एनएमडीसी

NMDC

एन एम डी सी लिमिटेड
NMDC Limited

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

No. 18(1)/2008- Sectt

25th September 2017

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: 59th Annual Report 2016-17 of NMDC Limited

Ref: Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; Security ID: NMDC

Please find attached the 59th Annual Report 2016-17 of NMDC Limited along with Addendum approved and adopted in the 59th Annual General Meeting of the Company held on Friday the 22nd September 2017 at 11.30 hrs at The Park, 22, Raj Bhavan Road, Somajiguda, Hyderabad – 500082, Telangana, India.

Thanking you

Yours faithfully,
For **NMDC Limited**

A S Pardha Saradhi
Company Secretary

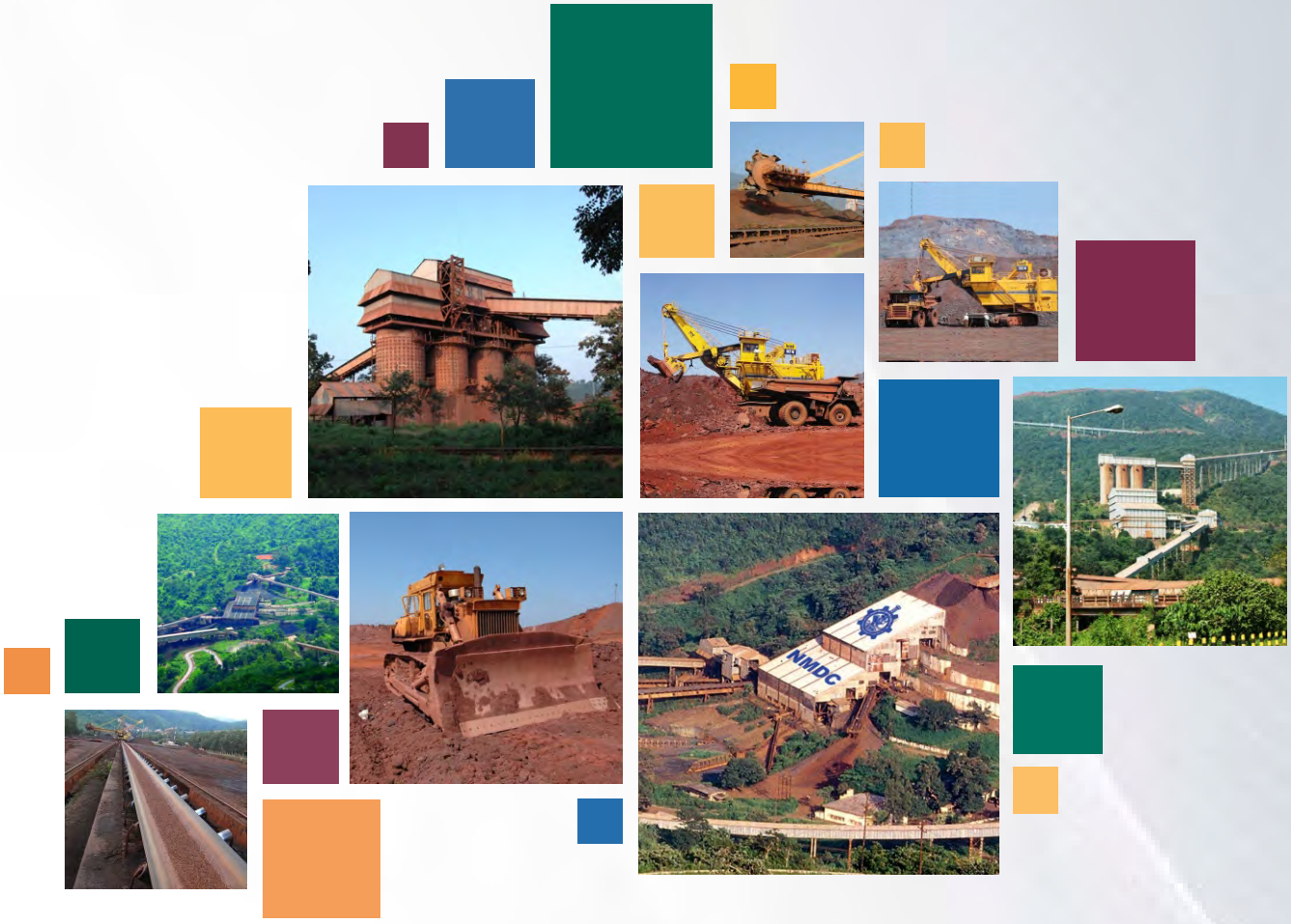
Encl: A/a

दूरभाष / PHONES : 23538713-21 (9 Lines), 23538723, 23538767 फैक्स / Fax : +91-40-23538711,
ई-मेल / E-mail : hois@nmdc.co.in वेबसाइट / Website : www.nmdc.co.in

एनएमडीसी

NMDC

Bridging Nation's Growth



59th Annual Report 2016-17



Shri Narendra Modi, Hon'ble Prime Minister of India and
Dr. Raman Singh, Hon'ble Chief Minister of Chhattisgarh
visited NMDC Stall at Chhattisgarh Rajyotsav - 2016 at Raipur.



Dr. Narendra K. Nanda, Director (Technical) explaining NMDC's activities
to Shri Chaudhary Birender Singh, Hon'ble Union Minister of Steel and
Dr. Aruna Sharma, Secretary (Steel), at India International Trade Fair - 2016, New Delhi.

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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. Amit OM & Co.
Allahabad, Uttar Pradesh

SECRETARIAL AUDITORS

D.Hanumanta Raju & Co.
Hyderabad, Telangana

COST AUDITORS

M/s.Prasad Bharathula & Associates
Hyderabad, Telangana

MAIN BANKER

State Bank of India

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

Achievements 2016-17

◆ Turnover	–	₹	8,830	Crores
◆ Profit before Tax (including discontinued operations)	–	₹	4,293	Crores
◆ Cash Profit	–	₹	4,489	Crores
◆ Net Profit	–	₹	2,589	Crores
◆ Total Assets	–	₹	25,702	Crores
◆ Net Worth	–	₹	22,519	Crores
◆ Book Value per Share	–	₹	71.17	
◆ Earnings per Share	–	₹	7.22	
◆ Return on Capital Employed	–		32.50%	
◆ Return on Net Worth	–		11.50%	
◆ Dividend :				
- Interim	–		415%	
- Final	–		100%	
- Total*	–		515%	
*(Subject to approval at 59th AGM)				
◆ Value added per Employee	–	₹	117.46	Lakh
◆ Output per Manshift (Iron Ore)	–		35.61	Tonnes

Board of Directors



R. Sridharan
Chairman-cum-Managing Director
(w.e.f. 07.12.2016)



Saraswati Prasad
Govt. Nominee Director
(w.e.f. 08.02.2017)



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



Bhagwati Mahesh Baldewa
Independent Director



Rajesh Mangal
Independent Director



Pradip Bhargava
Independent Director



S.M. Nigam
Independent Director



Dr. Syamal Kumar Sarkar
Independent Director



Bharati S. Sihag
Chairman-cum-Managing Director
(upto 30.11.2016)
& Govt. Nominee Director
(upto 07.02.2017)

As on 22.08.2017 (date of printing)

Senior Management



K. Vidyasagar
Chief Vigilance Officer
Head Office



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



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



M Shiva Shunmuganathan
Executive Director (Fin.)
Head Office



Prashant Das
Executive Director
NISP, Jagdalpur



Arun Kumar Shukla
Executive Director
BIOM, Bacheli Complex



V.S. Prabhakar
Executive Director
GEC, Raipur



Dr. R. K. Srivastava
General Manager (Med. Ser.)
NISP, Jagdalpur



Usha Singh
General Manager (BD&CP)
Head Office



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



E.R. Sreekumar
General Manager (Contracts)
Head Office



Rajasekhar
General Manager (Pellet Plant)
Donimalai



T.S. Cherian
General Manager
BIOM, Kirandul Complex



B. Sahoo
General Manager
Donimalai



Sumit Deb
General Manager (Comml.)
Head Office



S. Surender
General Manager (Proj.)
Head Office



M. Mahadevan
General Manager (RP&S)
Head Office



V. Ajit Kumar
General Manager (Slurry Pipeline Proj.)
Jagdalpur



T. Naga Satya Kumar
General Manager (Engg.)
Head Office



K. Satyanarayana Rao
General Manager (Materials)
Head Office



Jibitesh Rath
General Manager (HRD)
Head Office



L. Krishnamohan
General Manager (Fin.)
NISP, Jagdalpur



C.B.P. Sinha
General Manager
Panna



S.K. Wadhwani
General Manager (Comml.)
Head Office



T. Raja
General Manager (Per)
Head Office



A.S. Pardha Saradhi
Company Secretary
Head Office

As on 22.08.2017 (date of printing)

Directors' Report for the year 2016-17

Dear Members,

Your Directors are pleased to present the 59th Annual Report on the performance of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March 2017 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.8,830 crores, achieved Profit Before Tax (PBT) of Rs.4,294 crores and achieved Profit After Tax (PAT) of Rs.2,589 crores.

The major performance highlights are summarized as under:

- Achieved production of 340.05 LT and sales of 356.21 LT. Highest ever achieved since inception of the Company.
- Turnover for the year under review was Rs.8,830 crores compared to Rs. 6,457 crores in the previous financial year 2015-16 recording an increase of 37%.
- Profit Before Tax (PBT) from continuing operations was Rs.4,294 crores compared to Rs.4,093 crores in the previous financial year 2015-16 recording an increase of 5%.
- Profit After Tax (PAT) was Rs.2,589 crores compared to Rs. 2,712 crores in the previous financial year 2015-16 recording a decrease of 4.5%.
- Net worth of the Company stood at Rs.22,519 crores as on 31.03.2017, 22.66% lower than Rs.29,118 crores in the previous financial year 2015-16.
- The Company has declared an Interim Dividend of Rs.4.15 per share for FY 2016-17.
- Capital expenditure of Rs.3,468 crores has been incurred during the year under review.
- Completed buyback of 80,08,25,526 equity shares of Re.1/- each @ Rs.94/- per share under tender route involving an outgo of Rs.7,527.76 crores.
- Govt. of India has accorded in-principle approval for strategic disinvestment of NMDC Iron & Steel Plant (NISP) at Nagarnar.



Panoramic view of Bailadila Iron Ore Mines, Chhattisgarh

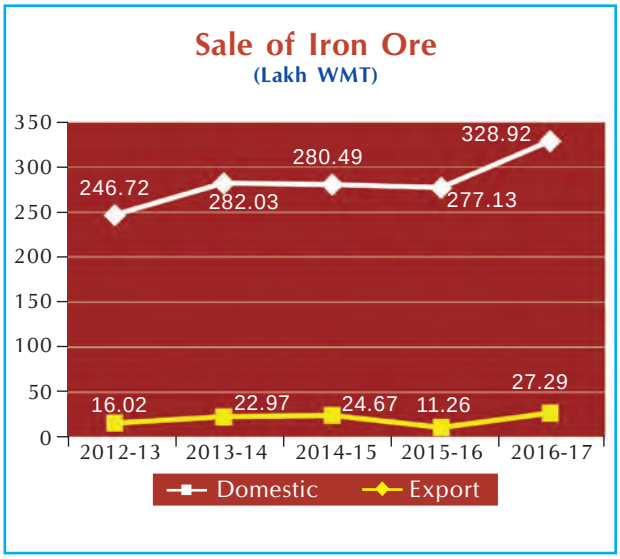
2.0 PHYSICAL PERFORMANCE

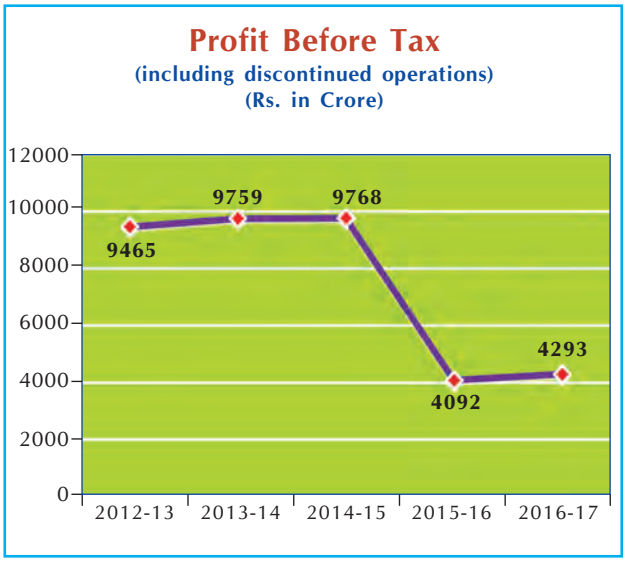
2.1 Production

Product	Achievement		Percentage of change
	2015-16	**2016-17**	
Iron Ore (lakh tonnes)	285.74	**340.05**	19.00%
Diamond (Carats)	35,558	**35,636**	0.22%
Sponge Iron (Tonnes)	6,614	**5,474**	(-) 17.24%

3.0 SALES OF IRON ORE

Particulars	Physical (in lakh tonnes)			Value (Rs. in crore)		
	Achievement		% of	Achievement		% of
	2015-16	**2016-17**	change	2015-16	**2016-17**	change
Domestic	277.13	**328.92**	18.68%	5,975.13	**7,804.15**	30.61%
Export through MMTC	11.26	**27.29**	142.36%	352.80	**904.75**	156.45%
Total Sales	288.39	**356.21**	23.52%	6,327.93	**8,708.90**	37.63%





3.1 Other Sales

Products	Achievement	
	2015-16	**2016-17**
a) Diamond		
Sales (carats)	36,683	**25,631**
Value (Rs. in crore)	52.61	**41.91**
b) Sponge Iron		
Sales (tonnes)	8,365	**8,579**
Value (Rs. in crore)	13.14	**13.13**
c) Wind Power		
Sales (lakh units)	185	**220**
Value (Rs. in crore)	6.30	**7.48**

4.0 FINANCIAL PERFORMANCE

4.1 Operating Results

Parameter	Achievement		Percentage of change
	2015-16	**2016-17**	
Profit Before Tax (PBT) (Rs. in crore)	4,093	**4,294**	4.91%
Profit After Tax (PAT) (Rs. in crore)	2,712	**2,589**	(-) 4.54%
Net Worth (Rs. in crore)	29,118	**22,519**	(-) 22.66%
Book value per share (Rs.)	73.44	**71.17**	(-) 3.09%
Earnings per Share (Rs.)	6.84	**7.22**	5.56%

There has been no change in the nature of business for the year under review.



4.2 Profit & Dividend

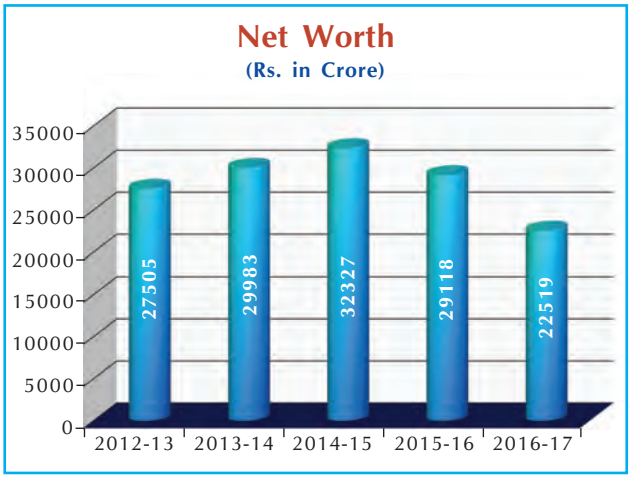
During the year under review, your Company has earned profit before tax from continuing operations of Rs.4,294 crores on a turnover of Rs.8,830 crores in comparison with previous year's achievement of Rs.4,093 crores and Rs.6,457 crores respectively.

The Company has declared Interim Dividend for FY 2016-17 @ Rs.4.15 per share in the month of March 2017 involving an outgo of Rs.1,313 crores. The share of Government with equity stake of 74.94% is Rs.984 crores.

The Board of Directors at its meeting held on 25th May, 2017 has recommended declaration of final dividend of Re.1/- per share subject to approval of the shareholders at the AGM. The total dividend including final dividend if approved, aggregates Rs. 5.15 per share.



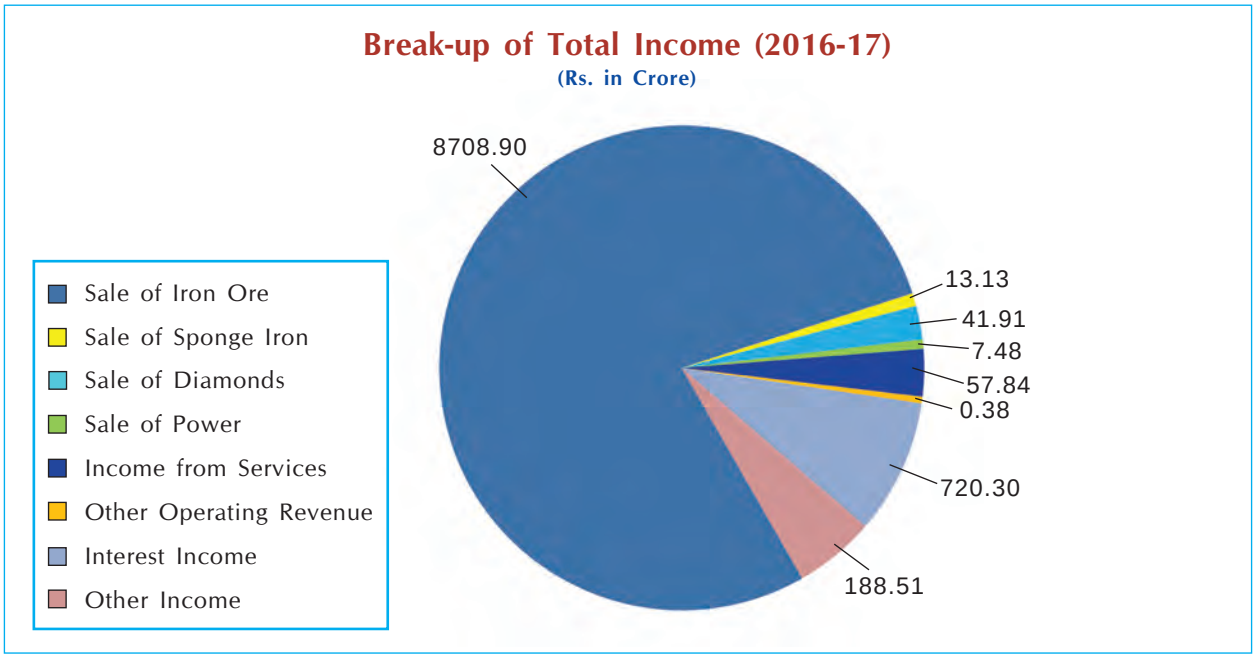
Programmes for encouraging Cashless Transactions were conducted by NMDC in all Projects and Head Office



4.3 TRANSFER TO RESERVES

The Company proposed not to transfer any amount from net profit to General Reserve.

4.4 MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED 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 11.07.2017 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 2016-17 is unmodified and does not contain any qualification, reservation or adverse remark.

(b) SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the FY 2016-17 as done 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

In line with the Vision plan of augmenting its Production & Evacuation capacity, technology upgradation, diversification &value-added products, NMDC has taken up many ambitious projects. Some of the projects have been completed and others nearing completion. Action for new projects have been initiated. During the financial year 2016-17, the details of Projects undertaken by NMDC are summarized as under:

A	Completed Projects
1	Crushing & Downhill system of 11B - Kirandul Complex
2	Crushing Plant & Downhill Conveyor - Kumaraswamy
3	1.2 MTPA Pellet Plant - Donimalai

B	Ongoing Projects
1	3 MTPA Iron & Steel Plant - Nagarnar, Chhattisgarh
2	Doubling of KK line between Kirandul to Jagdalpur
3	Doubling of KK line between Jagdalpur to Ambagaon
4	Additional Screening Line & upgradation of existing conveyors

C	Projects awaiting Statutory clearances
1	Screening Plant III - Kirandul Complex
2	Screening Plant II - Donimalai Complex
3	15 MTPA Slurry Pipeline - Kirandul to Nagarnar

D	SPVs
1	Rail SPV (IRCON - SAIL - NMDC-CMDC)
2	State of Karnataka (Steel)
3	State of Jharkhand (Steel)

E	International Projects
1	Tanzania Gold Mine
2.	Legacy Iron Ore Limited, Australia

11B Crushing Plant with Downhill Conveyor was successfully commissioned in 2015 and is in operation now. The associated facilities like service building and telecommunication packages etc are being carried out on the risk and cost of the previous contractors.

The 4th line in Screening Plant of Deposit-10/11A was also completed in 2016-17, which helped in handling of additional ROM upto the tune of 2 MTPA.

Projects / schemes for capacity expansion

To augment the production and to improve the quality of product mix from Bailadila Sector, the schemes like SP-III Kirandul, relocating Crushing Plant-14 and Downhill conveyor, additional screening lines, Rapid Wagon Loading System (RWLS) etc are envisaged. Waste mining and increase in evacuation capacity being a major area of focus for enhancing the life of mines, the schemes like beneficiation plant in Bacheli and Slurry pipeline from Bacheli to Nagarnar has also been taken up.



Panoramic view of the 5.2 km long single flight regenerative downhill conveyor belt at Kumaraswamy Iron Ore Mine, Donimalai, Karnataka

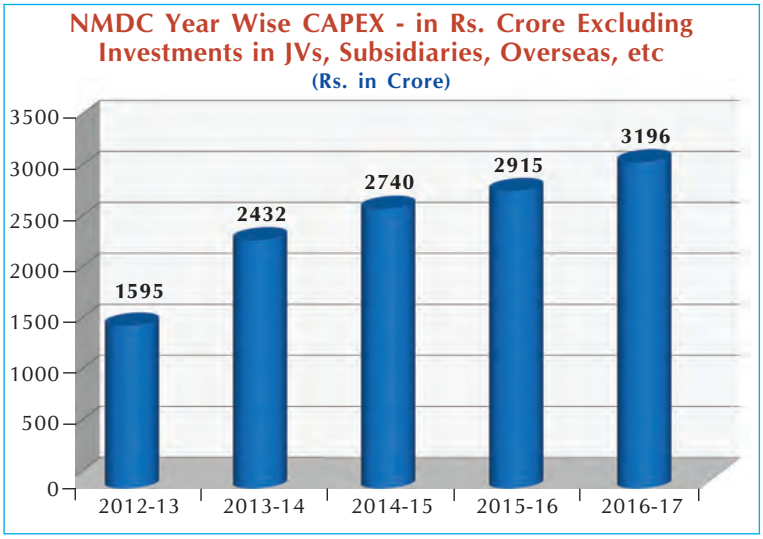
In the financial year 2016-17, the Company has achieved success in terms of completion of Kumaraswamy Iron Ore Mines, Pellet Plant in Donimalai Complex. The construction activities for Kumaraswamy Crushing & Downhill conveyor was completed in 2015. The Downhill conveyor being one of its kind in India for Iron Ore conveying, due care was taken for commissioning of the conveyor and gradually operate it on full load.

The 1.2 MTPA Pellet plant at Donimalai is under advance stage of commissioning and trial run was taken up during 2016-17.



Panoramic view of Pellet Plant at Donimalai, Karnataka

The upcoming schemes in Donimalai Complex includes a second Screening Plant of 10 MTPA for handling the ROM from Donimalai & Kumaraswamy mines in addition to the existing Screening Plant. For improving the rake loading capacity in the Donimalai sector an additional Loading facility of 7 MTPA along with Railway Yard at Ranjitpura is being planned. Railway consultant is being appointed to prepare the TEFR & DPR.



NMDC was in the process of setting up a Dead Burnt Magnesite Plant at Katra, about 55 km from Jammu on Jammu Tikri road through its JV Company JKMDC (a JV of NMDC and JKML with equity ratio 74:26). Required statutory clearances for this project was obtained and works were started. NMDC has made an expenditure of about Rs.60 Crores in this project as of now.

But the project activities have been suspended due to the withdrawal of Environmental clearance by MoEFCC based on feedback from Shrine Board. To resume the project activities, NMDC has taken up the matter at various levels with State Govt., MoEFCC, etc.

Projects / Schemes to enhance evacuation capacity

To augment the evacuation capacity from Bailadila sector, many projects & schemes are taken up like doubling of KK line, Rowghat-Jagdalpur line, Slurry Pipeline etc. Doubling of KK line is executed by Railways as a deposit work and is in advance stage. During the year 2016-17, 33.96 km of railway line was completed in section 1 and 17.6 km was opened for traffic. The works in other two sections are also in advanced stages and is expected to be completed in 2018-19. The completion of this project will augment the evacuation capacity of Bailadila sector through Railway line from 20 MTPA to 40 MTPA.

For increasing the rake loading capacity in Kirandul an uniflow system is being planned. This will reduce the rake loading time and turnaround time of rakes. The scheme for this project has been prepared and in the process appointing a Railway consultant for preparation of TEFR and DPR.

NMDC is also participating in the Rowghat-Jagdalpur Rail line project as a major stake holder with 43% share along with SAIL, IRCON & Govt. of Chhattisgarh being other stake holders with 21%, 26% & 10% respectively. This line will be helpful in reduction of distance by about 260 Kms and facilitate NMDC in the cost competitiveness of Iron Ore supplies in Raipur region. This line will also be helpful for Steel Plant project at Nagarnar for inward & outward traffic and also provide a better customer connectivity for Iron Ore & Steel customers.



BRPL is a Joint Venture Company formed by NMDC Limited, SAIL,IRCON and CMDC Limited with NMDC being the major shareholder with 43% equity stake.

NMDC has taken up an ambitious project of laying Slurry Pipeline from Bailadila to Jagdalpur and further upto Visakhapatnam. The capacity of the line 15 MTPA and this will be associated with facilities like beneficiation Plant at Kirandul & Bacheli, Pellet Plant at Nagarnar and Vizag. The Slurry Pipeline between Bacheli to Nagarnar is being executed by NMDC and from Nagarnar to Vizag is envisaged to be executed in SPV mode. The works for Bailadila to Jagdalpur segment (140 Km) has been taken up. This project is challenging in terms of obtaining various clearances and permissions from statutory bodies and complexity of the route.

The project team along with environment department is working hard for obtaining the Environment & Forest clearances. The enabling work for Pellet Plant at Nagarnar has started and tendering actions for the technological packages have been initiated. The environment clearance for beneficiation plant at Bacheli has been obtained.

Steel Plant Project

The progress in the Steel Plant in 2016-17 has been quite good as compared to the previous years in all the fields.

Civil works completed by end March'2016 was 52.6% with an addition of 17.7% during 2016-17, resulting in cumulative completion of civil work of about 70.3%.

Structural erection completed by end March'2016 was 28.3% with an addition of 21.5 % during 2016-17, resulting in cumulative completion of structural erection of about 49.8%.

Equipment erection completed by end March'2016 was 10.8% with an addition of 12.2% during 2016-17, resulting in cumulative completion of equipment erection of about 23.1%.

The CAPEX achievement during the financial year 2016-17 was Rs.2845 Crore as compared to Rs.2507 Crore during 2015-16, with an increase of 13.5%.

The value of works awarded during the Financial year 2016-17 was Rs.617.1 Crore.

The progress in the fourth quarter of 2016-17 was commendable as compared to the other quarters of the financial year.

The project team at Nagarnar is working hard to complete the construction activities by December'2017 and to start the commissioning activities progressively.



Bird eye view of Steel Plant at NISP, Nagarnar

Promoting New Steel Plants through SPVs

NMDC is promoting Steel SPVs for setting up new steel plants in the state of Karnataka and Jharkhand and jointly with SAIL at Chhattisgarh. This initiative is under a collaborative approach of Ministry of Steel, GoI and respective State Government. The Steel SPVs shall acquire land, seek water and power allocation and iron ore linkage for setting up the Steel plant and then invite a strategic partner to develop and construct the Steel Plant. NMDC shall ensure the ore linkage to the SPVs though JVs with State Mining corporations.

The Steel SPV in Jharkhand has selected the site and has applied for allocation of land, water and power. In the state of Karnataka, the land acquisition is in advanced stage through KIADB. NMDC has also sought for iron ore allocation in the state of Chhattisgarh, Jharkhand and Karnataka for ore linkage to the steel SPVs.

Implementation of Mine Transport Surveillance System

An MoU was signed between CSIR-CIMFR and NMDC Limited for the following activities at the different projects of NMDC Limited, for a duration of five years:

Phase-I

1. Field assessment and implementation of Mine Transport Surveillance System.
2. Air Quality assessment and implementation of dust suppression system in Crushing, Screening and Loading Plants, Stock Piles and transfer points.

Phase-II

1. Slope stability studies
2. Cost effective and safe blasting solutions
3. Any other activity of mutual interest as per the requirement of NMDC.

Mine Transport Surveillance System (MTSS) has been chosen for implementation at KIOM Kumaraswami, DIOM Donimalai and Donimalai Pellet Plant in first phase.

The brief details of Mine Transport Surveillance System (MTSS) are as follows:

1. Weighbridge Automation
2. Centralized billing and software solution
3. In-motion weigh bridge
4. Perimeter Surveillance/ Virtual Fencing
5. GPS and RFID based tracking
6. Proximity Warning
7. CCTV Surveillance
8. Wireless Networking

Solar Power Projects

With the green energy initiative of Govt. of India focussing more on renewable energies, NMDC has taken up setting up of Solar Power projects (Rooftop & Overland) at its Office premises and at its Paloncha unit. This includes

(a) 30 KW rooftop solar power generation at Head Office.

(b) 1 MW rooftop solar power generation at production units of NMDC.

(c) 5 MW overland solar power generation at SIU, Paloncha, a unit of NMDC.

The rooftop solar power unit at Head office has been commissioned and is in operation. The approval for investment decision for other two solar projects have been obtained and initiated tendering action.

Challenges in Project Execution

The major challenges faced in project implementation are due to delay in obtaining statutory clearances. The delay in obtaining statutory clearances for any particular package affect the integral commissioning of the facilities even if the upstream and downstream facilities are ready.

It is also seen that the project activities are suffering because of the poor financial conditions of the contractors, commercial dispute between the consortium members etc. Project department has taken many pro-active steps to overcome such situations by implementing time based payment mechanism, direct payment to vendors/ sub-contractors, partial taking over of works from the scope of the contractors in line with contract provisions, providing interest bearing advance etc.

8.1 OVERSEAS PROJECTS / NMDC GLOBAL GOLD MINING PROJECT TANZANIA:

NMDC has got a Mining Lease (ML) of 38.83 km^2 at Bulyang 'Ombe (Ntobo), Tanzania. It is planned to setup a Pilot Plant of 12 ton per hour initially. Metallurgical Tests of samples have been done. Selection of agency for Design, Engineering and Construction of the Pilot Plant through tendering process is in progress.

8.1.1 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 has 78.56% equity in the Company.

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 magnesite. Legacy's major gold focus lies in the South Laverton region and base metals focus lies in the Koongie Park region of Western Australia.

8.1.2 International Coal Ventures Pvt. Ltd. (ICVL)

ICVL acquired a coking / thermal coal mine in Mozambique in 2014 and operation of the same was taken over by ICVL. ICVL post acquisition of Benga mine at Mozambique made efforts to bring down its cost of production and minimize cash loss in operation, which resulted in significant reduction in cost compared to the pre acquisition era. However, with the depressed coking coal prices, the operations continued to make losses. In view of the same, mining operations was stopped from 31st December 2015.

ICVL undertook strategic review of Benga operations by an external consultant to consider re-starting of operations whilst coking coal prices remained volatile during the year. ICVL is in the process of appointing new contractors for mining and transport operations to restart the coking coal mining operations at Mozambique.

8.1.3 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 has entered into MoUs with both MIDHANI and DMRL to explore tungsten investment opportunities in India and abroad.



MoU signing between NMDC and DMRL for Preparation of Detail Project Report and Due Diligence of Tungsten Mineral Assets

8.2 Leases for minerals

8.2.1 Iron Ore

8.2.1.1 In Chhattisgarh

NMDC-CMDC Ltd., is a subsidiary of NMDC Ltd.
with equity share holding of NMDC Ltd. and CMDC Ltd. in the ratio of 51:49. This subsidiary Company has been formed to develop, mine, process, raise and sale of iron ore from Deposit No.13 & Deposit No.4 at Bailadila in South Bastar Dantewada, Chhattisgarh. The present Mining Lease Grant status of both the deposits are as follows:

8.2.1.1.1 Bailadila Iron Ore Deposit No.13

Mining lease was granted for Bailadila Iron Ore Dep-13 over an area of 413.745 Ha, in favor of NMDC Ltd. for 50 Years. Performance security has been deposited with the State Government in the form of a bank guarantee for an amount of Rs.426.69 Crores and Mine Development and Production Agreement was signed on 10.01.2017. The lease deed was executed and registered on 10.01.2017 over an area of 315.813 Ha.

ML Grant Order No.F3-84/95/12 dated 07.01.2017 of Deposit No.13, issued by "MRD Government of Chhattisgarh", Para 12 (9) (1) states that "after the execution of the lease deed, NMDC will transfer the Mining Lease to the Company "NMDC-CMDC Ltd." Accordingly, NMDC is taking, necessary steps to transfer the Mining Lease of Deposit-13 in favor of "NMDC-CMDC Ltd."

The deposit has mineable reserve of 324.69 MT of Iron Ore and the project is having EC of 10 MTPA. The development of Deposit-13 is being undertaken by NMDC-CMDC Ltd.

8.2.1.1.2 Bailadila Iron Ore Deposit No.4

As per the Minutes of FAC held on 26th December 2016, Agenda No.14 (FNo.8-72/2016- FC), FAC deferred the proposal for approval under section 2(iii) of Forest Conservation Act, 1980 till the submission of inspection report by the team headed by Addl. Director General of Forest (FC). Since obtaining FC was one of the conditions of "LoI" issued by Govt. of Chhattisgarh vide its letter No.F2-20/2005/12 Raipur dated 13.01.2012, the Mining Lease Grant order was not issued by Government of Chhattisgarh and therefore the lease deed could not be executed before the due date of 11.01.2017.

The proposal for Forest Clearance of Deposit-4 was again deliberated in the FAC meeting held on 28.02.2017 (Ref: F No.8-12/2016-FC), under agenda No.7. FAC after thorough deliberation on the inspection report submitted by the Committee headed by ADG(FC), decided not to recommend the proposal.

Fresh application will be submitted to the Chhattisgarh State Government by NMDC-CMDC Ltd. for allocation of Deposit-4 in favor of NMDC-CMDC Ltd. under reservation as per section 17A(2A) of MM(D&R) Amendment Act, 2015.

8.2.1.1.3 In respect of Bailadila-1 & 3

Your Company has filed Writ Petition before the Hon'ble High Court of Delhi against allotment 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.

8.2.1.2 In Jharkhand

Sasangoda:

A JV Company (NMDC 60% & JSMDC 40%), Jharkhand National Mineral Development Corporation Limited (JNMDC) has been incorporated, 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. M/s JNMDC applied for renewal of PL for a period of two years. Detailed Geological mapping and topographical survey have been completed. LoI has been issued for carrying out exploratory drilling in PL area. Forest Clearance application for conducting drilling and other exploration works was submitted. FAC of MoEF & CC recommended for Forest Clearance. Drilling will be commenced after grant of renewal of PL.

8.2.1.3 Other PL/ML Applications:

Your Company is pursuing for reservation for Ghatkuri Iron ore area in West Singhbhum District.

8.2.1.4 In Karnataka

Your Company is pursuing for ML for Ramandurg and Kumaraswamy Deposit (contiguous to ML No.1111). Ramandurg iron ore deposit is subjudice and pending in the Hon'ble Supreme Court of India. For reservation of Ramandurg deposit under section 17A (2A) of MM (D&R) Amendment Act, 2015, NMDC has sent the proposal to Chief Secretary, Govt. of Karnataka. MoS, Govt. of India, also has requested Govt. of Karnataka, for reserving Ramandurg deposit having 5.17 Sq. Km area in favor of NMDC. In addition, your Company has applied for 3 prospective blocks contiguous to Donimalai ML under reservation. Secretary, Ministry of Steel, GoI has written a letter to Chief Secretary, Govt. of Karnataka for reservation of 3 blocks (154.50 ha) adjacent to Donimalai Iron Ore Mines for PL-cum-ML and one block (196 ha.) contiguous to Kumaraswamy Iron Ore Mines for ML.

8.2.1.5 In Odisha

Your Company is pursuing for ML for Mankadnacha and Malngtoli iron ore deposits.

8.2.1.6 In Madhya Pradesh

Iron Ore Prospective Blocks:

Three Prospective Blocks were applied for Iron Ore i.e. Sidhi Block, Bagrodha PF & Dulchipur RF and Dhaurra Village. GoMP 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. Tripartite MoU among GoMP (MRD, through DGM) MPSMCL & NMDC was signed for geological and geophysical exploration in various Districts of M.P. Director, DMG, GoMP granted permission for reconnaitary survey.



Tripartite MoU with Government of Madhya Pradesh for Geological and Geophysical Exploration for various Minerals

8.2.1.7 In Andhra Pradesh

Your Company has applied for Ramgiri prospective block for Iron Ore in Anantapur district. NMDC has requested State Govt. to reserve this block in favour of NMDC under section 17A (2A) of MM (D&R) Amendment Act, 2015.

8.2.2 Diamond

8.2.2.1 In Andhra Pradesh

Your Company is pursuing for grant of 3 PLs falling in the Forest area (Renewal application submitted) in Kalyandurg area, Anantapur District. FAC recommended for forest permission for drilling. NMDC requested Director, DMG for grant of renewal of PL's in favor of NMDC. Once the Govt. of Andhra Pradesh grant the renewal of PL's in favor of NMDC, exploration will be commenced in 3 PL areas.

8.2.2.2 In Madhya Pradesh

Your Company has applied for 17 Nos. of areas for Diamond and Iron ore (6 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.).

Tikamgarh PL's:

Based on RP works, 5 PL applications namely Acharra, Dargany Kalan, Jalandarpur, Sunrai Khas & Birorakhet were submitted to Mining Officer, Tikamgarh. All 5PLs (Dargany Kalan, Jalandharpur, Birorakhet Sunrai Khas and Acharra) for Diamond in Tikamgarh District in Madhya Pradesh, were forwarded by MP Govt. to MoM, GoI, New Delhi. 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 5PL's 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. MRD, Bhopal sent their comments to MOM, New Delhi for all the 5 PL's. Your Company will start detailed exploration in these areas after grant of PL's.

Large area Diamond Prospective Blocks:

Your Company has applied for three large area Prospective Blocks namely Damoh Block, Chhattarpur Panna Block-1 and Chhattarpur Panna Block-2 for diamond exploration. Tripartite MoU among GoMP (MRD, through DGM) MPSMCL & NMDC was signed for geological and geophysical exploration for various Districts of M.P. Director, DMG, GoMP granted permission for reconnaitary survey. The team of Geologists visited the large diamond blocks in Chhattarpur Panna Block 1 & 2, Damoh and Stream Sediments Sampling is under process in Damoh and Chhattarpur blocks.

8.2.2.3 Panna Prospective Blocks:

Tripartite MoU among GoMP (MRD, through DGM) MPSMCL & NMDC was signed for geological and geophysical exploration for various Districts of M.P. Director, DMG, GoMP granted permission for reconnaitary survey. Exploration will be commenced in 5 Prospective Blocks namely Karmatiya, Lakshmipur, Pali, Khirwa South and Khirwa West.

Prospective block for various minerals:

One area was applied for various minerals (Diamond, Gold, PGE, Nickel, etc.) in Jabalpur Katni Block (563 Sq. Km.). Tripartite MoU among GoMP (MRD, through DGM) MPSMCL & NMDC was signed for geological and geophysical exploration for various Districts of M.P. Preliminary exploration started.

8.2.3 Platinum Group of elements

8.2.3.1 In Uttar Pradesh

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

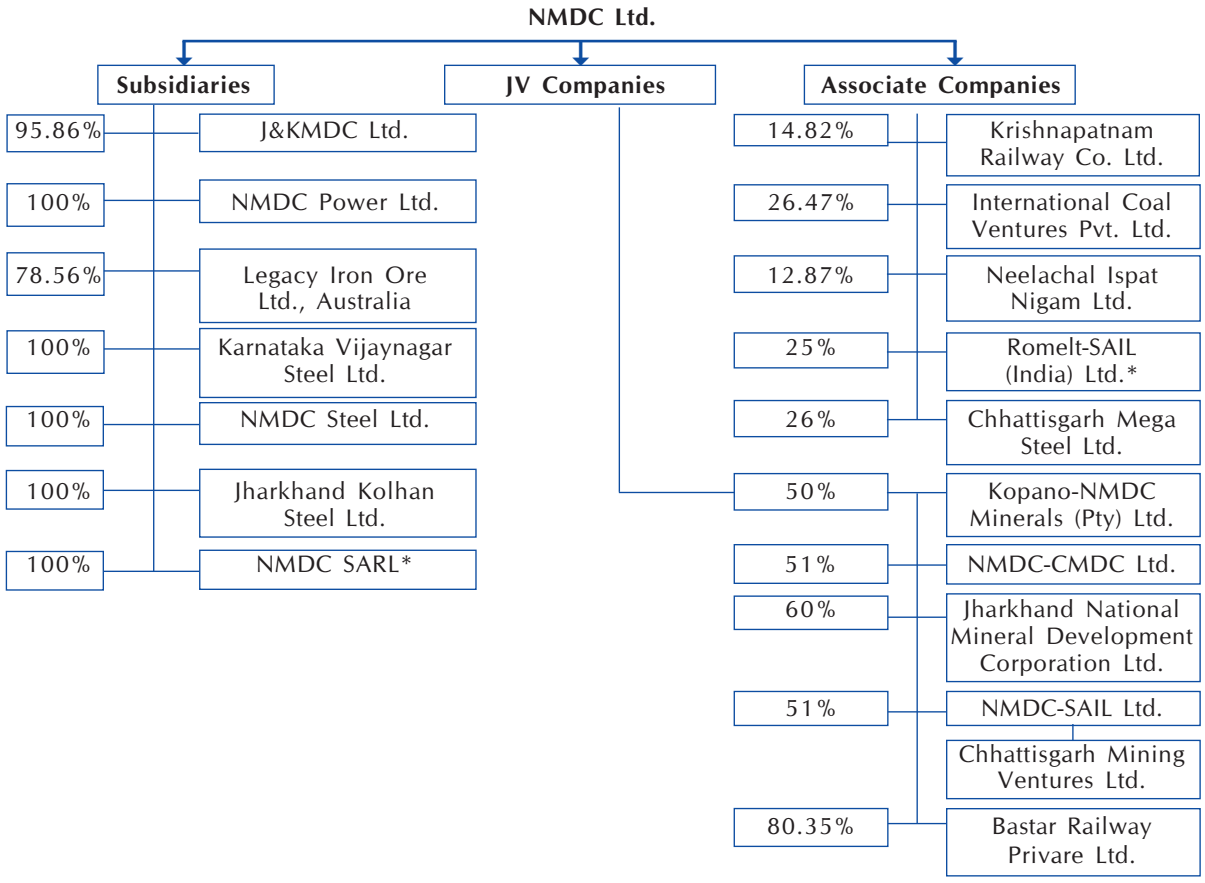
8.2.4 Coal

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

As per the Section-5 of the Coal Mines (Special Provision) Act, 2015, your Company is trying to get Coking & Non Coking Coal Blocks for captive and commercial mining through auction or allocation.

9.0 SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES MONITORING FRAMEWORK

a) NMDC has 7 subsidiaries and stake in 5 Associates & 5 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 meetings of these Companies are placed before the Board.

Notes:

1) Subsidiary / Associate / Joint Venture Companies have been categorized in line with disclosures as made in the financial statements.

2) A step down Subsidiary Company of NMDC-SAIL Ltd. by the name Chhattisgarh Mining Ventures Ltd. was incorporated on 08/11/2016.

10.0 ENVIRONMENT MANAGEMENT:



Inauguration of Roof Top Hybrid Solar Plant by Dr. Aruna Sharma, Secretary, Ministry of Steel at NMDC Corporate Office, Hyderabad

The Company has obtained Environmental Clearance for Screening Plant-III, Kirandul on 23/12/16 from MOEFCC, New Delhi and tree felling permission on 14/2/17 from Forest Department, Raipur. Consent for Establishment has also been obtained for proposed 2 MTPA Pellet Plant at Nagarnar from CECB, Raipur on 30/10/16. The Final forest clearance under F.C. Act, 1980 obtained for Transmission line of Pellet Plant at Donimalai on 1/2/17 from Regional Office, MOEFCC, Bangalore and diversion of 315.813 Ha forest land for Deposit-13 Mining Lease area from MOEFCC, New Delhi on 9/1/17. The Lease deed for Bailadila Deposit-13 was executed on 10/11/17. The expert appraisal Committee meetings were held for issue of Environmental clearance for capacity expansion of Bailadila Deposit-10 from 4.2 to 6.0 MTPA and proposed 10 MTPA Screening Plant-II at Donimalai and the committee recommended the projects for Environmental clearance. The draft EIA/ EMP report submitted to CECB, Raipur for arranging Public consultation for capacity expansion of Bailadila Deposit-14/11C project, Kirandul from 12 to 20 MTPA.

Carbon foot print studies were conducted for F.Y 2016-17 and Green House Gas emissions will be disclosed in Carbon disclosure project. Donimalai, Panna Diamond Mining Project, Bailadila Deposit-10 obtained FIVE Star rating from IBM, Ministry of Mines. Sustainable Mining Initiative Audit was carried out for iron ore mines located at Bacheli and Kirandul through FIMI, New Delhi. The recommendations of SMI will be implemented to obtain Five-star rating for Bailadila Deposit-14, 11C, 11B and 5 mines. Water Audit was also carried out at all projects of NMDC and recommendations of audit are under implementation by projects to conserve water and also to improve the efficiency of motors / pumps, arrest leakages, etc.

The Company has participated in Chhattisgarh Hariyar plantation programme during the year 2016-17 and contributed Rs.25 Crore to Hariyar Kosh for undertaking block plantation in the State of Chhattisgarh. The Company is undertaking all environmental pollution control works such as de-silting of check dams / check bunds, tailing dams, 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 monitoring studies covering all environmental parameters by recognized laboratories. The studies indicated that all environmental parameters are found to be well within the limits.

10.1 Sustainable Development Performance

Under S.D. programme, your Company has awarded the work orders for construction of STP with SBR technology at Bacheli (2 MLD), Kirandul (3 MLD), Donimalai (3 MLD) and the work is under progress. Your Company has also deposited an amount of Rs.28.15 Crore towards Bio-diversity conservation plan expenditure at Bailadila Iron Ore Mines with Forest Department in CAMPA AC.

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.



27th Corporate Level Tripartite Safety Committee Meeting of Bailadila Iron Ore Mines / Diamond Mining Project and Donimalai Iron Ore Mine / Kumarswamy Iron Ore Mine was conducted at Head Office.

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. 27th Corporate Level Tripartite Safety Committee Meeting of Bailadila Iron Ore Mines / Diamond Mining Project was conducted on 24.10.2016 and Donimalai Iron Ore Mine / Kumarswamy Iron Ore Mine was conducted on 03.02.2017.

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 2016-17 is 0.20 and 0.34 for the year 2015-16.

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.

All the NMDC Production Projects viz. BIOM, KC; BIOM, BC; DIOM; DMP, Panna including R & D Centre are accredited with Integrated Management System (IMS).

OHS Activities:

Occupational Health Services 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.



The meeting of Safety Management System implemented in all mines was conducted at Head Office

Safety Management System:

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

12.0 IMPLEMENTATION OF INTEGRITY PACT:

- With an objective of improving transparency in public procurement and contracts, NMDC Ltd. have entered into MOU with Transparency International India for implementation of Integrity Pact Programme on 24th September 2007.
- We are one of the first Mining Navratna Company to have entered into the Integrity Pact Programme during the year 2007.
- We are among the first 10 public sector companies having entered into MOU with Transparency International for implementation of Integrity Pact Programme among the various PSU's with Integrity Pact compliance.
- For covering the majority of the procurements, initially in 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

I Batch of IEMs

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

} from 04.10.2007 to 30.09.2010

II Batch of IEMs

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

III Batch of IEMs

1. Shri Ajit Kumar Jain, IAS (Retd.), From 26-12-2013 to 25-12-2016
2. Shri Ramesh Chandra Panda, IAS (Retd.), From 19-12-2013 to 18-12-2016

IV Batch (Present) of IEM

1. Shri Ramesh Chandra Panda, IAS (Retd.), From 19-12-2016 onwards

Review Meetings

Review meetings with IEMs are held on quarterly basis.

13.0 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.



Nano Tech Laboratory at the R&D Centre at Hyderabad

14.0 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.

15.0 IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

Your Company successfully implemented Official Language Policy of Government of India in its Headquarters, Projects and Units.

A new course devised by Govt of India "Hindi Parangat" was started at Hindi Training Centre of Head Office to make Officers and employees work in Hindi efficiently. In addition, Hindi Workshops were conducted in every quarter at Head Office and all the Projects/Units for practical training of doing day-to-day official work in Hindi. Training in "Hindi Unicode" was imparted to work in Hindi on computers. Regular classes were held to impart Hindi Stenography training to all the English Stenographers.



All India Conference of NMDC Rajbhasha Officers was organized by Rajbhasha Cell of Head Office

Incentive Schemes for writing noting, letters, Registers in Hindi and giving dictation in Hindi were implemented throughout the year. Hindi Fortnight was celebrated. Various Hindi competitions were conducted and prizes distributed to the participants. To promote use of Hindi, "Monthly Hindi Competitions" were conducted. To encourage usage of Rajbhasha in Projects and units, "NMDC Rajbhasha Shield" Scheme was started.

Meetings of Official Language Implementation Committees were held in every quarter at Head Office and all the Projects. To monitor use of Rajbhasha and suggest measures to augment the same, inspections and Desk trainings programs were conducted at various projects and units. Rajbhasha contact programs which were held every month at various departments of HO by Officers of Rajbhasha Departments at Head Office to increase awareness towards Official Language. Desk training in Hindi was also imparted during such programs.

A Joint Hindi workshop for small undertakings of Twin cities was conducted at Head Office under the aegis of Town Official Language Committee (Undertakings), Hyderabad-Secunderabad. Also, an "Inter-Undertaking Hindi Competition" was organized for employees of all the undertakings. All India Conference of Rajbhasha Officers was also conducted at Head Office. House journal dedicated to Official language "Khanij Bharati" was published. Various Hindi/Bilingual magazines, news magazines were also published from Head Office and Projects viz, Sarjana, Takaneeki Sopan, Takaneeki Khitiz, Baila Samachar, Bacheli Samachar, Doni Samachar, NISP Patrika, She News etc.

NMDC was awarded First Prize "Rajbhasha Shield" by Ministry of Steel, Govt. of India for excellent implementation of Rajbhasha. NMDC was also conferred with First Prize-"Rajbhasha Shield" by Town Official Language Implementation Committee (U), Hyderabad-Secunderabad in mid-sized category for outstanding implementation of Rajbhasha.

16.0 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 and services. 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 is continuously registering MSE vendors to enhance the vendor base.

During the FY 2016-17, NMDC has participated in various National and State Level Vendor Development Programmes / MSME Expos for Buyer - Seller meet at Hyderabad, Tirupati, Jagdalpur, Raipur, Bilaspur, Mathura, Belgaum, Kolar, Goa and Donimalai.

17.0 MANPOWER

17.1 Employee-Employer relations

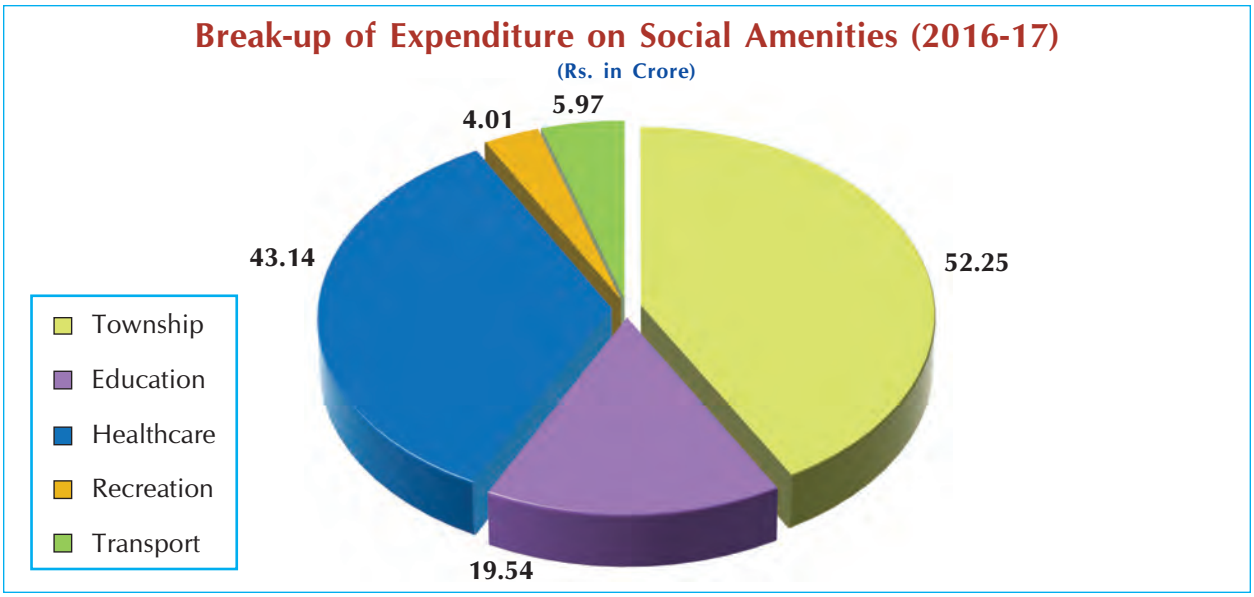
The overall industrial relations situation was peaceful and cordial during the year. There was no strike/lockout against the Company's policies affecting production and productivity.

17.2 Scheduled Castes & Scheduled Tribes

37 candidates belonging to Scheduled Caste and 56 candidates belonging to Scheduled Tribes were appointed in the year 2016 against 259 posts filled by direct recruitment.

17.3 Strength of SCs & STs as on 31st March 2017

1.	Total number of employees	=	5572
2.	Scheduled Castes amongst them	=	956
3.	Scheduled Tribes amongst them	=	1195
4.	Total SCs and STs	=	2151
5.	Physically challenged employees	=	100



17.4 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 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

NIL

17.5 Staff Welfare activities

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

17.6 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.

17.7 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 2016-17.

18.0 HUMAN RESOURCES DEVELOPMENT

An ever changing highly competitive business landscape necessitates NMDC to place significant thrust on harnessing the potential of the people within the organization as a key differentiator for sustained growth. The Human Resources Development (HRD) function at NMDC is an integral part of the business, aimed at actively conceptualizing and implementing contemporary and customized HR initiatives, policies and practices in line with organizational vision.



Celebration of International Yoga Day at Head Office

Human Resources Development at NMDC has embarked upon creating a robust HR ecosystem by establishing strong linkages between its people, systems & processes by adopting novel high impact HR Initiatives in areas like Leadership Development, Culture Building, robust Performance Management, Skill Development and Employee Engagement.

Capability Building Programmes:

NMDC's HRD Team has crafted initiatives include core programmes straddling various dimensions of Leadership, Capability Enhancement and Skill(s) Development along with customised programmes that address diverse capability-building needs at various levels of the organization. These programmes cover not just functional competencies but behavioral inputs as well, to ensure comprehensive development of our human resources. Training is delivered both internally and via external bodies to meet the specific requirements of roles or to target professional development. Such training ensures that employees are aware of their personal and Company obligations related to their workplace, safety and environment standards, as well as industry and international standards. Corporate HRD has Organized 24 Nos of Customised In House Training Programmes covering 690 Executives during 2016-17, 193 Nos of External Training Programmes covering 483 executives on various subjects, 28 Nos of Executives are sent abroad for Foreign Training Programmes/ AMP.

Leadership Development:

To create & sustain leadership pipeline, programmes like AMP, GMP & tailor-made customized interventions on leadership development are organized. 8 senior Executives are nominated for AMP and 53 Executives are imparted Training in GMP and Other Leadership development Programmes held during 2016-17.

High Potential Leadership Development Programme (HI-POs) for AGMs/DGMs:

Corporate HRD has planned a progressive intervention for creating a robust leadership pipeline by taking High Potential Leadership Development Programme for middle level Managers covering around 258 Executives. It will bridge the gap in pool of leaders in near future and also will create the necessary efficient leadership pipeline in long term for better business results.

- Conducted ADC and Psychometric Assessment for 241 Executives out of 258 Executives available in the E-5 and E-6 Grades.
- Prepared Merit List based on ADC, Psychometric assessment and Performance Rating for three Years and submitted to Top Management for Approval.
- Identified 28 Coaches and trained them under Coaching Skills Workshop.
- Detailed IDP and Training Plan is envisaged for identified high potentials.

AAROH-II:

A Strategic Orientation Workshop (HR Conclave) for Management and Trade Union Representatives is organized on 3rd & 4th April 2017 at Kodaikanal covering Management Representatives and Trade Union Representatives.



A Strategic Orientation Workshop (HR Conclave) for Management and Trade Union Representatives was organized at Kodaikanal

Project Management/Risk Management:

25 Nos of Executives in the level of E-5 &E-6 are imparted 6 Days Training in "Project Management".

Mentoring and Coaching:

HRD has continued its thrust on Mentoring & Coaching programme which is an essential element for developing executives within the Organization. 24 Nos of Senior Executives are imparted Training on Mentoring and Coaching during 2016-17.

Strengthening of Quality Circles:

To further strengthen the Quality Circles Movement in NMDC, HRD has given more thrust on Quality Circles activities by adding 5% more QCs this year. 43 nos. of Quality Circles (QCs) are formulated and working in various conventions.

Executive Development Programmes:

3 Nos of EDP (one month) & 3 Nos MDP (one week) for Executive Trainees (ETs) selected under NMDC & NISP are conducted at ASCI, Hyderabad during FY 2016-17.

HRD AWARDS:

- Corporate HRD has bagged Green Tech Gold Award in Training Excellence.
- NMDC has won BEST HR Practices Case study Contest Award by SCOPE, New Delhi.

19.0 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. Emphasis

was laid on adequate checks and balances in the form of well-defined systems and procedures. Various programmes were conducted for awareness on vigilance matters for the employees of the Corporation. The vigilance functionaries at the projects have conducted regular training classes for the employees on the vigilance matters. 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. Surveillance Audit of Vigilance Department has been conducted by M/s. Integrated Quality Certification Pvt. Limited on 07.02.2017 and recommended for Certification which is valid up to 14.09.2018.

During the year (Apr, 2016 - March, 2017) 92 surprise checks, 107 regular inspections and 15 CTE type inspections were conducted. During period, 61 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 activities:

1. Study of Cost Cap - HEM equipments

2. Study of Asset Register

3. Study of Mining Contracts

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 109 contracts with a value of Rs.19,102 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 are in place.

The **Vigilance Awareness Week 2016** was celebrated from **31.10.2016** to **05.11.2016** with the administration of pledge to all the employees by Dr. N.K. Nanda, Director (Technical) on 31.10.2016. The theme for this year was "Public participation in promoting Integrity and eradicating Corruption".



The Vigilance Awareness Week 2016 celebrations at Head Office

Units of NMDC at - Kirandul, Bacheli, Donimalai, Panna, NISP, Nagarnar, Sponge Iron Unit and Regional Offices at New Delhi, Bangalore, Kolkata, Vizag, etc., have observed the Vigilance Awareness Week and similar programmes were conducted there also. CVC's Annual Sectoral Review Meeting with Chief Executives/CMDs and CVOs of Steel and Mines and Defence Sector was held on 1.02.2017 at NMDC, Hyderabad.

20.0 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 31.03.2017, 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.

21.0 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 2017-18. The Board of Directors at its 503rd meeting held on 25.05.2017 has noted the declaration as made by the Independent Directors.

22.0 COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

All Directors are appointed by Govt. of India.

23.0 NUMBER OF BOARD MEETINGS HELD

During the year under review, 9 meetings of the Board were 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). 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)

A long-term strategic management plan (SMP), 'Vision 2025' was formulated in 2015 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.

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



Annual Plan Meeting 2017-18

significantly and global surplus scenario is likely to prevail in the foreseeable future for both the steel and the iron ore industry globally.

Taking into account the market scenario, the SMP was reviewed by NMDC in March, 2016 and expansion targets have been re-worked 50 MTPA by 2018-19 and 67 MTPA by 2021-22.

The above 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 63 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 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, driving cost reduction and other business-improvement initiatives, etc.

26.0 DETAIL OF DIRECTORS OR KMP APPOINTED OR RESIGNED DURING THE YEAR.

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

Smt. Bharathi S. Sihag, Govt. Nominee Director w.e.f. 08.02.2017

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

i) Shri R. Sridharan, CMD w.e.f. 07.12.2016

ii) Shri Saraswati Prasad, Govt. Nominee Director w.e.f. 08.02.2017

The Board places on record its deep appreciation for the valuable contribution made by Smt. Bharathi S. Sihag during her tenure on the Board of the Company.

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 2016-17:

S.No.	Unit	Statutory Auditors
1	Head Office, R&D Centre, SIU & Consolidation	M/s. Tej Raj & Pal, Chartered Accountants Plot No. 1278/2256/4294 Govinda Prasad Bomikhal Bhubaneswar - 751 010, Odisha
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-492 004(C.G)
3	Donimalai	M/s. Vijay Panchappa & Co. Chartered Accountants Maruti Complex II Floor Line Bazar Dharwad, Dharwad-580 001, Karnataka.
4	Panna	M/s. Amit OM & Co., Chartered Accountants 2nd Floor, Dr. Bajaj Complex 17/12, Tashkhand Marg-SP Next to PVR Campus, Civil Line Allahabad-211001(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

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 01.04.2016 to 31.03.2017 are as follows:

Month	No of Applications received	Information Provided	Rejected
April 2016	(Pending as on 01.04.2016 - 08)	17	03
May 2016	26	13	04
June 2016	22	24	05
July 2016	44	37	02
August 2016	25	21	01
September 2016	20	26	01
October 2016	14	22	02
November 2016	11	07	01
December 2016	14	14	Nil
January 2017	05	04	02
February 2017	11	07	Nil
March 2017	18	11	02
TOTAL	**241**	**203**	**23**

Pending as on 31.03.2017 - 14 Requests 01 Applications have been transferred to other CPIOs.

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



NMDC's highly mechanized two iron ore mines i.e. Bailadila Deposit - 10/11A, Bailadila Iron Ore Mine, Bacheli Complex, Chhattisgarh and Donimalai Iron Ore Mine, Donimalai, Karnataka and one Diamond Mining Project, Majhgawan, Panna, Madhya Pradesh have received 5 star rating by Indian Bureau of Mines (IBM), Ministry of Mines, Government of India.

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

- Bailadila-10/11A, Bailadila Iron Ore Mine, Chhattisgarh; Donimalai Iron Ore Mine, Donimalai & Diamond Mining Project, Panna, MP received Five Star Rating from the IBM for Sustainable Development practices.
- Bailadila Iron Ore Complex awarded FIMI Golden Jubilee Award for excellence in Environment & CSR.
- Most Efficient PSU Award from Dalal Street Journal.
- Governance Now PSU Award for Strategic Performance under financial category from Governance Now Magazine.
- Ispat Rajbhasha Shield (First Prize) amongst PSUs of MoS for Implementation of Rajbhasha.
- India Pride Award in Mining category from Dainik Bhaskar Group.
- Kirandul, Bacheli, Doniamalai & Panna Projects got Green Tech Award (Silver) in the field of Environment & CSR.



Pictures of some of the prestigious awards received during the year

- NIPM Award for Best HR Practices.
- Best CSR Practices Award and Most Caring Company Award by World CSR Congress.
- Global HR Excellence Award for Best HR Strategic Plan by Planman HR.

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. In terms of Whistle Blower Policy, the Screening Committee will comprise of CMD and Chairman of Audit Committee. No complaint has been received by the Company under Whistle Blower Mechanism for the year under review. In order to spread awareness about Whistle Blower Policy, awareness programmes were conducted during the Vigilance Awareness Week 2016 at Projects.

32.0 DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN WHICH ARE REPORTABLE TO CENTRAL GOVT. - Nil.

33.0 BUYBACK OF EQUITY SHARES BY THE COMPANY

As informed in the Director's Report for the Financial Year 2015-16, approval of the shareholders of the Company was sought by way of Special Resolution through postal ballot vide Postal Ballot notice dated 7th June 2016, 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 filed with SEBI on 16th August 2016 for comments. The Letter of Offer incorporating the comments along with the Tender Form was despatched on 15th September 2016 to the Shareholders as on record date i.e., 19th August 2016. Buyback offer opened on 19th September 2016 and closed on 30th September 2016.

The details of Buyback offers received are summarized as under:

Category of Investor	No. of Equity Shares reserved in Buyback	No. of Valid Bids	Total Equity Shares Validly tendered	% Response
General category of other Shareholders	75,90,22,334	2	99,11,79,425	130.59
Reserved category for Small Shareholders	4,18,03,192	44	4,993	0.01
Total	**80,08,25,526**	**46**	**99,11,84,418**	**123.77**

All Equity Shares validly tendered by Small Shareholders i.e. 4,993 Equity Shares, have been accepted in full. As regards Equity Shares tendered by Shareholders in the General Category, the Additional Equity Shares tendered by them over and above their Buyback Entitlement, have been accepted on a proportionate basis. Accordingly, out of 99,11,79,425 Equity Shares validly tendered by the Shareholders in General Category, 80,08,20,533 Equity Shares have been accepted for the Buyback Offer, out of which the share of Government of India is 80,08,20,108 Equity Shares.

The total amount utilized in the Buyback of Equity Shares is Rs.7,527,75,99,444 excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. Government of India received Rs.7,527,70,90,152 out of the buyback transaction.

The settlement of all valid bids have been completed by the Clearing Corporation / BSE on October 07, 2016. Demat Equity Shares accepted under the Buyback have been transferred to the Company's demat escrow account on October 7, 2016. The extinguishment of 80,08,25,526 Equity Shares accepted under the Buyback in dematerialized form has been completed on 10th October 2016. The paid-up capital of the Company post Buyback is Rs. 3,163,890,474 (pre shareholding was Rs. 3,964,716,000).

34.0 STRATEGIC DISINVESTMENT OF NMDC IRON & STEEL PLANT (NISP) AT NAGARNAR.

The Government of India has accorded in-principle approval for strategic disinvestment of NMDC's Iron & Steel Plant (NISP) at Nagarnar on 27.10.2016. The entire process of strategic disinvestment would be overseen by an Inter-Ministerial Group (IMG) constituted by Ministry of Steel. The Board of NMDC has accorded approval for engagement of the following intermediaries:

i) M/s SBI Capital Markets Ltd. as Transaction Advisor.

ii) M/s J. Sagar Associates as Legal Advisor.

iii) M/s Protocol Insurance Surveyors & Loss Assessors Pvt. Ltd. as Asset Valuer.

35.0 FORMAL ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS.

All the Directors are appointed by Govt. of India.

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

37.0 CORPORATE GOVERNANCE

Report on Corporate Governance is at Annexure-II

38.0 REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

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

39.0 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 & Administration) Rules, 2014 is at Annexure-IV.

40.0 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.

41.0 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.

42.0 GLOBAL COMPACT - COMMUNICATION ON PROGRESS

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

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



NMDC organized Programmes on "Swachh Bharat Abhiyaan"

44.0 REPORT ON CSR ACTIVITIES

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



CSR activities at NMDC Projects

45.0 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.

(R. Sridharan)
Chairman-cum-Managing Director

Place : Hyderabad
Date : 21st August, 2017

Annexure - I

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

A. Conservation of energy:

Low grade coal or carbonaceous plant reject (Dolochar) can be utilized through gasification process. In gasification process, solid carbonaceous material can be converted into gases through partial oxidation at high temperature. The generated gases have very high calorific value and can be used in electricity generation or any other metallurgical processes.

There are different types of gasification system are available, one of the method of gasification system is entrained type.

Project Title: Development of Entrained flow Gasification System using non-coking coal blended (F-grade) with dolochar for thermal applications. (Collaborative research work with IMMT, Bhubaneswar).

I. The project pertains to utilization of low grade coal (F-grade) and dolochar generated during sponge iron production. The proposed research is an attempt to develop method for utilizing low grade non coking coal and dolochar in entrained type gasifiers.

II. Work completed till date:

Cold Model studies in lab scale glass apparatus was carried out, based on the cold model study, injection geometry of Reactor for fuel (Coal+dolochar), primary air, secondary air etc was designed. Further studies of variation of flow pattern within the reactor for various configurations, effect of particle size, air and fuel flow rates, char flow rates, residence time were also taken up in cold model.

Prototype system was designed and fabricated with full automation for monitoring of various parameters such as primary air flow, fuel feed rates, secondary air/steam flow rates, temperatures at various levels in the gasifier reactor through data acquisition system. Online analyzers were also installed for continuous monitoring of quality of producer gas produced. Experimental investigation with the proto type using mixer of low grade coal and dolochar in certain proportion was taken up to optimize the composition and temperature of the producer gas. During experimentation it was observed that the gasification reaction was not self sustainable, hence a oxygen pre-heater was introduced in the circuit and successfully demonstrated the technology. The tests carried out using F grade coal and Lignite did not give very high GCV producer gas.

III. Steps will be taken by IMMT, Bhubaneswar to commercialize the result of ongoing studies

IV. Expenditure: Rs.17.0 lakh (NMDC) & Rs.75.0 lakh (SDF Ministry of Steel) for the test done.

B. Technology Absorption:

Efforts Made in Technology Absorption

1.0 TECHNOLOGY DEVELOPMENT PROJECTS:

R&D for alternative Iron making Technology:

Adoption of MATMOR technology for alternative Iron making patented by M/s ECT, Australia. MATMOR is a unique method for producing high-quality reduced iron from inexpensive, abundant Lignite (brown coal) and slimes/ mill scale or low grade iron ore. The tripartite agreement was signed between NMDC, NLC and ECT in January 2016 after getting approval from Ministry of Steel and Coal & Power.

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. For renewal of recognition of In-house R&D application has been filed and the certificate will be received during April 2017.

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 areas of NMDC Ltd.'s R&D Centre are as follows:

- 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 to 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 2016 to 31st March 2017 are listed below.

2.0 Projects as per MOU system with Ministry of Steel 2016-17:

2.1 Improve the screening efficiency of Iron ore over previous year

Objectives: Performance evaluation of the secondary screens (Fines screening) in the production units and evolving remedial measures to improve the screening efficiency.

Results of Plant trials with novel design screen cloth on existing screens at NMDC plants (SP -2, Kirandul).

- The average screening efficiency of the screen fitted with novel design screen cloth are 7.79% to 39.70% higher than the screen fitted with woven wire screen cloth.
- There has been an increase of 21958 tons in the production from the line with new screen cloth (from 15.03.2017 to 25.03.2017) as compared to the line with conventional screen cloth and the average feed rate for the line with new screen cloth is about 140 TPH more than the line with woven wire screen. Till 8th April, the tonnage handled has been 1.73 lakh tons, average tonnage handled by conventional screen (with multiple times welding repair work) is 80-85000 tons.
- The screen fitted with novel design screen cloth can be run with higher feed rate than the screen fitted with conventional screen cloth and still attain comparatively better screen efficiency.
- It is also observed that the new screen cloth apertures are not clogging/blinding even while screening 8% moisture ore at around 400 TPH to secondary screen.

3.0 In-house Programs

3.1 Development of an ecofriendly tailing disposal system by filtration of iron ore tailings and study of issues related to their transportation and storage (Phase - 4)

- The major environmental impacts from waste disposal at mine sites can be divided into two categories:
  - ❒ The loss of productive land following its conversion to a waste storage area.
  - ❒ The introduction of sediment, acidity, and other contaminates into surrounding surface and groundwater from water running over exposed problematic wastes.
- The inappropriate or unsafe management of wastes at mining operations continues to generate opposition from
  - ❒ Local communities
  - ❒ General public
  - ❒ Non-government organizations (NGO)
- NMDC R&D Centre had undertaken a developmental project titled "Development of an eco-friendly process for tailing disposal of Iron ores and study of issue related to transportation and storage" in 2013-14.

The project was envisaged to be completed in 4 phases.

- Phase-1 (2013-14)
  - ❒ Identification, characterisation and settling study of tailing samples.
- Phase-2 (2014-15)
  - ❒ Preparation of synthetic mixtures having linear variation of silica and alumina.
  - ❒ Characterization studies and settling studies of Synthetic tailing mixtures.
- Phase-3 (2015-16)
  - ❒ Pressure filtration studies with synthetic tailings.
  - ❒ Paste thickening studies with different tailing samples.

- Phase-4 (2016-17)
  - ❒ Study of Flow properties of filtered tailings and Rheology of thickened (paste) tailings.
  - ❒ Assess the transportability of filtered and paste tailings.

Objective [Phase-IV]

- To evaluate the flow properties and paste rheology of the engineered tailing samples.
- Address issues related to the storage and transportation of tailing samples.

Results

- The filtered tailings can be transported by conveyor belt and stacked up to moisture content of 20.2%, 22.6% and 26.7% respectively for samples 1, 2 & 3.
- This moisture is about 3% more than the expected filter cake moisture of all three tailing samples.
- The yield stress of the tailing samples 1, 2 and 3 at 68%, 59% and 58% solid concentration by weight are 29Pa, 70Pa and 3.7Pa respectively.
- The yield stress values indicate that the paste tailing can be transported by Centrifugal Pumps from deep bed thickener to paste disposal location.

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%.

4.0 FUTURE PLANS

- Improving recovery of Iron units in slime beneficiation Plant of Donimalai.
- To improve the screening efficiency of secondary screens by at least 3% of existing plants at Kirandul, Bacheli and Donimalai.
- Development of dry beneficiation processes for iron ore fines below 1mm.
- Characterization of overburden from Kirandul Complex, Bacheli Complex and Donimalai Complex for exploring their utilization.
- Enhancing the separation efficiency of magnetic separation by adding external agent.
- Development of cold bonded iron ore pellets.
- Study on abrasive wear and frictional characteristics of liner materials used in Iron ore storage and handling.
- Evaluation of Applications for Nano iron / iron oxide particles of Blue Dust and Lean Grade Iron Ore Slimes in Batteries and sensors.
- Process development for preparation of Silica Sol from Lean Grade Iron Ore Slimes by Hydrometallurgical route

5.0 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
2014-15	18.49	12,356.41	0.16	6,421.86	0.29
2015-16	17.64	6,457.27	0.27	2,712.22	0.65
2016-17	20.30	8,829.64	0.23	2,589.14	0.78

6.0 Foreign Exchange Earnings & Outgo

a) Foreign Exchange Earning- Nil

b) Foreign Exchange Outgo- Rs.197.00 Crore

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 2017, 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) Shri R. Sridharan, Chairman-cum-Managing Director (Addl. Charge) (w.e.f. 07.12.2016)

ii) Smt. Bharathi S. Sihag, Chairman-cum-Managing Director (Addl. Charge) (upto 30.11.2016)

iii) Dr. Narendra K. Nanda, Director (Technical)

iv) Dr. T.R.K. Rao, Director (Personnel) (Addl. Charge) (upto 02.08.2016)

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

vi) Shri P.K. Satpathy, Director (Production)

vii) Shri D.S. Ahluwalia, Director (Finance)

viii) Shri Sandeep Tula, Director (Personnel) (w.e.f. 03.08.2016)

Government of India Nominee Directors

i) Shri Saraswati Prasad, Additional Secretary & Financial Adviser (AS&FA), Ministry of Steel (w.e.f. 08.02.2017)

ii) Smt. Bharathi S. Sihag, Special Secretary & Financial Adviser (SS&FA), Ministry of Steel (upto 07.02.2017)

iii) Shri Syedain Abbasi, Joint Secretary, Ministry of Steel

Independent Directors (Non-Executive)

i) CA. Arun Kumar Srivastava

ii) Smt. Bhagwati Mahesh Baldewa

iii) Shri Rajesh Kumar Mangal

iv) Shri Pradip Bhargava

v) Dr. Syamal Kumar Sarkar

vi) Shri S.M. Nigam

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 Directors 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 by Govt. of India.

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 Relation.

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	Shri R. Sridharan Chairman-cum-Managing Director (Addl. Charge) (w.e.f. 07.12.2016)	2	2	NO
2	Smt. Bharathi S. Sihag Chairman-cum-Managing Director (Addl. Charge) (upto 30.11.2016)	6	6	YES
3	Dr. Narendra K. Nanda Director (Technical)	9	9	YES
4	Dr. T.R.K. Rao Director (Commercial) & Director (Personnel) (Addl Charge) (upto 02.08.2016)	3	3	NO
5	Dr. T.R.K. Rao Director (Commercial)	6	4	NO
6	Shri P.K. Satpathy Director (Production)	9	7	NO
7	Shri D.S. Ahluwalia Director (Finance)	9	9	YES
8	Shri Sandeep Tula Director (Personnel) (w.e.f. 03.08.2016)	6	6	YES
9	Smt. Bharathi S. Sihag Govt. Nominee Director (upto 07.02.2017)	1	–	YES
10	Shri Saraswati Prasad Govt. Nominee Director (w.e.f. 08.02.2017)	2	1	NO
11	Shri Syedain Abbasi Govt. Nominee Director	9	7	NO
12	CA. Arun Kumar Srivastava Independent Director	9	9	YES
13	Smt. Bhagwati Mahesh Baldewa Independent Director	9	9	YES
14	Shri Rajesh Kumar Mangal Independent Director	9	7	YES
15	Shri Pradip Bhargava Independent Director	9	9	YES
16	Dr. Syamal Kumar Sarkar Independent Director	9	8	YES
17	Shri S.M. Nigam Independent Director	9	8	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 / Chairmanship		
		Other Directorship * (Excluding NMDC)	Committee Membership # (Excluding NMDC)	Committee Chairpersonship # (Excluding NMDC)
1	Shri R. Sridharan Chairman-cum-Managing Director (Addl. Charge) (w.e.f. 07.12.2016)	–	–	–
2	Dr. Narendra K. Nanda Director (Technical)	12	–	–
3	Dr. T.R.K. Rao Director (Commercial)	5	–	–
4	Shri P.K. Satpathy Director (Production)	3	–	–
5	Shri D.S. Ahluwalia Director (Finance)	7	–	–
6	Shri Sandeep Tula Director (Personnel) (w.e.f. 03.08.2016)	1	–	–
7	Smt. Bharathi S. Sihag Govt. Nominee Director (upto 07.02.2017)	1	–	–
8	Shri Saraswati Prasad Govt. Nominee Director (w.e.f. 08.02.2017)	4	–	–
9	Shri Syedain Abbasi Govt. Nominee Director	1	–	–
10	CA. Arun Kumar Srivastava Independent Director	2	–	–
11	Smt. Bhagwati Mahesh Baldewa Independent Director	3	–	–
12	Shri Rajesh Kumar Mangal Independent Director	2	–	1
13	Shri Pradip Bhargava Independent Director	–	–	–
14	Dr. Syamal Kumar Sarkar Independent Director	–	–	–
15	Shri S.M. Nigam Independent Director	–	–	–

Notes:

* Directorship held by Directors on all other Boards

\# In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership / Chairpersonship of only Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (Listed and Unlisted) are considered (excluding Private Limited Companies, Foreign Companies and Section 8 Companies).

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

During the year 2016-17, nine (9) Board meetings were held, the details of which are given below:

S.No.	Board Meeting	Board Meeting No.	Board Strength Date	No. of Directors Present
1	494	11.04.2016	12	10
2	495	27.05.2016	12	10
3	496	07.06.2016	12	12
4	497	12.08.2016	13	13
5	498	29.09.2016	13	11
6	499	11.11.2016	13	10
7	500	09.12.2016	14	12
8	501	13.02.2017	14	13
9	502	07.03.2017	14	12

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

e. Directors are not inter se related to each other.

f. No. of Equity Shares of the Company held by Directors as on 31st March, 2017.

S.No.	Name of the Director	No. of Shares of the Company
1	Shri R. Sridharan, Chairman-cum-Managing Director (Addl. Charge)	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 Sandeep Tula, Director (Personnel)	NIL
7	Smt. Bharathi S. Sihag, Govt. Nominee Director (up to 07.02.2017)	NIL
8	Shri Syedain Abbasi, Govt. Nominee Director	NIL
9	Shri Saraswati Prasad, Govt. Nominee Director (w.e.f 08.02.2017)	NIL
10	CA. Arun Kumar Srivastava, Independent Director	NIL
11	Smt. Bhagwati Mahesh Baldewa, Independent Director	NIL
12	Shri Rajesh Kumar Mangal, Independent Director	NIL
13	Shri Pradip Bhargava, Independent Director	100
14	Dr. Syamal K. Sarkar, Independent Director	NIL
15	Shri S.M. Nigam, Independent Director	NIL

g. Weblink of Familiarization Programme:

https://www.nmdc.co.in/Financial%20Information/Default.aspx

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 thereon;

- 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
- Dr. Narendra K. Nanda, Director (Technical) and Member
- Shri Rajesh Kumar Mangal, Independent Director and Member
- CA. Arun Kumar Srivastava, Independent Director and Member
- Shri Pradip Bhargava, Independent Director and Member
- 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, 7 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	84	27.04.2016	5	5
2	85	27.05.2016	5	5
3	86	07.06.2016	5	5
4	87	11.08.2016	5	5
5	88	07.12.2016	5	5
6	89	09.12.2016	5	5
7	90	13.02.2017	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	7	7
2	Dr. Narendra K. Nanda Director (Technical)	7	7
3	Shri Rajesh Kumar Mangal Independent Director & Member	7	7
4	Shri Pradip Bhargava Independent Director & Member	7	7
5	CA. Arun Kumar Srivastava Independent Director & Member	7	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 and Remuneration 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 & Chairman
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, 2 meetings of the Nomination, Remuneration & HR Committee were held on 03.08.2016 and 02.02.2017. All the Members attended the meeting of the Nomination, Remuneration & HR Committee.

Performance Evaluation Criteria for Independent Directors: The Independent Directors on the Board are appointed by Govt. of India.

5. Remuneration of Directors

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 2016-17 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	Dr. Narendra K. Nanda, Director (Technical)	43.96	5.30	49.26
2	Dr. T.R.K. Rao, Director (Commercial)	30.96	4.06	35.02
3	Shri P.K Satpathy, Director (Production)	35.51	4.90	40.41
4	Shri D.S. Ahluwalia, Director (Finance)	34.14	5.60	39.74
5	Shri. Sandeep Tula, Director (Personnel) w.e.f 3rd August, 2016	32.68	4.25	36.93
	Total	**177.25**	**24.11**	**201.36**

Notes:

1. Sl. No. 1 & 3 includes retirement benefits
2. 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
3. Notice period of 3 months or salary in lieu thereof is required for severance from the service.
4. The Company has not introduced any stock option scheme.
5. Smt. Bharathi S. Sihag, Addl. Secretary & Financial Advisor, Ministry of Steel, GOI was holding additional charge as CMD NMDC up to 30th November 2016. Shri R. Sridharan, Member (Finance), Department of Space, GOI is holding additional charges as CMD w.e.f 7th December 2016, hence the above details are not applicable to them.

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	CA Arun Kumar Srivastava	4,94,100
2	Smt. Bhagwati Mahesh Baldewa	4,94,200
3	Shri Rajesh Mangal	4,25,200
4	Shri Pradip Bhargava	7,47,000
5	Dr. Syamal Kumar Sarkar	4,19,650
6	Shri S.M. Nigam	6,78,000
	Total:	32,58,150

Notes:

During the year under review, the part-time Directors (Independent Directors) were paid sitting fees of Rs.30,000/- per meeting. In respect of Board level Committee Meeting, sitting fees was Rs.25,000/- per meeting. Govt. Directors and Functional Directors are not paid sitting fees for attending the meeting of the Board or any Committee meeting thereof.

6. Shareholders Committee

i. 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, 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 STC	No. of Members present
1.	196	11.05.2016	6	6
2.	197	28.07.2016	6	5
3.	198	01.02.2017	6	5
4.	199	21.03.2017	6	6

Attendance of each Member at the Share Transfer Committee meetings

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

7 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:

Sl.No.	Meeting No.	Meeting Date	Strength of Committee	No. of Members present
1	29	27.05.2016	3	3
2	30	11.08.2016	3	3
3	31	25.11.2016	3	3
4	32	02.02.2017	3	3

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

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

M/s Karvy Computershare Pvt. Ltd., Hyderabad was 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.

(a) Name of the Non-Executive Director heading the Committee - Shri S M Nigam

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

(c) Number of complaints received - 77

(d) Number of complaints not solved to the satisfaction of the shareholders - Nil.

(e) Number of complaints pending - Nil.

(f) During the year, under SCORES, 14 investor complaints were received & resolved and no complaint was pending as on 31.03.2017.

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.

8. General Body Meeting

(a) Location and time where last three AGMs held.

(b) Whether any special resolution passed in the previous 3 AGMs.- Yes, in the previous 58th AGM held on 29.09.2016.

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

AGM No.	Venue	Date & time	Special Resolutions passed
56th AGM	Hotel Taj Krishna, Hyderabad	29.09.14 at 1130 hrs	–
57th AGM	Hotel ITC Kakatiya, Hyderabad	29.09.15 at 1130 hrs	–
58th AGM	Katriya Hotel & Towers, Hyderabad	29.09.16 at 1130 hrs	To keep Register of Members at other place at the office of its Registrar and Share Transfer Agents situated at Hyderabad

(c) During the year 2016-17, Special Resolution was passed through Postal Ballot for approval for buyback of equity shares not exceeding 25% of the total number of equity shares in the paid-up share capital of the Company. Details of Voting Pattern are given below:

Date of the ~~AGM/EGM~~ declaration of Voting Result of Postal Ballot	August 4, 2016
Total number of shareholders on ~~record date~~ cut off date (June 24, 2016)	2,24,849
No. of shareholders who casted their votes	
Promoters and Promoter Group:	1
Public:	3,031

Agenda: APPROVAL FOR BUYBACK OF EQUITY SHARES NOT EXCEEDING 25% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE PAID UP SHARE CAPITAL OF THE COMPANY

Resolution required: (Ordinary/ Special)	Special Resolution
Whether promoter / promoter group are interested in the agenda / resolution?	Yes

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3) = [(2)/(1)] x 100	(4)	(5)	(6) = [(4)/(2)] x 100	(7) = [(5)/(2)] x 100
Promoter and Promoter Group	E-Voting	3171946300	3171946300	0	0	0	0	0
	Poll	NA	NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)	3171946300	3171946300	100.00	3171946300	0	100.00	0.00
	Total	3171946300	3171946300	100.00	3171946300	0	100.00	0.00
Public Institutions	E-Voting	601388715	525074697	87.31	518225070	6849627	98.70	1.30
	Poll	NA	NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)	601388715	0	0	0	0	0	0
	Total	601388715	525074697	87.31	518225070	6849627	98.70	1.30
Public Non Institutions	E-Voting	191378945	77648812	40.57	76509358	1139454	98.53	1.47
	Poll	NA	NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)	191378945	261466	0.14	234443	27023	89.66	10.34
	Total	191378945	77910278	40.71	76743801	1166477	98.50	1.50
Total		**3964713960**	**3774931275**	**95.21**	**3766915171**	**8016104**	**99.788**	**0.21**

The number of votes polled in favour of the Special Resolution are 3,76,69,15,171 (99.788% of the total valid votes). Thus, the Special Resolution has been approved by the Shareholders with requisite majority.

(d) Shri Datla Hanumanta Raju, Partner, D. Hanumanta Raju & Co, Company Secretaries was appointed as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

(e) At the ensuing Annual General Meeting, there is no special resolution proposed to be conducted through Postal Ballot.

(f) Procedure followed for conducting business through Postal Ballot is as prescribed under Section 108 and Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and amendments thereto.

The Company pursuant to the provisions of the Companies Act, 2013 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 provided E-voting facility to its members to enable them to cast their votes electronically, through the e-voting platform offered by National Securities Depository Limited (NSDL). The Company dispatched Postal Ballot Notice along with Postal Ballot Form and self-addressed business reply envelope to all the members who have not registered their e-mail id with the depositories and/ or the Company; and sent by email to all the members who have registered their email id with the depositories and/ or the Registrar/Company as on cutoff date. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Members were requested to return the Postal Ballot Forms duly completed with their assent (for) or dissent (against) in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer or cast their votes through e-voting before the close of working hours on the last date of voting.

The Scrutinizer carried out the scrutiny of all Postal Ballot Forms and submitted his report to the Chairman of the Company. The results were also displayed on the website of the Company, www.nmdc.co.in, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

9. 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.

10. General Shareholders Information

i. AGM date, time and venue

Date	Time	Venue
22nd September 2017	1130 hrs.	The Park, 22, 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	983.96	329.06	1313.02	4.15
Final*	–	–	–	–
Total	**983.96**	**329.06**	**1313.02**	**4.15**
Previous Year (Including Final Dividend)	3489.14	872.05	4361.19	1100

* Considering that Rs.4.15 per share has already been declared as interim dividend, final dividend @ Re.1 per share was recommended by the Board in its Board Meeting held on 25th May 2017 subject to approval of shareholders.

Date of Book Closure: from 18th September, 2017 to 22nd September, 2017 (both days inclusive)

iv. Financial Calendar for 2017-18

1st quarter results	(Unaudited)	on or before 14.08.2017
2nd quarter results	(Unaudited)	on or before 14.11.2017
3rd quarter results	(Unaudited)	on or before 14.02.2018
4th quarter results	(Audited)	on or before 30.05.2018

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 2017-18 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

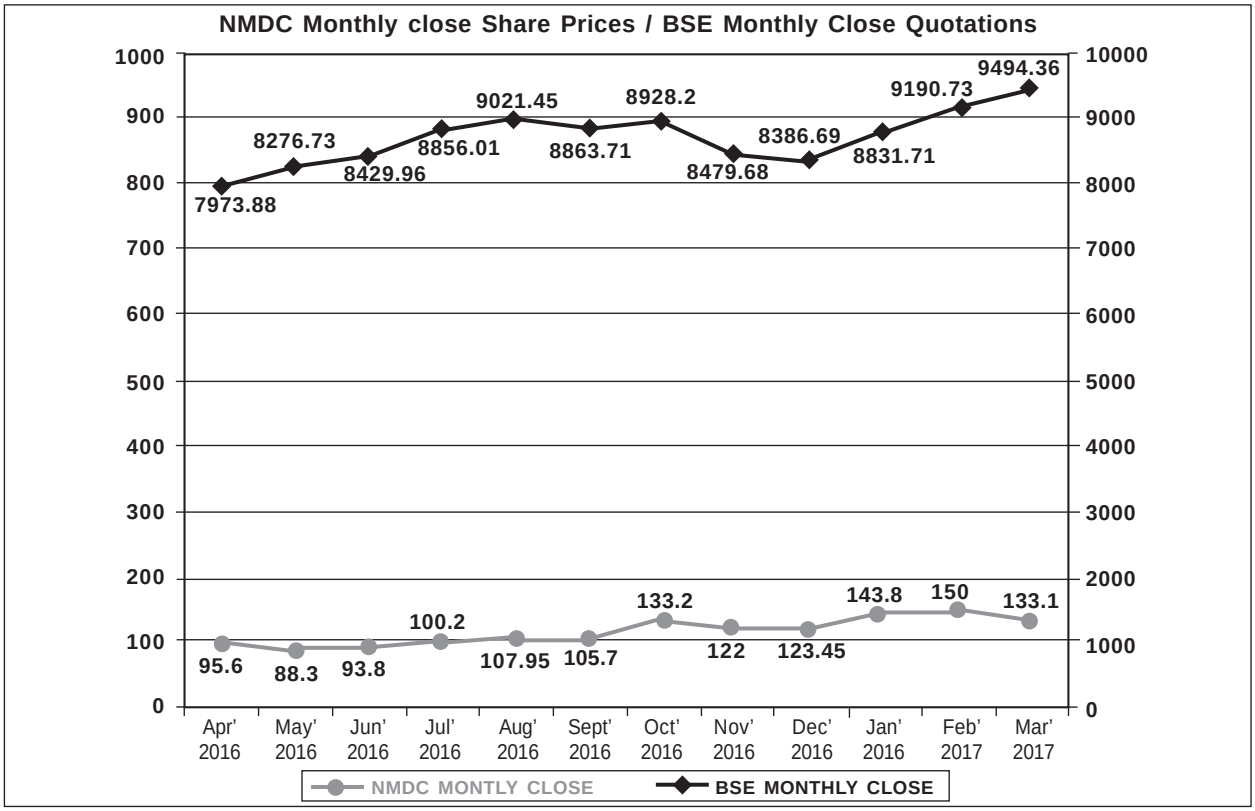
vii. Market price data: High, Low during each month in last financial year

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

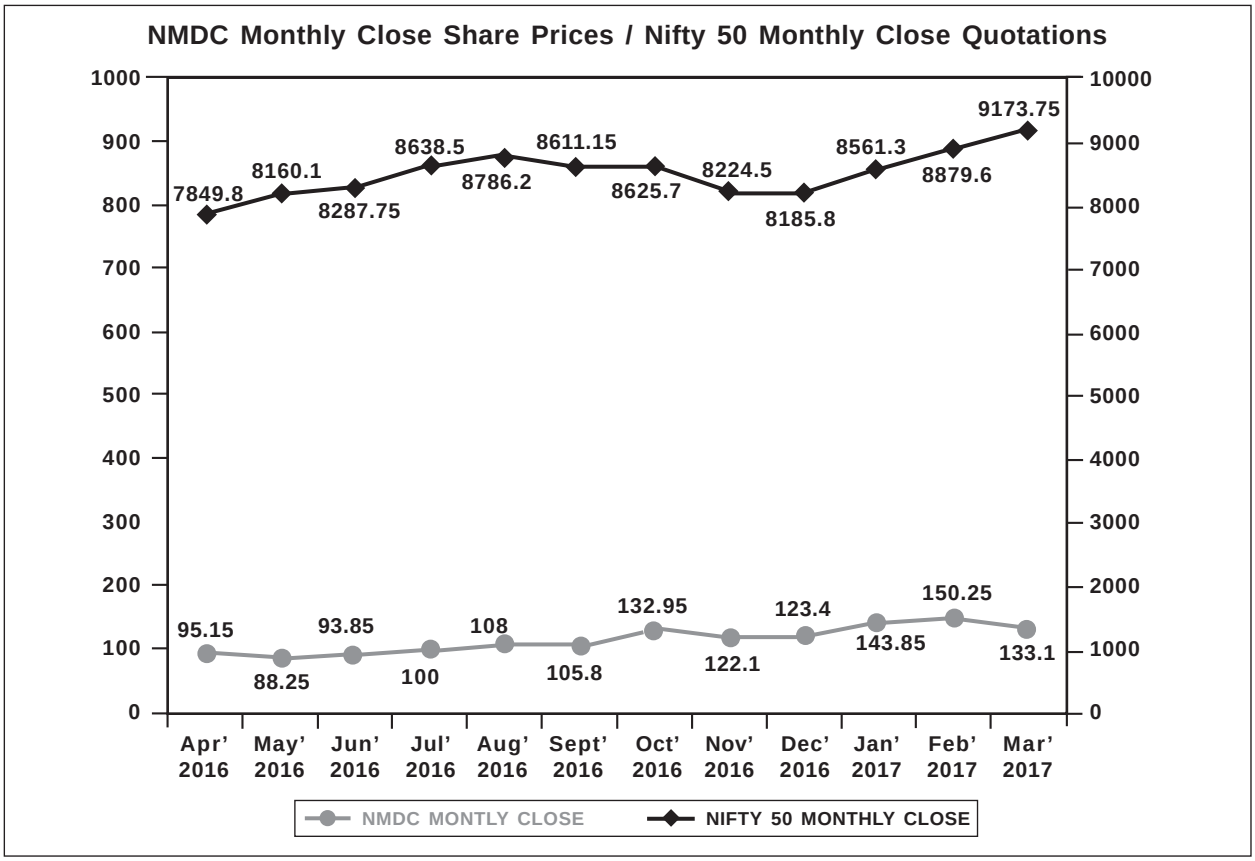
Month and Year	BSE		NSE	
	Highest	Lowest	Highest	Lowest
Apr-16	104.55	93.75	104.70	93.60
May-16	99.20	87.60	99.25	87.50
Jun-16	95.35	85.30	95.50	85.20
Jul-16	103.95	94.00	106.85	93.85
Aug-16	111.10	98.75	111.00	98.75
Sep-16	116.70	100.30	116.70	100.15
Oct-16	133.95	106.15	133.90	106.50
Nov-16	142.65	107.90	142.50	108.00
Dec-16	132.50	115.55	131.70	115.25
Jan-17	148.80	123.00	149.05	122.60
Feb-17	151.25	132.35	151.00	132.25
Mar-17	152.50	131.70	152.40	131.70

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. Distribution of Shareholding:

(a) Shareholding Pattern of the Company as on 31st March 2017

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)	Number of Voting Rights held in each class of Securities				Share holding as a % assuming full conversion of convertable 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			Total as a % of (A+B+C)		
						Class eg:X	Class eg:Y	Total			
A	Promoter & Promoter Group	1	2371126192	2371126192	74.94	2371126192	0	2371126192	74.94	74.94	2371126192
B	Public	216537	792764282	792764282	25.06	792764282	0	792764282	25.06	25.06	792571737
C	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0
C1	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0
	Total	**216538**	**3163890474**	**3163890474**	**100.00**	**3163890474**	**0**	**3163890474**	**100.00**	**100.00**	**3163697929**

(b) Distribution of Shareholding by size as on 31.03.2017

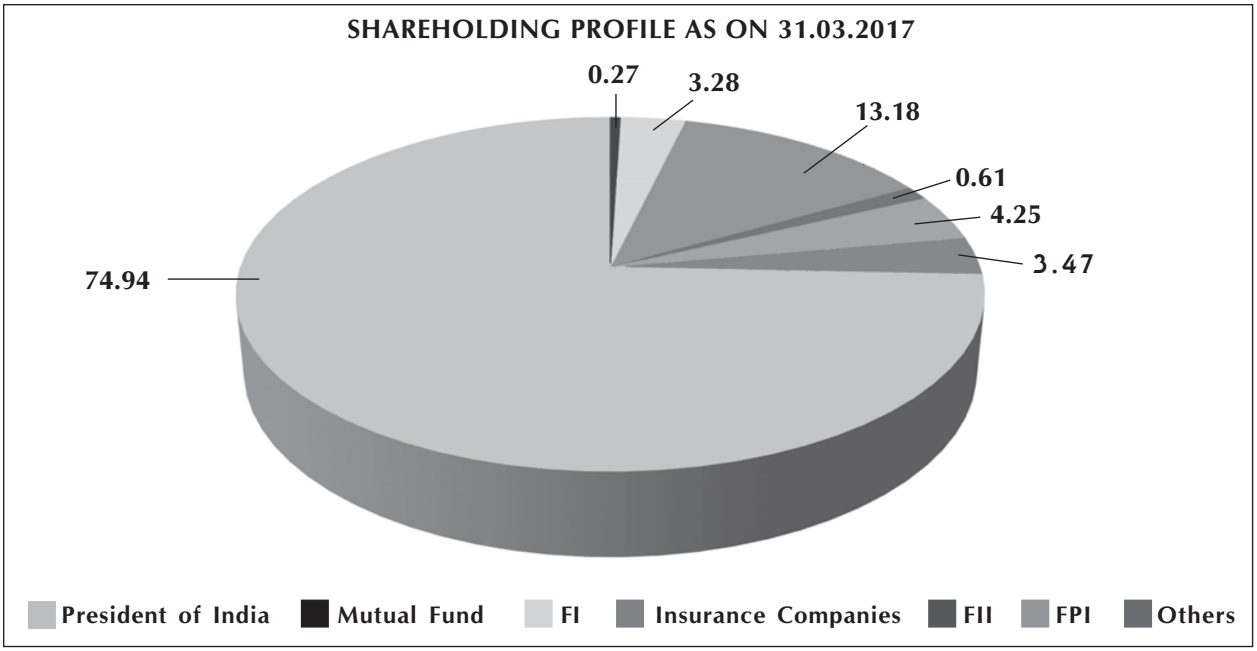
Sl.No.	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 - 5000	214130	98.89	56512791	56512791	1.79
2	5001 - 10000	1248	0.58	9302668	9302668	0.29
3	10001 - 20000	525	0.24	7564114	7564114	0.24
4	20001 - 30000	160	0.07	4069501	4069501	0.13
5	30001 - 40000	85	0.04	3007594	3007594	0.1
6	40001 - 50000	63	0.03	2899770	2899770	0.09
7	50001 - 100000	107	0.05	7891341	7891341	0.25
8	100001 & Above	220	0.1	3072642695	3072642695	97.12
	Total:	**216538**	**100**	**3163890474**	**3163890474**	**100.00**

(c) Top ten shareholders of the Company as on 31.03.2017

Sl.No.	Shareholder	No. of Shares	%	Group	Category
1	PRESIDENT OF INDIA	2371126192	74.90	Promoter	Central Government
2	LIFE INSURANCE CORPORATION OF INDIA	389938677	12.30	Public	Insurance Companies
3	LIC OF INDIA PROFIT PLUS GROWTH FUND	63892411	2.02	Public	Financial Institutions/Banks
4	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	13280465	0.42	Public	Foreign Portfolio Investor
5	ROBECO CAPITAL GROWTH FUNDS	11950419	0.38	Public	Foreign Portfolio Investor
6	STATE BANK OF INDIA	11363580	0.36	Public	Financial Institutions/ Banks
7	EDGBASTON ASIAN EQUITY TRUST	11259752	0.36	Public	Foreign Portfolio Investor
8	CANARA BANK-MUMBAI	10772388	0.34	Public	Financial Institutions/ Banks
9	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	9265213	0.29	Public	Foreign Institutional Investors
10	THE NEW INDIA ASSURANCE COMPANY LIMITED	8316508	0.26	Public	Insurance Companies

(d) Geographical Distribution of Shareholders as on 31.03.2017

Sl.No.	City	No. of Share Holders	% to Total	No. of Shares	% to Total
1	AHMEDABAD	12609	5.69	4796938	0.15
2	BANGALORE	10929	4.93	5788566	0.18
3	BHUBANESWAR	675	0.30	197908	0.01
4	CHANDIGARH	845	0.38	304756	0.01
5	CHENNAI	8999	4.06	11737253	0.37
6	GUWAHATI	490	0.22	265168	0.01
7	HYDERABAD	9723	4.39	3728745	0.12
8	JAIPUR	5137	2.32	2415244	0.08
9	KANPUR	1301	0.59	321545	0.01
10	KOLKATA	11920	5.38	11226047	0.35
11	MUMBAI	37455	16.90	700719833	22.15
12	NAGPUR	1274	0.57	408938	0.01
13	NEW DELHI	14134	6.38	2384965789	75.38
14	PATNA	1156	0.52	807305	0.03
15	TRIVANDRUM	625	0.28	183675	0.01
16	OTHERS	104314	47.08	36022764	1.14
	TOTAL	**221586**	**100.00**	**3163890474**	**100.00**



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, 2017 are as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in NSDL	3134956637	99.09
Held in dematerialized form in CDSL	28741292	0.90
Physical	192545	0.01
Total:	**3163890474**	**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 2016-17 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 2009-10	05.08.2010	04.09.2017
2	Interim Dividend for the year 2010-11	01.02.2011	01.03.2018
3	Final Dividend for the year 2010-11	20.09.2011	19.10.2018
4	Interim Dividend for the year 2011-12	31.10.2011	30.11.2018
5	2nd Interim Dividend for the year 2011-12	31.01.2012	01.03.2019
6	Final Dividend for the year 2011-12	20.09.2012	19.10.2019
7	Interim Dividend for the year 2012-13	07.11.2012	06.12.2019
8	2nd Interim Dividend for the year 2012-13	13.02.2013	12.03.2020
9	Final Dividend for the year 2012-13	25.09.2013	24.10.2020
10	Interim Dividend for the year 2013-14	24.10.2013	23.11.2020
11	2nd Interim Dividend for the year 2013-14	10.02.2014	09.03.2021
12	Interim Dividend for the year 2014-15	31.10.2014	30.11.2021
13	2nd Interim Dividend for the year 2014-15	06.02.2015	05.03.2022
14	Final Dividend for the year 2014-15	29.09.2015	28.10.2022
15	Interim Dividend for the year 2015-16	12.02.2016	11.03.2023
16	2nd Interim Dividend for the year 2015-16	19.03.2016	18.04.2023
17	Interim Dividend for the year 2016-17	07.03.2017	06.04.2024

* 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 2015-16	0	0	Nil	Nil
14	Pending as on 31.03.2016	26	2,160	Nil	Nil
15	Requests resolved during the year 2016-17	3	320	Nil	Nil
16	Pending as on 31.03.2017	23	1,840	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
Bacheli Complex, P.O. Bacheli
Dist: Dantewada (Chattisgarh)

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(A.P.)

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 Aarthi Consultants Pvt. Ltd. at the following address:

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
Web site : www.aarthiconsultants.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, details of provisional production & sales, prices of iron ore and other material information are informed to Stock Exchanges and are uploaded on the Company's website.

11. 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 recent 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.No.10 of General Shareholder Information.

viii. Other than the sitting fees paid (Rs.30,000/- per sitting of the Board level Meetings and Rs.25,000/- per sitting of the 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 20.61%.

12. 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 is the Chairman of the Board. Therefore, there is no need for maintenance of a separate Chairman's office.

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 2016-17 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.

13. 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.

14. 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 the Companies Act, 2013 a separate meeting of Non-official (Independent) Directors was held on 13.02.2017 without the attendance of Functional and Government Directors and members of management.

15. Code of Conduct

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

16. Compliance Certificate of CEO and 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.

17. 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 2017.

(R. Sridharan)
Chairman-cum-Managing Director

Place : Hyderabad
Date : 21st August, 2017

Annexure - II(B)

Office :
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

Since 1990

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, 2017, as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st April, 2016 to 31st March, 2017 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 Regulations and DPE Guidelines, except the requisite number of Independent Directors on its Board as required under the provisions of Listing Regulations.

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 : 21.08.2017

D. HANUMANTA RAJU & CO. ★ COMPANY SECRETARIES ★

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 2016-17

1. NMDC: An overview

1.1 Introduction

NMDC, incorporated in 1958, is the largest iron ore mining company in India. With iron-ore production of around 34 million tonnes per annum (MTPA) in FY'17, it has a market share of about 25% domestically (excluding captive iron ore production). Average grade of iron ore of NMDC sold in the market is ~64% Fe, which is one of the best globally.

With a Profit (before tax) of Rs.4,293 crores in FY'17, it is **one of the top profit-making 'Navratna' public sector companies in the country.** It has a net worth of Rs. 22,519 crores (as on 31st March, 2017). **It has a strong history of rewarding investors with an average dividend payment of over 800% in the last 5 years.**

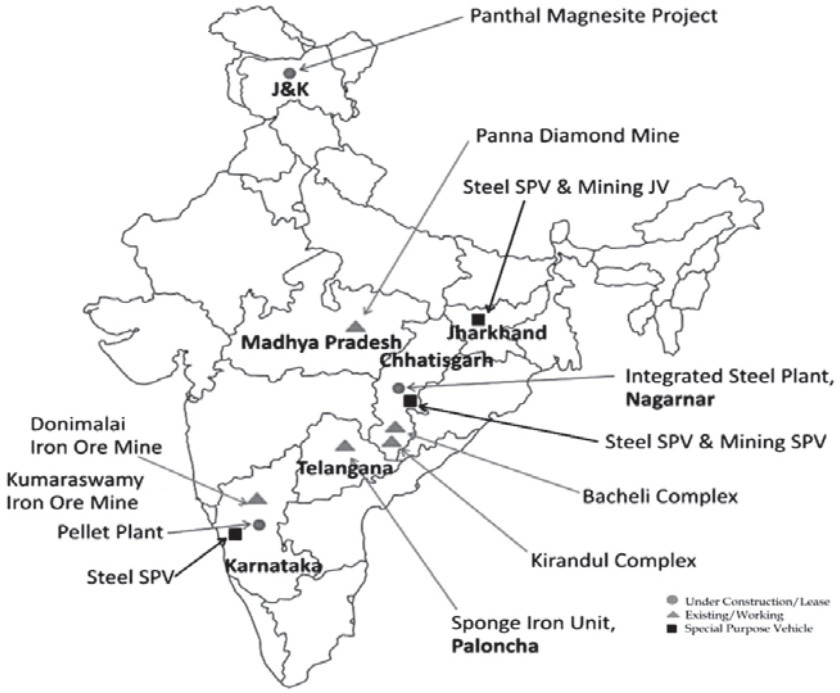
NMDC continues to pursue policies and programmes to deliver long term value to all its stakeholders. NMDC has also invested substantially in the socio-economic development of the local communities, especially near its mining projects.

1.2 Operating Projects

NMDC is operating three highly-mechanised iron ore mine complexes. Two complexes are located in Dantewada (Chhattisgarh) namely Bailadila Iron Ore Mine, Kirandul Complex & Bailadiala Iron Ore Mine, Bacheli Complex with yearly production of around 22 MT. One complex in Donimalai Iron Ore Complex, located in Bellary (Karnataka) produces 12 MT per annum.

NMDC is also operating a diamond mine namely Diamond Mining Project, Panna (M.P.), which is the only mechanized diamond mine in Asia, with yearly production of around 35,000 carats. NMDC also has a sponge iron unit of 200 TPD, at Paloncha (Telangana).

Apart from the above, NMDC has wide presence across the country as shown in the map.



1.3 Global Presence

- Spreading its footprint globally, NMDC has a majority stake of 78.56% in Legacy Iron Ore limited, Australia which has iron ore, gold, base metal interests (19 tenements) in Western Australia.
- ICVL, a JV company of SAIL, RINL, NTPC, CIL and NMDC acquired a coking/thermal coal mine in Mozambique. Operations were discontinued due to the depressed coking coal prices from December 2015. In view of upswing in the coking coal prices, ICVL is in the process of restarting operations at the Benga Mine.
- NMDC is in the process of setting up of a pilot-scale processing plant for gold in its mining lease in Tanzania.

1.4 Growth plan

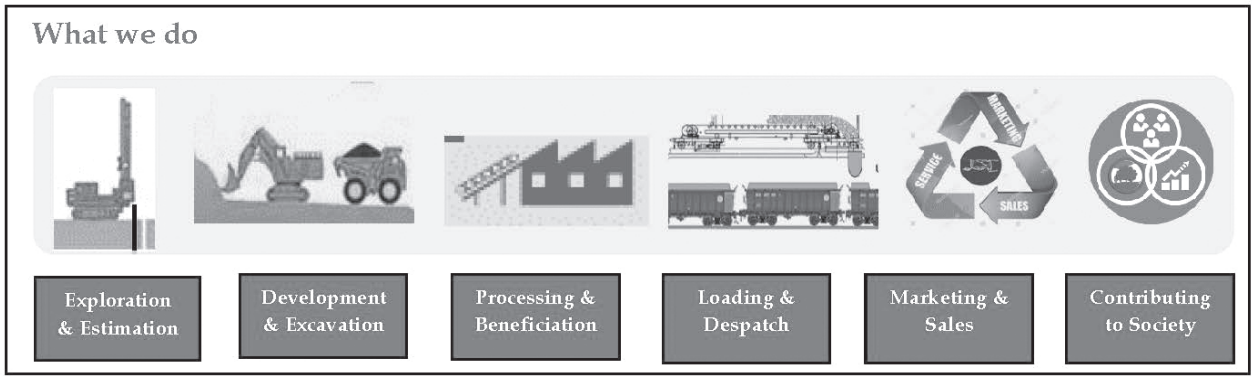
- NMDC has made a comprehensive plan to enhance iron ore production capacity to 67 MTPA by FY'22 to meet the growing requirements of iron ore of the Indian Steel sector. The strategy focuses on growth largely through brown field expansion of existing mines and improving evacuation along with it.
- Development of a green- field mines (Deposit 13) has also been planned through Joint Venture with the Chhattisgarh State Mining development Corporation.
- NMDC is in the process of setting up a slurry pipeline in phases for evacuation of iron ore at economical cost to such locations from where the pellets /ore are made available to industry. Efforts to increase evacuation capacity through doubling of Kirandul-Kothavalasa (KK) line is also in full swing.
- NMDC is developing iron ore stockyard in Chhattisgarh for uninterrupted supplies to customers.
- For further expansion in capacity, NMDC is pursuing allocation of new iron ore deposits both through participation in auction and reservation through government dispensation route (section 17A(2A) of the revised MMDR Act, 2015).
- Besides, as a part of its diversification and forward integration plan, it is setting up a 3.0 MTPA green field Steel Plant at Nagarnar in Chhattisgarh, which is in advanced stage of construction. It also has forayed in pellet-making with a 1.2 MTPA pellet plant started trial at Donimalai. Another 2 MTPA pellet plant is in the process of being set up at Nagarnar, Chattisgarh.

1.5 Exploration & Reserve Estimation:

NMDC has a dedicated exploration wing at Raipur, which is fully equipped to undertake mineral exploration works. Besides, it has also established a well-equipped Centre for Geostatistics. NMDC has full-fledged mine planning wings at Corporate office as well as at project sites for ore body modelling & reserve estimation, with advance softwares like Surpac, Whittle & Mineshed.

1.6 Research & Development:

NMDC operates a state-of-the-art R&D centre at Hyderabad, which is declared as a "Centre of Excellence" by UNIDO. R&D undertakes various projects related to the operational problems of the units of NMDC, and provide solutions in terms of improvement in the system or change in technology, to achieve continual improvement in its processes & operations. R&D centre also provides solutions to the external agencies.



2. Market Environment:

2.1 Economy:

2.1.1 Global:

Global growth for 2016 is estimated at 3.2 percent, from a level of 3.4 percent in 2015. Going ahead, pick-up in the global growth has been projected to 3.5 percent in 2017 and 3.6 percent in 2018. Economic activity in both advanced economies and emerging & developing economies is forecasted to accelerate in 2017, to 2 percent and 4.6 percent respectively.

Overview of World Economic Outlook Projections

Region/Country	Estimate		Projections	
	2015	2016	2017	2018
World	3.4	3.2	3.5	3.6
Advanced Economies	2.1	1.7	2.0	1.9
US	2.6	1.6	2.1	2.1
EU	2.0	1.8	1.9	1.7
Emerging market & developing economies	4.3	4.3	4.6	4.8
China	6.9	6.7	6.7	6.4
India (fiscal year basis)	8.0	7.1	7.2	7.7

2.1.2 India

India has emerged as the world's fastest economy, with policies and reforms by the Government supporting higher growth. Prudent fiscal regime and calibrated monetary policy has reigned in inflation and strengthened macro-economic stability. Lower crude oil prices globally have also helped Indian economy reduce current account deficit and boost the overall economy of the country.

India's economy is estimated to grow by 7.1% in FY 2016-17 as per Central Statistics Office (CSO) from 7.9% recorded in the previous financial year. The growth momentum of the Indian economy is expected to rise with measures by the Government in areas such as, taxation (Goods & Service Tax), ease of doing business, Foreign Direct Investment (FDI) reforms, etc. Another major factor helping India's economy is the expected lower global oil prices, which has a significant impact on the country's import bill, improving fiscal condition.

The thrust of Government of India to enhance spending on infrastructure augurs well for the Steel industry and thereby, the iron ore sector.

2.2 Iron Ore Industry Outlook:

- **Global:**

  The steel industry witnessed a major growth cycle in the last two decades, driven by 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 2016. 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. However, the iron ore industry is currently passing through a phase where supply is exceeding demand globally and this surplus scenario is likely to continue in the coming years. As a result, the prices of iron ore have come down in the recent past and are likely to remain subdued in the near future.

Top-5 iron ore producing countries (usable ore basis)

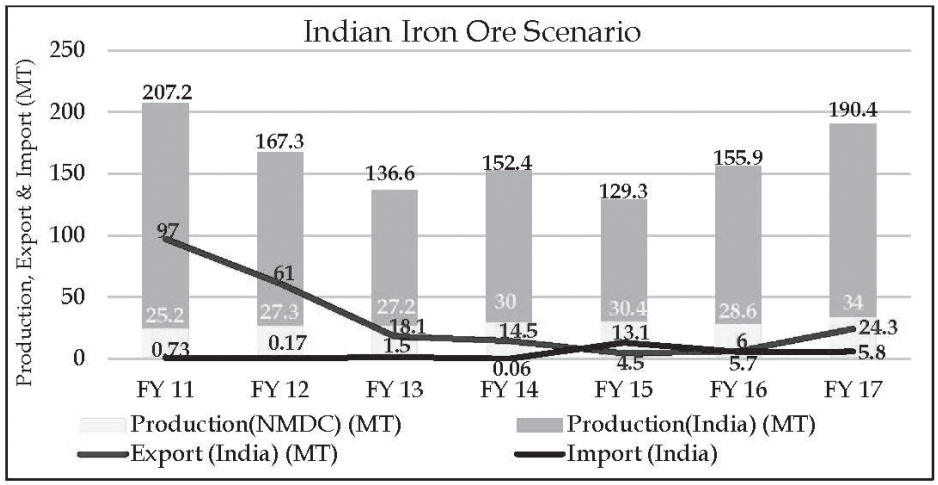
	2015	2016
Australia	817	825
Brazil	397	391
China*	375	353
India	156	160
Russia	101	100
World Total (rounded)	**2,280**	**2,230**
		Source: USGS

Global iron ore production decreased to 2.23 billion tonnes (usable ore basis) in 2016, from 2.28 billion tonnes in 2015. Australia continued to be highest producer with an estimated production of 825 million tonnes in 2016. India was the fourth largest iron ore producer.

Defying market expectations, average price of iron ore (62% Fe CFR China) at USD 58/t in 2016 was higher than the corresponding figure of USD 55/t in 2015. In H1 2017 too, average price at $75/t has remained robust on account of record production of crude steel, especially in China, leading to increased demand of iron ore.

Going ahead, however, demand and prices are likely to come under pressure with expectation of Chinese steel production stagnating and competition from scrap as a feedstock.

- **India:**



Source: Steel Mint

- Production of Iron Ore in India at 190 MT in FY'17 was 22% higher than FY'16. Exports from the country also increased to 24 MT during the year, which was 4 times than FY'16. Most of the export from India was to China of low grade ore (58% Fe and below), which has lower export duty of 10%.
- Indian iron ore production is likely to grow in line with domestic steel production. Going forward, domestic supplies are likely to grow substantially till 2020 as non-captive miners, with their leases expiring by 2020 (as per MMDR Amendment Act, 2015), are likely to maximize production.

India's Iron Ore reserves and resource

Reserves/Resource	Reserves (MT)	% of total	Resource (MT)	% of total	Total (MT)
Hematite (01.04.2013)	6607	32.11%	13969	67.89%	20576
Magnetite (--do--)	35	0.30%	10713	99.70%	10747
	6642		24682		31323

- NMDC is bullish on the growth prospects of India's steel industry with its competitive advantages and the impetus being given by the government to the steel sector. The recently published National Steel Policy 2017 aims to achieve a steel production capacity of 300 mtpa by 2030-31, on the back of envisaged growth in domestic steel demand in all key sectors, such as, infrastructure, housing, automobile, etc. It is on account of this growth potential that India's steel industry is being viewed as 'a bright spot' globally. Low per capita steel consumption in the country at 63 kg/t vis-à-vis the world average of 208 kg/t also indicates the huge growth potential of the Indian steel industry.

Salient features of National Steel Policy, 2017

- Aspires to achieve 300MTPA of steel making capacity, with additional investment of Rs.10 lakh crores by 2030-31.
- Seeks to increase per capita steel consumption to the level of 160 Kgs by 2030-31 from existing level of around 60 Kg.
- Facilitate setting up of SPVs in mineral rich states of Odisha, Chhattisgarh, Jharkhand and Karnataka, for optimal growth.
- Iron Ore and Coking coal requirement of 437 MTPA and 161 MTPA respectively has been projected by 2030-31.
- Greater emphasis on time-bound development of iron ore blocks in the country.
- Coking coal import has been envisaged to be brought down from the existing 85% to 65%.

3. NMDC - Opportunities & Threats

a) Opportunities

i) Envisaged growth in domestic steel production on account of factors mentioned below would lead to higher demand of Iron Ore in the country:

- Growth in steel intensive sectors such as housing, infrastructure, automotive, consumer durables in the coming years.
- Growing urbanization of the Indian economy coupled with rising income levels of the burgeoning Indian middle class.
- Government initiatives such as Make-in-India, Freight corridors, 100 Smart cities, Rural electrification and Housing for all by 2022.
- Continuous thrust by the government to use domestically manufactured iron and steel products in government procurement.
- Restrictions on steel imports in the country on account of measures being taken by Govt. of India such as anti- dumping duty, MIP etc. would also help domestic steel production to rise.

ii) 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.

iii) Acquisition of Strategic and critical mineral assets based on business potential and national interest.

iv) NMDC being one of the agencies nominated to undertake exploration activities is investing to intensify exploration for mapping of minerals across the country, which could open new avenues for the Company to grow.

b) Threats

i) Quantum jump of production of merchant miners in the country, particularly Odisha, may lead to oversupply situation in the near term.

ii) Backward integration by Steelmakers into iron ore mining through auction route will significantly shrink the market of the Company.

iii) 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.

iv) Increasing regulatory pressure on environment, safety and sustainability.

v) Disturbances due to Maoist activities in Bailadila region from where majority of NMDC's production comes.

vi) 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.

vii) Huge surplus steel capacity in most regions including China will continue to exert downward pressure on steel prices and thereby iron ore prices.

viii) Lowering of the global iron ore prices coupled with low seaborne freight rates have made imports competitive for coastal based plants particularly on west-coast.

It would be pertinent to note that iron ore mining industry in India is expected to witness enhanced competition over the next few years. On the one hand, domestic iron ore production is on the rise, with production increasing by over 20% in the last two financial years (Iron ore production in India including captive: FY'17- 190 MT; FY'16-155 MT) and this trend is likely to continue in the near term. On the other hand, the threat of higher iron ore imports looms large, especially on the west coast, with lower global prices and lower seaborne freight rates. Additionally, with domestic steelmakers now having the option to integrate backwards with acquisition of iron ore mines through auction route under MMDR Amendment Act 2015, the market for merchant miners may be affected adversely in the medium to 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.

4. Physical and Financial performance

4.1 Physical Performance of NMDC

Details	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-**17
Production:					
Production of Iron Ore WMT (In lakh tonnes)	271.84	300.25	304.41	285.74	340.05
Production of Sponge Iron (tonnes)*	36,289.00	29,734.00	28,993.96	6,614.26	5,474.11
Production of Diamonds (carats)	31,533.39	37,081.70	35,085.46	35,558.31	35,635.99
Sales:					
Sale of Iron Ore (in lakh tonnes)	262.74	305.00	305.16	288.39	356.21
Sale of Diamonds (carats)	17,862.57	43,487.63	38,788.58	36,682.93	25,631.46
Sale of Sponge Iron (tonnes)	37,599.54	30,572.34	25,191.38	8,364.52	8,579.42

4.2 Financial Performance of NMDC

(Rs. in Crore)

Details	2012-13	2013-14	2014-15	2015-16	2016-17
Sale of Iron Ore	10,558.71	11,899.52	12,197.69	6,327.93	8,708.90
Sale of Diamonds	28.51	49.85	50.06	52.61	41.91
Sale of Wind Power	-	1.05	5.96	6.30	7.48
Sale of Sponge Iron	73.50	56.01	48.09	13.14	13.13
Sales - Others	43.55	51.77	54.62	57.29	58.22
Turnover	10,704.27	12,058.20	12,356.41	6,457.27	8,829.64
EBITDA	9,616.84	9,865.98	9,930.07	4,374.21	4,509.86
PBT	9,465.12	9,759.20	9,767.84	4,092.76	4,293.68
PAT	6,342.37	6,420.08	6,422.00	2,712.22	2,589.14
Dividend	2,775.30	3,370.01	3,390.00	4,361.19	1,313.02
Dividend as % of PAT	44%	52%	53%	161%	51%

5. Discussion on financial performance with respect to operational performance

During the year under review, the Company's revenue from operations increased by 37% from Rs 6,457 crores to Rs 8,830 crores mainly on account of:

- Increase in Sales quantity by 24% from 288 Lakh Tons to 356 Lakh Tons.
- Realization was higher by 11% during this period from Rs 2,194/- per ton to Rs 2,444/- per ton.

Though there is a fall in other income which is mainly due to the reduction in Bank deposits on account of Buyback of Rs 7,528 crores in the month of Sep 2016 resulting in reduction of interest income and also on account of fall in interest rates, the positive impact of Share Buyback on Earning Per Share is visible due to this capital restructuring.

There is an improvement in EBITDA even after making the provisions on account of Service Tax on Royalty for Rs 158.60 crores, enhanced Mine Closure Obligations for Rs.258.66 crores, provision of Wage revision of employees which is due from 01st Jan 2017 and provision for revision in amount of gratuity for enhanced entitlement in line with the recommendations of the committee so constituted by the Government.

Details on financial performance with respect to operational performance are given in detail in the Directors' Report.

6. Outlook for NMDC

NMDC proposes to augment its production capacity of iron ore to 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 by 2030-31. 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 also proposes to invest in strategic and critical raw materials which are required by our nation for long term supply security. In line with this strategy, NMDC has entered into MoUs with MIDHANI & DMRL to explore opportunities for investment in Tungsten mineral assets in India and abroad.

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.

7. 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.

MM(D&R) Amendment Act, 2015 poses increased risks for NMDC as its major customers now have the option to acquire captive mines in mineral rich states. Two of NMDC's major customers have already acquired iron ore mines in the state of Odisha and Karnataka through auction route. More auctions of iron ore mines are likely to come up in the near future for the end-users. This is likely to adversely impact the market for NMDC over the medium to long term.

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.

8. Internal control systems and their adequacy

NMDC has put in place all the necessary 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 11.07.2017 which forms part of the Annual Report.

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

Human capital of NMDC has been its key driving factor and its greatest asset. The company has made concerted efforts in keeping the workforce highly engaged and motivated. On one hand, continuous improvement is made to improve the quality of life at the townships with investments in parks, community halls, upgradation/construction of new quarters, clubs, gymnasium, facilities for different sports such as tennis, badminton, table-tennis, cricket, etc. On the other, training and skill upgradation forms an important area where first assessment is made to understand employee needs and concerns and then, appropriate training programmes are organized throughout the year. As a result of the all-round measures being taken by the company, attrition from NMDC has been marginal, in spite of remote locations of the NMDC mines.

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 All India NMDC Workers Federation (AINMDCWF) in this regard is praiseworthy.

Keeping in view the various diversification projects viz. Steel Plant and Pellet Plant, the company has taken initiative to train /retrain its existing manpower and also to go for fresh induction. More than 200 Executive Trainees joined in 2016 - 17 and were provided on-the- job and off-the-job training in order to prepare them for taking up the challenges of working in NMDC's production projects, upcoming Steel Plant as well as any new venture that Company may like to take up.

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

2012-13	:	5,777
2013-14	:	5,664
2014-15	:	5,490
2015-16	:	5,773
2016-17	:	5,572

10. Sustainability

NMDC has invested in 'Sustainability' right since its inception. It is on this account that NMDC has been able to create a favourable business environment in the areas it operates and has developed a strong local understanding of community concerns and local sensitivities. NMDC's efforts in sustainability have been rewarded with 5-star rating to three of its mechanized mines.

The four major pillars of Sustainability on which NMDC focuses on are environment, health, safety & society.

10.1 Environment:

- The Company is organizing monitoring studies covering all environmental parameters by recognized laboratories. All environmental parameters continued to be well within the limits in FY'17 as per the studies carried out. Continuous Ambient Air Quality Monitoring Stations have been installed at Bacheli project (2 no.s) and Kirandul project (1 no) for recording of Ambient air quality parameters such as PM10, PM2.5, SO2, NOx and CO in real time.

- Carbon footprint studies were conducted in 2016-17 and Green-House Gas emissions have been disclosed in Carbon disclosure project.

- A reputed agency like FIMI, New Delhi has been engaged this year to carry out Sustainable Mining Audit for iron ore mines located at Bacheli and Kirandul.

- During 2016-17, Water Audit was also carried out at all projects of NMDC and recommendations of audit are under implementation by projects to conserve water and to improve the efficiency of motors / pumps, arrest leakages, etc.

- The Company is undertaking environmental pollution control work such as de-silting of check dams / check bunds, tailing dams, construction of buttress walls at toe of waste dumps and geo-coir matting on waste rock dumps for stabilization of dumps.

- About 90 wells are being monitored at NMDC projects to monitor underground water level, which also covers the quality analysis in all 4-seasons of the year. Studies have revealed that there has been an increasing trend in the ground water due to hydraulic loading by the existing check dams and check bunds. Limited usage of ground water and continuous recharge has also helped in the process.

- Bio-diversity conservation of Bailadila Iron Ore Mines has been taken up as thrust area and NMDC has contributed Rs.28.15 crore to Compensatory Afforestation Fund Management and Planning Authority account (CAMPA) for implementation through the Forest Department.

- To enhance the green cover in the region, NMDC has contributed Rs. 25 Cr during this year to Hariyar Kosh for undertaking block plantation in the State of Chhattisgarh.

- To ensure environmentally safer treated waste water from households in township, NMDC has set-up Sewage Treatment Plant with advanced technology (Sequential Batch Reactor) at Bacheli (2 MLD). Work is in progress at Kirandul (3 MLD) & Donimalai (3 MLD) townships.

10.2 Health & Safety

Health & Safety continue to be our priority with employees & contract workers at our projects adhering to the SOPs & safety norms. NMDC appreciate that safety is a journey & is committed to continually improve its performance & set high standards.

NMDC provides extensive safety training programmes to inculcate safety habits & mindset at work to its employees. In order to ensure that safety systems are upto date & also comply with the latest safety regulations, a cross-project internal safety audit has been started in NMDC. NMDC also gives thrust on improved safety performance through focus on Risk assessment studies, Multi disciplinary audit of projects, periodic safety inspections, Training etc. Our safety records are testimony to NMDC's effort in this regard.

NMDC's Safety Aspects

- **No NMDC fatality in last 5 years**
- Severity rate came down to 0.20 in 2016-17 from 0.34 in 2015-16 (SR = Mandays lost per 1000 mandays worked).

NMDC strives to ensure that workers are not exposed to occupational hazards that negatively affect their health. NMDC also has well equipped hospitals with capable medical teams available 24/7 to support the health & well being of the workers & the broader community. Occupational health doctors are regularly sent for training to update their knowledge.

10.3 Corporate Social Responsibility

- **CSR is raison d'être of NMDC and not just a part of business strategy**. NMDC's CSR programmes are carried out in areas which are remote, backward and face serious law and order problems due to left-wing extremism. The area is among the most backward regions of India and inhabited predominantly by Scheduled Tribes and Scheduled caste population who are poor, underprivileged, deprived, suffer malnutrition and devoid of support for their socio-economic needs. It is only because of its strong focus on social responsibility programmes aiming at enhancing the quality of life of the local communities that NMDC has been successfully mining in these areas.

  NMDC is the model PSE in the field of CSR and its model of stakeholder consultation mechanism for implementation of its CSR has been recommended by Department of Public Enterprises, Government of India for emulation by all other CPSEs.

  The Company is investing substantially in developing social infrastructure such as educational institutes, sanitation, healthcare, drinking water, infrastructure development and employable skill development, integrated village development, etc. primarily in peripheral areas of its operations.

Annexure - IV

Form No.MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2017
(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 Phone Nos. 040-23538713-21 Fax No. 040-23538711 Email : cs@nmdc.co.in
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	95.86	2(87)(ii)
2.	NMDC Power Ltd. HYDERABAD	U40100AP2011PLC077952	Subsidiary	100	2(87)(ii)
3.	Karnataka Vijaynagar Steel Ltd. BENGALURU	U27100KA2014GOI077968	Subsidiary	100	2(87)(ii)
4.	NMDC Steel Ltd. CHHATTISGARH	U27310CT2015GOI001618	Subsidiary	100	2(87)(ii)
5.	Legacy Iron Ore Ltd. # AUSTRALIA	ACN125010353	Subsidiary	78.56	2(87)(ii)
6.	Jharkhand Kolhan Steel Ltd. RANCHI	U27100JH2015GOI003192	Subsidiary	100	2(87)(ii)
7.	NMDC-SARL * MADAGASCAR	883408	Subsidiary	100	2(87)(ii)
8.	Krishnapatnam Railway Company Ltd., SECUNDERABAD	U45200TG2006PLC051378	Associate	14.82	2(6)
9.	Neelachal Ispat Nigam Ltd. BHUBANESWAR	U27109OR1982GOI001050	Associate	12.87	2(6)
10.	International Coal Ventures Pvt. Ltd., NEW DELHI	U10100DL2009PTC190448	Associate	26.47	2(6)
11.	Chhattisgarh Mega Steel Ltd, CHHATTISGARH	U27100CT2015GOI001627	Associate	26	2(6)
12.	Romelt-SAIL (India) Ltd. * NEW DELHI	U74899DL1997PLC090025	Associate	25	2(6)
13.	Kopano-NMDC Minerals (Pty.) Ltd. ## SOUTH AFRICA	2010/006788/07	Joint Venture	50	2(6)
14.	NMDC-CMDC Ltd., RAIPUR (CG)	U13100CT2008GOI020711	Joint Venture	51	2(6)
15.	Jharkhand National Mineral Development Corporation Ltd. RANCHI	U10300JH2012GOI000585	Joint Venture	60	2(6)
16.	NMDC-SAIL Ltd., HYDERABAD	U27320TG2016GOI109798	Joint Venture	51	2(6)
17.	Bastar Railway Pvt. Ltd., RAIPUR	U74900CT2016PTC007251	Joint Venture	80.35	2(6)
18.	Chhattisgarh Mining Ventures Ltd., CHHATTISGARH ###	U14290CT2016GOI007612	Joint Venture		

* Under Closure

\# Incorporated in Australia

\## Incorporated in South Africa

\### A step-down Subsidiary Company of NMDC-SAIL Ltd. by the name Chhattisgarh Mining Ventures Ltd. (CMVL) was incorporated on 08.11.2016.

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)	**Promoters**									
1	**Indian**									
(a)	Individuals/Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/ State Government(s)	3171946300	0	3171946300	80.00	2371126192	0	2371126192	74.94	-5.06
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
		0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	**3171946300**	**0**	**3171946300**	**80.00**	**2371126192**	**0**	**2371126192**	**74.94**	**-5.06**
		0	0	0	0.00	0	0	0	0.00	0.00
2	**Foreign**	0	0	0	0.00	0	0	0	0.00	0.00
		0	0	0	0.00	0	0	0	0.00	0.00
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00

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	
(e-i)	Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**3171946300**	**0**	**3171946300**	**80.00**	**2371126192**	**0**	**2371126192**	**74.94**	**-5.06**
(B)	**Public Shareholding**									
1	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(a)	Mutual Funds/UTI	19447591	0	19447591	0.49	8533625	0	8533625	0.27	-0.22
(b)	Financial Institutions/ Banks	103238157	0	103238157	2.60	103737417	0	103737417	3.28	0.67
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	414077746	0	414077746	10.44	416969958	0	416969958	13.18	2.73
(f)	Foreign Institutional Investors	93789436	0	93789436	2.37	19365900	0	19365900	0.61	-1.76
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(i-i)	FPO Unclaimed Shares A/c	2160	0	2160	0.00	1840	0	1840	0.00	0.00

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)	Bank - Foreign Bank	42663	0	42663	0.00	0	0	0	0.00	0.00
	Sub Total (B)(1)	630597753	0	630597753	15.91	548608740	0	548608740	17.34	1.43
B2	Non-Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(a)	Bodies Corporate	18556562	32000	18588562	0.47	16450800	32000	16482800	0.52	0.05
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(I)	Individual share-holders holding nominal share capital upto Rs.1 lakh	69353157	127395	69480552	1.75	75623745	126655	75750400	2.39	0.64
(II)	Individual share-holders holding nominal share capital in excess of Rs.1 lakh	5164447	0	5164447	0.13	6273363	0	6273363	0.20	0.07
(c)	Qualified Foriegn Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(d-i)	Non Resident Individuals	4404791	0	4404791	0.11	4460863	0	4460863	0.14	0.03
(d-ii)	Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
(d-iii)	Trusts	3599798	0	3599798	0.09	3909758	0	3909758	0.12	0.03
(d-iv)	Employees	23169	38390	61559	0.00	20067	33890	53957	0.00	0.00
(d-v)	Clearing Members	3667302	0	3667302	0.09	2602927	0	2602927	0.08	-0.01
(d-vi)	Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
(d-vii)	Foreign Portfolio Investor (Individuals)	0	0	0	0.00	0	0	0	0.00	0.00

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)	57170080	0	57170080	1.44	134500161	0	134500161	4.25	2.81
(d-ix)	NBFCs Registered with RBI	34856	0	34856	0.00	121313	0	121313	0.00	
	Sub Total (B)(2)	**161974162**	**197785**	**162171947**	**4.09**	**243962997**	**192545**	**244155542**	**7.72**	**3.63**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**792571915**	**197785**	**792769700**	**20.00**	**792571737**	**192545**	**792764282**	**25.06**	**5.06**
	Total (A)+(B)	**3964518215**	**197785**	**3964716000**	**100.00**	**3163697929**	**192545**	**3163890474**	**100.00**	**0.00**
(C)	Shares held by Custodians and against Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
1	Shareholding of Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2	Public Shareholding	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A)+(B)+(C)	**3964518215**	**197785**	**3964716000**	**100.00**	**3163697929**	**192545**	**3163890474**	**100.00**	**0.00**

Note: During the year 2016-17, there is reduction in the number of equity shares due to Buyback from 3964716000 to 3163890474

ii. Share holding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	80.00	0	2371126192	74.94	0	-5.06
	Total:	**3171946300**	**80.00**	**0**	**2371126192**	**74.94**	**0**	**-5.06**

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

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	**President of India**				
	At the beginning of the year	3171946300	80.00		
	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):				
	Buy Back of Shares during the year 2016-17	-800820108	20.20	2371126292	74.94
	At the end of the year			2371126292	74.94

(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	444714306	11.2168	444714306	11.2168
	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):				
	22-Jul-16	5467424	0.1379	450181730	11.3547
	29-Jul-16	4695163	0.1184	454876893	11.4731
	05-Aug-16	588759	0.0148	455465652	11.4880
	12-Aug-16	725160	0.0183	456190812	11.5063
	19-Aug-16	838437	0.0211	457029249	11.5274
	30-Dec-16	-200000	-0.0063	456829249	14.4388
	13-Jan-17	-600000	-0.0190	456229249	14.4199
	20-Jan-17	-659491	-0.0208	455569758	14.3990
	27-Jan-17	-300000	-0.0095	455269758	14.3896
	03-Feb-17	-297870	-0.0094	454971888	14.3801
	10-Feb-17	-120000	-0.0038	454851888	14.3763
	03-Mar-17	-270000	-0.0085	454581888	14.3678
	10-Mar-17	-250000	-0.0079	454331888	14.3599
	17-Mar-17	-18881	-0.0006	454313007	14.3593
	At the end of the year			454313007	14.3593
2	**THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE OF EASTSPRING INVESTMENTS ASIA OCEANIA HIGH DIVIDEND**				
	At the beginning of the year	18755674	0.4731	18755674	0.4731
	15-Apr-16	264791	0.0067	19020465	0.4797
	22-Apr-16	103688	0.0026	19124153	0.4824
	29-Apr-16	-2111314	-0.0533	17012839	0.4291
	06-May-16	-520814	-0.0131	16492025	0.4160

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
	03-Jun-16	-57157	-0.0014	16434868	0.4145
	30-Jun-16	-1623588	-0.0410	14811280	0.3736
	01-Jul-16	-930423	-0.0235	13880857	0.3501
	08-Jul-16	-1781215	-0.0449	12099642	0.3052
	15-Jul-16	-4230070	-0.1067	7869572	0.1985
	At the end of the year			7869572	0.2487
3	**ICICI PRUDENTIAL NIFTY NEXT 50 INDEX FUND**				
	At the beginning of the year	17919052	0.4520	17919052	0.4520
	08-Apr-16	-1874382	-0.0473	16044670	0.4047
	22-Apr-16	-1830355	-0.0462	14214315	0.3585
	29-Apr-16	76632	0.0019	14290947	0.3605
	06-May-16	-4145	-0.0001	14286802	0.3603
	13-May-16	340	0.0000	14287142	0.3604
	20-May-16	102	0.0000	14287244	0.3604
	27-May-16	-75385	-0.0019	14211859	0.3585
	03-Jun-16	520	0.0000	14212379	0.3585
	10-Jun-16	-741	0.0000	14211638	0.3585
	30-Jun-16	-751	0.0000	14210887	0.3584
	08-Jul-16	704	0.0000	14211591	0.3585
	29-Jul-16	-585	0.0000	14211006	0.3584
	05-Aug-16	1640	0.0000	14212646	0.3585
	12-Aug-16	1721	0.0000	14214367	0.3585
	19-Aug-16	789	0.0000	14215156	0.3585
	26-Aug-16	842	0.0000	14215998	0.3586
	02-Sep-16	1061	0.0000	14217059	0.3586
	16-Sep-16	2304	0.0001	14219363	0.3586
	23-Sep-16	7153	0.0002	14226516	0.3588
	30-Sep-16	-6000	-0.0002	14220516	0.3587
	07-Oct-16	-223	0.0000	14220293	0.4495
	14-Oct-16	735	0.0000	14221028	0.4495
	21-Oct-16	998	0.0000	14222026	0.4495

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
	28-Oct-16	882489	0.0279	15104515	0.4774
	04-Nov-16	-1652	-0.0001	15102863	0.4774
	11-Nov-16	-2661044	-0.0841	12441819	0.3932
	18-Nov-16	391094	0.0124	12832913	0.4056
	25-Nov-16	-5603572	-0.1771	7229341	0.2285
	02-Dec-16	-247	0.0000	7229094	0.2285
	09-Dec-16	460	0.0000	7229554	0.2285
	23-Dec-16	881	0.0000	7230435	0.2285
	30-Dec-16	-1936264	-0.0612	5294171	0.1673
	20-Jan-17	-858	0.0000	5293313	0.1673
	27-Jan-17	-3515904	-0.1111	1777409	0.0562
	03-Feb-17	10	0.0000	1777419	0.0562
	10-Feb-17	691	0.0000	1778110	0.0562
	17-Feb-17	-602	0.0000	1777508	0.0562
	03-Mar-17	-851187	-0.0269	926321	0.0293
	10-Mar-17	-856992	-0.0271	69329	0.0022
	17-Mar-17	-960	0.0000	68369	0.0022
	24-Mar-17	440	0.0000	68809	0.0022
	31-Mar-17	576	0.0000	69385	0.0022
	At the end of the year			69385	0.0022
4	**MATTHEWS INDIA FUND**				
	At the beginning of the year	17599300	0.4439	17599300	0.4439
	08-Apr-16	-2763922	-0.0697	14835378	0.3742
	15-Apr-16	-447649	-0.0113	14387729	0.3629
	22-Apr-16	-1123837	-0.0283	13263892	0.3345
	29-Apr-16	-1300000	-0.0328	11963892	0.3018
	19-Aug-16	-1259475	-0.0318	10704417	0.2700
	26-Aug-16	-2040525	-0.0515	8663892	0.2185
	11-Nov-16	-2500000	-0.0631	6163892	0.1555
	18-Nov-16	-4837920	-0.1220	1325972	0.0334
	At the end of the year			1325972	0.0419

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
5	**VANGUARD EMERGING MARKETS STOCK INDEX FUND**				
	At the beginning of the year	12443326	0.3139	12443326	0.3139
	08-Apr-16	47460	0.0012	12490786	0.3150
	22-Apr-16	33880	0.0009	12524666	0.3159
	10-Jun-16	37835	0.0010	12562501	0.3169
	24-Jun-16	143352	0.0036	12705853	0.3205
	22-Jul-16	29322	0.0007	12735175	0.3212
	29-Jul-16	88686	0.0022	12823861	0.3234
	05-Aug-16	62410	0.0016	12886271	0.3250
	12-Aug-16	73800	0.0019	12960071	0.3269
	19-Aug-16	104960	0.0026	13065031	0.3295
	09-Sep-16	45720	0.0012	13110751	0.3307
	07-Oct-16	48768	0.0015	13159519	0.3319
	14-Oct-16	33528	0.0011	13193047	0.4170
	21-Oct-16	114300	0.0036	13307347	0.4206
	28-Oct-16	45720	0.0014	13353067	0.4220
	11-Nov-16	99060	0.0031	13452127	0.4252
	25-Nov-16	120396	0.0038	13572523	0.4290
	02-Dec-16	68580	0.0022	13641103	0.4311
	23-Dec-16	-263672	-0.0083	13377431	0.4228
	06-Jan-17	35136	0.0011	13412567	0.4239
	13-Jan-17	74664	0.0024	13487231	0.4263
	20-Jan-17	35136	0.0011	13522367	0.4274
	03-Feb-17	105408	0.0033	13627775	0.4307
	17-Feb-17	29280	0.0009	13657055	0.4317
	24-Mar-17	-438146	-0.0138	13218909	0.4178
	31-Mar-17	61556	0.0019	13280465	0.4198
	At the end of the year			13280465	0.4198

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
6	**EDGBASTON ASIAN EQUITY TRUST**				
	At the beginning of the year	12081224	0.3047	12081224	0.3047
	08-Apr-16	58955	0.0015	12140179	0.3062
	27-Jan-17	-880427	-0.0278	11259752	0.3559
	At the end of the year			11259752	0.3559
7	**STATE BANK OF INDIA**				
	At the beginning of the year	11421580	0.2881	11421580	0.2881
	21-Oct-16	-58000	-0.0018	11363580	0.3592
	At the end of the year			11363580	0.3592
8	**CANARA BANK-MUMBAI**				
	At the beginning of the year	10772388	0.2717	10772388	0.2717
	At the end of the year			10772388	0.3405
9	**ROBECO CAPITAL GROWTH FUNDS**				
	At the beginning of the year	10625514	0.2680	10625514	0.2680
	29-Apr-16	815952	0.0206	11441466	0.2886
	13-Jan-17	-278509	-0.0088	11162957	0.3528
	24-Feb-17	789186	0.0249	11952143	0.3778
	03-Mar-17	-1724	-0.0001	11950419	0.3777
	At the end of the year			11950419	0.3777
10	**THE NEW INDIA ASSURANCE COMPANY LIMITED**				
	At the beginning of the year	9316508	0.2350	9316508	0.2350
	14-Oct-16	-100000	-0.0032	9216508	0.2913
	21-Oct-16	-350000	-0.0111	8866508	0.2802
	28-Oct-16	-50000	-0.0016	8816508	0.2787
	13-Jan-17	-194000	-0.0061	8622508	0.2725
	20-Jan-17	-250000	-0.0079	8372508	0.2646
	27-Jan-17	-56000	-0.0018	8316508	0.2629
	At the end of the year			8316508	0.2629

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	320	0%	320	0%
	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	0%	0	0%
2.	**Shri P.K. Satpathy**				
	At the beginning of the year	320	0%	320	0%
	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	0%	0	0%
3.	**Shri Pradip Bhargava**				
	At the beginning of the year	100	0%	100	0%
	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	0%	100	0%

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. in Crore)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebted-ness
i. Principal Amount				
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i+ii+iii)				
Change in the indebtedness during the financial year				
Additions		NIL		
Reduction				
Net Change in Indebtedness				
Indebtedness at the end of the Financial year				
i. Principal Amount				
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i+ii+iii)				

VI. RENUMERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTORS AND/OR MANAGER

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / MANAGER					TOTAL
		Dr.NARENDRA K NANDA DIR (TECH)	DR.T R K RAO DIR (COMML)	SHRI P K SATPATHY DIR (PRD)	SHRI DEVINDER SINGH AHLUWALIA DIR (FIN)	SHRI SANDEEP TULA DIR (PER)	
1	a Gross Salary u/s 17(1) of the Income -tax Act,1961	43,55,994	27,45,458	31,40,803	33,74,231	32,28,305	1,68,44,791
	b Value of Perquisites u/s 17(2) of the Income-tax Act,1961	39,600	3,50,652	4,10,167	39,600	39,600	8,79,619
	c Profit in lieu of salary u/s 17(3) of Income tax Act,1961	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission						
	– % of profit	0	0	0	0	0	0
	– % of others specify	0	0	0	0	0	0
	Others, Please specify						
	Total Upto 31/03/2017	**43,95,594**	**30,96,110**	**35,50,970**	**34,13,831**	**32,67,905**	**1,77,24,410**
	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 Smt. Bharathi S. Sihag, Addl. Secretary & Financial Advisor, Ministry of Steel, Govt. of India was holding additional charge as CMD upto 30th Nov.2016.

4 Shri. R. Sridharan, Member (Finance), Dept. of Space, Govt. of India. is holding additional charge as CMD from 7th December 2016.

Hence, the above details are not applicable to sl no. 3 & 4.

B. REMUNERATION TO OTHER DIRECTORS

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	CA Arun Kumar Srivastava	Smt. Bhagwati Mahesh Baldewa	Shri Rajesh Mangal	Shri Pradip Bhargava	Dr. Syamal Kumar Sarkar	Shri S.M. Nigam	TOTAL (Including Service Tax)
1	Independent Directors							
	Fees for attending board/ committee meetings	4,94,100	4,94,200	4,25,200	7,47,000	4,19,650	6,78,000	32,58,150
	Commission	–	–	–	–	–	–	–
	Others please specify	–	–	–	–	–	–	–
	Total (1)	4,94,100	4,94,200	4,25,200	7,47,000	4,19,650	6,78,000	32,58,150
2	Other Non-executive Directors for attending board/committee meetings	–	–	–	–	–	–	–
	Commission	–	–	–	–	–	–	–
	Others please specify	–	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–	–
	Grand Total (1+2)	**4,94,100**	**4,94,200**	**4,25,200**	**7,47,000**	**4,19,650**	**6,78,000**	**32,58,150**
	Total Managerial Remuneration Overall Ceiling as per the Act							

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs.)

Sl. No.	Particulars of Renumeration	Key Managerial Personnel Company Secretary
1	a Gross Salary u/s 17(1) of the Income-tax Act,1961	18,29,900
	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	
	– % of profit	
	– % of others specify	
5	Others, Please specify	
	TOTAL	**18,29,900**

Notes

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, F-1, P.S. Nagar,
Vijayanagar Colony, Hyderabad - 500 057.
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e-mail : dhr300@gmail.com, dhr300@yahoo.com
website : www.dhanumantarajuandco.com

Since 1990

CS 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 31.03.2017
[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, 2017, 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, 2017, 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;

(iv) 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.

D. HANUMANTA RAJU & CO. COMPANY SECRETARIES

D. Hanumanta Raju & Co,
Company Secretaries

NMDC LIMITED

(v) 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):

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

D. HANUMANTA RAJU & CO. COMPANY SECRETARIES

D. Hanumanta Raju & Co,
Company Secretaries

NMDC LIMITED

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

(i) Secretarial Standards issued by "The Institute of Company Secretaries of India".

(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 Subject to the following observation:

- Mr Devinder Singh Ahluwalia, Director (Finance) of the Company has been acting in the capacity of Chief Financial Officer as required under Section 203(1) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. However, the appointment of Independent Directors is not as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 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, the company had bought back 80,08,25,526 equity shares representing 20.20% of the total paid-up capital of the company for an amount of Rs. 7527.75 Crores, which was in compliance with Section 68,69, 70 of Companies Act, 2013 and rules made thereunder and SEBI (Buy-back of Securities) Regulations, 1998.

Place: Hyderabad
Date : 21.08.2017

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 : 21.08.2017

D. HANUMANTA RAJU & CO. COMPANY SECRETARIES

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 CompanyL13100AP1958G01001674
2. Name of the Company NMDC Limited (NMDC)
3. Registered addressKhanij 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 reportedApril 1, 2016 - March 31, 2017
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 Andhra Pradesh.

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)**	316.39 Crore
2.	**Total Turnover (INR) (Total Income)**	8,829.64 Crore
3.	**Total profit after taxes (INR)**	2,589.14 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	Rs.174.18 Crore (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 :

i. Education promotion

ii. Health care, Water & Sanitation

iii. Infrastructure development

iv. Integrated Development of Villages

v. Skill development for sustainable income generation

vi. Promotion of Sports, Art and culture

vii. Agriculture

viii. Others

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

Yes. NMDC has following Indian subsidiary companies, viz;

- J&KMDC Limited
- NMDC Power Limited
- Karnataka Vijaynagar Steel Limited
- NMDC Steel Limited
- Jharkhand Kolhan Steel 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 embedded 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 two major Flagship CSR initiatives i.e. the Integrated Village Development Programme& hospital on Wheels (Mobile Medical Unit) of the Company have been carried out by a third party in 2016-17. Process for empanelment of Agencies for carrying out Impact Assessment studies on a regular basis has been initiated.

(i) Memorandum of understanding between National Mineral Development Corporation Limited and Transparency International (India) TII **(ii), (v), (vii), (ix)** https://www.nmdc.co.in/Handlers/Download Communication On Progress.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

\# 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:

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.

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.unglobalcompact.org/system/attachments/cop_2016/302031/original/COP_OF_NMDC_2015-16.pdf?1468851824

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 77 shareholder complaints have been received in the financial year 2016-17 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 in 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.

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. 2016-17, NMDC has participated in National and State level vendor development programmes conducted by MSME, DI Institute at Hyderabad. NMDC has also attended Vendor development programmes conducted by MSME at Raipur, Jagdalpur, Bilaspur, Doninnalai, Belgaum, Kolar 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 2016-17 NMDC has conducted an exclusive vendor meet for MSE SC/ST firms at NMDC Head Quarters, Hyderabad in association with Dalit Indian Chamber of Commerce. To encourage these SC/ST MSEs, 11 firms from this category were identified and trial orders are under issue.

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 31.03.2017):**

   Total: 5572 Category wise breakup is shown below:

   Executives: 1483, Jr. Officers: 181, Workmen: 3908

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

   Contract Labour: 10041

3. **Please indicate the number of permanent women employees:**

   There are 280 permanent women employees.

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

   There are 100 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 FY2016-17. The requisite information in 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 2016-17:

Sl.No.	Particulars	Percentage	
		Safety Training	Skill Upgradation Training
1	Permanent Employees	22.35	42.52
2	Permanent Women Employees	11.27	22.07
3	Casual / Temporary / Contractual Employees	82.62	4.06
4	Employees with disabilities	26.32	7.37

NMDC Projects viz. BIOM, KC; BIOM, BC; DIOM; DMP, Panna and R&D Centre are certified with Integrated Management System (IMS) comprising of Quality Management System (QMS) ISO 9001:2008; Environmental Management System (EMS) ISO 14001:2004; Occupational Health Safety Management System (OHSMS) OHSAS 18001:2007 and Social Accountability SA 8000:2008 Standards.

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 initiates 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 2016-17, 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.
- Integrated Village Development Programme in 18 backward villages around NMDC's Bailadila projects, which are primarily inhabited by Tribal(s) and has shown good results in terms of increase in farm yields and improvement in living standards.
- Support to Mid-Day Meal Scheme to provide nutritious & wholesome meals in Govt. Schools around Donimalai mines, Karnataka, covering 8000 students.
- A Skill Development Programme in partnership with NSDC for the benefit of 400 and 71 Non-NMDC stakeholders/Contract labours in Mining & Iron & Steel sector related skills respectively has been provided in the year 2016-17.

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). 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 2016-17.

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:

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%20 Climate%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 Integrated Management System including SA-8000: 2008 and as a part of requirements of EMS 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.

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 SikshaSahayog Yojana
- NMDC BalikaSiksha Yojana
- Polytechnic College at Dantewada
- ITIs at Dantewada and Nagarnar
- Operation of 'Saksham' a School for the differently abled School at Dantewada
- Provision of Tutorial Support to Tribal students aspiring to appear in Professional Competitive Exams like IIT/PET/PMT etc.

Healthcare

- Free medical treatment at project hospitals
- Hospitals on wheels
- Medical Camps

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

- Skill Development Programme for Non-NMDC Stakeholder/Contract labour in Mining & Steel Sector related Skills
- Provision of Skill Development Training in Construction related skills in the District of M.P.

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 NITI AAYOG registered 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? Give details

Yes, an Impact assessment of two major Flagship CSR initiatives i.e. the Integrated Village Development Programme & Hospital on Wheels (Mobile Medical Unit) of the Company have been carried out by National Institute of Rural Development & Panchayat Raj (NIRD&PR), Hyderabad in 2016-17. Impact Assessment has now become an integral part of NMDC's CSR Policy promulgated in the year 2016-17. Accordingly, process for empanelment of Agencies for carrying out Impact Assessment studies on a regular basis has been initiated.

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.174.18 crores on development projects as under in FY 2016-17 broadly under the following heads, which also form part of Schedule VII of the Companies Act.

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

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, Farmers Development Programme has been the recipient of appreciation at the highest levels of Govt.

NMDC takes all the requisite measures to ensure that this community development initiative is successfully adopted by the community by way of initiating dialogue with the community to assess their need and by seeking a firm & written commitment from the beneficiary stakeholders during the pre implementation consultation/need assessment process w.r.t. the post implementation maintenance and upkeep of the infrastructure/support provided, to instill a sense of ownership among the beneficiaries before initiating an activity.

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 2016-17.

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 2016-17.

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

   No consumer survey has been done in FY 2016-17. However, regular customer meets are being conducted at Hyderabad / Chennai / Raipur to assess customer satisfaction.

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 Progress

ED/EPS/GC/03
20.07.2017

Dear Stakeholders,

With the support of business and other stakeholders, the UN Global Compact's governance framework was adopted by the United Nations on 12 August 2005 following a year-long international process. The resulting governance framework distributes governance functions among several entities so as to engage participants and stakeholders at the global and local levels in making decisions and giving advice on the matters of greatest importance to their role and participation in the UN Global Compact and to reflect the initiative's public-private and multi-stakeholder character.

The UN Global Compact's General Assembly mandate is to "promote responsible business practices and UN values among the global business community and the UN System."

The aim of UN Global Compact, is to mobilize a global movement of sustainable companies and stakeholders to create the world we want. To make this happen, the UN Global Compact supports companies to do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; and Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

NMDC has in the past contributed towards achieving the Ten Principles and will definitely play an important role in coming years also to continue to support them. It should be our collective endeavor to support the UN Global Compact and its principles.

With warm regards,

Yours sincerely,

R. Sridharan
Chairman-Cum-Managing Director

Principle 1:

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

Commitment

Being a Company registered in India, 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 2016-17

- NMDC is providing complete health care to its employees and the members of their families.
- The injury frequency rate was 1.13.

- Housing has been extended to all its employees. In addition, house building advances were given to 05 employees (cumulatively to 2280 employees).
- Training coverage is 76.49% of employees. Training mandays as % of working mandays is 3.59.
- Basic education has been extended to 100% of the employees' children.
- Recognizing the meritorious service rendered by the employees, NMDC has awarded suitable mementos to (a) 200 employees (cumulatively 7718) who have rendered 20 years' service; (b) 137 employees (cumulatively 6364) who have rendered 25 years' service; (c) 171 employees (cumulatively 5688) who have rendered 30 years' service (d) 89 employees (cumulatively 1861) who have rendered 35 years' service by organizing suitable function.
- 202 employees (cumulatively 4857) 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. 155 employees (cumulatively 1891) 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 2016-17

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 2016-17

- 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 2016-17

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 2016-17

- 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 2016-17

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, 2017 the manpower position was:

- Total number of employees 5572
- Scheduled Caste employees 956 (17.16%)
- Scheduled Tribe employees 1195 (21.45%)
- Backward Class employees 1001 (17.96%)
- Men : Women ratio 18.9 : 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 Integrated Management System including SA-8000. 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, SMI 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 silting 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. Similar STPs are under construction at Donimalai, Kirandul also.
- 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, NOx, 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 2016-17

Environmental clearances from MoEF&CC New Delhi

- Obtained Final Forest clearance for diversion of 315.813 Ha forest land for Bailadila Deposit-13, Kirandul on 9/1/17 from MOEFCC, New Delhi and lease deed was executed on 10/1/2017.

- Tiria water supply line, NISP, Nagarnar: Stage-1 F.C. obtained on 29/7/16 from MOEFCC, RO, Nagpur. Tree felling permission obtained on 16/2/17 from State Forest Deptt. Final F.C. obtained on 4/4/17 from MOEFCC.
- Slurry pipeline project: Approval under Wildlife (P) Act obtained on 13/2/17 from MOEFCC.
- Transmission line of Pellet plant, Donimalai: Final F.C obtained on 1/2/17 from RO, MOEFCC, Bangalore.
- Screening Plant-III, Kirandul: E.C obtained from MOEFCC on 28/3/17 regarding area requirement of 74.236 Ha instead of 65.936 Ha.
- F.C obtained on 14/2/17 for tree felling permission in 8.3Ha forest land of Bailadila Deposit-14 NMZ M.L.

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 endeavor 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 has implemented IMS covering ISO14001: EMS, 9001 and OSHAS 180001 and SA-8000 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 2016-17

- As against the permissible limit of 120 microns per cu m of SO2 and Nox in ambient air, the actual values 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 off 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 stairs

- 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 2016-17

The environmental monitoring studies indicated that levels of PM10 & PM2.5 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 Bacheli 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 2015-16 and disclosed GHG emissions in Carbon disclosure project. The similar studies for the year 2016-17 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, Vigilance Department is there.
- 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 2016-17 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 maintaining of asset registers at Head office and Projects in respect of movable assets, Monitoring of Sensitive areas and installation of CCTV equipments, 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 website.
- Contracts Manual prepared dated 26.9.2016 and put in use and hosted in website.
- Materials Management Manual in place. Updated Manual is expected to be put up to Board Sub-Committee.
- Uniform Recruitment and Promotion Policy is under examination before Board Sub Committee.
- Guidelines for Banning of Business were prepared by the Vigilance and approved by the Competent Authority and now in place.

Performance during the year 2016-17

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. Surveillance Audit of Vigilance Department has been conducted by M/s. Integrated Quality Certification Pvt Ltd on 7.2.2017 and recommended for Certification which is valid up to 14.9.2018.

During the year (Apr, 2016 - March, 2017) 92 surprise checks, 107 regular inspections and 15 CTE type

inspections were conducted. During period, 61 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. Study of Cost Cap- HEM equipments.
2. Study of Asset Register
3. Study of Mining Contracts

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.

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 109 contracts with a value of Rs.19,102 crores.

The **Vigilance Awareness Week 2016** was celebrated from **31.10.2016 to 05.11.2016** with the administration of pledge to all the employees by Dr. N.K. Nanda, Director (Technical) on 31.10.2016. The theme for this year was "Public participation in promoting Integrity and eradicating Corruption".

On 1st November, Elocution competition for the Workmen and Officers was conducted on the subject "**Public Participation in promoting Integrity and eradicating Corruption**". On 2nd November, a Quiz competition for Officers & Workmen was conducted. On 03rd November, Vendor Meet was organised as an outreach activity for public/citizens wherein 05 functional Directors of NMDC along with Senior Officers and Vendors in large numbers had interaction on various issues. The overall opinion of the Vendors was that NMDC is one of the cleanest Organisations they had business with.

On 4th November, a talk on "**Vigilance in Personal Finances**" by **Shri P. Sarath Kumar**, CA, a well-known Certified Fraud Investigator, was organised at NMDC Head office. As advised by CVC, Elocution/Debate/ Essay Writing/Panel discussion etc. were organised in Schools/ Colleges for the students in which students in large numbers were participated.

The Valedictory function was attended by Chief Guest **Shri S. Narasing Rao, IAS, Principal Secretary to Chief Minister**, Telangana and all the functional Directors, the top management, employees, students & teachers of schools & colleges.

CVC's Annual Sectoral Review Meeting with Chief Executives/CMDs and CVOs of Steel & Mines and Defence Sector was held on 1.2.2017 at NMDC, Hyderabad.

ANNEXURE-VIII

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

Part "A": Subsidiaries

Information in respect of each subsidiary to be presented with amounts in Rs.

Sl.No	Particulars	Details						
		1	2	3	4	5	6	7
	Name of the subsidiary	J&K Mineral Development Corporation Limited, Jammu	NMDC SARL * Madagascar	NMDC Power Limited, Hyderabad	Legacy Iron Ore Limited, Perth, Australia	Karnataka Vijaynagar Steel Limited, Karnataka	NMDC Steel Limited, Chhattisgarh	Jharkhand Kolhan Steel Limited, Jharkhand
1	Date since when subsidiary was acquired	19.05.1989	27.07.1999	12.12.2011	20.04.2007	29.12.2014	02.01.2015	24.09.2015
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April-March	Jul-June	April-March	April-March	April-March	April-March	April-March
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees	MGA	Rupees	AUD@50.35	Rupees	Rupees	Rupees
4	Share Capital	297,400,300	1,000,000	5,500,000	3,124,028,335	100,000	100,000	100,000
5	Reserves & Surplus	(165,311,672)		(616,722)	(2,406,202,635)	(230,903)	(191,110)	(126,063)
6	Total Assets	333,251,653	764,072,266	5,607,702	8,121,959	6,386,439,837	39,600	48,850
7	Total Liabilities	200,361,323	763,072,266	724,424	725,947,659	6,386,570,740	130,710	74,913
8	Investments							
9	Turnover							
10	Profit before taxation	(8,460,333)		(275,337)	(53,737,626)	(75,373)	(59,900)	(71,100)
11	Provision for taxation							
12	Profit after taxation	(8,460,333)		(275,337)	(53,737,626)	(75,373)	(59,900)	(71,100)
13	Proposed Dividend							
14	% of Shareholding	95.86%	100%	100%	78.56%	100%	100%	100%

* Amount is taken as MGA

Notes: The following information shall be furnished at the end of the statement:

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

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 Ventures				
	International Coal Ventures (Pvt) Ltd.	Neelachal Ispat Nigam Limited	Krishnapatnam Railway Company Limited	Chhattishgarh Mega Steel Limited	Romelt-Sail (India) Limited	* Kopano-NMDC Minerals (Pty.) Ltd.	NMDC-CMDC Limited	Jharkhand National Mineral Development Corporation	Bastar Raiway Pvt. Limited	NMDC-SAIL Limited
1. Latest audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017	31.03.2017		31.03.2016	31.03.2017	31.03.2017	31.03.2017	31.03.2017
2. Shares of Associate/ Joint Ventures held by the Company on the year end	336,357,143	74,799,878	40,000,000	13,000	105,000	50	70,259,000	6,000	1,956,500	25,500
3. 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	19.06.2008	06.08.2012	05.05.2016	23.05.2016
4. Amount of Investment in Associates / Joint Venture	3,363,571,430	1,005,997,560	400,000,000	130,000	1,050,000	324	702,590,000	60,000	19,565,000	255,000
Extent of Holding %	26.47%	12.87%	14.82%	26%	25%	50%	51%	60%	80.35%	
5. Description of how there is signficant influence	By Share-holding	By Share-holding	By Share-holding	By Share-holding	By Share-holding	By Share-holding	By Share-holding	By Share-holding	By Share holding	By Share holding
6. Reason why the associate/ joint venture is not consolidated										
7. Networth attributable to share holding as per latest audited Balance sheet (Rs. In Crore)	540.67	(22.54)	39.18	0.01	–	–	39.16	(0.02)	2.82	0.02
8. 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 Obulavaripalle 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 TO BE INCLUDED 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 a 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 and 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 underprivileged living 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 the under developed areas with special emphasis on areas in and around Projects & Establishments of NMDC having predominantly SC/ tribal/ other under privileged population. NMDC has recently revised the aforesaid CSR policy in compliance with the requirement of statutory provisions in keeping with the needs of its stakeholders. 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 include education, infrastructure development, Cleanliness campaign under 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 2016-17

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 JawangaGeedam in Dantewada District,
- Polytechnic College at Dantewada
- Astha Gurukul - Residential School for SC, ST, Orphans etc,
- Saksham - Residential School for children with special needs,
- BalikaShiksha Yojana- sponsoring 40 students from Bastar Region, Chhattisgarh to Nursing Courses at Apollo School & college of Nursing, Hyderabad
- Education Hub at Bijapur, Chhattisgarh

B) Healthcare, 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.

Deepening of DharamSagar lake at Panna, Madhya Pradesh.

NMDC has also supported for construction of toilet blocks in two Govt. Medical Institutions at Gwalior, Madhya Pradesh.

Cleanliness Campaign

NMDC has committed itself for conduct of a comprehensive cleanliness campaign in 16 villages in the surrounding areas of Bailadila Projects in Dantewada District, Chhattisgarh. Under this initiative NMDC has facilitated construction of 937 household toilets in convergence with Swacchh Bharat Mission Grameen Scheme. The aim is to make these villages open defecation free by 2019.

C) Infrastructure Development

NMDC is supporting State Authorities for developing various infrastructure works. Major infrastructure works taken up during 2016-17 are as follows:

i) Construction of Bridge from Kundla to Kohkameta (70 mtr span) at Narayanpur

ii) Construction of culvert, Bridge & BT Road at Kaknar

iii) Construction of Community Centre at Jashpur

D) Promotion of Sports

i) Construction of Indoor Sports Complex -EklavyaKhelkudPrakalp at Raipur

ii) Development of Sports Complex Garavand kala

E) Integrated Rural Development

Implementation of Integrated Village Development programme in 18 Villages in surrounding areas of Bailadila Projects, South Bastar District, covering Education, Agriculture, Healthcare and awareness, Income generation through acquisition of income-earning skills, Formation of SHGs, Lift irrigation and modern tools & techniques of cultivation. The total number of Beneficiaries is about 20000 people and most of them are tribal.

1.1 Impact Assessment: Impact Assessment studies were conducted for two major CSR initiatives viz., "Integrated Village Development Programme" &"Hospital on Wheels". The studies were conducted by M/s National Institute of Rural Development &Panchayati Raj (NIRD&PR), Hyderabad and the impact reported was positive with both the initiatives were recommended for continuance. Plans are on the anvil to conduct Impact Assessment of all major CSR initiatives in 2017-18.

1.2 CSR Awards

NMDC has bagged various awards in the area of CSR:

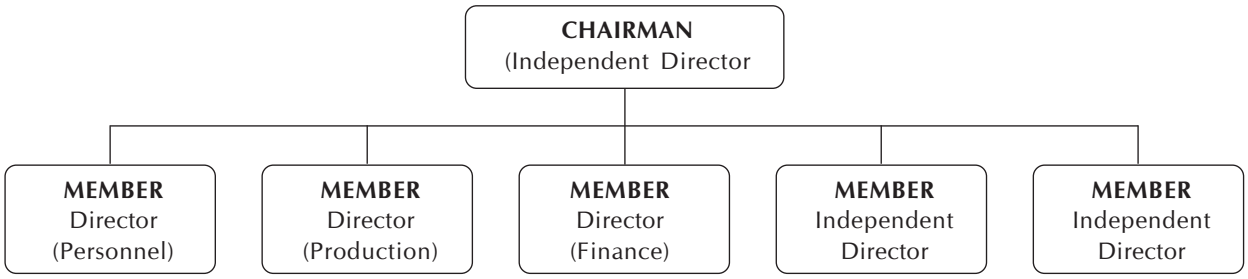
1) NMDC got an award for best CSR practices under 6th Asia Best CSR Practices Award 2016 by CMO Asia

2) NMDC got Best Employee Brand Awards (7th edition) for Best CSR Practices by World HRD Congress

3) CSR Leadership Award 2017 to NMDC presented by ABP News

2. The composition of CSR Committee.

In Compliance with the provisions of Section 135 (1) of the Companies Act, 2013, NMDC has Constituted a Board Level Sub Committee on CSR & sustainability.



3. Average Net Profit of the Company for last three financial years.

Rs. 8010.77 Crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).

Rs.160.22 Crore

5. Details of CSR Spent during the financial year 2016-17

(a) Total amount spent during the financial year - Rs.174.18 Crore.

(b) Amount unspent - Not applicable

(c) Manner in which the amount spent during the financial year- Enclosed at Annexure.

6. In case Company 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.174.18 Crores during the year 2016-17 which is 2.17% of the average net profit of 3 preceding years as 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.

Sandeep Tula
Director (Personnel)

Pradip Bhargava
Independent Director & Chairman
CSR & Sustainability Committee

Statement of Details of CSR Budget & Expenditure during F.Y. 2016-17

Annexure

(Amount 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	4367.95	2610.84	2610.84	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	9283.22	7044.6	7044.6	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	155.00	135.7	135.7	Directly, Through implementing Agencies & State Govt

Statement of Details of CSR Budget & Expenditure during F.Y. 2016-17 (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	2673.4	2645.02	2645.02	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	748.76	515.41	515.41	Directly & 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	0.90	0.75	0.75	Directly

Statement of Details of CSR Budget & Expenditure during F.Y. 2016-17 (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 **Other Area** Tamil Nadu	999.20	984.70	984.70	Directly, Through implementing agencies & State Govt
8	Rural Development Projects	Infrastructure Development, Integrated Village Development	**Local Area** Chhattisgarh Karnataka Madhya Pradesh	6063.65	3481.28	3481.28	Directly, Through implementing agencies & State Govt
9	Baseline,Monitoring & evaluation, Impact assesment			539.92	0	0	
	GRAND TOTAL			**24832.00**	**17418.3**	**17418.3**	

The CSR Programs 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

Ten Years Performance

(Rs. in Crore)

	2016-17#	2015-16#	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Operating Statistics:										
Production										
1 Iron Ore (WMT) (in lakh tonnes)	**340.05**	285.74	304.41	300.25	271.84	272.60	251.55	238.03	285.15	298.16
2 Diamonds (Carats)	**35,635.99**	35,558.31	35,085.46	37,081.70	31,533.39	18,043.44	10,865.93	16,529.21	–	–
3 Sponge Iron (in tonnes)	**5,474.11**	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)	**356.21**	288.39	305.16	305.00	262.74	273.01	263.15	240.85	264.72	281.84
2 Diamonds (Carats)	**25,631.46**	36,682.93	38,788.58	43,487.63	17,863.00	8,085.00	18,421.22	7,335.34	–	2,631.51
3 Sponge Iron (in tonnes)	**8,579.42**	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	**8,708.90**	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
2 Sales: Other Products and Services	**120.74**	129.34	158.72	158.68	145.56	94.33	83.61	16.49	4.92	5.99
3 Net Revenue from Operation	**8,829.64**	6,457.27	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 Other Income	**908.81**	1,809.25	2,265.40	2,094.52	2,238.87	2,016.49	1,205.70	861.71	884.04	670.53
PROFIT										
1 EBDITA	**4,509.86**	4,374.21	9,930.07	9,865.98	9,616.84	10,891.12	9,848.69	5,280.48	6,721.79	5,007.47
2 Depreciation	**196.18**	216.60	162.23	104.93	138.52	130.17	121.52	73.16	73.56	60.00
3 Interest	**20.76**	65.59	–	1.85	13.20	1.48				
4 PBT	**4,292.92**	4,092.02	9,767.84	9,759.20	9,465.12	10,759.47	9,727.17	5,207.32	6,648.23	4,947.47
5 Taxes	**1,619.92**	1,566.06	3,345.98	3,339.12	3,122.75	3,494.08	3,227.95	1,760.06	2,275.85	1,696.49
6 PAT	**2,589.14**	2,712.22	6,421.86	6,420.08	6,342.37	7,265.39	6,499.22	3,447.26	4,372.38	3,250.98
7 Dividend	**1,313.01**	4,361.19	3,389.83	3,370.01	2,775.30	1,784.12	1,308.35	693.82	876.20	651.53
FINANCIAL POSITION										
1 Equity (^)	**316.39**	396.47	396.47	396.47	396.47	396.47	396.47	396.47	396.47	132.16
2 Reserves & Surplus	**22,202.55**	28,721.12	31,935.27	29,591.83	27,114.49	24,009.89	18,818.05	13,875.96	11,240.44	8,157.49
3 Gross Fixed Assets	**2,406.26**	2,170.98	2,944.65	2,769.91	2,581.95	2,388.12	2,272.82	1,771.14	1,669.17	1,421.40
4 Net Fixed Assets	**1,952.81**	1,918.45	1,333.69	1,362.28	1,264.66	1,188.80	1,099.26	787.15	746.63	568.06
5 Other Assets (intangible)	**–**	–	5.37	5.37	6.24	10.07	14.45	16.78	22.20	24.55
6 Capital Work-in-Progress	**11,831.36**	9,722.88	7,710.03	5,276.89	3,236.09	1,494.16	677.17	561.29	248.31	111.83
7 Current Assets	**8,584.95**	18,764.55	23,889.76	23,861.19	25,592.18	23,195.21	19,171.56	14,263.61	11,771.02	8,282.70
8 Current Liabilities	**2,571.92**	3,200.32	1,989.00	1,340.82	3,235.68	2,105.13	1,780.72	1,347.66	1,164.75	774.76
9 Deferred Tax Asset	**453.36**	263.17	(98.40)	(107.25)	(104.49)	(100.09)	(102.88)	(84.88)	(58.04)	(6.01)
10 Net Worth	**22,518.94**	29,117.59	32,326.37	29,982.93	27,504.72	24,396.29	19,200.07	14,255.65	11,614.71	8,265.10
11 Book value per share (Rs.) (^)	**71.17**	73.44	81.54	75.62	69.37	61.53	48.43	35.96	29.30	625.40
12 Earning per share (Rs.) (^)	**7.22**	6.84	16.20	16.19	16.00	18.33	16.39	8.69	11.03	245.99
13 Valued added per emp (Rs. in lakhs)	**117.46**	86.89	182.23	178.54	159.04	167.10	159.05	93.58	122.75	94.72

(^) During 2008-09, Equity share splitted from Rs.10/- per share to Re.1/- per share and Bonus shares issued in the ratio of 1:2

Under Ind-AS

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Independent Auditor's Report

To
The Members
NMDC Limited
Hyderabad

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS Financial Statements of NMDC Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements") which supersedes our earlier Independent Auditor's report dated 25th May 2017 in the light of the observations of the Comptroller and Auditors General of India u/s 143 (6) (b) of the Companies Act, 2013 read with subsection 5 of Section 143.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in the equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.

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 standalone Ind AS 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 those standalone Ind AS 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 standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS 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 Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31, 2017, and its financial performance including other comprehensive income, its Cash Flow and Changes in Equity for the year ended on that date.

Other Matter

1. The comparative financial information of the Company on the transition date opening Balance Sheet as at 1st April 2015 included in these Standalone Ind AS Financial Statements are based on the previously issued statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report dated 23.05.2015 for the year ended 31st March 2015, expressed an unmodified opinion on the said standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on the transition to the Ind AS which have been audited by us.

2. We did not audit the Financial Statements/ information of 6 branches included in the standalone Financial Statements of the Company whose Financial Statements / financial information reflect total assets of Rs.18,031.42 Crore as at 31st March, 2017 and total revenues of Rs.8,887.37 Crore for the year ended on that date, as considered in the standalone Financial Statements. The Financial Statements/information of these branches has been audited by the branch auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

   Our opinion is not qualified in respect of this matter.

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 and reports of other auditors.

   c) The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

   d) The Balance Sheet, the Statement of Profit and Loss and the statement of Cash Flow and statement of the Changes in Equity dealt with by this report are in agreement with the books of account;

   e) In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;

   f) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of

TEJ RAJ & PAL
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Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company;

g) 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**".

h) 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. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements;

ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts;

iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its standalone Ind AS Financial Statements as to holdings as well as dealings in specified bank notes during the period from 8th Nov 2016 to 30th Dec 2016 and these are in accordance with the books of accounts maintained by the Company.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA Dinakar Mohanty
Partner
Membership No. 059390

Place : Bhubaneswar
Date : 11.07.2017

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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, 2017:

(1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company is in the process of carrying out physical verification of fixed assets, 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) As the physical verification is in process, the shortage/excess arising out of the same will be dealt with in the books on completion of verification. 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:

Sl. No.	Description of Assets	Type of Asset	Area	Amount (in Rs. Crores)	Remarks
01	General / Social Amenities for which no comments passed	Leasehold Lands (in Acres)	2337.91	1.87	
		Building (Net Block)		80.27	Gross Block 100.16 Crores
02	General Amenities for which Company holds possession letter issued by Joint Secretary	Leasehold Lands (in Acres)	6826.25	17.66	
03	General Amenities for which Company holds possession letter issued by Mining Officer	Mining Lease (in Acres)	3216.07	120.72	
04	General Amenities for which Company holds possession letter issued by Chief Secretary, Mining Resources	Leasehold Lands (in Acres)	784.94	0.0018	
05	General / Social Amenities for which no comments passed	Free Hold Land (in Acres)	400.06	129.36	
		Building (Net Block)		75.73	Gross Block- 101.60 Crores
06	Industrial land having Provisional allotment letters of 13.43 Acres.	Freehold Land (in Acres)	11.35	139.21	
07	Industrial Land of 26.39 Acres Purchased from M/s Allyn Watches Ltd.	Freehold Land (in Acres)	24.23	5.88	
08	Industrial land of 1.32 Acres acquired from Chhattisgarh Housing Board	Freehold Land (in Acres)	1.43	0.83	
		Total	**13602.24**	**571.53**	

TEJ RAJ & PAL
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(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, 2017 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 followings:

Unit	Name of Statue	Nature of Dues	Period	Forum where Dispute is Pending	Amount (In Rs. Crores)
Kirandul	The Finance Act, 1994	Service Tax	July 2012 -June 2014	The Appellate Tribunal	10.40
	The Finance Act, 1994	Service Tax on Royalty	2016-17	Jabalpur High Court & Karnataka High court	46.89
	MP Commercial Tax Act	Commercial Act	2002-03, 2005-06, 2008-09	Dy. Commissioner of Commercial Tax (Appeal)	1.60
Donimalai	Karnataka Sales Tax Act 1957	Tax on ERP Licenses	1991-92, 1992-93	Dy. Commissioner of Commercial Tax, Bellary	0.51

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Unit	Name of Statue	Nature of Dues	Period	Forum where Dispute is Pending	Amount (In Rs. Crore)
Donimalai	Karnataka Forest Act 1963	Forest Development Tax	2008-09 to 2010-11	Hon'ble Supreme Court of India	243.69
	Central Excise, Customs and Service tax	Service Tax	2012-13 to till date	Commissioner of Central Excise (Appeals)	0.20
Panna	Royalty	Service Charges	2004-05	Diamond Officer	0.89
	Commercial Tax	Sales & Entry Tax	2012-13 & 2013-14	DCIT, Sagar	0.42
	Commercial Tax	Sales Tax	2014-15	DCIT, Sagar	0.04
	Income Tax	TDS	2007-08 to 2016-17	DCIT(TDS), Jabalpur	0.68
Bacheli	The Finance Act, 1994	Service Tax	July 2012-June 2014 & 01.04.2016-31.03.2017	The Appellate Tribunal & Jabalpur High-Court	108.03
Head Office	Income Tax Act, 1961	Income Tax	2013-14, 2012-13, 2011-12, 2010-11 & 2009-10	CIT(A)	368.45
			2010-11, 2005-06, 1990-00 & 2001-02 2006-07 to 2009-10	High Court	1263.28
			2011-12	ITAT, Hyderabad	30.80
	The Finance Act, 1994	Service Tax	01.10.2013 to 30.09.2014 & 01.10.2007 to 31.10.2012	CESTAT	28.28
			01.07.2012 to 31.03.2015	COM.(A), Mysore	0.17
			Total		**2104.65**

(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. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

(9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised monies 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.

TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

(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 Dinakar Mohanty
Partner
Membership No. 059390

Place : Bhubaneswar
Date : 11.07.2017

TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

"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.	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: 1. General/Social Amenities for which no comments passed: A. Leasehold Lands (in Acres) measuring 2337.913 (Acres) amounting to Rs.1.87 Crores. B. Building with Gross Block Rs.100.16 Crores and Net Block Rs.80.27 Crores. 2. General Amenties for which Company holds possession letter issued by Joint Secretary, Mining Resources Department, Raipur: A. Leasehold Lands (in Acres) measuring 6826.25 (Acres) amounting to Rs.17.66 Crores. 3. General Amenties for which Company holds possession letter issued by Mining Officer District, South Bastar, Dantewada: A. Mining Lease (in Acres) measuring 3216.079 (Acres) amounting to Rs.120.72 Crores. 4. General Amenties for which Company holds possession letter issued by Chief Secretary, Mining Resources Dept. M.P: A. Land Lease Hold of Dep No. 14 for Float Ore measuring 784.94 (Acres) amounting to Rs.0.0018 Crores. 5. General/Social Amenities for which no comments passed: A. Freehold Land (in Acres) measuring 400.06 (Acres) amounting to Rs.129.36 Crores. B. Building with Gross Block Rs.101.60 Crores and Net Block Rs.75.73 Crores. 6. Industrial land measuring 11.35 Acres amounting to Rs.139.31 Crores. 7. Industrial Land measuring 24.23 acres purchased from M/s Allyn Watches Ltd. amounting to Rs.5.88 Crores. 8. Industrial land measuring 1.43 Acres acquired from Chhattishgarh Housing Board amounting to Rs.0.83 Crores.

TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

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.	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 2016-17.
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 2016-17.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA Dinakar Mohanty
Partner
Membership No. 059390

Place : Bhubaneswar
Date : 11.07.2017



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 2017 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.

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's 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 authorizations of management and directors of the Company; and (3) provide reasonable

TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

assurance regarding prevention or timely detection of unauthorized 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 group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial control over financial reporting were operating effectively as of March 31st 2017 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 Dinakar Mohanty
Partner
Membership No. 059390

Place : Bhubaneswar
Date : 11.07.2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NMDC LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of financial statements of NMDC Limited, Hyderabad for the year ended 31 March 2017 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 the 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 with their Audit Report dated 11 July 2017.

I, on 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 31 March 2017. 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 behalf of the
Comptroller and Auditor General of India



(L. Tochhawng)
Director General of Commercial Audit &
Ex-Officio Member, Audit Board
Hyderabad

Place : Hyderabad
Date : 12 July 2017

Balance Sheet as at 31st March, 2017

(₹ in Crore)

Particulars	Note No	**Figures as at the end of current reporting Year 31-March-2017**	Figures as at the end of previous reporting Year 31-March-2016	Figures as at date of transition to Ind-As 01-April-2015
ASSETS				
Non-Current Assets				
a) Property, Plant & Equipment	2.1	**1,730.76**	1,649.96	1,227.92
b) Capital work-in-progress	2.2	**11,831.36**	9,722.88	7,718.82
c) Other intangible assets	2.3	**222.05**	268.49	90.55
d) Financial assets				
i) Investments	2.4.1	**726.98**	695.41	561.93
ii) Loans	2.4.2	**92.48**	86.21	84.30
e) Deferred tax assets (Net)	2.5	**453.36**	263.17	177.88
f) Other non-current assets	2.6	**2,060.12**	1,220.69	2,166.18
Total non-current assets		**17,117.11**	13,906.81	12,027.58
Current Assets :				
a) Inventories	2.7	**540.04**	622.05	682.73
b) Financial assets				
i) Trade receivables	2.8.1	**1,043.52**	796.07	947.82
ii) Cash and cash equivalents	2.8.2	**70.38**	34.47	188.69
iii) Bank balances other than (ii) above	2.8.3	**5,218.90**	14,729.10	18,254.45
iv) Other financial assets	2.8.4	**923.82**	1,524.42	1,225.61
c) Current tax assets (Net)	2.9	**564.32**	869.39	620.90
d) Other current assets	2.10	**179.34**	188.70	186.21
e) Assets held for disposal	2.11	**44.63**	0.35	0.37
Total current assets		**8,584.95**	18,764.55	22,106.78
Total Assets		**25,702.06**	32,671.36	34,134.36
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	2.12	**316.39**	396.47	396.47
b) Other Equity	2.13	**22,202.55**	28,721.12	31,900.90
Total equity		**22,518.94**	29,117.59	32,297.37
Liabilities				
Non-Current Liabilities				
a) Provisions	2.14	**611.20**	353.45	313.33
Total non-current liabilities		**611.20**	353.45	313.33
Current Liabilities				
a) Financial Liabilities				
i) Borrowings	2.15.1	**–**	1,496.95	–
ii) Trade payables	2.15.2	**198.78**	324.42	226.24
iii) Other financial liabilities	2.15.3	**1,230.46**	959.62	967.39
b) Other current liabilities	2.16	**836.65**	350.05	267.18
c) Provisions	2.17	**306.03**	69.28	62.85
Total Current Liabilities		**2,571.92**	3,200.32	1,523.66
Total Liabilities		**3,183.12**	3,553.77	1,836.99
Total Equity and Liabilities		**25,702.06**	32,671.36	34,134.36
Significant accounting policies and notes on accounts	1 & 2			

Subject to our report of even date
For M/s TEJ RAJ & PAL
Chartered Accountants
FRN No: 304124E

(CA DINAKAR MOHANTY)
Partner
Membership No: 059390

Place : Hyderabad
Dated : 25/05/2017

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(R SRIDHARAN)
Chairman-cum-Managing Director

(A S PARDHA SARADHI)
Company Secretary

Statement of Profit and Loss for the Year Ended 31st March, 2017

(₹ in Crore)

Particulars	Note No	Figures for the current reporting year 31-March-2017	Figures for the previous reporting year 31-March-2016
I. Revenue from operations	2.18	**8,829.64**	6,457.27
II. Other Income	2.19	**908.81**	1,809.25
III. Total Income (I+II)		**9,738.45**	8,266.52
IV. Expenses :			
Consumption of raw materials	2.20	**5.37**	9.73
Excise duty		**1.50**	1.47
Consumption of stores & spares		**264.08**	275.61
Changes in inventories of finished goods/work in progress	2.21	**98.87**	63.12
Employee benefit expense	2.22	**885.58**	646.18
Power and electricity	2.23	**87.60**	67.67
Repairs & maintenance	2.24	**112.22**	119.26
Royalty & other levies		**1,524.74**	882.31
Selling expenses	2.25	**725.93**	417.12
Finance cost	2.26	**20.76**	65.59
Depreciation and amortization expense	2.1 & 2.3	**196.18**	216.60
Other expenses	2.27	**1,521.94**	1,224.32
Total expenses		**5,444.77**	3,988.98
V. Profit before exceptional items and tax (III-IV)		**4,293.68**	4,277.54
VI. Exceptional items	2.28	**–**	184.78
VII. Profit before tax (V-VI)		**4,293.68**	4,092.76
VIII. Tax expense :			
(1) Current year	2.29	**1,620.18**	1,566.31
(2) Earlier years (net)		**274.05**	(112.94)
(3) Deferred tax	2.29	**(190.19)**	(73.32)
		1,704.04	1,380.05
IX. Profit for the year from continuting operations (VII-VIII)		**2,589.64**	2,712.71
X. Loss from discontinued operations		**(0.76)**	(0.74)
XI. Tax expense of discontinued operations		**(0.26)**	(0.25)
XII. Loss from discontinued operations(X-XI)		**(0.50)**	(0.49)
XIII. Profit for the year (IX +XII)		**2,589.14**	2,712.22
Other Comprehensive Income			
i) Item that will not be reclassified to profit or loss (Re-measurements of post-employment benefit obligations)		**(102.52)**	(34.61)
ii) Income tax relating to these items		**35.48**	11.98
XIV. Other comprehensive income		**(67.04)**	(22.63)
Total Comprehensive income for the year (XIII + XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the year)		**2,522.10**	2,689.59
Earnings per equity share (for continuing operation)			
i) Basic	2.33.4	**7.22**	6.84
ii) Diluted	2.33.4	**7.22**	6.84
Earnings per equity share (for discontinued operation)			
i) Basic	-	-	
ii) Diluted		-	-
Earnings per equity share (for discontinued & continuing operation)			
i) Basic	2.33.4	**7.22**	6.84
ii) Diluted	2.33.4	**7.22**	6.84
Significant accounting policies and notes on accounts	1 & 2		

Subject to our report of even date
For M/s TEJ RAJ & PAL
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FRN No: 304124E

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Membership No: 059390

Place : Hyderabad
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For and on behalf of the Board

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Director (Finance)

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(A S PARDHA SARADHI)
Company Secretary

Statement of Changes in Equity for the Year Ended 31st March, 2017

a) Equity Share Capital

(Rs. in Crore)

	Note.no.	Amount
Balance as at 1 April 2015	2.12	396.47
Changes in Equity share capital		–
Balance as at 31 March 2016	2.12	396.47
Changes in Equity share capital (*)		(80.08)
Balance as at 31 March 2017		316.39

(*) Buyback of Equity shares refer to note No. 2.12

b) Other Equity 2.13

(Rs. in Crore)

Particulars	General Reserve	Retained earnings	CRR	Total
Balance as at 1 April 2015	**29,114.22**	**2,786.68**		**31,900.90**
Profit for the year		2,712.22		2,712.22
Other Comprehensive Income net of tax		(22.63)		(22.63)
Final dividends (including DDT)		(620.34)		(620.34)
Interim Dividends (including DDT)		(5,249.03)		(5,249.03)
Transfer to General Reserve	400.00	(400.00)		–
Total	**400.00**	**(3,579.78)**		**(3,179.78)**
Balance as at 31 March 2016	**29,514.22**	**(793.10)**	**–**	**28,721.12**
Profit for the year		2,589.14		2,589.14
Transfer to Capital Redemption Reserve (CRR)	(80.08)			(80.08)
Buyback of shares (including transition charges)	(7,460.35)			(7,460.35)
Other Comprehensive Income net of tax		(67.04)		(67.04)
Capital Redumption Reserve (CRR)			80.08	80.08
Interim Dividends (including DDT)		(1,580.32)		(1,580.32)
Total	**(7,540.43)**	**941.78**	**80.08**	**(6,518.57)**
Balance as at 31 March 2017	**21,973.79**	**148.68**	**80.08**	**22,202.55**

Subject to our report of even date
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(A S PARDHA SARADHI)
Company Secretary

Place : Hyderabad
Dated : 25/05/2017

Cash Flow Statement for the year ended 31st March, 2017

(Rs. in Crore)

Particulars	**Figures as at the end of current reporting year 31 March 2017**	Figures as at the end of previous reporting year 31 March 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax from		
Continued Operations	**4,293.68**	4,092.76
Discontinued Operations	**(0.76)**	(0.74)
Profit before income tax including discontinued operations	**4,292.92**	4,092.02
Adjustments for non cash/non operational expenses:		
Depreciation & amortisation expense	**196.18**	216.60
Loss on disposal of property, plant & equipement	**(0.96)**	1.29
Expenditure on enabling facilities	**176.72**	166.44
Provision for bad & doubtful advances	**301.46**	296.51
Interest Income classified as investing cash flow	**(797.66)**	(1,693.62)
Finance Costs	**20.76**	65.59
Operating Profits before working capital changes	**4,189.42**	3,144.83
Adjustments for working capital changes:		
(Increase) in trade receivables	**(548.91)**	(144.76)
Decrease in inventories	**82.01**	60.68
(Increase) in other financial assets	**16.68**	(567.30)
Decrease/(Increase) loans to employees and related parties	**(0.44)**	(0.76)
(Increase)/Decrease in other non current assets	**(731.54)**	786.54
Decrease/(Increase) in other current assets	**9.36**	(2.49)
(Increase)/Decrease in assets held for disposal	**(44.28)**	0.02
(Decrease)/Increase in trade payables	**(125.64)**	98.18
Increase in provisions	**258.66**	29.76
Increase/(Decrease) employee benefit obligations	**168.63**	(17.96)
(Decrease)/Increase in other financial liabilities	**(38.35)**	93.74
Increase in other current liabilities	**486.60**	82.87
Cash generated from operations	**3,722.20**	3,563.35
Income Taxes paid	**(1,588.90)**	(1,701.61)
Net Cash Flow from operating activities	**2,133.30**	1,861.74

(Rs. in Crore)

Particulars	**Figures as at the end of current reporting year 31 March 2017**	Figures as at the end of previous reporting year 31 March 2016
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	**(2,314.64)**	(2,931.78)
Purchase of investments	**(31.57)**	(133.48)
Interest received	**1,375.75**	1,960.96
Investment in term deposits with more than three months	**6,122.27**	5,379.83
Net Cash Flow from investing activities	**5,151.81**	4,275.53
CASH FLOW FROM FINANCING ACTIVITIES		
Amount paid on buyback of Shares (including transaction charges)	**(7,540.43)**	–
(Repayment)/Proceeds from borrowings*	**(1,496.95)**	1,496.95
Deposits paid towards LCs and BGs (towards non fund based facilities)	**3,270.19**	(1,734.72)
Interest paid	**(20.60)**	(65.44)
Dividends paid (including tax thereon and net off balances for unpaid dividends)	**(1,461.41)**	(5,988.28)
Net Cash Flow from financing activities	**(7,249.20)**	(6,291.49)
Net increase (decrease) in cash and cash equivalent	**35.91**	(154.22)
Cash & Cash equivalents at the beginning of the year	**34.47**	188.69
Cash & Cash equivalents at the end of the year	**70.38**	34.47

* Though the borrowings of the company are short term in nature, they are not repayable on demand and have a tenure linked to the fixed deposits against which they are secured and accordingly these are not considered as cash equivalents in the preparation of cash flow statements.

Subject to our Report of even date
For M/s Tej Raj & Pal
Chartered Accountants
Firm Regn No: 304124E

(CA DINAKAR MOHANTY)
Partner
Membership No: 059390

Place : Hyderabad
Dated : 25/05/2017

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(R. SRIDHARAN)
Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)
Company Secretary

Significant Accounting Policies and Notes on Accounts

Transition to Ind AS

The Company's standalone financial statements for the quarter ended June 30, 2016 are the first interim standalone financial statements prepared in accordance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS Standalone Financial Statements for the quarter ended June 30, 2016, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the standalone financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

1. Significant Accounting Policies

1.1 Basis of Preparation

(a) Statement of Compliance

The standalone financial statements has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

For all the periods up to and including the year ended March 31, 2016 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the first, the Company has prepared in accordance with Ind AS. Refer to note on transition to Ind AS for information on how the Company adopted Ind AS.

(b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest crore except share and per share data.

(d) Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

1.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The

standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Investment in subsidiaries and joint venture

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

a) Non-derivative financial assets

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.

b) Non-derivative financial liabilities

Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v) Property plant and equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2015, the date of transition.

Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Fixed Assets costing Rs.5,000/- or less are fully depreciated in the year of purchase

vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

vii) Inventory

a) Raw materials, Stores and spares (including loose tools and implements), work in process and finished products are valued at lower of cost and net realizable value of the respective units.

b) 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

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

d) Stationery, Medical, Canteen, School Stores, Cotton Waste, Hospital Stores and Lab stores (excluding for R & D Lab) charged off to Revenue on procurement.

e) No credit is taken in respect of stock of run of mine ore, embedded ore, Iron ore slimes.

viii) Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Untill the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future

cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

ix) Employee benefits

a) 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.

b) Gratuity & Provident Fund:

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.

c) 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.

d) 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.

e) 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.

f) 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.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

x) Provisions

All the provision are recognized as per Ind AS 37. Provisions (including mine closure) are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi) Revenue recognition:

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

a) **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.

b) **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.

c) **Obsolete Stores & Scrap:** Income is accounted on realization basis in respect of used / surplus / obsolete / unserviceable materials / waste products and scrap.

xii) Finance income and expense

Finance income consists of interest income on funds invested, dividend income and gains on the disposal of Fair value through profit and loss account financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

xiii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) **Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) **Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in

a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xiv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

xv) Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

xvi) Government grants

Grants from the government are recognised when there is reasonable assurance that: (i) the Company will comply with the conditions attached to them; and (ii) the grant will be received. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset. Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

Grant related to income are presented as part of profit or loss, as a deduction to the related expenses.

xvii) Exploration and Evaluation:

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditure are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

xviii) Stripping cost:

Development stripping cost:

Overburden and other mine waste material removed during the initial development of a mine in order to access mineral deposit are capitalized as Intangible Asset. Amortization of the same is done based on the life estimated by the management.

Production stripping cost:

Overburden and other mine waste materials which are removed throughout the production phase of mine and realised in the form of inventory are charged off to profit and loss account as production cost.

For M/s. TEJ RAJ & PAL
Chartered Accountants
FRN No.304124E

(CA DINAKAR MOHANTY)
Partner
Membership No: 059390

Place : Hyderabad
Date : 25th May 2017

For NMDC Limited

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(R SRIDHARAN)
Chairman-cum-Managing Director

(A S PARDHA SARADHI)
Company Secretary

Note-2.1 : Property, Plant & Equipment

(Rs. in Crore)

ASSETS	GROSS BLOCK					DEPRECIATION BLOCK			NET BLOCK
	As at 1st Apr, 2015 (Deemed Cost)	Additions during the year	Ded/Adj during the year	Internal transfer	As at 31st Mar 2016	For the year	Deductions/ adjustments	Upto 31st Mar 2016	As at 31st Mar 2016
A. General									
Land :									
– Free hold	255.56	16.10	–	–	**271.66**	–	–	**–**	**271.66**
– Lease hold	1.51	3.42	–	–	**4.93**	0.19	–	**0.19**	**4.74**
Buildings	97.62	19.23	(0.02)	2.42	**119.25**	4.66	(0.01)	**4.65**	**114.60**
Plant & Machinery	210.39	391.80	(0.83)	–	**601.36**	33.47	19.12	**52.59**	**548.77**
Heavy Mobile Equipt.	325.15	44.12	(11.75)	–	**357.52**	97.24	(1.89)	**95.35**	**262.17**
Furniture & fittings	8.00	3.31	(0.04)	0.01	**11.28**	1.47	–	**1.47**	**9.81**
Vehicles	17.53	3.40	(0.67)	(0.01)	**20.25**	2.99	(0.02)	**2.97**	**17.28**
Office Equipment	20.35	7.15	(0.31)	(0.01)	**27.18**	6.25	(0.01)	**6.24**	**20.94**
Others :									
Roads, bridges etc.	58.84	19.35	–	(0.02)	**78.17**	16.73	–	**16.73**	**61.44**
Dams, Wells & Pools	9.19	5.19	–	(2.39)	**11.99**	0.39	–	**0.39**	**11.60**
Railway sidings	34.19	0.15	–	–	**34.34**	3.74	–	**3.74**	**30.60**
Locomotives	–	–	–	–	**–**	–	–	**–**	**–**
Electrical Installations	48.19	49.96	–	–	**98.15**	9.75	–	**9.75**	**88.40**
Sanitary & W. S. Installations	5.72	24.93	–	–	**30.65**	0.64	–	**0.64**	**30.01**
Total 'A'	**1,092.24**	**588.11**	**(13.62)**	**–**	**1,666.73**	**177.52**	**17.19**	**194.71**	**1,472.02**
B. Social Facilities									
Land :									
- Free hold	0.29	–	–	–	**0.29**	–	–	**–**	**0.29**
- Lease hold	–	–	–	–	**–**	–	–	**–**	**–**
Buildings	113.73	30.67	(0.01)	–	**144.39**	3.28	–	**3.28**	**141.11**
Plant & Machinery	0.13	–	–	–	**0.13**	0.01	–	**0.01**	**0.12**
Furniture & fittings	1.16	4.86	(0.17)	–	**5.85**	0.62	–	**0.62**	**5.23**
Vehicles	1.02	–	(0.01)	(0.01)	**1.00**	0.20	–	**0.20**	**0.80**
Office Equipment	4.10	9.31	(0.25)	0.01	**13.17**	1.76	(0.01)	**1.75**	**11.42**
Others :									
Roads, bridges etc.	2.88	1.97	(0.03)	–	**4.82**	0.49	–	**0.49**	**4.33**
Cess fund quarters	6.57	–	–	–	**6.57**	0.17	–	**0.17**	**6.40**
Dams, Wells & Pools	0.06	–	–	–	**0.06**	–	–	**–**	**0.06**
Electrical Instaln.	1.54	1.07	–	–	**2.61**	0.27	–	**0.27**	**2.34**
Sanitary & W.S.Instlns.	4.20	1.87	–	–	**6.07**	0.23	–	**0.23**	**5.84**
Cess fund other assets	–	–	–	–	**–**	–	–	**–**	**–**
Total 'B'	**135.68**	**49.75**	**(0.47)**	**–**	**184.96**	**7.03**	**(0.01)**	**7.02**	**177.94**
Total 'A + B'	**1,227.92**	**637.86**	**(14.09)**	**–**	**1,851.69**	**184.55**	**17.18**	**201.73**	**1,649.96**

Note-2.1 : Property, Plant & Equipment

(Rs. in Crore)

ASSETS	GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK
	As at 1st April 2016	Additions during the year	Ded/Adj during the year	Internal transfer	**As at 31st March 2017**	Upto 1st April 2016	For the year	Ded-uctions/ adjust-ments	Internal transfers	**Upto 31st March 2017**	**As at 31st March 2017**
A. General											
Land :											
– Free hold	271.66	0.06	–	–	**271.72**	–	–	–	–	**–**	**271.72**
– Lease hold	4.93	–	–	–	**4.93**	0.19	0.21	–	–	**0.40**	**4.53**
Buildings	119.25	43.73	–	(34.10)	**128.88**	4.65	4.45	–	(0.58)	**8.52**	**120.36**
Plant & Machinery	601.36	34.82	(3.88)	–	**632.30**	52.59	41.03	(8.03)	–	**85.59**	**546.71**
Heavy Mobile Equipt.	357.52	48.35	(3.31)	–	**402.56**	95.35	50.32	(3.56)	–	**142.11**	**260.45**
Furniture & fittings	11.28	2.19	–	–	**13.47**	1.47	1.53	–	–	**3.00**	**10.47**
Vehicles	20.25	4.60	(0.54)	–	**24.31**	2.97	3.32	–	–	**6.29**	**18.02**
Office Equipment	27.18	4.98	(0.27)	–	**31.89**	6.24	6.07	(0.07)	–	**12.24**	**19.65**
Others :											
Roads, bridges etc.	78.17	1.71	–	–	**79.88**	16.73	17.79	–	–	**34.52**	**45.36**
Dams, Wells & Pools	11.99	–	–	–	**11.99**	0.39	0.45	–	–	**0.84**	**11.15**
Railway sidings	34.34	–	–	–	**34.34**	3.74	3.74	–	–	**7.48**	**26.86**
Locomotives	–	11.18	–	–	**11.18**	–	0.56	–	–	**0.56**	**10.62**
Electrical Installations	98.15	43.05	–	–	**141.20**	9.75	12.52	(0.26)	–	**22.01**	**119.19**
Sanitary & W. S. Installations	30.65	0.55	–	–	**31.20**	0.64	1.10	–	–	**1.74**	**29.46**
Total 'A'	**1,666.73**	**195.22**	**(8.00)**	**(34.10)**	**1,819.85**	**194.71**	**143.09**	**(11.92)**	**(0.58)**	**325.30**	**1,494.55**
B. Social Facilities											
Land :											
– Free hold	0.29	–	–	–	**0.29**	–	–	–	–	**–**	**0.29**
– Lease hold	–	–	–	–	**–**	–	–	–	–	**–**	**–**
Buildings	144.39	25.05	(0.02)	34.10	**203.52**	3.28	3.90	–	0.58	**7.76**	**195.76**
Plant & Machinery	0.13	–	–	–	**0.13**	0.01	0.01	–	–	**0.02**	**0.11**
Furniture & fittings	5.85	1.95	(0.17)	–	**7.63**	0.62	0.78	(0.03)	–	**1.37**	**6.26**
Vehicles	1.00	0.58	(0.11)	–	**1.47**	0.20	0.21	–	–	**0.41**	**1.06**
Office Equipment	13.17	7.06	(0.51)	–	**19.72**	1.75	3.40	(0.09)	–	**5.06**	**14.66**
Others :											
Roads, bridges etc.	4.82	0.49	–	–	**5.31**	0.49	0.76	–	–	**1.25**	**4.06**
Cess fund quarters	6.57	–	–	–	**6.57**	0.17	0.17	–	–	**0.34**	**6.23**
Dams, Wells & Pools	0.06	–	–	–	**0.06**	–	–	–	–	**–**	**0.06**
Cess Fund Vehicles	–	–	–	–	**–**	–	–	–	–	**–**	**–**
Electrical Instaln.	2.61	0.10	–	–	**2.71**	0.27	0.32	–	–	**0.59**	**2.12**
Sanitary & W.S.Instlns.	6.07	–	–	–	**6.07**	0.23	0.24	–	–	**0.47**	**5.60**
Cess fund other assets	–	–	–	–	**–**	–	–	–	–	**–**	**–**
Total 'B'	**184.96**	**35.23**	**(0.81)**	**34.10**	**253.48**	**7.02**	**9.79**	**(0.12)**	**0.58**	**17.27**	**236.21**
Total 'A + B'	**1,851.69**	**230.45**	**(8.81)**	**–**	**2,073.33**	**201.73**	**152.88**	**(12.04)**	**–**	**342.57**	**1,730.76**

Note-2.2 : Capital Work in Progress

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Construction work in progress	**10,787.52**	8,936.39	7,051.27
Construction stores	**1.36**	1.70	2.11
Capital assets in stores awaiting installation or in transit	**58.10**	32.11	20.65
Expenditure incidental to construction awaiting allocation (See note 2.2.1)	**984.38**	752.68	644.79
Total	**11,831.36**	9,722.88	7,718.82

Movement of Capital Work in progress at note no. 2.30.7

Note-2.2.1 : Expenditure Incidental to Construction Awaiting Allocation

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
a. Opening balance	**752.68**	644.79	489.25
b. Net Expenditure incurred during the year			
Consumption of stores and spares	**23.13**	0.15	0.06
Employee benefit expense :			
Salaries, wages & bonus	**44.64**	42.98	24.76
Contribution to Provident fund, EPS, DLI	**3.23**	2.79	4.11
Contribution to Pension fund	**0.15**	0.14	–
Contribution to Gratuity fund	**11.65**	2.85	1.62
Staff welfare expenses	**12.80**	5.50	5.10
Power, electricity & water	**28.21**	14.40	10.11
Repairs and maintenance	**25.17**	1.46	2.21
Depreciation and amortisation	**16.78**	18.75	30.05
Other expenses :			
Rent, insurance, rates and taxes	**1.16**	0.24	0.09
Payment to auditors : As auditors	**0.04**	0.03	0.03
Payment to auditors : For other services	**0.02**	0.03	0.02
Reimbursement of expenses	**0.03**	0.01	–
Travelling and conveyance expenses	**1.56**	1.90	1.87
Consultancy expenditure	**51.94**	54.55	64.61
CISF/Security expenditure	**2.33**	1.54	1.12
Environmental development	**2.27**	–	–
Other expenditure	**29.11**	20.27	13.01
Excise duty	**1.64**	–	–
	255.86	167.59	158.77
Less : Recoveries/Income			
Interest Received	**0.49**	–	–
Other income	**2.01**	(3.52)	3.23
Stock of finished goods (Pellet)	**14.81**	–	–
Income from sale of Pellets	**6.85**	–	–
Total (b)	**231.70**	171.11	155.54
Sub-Total (a+b)	**984.38**	815.90	644.79
Less : Amount allocated to Fixed assets/Capital W I P	**–**	63.22	–
Total	**984.38**	752.68	644.79

Note-2.3 : Intangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK		AMORTISATION BLOCK			NET BLOCK
	As at 1st April, 2015 (Deemed Cost)	Additions during the year	**As at 31st March 2016**	For the year	**Upto 31st March 2016**	**As at 31st March 2016**
GENERAL						
Computer software	2.56	0.22	**2.78**	1.24	**1.24**	**1.54**
Mining rights	87.99	228.52	**316.51**	49.56	**49.56**	**266.95**
Total	**90.55**	**228.74**	**319.29**	**50.80**	**50.80**	**268.49**

Note-2.3 : Intangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK			AMORTISATION BLOCK			NET BLOCK
	As at 1st April, 2016	Additions during the year	**As at 31st March 2017**	Upto 1st April 2016	For the year	**Upto 31st March 2017**	**As at 31st March 2017**
GENERAL							
Computer software	2.78	0.72	**3.50**	1.24	1.32	**2.56**	**0.94**
Mining rights	316.51	12.92	**329.43**	49.56	58.76	**108.32**	**221.11**
Total	**319.29**	**13.64**	**332.93**	**50.80**	**60.08**	**110.88**	**222.05**

Additional notes to 2.1 & 2.3 : PPE (Property Plant and Equipment) 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 31-03-2017.

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 (Miming 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	**2016-17**	2015-16
2.1	Depreciation on PPE	**152.88**	184.55
2.3	Amortisation of Intangible Assets	**60.08**	50.80
	Total	**212.96**	235.35
2.2.1	Transferred to IEDC	**(-)16.78**	(-)18.75
Depreciation and amortisation as per Statement of Profit and Loss		**196.18**	216.60

Note-2.4.1 : Investments

(Rs. in Crore)

Particulars	Figures as at end of 31-March-2017	Figures as at end of 31-March-2016	Figures as at 1-April-2015
In Equity Shares:			
Investments in subsidiary companies carried at cost:			
Trade & quoted at cost:			
i) 115,34,50,796 (Previous year 115,34,50,796) Equity shares fully paid up in Legacy Iron Ore Ltd. Australia, No Face value in Australia	**168.53**	168.53	168.53
Trade & Unquoted at cost:			
i) 28,51,002 (previous Year 28,51,002) Equity shares) of Rs.100/- each fully paid-up in subsidiary company J&KMDC Ltd. Jammu	**28.51**	28.51	3.51
Less : Investment deration	**28.51**	–	–
	–	28.51	3.51
ii) 41,85,590 (previous Year 41,85,590) Equity shares) of FMG 2500/- each fully paid up in wholly owned subsidiary company NMDC SARL, Madagaskar	**7.20**	7.20	7.20
Less : Investment deration	**7.20**	7.20	7.20
	–	–	–
iii) 5,50,000 (Previous Year 5,50,000) Equity shares of Rs.10/- each fully paid up in NMDC Power Ltd.	**0.55**	0.55	0.05
iv) 10,000 (previous year 10,000) equity shares of Rs.10/- each in NMDC Steel Limited (NSL)	**0.01**	0.01	0.01
v) 10,000 (previous year 10,000) equity shares of Rs.10/- each in Karnataka Vijaynagar Steel (KVSL)	**0.01**	0.01	0.01
vi) 10,000 (previous year 10,000) equity shares of Rs.10/- each in Jharkhand Kolhan Steel Limited (JKSL)	**0.01**	0.01	–
Investment in Joint Ventures :			
Trade and unquoted at cost			
i) 3,58,32,090 (Previous Year 3,58,32,090) Equity shares of Rs.10/- each fully paid up in NMDC CMDC Ltd.	**35.83**	35.83	35.83
ii) 6,000 (Previous year 6,000) equity shares of Rs.10/- each in Jharkhand National Mineral Development Corporation Ltd. (JNMDC)	**0.01**	0.01	0.01
iii) 50 (Previous year 50) equity shares of South African Rand 1/- each fully paid in Kopano-NMDC minerals (Proprietary) Limited (Rs.324/- only)	**–**	–	–
iv) 19,56,500 (previous year Nil) equity shares of Rs.10/- each in Bastar Railway Pvt. Ltd. (BRPL)	**1.96**	–	–
v) 25,500 (previous year Nil) equity shares of Rs.10/- each in NMDC-SAIL Ltd.	**0.03**	–	–

Note-2.4.1 : Investments (Contd...)

(Rs. in Crore)

Particulars	Figures as at end of 31-March-2017	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Investments in Associates :			
Trade and unquoted at cost			
i) 105,000 (previous year 105,000) Equity shares of Rs.10/- each fully paid up in Romelt SAIL India Ltd. New Delhi	**0.11**	0.11	0.11
Less : Deration	**0.11**	0.11	0.11
	–	–	–
ii) 33,63,57,143 (Previous year 28,13,57,143) Equity shares of Rs.10/- each fully paid in International Coal Ventures (P) Ltd.	**336.36**	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	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	100.60
Advance against equity for Trade and unquoted Investments in Associates:			
i) 4,00,00,000 (Previous year 3,99,70,000) equity shares of Rs.10/- each in International Coal Ventures (P) Ltd fully paid, pending issue of shares	**40.00**	39.97	85.50
ii) 30,49,146 (Previous year Nil) equity shares of Rs.10/- each in NMDC CMDC Limited fully paid, pending issue of shares	**3.05**	–	–
iii) 13,000 (Previous year Nil) equity shares of Rs.10/- each in Chhattisgarh Mega Steel Limited fully paid, pending issue of shares	**0.01**	–	–
Non-trade and unquoted shares in co-operative societies			
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	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	0.02
Total	**726.98**	695.41	561.93
1. Aggregate amount of Quoted Investments	**168.53**	168.53	168.53
(Market value of quoted Investments)	**28.59**	35.28	32.70
2. Aggregate amount of Unquoted Investments	**594.27**	534.19	400.71
3. Aggregate amount of provision for diminution in value of investments:	**35.82**	7.31	7.31

Note-2.4.2 : Loans

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Loans to employees and outsiders	**18.18**	17.74	16.98
Deposit with Others	**74.30**	68.47	67.32
Total	**92.48**	86.21	84.30
Secured, considered good	**18.18**	17.74	16.98
Unsecured, considered good	**74.30**	68.47	67.32
Doubtful	**–**	–	–

Note: With respect to the accounting policy note no. 1. (b) ii, the long term Loans & advances to employees was to be measured at amortised cost. The same was carried out and considering the materiality, is not included.

Note-2.5 : Deferred tax assets (Net)

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
A. Deferred tax assets :			
1. Provision for bad and doubtful debts and advances	**484.66**	386.56	278.62
2. Provision for post retirement medical benefits	**–**	4.77	4.68
3. Asset retirement obligation and spares	**0.84**	0.84	0.32
4. Accrued expenses	**91.98**	0.01	(11.89)
5. Misc. Expenses	**9.87**	0.06	0.07
Total Deferred tax assets	**587.35**	392.24	271.80
B. Deferred tax liabilities :			
1. Related to PPE	**(133.99)**	(129.07)	(93.92)
Total Deferred tax Liabilities	**(133.99)**	(129.07)	(93.92)
Net Deferred Tax Assets	**453.36**	263.17	177.88

Note-2.6 : Other Non-Current Assets

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Capital Advances	**471.62**	363.73	522.68
Cenvat Credit Receivables	**880.25**	310.38	208.13
Mines Closure Fund with Life Insurance Corporation	**353.89**	324.97	299.51
Other Advances	**354.36**	221.61	1,135.86
Total	**2,060.12**	1,220.69	2,166.18

Note-2.7 : I Inventories

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Raw materials	**0.51**	12.00	11.54
Work-in-Process :			
Diamonds	**8.46**	12.69	16.73
Sponge Iron	**0.35**	1.25	0.69
Total W-I-P	**8.81**	13.94	17.42
Finished Goods:			
Iron Ore	**367.45**	463.35	514.88
Sponge Iron	**0.59**	5.36	9.81
Pellets	**14.81**	–	–
Diamonds & Precious Stones	**32.94**	26.02	27.19
Total Finished Goods	**415.79**	494.73	551.88
Generated Iron ore fines at Sponge Iron Unit	**0.42**	0.23	0.53
Inventories are valued at cost or NRV whichever is lower			
Total	**425.53**	520.90	581.37

Note-2.7 : II Inventories

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Stores & Spares	**114.19**	100.85	101.03
Loose tools and Implements	**0.32**	0.30	0.33
Total	**114.51**	101.15	101.36
G. Total	**540.04**	622.05	682.73
1. Stores and Spares include:			
a) Stores-in-transit	**3.68**	3.99	15.48
b) Obsolete stores & spares valued at Re.1/- per unit of their original value of Rs.3.99 crore (Rs.3.4 crore as on 2015-16 and Rs.4.07 crore as on 2014-15)	**0.03**	0.03	0.03

Note-2.8.1 : Trade Receivables

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Trade receivables outstanding for a period exceeding six months from the due date of payment	**1,237.04**	1,104.09	938.29
Other trade receivables	**1,179.18**	807.75	829.24
	2,416.22	1,911.84	1,767.53
Less : Loss allowances	**(1,372.70)**	(1,115.77)	(819.71)
Total	**1,043.52**	796.07	947.82
Break-up security details			
i) Secured, Considered good	**–**	–	–
ii) Unsecured considered good	**1,043.52**	796.07	947.82
iii) Doubtful	**1,372.70**	1,115.77	819.71

Trade Receivables includes Rs.1,866.35 Crore (Previous year Rs.1,411.56 Crore) dues from Monitoring Committee.

Note-2.8.2 : Cash and Cash Equivalents

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Cash on hand	**0.01**	0.07	0.09
Balance with Banks			
On Current Accounts	**32.65**	34.40	88.60
On Deposit Accounts (Original Maturity less than 3 months)	**–**	–	100.00
Earmarked Balances	**37.72**	–	–
Total	**70.38**	34.47	188.69

Note-2.8.3 : Bank Balances Other Than (ii) above

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Balances with banks on Deposits accounts (Original Maturity more than 3 months but less than one year)	**4,810.63**	10,932.90	16,312.73
Balances with banks for Unpaid Dividend	**3.47**	121.21	1.45
Bank deposits offered as security for Bank guarantees and letter of credit	**404.80**	3,674.99	1,940.27
Total	**5,218.90**	14,729.10	18,254.45

Note-2.8.4 : Other Financial Assets

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Related Parties:			
Advances to Directors	**–**	–	0.01
Advances to Subsidiaries	**657.05**	673.87	35.33
Less : Provision	**13.86**	–	–
	643.19	673.87	35.33
Employees and outsiders	**107.38**	104.11	171.62
Interest Accrued:			
Accrued interest on deposits with banks	**157.15**	740.04	900.82
Accrued interest on Other	**4.80**	–	106.56
Other Receivables	**11.30**	6.40	11.27
Total	**923.82**	1,524.42	1,225.61

Note-2.9 : Current Tax Assets (Net)

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Advance Income Tax & TDS	**7,427.33**	9,132.55	10,490.35
Less : Provision	**6,863.01**	8,263.16	9,869.45
Total	**564.32**	869.39	620.90

Note-2.10 : Other Current Assets

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Advances to suppliers, contractors	**182.05**	190.49	187.77
Less : Provision for bad and doubtful advances	**2.71**	1.79	1.56
Total	**179.34**	188.70	186.21

Note-2.11 : Assets Held for Disposal

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Assets held for disposal (*)	**44.63**	0.35	0.37
Total	**44.63**	0.35	0.37

(*) Includes an amount of Rs.44.25 Crore towards registration & stamp duty charges on grant of Mining Lease of Bailadila Iron Ore Deposit-13 in favour of NMDC Limited to be transferred to NMDC CMDC Limited, a joint venture of NMDC Limited at cost.

Note-2.12 : Equity Share Capital

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Authorised:			
400,00,00,000 Equity Shares of Re.1/- each (Previous year 400,00,00,000 Equity Shares of Re.1/- each)	**400.00**	400.00	400.00
Issued, Subscribed & Paid up:			
Opening Balance	**396.47**	396.47	396.47
(3,96,47,16,000 Equity shares of Re.1/- each fully paid up)			
Add : issue of shares during the year	**–**	–	–
Less : Repurchase of shares during the year (80,08,25,526 Equity shares of Re.1/- each fully paid up)	**80.08**	–	–
Total	**316.39**	396.47	396.47

Addl. Notes :

1) No new shares were issued during the current year.

2) Board of Directors of the Company in its meeting held on 7th June 2016 approved buyback of 80,08,25,526 equity shares @ Rs.94/- for an aggregate consideration of Rs.7,527.76 Crore. The buyback offer of shares was closed on 30th September 2016 and the process for buyback was been completed on 10th October 2016. The buyback offer was fully subscribed.

3) Terms/Rights attached to equity shares :"The Company has only one class of equity shares having par value of Rs.1/- each and each holder of equity shares is entitled to one vote per share.

4) The details of shares in the company held by each shareholder holding more than 5% shares :

Name of the Share holder	**31-Mar-2017**		**31-Mar-2016**		**31-Mar-2015**	
	% of share Holding	**Number of shares**	**% of share Holding**	**Number of shares**	**% of share Holding**	**Number of shares**
i) President of India	74.94	2,371,126,192	80	3,171,946,300	80	3,171,946,300
ii) LIC of India (incl all schemes)	12.32	389,938,677	9.63	381,661,465	8.52	337,787,162

Note-2.14 : Provisions (Non-Current)

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Employee Benefits :			
Long Service Reward	**20.05**	20.96	10.60
Mine closure Obligation	**591.15**	332.49	302.73
Total	**611.20**	353.45	313.33

Note-2.15.1 : Borrowings

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Loan against FDs	**–**	1,496.95	–
Total	**–**	1,496.95	–

Note-2.15.2 : Trade Payables

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Total outstanding dues of micro and small enterprises	**1.00**	0.31	0.19
Other than micro and small enterprises	**197.78**	324.11	226.05
Total	**198.78**	324.42	226.24

Disclosure Relating to Micro and Small Enterprises

i) (a) The principal amount remaining unpaid to the supplier as at the end of the year	1.00	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	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	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	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	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	Nil

Note-2.15.3 : Other Financial Liabilities

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Unpaid Dividend	**3.47**	2.30	1.45
Deposits from Suppliers, Contractors	**124.06**	114.09	105.64
Capital Creditors	**770.73**	462.70	565.06
Other financial Liabilities	**332.20**	380.53	295.24
Total	**1,230.46**	959.62	967.39

Note-2.16 : Other Current Liabilities

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Advances from customers	**102.61**	116.04	111.42
Other Payables	**206.05**	28.48	14.37
(like withholding and other taxes payable, amounts payable to employees and others)			
Statutory Dues	**527.99**	205.53	141.39
Total	**836.65**	350.05	267.18

Note-2.17 : Provisions

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Employee Benefits :			
Long Service Reward	**2.20**	2.10	1.54
Provision for gratuity, leave salary, family benefit scheme and post employment medical benefits.	**301.88**	65.40	59.67
Provisions for de-commissioning liability	**1.95**	1.78	1.64
Total	**306.03**	69.28	62.85

Note-2.18 : Revenue from Operations

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Sale of Products :		
Iron ore :		
Export through MMTC	**904.75**	352.80
Domestic		
Basic Price	**6,431.78**	5,069.38
Royalty	**999.44**	781.98
Development Cess	**30.40**	21.37
Forest Permit Fee	**30.40**	20.05
Forest Development Fee	**110.28**	–
District Mineral Fund (DMF)	**189.15**	76.35
National Mineral Exploration Trust (NMET)	**12.70**	6.00
Total Domestic Sales	**7,804.15**	5,975.13
Total Iron Ore Sales	**8,708.90**	6,327.93
Sponge Iron	**13.13**	13.14
Diamonds	**41.91**	52.61
	8,763.94	6,393.68
Sale of Power	**7.48**	6.30
Sale of Services	**57.84**	55.51
Other operating revenue	**0.38**	1.78
Total	**8,829.64**	6,457.27

Note-2.19 : Other Income

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Interest Income:		
Deposits with Banks	**720.30**	1,601.71
Others	**77.36**	91.91
	797.66	1,693.62
Profit on sale/adjustment of assets	**1.33**	1.22
Other non operating income	**109.82**	114.41
Total	**908.81**	1,809.25

Note-2.20 : Consumption of Raw Materials

(Rs. in Crore)

Particulars	**For the Year Ended 31-March-2017**	For the Year Ended 31-March-2016
Iron ore	**1.21**	5.70
Coal	**4.00**	3.93
Lime Stone	**0.04**	0.05
Internal handling of raw materials	**0.12**	0.05
Total	**5.37**	9.73

Note-2.21 : Changes in Inventories of Finished Goods and Work in Progress

(Rs. in Crore)

Particulars	**For the Year Ended 31-March-2017**	For the Year Ended 31-March-2016
Work-in-process:		
Balance as at the beginning of the Year	**13.94**	17.42
Less : Balance as at close of the Year	**8.81**	13.94
	5.13	3.48
Finished Goods:		
Balance as at the beginning of the Year	**494.72**	554.36
Less : Balance as at close of the Year	**400.98**	494.72
	93.74	59.64
Total	**98.87**	63.12

Note-2.22 : Employee Benefit Expense

(Rs. in Crore)

Particulars	**For the Year Ended 31-March-2017**	For the Year Ended 31-March-2016
Salaries, Wages & Bonus	**576.53**	471.92
Contribution to Provident fund and other funds		
Provident Fund, FPS & DLI	**42.97**	37.15
Pension Fund	**26.28**	23.91
Group Gratuity Fund	**127.62**	18.98
Staff Welfare Expenses	**112.18**	94.22
Total	**885.58**	646.18

Note-2.23 : Power, Electricity and Water Charges

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Power charges	**68.81**	51.76
Electricity charges	**16.94**	14.44
Water charges	**1.85**	1.47
Total	**87.60**	67.67

Note-2.24 : Repairs & Maintenance

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Buildings	**19.14**	28.11
Plant and machinery	**31.54**	35.91
Vehicles	**0.70**	0.69
Others	**60.84**	54.55
Total	**112.22**	119.26

Note-2.25 : Selling Expense

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Railway freight	**349.34**	271.53
Export duty	**92.64**	36.53
Infrastructure development cess	**17.31**	11.69
Environmental development cess	**17.31**	11.69
Other selling expenses	**249.33**	85.68
Total	**725.93**	417.12

Note-2.26 : Finance Cost

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
i) Interest on short term borrowings	**5.38**	14.17
ii) Interest - others	**15.22**	51.27
iii) Interest on deposit from contractors, suppliers & others	**0.16**	0.15
Total	**20.76**	65.59

"Interest on short term borrowing is for meeting working capital requirement".

Note-2.27 : Other Expenses

(Rs. in Crore)

Particulars	**For the Year Ended 31-March-2017**	For the Year Ended 31-March-2016
Rent	**3.85**	3.19
Insurance	**6.46**	7.31
Rates & taxes	**7.96**	7.58
Directors' travelling expenses	**2.10**	2.71
Director's sitting fees	**0.33**	0.32
Payment to Auditors:		
As audit fee	**0.26**	0.22
For taxation matters	**0.02**	0.01
For other services	**0.36**	0.17
For reimbursement of expenses	**0.18**	0.13
Loss on sale/adjustment of assets	**0.37**	2.51
Miscellaneous losses written off	**0.29**	1.33
Provision for doubtful debts/advances	**301.46**	296.51
Mine closure obligation	**258.50**	29.76
Raising and transportation	**84.22**	85.04
Local area development (Towards SPV in Karnataka)	**244.96**	197.26
Entertainment	**0.86**	1.17
Donations	**–**	0.15
Travelling & conveyance	**26.26**	28.59
Advertisement & publicity	**7.65**	15.09
Postage, telephone & telex	**3.47**	3.09
Stationery & printing	**2.64**	3.09
Consultancy charges	**10.85**	6.49
CISF/Security guards	**125.21**	95.04
Safety expenses	**1.33**	1.24
Corporate social responsibility	**174.18**	210.09
Loss in exchange variation (net)	**0.05**	0.76
Environmental development	**45.21**	16.19
Other expenses	**36.19**	42.84
Expenditure on enabling facilities	**176.72**	166.44
Total	**1,521.94**	1,224.32

Note-2.28 : Exceptional Items

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Income:		
DMF (from customers) 12/01/2015 to 16/09/2015	–	54.74
&		
NMET (from customers) 12/01/2015 to 13/08/2015	–	3.35
	–	58.09
Less		
Expenditure		
DMF (to Govt) 12/01/2015 to 16/09/2015	–	228.77
&		
NMET (to Govt) 12/01/2015 to 13/08/2015	–	14.10
	–	242.87
Total Expenditure	–	184.78

Note-2.29 : Tax Expenses

RECONCILIATION OF EFFECTIVE TAX RATE AND STATUTORY TAX RATE AS ON 31.03.2017

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017
CURRENT TAX	
Current tax on profit for the year	**1,584.44**
Adj. of current tax for prior period	**274.05**
Total current tax expenses	**1,858.49**
DEFERRED TAX	
Decrease/(increase) in deferred tax assets	**(202.21)**
(decrease)/increase in deferred tax liabilities	**12.01**
Total deferred tax expenses/(benefit)	**(190.20)**
Total Tax Expenses	**1,668.29**

Particulars	**Amount Rs. in Crore**	**Tax Rs. in Crore**	**Tax %**
Accounting profit before tax from continuing operations	4,293.68		
Profit/(loss) before tax from discontinued operations	(0.76)		
Accounting profit before income tax	4,292.92		
Income tax rate			
Tax at Income tax rate		1,485.70	34.608
Tax effect of amount not deductible in calculating taxable income			
Weighted deduction on R&D exp.	(21.98)	(7.61)	(0.177)
CSR exp.	174.18	60.28	1.404
Prov. For bad & doubtful exp.	270.80	93.72	2.183
Change in Depreciation	(38.40)	(13.29)	(0.310)
Provision for deration of inv. and advance	42.37	14.66	0.342
Investment allowance	(20.45)	(7.08)	(0.165)
Other items	(121.20)	(41.94)	(0.977)
Taxable Income	**4,578.25**	**1,584.44**	**36.908**

Note-2.30 : Additional Information

(Rs. in Crore)

	For the year ended 31-March-2017		For the year ended 31-March-2016		For the year ended 1-April-2015	
2.30.1. Value of imports calculated on CIF basis:						
i. Components & Spare parts		**16.82**		14.13		11.4
ii. Capital Goods		**169.77**		218.81		215.24
2.30.2. Expenditure in foreign currency:						
i. Consultancy charges		**–**		1.91		1.91
ii. Others		**10.41**		6.69		11.9
2.30.3. Particulars of consumption of raw material						
Raw material	**Value**	**Percentage**	Value	Percentage	Value	Percentage
a) Imported	**–**	**–**	–	–	–	–
b) Indigenous	**5**	**100**	9.73	100	27.67	100
	5	**100**	9.73	100	27.67	100
2.30.4. Particulars of consumption of Stores & spares:						
Components & spare parts (including consumable stores)	**Value**	**Percentage**	Value	Percentage	Value	Percentage
a) Imported	**18.41**	**6.97**	30.43	11.04	36.22	11.31
b) Indigenous	**245.67**	**93.03**	245.18	88.96	283.95	88.69
	264.08	**100**	275.61	100	320.17	100
2.30.5. Foreign Exchange earnings :						

Note-2.30.1 : Details of Specified Bank Notes (SBN) held and Transacted during the period from 8th November 2016 to 30th December 2016

(In Rupees)

Particulars	SBN	Other denomination notes	Total
Closing balance as on 8th November 2016	564,500	27,578	592,078
Add : Withdrawals from Bank Accounts	–	310,000	310,000
Add : Permitted Receipts	20,500	1,034,954	1,055,454
Less : Permitted Payments	–	985,380	985,380
Less : amount Deposited in Bank	585,000	226,110	811,110
Closing cash in hand as on 30th Dec 2016			161,042

Note-2.30.2 : Movement of Capital Work in progress

(Rs. in Crore)

Particulars	Construction Work in Progress	Construction Stores	Capital asset in stores awaiting installation or in transit	Expenditure Incidental to construction awaiting allocation	Total
Year ended 31 March 2016					
Gross carrying amount					
Deemed cost as at 1 April 2015	7,051.27	2.11	20.65	644.79	7,718.82
Additions	2,470.07	–	43.65	171.14	2,684.86
Disposals/Capitalisation to PPE	584.94	0.41	32.19	63.26	680.80
Closing gross carrying amount	**8,936.40**	**1.70**	**32.11**	**752.67**	**9,722.88**
Accumulated amortisation					
Amortisation charge during the year	–	–	–	–	–
Closing accumulated amortisation	**–**	**–**	**–**	**–**	**–**
Closing net carrying amount	**8,936.40**	**1.70**	**32.11**	**752.67**	**9,722.88**
Year ended 31 March 2017					
Gross carrying amount					
Opening gross carrying amount	8,936.40	1.70	32.11	752.67	9,722.88
Additions	1,985.53	–	80.95	231.70	2,298.18
Disposals/Capitalisation to PPE	134.40	0.34	54.96	–	189.70
Closing gross carrying amount	**10,787.53**	**1.36**	**58.10**	**984.37**	**11,831.36**
Accumulated amortisation					
Amortisation charge during the year					
Closing accumulated amortisation	**–**	**–**	**–**	**–**	**–**
Closing net carrying amount	**10,787.53**	**1.36**	**58.10**	**984.37**	**11,831.36**

Note-2.31 : Contingent liabilities and Commitments (to the extent not provided for)

A. Contingent liabilities

(Rs. in Crore)

	Particulars	**As at 31-MAR-17**	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.	**1,877.28**	2,114.94	462.29
B	Claims by contractors under arbitration			
i.	On capital account	**173.30**	–	–
ii.	On revenue account	**–**	0.16	0.16
C	Other claims on company not acknowledged as debts	**85.08**	88.44	221.79
1.2	**Contingent liability on bills discounted/ LCs/BG's**	**588.71**	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-MAR17**	As at 31-MAR-16	As at 31-MAR-15
1.1	Estimated amount of contracts remaining to be executed on Capital account	**7,887.01**	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 Hon'ble High Court and pending its decision, the amount of demands Rs 1207.14 Crore (Previous year Rs.1,652.54 Crore including interest) is included under contingent liability.

1.4: Disputed claims under' Karnataka Forest Act:

Government of Karnataka had introduced Forest Development Tax (FDT), to pay @ 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 claims -taxes etc., 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.

Meanwhile Karnataka State Govt had enacted 'Karnataka Forest (Amendment) Act 2016 vide Gazette notification dated 27.07.2016 . The amendment substituted the word 'Tax' in the principal act to 'Fee' wef 16th day of Aug 2008. Based on this the Monitoring Committee had started billing the Forest Development Fee in its invoices. Meanwhile consumers in Karnataka had filed separate Writ petitions in Hon'ble High Court of Karnataka on the above. Karnataka High Court vide its order dated 20th Sept 2016, had ordered that State Govt may restrain from collecting FDF during the pendency of the writ petition subject to the condition of furnishing the bank guarantee in respect of 25% of the demand in relation to future transactions. Karnataka State Govt had approached Hon'ble Supreme Court on this. Hon'ble Supreme Court vide its order dated 13.02.2017 had modified the order of Hon'ble High Court of Karnataka and ordered for payment of 50% of the demanded amount and furnish bond for balance amount.

The amount billed by the Monitoring Committee amounting to Rs.110.28 Crore towards newly introduced FDF has been accounted under Sales revenue. With regard to the earlier amounts the amount of Rs.243.69 Crore was included under disputed claims 1.1A. Since Rs.121.84 Crore paid was accounted under 'Loans and Advances', the same is now added to disputed claims under 1.1A totalling to Rs.365.53 Crore. The amount of Rs.121.84 Crore for which BG was given the same is included under 'Contingent Liability on BG's' at 1.2.

Note-2.32 : Mining Issues at Donimalai Complex in Karnataka:

The Monitoring Committee has retained 10% of sale proceeds for the period from 04/10/2011 to 31/03/2017 amounting to Rs.1,350 Crore (previous year Rs.1,105.05 Crore) pending finalisation of R&R plan. The amount is included under "Trade Receivables".

The Rehabilitation and Reclamation (R&R) plan prepared by ICFRE and submitted to Central Empowered Committee appointed by the Hon'ble Supreme Court of India was considered and approved. However the Monitoring Committee has not yet released the balance payment as the issue is still pending with the Hon'ble Supreme Court of India.

Based on the subsequent events, Company has reviewed the reasonability of realization of the 10% of the sales proceeds considered under the trade receivables from Monitoring Committee and under Ind AS 109, has provided for 100% of the said amount.

Interest on Outstanding Dues: As per the direction of Hon'ble Supreme Court, Monitoring Committee initially was to pay interest at the rate of 6% on the outstanding dues. However, Monitoring Committee vide its letter dt. 20.01.16 informed that it reduced the interest rate from 6% to 3% which is applicable retrospectively. Accordingly, the Company made reversal of Rs.47.66 Crore towards reduction in interest rate in the books. Thereby the total interest income receivable from Monitoring Committee as on 31.3.2017 is Rs.42.35 Crore which is included other financial assets.

Note-2.33 : Disclosure Under Accounting Standards

2.33.1 Employee Benefits as per Ind-AS 19

GENERAL DESCRIPTION OF DEFINED/CONTRIBUTORY 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 2017.

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						
1st April 2015						
Present value of obligation at the beginning of the year	176.84	93.62	24.29	225.44	18.71	13.38
Interest cost	14.15	7.49	1.94	20.29	–	–
Current service cost	4.68	15.45	0.81	25.63	–	–
Past service cost	–	–	–	–	–	–
Benefits paid/payable	(24.51)	(8.27)	(1.25)	(19.58)	(4.07)	–
Actuarial gain/loss on obligation	6.43	1.14	(1.33)	17.37	10.05	(1.25)
Present value of obligation at the end of the period	**177.59**	**109.43**	**24.46**	**269.15**	**24.69**	**12.13**
31st March 2016						
Present value of obligation at the beginning of the year	177.59	109.43	24.46	269.15	24.69	12.13
Interest cost	14.21	8.75	–	20.99	–	–
Current service cost	4.97	24.03	–	23.33	–	–
Past service cost	–	–	–	–	–	–
Benefits paid/payable	(25.35)	(12.61)	(1.21)	(21.91)	(5.29)	(2.10)
Actuarial gain/loss on obligation	15.42	(23.04)	(5.94)	13.30	8.48	13.03
Present value of obligation at the end of the period	**186.84**	**106.56**	**17.31**	**304.86**	**27.88**	**23.06**
31st March 2017						
Present value of obligation at the beginning of the year	186.84	106.56	17.31	304.86	27.88	23.06
Interest cost	14.95	8.53	–	24.08	–	–
Current service cost	135.76	47.12	–	22.22	–	–
Past service cost	–	–	–	–	–	–
Benefits paid/payable	(20.60)	(5.64)	(0.88)	(28.94)	(6.89)	(1.19)
Actuarial gain/loss on obligation	4.70	(2.89)	0.08	88.63	10.31	0.18
Present value of obligation at the end of the period	**321.65**	**153.68**	**16.51**	**410.85**	**31.30**	**22.05**
B. Changes in the fair value of the Plan Assets as on						
1st April 2015						
Fair value of plan assets at the beginning of the year	185.50	103.12	29.17	184.09	14.79	–
Expected return on plan assets	16.05	9.46	2.70	18.90	2.31	–
Contributions	0.15	0.03	–	40.89	4.11	–
Benefits paid/payable	(24.51)	(8.27)	(1.25)	(19.58)	(4.07)	–
Actuarial gain/loss on plan assets	(0.57)	(0.36)	(0.09)	–	(0.19)	–
Fair value of plan assets at the end of the period	**176.62**	**103.98**	**30.53**	**224.30**	**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
31st March 2016						
Fair value of plan assets at the beginning of the year	176.62	103.98	30.53	224.30	16.95	–
Expected return on plan assets	14.26	9.14	2.72	20.29	2.30	–
Contributions	0.13	5.45	0.05	41.22	7.74	–
Benefits paid/payable	(25.35)	(12.61)	(1.21)	(21.91)	(5.29)	–
Actuarial gain/loss on plan assets	0.01	4.53	0.33	0.01	(0.01)	–
Fair value of plan assets at the end of the period	**165.67**	**110.49**	**32.42**	**263.91**	**21.69**	**–**
31st March 2017						
Fair value of plan assets at the beginning of the year	165.67	110.49	32.42	263.91	21.69	–
Expected return on plan assets	13.25	9.31	2.81	20.71	6.89	–
Contributions	21.17	–	–	40.95	9.92	–
Benefits paid/payable	(19.89)	(6.88)	(0.88)	(28.94)	(6.89)	–
Actuarial gain/loss on plan assets	1.39	0.13	0.22	3.42	(3.73)	–
Fair value of plan assets at the end of the period	**181.59**	**113.05**	**34.57**	**300.05**	**27.88**	**–**
C. Amounts recognised in the Balance sheet as on						
1st April 2015						
Present value of the obligations at the end of the year	177.59	109.43	24.46	269.15	24.69	12.13
Fair value of plan assets at the end of the year	176.62	103.98	30.53	224.30	16.95	–
Liability(+)/Asset (-) recognised in the balance sheet	**0.97**	**5.45**	**(6.07)**	**44.85**	**7.74**	**12.13**
31st March 2016						
Present value of the obligations at the end of the year	186.84	106.56	17.31	304.86	27.88	23.06
Fair value of plan assets at the end of the year	165.67	110.49	32.42	263.91	21.69	–
Liability(+)/Asset (-) recognised in the balance sheet	**21.17**	**(3.93)**	**(15.11)**	**40.95**	**6.19**	**23.06**
31st March 2017						
Present value of the obligations at the end of the year	321.65	153.68	16.51	410.85	31.30	22.05
Fair value of plan assets at the end of the year	181.59	113.05	34.57	300.05	27.88	–
Liability(+)/Asset (-) recognised in the balance sheet	**140.06**	**40.63**	**(18.06)**	**110.80**	**3.42**	**22.05**

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
D. Amounts recognised in the Statement of P&L for the period ended						
1st April 2015						
Current service cost	4.68	15.45	0.81	25.63	–	–
Past service cost	–	–	–	–	–	–
Interest cost	14.15	7.49	1.94	20.29	–	–
Expected return on plan assets	(16.05)	(9.46)	(2.70)	(18.90)	(2.31)	–
Net acturarial gain/loss recognised in the year	7.00	1.50	(1.24)	17.37	10.24	(1.25)
Expenses recognised in Statement of Profit and Loss	**9.78**	**14.98**	**(1.19)**	**44.39**	**7.93**	**(1.25)**
31st March 2016						
Current service cost	4.97	24.03	–	23.33	–	–
Past service cost	–	–	–	–	–	–
Interest cost	14.21	8.75	–	20.99	–	–
Expected return on plan assets	(14.26)	(9.14)	(2.72)	(20.29)	(2.30)	–
Net acturarial gain/loss recognised in the year	15.41	(27.57)	(6.27)	13.29	8.49	13.03
Expenses recognised in Statement of Profit and Loss	**20.33**	**(3.93)**	**(8.99)**	**37.32**	**6.19**	**13.03**
31st March 2017						
Current service cost	135.76	47.12	–	22.22	–	–
Past service cost	–	–	–	–	–	–
Interest cost	14.95	8.53	–	24.08	–	–
Expected return on plan assets	(13.25)	(9.31)	(2.81)	(20.71)	(6.89)	–
Net acturarial gain/loss recognised in the year	3.31	(3.02)	(0.14)	85.21	14.04	0.18
Expenses recognised in Statement of Profit and Loss	**140.77**	**43.32**	**(2.95)**	**110.80**	**7.15**	**0.18**

E. Principal Actuarial Assumptions:

DESCRIPTION		**2016-17**	2015-16
i.	Discount Rate	**7.35%**	8.00%
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%**	6.50%

i) The discount rate adopted above is based on market yields at the balance sheet date on government bonds.
ii) In line with the report of the 3rd Pay Revision Committee, the ceiling of gratuity enhanced from Rs.10 lakhs to Rs.20 lakhs for provision of gratuity.

F. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :

a) Gratuity

(Rs. in Crore)

	1% Increase 31/3/2017	1% Decrease 31/3/2017
A Effect of 1% Change in the Assumed Discount Rate	299.20	347.55
1. Effect on DBO	(6.98)	8.05
A Effect of 1% Change in the Assumed Salary Rate	342.03	301.38
2. Effect on DBO	6.34	(6.30)
A Effect of 1% Change in the Assumed Attrition Rate	341.41	299.68
3. Effect on DBO	6.14	(6.83)

b) Post Retirement Medical Facilities

(Rs. in Crore)

	1% Increase 31/3/2017	1% Decrease 31/3/2017
A Effect of 1% Change in the Assumed Discount Rate	375.64	452.27
1. Effect on DBO	(8.57)	10.08
A Effect of 1% Change in the Assumed Salary Rate	449.63	377.61
2. Effect on DBO	9.44	(8.08)

(G) Defined benefit liability

The weighted average duration of the defined benefit obligation is 13.39 years for Leave encashment benefit, 10.70 years for gratuity scheme as on 31 March 2018. The expected maturity analysis of gratuity and compensated absenses is as under :

(Rs. in Crore)

	Less than a year	Between 2 - 5 years	between 5 -10 years	Over 10 years	Total
31 March 2017					
Gratuity scheme	24.35	83.87	80.93	132.50	321.65
Accrued leave salary	6.54	27.64	33.63	85.87	153.68
Post retirement medical benefits	29.71	126.12	169.36	85.66	410.85
Total	**60.60**	**237.63**	**283.92**	**304.03**	**886.18**

Note-2.33.2 : Segment Reporting as per Ind-AS-108

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which are the company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the company's Board reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the Company's reportable segments:

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), segment revenue and segment capital employed as included in the internal management reports that are reviewed by the board of directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Reportable Segments

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	**8,708.89**	6,327.93	**120.75**	129.34	**–**	–	**8,829.64**	6,457.27
Inter-Segment Sales	**–**	0.02	**–**	–	**–**	(0.02)	**–**	–
Total Revenue	**8,708.89**	6,327.95	**120.75**	129.34	**–**	(0.02)	**8,829.64**	6,457.27
2. RESULT								
Segment Result	**3,678.27**	3,117.55	**(41.78)**	(15.35)	**60.78**	(463.82)	**3,697.27**	2,638.37
Unallocated Corporate Exps							**(181.25)**	(148.94)
Operating Profit							**3,516.02**	2,489.43
Finance Cost							**(20.76)**	(65.58)
Interest Income							**797.66**	1,668.17
Income Taxes							**(1,703.78)**	(1,379.80)
Net Profit							**2,589.14**	2,712.22
3. OTHER INFORMATION								
Segment Assets	**5,749.69**	5,489.66	**152.88**	176.40	**19,346.13**	26,742.13	**25,248.70**	32,408.19
Segment Liabilities	**1,554.56**	1,123.15	**27.32**	15.81	**1,601.24**	2,414.81	**3,183.12**	3,553.77
Additions to assets during the year :								
Tangible Assets	**215.55**	564.05	**3.13**	1.68	**11.77**	72.13	**230.45**	637.86
Intangible Assets	**13.30**	228.69	**0.21**	0.00	**0.13**	0.05	**13.64**	228.74
Depreciation and Amortisation expenses during the year	**183.27**	203.89	**2.92**	2.97	**9.99**	9.75	**196.18**	216.60
Impairment reversal/ provided	**–**	–	**–**	–	**–**	–	**–**	–
Non-Cash expenses other than Depreciation & amortization	**270.17**	297.82	**0.01**	0.02	**31.57**	–	**301.75**	297.84

Geographical Segments

Sales Revenue by location of Customers:

(Rs. in Crore)

Revenue from External customers	Curr. Year Total	Prev. Year Total
- Domestic	**7,924.89**	6,104.47
- Export : Through MMTC	**904.75**	352.80
Total	**8,829.64**	6,457.27

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	**14,657.19**	11,975.27	**123.67**	746.04
Andhra Pradesh	**8,084.95**	18,339.13	**8.33**	21.81
Others	**2,506.56**	2,088.79	**112.09**	98.75
Total	**25,248.70**	32,403.19	**244.09**	866.60

Note-2.33.3 : Related Party Transactions

i) List of Related Parties

A. Subsidiary Companies	Country	Holding as at March 31, 2017	March 31, 2016	April, 1 2015
Legacy Iron Ore Limited	Australia	**78.56%**	78.56%	78.56%
J & K Mineral Development Corporation Limited	India	**95.86%**	95.86%	74%
NMDC Power Limited	India	**100%**	100%	100%
Karnataka Vijaynagar Steel Limited	India	**100%**	100%	100%
NMDC Steel Limited	India	**100%**	100%	100%
Jharkhand Kolhan Steel Limited	India	**100%**	100%	100%
NMDC-SARL, Madagaskar (Under closure)	Africa	**100%**	100%	100%

B. Joint Venture Companies	Country	Holdings as at March 31, 2017	March 31, 2016	April, 1 2015
Kopano-NMDC Minerals (Proprietary) Limited	South Africa	**50%**	50%	50%
Jharkhand National Mineral Development Corporation Ltd.	India	**60%**	60%	60%
NMDC-CMDC Ltd., Raipur	India	**51%**	51%	51%
NMDC-SAIL Ltd.	India	**51%**	–	–
Bastar Railway Pvt. Ltd.	India	**80.35%**	–	–

C. Associate Companies	Country	Holdings as at March 31, 2017	March 31, 2016	April, 1 2015
Romelt-Sail (India) Limited*	India	**25%**	25%	25%
International Coal Ventures (Pvt.) Ltd.	India	**26.47%**	26.49%	24.80%
Krishnapatnam Railway Company Ltd.	India	**14.82%**	14.82%	14.82%
Chhattisgarh Mega Steel Ltd.	India	**26%**	–	–
Neelachal Ispat Nigam Ltd.	India	**12.87%**	12.87%	12.87%

* In the process of liquidation. Public notice has been issued by GOI, Ministry of Corporate affairs vide their notice dated 27.04.2017 to remove/strike off the name of the Company from the Registrar of Companies unless a cause is shown to the contrary within 30 days from the date of notice.

D: Key Management Personnel: (Directors) as on 31/03/2017

Directors :

1. Sri R. Sridharan (CMD w.e.f 7th Dec 2016) (*)
2. Smt. Bharathi S. Sihag (CMD up to 30th Nov 2016) (**)
3. Dr. Narendra K Nanda (Dir. Tech)
4. Dr. T R K Rao (Dir. Commercial) (***)
5. Sri P K Satpathy (Dir. Production)
6. Sri D S Ahluwalia (Dir. Finance)
7. Sri Sandeep Tula (Dir. Personnel w.e.f 3rd Aug 2016)

(*) Holding Additional Charge as CMD along with Member Finance, ISRO, Dept of Space
(**) Held Additional Charge as CMD along with SS &FA, MoS
(***) Held Additional Charge as Director (Personnel) upto 2nd Aug 2016

Company Secretary :
Sri A.S. Pardha Saradhi

ii) Related Party Transactions

(Rs. in Crore)

	As at		
Investment in Subsidiaries	**March 31, 2017**	March 31, 2016	April, 1 2015
Legacy Iron Ore Limited	**168.53**	168.53	168.53
J & K Mineral Development Corporation Limited*	**28.51**	28.51	3.51
NMDC Power Limited	**0.55**	0.55	0.05
Karnataka Vijaynagar Steel Limited	**0.01**	0.01	0.01
NMDC Steel Limited	**0.01**	0.01	0.01
Jharkhand Kolhan Steel Limited	**0.01**	0.01	–
NMDC-SARL, Madagaskar (Under closure) #	**7.20**	7.20	7.20
	204.82	204.82	179.31
* Investment derated/provision	**28.51**	–	–
# Investment derated/provision	**7.20**	7.20	7.20

	As at		
Loans & Advances to subsidiaries	**March 31, 2017**	March 31, 2016	April, 1 2015
J & K Mineral Development Corporation Limited*	**17.97**	32.39	30.91
NMDC Power Limited	**0.07**	3.93	4.20
Karnataka Vijaynagar Steel Limited	**638.65**	637.20	–
NMDC Steel Limited	**0.01**	0.01	–
Jharkhand Kolhan Steel Limited	**0.01**	0.00	–
NMDC-SARL, Madagaskar (Under closure)	**–**	–	–
Total	**656.71**	673.53	35.11
* Advances derated/provision made during the year	**13.86**		

	As at		
Investment in Joint Venture Companies (including advance against equity)	**March 31, 2017**	March 31, 2016	April, 1 2015
Kopano-NMDC Minerals (Proprietary) Limited (Rs.324/-)	**–**	–	–
Jharkhand National Mineral Development Corporation Ltd.	**0.01**	0.01	0.01
NMDC-CMDC Ltd., Raipur	**38.88**	35.83	35.83
NMDC-SAIL Ltd.	**0.03**	–	–
Bastar Railway Pvt. Ltd.	**1.96**	–	–
Total	**40.88**	35.84	35.84

	As at		
Loans & Advances to JVs	**March 31, 2017**	March 31, 2016	April, 1 2015
Kopano-NMDC Minerals (Proprietary) Limited	**0.10**	0.02	0.02
Jharkhand National Mineral Development Corporation Ltd.	**0.04**	0.03	0.03
NMDC-CMDC Ltd., Raipur	**0.20**	0.28	0.18
Total	**0.34**	0.33	0.23

ii) Related Party Transactions (Contd...)

(Rs. in Crore)

Particulars	As at		
Investment in Associates (including advance against equity)	**March 31, 2017**	March 31, 2016	April, 1 2015
Romelt-Sail (India) Limited*	**0.11**	0.11	0.11
International Coal Ventures (Pvt.) Ltd.	**376.36**	321.33	213.36
Krishnapatnam Railway Company Ltd.	**40.00**	40.00	40.00
Chhattisgarh Mega Steel Ltd.	**0.01**	–	–
Neelachal Ispat Nigam Ltd.	**100.60**	100.60	100.60
TOTAL	**517.08**	462.04	354.07
* Investment deration/provision	**0.11**	0.11	0.11

Aggregate amount of unquoted investments Gross Rs.762.78 Crore and net Rs.726.96 Crore (Previous year Gross Rs.702.70 Crore and net Rs.695.39 Crore).

Key Management Personnel:

	As at		
	March 31, 2017	March 31, 2016	April, 1 2015
Key Managerial Personnel Remuneration	**2.01**	2.63	3.51

Company has deposited an amount of Rs.1.44 Crore during the year aggregating to Rs.638.65 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 Vijayanagar 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 Vijayanagar 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. An additional amount of Rs.1.44 Crore was paid during the year and the amount under Advances as on 31.3.2017 is Rs.638.65 Crore.

2.33.4 Earnings per share (IND AS-33): The details are as under:

Particulars	Year ended	
	31-MAR-17	31-MAR-16
1. Profit after Tax (Rs Crore)	**2,589.14**	2,712.22
2. No of Equity shares	**316,38,90,474**	3,96,47,16,000
3. Nominal value per Equity share (Rs.)	**1**	1
4. Basic and Diluted Earnings per share (Rs.)	**7.22**	6.84

Note : The earnings per share (EPS) have been adjusted on account of buyback.

2.33.5 Accounting for Deferred Taxes on income (INDAS-12) : Necessary details have been disclosed in note no: 2.5.

2.33.6 Discontinuing Operations (Ind AS-105) :

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-17	31-MAR-16
Silica Sand Project, Lalapur		
Carrying value of Assets	**0.29**	0.35
Carrying value of liabilities	**0.80**	0.59

The following statement shows the revenue and expenses of discontinued operations:

(Rs. in Crore)

Particulars	**For the year ended 31-Mar-2017**	For the year ended 31-Mar-2016
A. Revenue		
Revenue from operations	**0.00**	–
Other income	**0.01**	0.00
Total Revenue	**0.01**	0.00
B. Expenses		
Power, Electricity and Water	**0.25**	0.24
Repairs and Maintenance	**0.02**	0.03
Other expenses	**0.50**	0.47
Total Expenses	**0.77**	0.74
C. Profit(+)/Loss(-) from discontinued operations before tax (A-B)	**(0.76)**	(0.74)

2.33.7 Intangible Assets (Ind AS-38) : R&D

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is Rs.20.30 Crore (previous year Rs.22.21 Crore), including expenditure of Rs.1.47 Crore (previous year Rs.5.32 Crore) on feasibility studies.

The amount of revenue expenditure incurred at Research & Development unit, Hyderabad is as under:

(Rs. in Crore)

Head of account	2016-17	2015-16
Consumption of Stores and Spares	**0.19**	0.24
Power, Electricity & Water	**0.55**	0.57
Employee benefit expense	**12.33**	9.67
Repairs and Maintenance	**0.44**	0.40
Other expenditure	**5.53**	3.77
Depreciation & Amortisation	**3.43**	3.37
Total expenditure	**22.47**	18.02
Less : Other income	**3.64**	1.13
Total net R&D expenditure	**18.83**	16.89

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are Rs.1.47 Crore. (Previous year Rs.0.75 Crore).

2.33.8 Joint Ventures (Ind AS- 28) Jointly Controlled entities:

Sl.No.	Name of the Joint Venture	Country of Incorporation	Proportion of ownership 2016-17	Proportion of ownership 2015-16
1	Kopano-NMDC Minerals (Proprietary) Limited	South Africa	**50%**	50%
2	NMDC CMDC Limited, Raipur	India	**51%**	51%
3	Jharkhand National Mineral Development Corporation Limited, Ranchi	India	**60%**	60%
4	NMDC SAIL Ltd	India	**51%**	–
5	Bastar Railway Pvt Ltd	India	**43%**	–

2.33.9 Impairment of Assets (Ind AS - 36):

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 01-04-16	Adjustments during 2016-17			Impaired Amount as on 31-03-17
			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.

2.33.10 Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 2.14,2.17 & 2.31.

Note-2.34 : Disclosure as required under Regulation 34(3) and 53(f) of SEBI (LODR)

2.34.1 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 31/03/2017	As at 31/03/2016	As at 31/03/2015	**As at 31/03/2017**	As at 31/03/2016	As at 31/03/2015
J&K Mineral Development Corporation Limited, Jammu	**17.97**	32.39	30.91	**17.97**	32.64	30.91
NMDC Power Ltd, Hyderabad	**0.07**	3.93	4.20	**0.07**	3.93	4.20
Jharkhand Kolhan Steel Limited	**0.01**	–	–	**0.01**	–	–
Karnataka Vijayanagar Steel Limited	**638.65**	637.20	0.00	**638.65**	637.20	0.00
NMDC Steel Limited	**0.01**	0.01	0.00	**0.01**	0.01	0.00
Total	**656.71**	673.53	35.11	**656.71**	673.78	35.11

2.34.2 There are no Investments by the loanees as mentioned in 2.34.1 in the shares of NMDC Ltd.

2.34.3 No Loans and Advances were given to the Associate Companies.

2.34.4 There are no loans and advances in the nature of loans to firms/companies in which directors are interested except as stated above.

Note-2.35 : Others

2.35.1 Service Tax on Royalty:

The Central Govt vide circular dated 13th April 2016 (Sl no 9) clarified the applicability of service tax payable on Royalty wef 1.4.2016. The Company has contended before the Hon'ble High Court of Karnataka and Hon'ble High Court of Madhya Pradesh and Stay has been granted from both the Hon'ble High Courts. However based on the expert opinion, the Company has provided for the liability of Rs.158.60 Crore and included under 'Royalty & other levies'.

2.35.2 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 been remitted to a fund maintained for this purpose.

A review of the mine closure obligation has been made during the year 2016-17 and the Liability of Rs.258.66 Crore has been provided during the year.

2.35.3 Enabling Facilities:

The Company has paid certain amounts for doubling of Railway lines owned by Railways between Kirandul-Jagdalpur and Jagdalpur- Ambagon which is required for augmentation of evacuation facility of Bailadila Sector. In addition certain amounts were paid to railways for certain works on railway properties at Kirandul and Bacheli. An amount of Rs.176.72 Crore incurred during the year 2016-17 has been charged during the current period and included in 'Other Expenses'. The impact in respect of amounts pertaining to previous periods has been considered through retained earnings on transition date and the subsequent periods.

2.35.4 Mining Lease -Deposit-13:

NMDC has incurred an expenditure of Rs 44.25 Crore towards registration & stamp duty charges towards grant of Mining Lease of Bailadila Iron Ore Deposit-13 in favour of NMDC Limited. As per the Agreement with the subsidiary Company 'NMDC-CMDC Ltd', and the lease deed, the mining lease is required to be transferred at cost to the subsidiary Company' NMDC-CMDC Ltd'. Pending transfer of the mining lease, the said asset has been shown under "Assets held for Sale". Action for transfer has already been initiated by NMDC.

2.35.5 Impairment of Investment in JKMDC Ltd

A decision was earlier taken to go ahead with setting up of 30000TPA dead burnt magnesite plant at Panthal, Jammu. Environment clearance was granted vide Ministry of Environment & Forests (MOEF) vide their letter dated 03.05.2011. Major works were awarded during 2015-16. However MOEF vide their letter dated 28.10.2016 had withdrawn the environment clearance granted earlier and all the works have been suspended. As there appears to be no immediate sign of resumption of activity, the Equity amount of Rs.28.51 Crore and Advances to an extent of Rs 13.86 Crore (adjusted for free cash & bank balance) has been provided for.

2.35.6 Disinvestment of NISP:

The Govt of India has accorded 'in principle' approval for strategic disinvestment of Nagarnar Steel Plant of NMDC Limited on 27.10.2016. The process of appointment of Transaction Advisor (TA), Legal Advisor (LA) & Asset Valuer (AV) has been initiated. It is premature to comment on the valuation as the outcome of the Asset Valuer may vary. The expenditure incurred during the year 2016-17 was Rs.2,904.92 Crore and upto 31.3.2017 was Rs.12,066.97 Crore.

2.35.7 Property, Plant & Equipment (PPE)

As per Ind AS 16 items such as spare parts, stand by equipment's and service equipment's are to be capitalized when they meet the definition of PPE and are expected to be used for more than one accounting year. After review of the inventory values and its consumption patterns in the major production Units Company based on materiality has fixed a threshold limit of Rs.20 Lakhs for such spare parts, stand by equipment's and service equipment's meeting the definition of PPE, on issue of said PPE the WDV is charged to depreciation and the life is restricted to the life of the principal asset.

2.35.8 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 respectively.

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 . The Company has filed a writ petition in this regard. 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.

2.35.9 CSR Expenditure :

a) Gross amount required to be spent by the Company during the year is Rs.160.22 Crore (2% of the last three years average PBT Rs.8,010.77 Crore). (Previous Year Rs.193.28 Crore (2% of the last three years average PBT Rs.9,664.05 Crore).

b) Amount spent during the year on account of CSR activities is Rs.174.18 Crore. (Previous Year Rs.210.09 Crore).

2.35.10 General:

i. Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period are material.

ii. The Company owns certain office space at New Delhi. It is not the Company's intention to hold the property for a long term for capital appreciation nor for rental purpose. Hence the same is not treated as Investment Property and included under PPE.

iii. Some of the balances appearing under Trade receivables, Trade payables, advances, Security deposits and other payables are subject to confirmations.

iv. Figures for the previous year have been regrouped/rearranged wherever considered necessary so as to confirm to the classification of the current year.

2.35.11 Fair Value Measurement

Financial instruments by category

(Rs. in Crore)

	As at March 17			As at March 16		
	FVTPL	**FVTOCI**	**Amortised cost**	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments						
Trade receivables			**1,043.52**			796.07
Cash and cash equivalents			**70.38**			34.47
Other bank balances			**5,218.90**			14,729.10
Loans			**92.48**			86.21
Other financial assets			**923.82**			1,524.42
Total	**–**	**–**	**7,349.10**	–	–	17,170.27
Financial Liabilities						
Borrowings			**–**			1,496.95
Trade payables			**198.78**			324.42
Other financial liabilities			**1,230.46**			959.62
Total	**–**	**–**	**1,429.24**	–	–	2,780.99

	As at April 15		
	FVTPL	FVTOCI	Amortised cost
Financial Assets			
Investments			
Trade receivables			947.82
Cash and cash equivalents			188.69
Other bank balances			18,254.45
Loans			84.30
Other financial assets			1,225.61
Total	–	–	20,700.87
Financial Liabilities			
Borrowings			–
Trade payables			226.24
Other financial liabilities			967.39
Total	–	–	1,193.63

(1) Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2017, and 1 April 2016, respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2017, and 1 April 2016, respectively, are not included.

The carrying amounts of above financial assets and labilities are considered to be same as their fair values, due to their short-term nature.

2.35.12 Financial Risk Management

a) Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis and Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of deposits with differing maturities & committed borrowing facilities to facilitate the day today working capital requirements.
Market risk-currency risk	Imports giving rise to foreign currency payables	–	–

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks.

(a) Trade receivables

"The Company sales are generally based on advance payments and through LC's. The trade receivables in the books are mainly on account of credit sales to M/s RINL Limited, CPSE under the Ministry of Steel and the Sales of Iron Ore in the State of Karnataka which is through Monitoring Committee (MC) appointed by Hon'ble Supreme Court of India."

Expected credit loss for trade receivables under simplified approach is detailed as per the below tables:

Year ended 31 March 2017

(Rs. in Crore)

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	1,179.15	106.58	1,130.47	2,416.20
Expected loss rate	17.37%	87.72%	95.04%	56.81%
Expected credit losses (loss allowance provision)	204.82	93.49	1,074.41	1,372.71
Carrying amount of trade receivables (net of impairment)	974.33	13.09	56.06	1,043.49

Year ended 31 March 2016

(Rs. in Crore)

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	807.74	127.56	976.53	1,911.83
Expected loss rate	18.56%	87.2%	87.52%	58.36%
Expected credit losses (loss allowance provision)	149.92	111.21	854.66	1,115.77
Carrying amount of trade receivables (net of impairment)	657.82	16.35	121.87	796.06

As at 1 April 2015

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	829.24	143.98	794.31	1,767.53
Expected loss rate	18%	82%	69%	46.38%
Expected credit losses (loss allowance provision)	151.17	118.57	549.98	819.71
Carrying amount of trade receivables (net of impairment)	678.07	25.41	244.33	947.82

iii. Reconciliation of loss allowance provision - trade receivables

Loss allowance on 1 April 2015	**819.71**
Changes in loss allowance	296.06
Loss allowance on 31 March 2016	**1,115.77**
Changes in loss allowance	256.94
Loss allowance on 31 March 2017	**1,372.71**

The impairment provisions for trade receivables disclosed above are based on assumptions about risk of default and expected loss rates.

(b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with DPE guidelines & Company's policy. Investments of surplus funds are made only with scheduled commercial banks having a minimum networth of Rs.500 Crore (after adjustment of NPAs) within limits assigned to each bank. The limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company has taken fund based limits with banks to meet its short term financial obligations.

i. Financing Arrangements

The Company has access to the following undrawn borrowing facilities at the end of reporting period

(Rs. in Crore)

	31 March 2017	31 March 2016	1 April 2015
Flexible rate			
Expiring within one year (bank overdraft and other facilities)			
Working capital Limits with Banks	**100**	–	–

ii. Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rs. in Crore)

Year ended 31 March 2017	**On demand**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Borrowings	–	–	–	–	–	–	–
Trade payables	196.20	1.80	0.78	–	–	–	198.78
Other financial liabilities	1,201.58	14.65	7.25	4.24	2.45	0.29	1,230.46
Total	**1,397.78**	**16.45**	**8.03**	**4.24**	**2.45**	**0.29**	**1,429.24**

Year ended 31 March 2016	**On demand**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Borrowings	–	1,496.95	–	–	–	–	1,496.95
Trade payables	322.13	2.19	–	0.10	–	–	324.42
Other financial liabilities	938.16	6.55	7.79	4.29	2.49	0.34	959.62
Total	**1,260.29**	**1,505.69**	**7.79**	**4.39**	**2.49**	**0.34**	**2,780.99**

As on 1 April 2015	**On demand**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Borrowings	–	–	–	–	–	–	–
Trade payables	222.12	3.04	1.08	–	–	–	226.24
Other financial liabilities	951.26	5.39	6.62	3.63	0.20	0.29	967.39
Total	**1,173.38**	**8.43**	**7.70**	**3.63**	**0.20**	**0.29**	**1,193.63**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company quite often bridges its short term cash flow mismatch by availing working capital loans from banks against its fixed deposits. Such loans have a very short tenure and the interest rate on such loans is based upon the rates offered by banks on fixed deposits, increased by a few basis points. Since the interest rates on fixed deposits are fixed, the company does not have any interest rate risk on such loans availed on a loan to loan basis.

The Company's exposure to interest rate risk in minimal and hence no sensitivity analysis is presented.

2.35.13 Capital Management

a) Risk management

The primary objective of the Company's capital management is to maximise the shareholder value. The Company's objectives when managing the capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors and senior management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders the Company has no external borrowings as on 31st March 2017.

b) Dividends

(Rs. in Crore)

		31 March 2017	31 March 2016
(i)	**Equity shares**		
	Final dividend for the year ended 31 March 2017 of Rs.Nil (31 March 2016: Rs.Nil)	**–**	–
	Interim dividend for the year ended 31 March 2017 of Rs.4.15 (31 March 2016: Rs.11.00) per fully paid share	**1313.02**	4301.19
(ii)	**Dividends not recognised at the end of the reporting period**		
	In addition to above dividends, since year end the directors have recommended the payment of a final dividend of Re.1/- per fully paid equity share (31 March 2016: Rs.Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	**316.39**	–

(Rs. in Crore)

Particulars	**31 March 2017**	31 March 2016	31 March 2015
Net Debt (excluding short term)	**–**	–	–
Total equity	**22,202.55**	28,721.12	31,900.90
Net debt to equity ratio	**0%**	0%	0%

2.35.14 First Time Adoption of Ind AS

Explanation of Transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of the opening Ind AS balance sheet as at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows is set out in the following tables and the notes that accompany the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making the necessary adjustments for the de-commissioning liabilities. This exemption can also be used for intangible assets covered by the Ind AS 38 intangible assets and investments in subsidiaries, associates and joint ventures. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investments in subsidiaries and associates at their previous GAAP carrying value.

A.1.2 Decommissioning liabilities included in the cost of property, plant and equipment

Appendix 'A' to Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. A first-time adopter need not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. In other words, a first-time adopter will not need to estimate what provision would have been calculated at earlier reporting dates. Instead, the decommissioning liability is calculated at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first acquired/constructed.

A.1.3 Stripping Costs

The Company in accordance with Appendix B of Ind AS 16 has developed an accounting policy whereby expenditure towards overburden and other mine waste material removal during the initial development of a mine in order to access mineral deposit would be capitalised as an Intangible asset. Para D32 of Ind AS 101 provides that the first time adopter may apply the requirements of Appendix B of Ind AS 16 prospectively from the date of transition to Ind ASs.

A.2 Ind AS mandatory exemptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS' at the date of transition to Ind AS shall be consistant with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error.

"Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the date of transition as there were not required under previous GAAP. Impairment of financial assets (Trade Receivables) based on the expected credit loss model.

A.2.2 Classification and measurement of financial assets (other than equity instruments)

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

A.2.3 De-recognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions for Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows first time adopter to apply the derecognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past Ind AS 101 retrospectively from the date of entity's choosing, transactions was obtained at the time of initially accounting for the transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind-AS.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at the date of transition (1 April 2015)

(Rs. in Crore)

Particulars	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	1,243.14	(15.22)	1,227.92
Capital work-in-progress	7,710.03	8.79	7,718.82
Investment properties	–	–	–
Other intangible assets	90.55	–	90.55
Intangible assets under development	–	–	–
Financial assets			
(i) Investments	561.93	–	561.93
(ii) Loans	969.06	(884.76)	84.30
Deferred tax assets (Net)	(98.40)	276.28	177.88
Other non-current assets	5.37	2,160.81	2,166.18
Total non-current assets	**10,481.68**	**1,545.90**	**12,027.58**
Current assets			
Inventories	691.88	(9.15)	682.73
Financial assets			
(i) Trade receivables	1,752.33	(804.51)	947.82
(ii) Cash and cash equivalents	188.69	–	188.69
(iii) Bank balances other than (ii) above	18,254.45	–	18,254.45
(iv) Loans	1,994.66	(1,994.66)	–
(iv) Other financial assets	–	1,225.61	1,225.61

B.1 Reconciliation of equity as at the date of transition (1 April 2015) (Contd...)

(Rs. in Crore)

Particulars	Previous GAAP*	Adjustments	Ind AS
Current tax assets (net)	–	620.90	620.90
Other current assets	1,007.38	(821.17)	186.21
Assets classified as held for sale	0.37	–	0.37
Total current assets	**23,889.76**	**(1,782.98)**	**22,106.78**
Total assets	**34,371.44**	**(237.08)**	**34,134.36**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	396.47	–	396.47
Other equity			
Reserves and surplus	31,935.27	(34.37)	31,900.90
Other reserves	0	0	–
Total equity	**32,331.74**	**(34.37)**	**32,297.37**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities			
Provisions	10.60	302.73	313.33
Total non-current liabilities	**10.60**	**302.73**	**313.33**
Current liabilities			
Financial liabilities			
(i) Borrowings	–	–	–
(ii) Trade and other payables	226.28	(0.04)	226.24
(iii) Other financial liabilities	40.10	927.29	967.39
Provisions	621.88	(559.03)	62.85
Current tax liabilities	–	–	–
Other current liabilities	1,140.84	(873.66)	267.18
Liabilities directly associated with assets classified as held for sale	–	–	–
Total current liabilities	**2,029.10**	**(505.44)**	**1,523.66**
Total liabilities	**2,039.70**	**(202.71)**	**1,836.99**
Total equity and liabilities	**34,371.44**	**(237.08)**	**34,134.36**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.2 Reconciliation of equity as at 31 March 2016

(Rs. in Crore)

Particulars	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	1,638.48	11.48	1,649.96
Capital work-in-progress	9,722.88	–	9,722.88
Investment properties	–	–	–
Other intangible assets	268.49	–	268.49
Intangible assets under development	–	–	–
Financial assets			
(i) Investments	695.41	–	695.41
(ii) Loans	1,739.17	(1,652.96)	86.21
Deferred tax assets (Net)	(122.22)	385.39	263.17
Other non-current assets	5.06	1,215.63	1,220.69
Total non-current assets	**13,947.27**	**(40.46)**	**13,906.81**
Current assets			
Inventories	636.96	(14.91)	622.05
Financial assets			
(i) Trade receivables	1,896.08	(1,100.01)	796.07
(ii) Cash and cash equivalents	34.47	–	34.47
(iii) Bank balances other than (ii) above	14,729.10	–	14,729.10
(iv) Loans	1,239.08	(1,239.08)	–
(v) Other financial assets	–	1,524.42	1,524.42
Current tax assets (net)	–	869.39	869.39
Other current assets	740.04	(551.34)	188.70
Assets classified as held for sale	0.35	–	0.35
Total current assets	**19,276.08**	**(511.53)**	**18,764.55**
Total assets	**33,223.35**	**(551.99)**	**32,671.36**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	396.47	–	396.47
Other equity			
Reserves and surplus	29,714.57	(993.45)	28,721.12
Other reserves			
Total equity	**30,111.04**	**(993.45)**	**29,117.59**
LIABILITIES			
Non-current liabilities			
Provisions	20.96	332.49	353.45
Total non-current liabilities	**20.96**	**332.49**	**353.45**
Current liabilities			
Financial liabilities			
(i) Borrowings	1,496.95	–	1,496.95
(ii) Trade and other payables	324.42	–	324.42
(iii) Other financial liabilities	50.48	909.14	959.62
Provisions	2.10	67.18	69.28
Employee benefit obligations			
Current tax liabilities	–	–	–
Other current liabilities	1,217.40	(867.35)	350.05
Liabilities directly associated with assets classified as held for sale			
Total current liabilities	**3,091.35**	**108.97**	**3,200.32**
Total liabilities	**3,112.31**	**441.46**	**3,553.77**
Total equity and liabilities	**33,223.35**	**(551.99)**	**32,671.36**

B.3 Reconciliation of total comprehensive income for the year ended 31 March 2016

(Rs. in Crore)

Particulars	Previous GAAP*	Ind AS Impact	Ind AS
Continuing operations			
Revenue from operations	6,455.80	1.47	6,457.27
Other income	1,774.39	34.86	1,809.25
Total income	8,230.19	36.33	8,266.52
Expenses			
Cost of materials consumed	9.73	–	9.73
Consumption of stores & spares	282.37	(6.76)	275.61
Changes in inventories of work in progress, stock in trade and finished goods	63.12	–	63.12
Excise duty	–	1.47	1.47
Employee benefit expense	671.31	(25.13)	646.18
Power and electricity	67.67	–	67.67
Repairs & maintenance	119.26	–	119.26
Royalty & other levies	882.31	–	882.31
Selling expenses	417.12	–	417.12
Depreciation and amortisation expense	207.75	8.85	216.60
Other expenses	753.32	471.00	1,224.32
Finance costs	65.44	0.15	65.59
Total expenses	3,539.40	449.58	3,988.98
Profit/(loss) before exceptional items and tax	4,690.79	(413.25)	4,277.54
Exceptional items	184.78	–	184.78
Profit before tax from continuing operations	4,506.01	(413.25)	4,092.76
Income tax expense			
– Current tax	1,566.31	–	1,566.31
– Deferred tax	23.82	(97.14)	(73.32)
– Income tax of earlier years	(112.94)	–	(112.94)
Total tax expense	1,477.19	(97.14)	1,380.05
Profit from continuing operations	3,028.82	(316.11)	2,712.71
Discontinued operations			
Loss from discontinued operation before tax	(0.74)	–	(0.74)
Tax income of discontinued operation	(0.25)	–	(0.25)
Loss from discontinued operations	(0.49)	–	(0.49)
Profit for the year	3,028.34	(316.11)	2,712.22
Other comprehensive income			
Items that will not be re classified to profit and loss			
Re-measurements of post-employment benefit obligations	–	(34.61)	(34.61)
Income tax relating to these items	–	11.98	11.98
Other comprehensive income for the year, net of tax	**–**	**(22.63)**	**(22.63)**
Total comprehensive income for the year	**3,028.34**	**(338.74)**	**2,689.59**

B.4 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016:

(Rs. in Crore)

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	3,374.63	(1,512.89)	1,861.74
Net cash flow from investing activities	2,525.72	1,749.81	4,275.53
Net cash flow from financing activities	(6,054.57)	(236.92)	(6,291.49)
Net increase/(decrease) in cash and cash equivalents	**(154.22)**	**0.00**	**(154.22)**
Cash and cash equivalents as at 1 April 2015	188.69	–	188.69
Effects of exchange rate changes on cash and cash equivalents	–	–	–
Cash and cash equivalents as at 31 March 2016	**34.47**	**–**	**34.47**

C. Notes to first-time adoption

Note 1 : Spares

As per Ind AS 16, spares meeting the definition of Property, Plant and Equipment have been capitalised on the date such spares were ready for their intended use. As a result, inventories as on 31st March 2016 decreased by Rs.14.91 Crore (1st April 2015 : Rs.9.15 Crore), property plant and equipment as on 31st March 2016 increased by Rs.2.64 Crore (1st April 2015 : decreased by Rs.1.77 Crore) and depreciation for the year ended 31st March 2016 increased by Rs.8.81 Crore. Under the previous GAAP, such spares were charged to statement of profit and loss account under 'cost of materials consumed' as and when such spares were issued on the floor. The amount of Rs.6.76 Crore charged to consumption account for the year ended 31st March 2016 in respect of above spares was reversed upon transition to IND AS resulting in a net decrease in equity by Rs.2.09 Crore as on 31st March 2016 (decreased for Rs.7.37 Crore as on 1st April 2015).

Note 2 : Asset Retirement Obligation

The cost of an item of property plant and equipment under Ind AS 16 includes an initial estimate of the obligation in respect of costs of dismantling and removing the item and restoring the site on which such item is located ("decomissioning liabilities" or "asset retirement obligation"). Accordingly on transition to Ind AS as on 1st April 2015, property plant and equipment was increased by Rs.0.69 Crore with a corresponding increase in provision representing the discounted value of the aforementioned obligation. Additional depreciation for the year ended 31st March 2016 on account of asset retirement obligation was Rs.0.04 Crore. Further, impact on finance cost for the year ended 31st March 2016 due to unwinding of the above provision was Rs.0.11 Crore.

Note 3 : Deferred Tax

Deferred Tax has been recognised on the adjustments made on transition to Ind AS.

Note 4 : Funding of Mine Closure Obligation

Under the previous GAAP, mine closure obligation estimated by the company as on the reporting date was relected net off the fund maintained with LIC for financing such expenditure in future on closure of mines in the absence of any specific guidance in this regard. Appendix A of Ind AS 37 states that the contributor shall recognize its obligation to pay decommissioning costs as a liability and recognize its interest in the fund separately unless the contributor is not liable to pay decommissioning costs even if the fund fails to pay. Accordingly, the fund balance with LIC as on 31st March 2016 of Rs.324.97 Crore (1st April 2015 : Rs.299.51 Crore) was shown under 'Other Non Cuurent Assets' and consequently the non current provisions was grossed up to this extent, thus having no resultant impact on total equity.

Note 5 : Expenditure on Enabling Facilities

The Company has charged off expenditure incurred by it towards enabling facilities such as doubling of railway line as the control criteria for recognition of asset was not being met. This has resulted in a decrease in total equity as on 31st March 2016 by Rs.166.44 Crore (1st April 2015 : Rs.102.12 Crore).

Note 6 : Impairment of Financial Assets - Trade Receivables

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by Rs.295.50 Crore as at 31 March 2016 (1 April 2015 – Rs.804.51 Crore). Consequently, the total equity as at 31 March 2016 decreased by Rs.295.50 Crore (1 April 2015 – Rs.804.51 Crore) and profit for the year ended 31 March 2016 decreased by Rs.295.50 Crore.

Note 7 : Grossing up of assets and liabilities

Ind AS 1 states that an entity shall not offset assets and liabilities unless required by other Ind AS or when offsetting reflects substance of the transaction or event. The company by virtue of order/notice was required to pay FDT under protest to the regulatory authority. A portion of such amount was recovered from the suppliers and the net amount was disclosed under loans and advances under the previous GAAP. Applying the above guidance, the company has disclosed the amounts received from the suppliers March 2016 : Rs.114.70 Crore (April 2015 : Rs.114.70 Crore) separately from amounts paid under protest. Accordingly, other non current assets and other financial liabilities under Ind AS as at 31st March 2016 and 1st April 2015 increased by Rs.114.70 Crore.

Note 8 : Proposed dividends

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend tax was recognised as a liability. Under Ind AS, such dividends including dividend tax are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend including dividend tax of Rs.620.34 Crore as at 1st April 2015 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 9 : Prior Period Items

Under previous GAAP, prior period items identified in a particular period were disclosed separately in computing the net profit for that period. Under Ind AS, prior period items are recognised by restating the comparative amounts for the period to which the error pertains. Where the error pertains to a period prior to the earliest reporting period, adjustments are made to the opening balances of assets, liabilities and equity of the earliest reporting period. As a result as on March 16 on account of prior period items, other equity stands increase by Rs 16.04 Crore (April 15 : reduced Rs.16.04 Crore), assets have decrease by Rs.14.26 Crore (April 15 : increase Rs.14.26 Crore) and liabilities have been reduced by Rs.1.78 Crore (April.15 : increased by Rs.1.78 Crore).

Note 10 : Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty as the excise duty is collected by the company as a principal unlike other indirect taxes. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by Rs.1.47 Crore. There is no impact on the total equity and profit.

Note 11 : Fair Valuation of accommodation given to employees on concessional rent

The company has allotted staff quarters to some of its employees at nominal rent. Employee benefits as per Ind AS 19 also include non monetary benefits like housing provided to the employees in relation to their service. Accordingly Employee benefit expense on this account has increased by Rs.9.40 Crore with a corresponding increase in notional rental income.

Note 12 : Remeasurement of post employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by Rs.22.63 Crore. There is no impact on the total equity as at 31 March 2016.

Note 13 : Discontinued Operation

Under the previous GAAP, the concept of disposal group held for sale did not exist. Accordingly, assets and liabilities of disposal group had not been presented as held for sale. The Company had disclosed land and vehicles held for sale under 'Other current assets' in accordance with AS 10 Accounting for Fixed Assets. Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations requires disposal group to be identified as held for sale if the carrying amount will recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Ind AS 105 lays down detailed guidelines and criteria in this regard. Based on the assessment performed by the management, it has been determined that the assets and liabilities of Lalapur unit should be presented as held for sale under Ind AS. Consequently, the assets and liabilities of disposal group held for sale have been presented separately from the other assets and other liabilities respectively in the balance sheet. There is no impact on the total equity or profit as a result of this adjustment. Further, the operations of this business have been presented as discontinued operations under both Ind AS and previous GAAP in the statement of profit and loss.

Reconciliation of Net profit as previously reported (referred to as "Previous GAAP") and the total comprehensive income as per Ind-AS is mentioned in the table below.

Particulars	Year ended as on 31-March-2016
Net Profit/(Loss) from Ordinary activities after as reported under Previous GAAP	**3,028.33**
Add/(Less)	
Actuary Gain/Loss on employee defined benefit funds recognised in other comprehensive income	34.61
Effect of provision for Trade Receivables	(295.50)
Effect of Depreciation, consumption of Spares and Others	(2.09)
Effect of provision for enabling assets	(166.44)
Effect of Restatement of prior period	16.40
Other Expenses	(0.23)
Change in Deferred Tax On accounts of the Above	97.14
Net Profit as per Ind AS	**2,712.22**
Actuary Gain/(Loss) on employee defined benefit funds recognised in other comprehensive income (net of taxes)	(22.63)
Total Comprehensive Income	**2,689.59**

Reconciliation of Equity as previously reported (referred to as "Previous GAAP") and the equity as per Ind-AS is mentioned in the table below

Particulars	As at 31 March 2016	As at 1 April 2015
Total Equity under Previous GAAP	**30,111.04**	**32,331.74**
Add/(Less) : Adjustment for Ind AS:		
Reversal of final dividend including DDT	–	620.34
Provision for expected credit losses on trade receivables	(1,100.01)	(804.51)
Expenditure on enabling facilities	(268.56)	(102.12)
Effect of restatement of Prior period Items	–	(16.04)
Change in Deferred Tax On accounts of the Above	385.39	276.28
Other items	(10.27)	(8.32)
Total adjustment of Equity	**(993.45)**	**(34.37)**
Total equity as per Ind AS	**29,117.59**	**32,297.37**

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2016-17

TEJ RAJ & PAL
CHARTERED ACCOUNTANTS
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Independent Auditor's Report

To
The Members
NMDC Limited
Hyderabad

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of NMDC Limited ("the Holding Company") and its subsidiaries (collectively refer to as "the Company" or "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of cash flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Consolidated Ind AS Financial Statements") which supersedes our earlier Independent Auditor's report dated 25th May 2017 in light of the observations of the Comptroller and Auditors General of India u/s 143 (6) (b) of the Companies Act. 2013 on "Other Matter" of the earlier audit report.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in the equity of the Group including its Associates and Jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.

The respective Board of Directors of the companies included in the group including its Associates and Jointly controlled entities, are responsible for maintenance of adequate accounting records in accordance of provisions of the Act for safeguarding the assets of the Group including its Associates and Jointly controlled entities, 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 Ind AS 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 Ind As Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 Consolidated Ind AS 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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Directors, as well as evaluating the overall presentation of the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 including the Ind AS, of the Consolidated financial position of the Group, its associates and jointly controlled entities as at March 31, 2017, and their Consolidated financial performance including other Comprehensive Income, their Consolidated Cash Flow and Consolidated Changes in Equity for the year ended on that date.

Other Matter

1. The comparative financial information of "The Group including its Associates and Jointly controlled entities" on the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS Financial Statements are based on the previously issued statutory financial statement prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report dated 23.05.2015 for the year ended 31st March 2015, expressed an unmodified opinion on the said Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on the transition to the Ind AS which have been audited by us.

2. We did not audit the Financial Statements / financial information of three subsidiaries, whose Financial Statements / financial information reflect total assets of Rs.72.60 Crores as at 31st March, 2017, total revenues of nil and net cash out flows amounting to Rs.8.20 Crores 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.63.73 Crores for the year ended 31st March, 2017, as considered in the Consolidated Financial Statements, in respect of two 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, jointly controlled entities and associates and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

   Legacy Iron Ore Limited is one of these subsidiaries located in Australia whose Financial Statements and other financial information have been prepared in accordance with accounting principles generally accepted in Australia and which have been audited by other auditor under generally accepted auditing standards applicable in Australia. The Company's management has converted the Financial Statements of such subsidiary located in Australia from accounting principles generally accepted in Australia to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management.

   Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

3. We did not audit the Financial Statements / financial information of four subsidiaries and five jointly controlled entities, whose Financial Statements / financial information reflect total assets of Rs.762.72 Crores as at 31st March, 2017, total revenue nil and net cash out flows amounting to Rs.9.41 Crores 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.0.58 Crores for the year ended 31st March, 2017, as considered in the

TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

Consolidated Financial Statements, in respect of four 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 subsidiaries, jointly controlled entities and associates is based solely on such unaudited Financial Statements / financial information.

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 act, we give in "ANNEXURE - A", a statement on the matters specified by the Comptroller and Auditor General of India for the company.

2. 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 of the aforesaid Consolidated Financial Statements.

   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 and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flow and Consolidated Statement of the Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements;

   d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;

   e) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company;

   f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report "ANNEXURE- B" and

   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. The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS Financial Statements;

      ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

      iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. The Company has provided requisite disclosures in its consolidated Ind AS Financial Statements as to holdings as well as dealings in specified bank notes during the period from 8th Nov 2016 to 30th Dec 2016 and these are in accordance with the books of accounts maintained by the Company.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA Dinakar Mohanty
Partner
Membership No. 059390

Place : Bhubaneswar
Date : 11.07.2017



TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

"Annexure A" 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.	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: 1. General/ Social Amenities for which no comments passed: A. Leasehold Lands (in Acres) measuring 2337.913 (Acres) amounting to Rs.1.87 Crores. B. Building with Gross Block Rs.100.16 Crores and Net Block Rs.80.27 Crores. 2. General Amenities for which company holds possession letter issued by Joint Secretary, Mining Resources Department, Raipur: A. Leasehold Lands (in Acres) measuring 6826.25 (Acres) amounting to Rs.17.66 Crores. 3. General Amenities for which company holds possession letter issued by Mining Officer District, South Bastar, Dantewada: A. Mining Lease (in Acres) measuring 3216.079 (Acres) amounting to Rs.120.72 Crores. 4. General Amenities for which company holds possession letter issued by Chief Secretary, Mining Resources Dept. M.P: A. Land Lease Hold of Dep No. 14 for Float Ore measuring 784.94 (Acres) amounting to Rs.0.0018 Crores. 5. General / Social Amenities for which no comments passed: A. Freehold Land (in Acres) measuring 400.06 (Acres) amounting to Rs.129.36 Crores. B. Building with Gross Block Rs.101.60 Crores and Net Block Rs.75.73 Crores. 6. 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. 7. 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.

TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

S No.	Point	Reply
		8. 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.
2	Whether there are any cases of waiver / write off of debts / loans / interest etc.? If yes, the reasons therefore and the amount involved.	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 2016-17.
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 2016-17.

For Tej Raj & Pal
Chartered accountants
ICAI Reg No: 304124E

CA Dinakar Mohanty
Partner
Membership No. 059390

Place : Bhubaneswar
Date : 11.07.2017



TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

"Annexure B" 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").

In conjunction with our audit of the Consolidated Ind As Financial Statements of the Company as of and for the year ended 31.03.2017, we have audited the internal financial controls over financial reporting of NMDC Limited ("the Holding Company") and its subsidiary companies which are incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Companies, 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 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.

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's 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 authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of

TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

unauthorized 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 group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial control over financial reporting were operating effectively as of March 31st 2017 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 Dinakar Mohanty
Partner
Membership No. 059390

Place : Bhubaneswar
Date : 11.07.2017

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 2017

The preparation of consolidated financial statements of NMDC Limited, Hyderabad for the year ended on 31 March 2017 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 11 July 2017.

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 2017. 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.

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



(L.Tochhawng)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad
Date: 17 Aug 2017

Annexure

Subsidiaries/JVs

1. J&K Mineral Development Corporation Limited, Jammu
2. NMDC CMDC Limited, Raipur
3. Jharkhand National Mineral Development Corporation Limited, Ranchi
4. Jharkhand Kolhan Steel Limited, Ranchi
5. Karnataka Vijaynagar Steel Limited, Bangalore

Associate Companies

1. International Coal Ventures (Pvt) Limited, New Delhi
2. Neelachal Ispat Nigam Limited, Bhubaneswar
3. Krishnapatnam Railway Company Limited, Secunderabad
4. Chhattisgarh Mega Steel Limited

Consolidated Balance Sheet as at 31st March, 2017

(₹ in Crore)

Particulars	Note No	Figures as at the end of current reporting Year 31-March-2017	Figures as at the end of previous reporting Year 31-March-2016	Figures as at the date of transition to Ind As 01-April-2015
ASSETS				
Non-Current Assets				
a) Property, plant & equipment	2.1	**1,733.39**	1,652.77	1,230.95
b) Capital work-in-progress	2.2	**11,855.45**	9,747.08	7,742.09
c) Goodwill	2.3	**93.89**	93.89	93.89
d) Other intangible assets	2.3	**267.85**	311.80	128.10
e) Financial assets				
i) Investments	2.4.1	**612.30**	591.64	614.41
ii) Loans	2.4.2	**92.48**	86.25	84.29
f) Deferred tax assets (Net)	2.5	**453.36**	263.18	177.88
g) Other non-current assets	2.6	**2,698.76**	1,873.09	2,166.18
Total non-current assets		**17,807.48**	14,619.70	12,237.79
Current Assets :				
a) Inventories	2.7	**540.04**	622.05	682.73
b) Financial assets				
i) Trade receivables	2.8.1	**1,043.52**	796.07	947.82
ii) Cash and cash equivalents	2.8.2	**80.17**	49.63	193.38
iii) Bank balances other than (ii) above	2.8.3	**5,240.34**	14,756.51	18,290.55
v) Other financial assets	2.8.4	**281.87**	851.40	1,193.00
c) Current Tax assets (Net)	2.9	**564.37**	869.43	620.90
d) Other current assets	2.10	**181.24**	190.64	186.21
e) Assets held for disposal	2.11	**44.63**	0.35	0.37
Total current assets		**7,976.18**	18,136.08	22,114.96
Total Assets		**25,783.66**	**32,755.78**	**34,352.75**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	2.12	**316.39**	396.47	396.47
b) Other Equity	2.13	**22,265.82**	28,783.62	32,095.49
Equity attributable to owners of NMDC Ltd		**22,582.21**	29,180.09	32,491.96
Non-controlling interest		**15.39**	16.85	16.47
Total Equity		**22,597.60**	29,196.94	32,508.43
Liabilities				
Non- current liabilities				
a) Provisions	2.14	**611.32**	353.51	313.53
Total non-current liabilities		**611.32**	353.51	313.53
Current liabilities				
a) Financial Liabilities				
i) Borrowings	2.15.1	**–**	1,496.95	–
ii) Trade payables	2.15.2	**198.90**	324.52	226.40
iii) Other financial liabilities	2.15.3	**1,232.36**	963.99	973.60
b) Other current liabilities	2.16	**837.42**	350.49	267.78
c) Provisions	2.17	**306.06**	69.38	63.01
Total current liabilities		**2,574.74**	3,205.33	1,530.79
Total liabilities		**3,186.06**	3,558.84	1,844.32
Total Equity and Liabilities		**25,783.66**	32,755.78	34,352.75
Significant accounting policies and notes on accounts	1 & 2			

Subject to our report of even date
For M/s TEJ RAJ & PAL
Chartered Accountants
FRN No: 304124E

(CA DINAKAR MOHANTY)
Partner
Membership No: 059390

Place : Hyderabad
Dated : 25/05/2017

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(R SRIDHARAN)
Chairman-cum-Managing Director

(A S PARDHA SARADHI)
Company Secretary

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2017

(₹ in Crore)

Particulars	Note No	Figures for the current reporting year 31-March-2017	Figures for the previous reporting year 31-March-2016
I. Revenue from operations	2.18	**8,829.64**	6,457.27
II. Other Income	2.19	**910.17**	1,810.68
III. Total Income		**9,739.81**	8,267.95
IV. Expenses :			
Consumption of raw materials	2.20	**5.37**	9.73
Excise duty		**1.50**	1.47
Consumption of stores & spares		**264.08**	275.61
Changes in inventories of finished goods/work in progress	2.21	**98.87**	63.12
Employee benefit expense	2.22	**888.75**	649.81
Power and electricity	2.23	**87.65**	67.69
Repairs & maintenance	2.24	**112.37**	119.39
Royalty & other levies		**1,524.74**	882.68
Selling expenses	2.25	**725.93**	417.12
Finance cost	2.26	**20.78**	65.65
Depreciation	2.1 & 2.3	**196.65**	218.02
Other expenses	2.27	**1,525.55**	1,228.69
Total expenses		**5,452.24**	3,998.98
V. Profit before exceptional items and tax (III-IV)		**4,287.57**	4,268.97
VI. Exceptional items	2.28	**–**	184.78
VII. Profit before tax (V-VI)		**4,287.57**	4,084.19
VIII. Tax expense :			
(1) Current year	2.29	**1,620.18**	1,566.31
Earlier years (net)		**274.05**	(112.94)
(2) Deferred tax	2.29	**(190.19)**	(73.32)
		1,704.04	1,380.05
IX. Profit for the year from continuing operations (VII-VIII)		**2,583.53**	2,704.14
X. Loss from discontinuing operations		**(0.76)**	(0.74
XI. Tax expense of discontinuing operations		**(0.26)**	(0.25)
XII. Loss from discontinuing operations (X-XI)		**(0.50)**	(0.49)
XIII. Profit for the year (IX +XII)		**2,583.03**	2,703.65
XIV. Share of non controlling interest (Loss)		**1.15**	2.02
XV. Share of Losses of Associates		**(40.32)**	(159.57)
XVI. Profit after adjusting minority interest and share of loss of associates		**2,543.86**	2,546.10
Other Comprehensive Income (XIII+XIV+XV)			
A) Item that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit obligations		**(102.52)**	(5.78)
Income tax relating to these items		**35.48**	11.98
Total Comprehensive income for the period (XVI)		**(67.04)**	6.20
Total Comprehensive income for the year (XV + XVI)		**2,476.82**	2,552.30
Earnings per equity share (for continuing operation)			
i) Basic	2.34.3	**7.10**	6.42
ii) Diluted	2.34.3	**7.10**	6.42
Earnings per equity share (for discontinued operation)			
i) Basic			
ii) Diluted			
Earnings per equity share (for discontinued continuing operation)			
i) Basic	2.34.3	7.10	**6.42**
ii) Diluted	2.34.3	**7.10**	6.42
Significant Accounting Policies and notes on accounts	1 & 2		

Subject to our report of even date
For M/s TEJ RAJ & PAL
Chartered Accountants
FRN No: 304124E

(CA DINAKAR MOHANTY)
Partner
Membership No: 059390

Place : Hyderabad
Dated : 25/05/2017

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(R SRIDHARAN)
Chairman-cum-Managing Director

(A S PARDHA SARADHI)
Company Secretary

Statement of Changes in Equity for the Year Ended 31st March, 2017

a) Equity Share Capital

(Rs. in Crore)

	Note.no.	Amount
Balance as at 1 April 2015	2.12	396.47
Changes in Equity share capital		–
Balance as at 31 March 2016	2.12	396.47
Changes in Equity share capital (*)		(80.08)
Balance as at 31 March 2017		316.39

(*) Buyback of Equity shares refer to note No. 2.12

b) Other Equity **2.13**

(Rs. in Crore)

Particulars	General Reserve	Retained earnings	CRR	Capital Reserve	Total
Balance as at 01/04/2015	**29,114.22**	**2,738.02**	**–**	**243.25**	**32,095.49**
Profit for the year		2,545.67			2,545.67
Other Comprehensive Income net of tax		6.20			6.20
Final dividends (including DDT)		(620.34)			(620.34)
Interim Dividends (including DDT)		(5,249.03)			(5,249.03)
Foreign Exchange Translation Reserve		5.63			5.63
Transfer to General Reserve	400.00	(400.00)			–
TOTAL	**400.00**	**(3,711.87)**	**–**	**–**	**(3,311.87)**
Balance as at 31 March 2016	**29,514.22**	**(973.85)**	**–**	**243.25**	**28,783.62**
Profit for the year		2,589.91			2,589.91
Buyback of shares (including transition charges)	(7,540.43)				(7,540.43)
Other Comprehensive Income net of tax		(67.04)			(67.04)
Capital Redumption Reserve			80.08		80.08
Interim Dividends (including DDT)		(1,580.32)			(1,580.32)
Foreign Exchange Translation Reserve		–			–
TOTAL	**(7,540.43)**	**942.55**	**80.08**	**–**	**(6,517.80)**
Balance as at 31 March 2017	**21,973.79**	**(31.30)**	**80.08**	**243.25**	**22,265.82**

Subject to our report of even date
For M/s TEJ RAJ & PAL
Chartered Accountants
FRN No: 304124E

(CA DINAKAR MOHANTY)
Partner
Membership No: 059390

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(R SRIDHARAN)
Chairman-cum-Managing Director

(A S PARDHA SARADHI)
Company Secretary

Place : Hyderabad
Dated : 25/05/2017

Consolidated Cash Flow Statement for the year ended 31st March, 2017

(Rs. in Crore)

Particulars	**Figures as at the end of current reporting Period 31 March 2017**	Figures as at the end of previous reporting period 31 March 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax from		
Continued Operations	**4,287.57**	4,084.19
Discontinued Operations	**(0.76)**	(0.74)
Profit before income tax including discontinued operations	**4,286.81**	4,083.45
Adjustments for non cash/non operational expenses:		
Depreciation & amortisation expense	**196.65**	218.02
Loss on disposal of property, plant & equipment	**(0.96)**	1.29
Expenditure on enabling facilities	**176.72**	166.44
Provision for bad & doubtful advances	**301.46**	296.51
Interest Income classified as investing cash flow	**(798.98)**	(1,695.03)
Finance Costs	**20.78**	65.65
Operating Profits before working capital changes	**4,182.49**	3,136.32
Adjustments for working capital changes:		
(Increase)/Decrease in trade receivables	**(548.91)**	(144.76)
(Increase)/Decrease in inventories	**82.01**	60.68
(Increase)/Decrease in other financial assets	**(14.44)**	73.64
Loans to employees and related parties	**(0.42)**	(0.79)
(Increase)/Decrease in other non current assets	**(716.34)**	771.34
(Increase)/Decrease in other current assets	**9.40**	(4.43)
(Increase)/Decrease in assets held for disposal	**(44.28)**	0.02
Increase/(Decrease) in trade payables	**(125.62)**	98.12
Increase/(Decrease) in provisions	**258.66**	29.76
Increase/(Decrease) employee benefit obligations	**133.14**	10.66
Increase/(Decrease) in other financial liabilities	**(40.52)**	90.23
Increase/(Decrease) in other current liabilities	**486.79**	82.81
Cash generated from operations	**3,661.96**	4,203.60
Income Taxes Paid	**(1,553.43)**	(1,701.65)
Net Cash Flow from operating activities	**2,108.53**	2,501.95

(Rs. in Crore)

Particulars	**Figures as at the end of current reporting Period 31 March 2017**	Figures as at the end of previous reporting period 31 March 2016
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	**(2,319.06)**	(3,575.20)
Purchase of investments	**(14.93)**	(129.15)
Interest Received	**1,377.15**	1,961.82
Investment in term deposits with more than three months	**6,128.18**	5,387.17
Net Cash Flow from investing activities	**5,171.33**	3,644.64
CASH FLOW FROM FINANCING ACTIVITIES		
Amount paid on buyback of Shares (including transaction charges)	**(7,540.43)**	–
Proceeds from/(repayment of) borrowings*	**(1,496.95)**	1,496.95
Deposits paid towards LCs and BGs (towards non fund based facilities)	**3,270.25**	(1,733.37)
Interest paid	**(20.78)**	(65.65)
Dividends paid (including tax thereon and net off balances for unpaid dividends)	**(1,461.41)**	(5,988.28)
Net Cash Flow from financing activities	**(7,249.32)**	(6,290.35)
Net increase (decrease) in cash and cash equivalent	**30.54**	(143.75)
Cash & Cash equivalents at the beginning of the year	**49.63**	193.38
Cash & Cash equivalents at the end of the year	**80.17**	49.63

* Though the borrowings of the Company are short term in nature, they are not repayable on demand and have a tenure linked to the fixed deposits against which they are secured and accordingly these are not considered as cash equivalents in the preparation of cash flow statements

Subject to our Report of even date
For M/s Tej Raj & Pal
Chartered Accountants
Firm Regn No: 304124E

(CA DINAKAR MOHANTY)
Partner
Membership No: 059390

Place : Hyderabad
Dated : 25/05/2017

For and on behalf of the Board

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(R. SRIDHARAN)
Chairman-cum-Managing Director

(A.S. PARDHA SARADHI)
Company Secretary

Significant Group Accounting Policies

Transition to Ind AS

The Company's standalone financial statements for the quarter ended June 30, 2016 are the first interim standalone financial statements prepared in accordance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS Standalone Financial Statements for the quarter ended June 30, 2016, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the standalone financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

1. Significant accounting policies

1.1 Basis of preparation

(a) Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

For all the periods up to and including the year ended March 31, 2016 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the first , the Company has prepared in accordance with Ind AS. Refer to note on transition to Ind AS for information on how the Company adopted Ind AS.

(b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest crore except share and per share data.

(d) Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(e) 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.

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 Indian Accounting Standard 110 - "Consolidated Financial Statements".

iii) Investments in Associates/Joint Ventures are accounted for using equity method as per Indian Accounting Standard 28 - "Investments in Associates and Joint Ventures".

iv) Investments in Joint Operations are accounted for using the proportionate consolidate method as per Ind AS 111 'Joint Arrangements'.

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.

vi) Non controlling interest 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.

vii) Non controlling 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 Indian Accounting Standard 21 - "The Effects of Changes in Foreign Exchange Rates" for the purpose of Consolidated Financial Statements.

1.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Investment in subsidiaries and joint venture

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

a) Non-derivative financial assets

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.

b) Non-derivative financial liabilities

Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v) Property plant and equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2015, the date of transition.

Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.



When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Fixed Assets costing Rs.5,000/- or less are fully depreciated in the year of purchase.

vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

vii) Inventory

a) Raw materials, Stores and spares (including loose tools and implements), work in process and finished products are valued at lower of cost and net realizable value of the respective units.

b) 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

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

d) Stationery, Medical, Canteen, School Stores, Cotton Waste, Hospital Stores and Lab stores (excluding for R & D Lab) charged off to Revenue on procurement.

e) No credit is taken in respect of stock of run of mine ore, embedded ore, Iron ore slimes.

viii) Impairment

a) Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

ix) Employee benefits

a) 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.

b) Gratuity & Provident fund:

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.

c) 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.

d) 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.

e) 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.

f) 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.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

x) Provisions

All the provision are recognized as per Ind AS 37. Provisions (including mine closure) are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi) Revenue recognition:

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

a) 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.

b) 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.

c) Obsolete Stores & Scrap: Income is accounted on realization basis in respect of used / surplus / obsolete / unserviceable materials / waste products and scrap.

xii) Finance income and expense

Finance income consists of interest income on funds invested, dividend income and gains on the disposal of Fair value through profit and loss account financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

xiii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xiv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

xv) Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost



of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

xvi) Government grants

Grants from the government are recognised when there is reasonable assurance that: (i) the Company will comply with the conditions attached to them; and (ii) the grant will be received. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset. Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

Grant related to income are presented as part of profit or loss, as a deduction to the related expenses.

xvii) Exploration and Evaluation:

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditure are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

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 or exploration and evaluation activities have not reached a stage 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.

xviii) Stripping cost:

Development stripping cost:

Overburden and other mine waste material removed during the initial development of a mine in order to access mineral deposit are capitalized as Intangible Asset. Amortization of the same is done based on the life estimated by the management.

Production stripping cost:

Overburden and other mine waste materials which are removed throughout the production phase of mine and realised in the form of inventory are charged off to profit and loss account as production cost.

For M/s. TEJ RAJ & PAL
Chartered Accountants
FRN No.304124E

(CA DINAKAR MOHANTY)
Partner
Membership No: 059390

Place : Hyderabad
Date : 25th May 2017

For NMDC Limited

(DEVINDER SINGH AHLUWALIA)
Director (Finance)

(R SRIDHARAN)
Chairman-cum-Managing Director

(A S PARDHA SARADHI)
Company Secretary

Note-2.1 : Property, Plant & Equipment

(Rs. in Crore)

ASSETS	GROSS BLOCK					DEPRECIATION BLOCK			NET BLOCK
	As at 1st Apr, 2015 (Deemed Cost)	Additions during the year	Ded/Adj during the year	Internal transfer	As at 31st Mar 2016	For the year	Deductions/ adjustments	Upto 31st Mar 2016	As at 31st Mar 2016
A. General									
Land :									
– Free hold	257.95	16.10	–	–	**274.05**	–	–	**–**	**274.05**
– Lease hold	1.51	3.42	–	–	**4.93**	0.19	–	**0.19**	**4.74**
Buildings	97.62	19.23	(0.02)	2.42	**119.25**	4.66	(0.01)	**4.65**	**114.60**
Plant & Machinery	210.39	391.80	(0.83)	–	**601.36**	33.47	19.12	**52.59**	**548.77**
Heavy Mobile Equipt.	325.15	44.12	(11.75)	–	**357.52**	97.24	(1.89)	**95.35**	**262.17**
Furniture & fittings	8.07	3.31	(0.04)	0.01	**11.35**	1.52	–	**1.52**	**9.83**
Vehicles	17.95	3.40	(0.67)	(0.01)	**20.67**	3.05	0.03	**3.08**	**17.59**
Office Equipment	20.50	7.15	(0.31)	(0.01)	**27.33**	6.32	(0.02)	**6.30**	**21.03**
Others :									
Roads, bridges etc.	58.84	19.35	–	(0.02)	**78.17**	16.73	–	**16.73**	**61.44**
Dams, Wells & Pools	9.19	5.19	–	(2.39)	**11.99**	0.39	–	**0.39**	**11.60**
Adit & tunnel	–	–	–	–	**–**	–	–	**–**	**–**
Railway sidings	34.19	0.15	–	–	**34.34**	3.74	–	**3.74**	**30.60**
Locomotives	–	–	–	–	**–**	–	–	**–**	**–**
Electrical Installations	48.19	49.96	–	–	**98.15**	9.75	–	**9.75**	**88.40**
Sanitary & W. S. Installations	5.72	24.93	–	–	**30.65**	0.64	–	**0.64**	**30.01**
Total 'A'	**1,095.27**	**588.11**	**(13.62)**	**–**	**1,669.76**	**177.70**	**17.23**	**194.93**	**1,474.83**
B. Social Facilities									
Land :									
– Free hold	0.29	–	–	–	**0.29**	–	–	**–**	**0.29**
– Lease hold	–	–	–	–	**–**	–	–	**–**	**–**
Buildings	113.73	30.67	(0.01)	–	**144.39**	3.28	–	**3.28**	**141.11**
Plant & Machinery	0.13	–	–	–	**0.13**	0.01	–	**0.01**	**0.12**
Furniture & fittings	1.16	4.86	(0.17)	–	**5.85**	0.62	–	**0.62**	**5.23**
Vehicles	1.02	–	(0.01)	(0.01)	**1.00**	0.20	–	**0.20**	**0.80**
Office Equipment	4.10	9.31	(0.25)	0.01	**13.17**	1.76	(0.01)	**1.75**	**11.42**
Others :									
Roads, bridges etc.	2.88	1.97	(0.03)	–	**4.82**	0.49	–	**0.49**	**4.33**
Cess fund quarters	6.57	–	–	–	**6.57**	0.17	–	**0.17**	**6.40**
Dams, Wells & Pools	0.06	–	–	–	**0.06**	–	–	**–**	**0.06**
Cess Fund Vehicles	–	–	–	–	**–**	–	–	**–**	**–**
Electrical Instaln.	1.54	1.07	–	–	**2.61**	0.27	–	**0.27**	**2.34**
Sanitary & W.S.Instlns.	4.20	1.87	–	–	**6.07**	0.23	–	**0.23**	**5.84**
Cess fund other assets	–	–	–	–	**–**	–	–	**–**	**–**
Total 'B'	**135.68**	**49.75**	**(0.47)**	**–**	**184.96**	**7.03**	**(0.01)**	**7.02**	**177.94**
Total 'A + B'	**1,230.95**	**637.86**	**(14.09)**	**–**	**1,854.72**	**184.73**	**17.22**	**201.95**	**1,652.77**

Note-2.1 : Property, Plant & Equipment

(Rs. in Crore)

ASSETS	GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK
	As at 1st April 2016	Additions during the year	Ded/Adj during the year	Internal transfer	**As at 31st March 2017**	Upto 1st April 2016	For the year	Ded-uctions/ adjust-ments	Internal transfers	**Upto 31st March 2017**	**As at 31st March 2017**
A. General											
Land :											
– Free hold	274.05	0.07	–	–	**274.12**	–	–	–	–	**–**	**274.12**
– Lease hold	4.93	–	–	–	**4.93**	0.19	0.21	–	–	**0.40**	**4.53**
Buildings	119.25	43.73	–	(34.10)	**128.88**	4.65	4.45	–	(0.58)	**8.52**	**120.36**
Plant & Machinery	601.36	34.82	(3.88)	–	**632.30**	52.59	41.03	(8.03)	–	**85.59**	**546.71**
Heavy Mobile Equipt.	357.52	48.35	(3.31)	–	**402.56**	95.35	50.32	(3.56)	–	**142.11**	**260.45**
Furniture & fittings	11.35	2.23	–	–	**13.58**	1.52	1.57	(0.01)	–	**3.08**	**10.50**
Vehicles	20.67	4.59	(0.55)	–	**24.71**	3.08	3.45	–	–	**6.53**	**18.18**
Office Equipment	27.33	4.99	(0.29)	–	**32.03**	6.30	6.13	(0.09)	–	**12.34**	**19.69**
Others :											
Roads, bridges etc.	78.17	1.71	–	–	**79.88**	16.73	17.79	–	–	**34.52**	**45.36**
Dams, Wells & Pools	11.99	–	–	–	**11.99**	0.39	0.45	–	–	**0.84**	**11.15**
Adit & tunnel	–	–	–	–	**–**	–	–	–	–	**–**	**–**
Railway sidings	34.34	–	–	–	**34.34**	3.74	3.74	–	–	**7.48**	**26.86**
Locomotives	–	11.18	–	–	**11.18**	–	0.56	–	–	**0.56**	**10.62**
Electrical Installations	98.15	43.05	–	–	**141.20**	9.75	12.52	(0.26)	–	**22.01**	**119.19**
Sanitary & W. S. Installations	30.65	0.55	–	–	**31.20**	0.64	1.10	–	–	**1.74**	**29.46**
Total 'A'	**1,669.76**	**195.27**	**(8.03)**	**(34.10)**	**1,822.90**	**194.93**	**143.32**	**(11.95)**	**(0.58)**	**325.72**	**1,497.18**
B. Social Facilities											
Land :											
– Free hold	0.29	–	–	–	**0.29**	–	–	–	–	**–**	**0.29**
– Lease hold	–	–	–	–	**–**	–	–	–	–	**–**	**–**
Buildings	144.39	25.05	(0.02)	34.10	**203.52**	3.28	3.90	–	0.58	**7.76**	**195.76**
Plant & Machinery	0.13	–	–	–	**0.13**	0.01	0.01	–	–	**0.02**	**0.11**
Furniture & fittings	5.85	1.95	(0.17)	–	**7.63**	0.62	0.78	(0.03)	–	**1.37**	**6.26**
Vehicles	1.00	0.58	(0.11)	–	**1.47**	0.20	0.21	–	–	**0.41**	**1.06**
Office Equipment	13.17	7.06	(0.51)	–	**19.72**	1.75	3.40	(0.09)	–	**5.06**	**14.66**
Others :											
Roads, bridges etc.	4.82	0.49	–	–	**5.31**	0.49	0.76	–	–	**1.25**	**4.06**
Cess fund quarters	6.57	–	–	–	**6.57**	0.17	0.17	–	–	**0.34**	**6.23**
Dams, Wells & Pools	0.06	–	–	–	**0.06**	–	–	–	–	**–**	**0.06**
Cess Fund Vehicles	–	–	–	–	**–**	–	–	–	–	**–**	**–**
Electrical Instaln.	2.61	0.10	–	–	**2.71**	0.27	0.32	–	–	**0.59**	**2.12**
Sanitary & W.S.InstIns.	6.07	–	–	–	**6.07**	0.23	0.24	–	–	**0.47**	**5.60**
Cess fund other assets	–	–	–	–	**–**	–	–	–	–	**–**	**–**
Total 'B'	**184.96**	**35.23**	**(0.81)**	**34.10**	**253.48**	**7.02**	**9.79**	**(0.12)**	**0.58**	**17.27**	**236.21**
Total 'A + B'	**1,854.72**	**230.50**	**(8.84)**	**–**	**2,076.38**	**201.95**	**153.11**	**(12.07)**	**–**	**342.99**	**1,733.39**

Note-2.2 : Capital Work in Progress

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Construction work in progress	**10,811.61**	8,960.59	7,074.54
Add : Impairment reversed / (provided)			
Construction Stores	**1.36**	1.70	2.11
Capital Assets in stores awaiting installation or in transit (Net)			
Less : Provision	**58.10**	32.11	20.65
Expenditure incidental to construction awaiting allocation (See note 2.2.1)	**984.38**	752.68	644.79
Total	**11,855.45**	9,747.08	7,742.09

Movement of Capital Work in progress at note no. 2.30.2.

Note-2.2.1 : Expenditure Incidental to Construction Awaiting Allocation

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
a. Opening balance	**752.68**	644.79	489.32
b. Net Expenditure incurred during the year			
Consumption of stores and spares	**23.13**	0.15	0.06
Employee Benefit expense :			
Salaries, Wages & Bonus	**44.64**	42.98	24.76
Contribution to Provident fund, EPS, DLI	**3.23**	2.79	4.11
Contribution to Pension Fund	**0.15**	0.14	–
Contribution to Gratuity fund	**11.65**	2.85	1.62
Staff Welfare expenses	**12.80**	5.50	5.10
Power, Electricity & Water	**28.21**	14.40	10.11
Repairs and Maintenance	**25.17**	1.46	2.21
Depreciation and amortisation	**16.78**	18.75	30.05
Other expenses :			
Rent, Insurance, Rates and taxes	**1.16**	0.24	0.09
Payment to auditors : As auditors	**0.04**	0.03	0.03
Payment to auditors : For Other Services	**0.02**	0.03	0.02
Reimbursement of expenses	**0.03**	0.01	–
Travelling and Conveyance expenses	**1.56**	1.90	1.87
Consultancy expenditure	**51.94**	54.55	64.61
CISF/Security expenditure	**2.33**	1.54	1.12
Environmental Development	**2.27**	–	–
Other expenditure	**29.11**	20.27	12.94
Excise duty	**1.64**		
	255.86	167.59	158.70
Less : Recoveries/Income			
Interest Received	**0.49**	–	–
Other income	**2.01**	(3.52)	3.23
Stock of Finished Goods (Pellet)	**14.81**		
Income from Sale of Pellets	**6.85**	–	–
Total (b)	**231.70**	171.11	155.47
Sub-Total (a + b)	**984.38**	815.90	644.79
Less : Amount allocated to Fixed assets/Capital W I P	**–**	63.22	–
Total	**984.38**	752.68	644.79

Note-2.3 : Intangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK			AMORTISATION BLOCK				NET BLOCK
	As at 1st April, 2015 (Deemed Cost)	Additions during the year	Ded/Adj during the year	**As at 31st March 2016**	For the year	Deductions/ adjustments	**Upto 31st March 2016**	**As at 31st March 2016**
Goodwill	93.89	–	–	**93.89**	–	–	**–**	**93.89**
Total (A)	93.89	–	–	**93.89**	–	–	**–**	**93.89**
GENERAL								
Computer software	2.56	0.20	–	**2.76**	1.24	–	**1.24**	**1.52**
Mining rights	125.54	236.54	(1.00)	**361.08**	50.80	–	**50.80**	**310.28**
Total (B)	128.10	236.74	(1.00)	**363.84**	52.04	–	**52.04**	**311.80**
Total	221.99	236.74	(1.00)	**457.73**	52.04	–	**52.04**	**405.69**

Note-2.3 : Intangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK			AMORTISATION BLOCK					NET BLOCK
	As at 1st April, 2016	Additions during the year	Ded/Adj during the year	**As at 31st March 2017**	Upto 1st April 2016	For the year	Deductions/ adjustments	**Upto 31st March 2017**	**As at 31st March 2017**
Goodwill	93.89	–	–	**93.89**	–	–	–	**–**	**93.89**
Total	93.89	–	–	93.89	–	–	–	**–**	**93.89**
GENERAL									
Computer software	2.76	0.72	0.01	**3.49**	1.24	1.32	–	**2.56**	**0.93**
Mining rights	361.08	16.38	(0.74)	**376.72**	50.80	59.00	–	**109.80**	**266.92**
Total	363.84	17.10	(0.73)	**380.21**	52.04	60.32	–	**112.36**	**267.85**
Total	457.73	17.10	(0.73)	**474.10**	52.04	60.32	–	**112.36**	**361.74**

Additional notes to 2.1 & 2.3 : PPE (Property Plant and Equipment) 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 31-03-2017.

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 (Miming 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	**2016-17**	2015-16
2.1	Depreciation on PPE	**153.11**	184.73
2.3	Amortisation of Intangible Assets	**60.32**	52.04
	Total	**213.43**	236.77
2.2.1	Transferred to IEDC	**(-)16.78**	(-)18.75
Depreciation and amortisation as per Statement of Profit and Loss		**196.65**	218.02

Note-2.4.1 : Investments

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-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 SARL, Madagaskar	**7.20**	7.20	7.20
Less : Investment deration	**(7.20)**	(7.20)	(7.20)
Investment in Joint Ventures :			
Trade & unquoted at cost :			
i) 50 (Previous year NIL) equity shares of South African Rand 1/- each in Kopano-NMDC Minerals (Proprietary) Limited	**–**	–	–
ii) 19,56,500 (previous year Nil) equity shares of 10 each in Bastar Railway Pvt. Ltd. (BRPL)	**1.88**		
iii) 6,000 (Previous year 6,000) equity shares of Rs.10/- each in Jharkhand National Mineral Development Corporation Ltd. (JNMDC)	**–**	–	–
iv) 3,58,32,090 (Previous Year 3,58,32,090) Equity shares of Rs.10/- each fully paid up in NMDC CMDC Ltd.	**35.83**	34.94	35.51
v) 25,500 (previous year Nil) equity shares of Rs.10/- each in NMDC-SAIL Ltd.	**0.02**		
Investments in Associates :			
Trade & unquoted at cost:			
i) 105,000 (previous year 105,000) Equity shares) of Rs.10/- each fully paid up in Romelt SAIL India Ltd. New Delhi	**0.11**	0.11	0.11
Less : Deration	**(0.11)**	(0.11)	(0.11)
ii) 33,63,57,143 (Previous year 28,13,57,143) Equity shares of Rs.10/- each fully paid in International Coal Ventures (P) Ltd.	**493.15**	455.11	387.65
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.	**38.34**	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-2.4.1 : Investments (Contd...)

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Advance against equity for Trade and unquoted Investments in Associates:			
Investments in Associates & JV :			
i) 4,00,00,000 (Previous year 3,99,70,000) equity shares of Rs.10/- each in International Coal Ventures (P) Ltd fully paid, pending issue of shares	**40.00**	39.97	85.50
ii) 30,49,146 (Previous year Nil) equity shares of Rs.10/- each in NMDC CMDC Limited fully paid, pending issue of shares	**3.05**		
iii) 1,30,000 (Previous year Nil) equity shares of Rs.10/- each in Chhattisgarh Mega Steel Limited fully paid, pending issue of shares	**0.01**	–	–
Non-trade and unquoted shares in co-operative societies			
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	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/-)	**–**	–	–
Total	**612.30**	591.64	614.41
1. Aggregate amount of Quoted Investments	**–**	–	–
(Market value of quoted Investments)	**–**	–	–
2. Aggregate amount of Unquoted Investments	**619.61**	598.95	621.72
3. Aggregate amount of provision for diminution in value of investments:	**7.31**	7.31	7.31

Note-2.4.2 : Loans

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Loans to employees	**18.18**	17.76	16.97
Deposit with Others	**74.30**	68.49	67.32
Total	**92.48**	86.25	84.29
Secured, considered good	**18.18**	17.76	16.97
Unsecured, considered good	**74.30**	68.49	67.32
Doubtful	**–**	–	–

Note-2.5 : Deferred tax assets (Net)

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
A. Deferred tax assets :			
1. Provision for bad and doubtful debts and advances	**484.66**	386.56	278.62
2. Provision for post retirement medical benefits	**–**	4.77	4.68
3. Asset retirement obligation and spares	**0.84**	0.84	0.32
4. Accrued expenses	**91.98**	0.01	–
5. Misc. Expenses	**9.87**	0.06	0.07
Total Deferred tax assets	**587.35**	392.24	283.69
B. Deferred tax liabilities :			
1. Related to PPE	**–**	(129.07)	(93.92)
2. Accrued expenses	**(133.99)**	0.01	(11.89)
Total Deferred tax Liabilities	**(133.99)**	(129.06)	(105.81)
Net Deferred Tax Assets	**453.36**	263.18	177.88

Note-2.6 : Other Non-Current Assets

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Capital Advances	**1,110.26**	1,000.93	522.68
Cenvat Credit Receivables	**880.25**	310.38	208.13
Mines Closure Fund with Life Insurance Corporation	**353.89**	324.97	299.51
Other Advances	**354.36**	236.81	1,135.86
Total	**2,698.76**	1,873.09	2,166.18

Note-2.7 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Raw materials	**0.51**	12.00	11.54
Work-in-Process :			
Diamonds	**8.46**	12.69	16.73
Sponge Iron	**0.35**	1.25	0.69
Total W-I-P	**8.81**	13.94	17.42
Finished Goods:			
Iron Ore	**367.45**	463.35	514.88
Sponge Iron	**0.59**	5.36	9.81
Pellets	**14.81**		
Diamonds & Precious Stones	**32.94**	26.02	27.19
Total Finished Goods	**415.79**	494.73	551.88
Generated Iron Ore Fines at Sponge Iron Unit	**0.42**	0.23	0.53
Total	**425.53**	520.90	581.37
Stores & Spares	**114.19**	100.85	101.03
Loose tools and Implements	**0.32**	0.30	0.33
Total	**114.51**	101.15	101.36
G. Total	**540.04**	622.05	682.73
Inventories are valued at cost or NRV whichever is lower.			
1. Stores and Spares include:			
a) Stores-in-transit	**3.68**	3.99	15.48
b) Obsolete stores & spares valued at Re.1/- per unit of their original value of Rs.3.99 Crore (Rs.3.40 Crore as on 2015-16 and Rs.4.07 Crore as on 2014-15)	**0.03**	0.03	0.03

Note-2.8.1 : Trade Receivables

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Trade receivables outstanding for a period exceeding six months from the due date of payment	**1,237.04**	1,104.09	938.29
Other trade receivables	**1,179.18**	807.75	829.24
	2,416.22	1,911.84	1,767.53
Less : Provision for bad & doubtful trade receivables	**(1,372.70)**	(1,115.77)	(819.71)
Total	**1,043.52**	796.07	947.82
Break-up security details			
i) Secured, Considered good			
ii) Unsecured, Considered good	**1,043.52**	796.07	947.82
iii) Doubtful	**1,372.71**	1,115.77	819.71

Trade Receivables includes Rs.1,866.35 Crore (Previous year Rs.1,411.56 Crore) dues from Monitoring Committee.

Note-2.8.2 : Cash and Cash Equivalents

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Cash on hand	**0.01**	0.08	0.09
Balance with Banks			
On current Accounts	**33.28**	35.20	89.91
Deposit with maturity of less then 3 months	**9.16**	14.35	103.38
Earmarked Balances	**37.72**	–	–
Total	**80.17**	49.63	193.38

Note-2.8.3 : Bank Balances Other Than (ii) above

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Balances with banks on Deposits accounts (Original Maturity more than 3 months but less than one year)	**4,832.07**	10,960.25	16,347.42
Unpaid Dividend accounts	**3.47**	121.21	1.45
Bank deposits offered as security for Bank guarantees and letter of credit	**404.80**	3,675.05	1,941.68
Total	**5,240.34**	14,756.51	18,290.55

Note-2.8.4 : Other Financial Assets

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Related Parties			
Advances to Directors	**–**	–	0.01
Advances to Subsidiaries, JVs & Associates	**0.46**	0.30	0.20
	0.46	0.30	0.21
Employees and outsiders	**107.66**	104.11	174.14
Deposit with others	**0.02**		
Interest Accrued			
Accrued interest on deposits with banks	**157.63**	740.04	900.82
Accrued interest on Other	**4.80**	0.55	106.56
Other Receivables	**11.30**	6.40	11.27
Total	**281.87**	851.40	1,193.00

Note-2.9 : Current Tax Assets (Net)

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Advance Income tax & TDS	**7,427.38**	9,132.59	10,490.35
Less : Provision	**6,863.01**	8,263.16	9,869.45
Total	**564.37**	869.43	620.90

Note-2.10 : Other Current Assets

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Advances to suppliers, contractors and Prepaid expenses	**182.05**	190.43	187.77
Less : Provision for bad and doubt full advances	**2.71**	1.79	1.56
Total	**179.34**	188.64	186.21
Current Investments	**1.90**	2.00	–
Total	**181.24**	190.64	186.21

Note-2.11 : Assets Held for Disposal

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Assets held for disposal (*)	**44.63**	0.35	0.37
Total	**44.63**	0.35	0.37

(*) Includes an amount of Rs.44.25 Crore towards registration & stamp duty charges on grant of Mining Lease of Bailadila Iron Ore Deposit-13 in favour of NMDC Limited to be transferred to NMDC CMDC Limited, a joint venture of NMDC Limited at cost.

Note-2.12 : Equity Share Capital

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Authorised:			
400,00,00,000 Equity Shares of Re.1/- each (Previous year 400,00,00,000 Equity Shares of Re.1/- each)	**400.00**	400.00	400.00
Issued, Subscribed & Paid up:			
Opening Balance (3,96,47,16,000 Equity shares of Re.1/- each fully paid up)	**396.47**	396.47	396.47
Add : Issue of shares during the year	**–**	–	–
Less : Repurchase of shares during the year (80,08,25,526 Equity shares of Re.1/- each fully paid up)	**80.08**	–	–
TOTAL	**316.39**	396.47	396.47

Addl. Notes :

1) No new shares were issued during the current year.

2) Board of Directors of the Company in its meeting held on 7th June 2016 approved buyback of 80,08,25,526 equity shares @ Rs.94/- for an aggregate consideration of Rs.7,527.76 Crore. The buyback offer of shares was closed on 30th September 2016 and the process for buyback was been completed on 10th October 2016. The buyback offer was fully subscribed.

3) 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.

4) The details of shares in the Company held by each shareholder holding more than 5% shares :

Name of the Share holder	**31-Mar-2017**		**31-Mar-2016**		**31-Mar-2015**	
	% of share Holding	**Number of shares**	**% of share Holding**	**Number of shares**	**% of share Holding**	**Number of shares**
i) President of India	74.94	2,371,126,192	80.00	3,171,946,300	80.00	3,171,946,300
ii) LIC of India (incl all schemes)	12.32	381,661,465	9.63	381,661,465	8.52	337,787,162

Note-2.14 : Provisions (Non-Current)

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Employee Benefits :			
Gratuity	**0.07**	0.06	0.06
Accrued leave	**0.01**		
Long Service Reward	**20.09**	20.96	10.74
Mine closure Obligation	**591.15**	332.49	302.73
Total	**611.32**	353.51	313.53

Note-2.15.1 : Borrowings

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Loan against FDs	**–**	1,496.95	–
Total	**–**	1,496.95	–

Note-2.15.2 : Trade & Other Payables

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Total outstanding dues of micro and small enterprises	**1.10**	0.31	0.19
Other than micro and small enterprises	**197.80**	324.21	226.21
Total	**198.90**	324.52	226.40

Disclosure Relating to Micro and Small Enterprises

i) (a) The principal amount remaining unpaid to the supplier as at the end of the year	1.00	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	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	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	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	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	Nil

Note-2.15.3 : Other Financial Liabilities

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Unpaid Dividend	**3.47**	2.30	1.45
Deposits from Suppliers, Contractors	**124.06**	115.29	106.44
Capital Creditors	**772.09**	464.37	565.06
Other financial Liabilities	**332.74**	382.03	300.65
Total	**1,232.36**	963.99	973.60

Note-2.16 : Other Current Liabilities

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Advances from customers	**102.60**	116.04	111.42
Other Payables	**206.17**	28.39	14.97
(like withholding and other taxes payable, amounts payable to employees and others)			
Statutory Dues	**528.65**	206.06	141.39
Total	**837.42**	350.49	267.78

Note-2.17 : Provisions

(Rs. in Crore)

Particulars	**Figures as at end of 31-March-2017**	Figures as at end of 31-March-2016	Figures as at 1-April-2015
Employee Benefits :			
Accrued leave	**–**	0.09	0.16
Long Service Reward	**2.20**	2.10	1.54
Provision for gratuity, leave salary, family benefit scheme and post employment medical benefits	**301.91**	65.40	59.67
Provisions for de-commissioning liability	**1.95**	1.79	1.64
Total	**306.06**	69.38	63.01

Note-2.18 : Revenue from Operations

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Sale of Products :		
Iron ore :		
Export through MMTC	**904.75**	352.80
Domestic		
Basic price	**6,431.78**	5,069.38
Royalty	**999.44**	781.98
Development Cess	**30.40**	21.37
Forest Permit Fee	**30.40**	20.05
Forest Development Fee	**110.28**	–
District Mineral Fund (DMF)	**189.15**	76.35
National Mineral Exploration Trust (NMET)	**12.70**	6.00
Total Domestic Sales	**7,804.15**	5,975.13
Total Iron Ore Sales	**8,708.90**	6,327.93
Sponge Iron	**13.13**	13.14
Diamonds	**41.91**	52.61
	8,763.94	6,393.68
Sale of Power	**7.48**	6.30
Sale of Services	**57.84**	55.51
Other operating revenue	**0.38**	1.78
Total	**8,829.64**	6,457.27

Note-2.19 : Other Income

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Interest Income:		
On deposits with banks	**720.82**	1,603.04
Others	**78.16**	91.99
	798.98	1,695.03
Profit on sale/adjustment of assets	**1.33**	1.22
Other non operating income	**109.86**	114.43
Total	**910.17**	1,810.68

Note-2.20 : Consumption of Raw Materials

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Iron ore	**1.21**	5.70
Coal	**4.00**	3.93
Lime Stone	**0.04**	0.05
Internal handling of raw materials	**0.12**	0.05
Total	**5.37**	9.73

Note-2.21 : Changes in Inventories of Finished Goods and Work in Progress

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Work-in-process:		
Balance as at the beginning of the Year	**13.94**	17.42
Less : Balance as at close of the Year	**8.81**	13.94
	5.13	3.48
Finished Goods:		
Balance as at the beginning of the Year	**494.72**	554.36
Less : Balance as at close of the Year	**400.98**	494.72
	93.74	59.64
Total	**98.87**	63.12

Note-2.22 : Employee Benefit Expense

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Salaries, wages & bonus	**578.98**	475.25
Contribution to Provident fund and other funds		
Provident fund, FPS & DLI	**43.21**	37.37
Pension Fund	**26.28**	23.91
Group gratuity fund	**127.62**	18.99
Staff welfare expenses	**112.66**	94.29
Total	**888.75**	649.81

Note-2.23 : Power, Electricity and Water Charges

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Power	**68.81**	51.76
Electricity charges	**16.99**	14.46
Water charges	**1.85**	1.47
Total	**87.65**	67.69

Note-2.24 : Repairs & Maintenance

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Buildings	**19.14**	28.11
Plant and machinery	**31.54**	35.92
Vehicles	**0.73**	0.70
Others	**60.96**	54.66
Total	**112.37**	119.39

Note-2.25 : Selling Expense

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Railway freight	**349.34**	271.53
Export duty	**92.64**	36.53
Infrastructure Development cess	**17.31**	11.69
Environmental Development cess	**17.31**	11.69
Other selling expenses	**249.33**	85.68
Total	**725.93**	417.12

Note-2.26 : Finance Cost

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
i) Interest on Short term Borrowings	**5.38**	14.23
ii) Interest - Others	**15.24**	51.27
iii) Interest on Deposit from contractors, suppliers & others	**0.16**	0.15
Total	**20.78**	65.65

Note-2.27 : Other Expenses

(Rs. in Crore)

Particulars	**For the Year Ended 31-March-2017**	For the Year Ended 31-March-2016
Rent	**5.24**	4.58
Insurance	**6.62**	7.47
Rates & Taxes	**7.97**	7.91
Directors' travelling expenses	**2.12**	2.79
Director's sitting fees	**0.95**	0.91
Payment to Auditors:		
As audit Fee	**0.40**	0.38
For taxation matters	**0.02**	0.01
For Other Services	**0.36**	0.17
For reimbursement of expenses	**0.19**	0.13
Loss on sale/adjustment of Assets	**0.37**	2.51
Miscellaneous losses written off	**0.29**	1.33
Provision for doubtful debts/advances	**301.46**	296.51
Mine closure obligation	**258.50**	29.76
Raising and transportation	**84.22**	85.04
Local area development (Towards SPV in Karnataka)	**244.96**	197.26
Entertainment	**0.87**	1.21
Donations	**–**	0.15
Travelling & Conveyance	**26.43**	28.90
Advertisement & Publicity	**7.65**	15.10
Postage, Telephone & Telex	**3.54**	3.19
Stationery & Printing	**2.66**	3.12
Consultancy charges	**11.34**	7.17
CISF/Security guards	**125.31**	95.11
Safety expenses	**1.33**	1.24
Corporate Social Responsibility	**174.18**	210.09
Loss in Exchange variation (net)	**0.05**	0.76
Environmental Development	**45.21**	16.19
Other expenses	**36.59**	43.25
Exp. on Enabling Assets for the company	**176.72**	166.44
Total	**1,525.55**	1,228.68

Note-2.28 : Exceptional Items

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Income:		
DMF (from customers) 12/01/2015 to 16/09/2015	–	54.74
&		
NMET (from customers) 12/01/2015 to 13/08/2015	–	3.35
	–	58.09
Less		
Expenditure		
DMF (to Govt) 12/01/2015 to 16/09/2015		**228.77**
&		
NMET (to Govt) 12/01/2015 to 13/08/2015		**14.10**
	–	242.87
TOTAL EXPENDITURE	–	184.78

Note-2.29 : Tax Expenses

RECONCILIATION OF EFFECTIVE TAX RATE AND STATUTORY TAX RATE AS ON 31.03.2017

(Rs. in Crore)

Particulars	For the Year Ended 31-March-2017
CURRENT TAX	
Current tax on profit for the year	**1,584.44**
Adj. of current tax for prior period	**274.05**
Total current tax expenses	**1,858.49**
DEFERRED TAX	
Decrease/(increase) in deferred tax assets	**(202.21)**
(decrease)/increase in deferred tax liabilities	**12.01**
Total deferred tax expenses/(benefit)	**(190.20)**
Total Tax Expenses	**1,668.29**

Particulars	**Amount Rs. in Crore**	**Tax Rs. in Crore**	**Tax %**
Accounting profit before tax from continuing operations	4,293.68		
Profit/(loss) before tax from discontinued operations	(0.76)		
Accounting profit before income tax	4,292.92		
Income tax rate			
Tax at Income tax rate		1,485.70	34.608
Tax effect of amount not deductible in calculating taxable income			
Weighted deduction on R&D exp.	(21.98)	(7.61)	(0.177)
CSR exp.	174.18	60.28	1.404
Prov. For bad & doubtful exp.	270.80	93.72	2.183
Change in Depreciation	(38.40)	(13.29)	(0.310)
Provision for deration of inv. and advance	42.37	14.66	0.342
Investment allowance	(20.45)	(7.08)	(0.165)
Other items	(121.20)	(41.94)	(0.977)
Taxable income	4,578.25	1,584.44	36.908

Note-2.30.1 : Details of Specified Bank Notes (SBN) held and Transacted during the period from 8th November 2016 to 30th December 2016

(In Rupees)

Particulars	SBN	Other denomination notes	Total
Closing balance as on 8th November 2016	564,500	40,874	605,374
Add : Withdrawals from Bank Accounts	–	310,000	310,000
Add : Permitted Receipts	20,500	1,069,954	1,090,454
Less : Permitted Payments	–	1,031,247	1,031,247
Less : amount Deposited in Bank	585,000	226,110	811,110
Closing cash in hand as on 30th Dec 2016			163,471

Note-2.30.2 : Movement of Capital Work in progress

Particulars	Construction Work in Progress	Construction Stores	Capital asset in stores awaiting installation or in transit	Expenditure Incidental to construction awaiting allocation	Total
Year ended 31 March 2016					
Gross carrying amount					
Deemed cost as at 1 April 2015	7,074.54	2.11	20.65	644.79	7,742.09
Additions	2,471.01	–	43.65	171.14	2,685.80
Disposals/Capitalization to PPE	584.95	0.41	32.19	63.26	680.81
Closing gross carrying amount	**8,960.60**	**1.70**	**32.11**	**752.67**	**9,747.08**
Accumulated amortization					
Amortisation charge during the year	–	–	–	–	–
Closing accumulated amortisation	–	–	–	–	–
Closing net carrying amount	**8,960.60**	**1.70**	**32.11**	**752.67**	**9,747.08**
Year ended 31 March 2017					
Gross carrying amount					
Opening gross carrying amount	8,960.59	1.70	32.11	752.67	9,747.07
Additions	1,985.43	–	80.95	231.70	2,298.08
Disposals/Capitalisation to PPE	134.40	0.34	54.96	–	189.70
Closing gross carrying amount	**10,811.62**	**1.36**	**58.10**	**984.37**	**11,855.45**
Accumulated amortisation					
Amortisation charge during the year					
Closing accumulated amortisation	–	–	–	–	–
Closing net carrying amount	**10,811.62**	**1.36**	**58.10**	**984.37**	**11,855.45**

Note-2.31.1 : Related Party Transactions

i) List of Related parties

A. Subsidiary Companies	Country	Holding as at March 31, 2017	March 31, 2016	April, 1 2015
Legacy Iron Ore Limited	Australia	**78.56%**	78.56%	78.56%
J & K Mineral Development Corporation Limited	India	**95.86%**	95.86%	74%
NMDC Power Limited	India	**100%**	100%	100%
Karnataka Vijaynagar Steel Limited	India	**100%**	100%	100%
NMDC Steel Limited	India	**100%**	100%	100%
Jharkhand Kolhan Steel Limited	India	**100%**	100%	100%
NMDC-SARL, Madagaskar (Under closure)	Africa	**100%**	100%	100%

B. Joint Venture Companies	Country	Holdings March 31, 2017	March 31, 2016	April, 1 2015
Kopano-NMDC Minerals (Proprietary) Limited	South Africa	**50%**	50%	50%
Jharkhand National Mineral Development Corporation Ltd.	India	**60%**	60%	60%
NMDC-CMDC Ltd., Raipur	India	**51%**	51%	51%
NMDC-SAIL Ltd.	India	**51%**	–	–
Bastar Railway Pvt. Ltd.	India	**80.35%**	–	–

C. Associate Companies	Country	Holdings March 31, 2017	March 31, 2016	April, 1 2015
Romelt-Sail (India) Limited*	India	**25%**	25%	25%
International Coal Ventures (Pvt.) Ltd.	India	**26.47%**	26.49%	24.80%
Krishnapatnam Railway Company Ltd.	India	**14.82%**	14.82%	14.82%
Chhattisgarh Mega Steel Ltd.	India	**26%**	–	
Neelachal Ispat Nigam Ltd.	India	**12.87%**	12.87%	12.87%

* In the process of liquidation. Public notice has been issued by GOI, Ministry of Corporate affairs vide their notice dated 27.04.2017 to remove/strike off the name of the company from the Registrar of companies unless a cause is shown to the contrary within 30 days from the date of notice.

D: Key Management Personnel: (Directors) as on 31/03/2017

Directors :

1. Sri R. Sridharan (CMD w.e.f 7th Dec 2016) (*)
2. Smt. Bharathi S. Sihag (CMD up to 30th Nov 2016) (**)
3. Dr. Narendra K Nanda (Dir. Tech)
4. Dr. T R K Rao (Dir. Commercial) (***)
5. Sri P K Satpathy (Dir. Production)
6. Sri D S Ahluwalia (Dir. Finance)
7. Sri Sandeep Tula (Dir. Personnel w.e.f 3rd Aug 2016)

(*) Holding additional Charge as CMD along with Member Finance, ISRO, Dept of space
(**) Held additional Charge as CMD along with SS &FA, MoS
(***) Held additional Charge as Director (Personnel) upto 2nd Aug 2016)

Company Secretary :
Sri A.S Pardha Saradhi

i) The consolidated financial statements are drawn by considering unaudited financial statements of the above mentioned subsidiaries for the year ended 31/03/2017 except M/s NMDC Steel Limited and Legacy Iron Ore Limited, Perth, Australia.

ii) In respect of Associate companies, the consolidated financial statements are drawn by considering the unaudited financial statements for the period ending 31/03/2017 except International Coal Venture Limited (ICVL) and Neelachal Ispat Nigam Limited (NINL).

iii) In respect of Joint Venture i.e. Kopano-NMDC Minerals (Proprietary) Limited, South Africa, the consolidated financial statements are drawn by considering the latest available unaudited financial statements of 2015-16. In respect of other joint ventures companies the consolidated financial statements are drawn by considering the unaudited financial statements for the period ending 31/03/2017.

M/s Jharkhand National Mineral Development Corporation Limited and M/s NMDC-CMDC Limited has been considered as Joint Venture as per the provisions of IND-AS 110, wherein the promoters collectively control the Companies and act together to direct the activities. Accordingly, the consolidated financial statements are drawn using Equity Method from the transition date i.e. 01-04-2015, which in the earlier GAAP was consolidated as Subsidiary Companies.

iv) A decision was earlier taken to go ahead with setting up of 30000 TPA dead burnt magnesite plant at Panthal, Jammu. Environment clearance was granted vide Ministry of Environment & Forests (MOEF) vide their letter dated 03.05.2011. Major works were awarded during 2015-16. However MOEF vide their letter dated 28.10.2016 had withdrawn the environment clearance granted earlier and all the works have been suspended. As there appears to be no immediate sign of resumption of activity, the Equity amount of Rs.28.51 Crore and Advances to an extent of Rs.13.86 Crore (adjusted for free cash & bank balance) has been provided for.

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 Vijayanagar 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 Vijayanagar Steel Limited.

Accordingly, KVSL recognized a liability of an amount of Rs.638.65 Crore (Previous year Rs.637.20 Crore 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.

Note-2.31.2 : The following subsidiary/JV/Associate companies are not consolidated for the following reasons:

a) The accounts of the subsidiary company i.e. NMDC SARL, Madagaskar as the Company is under closure and in the process of winding up.

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.

Related Party Transactions

(Rs. in Crore)

Investment in Joint Venture Companies (including advance against equity)	As at March 31, 2017	March 31, 2016	April, 1 2015
Kopano-NMDC Minerals (Proprietary) Limited (Rs.324/-)	**–**	–	–
Jharkhand National Mineral Development Corporation Ltd.	**–**	–	–
NMDC-CMDC Ltd., Raipur	**38.88**	34.94	35.51
NMDC-SAIL Ltd.	**0.02**	–	–
Bastar Railway Pvt. Ltd.	**1.88**	–	–
Total	**40.78**	34.94	35.51

Loans & Advances to JVs	As at March 31, 2017	March 31, 2016	April, 1 2015
Kopano-NMDC Minerals (Proprietary) Limited	**0.10**	0.02	0.02
Jharkhand National Mineral Development Corporation Ltd.	**0.04**	0.03	0.03
NMDC-CMDC Ltd., Raipur	**0.20**	0.28	0.18
NMDC-SAIL Ltd.	**–**	–	–
Bastar Railway Pvt. Ltd.	**–**	–	–
Total	**0.34**	0.33	0.23

Investment in Associates (including advance against equity)	As at March 31, 2017	March 31, 2016	April, 1 2015
Romelt-Sail (India) Limited*	**0.11**	0.11	0.11
International Coal Ventures (Pvt.) Ltd.	**533.15**	495.08	473.15
Krishnapatnam Railway Company Ltd.	**38.34**	35.45	37.8
Chhattisgarh Mega Steel Ltd.	**0.01**	–	–
Neelachal Ispat Nigam Ltd.	**–**	26.15	67.89
Total	**571.61**	556.79	578.95
* Investment deration/Provision	**0.11**	0.11	0.11

Loans & Advances	As at March 31, 2017	March 31, 2016	April, 1 2015
Loans & Advances	**–**	–	–

Aggregate amount of unquoted investments Gross Rs.571.61 Crore and net Rs.571.50 Crore (Previous year Gross Rs.556.79 Crore and net Rs.556.68 Crore).

Key Management Personnel:

Loans & Advances	As at March 31, 2017	March 31, 2016	April, 1 2015
Key Managerial Personnel Remuneration	**2.01**	2.63	3.51

Note-2.32 : Contingent liabilities and Commitments (to the extent not provided for)

A. Contingent liabilities

(Rs. in Crore

	Particulars	**As at 31-MAR-17**	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.	**1,877.45**	2,161.47	503.70
B	Claims by contractors under arbitration			
i.	On capital account	**173.30**	–	–
ii.	On revenue account	**–**	0.16	0.16
C	Other claims on Company not acknowledged as debts	**153.63**	88.44	221.79
1.2	Contingent liability on bills discounted/ LCs/BG's	**588.79**	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	**52.24**	52.99	–
	b. Corporate Guarantee by NINL to MMTC Ltd for Rs.945 Crore -(Company share 12.87%)	**121.62**	121.62	

B. Committments:

	Particulars	**As at 31-MAR-17**	As at 31-MAR-16	As at 31-MAR-15
1.1	Estimated amount of contracts remaining to be executed on Capital account	7,967.52	7,578.33	8,284.44

1.2 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 Hon'ble High Court and pending its decision, The amount of demands Rs.1207.14 Crore (Previous year Rs.1652.54 Crore including interest) is included under contingent liability.

1.3 Disputed claims under ' Karnataka Forest Act:

Government of Karnataka had introduced Forest Development Tax (FDT), to pay @ 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 claims-taxes etc., 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.

Meanwhile Karnataka State Govt had enacted 'Karnataka Forest (Amendment) Act 2016 vide Gazette notification dated 27.07.2016. The amendment substituted the word 'Tax' in the principal act to 'Fee' wef 16th day of Aug 2008. Based on this the Monitoring Committee had started billing the Forest Development Fee in its invoices. Meanwhile consumers in Karnataka had filed separate Writ petitions in Hon'ble High Court of Karnataka on the above. Karnataka High Court vide its order dated 20th Sept 2016, had ordered that State Govt may restrain from collecting FDF during the pendency of the writ petition subject to the condition of furnishing the bank guarantee in respect of 25% of the demand in relation to future transactions. Karnataka State Govt had approached Hon'ble Supreme Court on this. Hon'ble Supreme Court vide its order dated 13.02.2017 had modified the order of Hon'ble' High Court of Karnataka and ordered for payment of 50% of the demanded amount and furnish bond for balance amount.

The amount billed by the Monitoring Committee amounting to Rs.110.28 Crore towards newly introduced FDF has been accounted under Sales revenue. With regard to the earlier amounts the amount of Rs.243.69 Crore was included under disputed claims 1.1A. Since Rs.121.84 Crore paid was accounted under 'Loans and Advances', the same is now added to disputed claims under 1.1A totalling to Rs.365.53 Crore. The amount of Rs.121.84 Crore for which BG was given is shown under 'Contingent Liability on BG's' at 1.2.

Note-2.33 : Mining issues at Donimalai Complex in Karnataka

The Monitoring Committee has retained 10% of sale proceeds for the period from 04/10/2011 to 31/03/2017 amounting to Rs.1,350 Crore (previous year Rs.1,105.05 Crore) pending finalisation of R&R plan. The amount is included under "Trade Receivables".

The Rehabilitation and Reclamation (R&R) plan prepared by ICFRE and submitted to Central Empowered Committee appointed by the Hon'ble Supreme Court of India was considered and approved. However the Monitoring Committee has not yet released the balance payment as the issue is still pending with the Hon'ble Supreme Court of India.

Based on the subsequent events, Company has reviewed the reasonability of realization of the 10% of the sales proceeds considered under the trade receivables from Monitoring Committee and under Ind AS 109, has provided for 100% of the said amount.

Interest on Outstanding Dues: As per the direction of Hon'ble Supreme Court, Monitoring Committee initially was to pay interest at the rate of 6% on the outstanding dues. However, Monitoring Committee vide its letter dt. 20.01.16 informed that it reduced the interest rate from 6% to 3% which is applicable retrospectively. Accordingly, the Company made reversal of Rs.47.66 Crore towards reduction in interest rate in the books. Thereby the total interest income receivable from Monitoring Committee as on 31.3.2017 is Rs.42.35 Crore which is included other financial assets.

Note-2.34 : Disclosure Under Accounting Standards

2.34.1 Employee Benefits as per Ind - AS-19

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 to a separate trust based on a fixed percentage of the eligible employees' salary. remitted

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 2017.

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						
1st April 2015						
Present value of obligation at the beginning of the year	176.84	93.62	24.29	225.44	18.71	13.38
Interest cost	14.15	7.49	1.94	20.29		
Current service cost	4.68	15.45	0.81	25.63		
Past service cost	–	–	–	–	–	–
Benefits paid/payable	(24.51)	(8.27)	(1.25)	(19.58)	(4.07)	–
Actuarial gain/loss on obligation	6.43	1.14	(1.33)	17.37	10.05	(1.25)
Present value of obligation at the end of the period	**177.59**	**109.43**	**24.46**	**269.15**	**24.69**	**12.13**
31st March 2016						
Present value of obligation at the beginning of the year	177.59	109.43	24.46	269.15	24.69	12.13
Interest cost	14.21	8.75	–	20.99		
Current service cost	4.97	24.03	–	23.33		
Past service cost	–	–	–	–	–	–
Benefits paid/payable	(25.35)	(12.61)	(1.21)	(21.91)	(5.29)	(2.10)
Actuarial gain/loss on obligation	15.42	(23.04)	(5.94)	13.30	8.48	13.03
Present value of obligation at the end of the period	**186.84**	**106.56**	**17.31**	**304.86**	**27.88**	**23.06**
31st March 2017						
Present value of obligation at the beginning of the year	186.84	106.56	17.31	304.86	27.88	23.06
Interest cost	14.95	8.53	–	24.08		
Current service cost	135.76	47.12	–	22.22		
Past service cost	–	–	–	–	–	–
Benefits paid/payable	(20.60)	(5.64)	(0.88)	(28.94)	(6.89)	(1.19)
Actuarial gain/loss on obligation	4.70	(2.89)	0.08	88.63	10.31	0.18
Present value of obligation at the end of the period	**321.65**	**153.68**	**16.51**	**410.85**	**31.30**	**22.05**
B. Changes in the fair value of the Plan Assets as on						
1st April 2015						
Fair value of plan assets at the beginning of the year	185.50	103.12	29.17	184.09	14.79	–
Expected return on plan assets	16.05	9.46	2.70	18.90	2.31	
Contributions	0.15	0.03	–	40.89	4.11	
Benefits paid/payable	(24.51)	(8.27)	(1.25)	(19.58)	(4.07)	–
Actuarial gain/loss on plan assets	(0.57)	(0.36)	(0.09)	–	(0.19)	–
Fair value of plan assets at the end of the period	**176.62**	**103.98**	**30.53**	**224.30**	**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
31st March 2016						
Fair value of plan assets at the beginning of the year	176.62	103.98	30.53	224.30	16.95	–
Expected return on plan assets	14.26	9.14	2.72	20.29	2.30	–
Contributions	0.13	5.45	0.05	41.22	7.74	–
Benefits paid/payable	(25.35)	(12.61)	(1.21)	(21.91)	(5.29)	–
Actuarial gain/loss on plan assets	0.01	4.53	0.33	0.01	(0.01)	–
Fair value of plan assets at the end of the period	**165.67**	**110.49**	**32.42**	**263.91**	**21.69**	**–**
31st March 2017						
Fair value of plan assets at the beginning of the year	165.67	110.49	32.42	263.91	21.69	–
Expected return on plan assets	13.25	9.31	2.81	20.71	6.89	–
Contributions	21.17	–	–	40.95	9.92	–
Benefits paid/payable	(19.89)	(6.88)	(0.88)	(28.94)	(6.89)	–
Actuarial gain/loss on plan assets	1.39	0.13	0.22	3.42	(3.73)	–
Fair value of plan assets at the end of the period	**181.59**	**113.05**	**34.57**	**300.05**	**27.88**	**–**
C. Amounts recognised in the Balance sheet as on						
1st April 2015						
Present value of the obligations at the end of the year	177.59	109.43	24.46	269.15	24.69	12.13
Fair value of plan assets at the end of the year	176.62	103.98	30.53	224.30	16.95	–
Liability(+)/Asset (-) recognised in the balance sheet	**0.97**	**5.45**	**(6.07)**	**44.85**	**7.74**	**12.13**
31st March 2016						
Present value of the obligations at the end of the year	186.84	106.56	17.31	304.86	27.88	23.06
Fair value of plan assets at the end of the year	165.67	110.49	32.42	263.91	21.69	–
Liability(+)/Asset (-) recognised in the balance sheet	**21.17**	**(3.93)**	**(15.11)**	**40.95**	**6.19**	**23.06**
31st March 2017						
Present value of the obligations at the end of the year	321.65	153.68	16.51	410.85	31.30	22.05
Fair value of plan assets at the end of the year	181.59	113.05	34.57	300.05	27.88	–
Liability(+)/Asset (-) recognised in the balance sheet	**140.06**	**40.63**	**(18.06)**	**110.80**	**3.42**	**22.05**

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
D. Amounts recognised in the Statement of P&L for the period ended						
1st April 2015						
Current service cost	4.68	15.45	0.81	25.63	–	–
Past service cost	–	–	–	–	–	–
Interest cost	14.15	7.49	1.94	20.29	–	–
Expected return on plan assets	(16.05)	(9.46)	(2.70)	(18.90)	(2.31)	–
Net acturarial gain/loss recognised in the year	7.00	1.50	(1.24)	17.37	10.24	(1.25)
Expenses recognised in Statement of Profit and Loss	**9.78**	**14.98**	**(1.19)**	**44.39**	**7.93**	**(1.25)**
31st March 2016						
Current service cost	4.97	24.03	–	23.33	–	–
Past service cost	–	–	–	–	–	–
Interest cost	14.21	8.75	–	20.99	–	–
Expected return on plan assets	(14.26)	(9.14)	(2.72)	(20.29)	(2.30)	–
Net acturarial gain/loss recognised in the year	15.41	(27.57)	(6.27)	13.29	8.49	13.03
Expenses recognised in Statement of Profit and Loss	**20.33**	**(3.93)**	**(8.99)**	**37.32**	**6.19**	**13.03**
31st March 2017						
Current service cost	135.76	47.12	–	22.22	–	–
Past service cost	–	–	–	–	–	–
Interest cost	14.95	8.53	–	24.08	–	–
Expected return on plan assets	(13.25)	(9.31)	(2.81)	(20.71)	(6.89)	–
Net acturarial gain/loss recognised in the year	3.31	(3.02)	(0.14)	85.21	14.04	0.18
Expenses recognised in Statement of Profit and Loss	**140.77**	**43.32**	**(2.95)**	**110.80**	**7.15**	**0.18**

E. Principal Actuarial Assumptions:

DESCRIPTION	**2016-17**	2015-16
i. Discount Rate	**7.35%**	8.00%
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%
iv. Future salary increase	**6.50%**	6.50%

The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

F. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :

a) Gratuity

(Rs. in Crore)

	1% Increase 31/3/2017	1% Decrease 31/3/2017
A Effect of 1% Change in the Assumed Discount Rate	299.20	347.55
1. Effect on DBO	(6.98)	8.05
A Effect of 1% Change in the Assumed Salary Rate	342.03	301.38
2. Effect on DBO	6.34	(6.30)
A Effect of 1% Change in the Assumed Attrition Rate	341.41	299.68
3. Effect on DBO	6.14	(6.83)

b) Post Retirement Medical Facilities

(Rs. in Crore)

	1% Increase 31/3/2017	1% Decrease 31/3/2017
A Effect of 1% Change in the Assumed Discount Rate	375.64	452.27
1. Effect on DBO	(8.57)	10.08
A Effect of 1% Change in the Assumed Salary Rate	449.63	377.61
2. Effect on DBO	9.44	(8.08)
A Effect of 1% Change in the Assumed Attrition Rate		
3. Effect on DBO		

(G) Defined benefit liability

The weighted average duration of the defined benefit obligation is 13.39 years for Leave encashment benefit, 10.70 years for gratuity scheme as on 31 March 2018 .The expected maturity analysis of gratuity and compensated absenses is as under :

(Rs. in Crore)

	Less than a year	Between 2 - 5 years	between 5 -10 years	Over 10 years	Total
31 March 2017					
Gratuity scheme	24.35	83.87	80.93	132.50	321.65
Accrued leave salary	6.54	27.64	33.63	85.87	153.68
Settlement Allowance					
Post retirement medical benefits	29.71	126.12	169.36	85.66	410.85
Family Benefit Scheme					
Long Service Award					
Total	**60.60**	**237.63**	**283.92**	**304.03**	**886.18**

Note-2.34.2 : Segment Reporting as per Ind-AS-108

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the company's Board reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the Company's reportable segments:

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), segment revenue and segment capital employed as included in the internal management reports that are reviewed by the board of directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Information about Business Segments

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	**8,708.89**	6,327.93	**120.75**	129.34	**0.00**	–	**8,829.64**	6,457.27
Inter-Segment Sales	**–**	0.02	**0.00**	0.00	**0.00**	(0.02)	**–**	–
Total Revenue	**8,708.89**	6,327.95	**120.75**	129.34	**0.00**	(0.02)	**8,829.64**	6,457.27
2. RESULT								
Segment Result	**3,673.70**	3,108.37	**(43.30)**	(17.40)	**60.78**	(462.68)	**3,691.18**	2,628.29
Unallocated Corporate Exps							**(181.25)**	(148.92)
Operating Profit							**3,509.93**	2,479.37
Finance Cost							**(20.78)**	(65.65)
Interest Income							**797.66**	1,669.73
Income Taxes							**(1,703.78)**	(1,379.80)
Non-controlling Interest							**1.15**	2.02
Share of associates							**(40.32)**	(159.57)
Net Profit							**2,543.86**	2,546.10
3. OTHER INFORMATION								
Segment Assets	**5,822.28**	5,730.14	**152.88**	212.52	**19,355.14**	26,549.94	**25,330.30**	32,492.60
Segment Liabilities	**1,554.56**	1,120.40	**30.26**	23.52	**1,601.24**	2,414.93	**3,186.06**	3,558.85
Additions to assets during the year :								
Tangible Assets	**215.55**	564.05	**3.13**	1.68	**11.82**	72.13	**230.50**	637.86
Intangible Assets	**16.75**	236.70	**0.21**	0.00	**0.14**	0.04	**17.10**	236.74
Depreciation Amortisation expenses during the year	**183.50**	205.06	**3.16**	3.22	**9.99**	9.75	**196.65**	and 218.02
Impairment reversal/ provided	**–**	–	**–**	–	**–**	–	**–**	–
Non-Cash expenses other than Depreciation & amortization	**270.17**	297.82	**0.01**	0.02	**31.57**	–	**301.75**	297.84

Geographical Segments

Sales Revenue by location of Customers:

(Rs. in Crore)

Revenue from External customers	Curr. Year Total	Prev. Year Total
- Domestic	**7,924.89**	6,104.47
- Export : Through MMTC	**904.75**	352.80
Total	**8,829.63**	6,457.27

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	**14,657.19**	12,000.06	**136.65**	754.03
Andhra Pradesh	**8,084.97**	18,223.94	**8.33**	21.81
Others	**2,588.14**	2,569.27	**102.62**	98.76
Total	**25,330.30**	32,793.27	**247.60**	874.60

2.34.3 Earnings per share (IND AS-33): The details are as under:

Particulars	Year ended	
	31-MAR-17	31-MAR-16
1. Profit after Tax (Rs. Crore) after adjusting minority interest and shares of losses of associates	**2,543.86**	2,546.10
2. No of Equity shares	**316,38,90,474**	3,96,47,16,000
3. Nominal value per Equity share (Rs)	**1**	1
4. Basic and Diluted Earnings per share (Rs)	**7.10**	6.82

Note : The earnings per share (EPS) have been adjusted on account of buyback.

2.34.4 Accounting for Deferred Taxes on income (Ind AS-12) : Necessary details have been disclosed in note no: 2.5.

2.34.5 Discontinuing Operations (Ind AS-105) :

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-17	31-MAR-16
Silica Sand Project, Lalapur		
Carrying value of Assets	**0.29**	0.35
Carrying value of liabilities	**0.80**	0.59

The following statement shows the revenue and expenses of discontinued operations:

(Rs. in Crore)

Particulars	**For the year ended 31-Mar-2017**	For the year ended 31-Mar-2016
A. Revenue		
Revenue from operations	**0.00**	0.00
Other income	**0.08**	0.00
Total Revenue	**0.08**	0.00
B. Expenses		
Power, Electricity and Water	**0.25**	0.24
Repairs and Maintenance	**0.02**	0.03
Other expenses (Current year includes Mine closer obligation Rs.0.16 Crore*)	**0.50**	0.47
Total Expenses	**0.77**	0.74
C. Profit(+)/Loss(-) from discontinued operations before tax (A-B)	**(0.69)**	(0.74)

2.34.6 Intangible Assets (Ind AS-38) : R&D

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is Rs.20.30 Crore (previous year Rs.22.21 Crore), including expenditure of Rs.1.46 Crore (previous year Rs.5.32 Crore) on feasibility studies.

The amount of revenue expenditure incurred at Research & Development unit, Hyderabad is as under:

(Rs. in Crore)

Head of account	2016-17	2015-16
Consumption of Stores and Spares	**0.19**	0.24
Power, Electricity & Water	**0.55**	0.57
Employee benefit expense	**12.33**	9.67
Repairs and Maintenance	**0.44**	0.40
Other expenditure	**5.53**	3.77
Depreciation & Amortisation	**3.43**	3.37
Total expenditure	**22.47**	18.02
Less : Other income	**3.64**	1.13
Total net R&D expenditure	**18.83**	16.89

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are Rs.1.47 Crore. (Previous year Rs.0.75 Crore).

2.34.7 Joint Ventures (Ind AS- 28) Jointly Controlled entities:

Sl.No.	Name of the Joint Venture	Country of Incorporation	Proportion of ownership 2016-17	Proportion of ownership 2015-16
1	Kopano-NMDC Minerals (Proprietary) Limited	South Africa	**50**	50
2	NMDC CMDC Limited, Raipur	India	**51**	51
3	Jharkhand National Mineral Development Corporation Limited, Ranchi	India	**60**	60
4	NMDC SAIL Ltd	India	**51%**	–
5	Bastar Railway Pvt Ltd	India	**43%**	–

2.34.8 Impairment of Assets (Ind AS - 36):

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 01-04-16	Adjustments during 2016-17			Impaired Amount as on 31-03-17
			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.

2.34.9 Provisions, Contingent Liabilities and Contingent Assets (INDAS-37) : Necessary details in regard to provisions have been disclosed in notes 2.14, 2.18 & 2.31.

Note-2.35 : Others

2.35.1 Service Tax on Royalty:

The Central Govt vide circular dated 13th April 2016 (Sl no 9) clarified the applicability of service tax payable on Royalty wef 1.4.2016. The Company has contended before the Hon'ble High Court of Karnataka and Hon'ble High Court of Madhya Pradesh and Stay has been granted from both the Hon'ble High Courts. However based on the expert opinion, the Company has provided for the liability of Rs.158.60 Crore and included under 'Royalty & Other Levies'.

2.35.2 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 for this purpose.

A review of the mine closure obligation has been made during the year 2016-17 and the liability of Rs.258.66 Crore has been provided during the year.

2.35.3 Enabling Facilities:

The Company has paid certain amounts for doubling of Railway lines owned by Railways between Kirandul-Jagdalpur and Jagdalpur-Ambagaon which is required for augmentation of evacuation facility of Bailadila Sector. In addition certain amounts were paid to railways for certain works on railway properties at Kirandul and Bacheli. An amount of Rs.176.72 Crore incurred during the year 2016-17 has been charged during the current period and included in 'Other Expenses'. The impact in respect of amounts pertaining to previous periods has been considered through retained earnings on transition date and the subsequent periods.

2.35.4 Mining Lease - Deposit-13:

NMDC has incurred an expenditure of Rs.44.25 Crore towards registration & stamp duty charges towards grant of Mining Lease of Bailadila Iron Ore Deposit-13 in favour of NMDC Limited. As per the Agreement with the subsidiary company 'NMDC-CMDC Ltd', and the lease deed, the mining lease is required to be transferred at cost to the subsidiary Company' NMDC-CMDC Ltd'. Pending transfer of the mining lease, the said asset has been shown under "Assets held for Sale". Action for transfer has already been initiated by NMDC.

2.35.5 Disinvestment of NISP:

The Govt of India has accorded 'in principle' approval for strategic disinvestment of Nagarnar Steel Plant of NMDC Limited on 27.10.2016. The process of appointment of Transaction Advisor (TA), Legal Advisor (LA) & Asset Valuer (AV) has been initiated. It is premature to comment on the valuation as the outcome of the Asset Valuer may vary to the Capex incurred. The Total Capital Expenditure incurred during the year 2016-17 is Rs.2,904.92 Crore and upto 31.3.2017 is Rs.12,066.97 Crore.

2.35.6 Property, Plant & Equipment (PPE):

As per Ind AS 16 items such as spare parts, stand by equipment's and service equipment's are to be capitalized when they meet the definition of PPE and are expected to be used for more than one accounting year. After review of the inventory values and its consumption patterns in the major production Units Company based on materiality has fixed a threshold limit of Rs.20 Lakhs for such spare parts, stand by equipment's and service equipment's meeting the definition of PPE, on issue of said PPE the WDV is charged to depreciation and the life is restricted to the life of the principal asset.

2.35.7 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 respectively.

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. The company has filed a writ petition in this regard. 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.

2.35.8 CSR Expenditure:

a) Gross amount required to be spent by the Company during the year is Rs.160.22 Crore (2% of the last three years average PBT Rs.8,010.77 Crore). (Previous Year Rs.193.28 Crore (2% of the last three years average PBT Rs.9,664.05 Crore).

b) Amount spent during the year on account of CSR activities is Rs.174.18 Crore (Previous Year Rs.210.09 Crore).

2.35.9 General:

i. Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period are material.

ii. The Company owns certain office space at New Delhi. It is not the Company's intention to hold the property for a long term for capital appreciation nor for rental purpose. Hence the same is not treated as Investment Property and included under PPE.

iii. Some of the balances appearing under Trade receivables, Trade payable, advances and Security deposits and other payables are subject to confirmations.

iv. Figures for the previous year have been regrouped/rearranged wherever considered necessary so as to confirm to the classification of the current year.

2.35.10 Fair Value Measurement

Financial instruments by category

(Rs. in Crore)

	As at March 17			As at March 16		
	FVTPL	**FVTOCI**	**Amortised cost**	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Trade receivables			**1,043.52**			796.07
Cash and cash equivalents			**80.17**			49.63
Other bank balances			**5,240.34**			14,756.51
Loans			**–**			–
Other financial assets			**281.87**			851.40
Total	**–**	**–**	**6,645.90**	–	–	16,453.61
Financial liabilities						
Borrowings			**–**			1,496.95
Trade payables			**198.90**			324.52
Other financial liabilities			**1,232.36**			963.99
Total	**–**	**–**	**1,431.26**	–	–	2,785.46

	As at April 15		
	FVTPL	FVTOCI	Amortised cost
Financial Assets			
Investments			
Trade receivables			947.82
Cash and cash equivalents			193.38
Other bank balances			18,290.55
Loans			–
Other financial assets			1,193.00
Total	–	–	20,624.75
Financial liabilities			
Borrowings			–
Trade payables			226.40
Other financial liabilities			973.60
Total	–	–	1,200.00

(1) Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2017, and 1 April 2016, respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2017, and 1 April 2016, respectively, are not included.

The carrying amounts of trade receivables, trade payables, capital creditors, other financial assets and cash and cash equivalents are considered to be same as their fair values, due to their short-term nature.

2.35.11 Financial Risk Management

a) Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management Framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis and Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of deposits with differing maturities & committed borrowing facilities to facilitate the day today working capital requirements.
Market risk-currency risk	Imports giving rise to foreign currency payables*	–	–

* The import of spares through Foreign LC's are not material in value accordingly the management does not apprehend any major management of currency risk. Though the Company exports iron ore through MMTC, it is not directly exposed to foreign currency risk as such transactions are effected in the Company's functional currency.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these financial statements.

A. Credit risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks.

(a) Trade receivables:

The Company sales are generally based on advance payments and through LC's. The trade receivables in the books are mainly on account of credit sales to M/s RINL Limited, CPSE under the Ministry of Steel and the Sales of Iron Ore in the State of Karnataka which is through Monitoring Committee (MC) appointed by Hon'ble Supreme Court of India.

Expected credit loss for trade receivables under simplified approach is detailed as per the below tables:

Year ended 31 March 2017

(Rs. in Crore)

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	1,179.15	106.58	1,130.47	2,416.20
Expected loss rate	17.37%	87.72%	95.04%	56.81%
Expected credit losses (loss allowance provision)	204.82	93.49	1,074.41	1,372.71
Carrying amount of trade receivables (net of impairment)	974.33	13.09	56.06	1,043.49

Year ended 31 March 2016

(Rs. in Crore)

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	807.74	127.56	976.53	1,911.83
Expected loss rate	18.56%	87.2%	87.52%	58.36%
Expected credit losses (loss allowance provision)	149.92	111.21	854.66	1,115.77
Carrying amount of trade receivables (net of impairment)	657.82	16.35	121.87	796.06

As at 1 April 2015

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	829.24	143.98	794.31	1,767.53
Expected loss rate	18%	82%	69%	46.38%
Expected credit losses (loss allowance provision)	151.17	118.57	549.98	819.71
Carrying amount of trade receivables (net of impairment)	678.07	25.41	244.33	947.82

iii. Reconciliation of loss allowance provision - trade receivables

Loss allowance on 1 April 2015	**819.71**
Changes in loss allowance	296.06
Loss allowance on 31 March 2016	1,115.77
Changes in loss allowance	256.94
Loss allowance on 31 March 2017	1,372.71

The impairment provisions for trade receivables disclosed above are based on assumptions about risk of default and expected loss rates. The Company has used judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history at the end of each reporting period.

(b) Financial instruments and cash deposits: Credit risk from balances with banks is managed by the Company's treasury department in accordance with DPE guidelines & Company's policy. Investments of surplus funds are made only with scheduled commercial banks having a minimum net worth of Rs.500 Crore (after adjustment of NPA;s) within limits assigned to each bank. The limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company has taken fund based limits with banks to meet its short term financial obligations.

i. Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of reporting period

(Rs. in Crore)

	31 March 2017	31 March 2016	1 April 2015
Flexible rate			
Expiring within one year (bank overdraft and other facilities)			
Working capital Limits with Banks	**100**	–	–

ii. Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rs. in Crore)

Year ended 31 March 2017	**On demand**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Borrowings	–	–	–	–	–	–	–
Trade payables	196.18	1.92	0.79	–	–	–	198.89
Other financial liabilities	1,201.89	15.66	7.25	4.82	2.45	0.29	1,232.36
	1,398.07	17.58	8.04	4.82	2.45	0.29	1,431.25

Year ended 31 March 2016	**On demand**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Borrowings	–	1496.95	–	–	–	–	1,496.95
Trade payables	322.14	2.28	–	0.1	–	–	324.52
Other financial liabilities	936.68	8.67	7.79	4.86	2.49	0.33	960.82
	1,258.82	1,507.90	7.79	4.96	2.49	0.33	2,782.29

As on 1 April 2016	**On demand**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Borrowings	–	–	–	–	–	–	–
Trade payables	222.10	3.21	1.07	–	–	–	226.38
Other financial liabilities	951.41	6.75	11.31	3.64	0.20	0.29	973.60
	1,173.51	9.96	12.38	3.64	0.20	0.29	1,199.98

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk: Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the Company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

(ii) Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company quite often bridges its short term cash flow mismatch by availing working capital loans from banks against its fixed deposits. Such loans have a very short tenure and the interest rate on such loans is based upon the rates offered by banks on fixed deposits, increased by a few basis points. Since the interest rates on fixed deposits are fixed, the Company does not have any interest rate risk on such loans availed on a loan to loan basis.

The Company's exposure to interest rate risk in minimal and hence no sensitivity analysis is presented.

2.35.12 Capital Management

a) Risk management

The primary objective of the Company's capital management is to maximise the shareholder value. The Company's objectives when managing the capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors and senior management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors and senior management also monitor the level of dividends to ordinary shareholders by adhering to its dividend policy.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders.

b) Dividends

(Rs. in Crore)

	31 March 2017	31 March 2016
(i) Equity shares		
Final dividend for the year ended 31 March 2017 of Rs.Nil (31 March 2016: Rs.Nil)	**–**	–
Interim dividend for the year ended 31 March 2017 of Rs.4.15 (31 March 2016: Rs.11.00) per fully paid share	**1313.02**	4301.19
(ii) Dividends not recognised at the end of the reporting period		
In addition to above dividends, since year end the directors have recommended the payment of a final dividend of Re.1/- per fully paid equity share (31 March 2016: Rs.Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	**316.39**	–

(Rs. in Crore)

Particulars	**31 March 2017**	31 March 2016	31 March 2015
Net Debt (excluding short term)			
Total equity	**22,597.60**	29,196.94	32,508.43
Net debt to equity ratio	**0%**	0%	0%

2.35.13 First Time Adoption of Ind AS

Explanation of transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of the opening Ind AS balance sheet as at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows is set out in the following tables and the notes that accompany the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making the necessary adjustments for the commissioning liabilities. This exemption can also be used for intangible assets covered by the Ind AS 38 intangible assets and investments in subsidiaries, associates and joint ventures. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investments in subsidiaries and associates at their previous GAAP carrying value.

A.1.2 Decommissioning liabilities included in the cost of property, plant and equipment

Appendix 'A' to Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. A first-time adopter need not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. In other words, a first-time adopter will not need to estimate what provision would have been calculated at earlier reporting dates. Instead, the decommissioning liability is calculated at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first acquired/constructed.

A.1.3 Stripping Costs

The company in accordance with Appendix B of Ind AS 16 has developed an accounting policy whereby expenditure towards overburden and other mine waste material removal during the initial development of a mine in order to access mineral deposit would be capitalised as an Intangible asset. Para D32 of Ind AS 101 provides that the first time adopter may apply the requirements of Appendix B of Ind AS 16 prospectively from the date of transition to Ind ASs.

A.2 Ind AS mandatory exemptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS' at the date of transition to Ind AS shall be consistant with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error.

"Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the date of transition as there were not required under previous GAAP. Impairment of financial assets (Trade Receivables) based on the expected credit loss model."

A.2.2 Classification and measurement of financial assets (other than equity instruments)

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

A.2.3 De-recognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions for Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows first time adopter to apply the derecognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past Ind AS 101 retrospectively from the date of entity's choosing, transactions was obtained at the time of initially accounting for the transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind-AS.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at the date of transition (1 April 2015)

(Rs. in Crore)

Particulars	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	1,246.18	(15.23)	1,230.95
Capital work-in-progress	7,800.58	(58.49)	7,742.09
Goodwill	93.89	–	93.89
Other intangible assets	128.10	–	128.10
Financial assets			
(i) Investments	319.11	295.30	614.41
(ii) Loans	966.90	(882.61)	84.29
Deferred tax assets (Net)	(98.33)	276.21	177.88
Other non-current assets	5.37	2,160.81	2,166.18
Total non-current assets	**10,461.80**	**1,775.99**	**12,237.79**
Current assets			
Inventories	691.88	(9.15)	682.73
Financial assets			
(i) Trade receivables	1,752.33	(804.51)	947.82
(ii) Cash and cash equivalents	195.51	(2.13)	193.38
(iii) Bank balances other than (ii) above	18,290.55	–	18,290.55
(iv) Loans	1,965.63	(1,965.63)	–
(iv) Other financial assets	–	1,193.00	1,193.00

B.1 Reconciliation of equity as at the date of transition (1 April 2015) (Contd...)

(Rs. in Crore)

Particulars	Previous GAAP*	Adjustments	Ind AS
Current tax assets (net)	–	620.90	620.90
Other current assets	1,007.44	(821.23)	186.21
Assets classified as held for sale	0.37	–	0.37
Total current assets	**23,903.71**	**(1,788.75)**	**22,114.96**
Total assets	**34,365.51**	**(12.76)**	**34,352.75**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	396.47	–	396.47
Other equity	31,870.17	225.32	32,095.49
Non-controlling Interest	50.59	(34.12)	16.47
Total equity	**32,317.23**	**191.20**	**32,508.43**
LIABILITIES			
Non-current liabilities			
Provisions	10.80	302.73	313.53
Total non-current liabilities	**10.80**	**302.73**	**313.53**
Current liabilities			
Financial liabilities			
(i) Borrowings	–	–	–
(ii) Trade and other payables	226.44	(0.04)	226.40
(iii) Other financial liabilities	40.57	933.03	973.60
Provisions	622.04	(559.03)	63.01
Current tax liabilities	–	–	–
Other current liabilities	1,148.43	(880.65)	267.78
Liabilities directly associated with assets classified as held for sale			
Total current liabilities	**2,037.48**	**(506.69)**	**1,530.79**
Total liabilities	**2,048.28**	**(203.96)**	**1,844.32**
Total equity and liabilities	**34,365.51**	**(12.76)**	**34,352.75**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.2 Reconciliation of equity as at 31 March 2016

(Rs. in Crore)

Particulars	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	1,641.30	11.47	1,652.77
Capital work-in-progress	9,814.56	(67.48)	9,747.08
Investment properties	93.89	–	93.89
Other intangible assets	311.80	–	311.80
Financial assets			
(i) Investments	339.27	252.37	591.64
(ii) Loans	1,705.84	(1,619.59)	86.25
Deferred tax assets (Net)	(122.22)	385.40	263.18
Other non-current assets	5.06	1,868.03	1,873.09
Total non-current assets	**13,789.50**	**830.20**	**14,619.70**
Current assets			
Inventories	636.96	(14.91)	622.05
Financial assets			
(i) Trade receivables	1,896.08	(1,100.01)	796.07
(ii) Cash and cash equivalents	51.23	(1.60)	49.63
(iii) Bank balances other than (ii) above	14,757.83	(1.32)	14,756.51
(iv) Loans	1,253.02	(1,253.02)	–
(v) Other financial assets	–	851.40	851.40
Current tax assets (net)	–	869.43	869.43
Other current assets	742.12	(551.48)	190.64
Assets classified as held for sale	0.35	–	0.35
Total current assets	**19,337.59**	**(1,201.51)**	**18,136.08**
Total assets	**33,127.08**	**(371.31)**	**32,755.78**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	396.47	–	396.47
Other equity	29,559.52	(775.90)	28,783.62
Non-controlling Interest	50.42	(33.57)	16.85
Total equity	**30,006.41**	**(809.47)**	**29,196.94**
LIABILITIES			
Non-current liabilities			
Provisions	21.02	332.49	353.51
Total non-current liabilities	**21.02**	**332.49**	**353.51**
Current liabilities			
Financial liabilities			
(i) Borrowings	1,496.95	–	1,496.95
(ii) Trade and other payables	324.52	–	324.52
(iii) Other financial liabilities	50.48	913.51	963.99
Provisions	2.19	67.19	69.38
Current tax liabilities	–	–	–
Other current liabilities	1,225.52	(875.03)	350.49
Liabilities directly associated with assets classified as held for sale			
Total current liabilities	**3,099.66**	**105.67**	**3,205.33**
Total liabilities	**3,120.68**	**438.16**	**3,558.84**
Total equity and liabilities	**33,127.09**	**(371.31)**	**32,755.78**

B.3 Reconciliation of total comprehensive income for the year ended 31 March 2016

(Rs. in Crore)

Particulars	Previous GAAP*	Ind AS Impact	Ind AS
Continuing operations			
Revenue from operations	6,455.80	1.47	6,457.27
Other income	1,775.99	34.69	1,810.68
Total income	8,231.79	36.16	8,267.95
Expenses			
Cost of materials consumed	9.73	–	9.73
Consumption of stores & spares	282.37	(6.76)	275.61
Changes in inventories of work in progress, stock in trade and finished goods	63.12	–	63.12
Excise duty	–	1.47	1.47
Employee benefit expense	674.99	(25.18)	649.81
Power and electricity	67.69	–	67.69
Repairs & maintenance	119.39	–	119.39
Royalty & other levies	882.68	–	882.68
Selling expenses	417.12	–	417.12
Depreciation and amortisation expense	209.17	8.85	218.02
Other expenses	758.96	469.73	1,228.69
Finance costs	65.50	0.15	65.65
Total expenses	3,550.72	448.26	3,998.98
Profit/(loss) before exceptional items and tax	4,681.07	(412.10)	4,268.97
Exceptional items	184.78	–	184.78
Profit before tax from continuing operations	4,496.29	(412.10)	4,084.19
Income tax expense			
– Current tax	1,566.31	–	1,566.31
– Deferred tax	23.89	(97.21)	(73.32)
– Income tax of earlier years	(112.94)	–	(112.94)
Total tax expense	1,477.26	(97.21)	1,380.05
Profit from continuing operations	3,019.03	(314.89)	2,704.14
Discontinued operations			
Loss from discontinued operation before tax	(0.74)	–	(0.74)
Tax income of discontinued operation	(0.25)	–	(0.25)
Loss from discontinued operations	(0.49)	–	(0.49)
Profit for the year	3,018.54	(314.89)	2,703.65
Share of Minority (Loss)	2.02	–	2.02
Share of Losses of Associates	(87.81)	(71.76)	(159.57
Profit after adjusting minority interest and share of loss of associates	2,932.75	(386.65)	2,546.10
Other comprehensive income			
Items that will not be re classified to profit and loss			
Re-measurements of post-employment benefit obligations	–	(5.78)	(5.78)
Income tax relating to these items	–	11.98	11.98
Other comprehensive income for the year, net of tax	**–**	**6.20**	**6.20**
Total comprehensive income for the year	**2,932.75**	**(380.45)**	**2,552.30**

B.4 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016:

(Rs. in Crore)

Notes	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	3,989.68	(1,487.73)	2,501.95
Net cash flow from investing activities	1,920.67	1,723.97	3,644.64
Net cash flow from financing activities	(6,054.63)	(235.72)	(6,290.35)
Net increase/(decrease) in cash and cash equivalents	**(144.28)**	**0.53**	**(143.75)**
Cash and cash equivalents as at 1 April 2015	195.51	(2.13)	193.38
Effects of exchange rate changes on cash and cash equivalents	–	–	–
Cash and cash equivalents as at 31 March 2016	**51.23**	**(1.60)**	**49.63**

C. Notes to first-time adoption

Note 1 : Spares

As per Ind AS 16, spares meeting the definition of Property, Plant and Equipment have been capitalised on the date such spares were ready for their intended use. As a result, inventories as on 31st March 2016 decreased by Rs.14.91 Crore (1st April 2015 : Rs.9.15 Crore), property plant and equipment as on 31st March 2016 increased by Rs.2.64 Crore (1st April 2015 : decreased by Rs.1.77 Crore) and depreciation for the year ended 31st March 2016 increased by Rs.8.81 Crore. Under the previous GAAP, such spares were charged to statement of profit and loss account under 'cost of materials consumed' as and when such spares were issued on the floor. The amount of Rs.6.76 Crore charged to consumption account for the year ended 31st March 2016 in respect of above spares was reversed upon transition to IND AS resulting in a net decrease in equity by Rs.2.09 Crore as on 31st March 2016 (decreased for Rs.7.37 Crore as on 1st April 2015).

Note 2 : Asset Retirement Obligation

The cost of an item of property plant and equipment under Ind AS 16 includes an initial estimate of the obligation in respect of costs of dismantling and removing the item and restoring the site on which such item is located ("decomissioning liabilities" or "asset retirement obligation"). Accordingly on transition to Ind AS as on 1st April 2015, property plant and equipment was increased by Rs.0.69 Crore with a corresponding increase in provision representing the discounted value of the aforementioned obligation. Additional depreciation for the year ended 31st March 2016 on account of asset retirement obligation was Rs.0.04 Crore. Further, impact on finance cost for the year ended 31st March 2016 due to unwinding of the above provision was Rs.0.11 Crore.

Note 3 : Deferred Tax

Deferred Tax has been recognised on the adjustments made on transition to Ind AS.

Note 4 : Funding of Mine Closure Obligation

Under the previous GAAP, mine closure obligation estimated by the company as on the reporting date was relected net off the fund maintained with LIC for financing such expenditure in future on closure of mines in the absence of any specific guidance in this regard. Appendix A of Ind AS 37 states that the contributor shall recognize its obligation to pay decommissioning costs as a liability and recognize its interest in the fund separately unless the contributor is not liable to pay decommissioning costs even if the fund fails to pay. Accordingly, the fund balance with LIC as on 31st March 2016 of Rs.324.97 Crore (1st April 2015 : Rs.299.51 Crore) was shown under 'Other Non Cuurent Assets' and consequently the non current provisions was grossed up to this extent, thus having no resultant impact on equity.

Note 5 : Expenditure on Enabling Facilities

The company has charged off expenditure incurred by it towards enabling facilities such as doubling of railway line as the control criteria for recognition of asset was not being met. This has resulted in a decrease in equity as on 31st March 2016 by Rs.166.44 Crore (1st April 2015 : Rs.102.12 Crore).

Note 6 : Impairment of Financial Assets - Trade Receivables

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by Rs.295.50 Crore as at 31 March 2016 (1 April 2015 – Rs.804.51 Crore). Consequently, the total equity as at 31 March 2016 decreased by Rs.295.50 Crore (1 April 2015 – Rs.804.51 Crore) and profit for the year ended 31 March 2016 decreased by Rs.1,100.01 Crore.

Note 7 : Grossing up of assets and liabilities

Ind AS 1 states that an entity shall not offset assets and liabilities unless required by other Ind AS or when offsetting reflects substance of the transaction or event. The company by virtue of order/notice was required to pay FDT under protest to the regulatory authority. A portion of such amount was recovered from the suppliers and the net amount was disclosed under loans and advances under the previous GAAP. Applying the above guidance, the company has disclosed the amounts received from the suppliers (March 2016 : Rs.114.70 Crore; April 2015 : Rs.114.70 Crore) separately from amounts paid under protest. Accordingly, other non current assets and other financial liabilities under Ind AS as at 31st March 2016 and 1st April 2015 increased by Rs.114.70 Crore.

Note 8 : Proposed dividends

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend tax was recognised as a liability. Under Ind AS, such dividends including dividend tax are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend including dividend tax of Rs.620.34 Crore as at 1st April 2015 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 9 : Prior Period Items

Under previous GAAP, prior period items identified in a particular period were disclosed separately in computing the net profit for that period. Under Ind AS, prior period items are recognised by restating the comparative amounts for the period to which the error pertains. Where the error pertains to a period prior to the earliest reporting period, adjustments are made to the opening balances of assets, liabilities and equity of the earliest reporting period. As a result as on March 16 on account of prior period items, other equity stands reduced by Rs.3.42 Crore (April 15 : Rs.16.04 Crore), assets have reduced by Rs.3.42 Crore (April 15 : Rs.14.26 Crore) and liabilities have been reduced by Rs.1.78 Crore (April, 15 : increased by Rs.1.78 Crore).

Note 10 : Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty as the excise duty is collected by the Company as a principal unlike other indirect taxes. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by Rs.1.47 Crore. There is no impact on the total equity and profit.

Note 11 : Fair Valuation of accommodation given to employees on concessional rent

The company has allotted staff quarters to some of its employees at nominal rent. Employee benefits as per Ind AS 19 also include non monetary benefits like housing provided to the employees in relation to their service. Accordingly Employee benefit expense on this account has increased by Rs.9.40 Crore with a corresponding increase in notional rental income.

Note 12 : Remeasurement of post employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by Rs.22.63 Crore. There is no impact on the total equity as at 31 March 2016.

Note 13 : Discontinued Operation

Under the previous GAAP, the concept of disposal group held for sale did not exist. Accordingly, assets and liabilities of disposal group had not been presented as held for sale. The company had disclosed land and vehicles held for sale under 'Other current assets' in accordance with AS 10 Accounting for Fixed Assets.

Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations requires disposal group to be identified as held for sale if the carrying amount will recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Ind AS 105 lays down detailed guidelines and criteria in this regard. Based on the assessment performed by the management, it has been determined that the assets and liabilities of Lalapur unit should be presented as held for sale under Ind AS. Consequently, the assets and liabilities of disposal group held for sale have been presented separately from the other assets and other liabilities respectively in the balance sheet. There is no impact on the total equity or profit as a result of this adjustment. Further, the operations of this business have been presented as discontinued operations under both Ind AS and previous GAAP in the statement of profit and loss.

Note : 14 Business combinations

As per Ind AS 101, at the date of transition, an entity may elect not to restate business combinations that occurred before the date of transition. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations, and also applies Ind AS 110, Consolidated Financial Statements, from that same date. The Group has opted not to restate any business combinations before the date of transition.

Note : 15 Non-controlling interests

Ind AS 110 requires that total comprehensive income should be attributed to the owners of the parent and the NCI even if this results in the NCI having a negative balance. Ind AS 101 requires this requirement to be applied prospectively from the date of transition to Ind AS. However, if an entity elects to apply Ind AS 103 retrospectively to past business combinations, it has to also apply Ind AS 110 from the same date.

The Group has elected to not apply Ind AS 103 retrospectively to business combinations that occurred before the date of transition and hence this requirement is applied prospectively.

Reconciliation of Net profit as previously reported (referred to as "Previous GAAP") and the total comprehensive income as per Ind-AS is mentioned in the table below.

(Rs. in Crore)

Particulars	CONSOLIDATED
	Year ended as on 31-March-2016
Net Profit/(Loss) from Ordinary activities after as reported under Previous GAAP	**2,932.75**
Add/(Less)	
Actuary Gain/Loss on employee defined benefit funds recognised in other comprehensive income	34.61
Effect of provision for Trade Receivables	(295.50)
Effect of Depreciation, consumption of Spares and Others	(2.09)
Effect of provision for enabling assets	(166.44)
Effect of Restatement of prior period	16.40
Other Expenses	0.49
Effect of investment in associates	(71.19)
Change in Deferred Tax On accounts of the Above	97.07
Net Profit as per Ind AS	**2,546.10**
Actuary Gain/(Loss) on employee defined benefit funds recognised in other comprehensive income (net of taxes)	6.20
Total Comprehensive Income	**2,552.30**

Reconciliation of Equity as previously reported (referred to as "Previous GAAP") and the equity as per Ind-AS is mentioned in the table below

(Rs. in Crore)

Particulars	CONSOLIDATED	
	As at 31 March 2016	**As at 1 April 2015**
Total Equity under Previous GAAP	**30,006.41**	**32,317.23**
Add/(Less) : Adjustment for Ind AS:		
Reversal of final dividend including DDT	–	620.34
Provision for expected credit losses on trade receivables	(1,100.01)	(804.51)
Expenditure on enabling facilities	(268.56)	(102.12)
Effect of restatement of Prior period Items	–	(16.04)
Change in Deferred Tax On accounts of the Above	385.39	276.28
Withdrawal of non-controlling interest	(33.57)	(34.12)
Capital Reserve	243.25	243.25
Other items	(35.97)	8.12
Total adjustment of Equity	**(809.47)**	**191.20**
Total equity as per Ind AS	**29,196.94**	**32,508.43**

NOTICE

of

59th Annual General Meeting

of

NMDC LIMITED

(CIN : L13100AP1958GOI001674)

Date : 22nd September, 2017

Day : Friday

Time : 1130 hrs

Venue : The Park
22, Raj Bhavan Road
Somajiguda, Hyderabad - 500 082
Telangana

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Notice

Notice is hereby given that the 59th Annual General Meeting (AGM) of NMDC Limited will be held at 1130 hours on Friday the 22nd September, 2017 at The Park, 22, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March 2017 and the reports of the Board of Directors' and Auditors' thereon.

2. To confirm the payment of first Interim dividend of Rs.4.15 ps per equity share and to declare final dividend of Re. 1.00 per equity share of Re.1.00 each for the financial year 2016-17.

3. To appoint a Director in place of Shri Devinder Singh Ahluwalia (DIN: 02164448), who retires by rotation and being eligible, offers himself for re-appointment as Director (Finance) of the Company.

4. To appoint a Director in place of Dr. Narendra K Nanda, (DIN: 02455894), who retires by rotation and being eligible, offers himself for re-appointment as Director (Technical) of the Company.

5. To fix remuneration of Statutory Auditors for the financial year 2017-18

   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 2017-18, as may be deemed fit.

SPECIAL BUSINESS:

6. To appoint Shri Saraswati Prasad (DIN: 07729788) as a Director on the Board of the Company 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 order No.1/16/2015-BLA dated 08-02-2017 of Ministry of Steel, Government of India, Shri Saraswati Prasad (DIN: 07729788), Additional Secretary and Financial Advisor (AS&FA), Ministry of Steel appointed as Government Director of the Company, 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 and Government Nominee Director of the Company, liable to retire by rotation.

   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."

7. To ratify the remuneration of the Cost Auditors of the Company for the financial year 2017-18 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. 6.00 lakhs (excluding applicable 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 2017-18, 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."

By Order of the Board

(A.S. Pardha Saradhi)
Company Secretary

Place : Hyderabad
Date : 21st August, 2017

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 to be transacted at the Meeting.
3. Proxy Form and Attendance Slip.
4. A copy of the 59th Annual Report of the Company for the year 2016-17.

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 (48) 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 (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) 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 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 18th September, 2017 to 22nd September, 2017 (both days inclusive).

5. During the financial year, the Company declared first interim dividend @ Rs.4.15 ps per Equity Share of Re.1.00 each amounting to Rs.1,313 crores. The Board of Directors at its meeting held on 25th May 2017 recommended final dividend of Re. 1.00 per Equity Share subject to the approval of the Shareholders at the AGM. The total divided including final dividend if approved, aggregates to Rs.5.15 per share.

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@aarthiconsultants.com, Website: www.aarthiconsultants.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. In terms of Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 36(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. As per provisions of Section 20(2) of the Companies Act, 2013 read with Rules made thereunder, a document may be served on any member by sending it to him / her by post or by registered post or by speed post or by courier or by delivering at his /her office or address, or by such electronic or other mode as may be prescribed including facsimile telecommunication or to electronic mail which the member has provided from time to time for sending communications to his / her Depository Participant or the Company's Registrar and Share Transfer Agent. Members are requested to register their e-mail address and changes therein from time to time with his / her Depository Participant or the Company's Registrar and Share Transfer Agent for service of documents, notices, annual reports etc. through registered e-mail. 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 Sections 124 and 125 of the Companies Act, 2013, dividends which had remained unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of a company will have to be transferred to the 'Investor Education and Protection Fund' established by the Central Government. Shareholders who have not claimed their dividend/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. The unclaimed/ unpaid dividends declared up to financial years 2008-09 have been transferred to the Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed/ unpaid amounts lying with the Company as on September 29, 2016 (date of last Annual General Meeting) on the website of the Company (www.nmdc.co.in) and also on the website of the Ministry of Corporate Affairs, the information in respect of such unclaimed/unpaid dividend.

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 2017-18 after taking into consideration the increase in volume of work and pertaining inflation, etc.

21. Members are requested:

(i) To bring their copy 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. 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' notice in writing of the intention to inspect 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 at the AGM and will be made accessible to any person attending the meeting.

24. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available at the AGM and will remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

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 of remuneration / sitting fees paid to 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 passed 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 for this AGM by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period begins on 19th September, 2017 (10.00 a.m. IST) and ends on 21st September, 2017 (5.00 p.m. IST). The voting rights shall be proportionate to the shares held on 16th September, 2017. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2017, 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 Participants(s)]:

a. 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.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf"

b. Open internet browser by typing the URL https://www.evoting.nsdl.com/

c. Click on "Shareholder - Login".

d. Put User ID and password as initial password noted in step (a) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.

e. 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.

f. 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.

g. Home page of "remote e-Voting" opens. Click on e-Voting: Active Voting Cycles.

h. Select "EVEN" (E-Voting Event Number) of NMDC Limited which is 107110. Now you are ready for "e-Voting" as "Cast Vote" page opens.

i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.

j. Upon confirmation, the message "Vote cast successfully" will be displayed.

k. Once you have voted on the resolution, you will not be allowed to modify your vote.

l. 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 Participants(s) or requesting physical copy]:

i. EVEN, User Id and Initial password will be provided at the bottom of the ballot form.

ii. Please follow all steps from Sl. No. (b) to Sl. No. (l) 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 or call on Toll Free No.1800-222-990

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.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No + Folio No).

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. Voting rights of members shall be reckoned on the paid-up value of equity shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., 16th September, 2017.

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?" or "Physical User Reset 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 Directors

Name	Shri Devinder Singh Ahluwalia	Dr. Narendra K Nanda
Date of Birth & Age	02.04.1958 & 59 years	28.07.1960 & 57 years
Date of Appointment	01.01.2015	01.12.2008
Qualifications	i) Bachelor of Commerce (Hons.) ii) Cost Accountant	i) B.Tech. (Mining) from ISM, Dhanbad ii) M.Tech. (By Research) in Mining Engg. From ISM, Dhanbad (iii) Awarded Ph.D in Mineral Processing in the month of July, 2016
(b) Nature of expertise in specific functional areas	Shri Ahluwalia is a Bachelor of Commerce (Hons.) from Delhi University and is also a Cost Accountant. Shri Ahluwalia prior to this new assignment was Executive Director (Finance) in Rural Electrification Corporation Limited (REC). At REC, he was associated with the Appraisal, Financing, Monitoring of Power Projects, Resource Mobilization, Treasury Management & ALM functions. Prior to that, he served at various levels in NHPC for 25 years wherein he has acquired rich & varied experience in Construction and Operation activities at project level as well as the Accounts, Taxation & Commercial aspects at the Corporate level.	• Qualified Engineer for mine plan preparation. • Expert in the field of blasting and slope stability in large opencast mines. • Qualified System Analyst for opencast mines and project monitoring. • Expert in the field of mineral processing, particularly beneficiation of low grade iron ore. • Expert in merger and acquisition activities. Can lead team to successful acquisition and diversification. • Expert in Long-term Strategic Planning and Project implementation including 3 MTPA Steel Plant on a formal integration to mining.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship 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	MOIL Limited [Additional Charge as Director (Finance)]	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS

Item No. 6: Appointment of Shri Saraswati Prasad (DIN: 07729788) as Director of the Company

Pursuant to the order issued by the Ministry of Steel, Government of India vide order no 1/16/2015-BLA dated 08.02.2017, Shri Saraswati Prasad (DIN: 07729788), Additional Secretary and Financial Advisor (AS&FA), Ministry of Steel appointed as Government Director of the Company, was appointed as an Additional Director of the Company by the Board of Directors with effect from 08.02.2017 subject to his re-appointment by the shareholders in the Annual General Meeting as 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 Saraswati Prasad 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 Saraswati Prasad**
Date of Birth & Age	24.12.1960 & 56 years
Date of Appointment	08.02.2017
Qualifications	Post Graduate in Physics
(b) Nature of expertise in specific functional areas	Shri Saraswati Prasad is an IAS Officer of the Assam Meghalaya cadre belonging to 1985 batch. He has wide ranging expertise working for Central as well as State Government. He had worked in various sectors like Urban Development, Management of Environment & Forest and Industrial Development besides working as District Magistrate in two districts of Assam. He has worked earlier in the Ministry of Agriculture and Ministry of Heavy Industries in the Government of India. Before joining the Ministry of Steel as Additional Secretary & Financial Advisor with the additional charge of Ministry of Micro, Small and Medium Enterprises, he worked in the Ministry of Drinking Water & Sanitation for about four years at the level of Joint Secretary and Additional Secretary, looking after the Swachh Bharat Mission (Gramin). Shri Saraswati Prasad is also Director on the Boards of Rashtriya Ispat Nigam Limited, MECON Limited, KIOCL Limited, Steel Authority of India 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	1. KIOCL Limited 2. Steel Authority of India Limited
(e) No. of Equity Shares held in NMDC Limited	NIL

Shri Saraswati Prasad is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Save and except Shri Saraswati Prasad 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 Director and recommend this Resolution for approval of the shareholders.

Item No. 7: Ratification of the Remuneration of Cost Auditors of the Company for the financial year 2017-18

The Board at its meeting held on 25.05.2017, 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 2018 at a remuneration of Rs. 6.00 lakhs (excluding applicable 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. 7 to the Notice for ratification of the Remuneration payable to Cost Auditors of the Company for the financial year ending 31st March 2018.

The Board commends the Ordinary Resolution set out at item no. 7 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. 7 of the Notice.

By Order of the Board of Directors,
For and on behalf of **NMDC Limited**

(A.S. Pardha Saradhi)
Company Secretary

Place : Hyderabad
Date : 21st August, 2017

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 59th Annual General Meeting of the Company, to be held on Friday the 22nd September, 2017 at 1130 hrs. at The Park, 22, 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 Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March 2017 and the reports of the Board of Directors' and Auditors' thereon.		
2.	To confirm the payment of first Interim dividend of Rs.4.15 ps per Equity Share and to declare final divided of Re. 1.00 per Equity Share of Re.1.00 each for the financial year 2016-17.		
3.	To appoint a Director in place of Shri Devinder Singh Ahluwalia (DIN: 02164448), who retires by rotation and being eligible, offers himself for re-appointment as Director (Finance) of the Company.		
4.	To appoint a Director in place of Dr. Narendra K Nanda, (DIN: 02455894), who retires by rotation and being eligible, offers himself for re-appointment as Director (Technical) of the Company.		
5.	To fix remuneration of Statutory Auditors for the financial year 2017-18 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 2017-18, as may be deemed fit.		
	Special Business		
6.	To appoint Shri Saraswati Prasad (DIN: 07729788) as a Director on the Board of the Company 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 order No. 1/16/2015-BLA dated 08-02-2017 of Ministry of Steel, Government of India, Shri Saraswati Prasad (DIN: 07729788), Additional Secretary and Financial Advisor (AS&FA), Ministry of Steel appointed as Government Director of the Company, 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 and Government Nominee Director of the Company, liable to retire by rotation. **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."		
7.	To ratify the remuneration of the Cost Auditors of the Company for the financial year 2017-18 and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:		

Resolution No.	Resolutions	For*	Against*
	"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. 6.00 lakhs (excluding applicable 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 2017-18, 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."		

Signed this .....day of ..... 2017 Signature of Member.....

Affix a Revenue Stamp

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
59th 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 59th Annual General Meeting of Shareholders of NMDC Limited at The Park, 22, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana on Friday, the 22nd of September, 2017 at 1130 hours.

Please tick ☑ in the Box

☐ Equity Shareholder ☐ Proxy

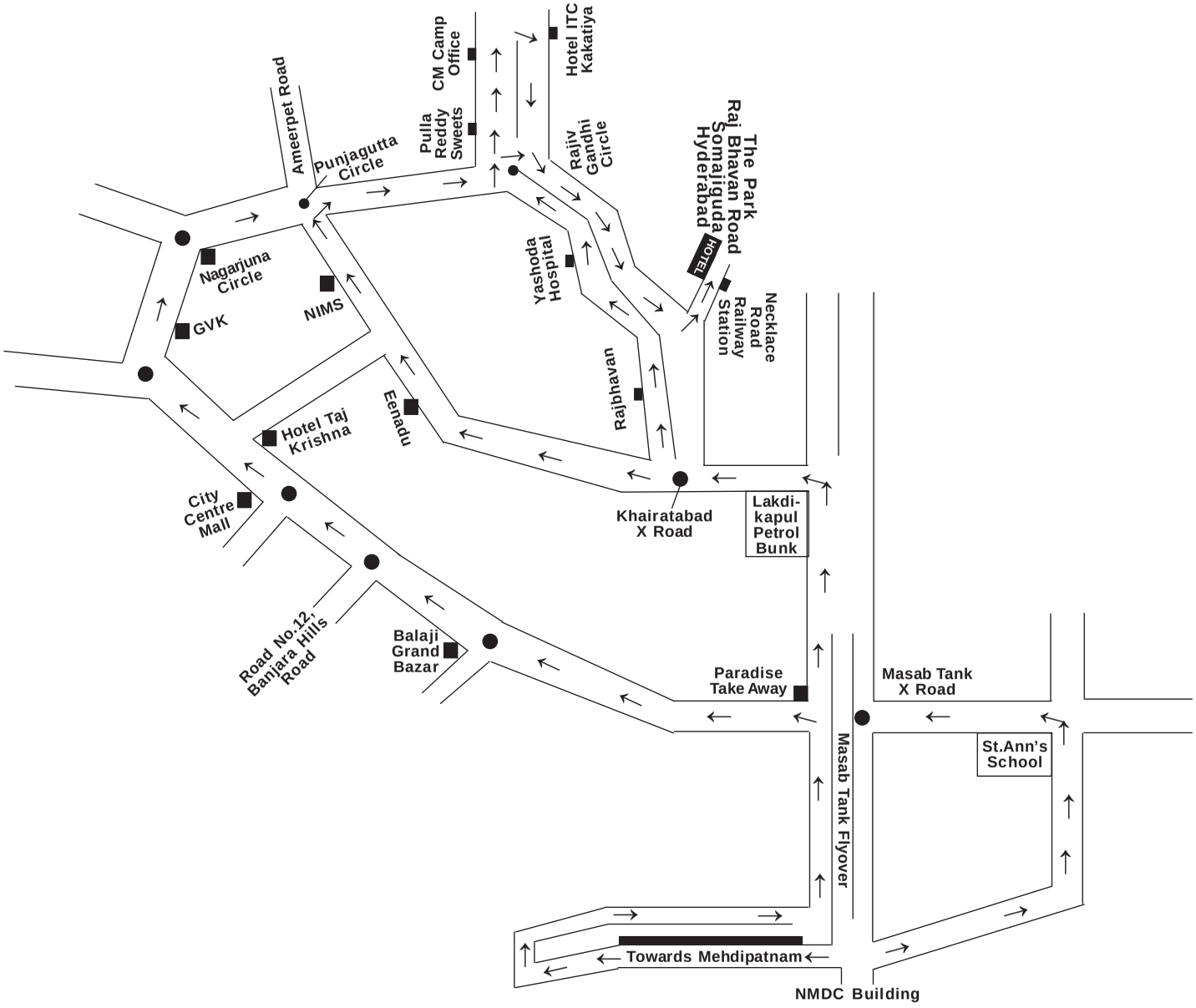
_____
Equity Shareholder's Signature

_____
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 59th AGM to be held on 22nd September 2017 at 1130 hrs.





Visit of Shri Chaudhary Birender Singh, Hon'ble Union Minister of Steel
to NMDC's Donimalai Iron Ore Mines, Karnataka



Visit of Dr. Aruna Sharma, Secretary, Ministry of Steel
to NMDC Pellet Plant at Donimalai, Karnataka



Panoramic view of NMDC Iron Ore Mines, BIOM, Chhattisgarh

NMDC Limited

(A Government of India Enterprise)

10-3-311/A, Khanij Bhavan, Castle Hills, Masab Tank

Hyderabad - 500 028, Telangana

CIN : L13100AP1958 GOI001674

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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

13th September 2017

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: Addendum to the Notice of the 59th AGM of NMDC Limited
Ref: Security ID: NMDC

This is further to our announcement dated 1st September 2017. The 59th Annual General Meeting of NMDC Limited will be held on Friday, the 22nd September 2017 at 1130 hours at The Park, 22, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082.

In terms of Regulations 36 of SEBI (LODR) Regulations, 2015, one copy of Notice of 59th AGM along with the Annual Report 2016-17 has already been sent to each shareholder to their registered email ID and physical copy is sent to other shareholders in the permitted mode. The Notice of 59th AGM along with the Annual Report 2016-17 is also uploaded on the website of the Company: www.nmdc.co.in

Addendum to 59th AGM Notice is enclosed. This is for your information and record please.

Thanking you

Yours faithfully,
For **NMDC Limited**

A S Pardha Saradhi
Company Secretary

Encl: As above.

ADDENDUM TO THE NOTICE OF 59th ANNUAL GENERAL MEETING

Addendum to the Notice ("Original Notice") of 59th Annual General Meeting (AGM) of the Members of "NMDC Limited" to be held on Friday, the 22nd September 2017 at 1130 hours at The Park, 22, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082, Telangana.

Whereas circumstances have arisen after publication of Original Notice requiring certain additions/modifications to the Original Notice, therefore, Members are hereby notified as follows:

This addendum shall be deemed to be a part of the Original Notice, and shall be read along with Original Notice. Further, Original Notice shall be deemed amended as provided herein:

1. Insertion of a new item as Item No. 8. In the Original Notice

SPECIAL BUSINESS

Item No: 8 -To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** in terms of Order No. 3(2) / 2015 – BLA (Vol-III) dated 4th September 2017 issued by Government of India, Ministry of Steel, New Delhi, Shri. N. Baijendra Kumar, IAS (DIN: 03289526) who was appointed as an Additional Director and Chairman-cum-Managing Director of the Company by the Board of Directors as per the provisions 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 in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri. N. Baijendra Kumar as a candidate for the office of Director of the Company, be and is hereby appointed as a Director and Chairman-cum-Managing Director of the Company, liable to retire by rotation.

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."

By Order of the Board
For **NMDC Limited**

(A.S. Pardha Saradhi)
Company Secretary

Date : 13th September 2017
Place : Hyderabad

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. A proxy shall not have the right to speak and shall not be entitled to vote except on a poll.

3. Proxies, if any, in order to be effective must be received at the Company's Registered Office, either in person or through post, not later than 48 hours before the time fixed for holding the meeting.

4. 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/shareholder.

5. Documents, if any, referred to in the Addendum Notice may be inspected at the Registered Office of the Company on any working day during business hours between 11.00 A.M. to 01.00 P.M. upto the date of Meeting as well as at the Meeting.

6. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, in respect of Special Business is enclosed.

7. The Company deems it appropriate to bring factual position to the notice of the Members of the Company by this Addendum to the AGM Notice to enable the Shareholders to exercise their voting rights through e-voting facility or at the AGM on informed basis.

8. The Addendum to the Notice of AGM is available on the website of the Company www.nmdc.co.in.

By Order of the Board
For **NMDC Limited**

(A.S. Pardha Saradhi)
Company Secretary

Date : 13th September 2017
Place : Hyderabad

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

The following Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice:

Item No: 8

Pursuant to the Order No. 3(2) / 2015 – BLA (Vol-III) 4th September 2017 issued by Government of India, Ministry of Steel, New Delhi, Shri. N. Baijendra Kumar, IAS (DIN: 03289526), presently in the cadre, in the rank and pay of Additional Secretary to the Government of India was appointed as Chairman-cum-Managing Director of NMDC Limited.

The Board of Directors, vide circular resolution had appointed Shri N. Baijendra Kumar as an Additional Director and Chairman-cum-Managing Director of the Company with effect from 6th September 2017, pursuant to the provisions of the Companies Act, 2013. Hence, he will hold office upto the date of ensuing 59th AGM.

The notice under Section 160 of the said Act has been received from a member proposing the name of Shri. N. Baijendra Kumar as a candidate for the office of Director of the Company.

The Company has received from Shri N. Baijendra Kumar, IAS (i) consent in writing to act as Director in / Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

As the order was received from the Ministry of Steel appointing Shri N. Baijendra Kumar, IAS as Chairman-cum-Managing Director of the Company subsequent to the circulation of the 59th Notice of the forthcoming Annual General Meeting dated 21st August 2017 to the Members, this addendum is placed on the website of the Company and submitted to the Stock Exchanges. Members are requested to consider, and if thought fit, to pass, with or without modification(s) the proposed resolution as an Ordinary Resolution as Item No. 8.
The Brief Bio-Data of the above Director is given below: -

(a) Brief Resume of the Director	
Name	Shri. N. Baijendra Kumar
Date of Birth & Age	25th July 1960 & 57 years
Date of Appointment	6th September 2017
Qualifications	M.Sc and M.Phil degree in Environmental Biology from the University of Kerala

(b) Nature of expertise in specific functional areas	Shri N. Baijendra Kumar, an IAS officer of 1985 batch of Chhattisgarh Cadre. Earlier, he was holding the post of Additional Chief Secretary to the Chief Minister, Chhattisgarh as well as Commerce & Industries and Energy Departments in the State Government of Chhattisgarh. He has, during his service tenure of over 32 years, held important positions such as Collector and District Magistrate of Districts in Madhya Pradesh, Secretary/Principal Secretary/Additional Chief Secretary of various departments. He headed the Administration of the prestigious All India Institute of Medical Sciences (AIIMS) New Delhi. He was the Chairman of Naya Raipur Development Authority (NRDA) which is the 1st greenfield capital smart city of 21st Century with an area of 237 sq.kms and Chhattisgarh Housing Board (CGHB). He has worked extensively in the field of Forest & Environment, Housing, Urban Planning and Mining. He also has rich and varied experience in Administration, Public Relations, Information and Broadcasting both at Centre and at State Level. He had been instrumental in streamlining numerous projects of Chhattisgarh Government. He represented India in many International Conferences. He was Chairman / Managing Director of many Corporations including Chhattisgarh Mineral Development Corporation Limited, Chhattisgarh State Industrial Development Corporation Limited etc.
(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	Chhattisgarh State Power Distribution Company Limited
(e) No. of Equity Shares held in NMDC Limited	NIL

Save and except Shri. N. Baijendra Kumar 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.

Board recommends the resolution set forth at Item No: 8 for approval of the shareholders.

By Order of the Board
For **NMDC Limited**

(A.S. Pardha Saradhi)
Company Secretary

Date : 13th September 2017
Place : Hyderabad

NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.
Email ID : ims@nmdc.co.in. Website : www.nmdc.co.in
(CIN : L13100AP1958GOI001674)

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

(Note : Please read the instructions carefully before exercising options)

BALLOT FORM

1. Name & Registered Address of the Sole/ First named Member/Beneficial Owner :

2. Name(s) of the Joint-Holder(s) (if any) :

3. Registered Folio No./Client ID/DP ID No.* :
(*Applicable to Members holding Shares in Dematerialized form)

4. Number of Share(s) held :

5. I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Ballot form for the business stated in the Notice of the Company dated 21st August, 2017, convening 59th Annual General Meeting of the Company to be held on Friday, the 22nd September, 2017 at 1130 hrs. by sending my/our assent to the said Resolutions by placing the tick (✓) mark at the appropriate box below. (Tick in both boxes will render the ballot form invalid).

Item No.	Description	Type of Resolution	No. of Shares held	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1	To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March 2017 and the reports of the Board of Directors' and Auditors' thereon.	Ordinary			
2	To confirm the payment of first Interim dividend of Rs 4.15 ps per equity share and to declare final dividend of Re.1.00 per equity share of Re.1.00 each for the financial year 2016-17.	Ordinary			
3	To appoint a Director in place of Shri Devinder Singh Ahluwalia (DIN: 02164448), who retires by rotation and being eligible, offers himself for re-appointment as Director (Finance) of the Company.	Ordinary			
4	To appoint a Director in place of Dr. Narendra K Nanda, (DIN: 02455894), who retires by rotation and being eligible, offers himself for re-appointment as Director (Technical) of the Company.	Ordinary			
5	To authorize the Board to fix the remuneration of the Statutory Auditors of the Company for the financial year 2017-18.	Ordinary			
6	To appoint Shri Saraswati Prasad (DIN: 07729788) as a Director on the Board of the Company.	Ordinary			
7	To ratify the remuneration of the Cost Auditors of the Company for the financial year 2017-18.	Ordinary			
Addendum to the Notice - Insertion of a new item as Item No. 8. In the Original Notice					
8	**To appoint Shri. N. Baijendra Kumar, IAS (DIN: 03289526) as a Director and Chairman-cum-Managing Director of the Company**	**Ordinary**			

Place :
Date :

Telephone No./Mobile No. :
E-mail ID :

(Signature of the Member/Beneficial Owner/
Power of Attorney holder/Authorised representative)

Last Date for Receipt of Ballot Form : 21st September, 2017

E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

Instructions for Electronic Voting (Remote E-Voting)

For shareholders who wish to cast their votes electronically instead of dispatching Ballot Form, the procedure and instructions are as follows:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 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 commences on 19th September, 2017 (10.00 a.m. IST) and ends on 21st September, 2017 (5.00 p.m. IST) During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2017, 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 process and manner 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 Participants(s)] :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf"

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN 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.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "NMDC Limited"

(viii) Now you are ready for remote 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 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, to 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 Participants(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. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No + Folio No).

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 16th September, 2017.

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?" or "Physical User Reset 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 for as the Scrutinizer for providing facility to the members of the Company 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 in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company https://www.nmdc.co.in and on the website of NSDL immediately after the declaration of result by the Chairperson or a person authorized by him/her in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai and the other Stock Exchanges where the shares of the Company are listed.

INSTRUCTIONS

1. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders/beneficial owners. A member need not use all his/her votes or cast his/her votes in the same way.
2. Voting by Ballot, in physical form or e-Voting, can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate the duly authorized person. Voting rights in a Ballot cannot be exercised by a Proxy.
3. The result of the voting on the resolutions will be declared at the Registered Office of the Company on or before 23rd September, 2017.
4. Shareholders can opt for only one mode of voting i.e. either by Physical Ballot or e-Voting. In case the member has exercised the vote in physical as well as electronic mode, the valid vote by physical mode only will be considered.
5. The Scrutinizer's decision on the validity of a Ballot shall be final.
6. Any query in relation to the resolutions proposed to be passed by Ballot may be sent to the scrutinizer at: dhr300@gmail.com or write to the Company Secretary at the Registered Office of the Company.

Instructions for Voting by Physical Ballot Form:

7. A Shareholder desirous of exercising vote by physical Ballot should complete the Ballot Form in all respects and send it after signature to the Scrutinizer. Members are requested to convey their assent or dissent in this ballot form only. The assent or dissent received any other form or manner shall be considered as invalid.
8. The envelope should bear the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
9. The Ballot Form should be signed by the Shareholder. In case shares are jointly held, the Ballot Form should be completed and signed (as per specimen signature registered/ recorded with the Registrar/Depository) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Ballot mentioning the registration No. of the POA or enclosing an attested copy of POA. Unsigned Ballot Form will be rejected.
10. In case of shares held by companies, trusts, societies, etc., the duly completed Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority and preferably with attested specimen signature(s) of the duly authorized signatory(s) giving requisite authority to the person voting on the Ballot Form.
11. The consent must be accorded by recording the assent in the column FOR and dissent in the column AGAINST by placing a tick mark (✓) in the appropriate column. The number of shares in respect of which votes are cast should be maintained in the column, in the absence of which, all the votes shall be deemed to have been cast as per the tick mark placed by the shareholder in the respective column.
12. Shareholders are requested not to send any paper (other than the resolution/authority as mentioned under instructions no.9 & 10 above) along with the Ballot Form.
13. There will be only one Ballot Form for every Folio/Client ID irrespective of the number of Joint Shareholder(s). On receipt of the duplicate Ballot Form, the original will be rejected.
14. A member may request for a duplicate Ballot Form, if so required, and the same, duly completed, should reach the Scrutinizer not later than the last date for voting.
15. Incomplete improperly or incorrectly tick marked Ballot Forms will be rejected.
16. Duly completed Ballot Form should reach the Scrutinizer not later than 5.00 p.m. on 21st September, 2017. Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
17. Members from whom no Ballot Form is received or received after the aforesaid stipulated period shall not be counted for the purpose of passing of the resolution.