bagged the DB-India Pride Award, 2016 in the “Metals and Minerals and Trade (including Mining)” category. Dr. Narendra K Nanda, Director (Technical) received the award at the hands of Shri Ravi Shankar Prasad, Hon'ble Union Minister for Communications and Information Technology.



NMDC bagged DSIJ - Most Efficient Navratna Award in “Non-manufacturing category” for the year 2015. Shri Devinder Singh Ahluwalia, Director (Finance) received the award at the hands of Dr. Mahesh Sharma, Hon'ble Union Minister of State for Tourism and Culture.



Panoramic view of the 5.2 km long single flight regenerative downhill conveyor belt at Kumaraswamy Iron Ore Mine, Donimalai, Karnataka.



NMDC Limited

(A Government of India Enterprise)

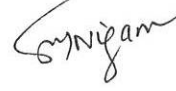


Regd. Office: "Khanij Bhavan", 10-3-311/A,
Castle Hills, Masab Tank, Hyderabad-500 028

CIN : L13100AP1958 GOI001674

www.nmdc.co.in | [Twitter](https://twitter.com/nmdclimited) [Facebook](https://facebook.com/nmdclimited) nmdclimited

FORM A

COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES

1	Name of the Company	NMDC LIMITED
2	Annual Financial Statements for the year ended	31-March-2016
3	Type of Audit Observation	Unqualified Report
4	Frequency of Observation	Not applicable
5	Signed by.	
	I. Bharathi S.Sihag Chairman Cum Managing Director	
	II. D S Ahluwalia Director (Finance)	
	III. S.M.Nigam Audit Committee Chairman	
IV. Auditor For M/s Tej Raj & Pal Chartered Accountants Firm Reg no.304124E		
		
	(CA B Vijay) Partner Membership No:214678	