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

28th September 2018

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: 60th Annual Report 2017-18 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 60th Annual Report 2017-18 of NMDC Limited approved and adopted in the 60th Annual General Meeting of the Company held on Wednesday the 26th September 2018 at 11.30 a.m. at Hotel Marigold, Peacock Hall, 7-1-25, Greenlands, Begumpet, Hyderabad, Telangana, 500016.

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

60 Years of Excellence

NMDC going for DIAMOND



60th ANNUAL REPORT 2017-18

NMDC Limited

(A Government of India Enterprise)

Eco-Friendly Miner



Hon'ble Vice President of India Shri M. Venkaiah Naidu along with other dignitaries during the Inaugural function of NMDC's diamond jubilee celebrations on 8th December, 2017.



Hon'ble Union Minister of Steel Shri Chaudhary Birender Singh reviewed NMDC's performance in a meeting at NMDC Head Quarters on 9th December 2017



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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

60 Years of Excellence



Mining Industry contributes around 2.5% of India's overall GDP. Minerals are one of the key sources behind India's growth. It's essential to have a sustainable mineral exploration to make the country's growth accelerate.

Incorporated in 1958, NMDC Ltd is at the forefront of harnessing the mineral resources of the country. The organisation, through its contribution in the field of mining, is paving the way for a colossal tomorrow. Over the past 60 years the company evolved strongly and has been involved in exploration of iron ore, rock phosphate, limestone, gypsum, bentonite, diamond, tin, graphite and so on. NMDC's long-life iron ore base provides resource security as well as flexibility when reacting to changing demand for steel and raw materials.

At sixty years, NMDC Ltd is growing from strength to strength while contributing towards all-round growth of the nation.

Key Strengths



- Competitiveness, profitability and growth
- Efficient mining and state-of-the-art technology deployment in mining
- Lean ore utilization and tailings management
- Strong backward and forward integration
- Diversified board and experienced senior management
- Ability to attract, develop and retain talent
- Advanced Research & Development
- Business model engrained with environment and social sustainability

KEY HIGHLIGHTS FY18



Revenue from Operations

11,614.91

FY17 8,829.64

+ 31.54%

Profit Before Tax

6,180

FY17 4,294

+ 43.90%

EBDITA

6472.13

FY17 4509.86

+ 43.50%

Profit After Tax

3,806

FY17 2,589

+ 47.01%

(All Figures in ₹ Crores)



Top 50
Among the top 50 mining companies in the world

10th
10th Largest Iron ore producer in the world

Source: Woodmac

Largest
Largest Iron ore producer in India

43 million tonnes
Iron Ore capacity per annum

35.57 Million tonnes
(Iron Ore Production)

FY17 34.00

+ 4.62%

5382
Employees (As on 31.03.2018)

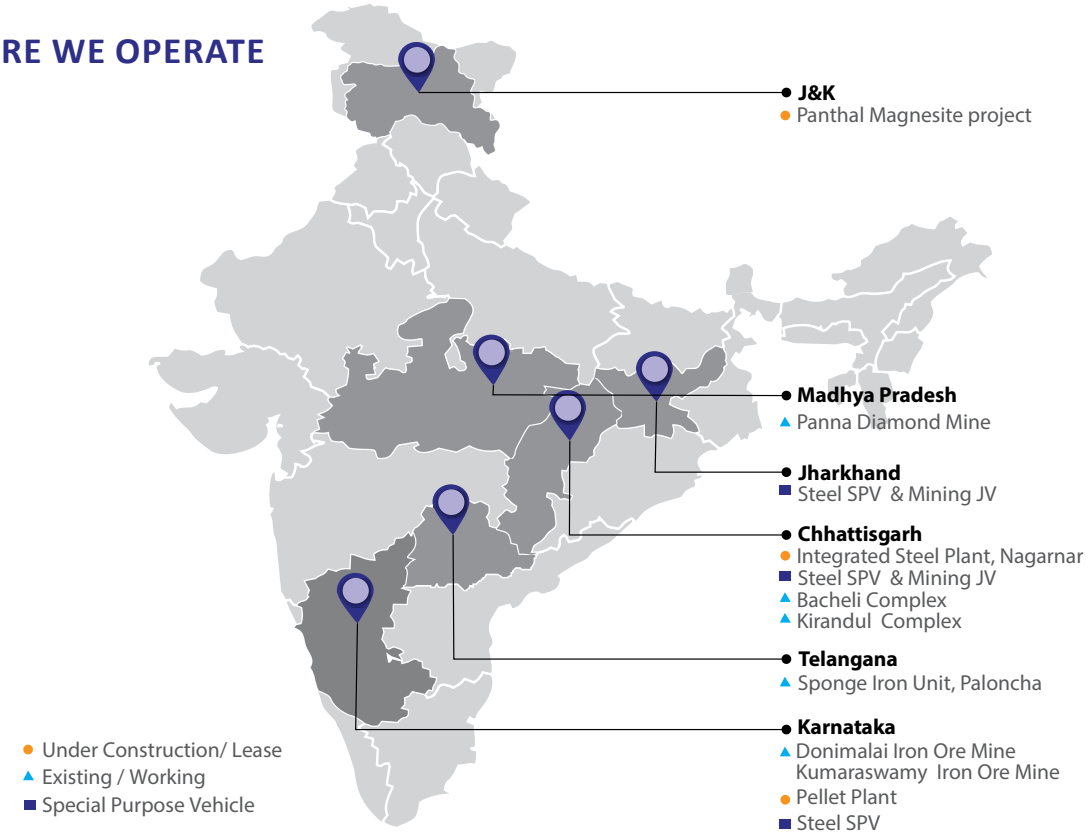
ABOUT US



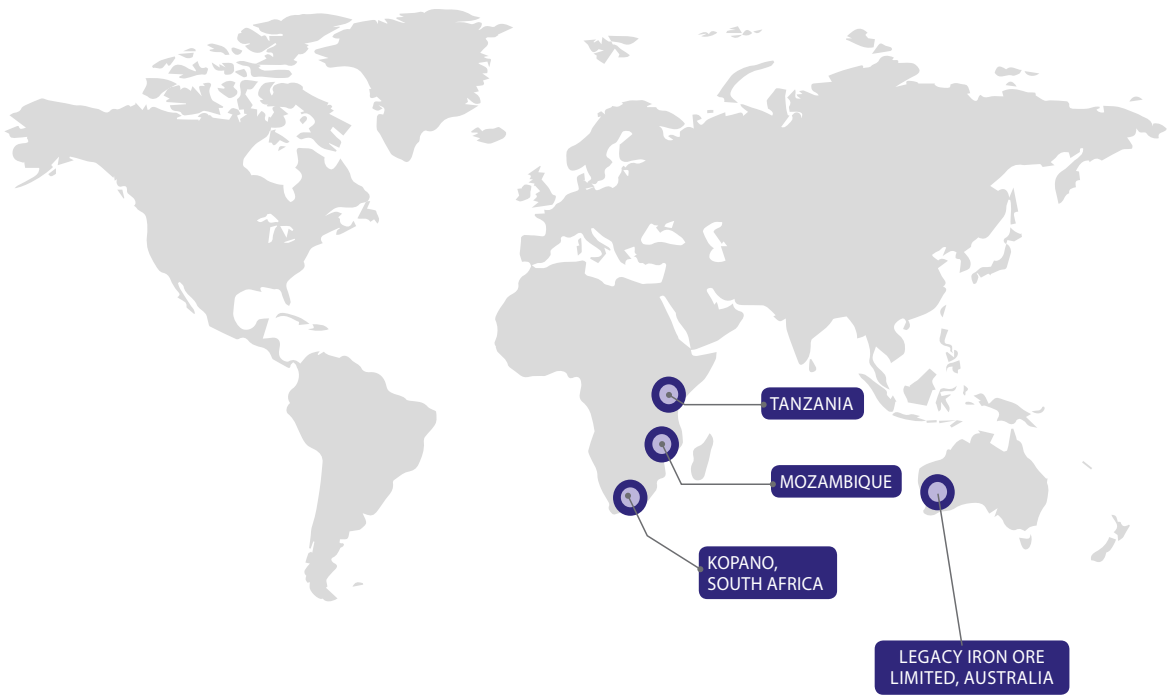
Incorporated in 1958, NMDC Ltd is a Navratna public sector enterprise in India with global foot prints. It is the single largest iron ore producer in India and tenth largest and one of the lowest iron ore producers in the world. NMDC is involved in the exploration of wide range of minerals including iron ore, copper, rock phosphate, lime stone, dolomite, gypsum, bentonite, magnesite, diamond, tin, tungsten, graphite, and beach sands.

NMDC has also spread its footprint globally, with acquisition of leases of gold deposits in Tanzania, a majority stake in an iron ore deposit in Australia and a coking coal deposit in Mozambique in partnership with two other public sector enterprises under the Ministry of Steel.

WHERE WE OPERATE



OUR GLOBAL FOOTPRINTS



VISION / MISSION AND OBJECTIVES



Vision

To emerge as a global environment friendly mining organisation and also as a quality steel producer with a positive thrust on social development.

Mission

To maintain its leadership as the largest iron ore producer in India, while establishing itself as a quality steel producer and expanding business by acquiring and operating various iron ore, coal and other mineral assets in India and abroad, rendering optimum satisfaction to all its stake holders.



Macro Objectives

- To expand the operations in the areas of Mining and Mineral Processing to meet the growing demands from domestic and international Markets.
- Achieve international standards in per capita productivity, value addition and cost effectiveness.
- To increase the iron ore production capacity to 50 MTPA by 2018-19 and 67 MTPA
  by 2021-22.
- Setting up of Steel Plant at Nagarnar.

Micro Objectives

- Achieve growth by:
  (a) Expansion of existing mines
  (b) Operating new mines fully owned by NMDC or in Joint Venture
- Give thrust to exploration and exploitation of iron ore and other strategic & critical minerals.
- To maintain environment protection.
- To conserve mineral resources through scientific mining.
- To maintain high level of customer satisfaction.
- To improve the quality of life of people in general and the socio-economic in and around the mines in particular.

HOW WE CREATE VALUE



Financial

NMDC allocates its financial resources where they can be put to work most effectively to deliver optimal financial returns for the company's shareholders, employees, society and environment.

Know-how

60 years of experience in mining industry, product development, technical and marketing knowledge to ensure that we invest in key leverage points in the 'mine to market' value chain.

Sustainable Business

We at NMDC aim at being responsible miners with commitment to sustainable development in all our locations.

Total Income

12,134.64

Research & Development Expenses

22.03

CSR Spent

169.37

(All Figures in ₹ Crores for FY18)



Key Relationships

We engage with a wide range of stakeholders to ensure effective two-way relationships.

Mineral Resources

NMDC has three highly-mechanised iron ore mine complexes. Two are located in Chhattisgarh and one in Karnataka. The company is also operating a diamond mining project in Panna in MP. The company has a majority stake of 78.56% in Legacy Iron Ore Ltd, Australia. The company is in the process of setting up of a pilot-scale processing plant for gold in Tanzania.

Employee Benefit Expenses

1,046.42

Dividends Paid

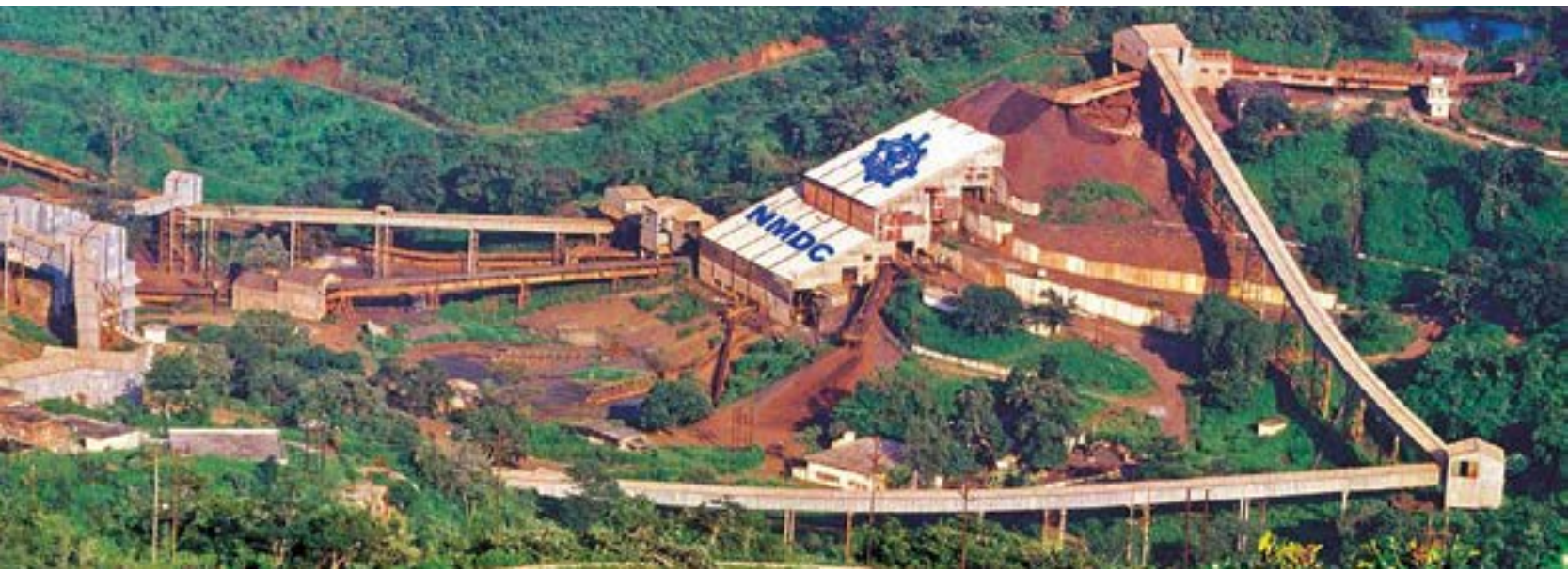
1,676.86

Contribution to National Exchequer

5,593

(All Figures in ₹ Crores for FY18)

OUR VALUE CHAIN



NMDC is engaged in mining of iron ore which is crucial for the steel industry. NMDC produces around 35.57 million tonnes per annum of iron ore from three mechanized mining complexes, two in Chhattisgarh and one in Karnataka which supply ore in the form of lumps and fines for production to various steel industries using blast furnace / DRI route.

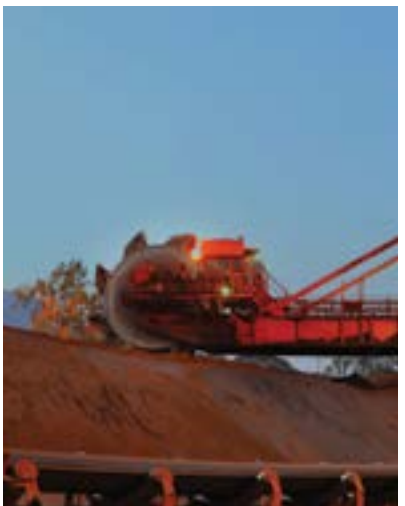
The core business of our operations produces mineral resources, jobs and infrastructure. The resources we develop create a global value chain that includes exploration, development, extraction, processing, transportation, marketing and logistics, through which we generate economic value.



Exploration & Estimation



Development & Excavation



Processing & Beneficiation



Loading & Despatch



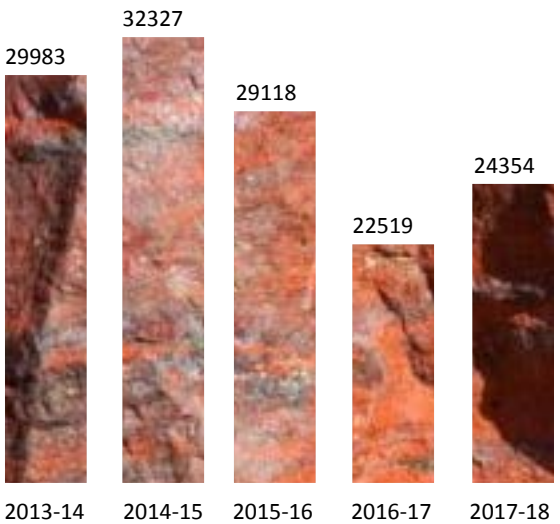
Marketing & Sales



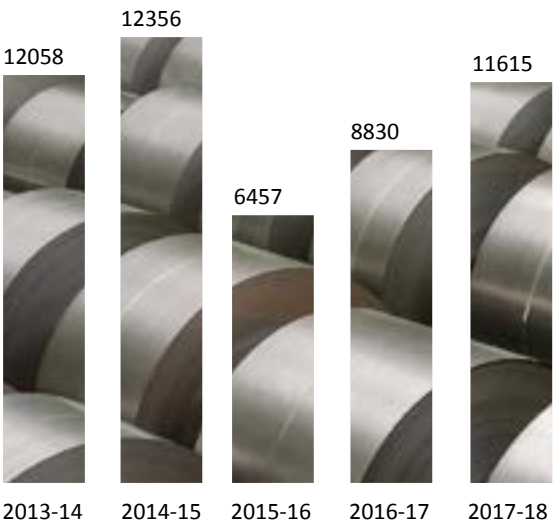
Contributing to Society

FINANCIAL HIGHLIGHTS

Networth (₹ in crores)



Net Revenue (₹ in crores)



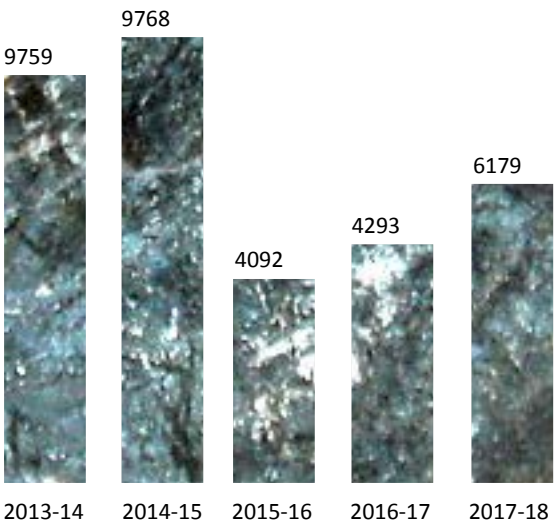
OPERATING STATISTICS:

	2017-18 #	2016-17 #	2015-16 #	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Production										
Iron Ore (WMT) (in lakh tonnes)	355.76	340.05	285.74	304.41	300.25	271.84	272.60	251.55	238.03	285.15
Diamonds (Carats)	39,393.72	35,635.99	35,558.31	35,085.46	37,081.70	31,533.39	18,043.44	10,865.93	16,529.21	-
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		
Pellets(in Tonnes)	58,070.00	-								
Sales										
Iron Ore (WMT) (in lakh tonnes)	360.75	356.21	288.39	305.16	305.00	262.74	273.01	263.15	240.85	264.72
Diamonds (Carats)	33,175.34	25,631.46	36,682.93	38,788.58	43,487.63	17,863.00	8,085.00	18,421.22	7,335.34	-
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		
Pellets(in Tonnes)	58,070.00	-								

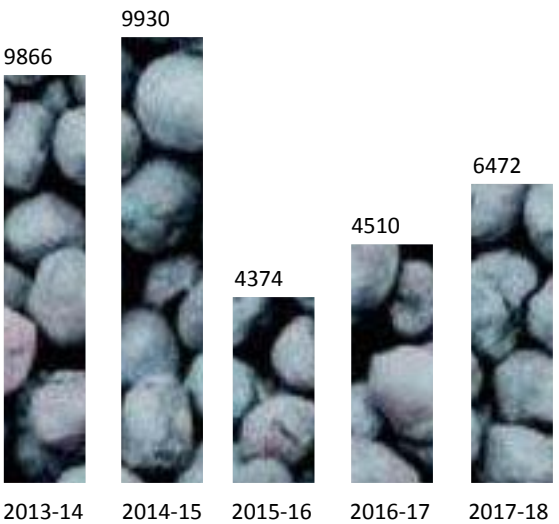
FINANCIAL STATISTICS:

	2017-18 #	2016-17 #	2015-16 #	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Income										
Sales Iron Ore	11,490.93	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
Sales: Other Products and Services	123.98	120.74	129.34	158.72	158.68	145.56	94.33	83.61	16.49	4.92
Net Revenue from Operation	11,614.91	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
Other Income	519.73	908.81	1,809.25	2,265.40	2,094.52	2,238.87	2,016.49	1,205.70	861.71	884.04

Profit Before Tax (₹ in crores)



EBDITA (₹ in crores)



	2017-18 #	2016-17 #	2015-16 #	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Profit										
EBDITA	6,472.13	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
Depreciation	256.04	196.18	216.60	162.23	104.93	138.52	130.17	121.52	73.16	73.56
Interest	37.10	20.76	65.59	-	1.85	13.20	1.48			
PBT	6,178.99	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
Taxes	2,141.39	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
PAT	3,805.88	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
Dividend	1,676.86	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
Financial Position										
Equity (^)	316.39	316.39	396.47	396.47	396.47	396.47	396.47	396.47	396.47	396.47
Reserves & Surplus	24,037.44	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
Gross Fixed Assets	3,368.53	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
Net Fixed Assets	2,671.70	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
Other Assets(intangible)	-	-	-	5.37	5.37	6.24	10.07	14.45	16.78	22.20
Capital Work-in-Progress	12,519.90	11,831.36	9,722.88	7,710.03	5,276.89	3,236.09	1,494.16	677.17	561.29	248.31
Current Assets	8,839.45	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
Current Liabilities	3,541.17	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
Deferred Tax Asset	385.71	453.36	263.17	(98.40)	(107.25)	(104.49)	(100.09)	(102.88)	(84.88)	(58.04)
Net Worth	24,353.83	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
Book value per share (Rs.) (^)	76.97	71.17	73.44	81.54	75.62	69.37	61.53	48.43	35.96	29.30
Earning per share (Rs.) (^)	12.03	7.22	6.84	16.20	16.19	16.00	18.33	16.39	8.69	11.03
Valued added per emp (₹. In lakhs)	167.76	117.46	86.89	182.23	178.54	159.04	167.10	159.05	93.58	122.75

$ Includes Expenditure on Feasibility studies from 1999-00 to 2003-04.
** Excludes Investments,Capital WIP*
(^) During 2008-09, Equity share splitted from Rs.10/- per share to Rs.1/- per share and Bonus shares issued in the ratio of 1:2
 # Under Ind- AS

BOARD OF DIRECTORS



Shri N. Baijendra Kumar, IAS
Chairman-cum-Managing Director



Shri Saraswati Prasad, IAS
Govt. Nominee Director, NMDC Ltd. & Special Secretary & Financial Advisor, Ministry of Steel



Smt. Rasika Chaube, IDAS
Govt. Nominee Director, NMDC Ltd. & Additional Secretary, Ministry of Steel



Dr. Narendra K. Nanda
Director
(Technical)



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



Shri P.K. Satpathy
Director
(Production)



Shri Sandeep Tula
Director
(Personnel)



CA. Arun Kumar Srivastava
Independent Director



Smt. Bhagwati Mahesh Baldewa
Independent Director



Shri Rajesh Kumar Mangal
Independent Director



Shri Pradip Bhargava, IAS (Retd)
Independent Director



Dr. Syamal K. Sarkar, IAS (Retd)
Independent Director



Shri S.M. Nigam, IRS (Retd)
Independent Director



Shri Bahram Navroj Vakil
Independent Director
w.e.f 6.9.2017



Shri Ashok K Angurana, IAS (Retd)
Independent Director
(w.e.f 16.11.2017)



D.S. Ahluwalia
Director (Finance)
(upto 30.04.2018)



Sunil Barthwal, IAS
Govt. Nominee Director
(upto 23.05.2018)



Puneet Kansal, IAS
Govt. Nominee Director
(upto 15.07.2018)

SENIOR MANAGEMENT

Senior Management Team of the company comprises of members of the core management team excluding Board of Directors' comprising all members of management one level below the Functional Directors including all the Executive Directors, Functional Heads of Departments/Offices



K. Vidyasagar, IFoS
Chief Vigilance Officer
Head Office, Hyderabad



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



Alok Kumar Mehta
Executive Director (Engineering & Projects) Head Office, Hyderabad



Prasant Dash
Executive Director
NISP, Jagdalpur, CG



A.K. Shukla
Executive Director
Bacheli, CG



V.S. Prabhakar
Executive Director
GEC, Raipur, CG



T.S. Cherian
Executive Director
Kirandul, CG



J.M. Sudhakar Rao
Executive Director (Materials Management) Head Office, Hyderabad



Usha Singh
Executive Director (P&A)
Head Office, Hyderabad



E.R. Sree Kumar
Executive Director
(Engineering)



B. Sahoo
Executive Director
Donimalai, Karnataka



Rajashekhar
General Manager (Projects)
Head Office, Hyderabad



Sumit Deb
General Manager (Commercial)
Head Office, Hyderabad



S. Surender
General Manager (Projects)
Head Office, Hyderabad



M. Mahadevan
General Manager (Resource Planning)
Head Office, Hyderabad



V. Ajit Kumar
General Manager
(Slurry Pipeline Project)



T. Naga Satya Kumar
General Manager (Engineering)
Head Office, Hyderabad



L. Krishnamohan
General Manager (Finance)
NISP, Jagdalpur, CG



S.K. Wadhwani
General Manager (Commercial)
Head Office, Hyderabad



A.K. Prajapati
General Manager (Mining)
Kirandul, CG



D. Sunil Kumar
General Manager
(Mechanical) Donimalai



Hari Narayan Singh
General Manager (Electrical)
Bacheli



R.D. Nand
General Manager (Mechanical)
Head Office, Hyderabad



R. Govindarajan
General Manager (Engineering)
Head Office, Hyderabad



A.K. Padhy
General Manager (Finance)
Head Office, Hyderabad



S.P. Himanshu
General Manager (Personnel)
Head Office, Hyderabad



Dilip Kumar Mohanty
General Manager (Metallurgy)
NISP, Jagdalpur, CG



Sanjay Panjiyar
General Manager (Mechanical)
NISP, Jagdalpur, CG



M. Jayapal Reddy
General Manager (Environment)
Head Office, Hyderabad



K. Praveen Kumar
General Manager (Law)
Head Office, Hyderabad



A.S. Pardha Saradhi
Company Secretary (GM)
Head Office, Hyderabad



A. Preetam Kumar
General Manager (Materials Management) Head Office, Hyderabad



K.S.N. Murthy
General Manager (Estate)
Head Office, Hyderabad



T.M. Balaji
General Manager (C&IT)
Head Office, Hyderabad

(As on 31-08-2018)

CORPORATE SOCIAL RESPONSIBILITY

NMDC believes that the first beneficiary of its success should be the community which lives in the place where its mining is taking place.



"NMDC CSR initiatives adopt a flexible, inclusive, process-oriented approach to enable the stakeholders to determine the scope of our programmes and activities. NMDC has shown that it is possible to be profitable, while being socially and environmentally responsible"

N. Baijendra Kumar, IAS
Chairman-cum-Managing Director,
NMDC Limited

NMDC believes that the first beneficiary of its success should be the community around its operations. As part of its Corporate Social Responsibility, it contributes to healthcare, education, sanitation, drinking water, infrastructure development and employable skill development. These initiatives are taken up in consultation with stakeholders, including local people and administration — which has been the reason for their success. NMDC's model of stakeholder consultation is considered by Department of Public Enterprises as worthy of emulation by other PSEs. In fact, the NMDC's CSR engagement has grown over the years as its CSR expenditure has increased from ₹86 crore in 2011-12 to an average of ₹190 crore during the last three years.

LITERACY & EDUCATION

NMDC has been contributing in different ways to improve both the literacy levels as well as the quality of education. The company's initiative, Shiksha Sahayog Yojana encourages education beyond Class VIII. Since 2008-09, annually 18,000 SC/ST students from Bastar division in Chhattisgarh and residents of eight peripheral villages around Donimalai Project in Bellary District, Karnataka, whose family income is less than ₹6,000 per month, are given educational scholarships. These are directly credited into the bank/ post office accounts of the beneficiary students. NMDC also mainstreamed young tribal girls through the Balika Shiksha Yojana with 40 girl students from socio-economically disadvantaged backgrounds signing up for B.Sc (Nursing) and GNM courses at Apollo Institute of Nursing in Hyderabad. Currently 32 students are being sponsored for the three-year GNM course and eight for the four year B.Sc Nursing programme. Till date 258 students have been sponsored.

NMDC has partnered with State Authorities to create 'Education City – a Hub of Educational Institutions ranging from Primary School to Professional Institutions like Polytechnic College in a single campus with an objective to provide conducive environment to the local children by providing them educational facilities.

NMDC's contribution in the 'Education City' has been towards construction & operation of 'Astha Gurukul – a Residential School primarily for Children affected by Naxalite related violence, 'Saksham' – 100% disabled friendly school for children with special needs, 'Polytechnic College' and 'Construction of 100 Seater Hostels for Boys & Girls'.

Like Geedam, NMDC is planning another Education City in Bijapur district. It provides free transport facility to students from villages around Donimalai (Karnataka), Bailadila (Chhattisgarh) and Panna (MP). Not only that, it supports the mid-day meal programme of the government around its Donimalai project in partnership with Akshaya Patra Foundation since 2008-09. It has also contributed two dedicated vehicles for meal distribution. As many as 8,000 school children in 38 schools of Sandur in Bellary district benefit from the scheme with NMDC

Providing infrastructure is one thing but NMDC takes its role of an education service producer rather seriously, following up on its initiatives regularly. It has implemented an "education improvement programme" to reduce the dropout rate of about 50 per cent, improve the education standard and bring back students back to schools. The programme covered 84 government primary schools in Dantewada and benefitted 4,367 children. NMDC established a residential school at Nagarnar up to class XI and ITIs at Bhansi, Dantewada and Nagarnar, Bastar. These are the only two ITIs in Chhattisgarh established and operated by a corporate without any financial contribution from the government.

Through an initiative called "Choo Lo Asmaan", the NMDC has helped students from Dantewada to prepare for technical competitive exams like PET/PMT entrance examinations and providing career guidance. It has provided financial assistance to tribal students for pursuing higher education under "Ujjar 100" scheme in Dantewada. It has even established Aakar Bhavan in Sukma district, a school for differently-abled students on the lines of Saksham, the 100 per cent disability friendly school in Dantewada District.

Key NMDC Impacts

18000 Students
Education scholarships to SC/ST Students per annum

8000 Students
Mid-day meal scheme in 38 schools

(CORPORATE SOCIAL RESPONSIBILITY CONT.)



HEALTHCARE & HYGIENE

NMDC's healthcare initiatives include preventive as well as curative modules. It runs three hospitals out of which two are in collaboration with M/s Apollo and one with M/s Yashoda Hospitals, offering free medical treatment to its staff and the local communities. On an average about 1,00,000 out-patients and 10,000 in-patients per annum are provided free treatment.

State-of-the-art mobile medical vans with equipment, qualified doctors and para medical staff provide health services to remote villages to provide healthcare at their doorsteps, create health awareness and facilitate immunization. Serious cases are referred to the project hospital for which a dedicated ambulance service is available. These health services benefitted 37 villages and 40,000 tribal villagers in Chhattisgarh and Karnataka. Then there are free health camps and free eye surgeries. NMDC has helped establish a medical college and hospital at Jagdalpur, strengthened 51 Primary Health Centres (PHCs) in Bellary district, Karnataka, by equipping them with medical equipment and set up a drug warehouse at Bijapur. Similarly, 10 PHCs in Bijapur in Chhattisgarh have been provided infrastructural support. NMDC contributes to the Sanjivani Kosh of Chhattisgarh government to refer poor tribal patients for specialist treatment.

Key NMDC Impacts

100000 Outpatients per annum

10000 Inpatients per annum

40000 People benefitted from Mobile Medical Units



DRINKING WATER

NMDC provides safe drinking water to the community around plant sites and villages adopted by the company. It has utilised the eco-friendly medium of solar-powered pumps to meet the drinking water requirements. The organisation has set up water distribution systems, including construction of storage tanks. Under the Nal Jal Yojana, safe drinking water is provided through piped supply to 10 villages surrounding the Nagarnar steel plant.

NMDC supports the "Group Water Supply Scheme" to provide clean drinking water to 32 villages in Dantewada, eight villages under the Nerli group water supply scheme and 24 under the Dhurli group water supply scheme. It has even installed about 350 hand pumps/bore-wells and dug around 40 open wells/ponds in and around the Bailadilla projects in Bastar division. Here, 219 hand pumps with fluoride removal facility have been installed. In schools and ashrams in Bijapur, 50 force lift pumps, tanks and RCC cistern have been installed.

Construction of 39 water purification plant buildings in Bellary has been undertaken.

INTEGRATED VILLAGE DEVELOPMENT

NMDC had implemented the Integrated Village Development in 18 villages around its Bailadila Projects in Chattisgarh to improve the overall profile of the tribal villages through its varied developmental activities. Women are organised into 56 self-help groups across 15 villages and regular vocational training programmes imparted to equip them with an advanced skill set.

To enhance agricultural productivity, NMDC has set up 13 water storage tanks, 24 wells, 18 ponds and 50 irrigation pumps. As a result, crop yields have increased.

To address the problem of malnutrition, NMDC supports 46 anganwadis. These also engage children before or after school hours and help them with their studies to enhance the learning experience. The number of people covered has increased from 1,600 to 20,000 persons.

(CORPORATE SOCIAL RESPONSIBILITY CONT.)



INFRASTRUCTURE

Infrastructure development is the most effective indicator of development process, particularly relevant in the context of backward areas like Bastar division where infrastructure alleviates poverty by providing access to opportunities. NMDC creates infrastructure facilities across all plant sites. In villages surrounding its Bailadila projects, it constructed 89 culvets and bridges. About 133 km of black topping of roads and 123 km of WBM roads was done in the area.

It has already completed a high-level bridge over Dankini river and one from Kundla to Kohkameta, Narayanpur district. Gaurav Path, a four-way lane at Dantewada and a 19.4 km long bypass for Jagdalpur, has been constructed. NMDC has undertaken solar electrification work for home and street lighting in 74 villages of Bastar, a district library, 10 community centres at Sukma, a tribal haat at Katiyaras, Dantewada, in partnership with state authorities.

Key NMDC Impacts

89
Culverts and Bridges

133 KM
Black Topping of Road

123 KM
WBM Roads

SKILL DEVELOPMENT & INCOME GENERATION

Skill development is an integral tool for achieving economic self-sufficiency. NMDC has been actively taking up skill development initiatives with a view to help the communities around its project locations become economically self-reliant. The idea is to make the farmers a valuable human resource even during off-season.





So far, farm productivity has been enhanced by different works like (a) barbed wire fencing (b) installation of motorised borewells (c) providing tractors and mechanised farming equipment (d) exposure visits/ study tour/training of farmers. Around 1,000 farmers have been covered so far.

NMDC has also provided job-focussed training on air conditioning, automobile repairs for tribal youth with guaranteed placement to at least 70 per cent successful trainees. NMDC sponsored a skill training programme for 64 tribal youth from Nagarnar by the National Institute of Building Construction, Hyderabad, for imparting "Employable skills in Construction Activities." It has set up a development centre for terracotta training at Kumharras in Dantewada. Hand pump repair and maintenance training was organised for 1,260 youth of Bastar region. Around its Bailadila project, a training programme for class VIII tribal boys provides exposure to various working systems and technical facilities apart from classroom training on basic mathematical and English skills.

A skill development programme to impart training in mining sector-related skills to 1200 local youth and in steel sector related skills to 400 local youth in three years was launched in 2016-17.

Key NMDC Impacts

1000 farmers
Agriculture Skill Development

1260 people
Hand pump maintenance training

1500 people
Mining sector related skills

100 people
Steel sector related skilled

(CORPORATE SOCIAL RESPONSIBILITY CONT.)



ENVIRONMENT MANAGEMENT

Mining, without taking into account the environmental impact, can be a highly polluting activity which would degrade air, water and land resources. NMDC has been one of the earliest signatories of the United Nations Global Compact (UNGC) network and made significant progress on all the sustainable development goals (SDG) set by United Nations. The key element of sustainability principles is ingrained in the organisational vision, mission, policies, management systems, processes, performance matrix and review mechanism. Apart from ensuring friendly practices, NMDC also maximises the potential of the mineral resource and does a lot of research and development to ensure it is not over-exploited and replenished over time.

NMDC mining operations at Kirandul, Bacheli and Donimalai protect the surrounding environment. NMDC organises environment-monitoring studies on impact of mining activities on soil, air, water every year and the recommendations of the studies are implemented.

Carbon footprint studies have been conducted and greenhouse gas emissions (GHG) are disclosed in Carbon Disclosure Project (CDP). To curb the GHG emissions NMDC has planted more than 25 lakh trees. During the last two financial years, NMDC has contributed `50 crores to the Hariyar Chhattisgarh Programme towards tree plantation initiative. In association with the Chhattisgarh Rajya Van Vikas Nigam Limited, road side tree plantation activity was done on 315 km since 2010 to 2015 for which `42.94 crore was spent. Water and soil conservation works have been taken up in association with Chhattisgarh State Forest Department in Reserve Forest area to improve the soil quality and water table in the region.

NMDC is further working towards zero waste mining by maximising utilisation of various grades of iron ore. To gainfully utilise slimes (low grade rejects), beneficiation and pellet plants have been set up in Karnataka at the mine itself. A larger scale similar plant is being set up in Bailadila sector along with 15 MTPA slurry pipeline, a green and cost effective way of iron ore transportation.



Water audits have been carried out at all projects and recommendations are being implemented. Ultra modern sewage treatment plants based on Sequential Batch Reactor (SBR) technology have been constructed at Kirandul and Bacheli townships. The reject from the sewage treatment plants is used for agricultural activities.

Comprehensive R&R plans and waste dump management plans have been prepared by ICFRE, Dehradun CIMFR, Dhanbad and their suggestions implemented in a phased manner. NMDC is undertaking environment pollution works such as de-silting of check dams/check bunds, tailing dams, construction of buttress walls at toe of the waste dump and geo coir matting on waste rock dumps for stabilisation of dumps.

With India committing itself to the Paris Agreement of reining in emissions and warming, Indian corporates need to take decisive steps to ploughing back resources for climate stability. NMDC has not only woken up to the task but internalised environment management as its core philosophy.

CSR AWARD & RECOGNITION

A true measure of a company's success is global recognition. And thanks to the NMDC's focus on CSR activities, the organization bagged the prestigious S&P Global PLATTS Global Metals Award 2018 in the Corporate Social Responsibility category. The event was held on May 17 at Grosvenor Square, Marriott Hotel, in London. N Baijendra Kumar, Chairman-cum-Managing Director, NMDC Limited, received the coveted award. The shortlisted 12 nominations were of renowned companies across the world. This is the first time since the inception of the awards that an Indian company has won the top.

The S&P Global Platts Global Metals Award recognises top performers — industry leaders and innovators. The Corporate Social Responsibility (CSR) Award recognises the organisation that best demonstrates leadership, commitment to action and encouraging real-world social impact.

DIRECTORS' REPORT



Dear Members,

Your Directors are pleased to present the 60th Annual Report on the performance of your Company, together with the Audit Report and Financial Statements for the year ended 31st March 2018 and the Report thereon by the Comptroller and Auditor General of India.

PERFORMANCE HIGHLIGHTS

During the year under review, the Company has recorded turnover of Rs.11,615 crores, achieved Profit Before Tax (PBT) of Rs. 6,180 crores and achieved Profit after Tax (PAT) of Rs.3,806 crores.

The major performance highlights are summarized as under:-

- The company achieved record production of 355.76 LT and sales of 360.75 LT – Highest ever achieved since inception of the Company.
- Turnover for the year under review was Rs.11,615 crores as against Rs. 8,830 crores in the previous financial year 2016-17 – an increase of 32%.
- Profit before tax (PBT) from continuing operations was Rs.6,180 crores compared to Rs. 4,294 crores in the previous financial year 2016-17 – an increase of 44%.
- Profit after tax (PAT) was Rs.3,806 crores compared to Rs. 2,589 crores in the previous financial year 2016-17 – an increase of 47%.
- Net worth of the Company stood at Rs.24,354 crores as on 31.03.2018 – 8.15% higher than Rs. 22,519 crores in the previous financial year 2016-17.
- The Company declared an Interim Dividend of Rs.4.30 per share for FY 2017-18.
- Capital expenditure of Rs.2,346 crore has been incurred during the year under review.

PHYSICAL PERFORMANCE

Production

Product	Achievement		Percentage of change
	2016-17	**2017-18**	
Iron Ore (lakh tonnes)	340.05	**355.76**	4.62%
Diamond (Carats)	35,636	**39,394**	10.55%
Sponge Iron (Tonnes)	5,474	**Nil**	-
Pellets (Tonnes)	Nil	**58,070**	-

SALES OF IRON ORE

Particulars	Physical (in lakh tonnes)			Value (Rs. in crore)		
	Achievement		% of change	Achievement		% of change
	2016-17	**2017-18**		2016-17	**2017-18**	
Domestic	328.92	**334.78**	1.78%	7,804.15	**10,421.00**	33.55%
Export through MMTC	27.29	**25.97**	(-) 4.84%	904.75	**1,069.93**	18.26%
Total Sales	356.21	**360.75**	1.27%	8,708.90	**11,490.93**	31.94%

Other Sales

Products	Achievement	
	2016-17	**2017-18**
a) Diamond		
Sales (carats)	25,631	**33,175**
Value (Rs. in crore)	41.91	**35.17**
b) Sponge Iron		
Sales (tonnes)	8,579	**Nil**
Value (Rs. in crore)	13.13	**Nil**
c) Wind Power		
Sales (lakh units)	220	**191**
Value (Rs. in crore)	7.48	**6.50**

(DIRECTORS' REPORT CONT.)

FINANCIAL PERFORMANCE

Operating Results

Parameter	Achievement		Percentage of change
	2016-17	2017-18	
Profit Before Tax (PBT) (Rs. in crore)	4,294	**6,180**	43.90%
Profit After Tax (PAT) (Rs. in crore)	2,589	**3,806**	47.01%
Net Worth (Rs. in crore)	22,519	**24,354**	8.15%
Book value per share (Rs.)	71.17	**76.97**	8.15%
Earnings per Share (Rs.)	7.22	**12.03**	66.62%

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

Profit & Dividend

During the year under review, your Company has earned profit before tax from continuing operations of Rs.6,180 crores on a turnover of Rs.11,615 crores in comparison with previous year's achievement of Rs. 4,294 crores and Rs. 8,830 crores respectively.

The Company has declared Interim Dividend for FY 2017-18 @ Rs. 4.30 per share in the month of March 2018 involving an outgo of Rs.1,360 crores. The share of Government with equity stake of 72.43% is Rs.985 crores.

Transfer To Reserves

The Company proposed to transfer Rs. 1000 Crore from net profit to General Reserve.

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

Deposits

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

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 28.05.2018 which forms part of the Annual Report

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.

Related Party Disclosure

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

STATUTORY AUDITOR'S REPORT

The Audit Report for both Standalone and Consolidated Financial Statements for the FY 2017-18 is unmodified and does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the FY 2017-18 as done by M/s Hanumanta Raju & Co., Company Secretary in whole time practice does not contain any qualification, reservation or adverse remark.



1.2 MTPA Pellet Plant – Donimalai

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 are nearing completion. Action for new projects have been initiated. During the financial year 2017-18, the details of Projects undertaken by NMDC are summarized as under:-

A	Completed Projects
1	Crushing Plant & Downhill Conveyor – Kumaraswamy Iron Ore Mine
2	1.2 MTPA Pellet Plant – Donimalai

B	Ongoing Projects
1	Doubling of KK line between Kirandul to Jagdalpur
2	Doubling of KK line between Jagdalpur to Ambagaon
3	Screening Plant III – Kirandul Complex
4	Additional Screening Line & up gradation of existing conveyors (at Kirandul & Bacheli)

C	Projects in pipeline
1	Screening Plant II – Donimalai Complex
2	15 MTPA Slurry Pipeline – Bailadila to Nagarnar

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 of Dep.14 & 11/C and Downhill conveyor, additional screening lines in Bacheli & Kirandul, 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 at Bacheli & Kirandul and Slurry pipeline from Bacheli to Nagarnar has also been taken up. In the FY18, the Company has achieved success in terms of completion of Kumaraswamy Iron Ore Project, Pellet Plant in Donimalai Complex. Both these projects were commissioned & PG tests completed and are in operation now.



The upcoming scheme in Donimalai Complex includes a second Screening Plant of 10.0 MTPA capacity for handling the ROM from Donimalai & Kumarswamy mines in addition to the existing Screening Plant. For improving the rake loading capacity in the Donimalai sector an additional Stacking & Loading facility of 7.0 MTPA along with Railway Yard at Ranjitpura is being planned for which Railway consultant is already appointed and TEFR is under finalization. Statutory clearance for 10 MTPA Screening Plant-II is awaited.

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 new rail line, Slurry Pipeline etc. Doubling of KK line between Kirandul & Jagdalpur (150.462 km) is executed by Railways as a deposit work and is in advance stage. During the financial year 2017-18, Section 1 between Jagdalpur to Silakjhori, a length of 45.5 km of railway line was completed and opened for traffic. The works in other two sections are also in advanced stages and is expected to be completed by 2018-19.

Further, Doubling of KK line between Jagdalpur & Ambagaon (25 km) is also taken up through Customer funding model agreement. During the financial year 2017-18, Rail line between Jagdalpur to Amagura, a length of 14.3 km of railway line was completed and opened for traffic.

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 Railway consultant has been appointed, site survey completed and TEFR is under finalization.

NMDC has taken up an ambitious project of laying Slurry Pipeline from Bailadila to Jagdalpur and further up to 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



Bachlei to Nagarnar is being executed by NMDC and from Nagarnar to Vizag is envisaged to be executed in SPV or BOO mode.

The statutory clearances for phase-I from Bacheli to Nagarnar in respect of Ore Processing plant (OPP), Bacheli and Pellet Plant, Nagarnar have been received. The activities for taking a corridor of land for Right of Use (ROU) for laying the Slurry pipe line is in progress.

Solar Power Projects

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

- 30 KW rooftop solar power generation at Head Office.
- 1 MW rooftop solar power generation at production units of NMDC.

The rooftop solar power unit at Head office has been commissioned and is in operation since April 2017. Tenders for 1 MW solar power plant is under finalization.

Steel Plant Project at Nagarnar, Chhattisgarh

The progress of construction activities of steel plant in the year 2017-18 is noticeable in various fronts. At present, progress of civil work, structural and equipment erection are in advance stage and progressing in full swing.

The capex achievement w.r.t. steel plant during the financial year 2017-18 is Rs. 1809 Cr. and so far, expenditure incurred for construction of steel plant is about Rs.13,875 Cr. The value of work awarded during the financial year 2017-18 was Rs.280 Cr.

The steel plant project is getting ready for its commissioning of various units progressively, for which operational power supply system is already energized during first week March' 2018. In order to facilitate the commissioning activities of steel plant, procurement action for initial requirement of various raw materials,

(DIRECTORS' REPORT CONT.)



spares, consumables, etc., are also under process. NMDC will put its all efforts to roll the first HR coil by March 2019 .

Promoting New Steel Plants through SPVs

NMDC is promoting Steel SPVs for setting up new steel plants in the state of Karnataka and Jharkhand. 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.

The Steel SPV in Jharkhand has selected the site and has applied for allocation of land, water and power. In the state of Karnataka, NMDC has acquired 2800 acres of land through Karnataka Industrial Area Development Board (KIADB). NMDC has also sought for iron ore allocation in the state of Jharkhand and Karnataka for ore linkage to the steel SPVs. NMDC is planning to issue an EOI for a strategic partner for Karnataka steel SPV, after allocation of iron ore linkage. However, because of change in the MMDR Act with reference to allocation of mineral block through auction system, concerned State Govt. where SPVs are planned are reluctant to allocate mineral block directly to SPVs.

Implementation of Mine Transport Surveillance System:-

The implementation of Mine Transport Surveillance System (MTSS- KHADAN-CHOUKSI) at Donimalai Complex (Donimalai, Kumarswamy and Pellet Plant) has been completed.

The system has 7 integrated modules for different purposes:

1. Weighbridge automation system,
2. GPS-RFID based tracking,
3. Mine periphery surveillance,
4. Wireless networking,
5. CCTV surveillance,



6. Proximity warning device, and
7. Centralized monitoring & surveillance.

The MTSS is useful for improving mine safety & productivity.

OVERSEAS PROJECTS / NMDC GLOBAL

Legacy Iron Ore, Perth, Australia

Legacy Iron Ore Ltd is an ASX listed entity based in Perth, Australia, with a 78.56% equity stake in the Company. Legacy is carrying out exploration in its 19 exploration tenements in Western Australia in Iron Ore, Gold and base metals. Legacy also applied for allocation of tenements for tungsten in Western Australia. Legacy has 60% interest in Mt Bevan Iron Ore Project which has a JORC compliant Indicated and Inferred resource of 1.17 billion tonnes magnetite and discovered existence of Nickel in the northern side of Mount Bevan. Presently, Legacy is concentrating in exploration of Gold in Mount Celia where good occurrence of Gold is observed.

International Coal Ventures Pvt. Ltd. (ICVL), Mozambique

ICVL acquired a coking / thermal coal mine in Mozambique in 2014 and operation of the same was taken over by ICVL. ICVL undertook strategic review of Benga operations and re-started the mining operations with new contracts from Nov'2017. Benga Mine is presently operational and has achieved 100% of targeted ROM in May 2018.

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. Presently NMDC is scouting for acquisition of tungsten assets in India and abroad as per requirement of Defence & Aerospace sector.

(DIRECTORS' REPORT CONT.)

NMDC has also signed MOU with IREL for scouting of rare earth minerals in India and abroad.

Leases for minerals

Iron Ore



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 sell 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:

Bailadila Iron Ore Deposit No.13

Mining lease was granted for Bailadila Iron Ore Dep-13 over an area of 413.745 Ha, in favour of NMDC Ltd. for 50 Years. Performance security has been deposited with the State Government in the form of a bank guarantee 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. As per ML Grant Order No.F3-84/95/12 dated 07.01.2017 Mining lease has been transferred in favor of NMDC-CMDC Limited (NCL) on 04.12.2017. Intimation on transfer of Mining Lease in Form-N under Rule 50 of MCDR, 2017 has been submitted to the Regional Controller of Mines, IBM, Raipur on 29.12.2017.

Intimation on transfer of records to transferee regarding Mining Lease under Rule 52 of MCDR, 2017 has been submitted to the Secretary, Mineral Resource Department, Govt. of Chhattisgarh on 29.12.2017. Transfer of EC and FC in favour of NMDC-CMDC Ltd. are in process. Modified mine plan has been prepared and will be submitted to IBM for approval. 3D Ore Body Modeling & resource estimation has been completed by using Surpac mine planning software and Geo-statistical tools of in WGS 84 datum. Action has been initiated for appointment of MDO. Tender has been floated and offers are under evaluation.

Bailadila Iron Ore Deposit No.4

M/s NMDC – CMDC Ltd. (NCL) has submitted the proposal to Secretary, MRD, Govt. of Chhattisgarh through DMG, Govt. of Chhattisgarh on 26.09.2017 for reservation of Bailadila Deposit No. 4 (646.597 ha) in favor of M/s. NCL under section 17A (2A) of MM (D&R) Amendment Act, 2015 for grant of ML. MRD, Govt. Chhattisgarh forwarded application to Ministry of Mines, GoI. The matter is being pursued with MoM, GoI

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 are being heard before the Hon'ble High Court of New Delhi.

In Jharkhand

Sasangada:

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 had granted PL for iron ore & Manganese in Sasangada 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.

Other PL/ML Applications:

Your Company is pursuing for reservation for Ghatkuri Iron ore area in West Singhbhum District. JNMDC (a JV company of NMDC & JSMDC) submitted a proposal to the Secretary, Department of Industries Mines & Geology, Govt. of Jharkhand, for reservation of Ghatkuri Iron ore deposit, West Singhbum District, Jharkhand, under Section 17A(2A) of MM(D&R) Amendment Act 2015 for grant of Prospecting and Mining operation to provide iron ore linkage to upcoming Jharkhand Kolhan Steel Limited. The matter is being pursued with Govt. of Jharkhand for reserving Ghatkuri iron Ore deposit in favor of JNMDC.

In Karnataka

Your Company is pursuing for ML for Ramandurg and Kumarswamy Deposit (contiguous to ML No.1111). Ramandurg iron ore deposit is subjudice and pending in the Hon'ble Supreme Court of India.

In addition, your company has applied for 3 Prospective blocks contiguous to Donimalai ML under reservation route.

In Odisha

Your Company is pursuing for reservation for Mankadnacha , Malangtoli, Khandadhar, Rakma iron ore deposits and Panduliposi Iron Ore & Manganese Deposit.

In Madhya Pradesh

Iron Ore Prospective Blocks:

Tripartite MoU among GoMP (MRD, through DGM), MPSMCL & NMDC was signed for geological and geophysical exploration in various Districts of M.P.

Govt. of Madhya Pradesh issued Gazette Notifications of Sidhi-Singrauli, Dhuarra and Sagar Iron Ore prospective blocks, which are applied under MoU for exploration and subsequent reservation.

Sidhi-Singrauli Block – Remote Sensing Studies has been completed in collaboration with NRSC. Five Iron ore potential areas have been identified in Sidhi and Singrauli Districts namely Lohkhanti, Chitrangi North, Chitrangi South, Katri Kadi and Mauhariya Blocks. Geological mapping has been completed in Lokhanti Block and Katrikadi blocks. Ground Geophysical (Magnetic & VLF-EM) data has been acquired and interpreted for Lohkhanti area. The exploration work is under progress.

Dhaurra block - The team of NMDC Geologists visited the block and geological traverses were taken and Ground Geophysical Survey (Magnetic survey) has been completed. Anomaly map has been prepared depicting the iron ore formation. Geological mapping at 1:10000 scale has been completed and 100 chip/soil samples have been collected in grid pattern and along the iron ore formation.

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 17A (2A) of MM (D&R) Amendment Act, 2015.

Diamond



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.

(DIRECTORS' REPORT CONT.)

In Madhya Pradesh

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. The MoM, New Delhi requested Secretary, MRD, GOMP, Controller General of IBM and DG,GSI for their comments for grant of PL's in favour of NMDC. MRD, Secretary sent comments for grant of the above PL's in favor of NMDC. Matter is being pursed with MoM, New Delhi for prior grant. 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. Govt. of Madhya Pradesh issued Gazette Notifications for above large prospective blocks, which are applied under MoU for exploration and subsequent reservation.

Remote Sensing Studies has been completed in collaboration with NRSC. Collected 815 Number of stream sediment samples from Chhattarpur Panna Block-1, & 2 and Damoh Block till April. 2018. Collection of Stream Sediment Samples is in progress. 206 Number of Stream Sediment samples have been transferred to Kalyandurg, A.P. for processing. Processing for heavy minerals separation is in progress. 24 nos of samples have been processed for Sorting of heavy indicator minerals using microscope.

In 16 prospective areas of Chhattarpur Panna Block-1 & 2 and Damoh blocks grids have been laid for undertaking VLF-EM & Ground Magnetic survey. Ground Control Point fixed in Chhattarpur Panna Block-1 & 2 and Damoh blocks for Ground Geophysical Survey. Ground Geophysical Survey (Magnetic and VLF-EM Survey) is under progress.

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. Govt. of Madhya Pradesh issued Gazette Notifications for Karmatiya, Lakshmipur, Pali, Khirwa South and Khirwa West prospective blocks, which are applied under MoU for exploration and subsequent reservation. Exploration will be commenced in 5 Prospective Blocks.

Additional 12 Diamond Prospective Blocks:

Your company has applied for 12 additional Diamond Prospective Blocks in Panna, Damoh, Sagar and Chhatarpur districts for exploration under Section 4(1) of MMDR 1957. GoMP granted permission for carrying out exploration works. Forest permission has been obtained for Reconnaissance Survey. Ground Geophysical survey (Magnetic and VLF-EM) is under progress.

Prospective block for various minerals:

Your company has applied for prospecting of 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. Govt. of Madhya Pradesh issued Gazette Notifications for prospective block, which is applied under MoU for exploration and subsequent reservation Preliminary exploration started.

In Chhattisgarh

Baloda - Belmundi Diamond Block - Your company has submitted the proposal to the Secretary, MRD, Govt. of Chhattisgarh vide letter dated 12.12.2017 for Baloda - Belmundi Diamond Block over an area of 156.80 sq km in Saraipali Tehsil, Mahasamund Dist. for reservation under section 17(A) (2A) of MM (D&R) Amendment Act,

2015 for Diamond for Prospecting and Exploitation. The matter is being pursued with Govt. of Chhattisgarh

Gold: In Rajasthan

Bhukia Gold Block - Your company has submitted the proposal to the Director of Mines & Geology, Govt. of Rajasthan vide letter dated 08.11.2017 for Bhukia Gold Block for over an area of 24 sq km in Banswara Dist. for reservation under section 17(A) (2A) of MM (D&R) Amendment Act, 2015 for Gold for Prospecting and Exploitation. The matter is being pursued with Govt. of Rajasthan.

Tungsten: In Maharashtra

Khobna Tungsten Block - Your Company has submitted the proposal for reservation of Khobna Tungsten Block, Nagpur District, Maharashtra under section 17(A) (2A) of MM (D&R) Amendment Act, 2015 for Tungsten for Prospecting and Exploitation. The matter is being pursued with Govt. of Maharashtra.

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.

Exploration under Sub-section (1) of Section (4) of MM (D&R) Act, 1957 in MoM, GoI allotted Blocks.

Your company has been allocated 5 blocks (2 iron ore blocks in Jharkhand & Maharashtra and 3 Gold blocks 2 in Karnataka & 1 in M.P.) by Ministry of Mines, GoI for G4 level exploration. Exploration work is under progress.



(DIRECTORS' REPORT CONT.)

VISION 2025



NMDC STRATEGIC MANAGEMENT PLAN (NMDC VISION 2025).

A long-term strategic management plan (SMP), 'Vision 2025' has been formulated which envisages iron ore production capacity of 50 MTPA by 2018-19 and 67 MTPA by 2021-22. This expansion plan includes brown field expansion of existing mines and developing green field mines in partnership with Chhattisgarh Mineral Development Corporation. A joint venture of NMDC & CMDC (NCL) is in process of starting operations from Deposit-13 Iron Ore Mine in Bailadila Region.

The above expansion plan of NMDC contemplates the high prospects of the growth of the Indian Steel Industry in the coming years with several factors indicating the same, such as, the 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.

In the financial year 2017-18, the Company has achieved success in terms of starting of construction activity of the fifth screening line in Screening Plant II and Rapid Wagon Loading System I in Kirandul Complex to increase the production and mechanised loading capacity. The clearances for the construction of the fifth screening line in Deposit 5 Screening Plant in Bacheli Complex has been obtained and the work is going to be started soon.

To augment the evacuation capacity from Bailadila sector, many projects & schemes are taken up like

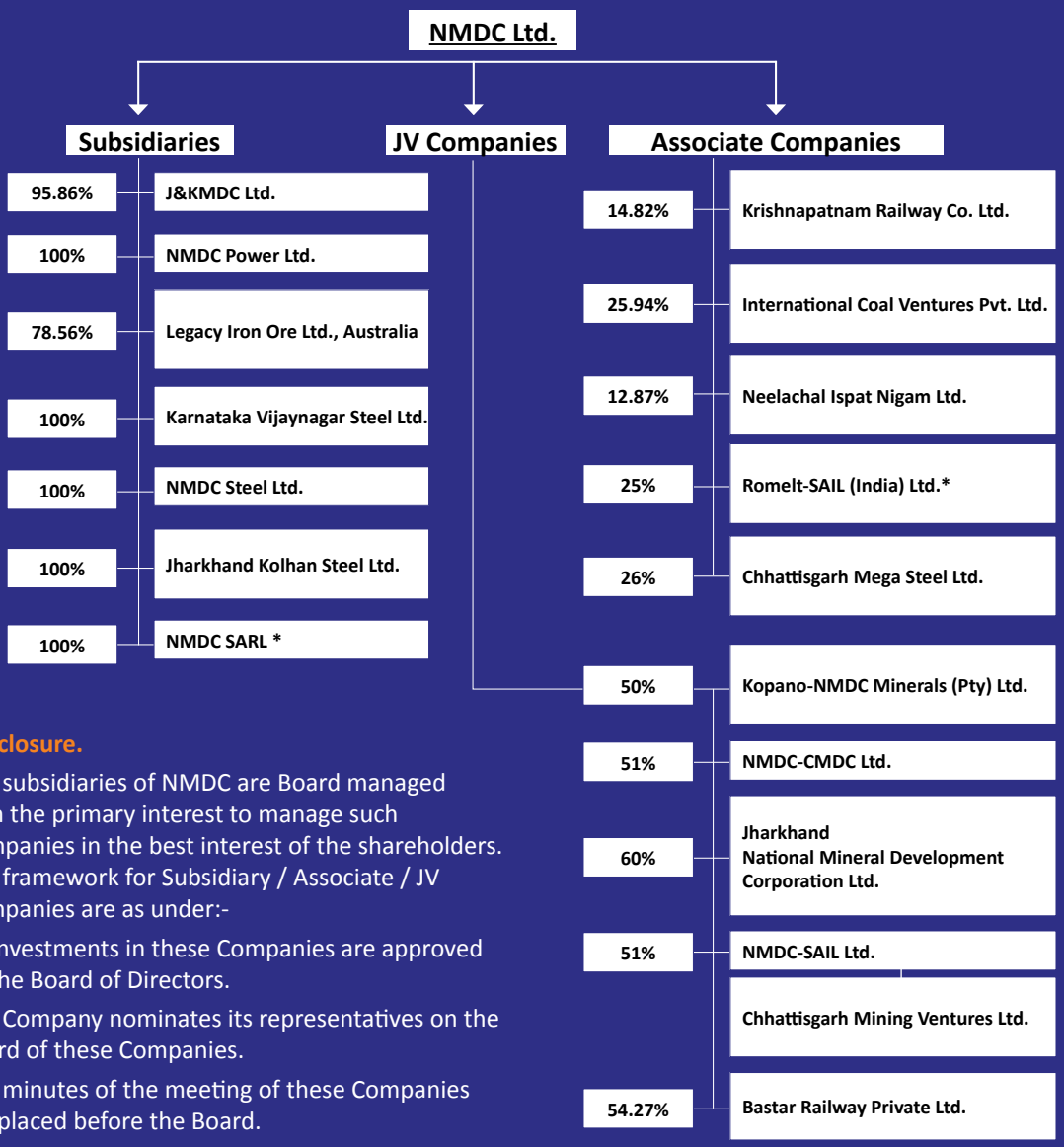


doubling of KK line, Rowghat-Jagdalpur line, Slurry Pipeline etc. Doubling of KK line between Kirandul and Jagdhalpur, 150.46 Kms is being executed by Railways in three sections. In 2017-18, the entire Section I Jagdhalpur to Silakjhori 45.5 km of the railway line was completed and was opened for traffic. The works in the other two sections Kirandul – Gidam and Gidam - Silakjhori are also in advanced stages and is expected to be completed in 2019. The completion of this project will augment the evacuation capacity of Bailadila sector through Railway line from 28 MTPA to 40 MTPA. NMDC has taken up an ambitious project of laying Slurry Pipeline from Bailadila to Jagdalpur and further up to Visakhapatnam. The capacity of the slurry pipeline is 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 and site levelling work for 2 MTPA pellet plant at Nagarnar has been completed and for 2 MTPA beneficiation plant at Bacheli is in progress.

Besides the expansion plan, the SMP also envisaged introduction of systemic interventions in six strategic transformation areas - Business, Operations, Sustainability, Capital Projects, Human Resource and IT. by 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); installation of Mines Transport Surveillance System (MTSS)- Weighbridge automation/ Virtual Fencing/ Geo Fencing/ GPS/ Proximity Warning Device for dumpers/ CCTV Surveillance/ Wireless Networking at Donimalai Iron Ore Mine; driving cost reduction and other business-improvement initiatives, publishing of 1st sustainability report for 2016-17 etc.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES MONITORING FRAMEWORK

a) NMDC has 7 subsidiaries and stake in 5 Associate and 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 meeting 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.



ENVIRONMENT MANAGEMENT:

The Company has obtained Environmental Clearance for capacity expansion of Bailadila Iron Ore Mine, Deposit-10 from existing 4.2 to 6.0 MTPA on 07/07/2017. The company has also obtained all statutory clearances such as Environmental Clearance (27/04/2017), Final Forest Clearance (27/09/2017), Consent For Establishment (17/10/2017) for setting up of 4 MTPA Iron Ore Beneficiation Plant at Bacheli. The company also obtained stage-1 Forest clearance for diversion of 83.831 Ha Forest land for proposed slurry pipeline for transportation of iron ore concentrate from Bailadila to Nagarnar covering a distance of 139 Km. The company also obtained stage-1 Forest clearances under F.C. Act, 1980 for construction of road over 2.733 Ha Forest land from Loading Plant at Bacheli to main road and approach road for Kumaraswamy iron ore mine over 5.71 Ha from MOEFCC on 12/02/2018 and 27/09/2017 respectively. The valid operating consents are available for all projects under Air and Water Acts. The company has submitted applications in respect of 5 mining leases of Bailadila complex for obtaining forest clearances for renewal of Mining leases beyond 31/03/2020 for further period of 20 years.

Donimalai, Bailadila Deposit-5, 10, 14 and 11C obtained FIVE Star rating from IBM, Ministry of Mines. ICFRE, Dehradun has been engaged for preparation of EMP and R&R plans for 3 mining leases of Kirandul complex.

The Company has participated in Chhattisgarh Hariyar plantation programme during the year 2017-18 and contributed Rs.25 Cr 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.

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Sustainable Development Performance

The construction of STP with SBR technology is under progress at Kirandul (3 MLD) and Donimalai (3 MLD). Carbon foot print studies were conducted for FY 2017-18 and Green House Gas emissions disclosed in Carbon disclosure project.

First Sustainability Report of NMDC has been prepared as per Global Reporting Initiative (GRI) G4 framework, ushering in a new resolve in the organization to take Sustainable Development to greater heights by leveraging the decades of relentless efforts undertaken. the report is available on https://www.nmdc.co.in/Docs/NMDC-Sustainability/NMDC-Sustainability-Report-2017.pdf. The Sustainability Report in the Diamond Jubilee Year is dedicated to the tireless efforts of our predecessors in the journey of triple bottom line excellence in the past and a reinforcement of our commitment to achieving greater heights in future to come.

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.

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.



Workshop on Occupational Health & Safety in Mines



Corporate Level Tripartite Safety Committee Meeting

28th 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 on 23.10.2017.

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 2017-18 is 0.43 and 0.20 for the year 2016-17.

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 & Social Accountability - SA 8000:2014 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)

Upgradation of ISO 9001:2008 (QMS) and ISO 14001:2004 (EMS) to ISO 9001:2015 and ISO 14001:2015 are in progress.

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.

Safety Management System:

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

IMPLEMENTATION OF INTEGRITY PACT:

As per the guidelines, NMDC has entered into an agreement with Transparency International in

(DIRECTORS' REPORT CONT.)



implementation of Integrity Pact. Tenders of value Rs.10 crores and above for procurements & Rs.20 crores and above for contracts are covered under Integrity Pact. Due care is taken to see the guidelines in the Integrity Pact are followed strictly.

Transparency in procurements handled

In order to enhance transparency in procurements & for increasing competitiveness, the company took following initiatives :-

- e-Procurement:
  - All procurements of value above Rs.2 lakh are tendered through e-mode at HO & Projects. Reverse e-auctions are conducted for high value spares & consumables, wherever possible,.
  - Broad basing of vendors achieved for high value items viz. Milled Ferro Silicon, Crusher Spares, Under Carriage parts of Excavators, TCRR bits which resulted in substantial cost savings.
- GeM Portal: Procurement through GeM portal as per the guidelines of GOI initiated at all units.
- CPP Portal: All procurement tenders (including Single tender & Proprietary) are placed in the CPP portal inviting offers from other interested parties to expand vendor participation and obtain competitive rates.

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 and is endowed with state of art laboratory equipment to analyse optimum use of minerals. The lab equipment are WD-XRF, ICP-AES, GFAAS, SEM, CS, TGA, ring shear tester, dry & wet abrasion tester, automatic mineral analyzer,

sink-float analysis, petrological / stereo microscope, density tester, batch & pilot plant facilities for mineral processing, agglomeration etc. For further details reference may be made to Annexure-II attached to the Directors' Report.

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.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

NMDC continued to effectively implement 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. Two batches of employees have already completed the course and third batch is under training. Hindi Workshops were conducted in every quarter at Head Office and all the Projects/Units. Training in "Hindi Unicode" was imparted to work in Hindi on computers. Regular classes were held in HO premises with the help of Hindi Teaching Scheme of Govt. of India to impart Hindi Stenography training to all the English Stenographers.

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 also conducted.

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 were held every month at various departments of HO by Officers of Rajbhasha Department and desk training in Hindi was imparted during such programs.

NMDC also continued its efforts for propagation of Rajbhasha at town level. A Joint Hindi workshop for small undertakings of Twin cities was conducted at Head Office under the agis of Town Official Language Committee (Undertakings), Hyderabad-Secunderabad. Also, an "Inter-PSU elocution Hindi Competition" was organized for employees of all the undertakings. All India Seminar of Rajbhasha Officers of all the undertakings of Ministry of Steel, other PSUs situated in Hyderabad and of various projects and offices of NMDC was held 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, Baila Samachar, Bacheli Samachar, Doni Samachar, She News etc. "NMDC Rajbhasha Shield" was awarded to Projects and Offices for excellent implementation of Rajbhasha.

NMDC was awarded "Rajbhasha Samman" by Ministry Of Steel, Govt. of India for excellent implementation of Rajbhasha for the Year 2016-17. 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 during 2016-17. NMDC's Hindi Magazine "Khanij Bharati" was awarded "Best Magazine Award" among all the PSUs of Hyderabad-Secunderabad. "Khanij Bharati" was also awarded "Special Jury Award" by Public Relations Society of India, Hyderabad Chapter.

DETAILS REQUIRED TO BE FURNISHED IN TERMS OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED).

During the year 2017-18, NMDC has achieved the prescribed norms of percentage procurements of MSEs and MSE SC/ST i.e. 20 & 4% respectively.

The following are the details:

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Sl.No.	Description	Year 2017-18 (1st Apr.'17 to 31st Mar.'18)
I	Total Annual procurement (in value) (excluding NISP)	Rs. 35935.34 Lakhs
I(A)	Total Annual procurement after deducting Exclusions	Rs. 10368.15 Lakhs
II	Total Value of Goods & Services procured from MSEs (including MSEs owned by SC/ST Entrepreneurs)	Rs. 3406.53 Lakhs
III	Total Value of Goods & Services procured from only MSEs owned by SC/ ST Entrepreneurs	Rs. 477.87 Lakhs
IV	% of Procurement from MSEs(including MSEs owned by SC/ST Entrepreneurs) out of total procurement at Sl No.I(A)	32.86%
V	% of Procurement from MSEs owned by SC/ST Entrepreneurs out of Total MSE procurement at Sl No.II	4.61%
VI	Total number of Vendor Development Programmes for MSEs	19

MANPOWER

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.

Scheduled Castes & Scheduled Tribes

2 candidates belonging to Scheduled Caste and 1 candidate belonging to Scheduled Tribes were appointed in the year 2017 against 17 posts filled by direct recruitment.

Strength of SCs & STs as on 31st March 2018

1.	Total number of employees	=	5382
2.	Scheduled Castes amongst them	=	917
3.	Scheduled Tribes amongst them	=	1163
4.	Total SCs and STs	=	2080
5.	Physically challenged employees	=	99

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

NIL

Staff Welfare activities

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

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.

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

One complaint was received during the financial year 2017-18. Departmental Enquiry is underway.



HUMAN RESOURCES DEVELOPMENT

NMDC Limited has consistently fostered a culture that rewards continuous learning, collaboration and talent for the organization to be future-ready and to meet the challenges posed by ever- changing market realities. Not only do we attract the best, but in order to continue to grow and thrive in the competitive marketplace, we have developed a strong culture of learning — where executives and workmen are supported and encouraged to constantly hone and build their skills and competencies.

By combining formal learning with vigorous on-the-job development, coaching and feedback, Executives and Workmen have improved their performance and advanced their careers in significant ways. This culture of learning keeps us relevant, agile and ahead of the competition.

Corporate HRD is a critical part of creating this culture of learning. The curriculum offered, accessed through the classroom, was custom designed to develop the skills to succeed. It is a vital strategic resource for NMDC's future and its human capital.

Capability Building Programmes:

NMDC's HRD Team has crafted initiatives that include core programmes straddling various dimensions of Leadership, Capability Enhancement and Skill(s) Development along with customized 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 22 Nos of Customised In House Training Programmes covering 584

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Executives during 2017-18, 177 Nos of External Training Programmes covering 505 executives on various subjects, 20 Nos of Executives were sent abroad for Foreign Training Programmes / AMP.

Leadership Development:

- To develop leaders at various levels of Management Cadre, 98 executives of different level have undergone one week long training such as Advanced Leadership Programme and Advanced Management Programme in the centers of excellence like IIM, Raipur, ISB Hyderabad and ASCI Hyderabad which is more than 5% of executives.
- To conduct a progressive intervention for creating a sustainable leadership pipeline at Mid-Level Managerial cadre through "High Potential Executive Programme (HI-PO) for AGMs/DGMs. Identified 40 Hi-potential executives out of 258 in the level of AGM & DGM which is a part of Bhavishya Nirman initiative and trained them in different phases to groom them as future leaders. They took up specific projects within their area as a part of this training, which was then presented to top management. The identified executives completed this Programme with Action Learning Projects, 10 days Class Room Programme under the guidance of senior executives as coaches.
- With an objective to align the efforts of senior management Representatives and the Senior Union Representatives in NMDC Limited towards meeting our company's goals in collaborative approach and equipping them effectively to face the future challenges together, we have started initiative of HR Conclave (AAROH) in NMDC Limited in 2014 . As a sequel, Corporate HRD organized a strategic Orientation Workshop (HR – Conclave) for Management and Trade Union Representatives on 4th & 5th April 2017 at Kodaikanal.
- A Learning Intervention of one week duration on "Leadership", "Change Management" and

"Strategic Thinking" were organized from 3rd to 7th July 2018 at ISB Hyderabad covering 24 Nos. of NMDC Top Management Executives

Knowledge Management Framework:

Knowledge Management Culture at NMDC shall be viewed as a major contributor to build intellectual capital in NMDC encompassing free flow of knowledge across all locations it operates in. The basis for Knowledge Management (KM) initiative and process design is to consciously identify what knowledge is critical to NMDC, what knowledge already exists, what still needs to be known, where to get this knowledge from and how efficiently and effectively this knowledge is put to use to meet NMDC goals and challenges. The initiatives reinforce conscious learning and improvement philosophy through collaborative approach to knowledge sharing. To develop & implementation of Knowledge Management Framework across the Organization a cross Functional Committee has been constituted to develop a frame work on Knowledge Management to be implemented in our organization which is identified as one of the risks in the Area of Human Resources. The committee members have finalized a Draft Report on Knowledge Management frame work with concrete Short term and long term plan.

Employee Engagement Initiatives for Young Executives:

To develop a sense of camaraderie amongst the Young Executives at NMDC who are from across the Projects/Units/Regional Offices, 'You Thrive' – A unique Engagement Initiative for Young Executives has been planned at NMDC. A Policy prepared on 'You Thrive', for young executives below 35 years age has been communicated to all projects. 'You Thrive' has been launched formally in all Projects. Major Projects have started action on this in constituting committee with young executives as members. Inter-Project competitions on Quiz & Case studies are planned in May-June, 2018 at Hyderabad after completion of the same in Projects by end of April 2018.

SANDHAAN - Open Forum: Corporate HRD is continuing "Sandhaan – An Open Forum" programme which is an essential element for developing Two Way Communication within the Organization. Corporate HRD has conducted one workshop on "Sandhaan – A Open Forum" in DIOM, Donimalai.

Strengthening of Quality Circles: To strengthen the Quality Circles Movement, Corporate HRD has given more thrust on Quality Circles activities by adding 5% more QCs this year. 48 Numbers of Quality Circles were formulated, out of which 46 Nos of QCs participated in CCQC. 39 Nos of Quality circles won Gold Awards and 7 numbers of QCs won Silver Awards.20 Nos QCs participated in NCQC.

REWARDS & RECOGNITION FOR HRD INITIATIVES (2017-18)

- NMDC was conferred Best Supporting Organization Award in Quality Movement during 31st Annual Chapter Convention held during 11-12 Sep 2017 in Hyderabad.
- NMDC limited was conferred with Platinum Award from Green Tech Foundation New Delhi for "Training Excellence -2017" for Customizing and Excelling in its Innovative interventions in 7th Annual Green Tech HR Conference in Oct 2017.
- NMDC Was Conferred with Best HR Practices Award & Merit Certificate by NIPM, Kolkatta for BEST HR practices being implemented in NMDC Limited.
- ISTD, New Delhi conferred Certificate of Merit to NMDC limited, Hyderabad for Innovative Training Practices 2016-17 adopted and Implemented in NMDC for achieving business Excellence on 17th June 2017 at SCOPE complex, New Delhi

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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 30.01.2018 and recommended for Certification which is valid up to 14.09.2018.

During the year (Apr, 2017 – March, 2018) 94 surprise checks, 104 regular inspections and 5 CTE type inspections were conducted.

During the period, 51 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 Job Rotation – Sensitive Posts.
2. Study of Procurement of Medicines
3. Study of Power Consumption in all units

As part of implementation of "Leveraging of Technology for transparency" in all the transactions, the initiatives/system improvements studies/suggestions/ recommendations made during the period are as below:-

1. On line Vigilance clearance system is has been implemented since July 2017 for executives below Board level.
2. On line submission of certificate regarding award of contracts on nomination basis has been implemented since Feb 2018.
3. Electronic complaint handling is deployed and a completely automated IT enabled module on investigation and subsequent action is being initiated.
4. Based on study and consequent suggestions from Vigilance Department, Surveillance system to monitor production and despatches of Iron ore produced is automated in Kumaraswamy and Donimalai Projects.
5. Based on study of estate matters by Vigilance department, steps for strengthening estate matters were initiated. Process of engaging domain experts is also going on.
6. Based on study of Handling/sale of Diamond by Vigilance, SOPs was forwarded and sub committee also approved it.
7. Based on suggestions from Vigilance Department, provisions for making tendering process more transparent and accountable were made in Contracts Manual.
8. Based on study regarding deployment of hired vehicle at Kirandul by Project Vigilance, as a part of system improvement a circular was issued by the project to implement the suggestions of deploying of hired vehicle by following tendering system.
9. Integrity Index Development Project: Integrity Index Development Project initiated by CVC was taken up whole heartedly by the Organization. Integrity Index has been envisaged as a tool to facilitate internal assessment and improve performance. Considering it an ongoing activity a Senior Management Official has been nominated as IID Coordinator. Active all round participation in time bound manner by sharing necessary inputs and suggestions from time to time, as required by the consultant was done.

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 145 contracts with a value of Rs. 21,115.15 crores. As such, more than 90% of the total value of the contracts is covered under Integrity Pact. In addition, procurements through e-procurement and sales through are in place.

The Vigilance Awareness Week 2017 was celebrated from 30.10.2017 to 04.11.2017. On the inaugural day administration of pledge to all the employees at Head Office and Units of NMDC at – Kirandul, Bacheli, Donimalai, Panna, NISP, Nagarnar, Sponge Iron Unit and Regional Offices was done. The theme for this year was "My Vision-Corruption Free India".

To create awareness among the employees and Vendors/Contractors, facility to take Integrity Pledge online was created by sending SMS and voice messages. NMDC group mobile caller tone was changed during the Vigilance Awareness Week with message to spread vigilance awareness. A Season's Greeting Card was made with useful information related to Vigilance, Integrity pledge etc. and sent to all the employees. Doordarshan Yadagiri telecast live interview with CVO on 01.11.2017 in connection with Vigilance Awareness Week. Also brief on the importance of the Vigilance Awareness Week and Week-long activities at NMDC aired through All India Radio, Hyderabad.

Quarterly Meeting of CVOs of Steel CPSEs under the administrative control of Ministry of Steel was held on 8.9.2017 at NMDC, Hyderabad.

A Quarterly meeting of Vigilance Officers in NMDC was conducted on 19th & 20th, September 2017.

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 31.03.2018, 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.

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 2018-19. The Board of Directors at its 512th meeting held on 28.05.2018 has noted the declaration as made by the Independent Directors.

(DIRECTORS' REPORT CONT.)

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

All Directors are appointed by Govt. of India including fixation of remuneration.

NUMBER OF BOARD MEETINGS HELD

During the year under review 8 meetings of the Board were held. For further details, reference may kindly be made to Corporate Governance Section of the Annual Report.

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.

DETAILS OF DIRECTORS OR KMP APPOINTED OR RESIGNED DURING THE YEAR.

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

		upto
i)	Shri R. Sridharan, CMD	05.09.2017
ii)	Shri Syedain Abbasi, Govt. Nominee Director	10.10.2017

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

		w.e.f.
i)	Shri N. Baijendra Kumar, IAS, CMD	06.09.2017
ii)	Shri Sunil Barthwal, Govt. Nominee Director	11.10.2017
iii)	Shri Bahram Navroj Vakil	06.09.2017
iv)	Shri Ashok Kumar Angurana	16.11.2017

The Board places on record its deep appreciation for the valuable contribution made by Shri R. Sridharan and Shri Syedain Abbasi during their tenure on the Board of the Company.

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 2017-18:

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

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 01.04.2017 to 31.03.2018 are as follows:

Month	No of Applications received	Information Provided	Rejected
April 2017	26	21	02
May 2017	20	21	00
June 2017	22	26	00
July 2017	24	23	00
August 2017	14	07	00
September 2017	08	17	00
October 2017	16	10	01
November 2017	18	17	01
December 2017	26	13	01
January 2018	15	30	03
February 2018	17	11	00
March 2018	20	18	00
TOTAL	**226**	**214**	**08**

Carried forward from 2016-17 as on 01.04.2017 - 14 Requests, 04 Applications have been transferred to other CPIOs.

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

(DIRECTORS' REPORT CONT.)





AWARDS RECEIVED BY THE COMPANY

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

1. NMDC has been conferred 'SKOCH BSE Order-of-Merit Award' for Corporate Excellence in CSR for its flagship CSR initiative 'Siksha Sahayog Yojana' in a function held at BSE, Mumbai on 20/6/2017.

2. On 19th Jul'2017, NMDC received 'Certificate of Distinction' under CSR Programmes from Mr. Jaco Cilliers, Country Director, UN Development Program, organized by Economic Times & KPMG India, New Delhi.

3. On 25th Jul'2017 NMDC received "Dun & Bradstreet PSU Award 2017 under the sector Mining – Metals & Minerals category" organized by Dun & Bradstreet.

4. On 05th Aug'2017, NMDC received Public relations Society of India (PRSI), Hyderabad chapter Award for its House Journal titled "Khanij Bharathi, Corporate Diary 2017 & Website www.nmdc.co.in from Sri B Ram Mohan, Mayor, Hyderabad.

5. On 11th Sep'2017, NMDC received Rajbhasha Samman from Hon'ble Union Minister of Steel Sri Chaudhary Birender Singh in New Delhi during the meeting of Hindi Advisory Committee of Ministry of Steel.

6. On 14th Sep'2017 NMDC received 'SKOCH - Order-of-Merit 2017 Award' in Cyber Security Category organized by SKOCH at New Delhi.





On 11th Sep'2017, NMDC received Rajbhasha Samman from Hon'ble Union Minister of Steel Sri Chaudhary Birender Singh

7. On 05th Oct'2017, NMDC received "Platinum Award – 2017" from Greentech Foundation for Training Excellence in HR organized by Greentech Foundation, New Delhi.

8. On 12th Dec'2017, NMDC received "CII – ITC Sustainability Award 2017 Commendation" for significant achievement under CSR category organized by Confederation of Indian Industry at New Delhi.

9. On 14th Dec'2017, NMDC received Golden Peacock Corporate Ethics Award 2017 from Sri Jawed Ashraf, IFS, High Commissioner of India to Singapore, organized by Institute of Directors, New Delhi.

10. NMDC Limited conferred with prestigious ET Now CSR Leadership Award-2018 in the categories of Women empowerment and Community Development at a function organized at Mumbai on 18th Feb'18.

11. On 20th Mar'2018, NMDC's 5 Iron ore mines received 5 star rating from Sri Narendra Singh Tomar, Hon'ble Union Minister of Mines, organized by Ministry of Mines, Govt. of India.

12. On 27th Mar'2018, NMDC received 'Governance Now PSU Award' for Employee Productivity from Sri Mansukh Laxman Mandaviya, Hon'ble Minister for State for Road Transport & Highways, Shpping, Chemical & Fertilisers, Govt. of India, organized by Governance Now Magazine, New Delhi.

(DIRECTORS' REPORT CONT.)



VIGIL MECHANISM

NMDC being a PSU, the guidelines of Central Vigilance Commission (CVC) are applicable which provides adequate safeguard against victimization of the employees. 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 website and 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 2017 at Projects.

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

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

The Core Group of Secretaries on Disinvestment (CGD) in its meeting held on 28.02.2018 considered and concurred with the proposal of Ministry of Steel as regards deferment of the proposal of Strategic Disinvestment till the plant becomes operational. IMG noted the recommendations of CGD.

MOU SIGNED BETWEEN NMDC AND CHIPS, RAIPUR

The company has signed an MoU with CHiPS, Raipur on 24.05.2018.

The purpose of this MOU is to establish consent of NMDC & CHiPS Raipur to work together in:-

(a) The area of IT and electronics driven automation

(b) Development, standardization of technology and scaling for organization-wide deployment

(c) Business process modeling, engineering and / or re-engineering thereof, covering areas of work relevant to mining industry and to NMDC in specific as deemed necessary.

This will benefit NMDC on the following:-

Mining Value Chain (pit to port / pit to dispatch)

1. Back Office Automation - Standard ERP
2. Application Program Interface to connect data in near real time.

OFFER FOR SALE (OFS) IN F.Y. 2017-18

Pursuant to the Offer for Sale (OFS), the President of India (acting through and represented by the Ministry of Steel, Government of India), the Promoter of NMDC Limited sold equity shares aggregating 7,95,54,641 on 9th January 2018 and 10th January 2018 representing 2.51% of the paid-up equity share capital of the Company. The Floor Price for the Offer was Rs. 153.50 per equity share. The total sale proceeds received by the Government of India was Rs. 1224.53 Crore. Post completion of the said OFS, the equity stake of the Promoter in NMDC Limited stands reduced from 74.94% to 72.43%.

FORMAL ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS.

All the Directors on the Board of NMDC are appointed by Govt. of India. As desired by Ministry of Steel, Govt. of India, assessment / evaluation of performance of 6 Non-official Directors (Independent) was submitted to Ministry of Steel, Govt. of India.

REPORT ON MANAGEMENT DISCUSSIONS AND ANALYSIS

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

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

CORPORATE GOVERNANCE

Report on Corporate Governance is at **Annexure-III**

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.**

BUSINESS RESPONSIBILITY REPORT

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

SECRETARIAL AUDIT REPORT

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

GLOBAL COMPACT – COMMUNICATION ON PROGRESS

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

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

REPORT ON CSR ACTIVITIES

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

(DIRECTORS' REPORT CONT.)



NMDC and IREL signed MOU on 02.04.2018 at NMDC Head Office, Hyderabad

RECOMMENDATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE (RAJYA SABHA) IN ITS 150TH REPORT – DETAILS TO BE PROVIDED IN THE ANNUAL REPORT.

Details to be provided in the Annual Report in terms of recommendations made by the Committee on Papers laid on the Table (Rajya Sabha) in its 150th Report is enclosed at **Annexure-X**.

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.

Place : Hyderabad
Date : 08.08.2018

N. BAIJENDRA KUMAR
Chairman-cum-Managing Director



NMDC's highly mechanized iron ore mining complexes received 5 Star Rating from Ministry of Mines at the 3rd National Conclave on Mines and Minerals at New Delhi.



NMDC Ltd and Kopano Logistics Services (Proprietary) Ltd (BEE partner) have established a 50:50 joint venture company by the name Kopano- NMDC Minerals (Pty) Limited to undertake exploration and development of mineral properties in the Republic of South Africa.

(DIRECTORS' REPORT CONT.) ANNEXURE - I

MANAGEMENT DISCUSSION & ANALYSIS



NMDC: AN OVERVIEW

Introduction

NMDC, incorporated in 1958, is the largest iron ore mining company in India. With iron-ore production of around 35.5 million tonnes per annum (MTPA) in FY'18, 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 ₹6180 crores in FY'18, it is **one of the top profit-making 'Navratna' public sector companies in the country.** It has a net worth of ₹24354 crores (as on 31st March, 2018). **It has a strong history of rewarding investors with an average dividend payment of about 750% in the last 5 years.**

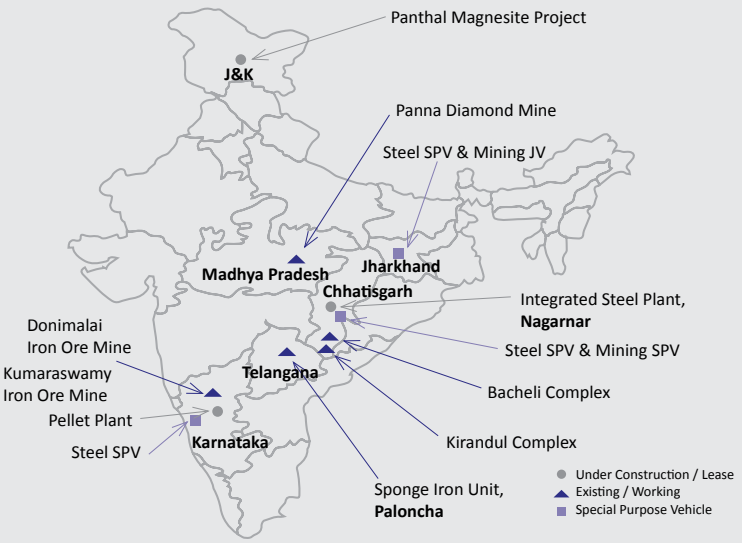
NMDC continues to pursue policies and programmes to deliver long term value to all its stakeholders. NMDC has also invested substantially in the socio-economic development of the local communities, especially near its mining projects.

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 40,000 carats (FY'18). 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.



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 acquired a coking / thermal coal mine in Mozambique in 2014 and operation of the same was taken over by ICVL. ICVL undertook strategic review of Benga operations and re-started the mining operations with new contracts from Nov'2017. Benga Mine is presently operational with ~100% capacity utilization.
- NMDC is in the process of setting up of a pilot-scale processing plant for gold in its mining lease in Tanzania.

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 stockyards 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 at Donimalai. Another 2 MTPA pellet plant is in the process of being set up at Nagarnar, Chhattisgarh.

(DIRECTORS' REPORT - MD&A CONT.)



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.** It has also a remote sensing lab at Corporate Office, Hyderabad. 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.

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.

MARKET ENVIRONMENT:

Economy Global:

Global growth is projected to reach 3.9 percent in 2018 and 2019. Economic activity in both advanced economies and emerging & developing economies is forecasted to remain healthy in 2018, to 2.4 percent and 4.9 percent respectively. Though the risks to the outlook has been stated to be mounting such as, escalating trade tensions & conflicts, geopolitical concerns & mounting political uncertainty. For the emerging market & developing economies growth prospects are being impacted by factors such as rising oil prices, higher yields in the United States, market pressures on the currencies of some economies with weaker fundementals.



Overview of World Economic Outlook Projections

Region/Country	Estimate		Projections	
	2016	2017	2018	2019
World	**3.2**	**3.7**	**3.9**	**3.9**
Advanced Economies	1.7	2.4	2.4	2.2
US	1.5	2.3	2.9	2.7
EU	1.8	2.4	2.2	1.9
Emerging market & developing economies	**4.4**	**4.7**	**4.9**	**5.1**
China	6.7	6.9	6.6	6.4
India (fiscal year basis)	**7.1**	**6.7**	**7.3**	**7.5**

Source: IMF

India

India has emerged as the world's fastest large economy, with policies and reforms by the Government supporting higher growth. India's economy is estimated to grow by 6.7% in FY 2017-18 as per Central Statistics Office (CSO) from 7.1% recorded in the previous financial year. The growth momentum of the Indian economy is expected to rise with improvement taking place after the stabilization of goods & service tax and several other initiatives taken by government like ease of doing business, Foreign Direct Investment (FDI) reforms, etc.

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

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 2400 Mtpa in 2017. 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

(DIRECTORS' REPORT - MD&A CONT.)

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.

A major trend that has emerged with respect to the global iron ore industry is its two-tier structure. Spread between high grade and low-grade quality ore has enlarged substantially, a trend which is likely to continue in the near future. The same is mainly on account of environmental concerns of steelmakers & more & more installation of bigger volume blast furnaces in China, leading to higher demand of premium quality iron ore.

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

	2016	2017
Australia	858	880
Brazil	430	440
China*	348	340
India	185	190
Russia	101	100
World Total (rounded)	2,350	2,400

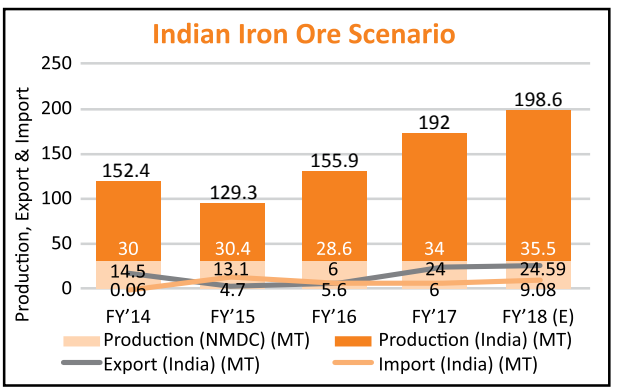
Source: USGS

Global iron ore production increased to 2.40 billion tonnes (usable ore basis) in 2017, up from 2.35 billion tonnes in 2016. Australia continued to be highest producer with an estimated production of 880 million tonnes in 2017. India was the fourth largest iron ore producer.

Average price of iron ore (62% Fe CFR China) at USD 71/t in 2017 was higher than the corresponding figure of USD 58/t in 2016. In 2018 too, average price is forecasted at $67/t.

India:

- Production of Iron Ore in India at 198 MT in FY'18 was 3.4% higher than FY'17. Exports from the country almost at level of 24 MT during the year FY'18, as it was in FY'17 due to disruption of production in Odisha & Goa. 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.



Source: Steel Mint & IBM

India's Iron Ore reserves and resource

Reserves/ Resource	Reserves (MT)	% of total	Remaining Resource (MT)	% of total	Total (MT)
Hematite (01.04.2015)	5422	24.11%	17065	7553.89%	22487
Magnetite (--do--)	53	0.49%	10713	99.51%	10789
	5475		27801		33276

Source: IBM

- 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. 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 ₹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 63 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%.

NMDC – OPPORTUNITIES & THREATS

Opportunities

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.

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.

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

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.

Threats

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

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

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.

Increasing regulatory pressure on environment, safety and sustainability.

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

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.

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

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 27% in the last three financial years (Iron ore production in India including captive: FY'18- 198 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. Conditionalities of major iron ore auctions by States like restricting participation to only end user plants will pose risks of losing market share and prevent future expansion.

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.

(DIRECTORS' REPORT - MD&A CONT.)

PHYSICAL AND FINANCIAL PERFORMANCE

Physical Performance of NMDC

Details	2013-14	2014-15	2015-16	2016-17	2017-18
Production:					
Production of Iron Ore WMT (In lakh tonnes)	300.25	304.41	285.74	340.05	355.76
Production of Sponge Iron (tonnes)*	29,734.00	28,993.96	6,614.26	5,474.11	NIL
Production of Diamonds (carats)	37,081.70	35,085.46	35,558.31	35,635.99	39,393.72
Sales:					
Sale of Iron Ore (in lakh tonnes)	305.00	305.16	288.39	356.21	360.75
Sale of Diamonds (carats)	43,487.63	38,788.58	36,682.93	25,631.46	33,175.34
Sale of Sponge Iron (tonnes)	30,572.34	25,191.38	8,364.52	8,579.42	Nil

Financial Performance of NMDC

(₹ in Cr.)

Details	2013-14	2014-15	2015-16	2016-17	2017-18
Sale of Iron Ore	11,899.52	12,197.69	6,327.93	8,708.90	11,490.93
Sale of Diamonds	49.85	50.06	52.61	41.91	35.17
Sale of Wind Power	1.05	5.96	6.30	7.48	6.50
Sale of Sponge Iron	56.01	48.09	13.14	13.13	0.00
Sales- Pellet	0.00	0.00	0.00	0.00	25.40
Sales – Others	51.77	54.62	57.29	58.22	56.91
Turnover	**12,058.20**	**12,356.41**	**6,457.27**	**8,829.64**	**11,614.91**
EBITDA	9,865.98	9,930.07	4,374.21	4,509.86	6,472.13
PBT	9,759.20	9,767.84	4,092.76	4,293.68	6,179.66
PAT	6,420.08	6,422.00	2,712.22	2,589.14	3,805.88
Dividend	3,370.01	3,390.00	4,361.19	1,313.02	1,676.86
Dividend as % of PAT	52%	53%	161%	51%	44%

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, the Company's revenue from operations increased by 32% from ₹ 8,830 crores to ₹ 11,615 crores mainly on account of:

- Increase in Sales quantity by 1.27% from 356.21 Lakh Tons to 360.75 Lakh Tons.
- Realization was higher by 30% during this period from ₹ 2,444/- per ton to ₹ 3,185/- per ton.

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

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.

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 has also signed MOU with IREL for scouting of rare earth minerals 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.

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.

MMDR 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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

NMDC has put in place all the necessary internal control system. Necessary disclosure in respect of Internal Control Systems and their adequacy has been made in Annexure-C to the Independent Auditors' Report dated 28.05.2018 which forms part of the Annual Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

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

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

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

Some Executive Trainees who joined the company in 2016 – 17 were provided on the job training in other company with similar working in order to prepare them for taking up the challenges of working in NMDC's upcoming Steel Plant as well as any new venture that company may like to take up.

(DIRECTORS' REPORT - MD&A CONT.)



During the last five years, the number of people on rolls as on 31st March 2018 are as follows:

2017-18	2016-17	2015-16	2014-15	2013-14
5,382	5,572	5,773	5,490	5,664

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 five of its mechanized mines.

NMDC has also published its 1st sustainability report for 2016-17 etc. First Sustainability Report of NMDC has been prepared as per Global Reporting Initiative (GRI) G4 framework, ushering in a new resolve in the organization to take Sustainable Development to greater heights by leveraging the decades of relentless efforts undertaken.

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

Environment:

- The environmental monitoring studies are conducted through recognized laboratories of MoEFCC/CPCB, covering all environmental parameters. Based on the monitoring studies, all environmental parameters are well within the limits during FY'17-18. 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 are conducted annually for the production projects and the Green-House Gas emissions are disclosed in Carbon disclosure project.
- FIMI, New Delhi has been engaged to carry out Sustainable Mining Audit for iron ore mines located at Bacheli and Kirandul.
- ICFRE, Dehradun has been engaged for preparation of Environmental Management and Reclamation & Rehabilitation Plan for Deposit 14 ML of BIOM, Kirandul Complex, South Bastar, Dantewada District, Chattisgarh for ecological balance.

- Water Audit was also conducted 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 environmental pollution control works are undertaken such as de-silting of check dams / check bunds, tailing dams, construction of buttress walls at toe of waste dumps and geo-coir matting for stabilization of waste rock 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 are 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 ₹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 ₹ 25 Cr during 2017-18 for Hariyar Kosh for undertaking block plantation in the state of Chhattisgarh.
- NMDC has set-up Sewage Treatment Plant (STP) with advanced treatment technology (Sequential Batch Reactor) at Bacheli (2 MLD) for treatment of domestic waste water. STP works are in progress at Kirandul (3 MLD) & Donimalai (3 MLD) townships. The treated water will be reused for green belt development.

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 fatality in last 5 years**
- **Severity rate was 0.43** in 2017-18 (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.

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 - II

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER COMPANIES ACT, 2013

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 may have high calorific value depending upon the fixed carbon (FC) present in the dolochar which can be liberated and the calorific value of the coal being used; 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:

After incorporating air pre-heating system with the prototype entrained flow gasifier, experimental campaign was carried out. F-Grade coal, dolochar& lignite coal (Size: < 150 µm) were used as feedstock for gasification process. The proximate analysis of the F grade coal, dolochar& lignite coal indicated FC (fixed carbon) content 29.62 %, 10.6% and 31.83% respectively. OIS (oil ignition system) was installed and initially the OIS was operated for 20 minutes and when the reactor temperature reached at a temperature of 650-700^{0}C , the processed coal powder was introduced into the reactor with the help of vibrating feeder & air jet nozzle arrangement. The primary air line from the outlet of air pre-heating system was connected to vibrating feeder with air jet nozzle arrangement to carry the feedstock from hopper and inject into the reactor. The feeding rate of coal powder was maintained at 30kg/hr. The initially reactor was operated for 2 hours in each run and the corresponding gas compositions were recorded with the help of "Producer Gas Analyzer, Make: Horiba, Japan, Model: VA3111". Similarly, the gasifier reactor was operated with feedstock comprises of coal & dolochar with a blended weight ratio of 9:1 & 8:2. Lignite (coal) was also tried in the gasifier as feedstock. After pre-ignition of the reactor with OIS, the feedstock was introduced into it at a rate of 30kg/hr. The reactor was operated for 25-30 min in each run and the corresponding gas compositions were recorded. The producer gas obtained with only coal had about 16% CO gas and about 7.6% H_2 gas. **Mixing of dolochar with coal further reduces the quality of producer gas.** The highest average reactor temperature 8300C was achieved with lignite as feedstock due to presence of high volatile material.

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

IV. Expenditure: ₹ 17.0 lakh

B. Technology Absorption: - Efforts being explored by IMMT Bhubaneswar

1.0 TECHNOLOGY ABSORPTION PROJECTS:-

R&D for alternative Iron making Technology:

A pilot plant for iron making by adoption of MATMOR technology is envisaged in Research Collaboration mode between NMDC, NLC and ECT. The MATMOR technology is a unique alternate iron making method for producing high-quality iron from inexpensive, abundant Lignite (brown coal) and high or low grade iron ore/ mill scale etc; technology patent is owned by M/s ECT, Australia.

The MoU for Research Collaboration on COLDRY-MATMOR Pilot plant project was signed on 30 May 2018 at Canberra, Australia in presence of Dr A M Gondane, Hon'ble high commissioner of India to Australia. The MoU will set out the understanding of the Parties for the development of the Pilot Project and includes provisions with respect to formation and capitalization of the Project SPV, execution of several agreements at different stages of the implementation of the Pilot Project, and licensing and sub-licensing of IP as contemplated for the Pilot Project followed by construction, commissioning and operation and maintenance of the Pilot Project.

NMDC's R&D Centre at Hyderabad:

R&D Centre is committed to maintain its excellence in undertaking Product and Technology Development Projects 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 both public and private sector) 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 : 2014 (Social Accountability).

It has Department of Scientific and Industrial Research (DSIR) recognition as in-house R&D unit, valid up to 2022.

It's Chemical Lab. has been accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL ISO 17025) in the field of chemical analysis.

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

- Developing technologies for enhanced utilization of iron ore fines.
- Providing technical solutions to the problems related to quality and productivity of NMDC mines.
- Upgradation of processing technology of existing process plants for better productivity and meet the customer requirement.
- Development of technology for utilization of mine wastes.
- Development of Value Added process and product through innovation.
- Development of technology for dry processing of sub and lean grade iron ore.
- Development of technologies for enhanced recovery of iron values.

2.0 Projects as per MOU system with Ministry of Steel 2017-18:

NIL

3.0 In-house Programs

- To improve the screening efficiency of secondary screens at existing plants at Kirandul.
- Study on abrasive wear and frictional characteristics of liner materials used in Iron ore storage and handling.
- Development of mathematical model to predict metallurgical characterization of iron ore sinter (Phase 2)-it is a continuation project
- Development of cold bonded iron ore pellets
- Characterization of Subgrade/lean grade/ overburden/waste samples from Kirandul complex and Bacheli Complex
- Study on enhancing the separation efficiency of magnetic separation
- Process development for preparation of Silica Sol from Lean Grade Iron Ore Slimes
- Feasibility study of production of TiO2 slag from Ilmenite using Hydrogen gas as reductant followed by smelting-it is a continuation project
- Pelletization studies with magnetite concentrate on banded magnetite quartz sample of Bellari district.
- Effect of excess quantity of ultra fines(less than 150 micron) in iron ore fines from Bailadila region on sinter properties.

4.0 Sponsored Programmes 2017-18

Developmental work under sponsored programme is NIL.

5.0 Collaborative Programmes

5.1 Development of an entrained flow gasification system using non-coking coal (F-grade) blended with dolo-char for thermal applications (IMMT, Bhubaneswar)

Gasification is an exothermic reaction between a high carbon fuel and a carefully controlled and limited supply of oxidizer, in which the fuel yields useful elemental and compound gases that can be made into other products.

Carbon fuel + Oxygen → Hydrogen + Carbon Monoxide (plus trace Water and Carbon Dioxide)

Fuel can be fed dry or wet (mixed with water) into the gasifier. The reactants (steam and oxygen) flow uni-directionally upwards through the gasifier, as the stages of gasification take place, until high temperature completed syngas exits the top of the reactor. Molten slag drops out at the bottom.

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

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



On 28th May 2018 NMDC signed a Research Agreement with Commonwealth Scientific and Industrial Research organization (CSIRO) Australia for research collaboration in the field of complex iron ore processing by energy efficient dry processing techniques.

CSIRO, Australia in Jan 2016.Test work is under progress. Stage 1 related to characterization and exploring options for dry beneficiation has been completed and agreement for Stage 2 has been signed on 28th May 2018.

5.3 ECT, Australia: The tripartite agreement was signed between NMDC and ECT in January2016 after getting approval from Ministry of Steel and Coal. M/s M N Dastur have been engaged by ECT for preparing a feasibility study report. The MoU for Research Collaboration on COLDRY-MATMOR Pilot plant project was signed on 30 May 2018 at Canberra.

5.4 Improving the efficiency of dense medium cyclone separating the high NGM coal samples using GPU based CPM and PERT methods (IIT Hyderabad)

i. To undertake a detailed literature review on the existing numerical models used for the performance prediction of dense medium cyclone (DMC).

ii. To conduct test work on thermal coal with Graphical processing unit CPU CFD codes. The test work has been completed and the final report preparation is under progress.

List of Collaborative Institutes:

Sl.	Collaborating Institutes	Title and Nature of Work
1	IIT, Bhubaneswar (started on 9th October 2017)	Optimization of Silos, Bins and Hoppers design through modeling, primarily intended for Iron ore storage.
2	IMMT, Bhubaneswar (started on 9th October 2017)	Modeling & Optimization of high concentration Iron ore fines/ Concentrate slurry pipe line for Indian Iron Ore Processing Industry
3	CSIRO, Australia (started on 21st August 2016)	Characterization and beneficiation studies on laterite/goethite iron ore. Development of dry beneficiation technology for processing of hydrated iron ore
4	ECT, Australia	Adoption of alternate iron making noveltechnology patented by M/s ECT, Australia.
5	IIT Madras, IIT Kanpur, JSW	Develop a process for Iron Ore reduction through Microwave furnace. Microwave is alternate route of heating the minerals. Finalization of MOU is under process.
6	IMMT, Bhubaneswar	Development of an entrained flow gasification system using non-coking coal(F-grade) blended with dolo-char for thermal applications
7	IIT, Hyderabad	Improving the efficiency of dense medium cyclone separating the high NGM Coal samples using GPU based CPM and PERT methods

6.0 Investigation, Testing & Characterization Programmes

- Physical and metallurgical characterization of iron ore Deposit Bld-5,10 &11A and Bld-11B,11C,14(15 jobs)
- Doni Pellet Characterization (01 jobs)
- Chemical Analysis of BIOM &DONI Iron ore Samples(04 Jobs)
- Chemical Analysis of sponge Iron, SIU (02)

7.0 Sponsored Assignments

- Chemical Analysis of Dolomite from M/s Columbite Mining
- Determination of ball mill work index for M/s Metso India Pvt Ltd
- Determination of flowability characteristics by carrying standard shear test on three fly ash samples for M/s BHEL, Ranipet.
- Chemical Analysis of Dolomite from M/s Columbite Mining
- Determination of ball mill work index for M/s Metso India Pvt Ltd
- Determination of flowability characteristics by carrying standard shear test on three fly ash samples for M/s BHEL, Ranipet.
- Chemical Analysis of Sponge Iron products for M/s Eesyasa Tech Pvt Ltd
- Determination of flowability characteristic by carrying standard shear test on three coal samples from M/s BHEL,Noida.
- Characterization study (Swelling Index) for Iron ore pellets Services / Other Assignments
- Determination of flow ability characteristics by carrying standard shear test on three fly ash samples from M/s BHE, Ranipet.
- Shear testing of one bottom ash and one fly ash sample at ambient temp and one elevated temperature for M/s BHEL Bangalore

8.0 R&D Expenditure, Turnover and PAT year-wise last three years

₹ in Crore

YEAR	R & D Expenditure	Annual Turnover of NMDC	Percentage (%)	PAT	Exp. % PAT
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
2017-18	22.03	11,614.91	0.19	3,805.88	0.58

9.0 List of Major Lab Equipment's Purchased during 2017-18:

S.No.	Equipment	Price [₹]
1.	Scanning Electron Microscope	1.13 Cr(Import)
2.	Reduction Under Load	90.32 Lakhs(Import)
3.	Disc Pelletizer	37.28 Lakhs
4	Viscometer	4.3 Lakhs
5	Complete Sample Preparation Unit	53.46 Lakhs(Import)
6	XRF	2.10 Cr(Import)
7	Water Bath	0.998 Lakhs
8	Abrasion Tester	12.4 Lakhs
9	Total	5.21758 Crore

10.0 Foreign Exchange Earnings & Outgo

a) Foreign Exchange Earning- Nil

b) Foreign Exchange Outgo- ₹187.71 crores

ANNEXURE - III

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 2018, the Board of NMDC comprises of Chairman-Cum-Managing Director, five Whole time / Functional Directors, two Government Nominee Directors and eight Non-Executive (Independent) Directors.

a. Composition and category of Directors:

Whole-time / Functional Directors

i) Shri N. Baijendra Kumar, IAS, Chairman-cum-Managing Director (w.e.f. 06.09.2017)

ii) Shri R. Sridharan, Chairman-cum-Managing Director (Addl. Charge) (upto 05.09.2017)

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

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

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

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

vii) Shri Sandeep Tula, Director (Personnel)

Government of India Nominee Directors

i) Shri Saraswati Prasad, Additional Secretary & Financial Adviser (AS&FA), Ministry of Steel

ii) Shri Sunil Barthwal, Joint Secretary, Ministry of Steel (w.e.f. 11.10.2017)

iii) Shri Syedain Abbasi, Joint Secretary, Ministry of Steel (upto 10.10.2017)

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

vii) Shri Bahram Navroj Vakil (w.e.f. 06.09.2017)

viii) Shri Ashok Kumar Angurana (w.e.f. 16.11.2017)

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 Relations.

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

Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM Attended
1	Shri N. Baijendra Kumar, IAS Chairman-cum-Managing Director (w.e.f. 06.09.2017)	4	4	YES
2	Shri R. Sridharan Chairman-cum-Managing Director (Addl. Charge) (upto 05.09.2017)	4	4	NA
3	Dr. Narendra K. Nanda Director (Technical)	8	6	YES
4	Dr. T.R.K. Rao Director (Commercial)	8	7	YES
5	Shri P.K. Satpathy Director (Production)	8	8	YES
6	Shri D.S. Ahluwalia Director (Finance)	8	8	YES
7	Shri Sandeep Tula Director (Personnel)	8	6	YES
8	Shri Saraswati Prasad Govt. Nominee Director	8	5	NO
9	Shri Sunil Barthwal Govt. Nominee Director (w.e.f. 11.10.2017)	4	4	NA
10	Shri Syedain Abbasi Govt. Nominee Director (upto 10.10.2017)	4	3	NO
11	CA. Arun Kumar Srivastava Independent Director	8	8	YES
12	Smt. Bhagwati Mahesh Baldewa Independent Director	8	7	YES
13	Shri Rajesh Kumar Mangal Independent Director	8	7	NO
14	Shri Pradip Bhargava Independent Director	8	8	YES
15	Dr. Syamal Kumar Sarkar Independent Director	8	6	YES
16	Shri S.M. Nigam Independent Director	8	7	YES
17	Shri Bahram Navroj Vakil Independent Director (w.e.f. 06.09.2017)	4	0	NO
18	Shri Ashok Kumar Angurana Independent Director (w.e.f. 16.11.2017)	3	3	NA

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 N. Baijendra Kumar, IAS Chairman-cum-Managing Director (w.e.f. 06.09.2017)	3	--	--
2	Shri R. Sridharan Chairman-cum-Managing Director (Addl. Charge) (upto 05.09.2017)	--	--	--
3	Dr. Narendra K. Nanda Director (Technical)	9	--	--
4	Dr. T.R.K. Rao Director (Commercial)	4	--	--
5	Shri P.K. Satpathy Director (Production)	3	--	--
6	Shri D.S. Ahluwalia Director (Finance)	3	--	--
7	Shri Sandeep Tula Director (Personnel)	--	--	--
8	Shri Saraswati Prasad Govt. Nominee Director	4	--	--
9	Shri Sunil Barthwal Govt. Nominee Director (w.e.f. 11.10.2017)	1	--	--
10	Shri Syedain Abbasi Govt. Nominee Director (upto 10.10.2017)	1	--	--
11	CA. Arun Kumar Srivastava Independent Director	1	--	--
12	Smt. Bhagwati Mahesh Baldewa Independent Director	2	--	--
13	Shri Rajesh Kumar Mangal Independent Director	1	1	1
14	Shri Pradip Bhargava Independent Director	--	--	--
15	Dr. Syamal Kumar Sarkar Independent Director	--	--	--
16	Shri S.M. Nigam Independent Director	--	--	--
17	Shri Bahram Navroj Vakil Independent Director (w.e.f. 06.09.2017)	--	--	--
18	Shri Ashok Kumar Angurana Independent Director (w.e.f. 16.11.2017)	--	--	--

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 the 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 2017-18, eight (8) Board meetings were held, the details of which are given below:

S. No.	Board Meeting No.	Board Meeting Date	Board Strength	No. of Directors Present
1	503	25.05.2017	14	13
2	504	15.06.2017	14	14
3	505	09.08.2017	14	12
4	506	21.08.2017	14	11
5	507	13.11.2017	15	11
6	508	13.02.2018	16	14
7	509	17.03.2018	16	14
8	510	26.03.2018	16	12

Brief Resume / profiles of the Directors appointed / re-appointed and 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, 2018.

S. No.	Name of the Director	No. of Shares of the Company
1	Shri N. Baijendra Kumar, IAS, Chairman-cum-Managing Director (w.e.f. 06.09.2017)	NIL
2	Shri R. Sridharan, Chairman-cum-Managing Director (Addl. Charge) (upto 05.09.2017)	NIL
3	Dr. Narendra K. Nanda, Director (Technical)	320
4	Dr. T.R.K. Rao, Director (Commercial)	NIL
5	Shri P.K. Satpathy, Director (Production)	320
6	Shri D.S. Ahluwalia, Director (Finance)	NIL
7	Shri Sandeep Tula, Director (Personnel)	NIL
8	Shri Sunil Barthwal, Govt. Nominee Director (w.e.f. 11.10.2017)	NIL
9	Shri Syedain Abbasi, Govt. Nominee Director (upto 10.10.2017)	NIL
10	Shri Saraswati Prasad, Govt. Nominee Director	NIL
11	CA. Arun Kumar Srivastava, Independent Director	NIL
12	Smt. Bhagwati Mahesh Baldewa, Independent Director	NIL
13	Shri Rajesh Kumar Mangal, Independent Director	NIL
14	Shri Pradip Bhargava, Independent Director	100
15	Dr. Syamal K. Sarkar, Independent Director	NIL
16	Shri S.M. Nigam, Independent Director	NIL
17	Shri Bahram Navroj Vakil, Independent Director (w.e.f. 06.09.2017)	NIL
18	Shri Ashok Kumar Angurana, Independent Director (w.e.f. 16.11.2017)	NIL

g. Web link 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;

- o Compliance with listing and other legal requirements relating to financial statements;
- o Disclosure of any related party transactions;
- o 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:
  - o The adequacy of internal controls including computerized information system controls and security;
  - o 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:
  - o Significant findings during the year, including the status of previous audit recommendations.
  - o 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	91	12.04.2017	5	5
2	92	25.05.2017	5	5
3	93	09.08.2017	5	4
4	94	21.08.2017	5	4
5	95	13.11.2017	5	5
6	96	13.02.2018	5	5
7	97	23.02.2018	5	4

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	6
2	Dr. Narendra K. Nanda Director (Technical)	7	6
3	Shri Rajesh Kumar Mangal Independent Director & Member	7	6
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

During the year under review, 5 meetings of the Nomination, Remuneration & HR Committee were held on 24.05.2017, 09.08.2017, 21.12.2017, 13.02.2018 and 23.03.2018.

Attendance of each Member at the Nomination, Remuneration & HR Committee meetings

Sl. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Dr. Syamal Kumar Sarkar Independent Director & Chairman	5	4
2	Shri S.M. Nigam Independent Director & Member	5	4
3	Shri Pradip Bhargava Independent Director & Member	5	5

Shri Sandeep Tula, Director (Personnel), acts as Secretary to the Committee.

Performance Evaluation Criteria for Independent Directors: Necessary disclosures made in Directors' Report (Refer Sl.No. 36.0).

5. Remuneration of Directors

NMDC being a Government Company, the terms and conditions of appointment and remuneration of Functional Directors are determined by the 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 2017-18 are as follows:

(₹in lakhs)

Sl. No.	Name of the Director	Salary & Perquisites as per Section 17(1) & (2) of Income Tax Act, 1961	Retirement & Other Benefits	Total
1	Shri N. Baijendra Kumar CMD (w.e.f. 06.09.2017)	14.01	0	14.01
2	Dr. Narendra K. Nanda Director (Technical)	55.47	6.29	61.76
3	Dr. T.R.K. Rao Director (Commercial)	41.17	5.10	46.27
4	Shri P.K Satpathy Director (Production)	42.92	5.85	48.77
5	Shri D.S. Ahluwalia Director (Finance)	35.61	5.49	41.10
6	Shri. Sandeep Tula Director (Personnel)	46.87	5.44	52.31
	Total	**236.05**	**28.17**	**264.22**

Notes:-

1. 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
2. Notice period of 3 months or salary in lieu thereof is required for severance from the service.
3. The Company has not introduced any stock option scheme.
4. Revised Pay Scales have been effected as per DPE Guidelines and Salary figures above include arrears for the period from 01/01/2017 to 31/03/2017 paid on account of Pay Revision Except Sl.No.1.
5. 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 ₹ Including Service Taxes)
1	CA Arun Kumar Srivastava	4,56,500
2	Smt. Bhagwati Mahesh Baldewa	3,97,750
3	Shri Rajesh Mangal	4,01,500
4	Shri Pradip Bhargava	8,17,750
5	Dr. Syamal Kumar Sarkar	4,17,750
6	Shri S.M. Nigam	7,41,500
7	Shri. Ashok Kumar Angurana	1,15,000
	Total:	**33,47,750**

Notes:-

During the year under review, the part-time Directors (Independent Directors) were paid sitting fees of ₹30,000/- per meeting. In respect of Board level Committee Meeting, sitting fees was ₹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, eight (8) 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.	200	28.04.2017	6	6
2.	201	15.06.2017	6	5
3.	202	18.09.2017	6	5
4.	203	23.11.2017	6	6
5.	204	12.12.2017	6	5
6.	205	29.12.2017	6	6
7.	206	03.02.2018	6	6
8.	207	27.02.2018	6	6

Attendance of each Member at the Share Transfer Committee meetings

Sl. No.	Composition	No. of meetings held	No. of meetings attended
1	Chairman-cum-managing Director	8	8
2	Director (Technical)	8	7
3	Director (Commercial)	8	6
4	Director (Production)	8	8
5	Director (Finance)	8	8
6	Company Secretary	8	8

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:

S. No.	Meeting No.	Meeting Date	Strength of Committee	No. of Members present
1	33	24.05.2017	3	3
2	34	09.08.2017	3	3
3	35	13.11.2017	3	3
4	36	13.02.2018	3	3

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

Sl. No.	Composition	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 - 34

(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, 06 investor complaints were received & resolved and no complaint was pending as on 31.03.2018.

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.

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

AGM No.	Venue	Date & time	Special Resolutions passed
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
59th AGM	The Park, Hyderabad	22.09.17 at 1130 hrs	---

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

(c) During the year 2017-18, there was no occasion to resort to Postal Ballot for consideration of the shareholders of the company.

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

(f) Procedure 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.

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
26.09.2018	1130 hrs.	Hotel Marigold, Peacock Hall, 7-1-25, Greenlands, Begumpet, Hyderabad - 500016

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 dividend paid during the year under review are as under:

(₹ in crores)

Particulars	GOI Share	Others	Total Dividend	% of Share Capital
Interim Dividend	985.39	375.09	1360.48	430
Final*	-		-	-
Total	**985.39**	**375.09**	**1360.48**	**430**
Previous Year (Including Final Dividend)	983.96	329.06	1313.02	415

* No final dividend was recommended by the Board.

Date of Book Closure: from 20.09.2018 to

26.09.2018 (both days inclusive)

iv. Financial Calendar for 2018-19

1st quarter results	(Unaudited)	on or before 14.08.2018
2nd quarter results	(Unaudited)	on or before 14.11.2018
3rd quarter results	(Unaudited)	on or before 14.02.2019
4th quarter results	(Audited)	on or before 30.05.2019

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

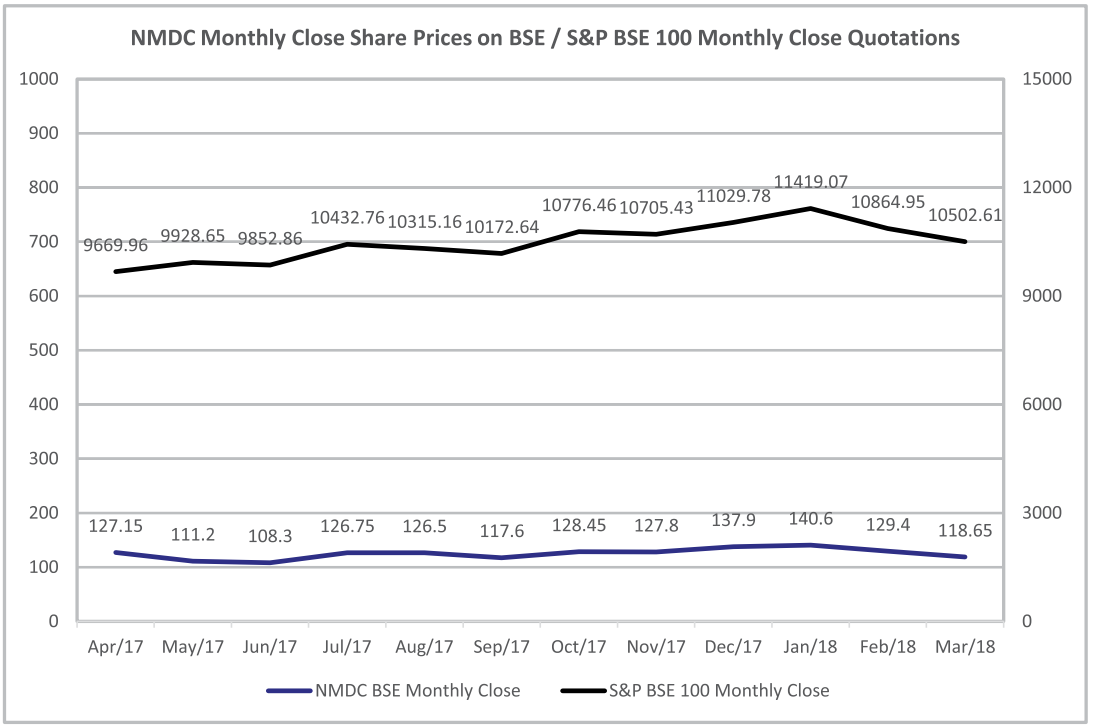
vii. Market price data: High, Low during each month in last financial year

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

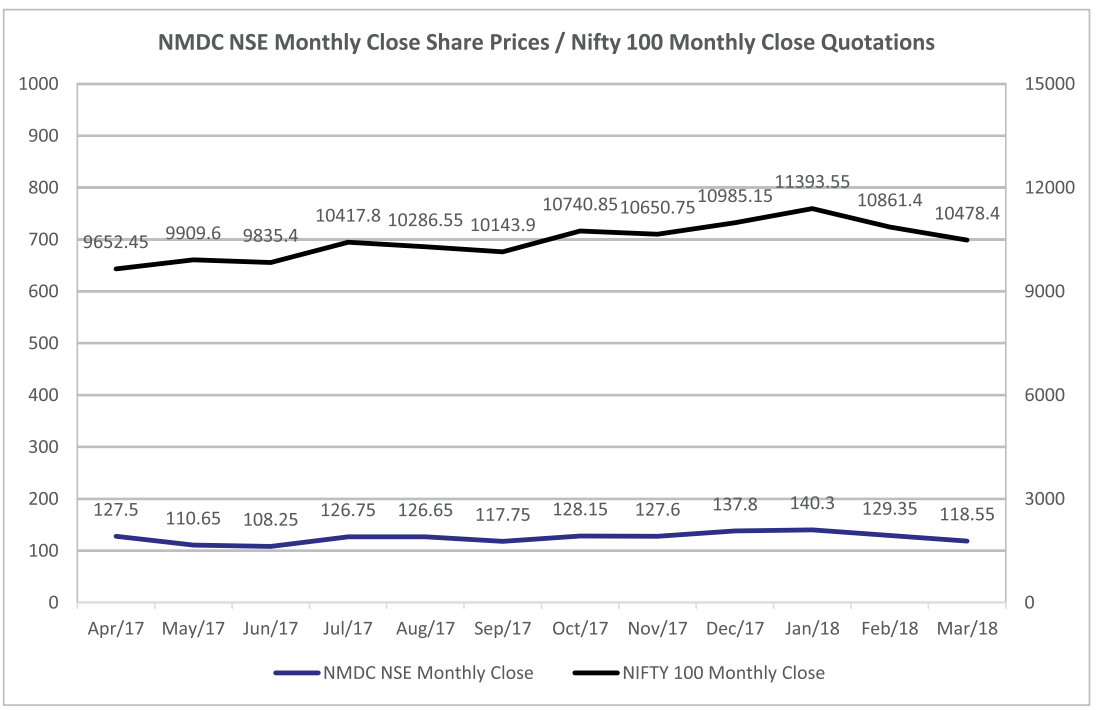
Month and Year	BSE		NSE	
	Highest	Lowest	Highest	Lowest
Apr-17	137.60	125.05	137.50	125.00
May-17	130.20	109.40	130.30	109.25
Jun-17	118.30	102.80	118.25	102.80
Jul-17	128.20	108.30	128.40	108.40
Aug-17	130.30	115.35	130.40	116.30
Sep-17	139.30	116.80	138.50	116.00
Oct-17	131.70	117.35	131.80	117.10
Nov-17	134.60	121.90	134.40	121.80
Dec-17	140.85	123.95	140.95	124.10
Jan-18	162.55	137.75	162.70	137.45
Feb-18	143.60	124.00	143.70	124.00
Mar-18	132.80	115.50	132.80	115.85

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 31.03.2018

Category (i)	Category of shareholder (ii)	No. of share holders (iii)	No .of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(Vii) As a % of (A+B+C2)	Number of Voting Rights held in each class of Securities (ix)				No.of Shares Underlying Outstanding convertible securities (including Warrant) (X)	Shareholding as a % assuming full conversion of convertable securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of (A+B+C2)	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)
								No.of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg:X*	Class eg:Y	Total								
(A)	Promoter & Promoter Group	1	2291571551	0	0	2291571551	72.43	2291571551	0	2291571551	72.43	0	72.43	0	0	0	0	2291571551
(B)	Public	244052	872318923	0	0	872318923	27.57	872318923	0	872318923	27.57	0	27.57	0	0	N.A	N.A	872129566
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	N.A	N.A	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
	Total	**244053**	**3163890474**	**0**	**0**	**3163890474**	**100**	**3163890474**	**0**	**3163890474**	**100**	**0**	**100**	**0**	**0**	**0**	**0**	**3163701117**

*X = Equity

(b) Distribution of Shareholding by size as on 31.03.2018

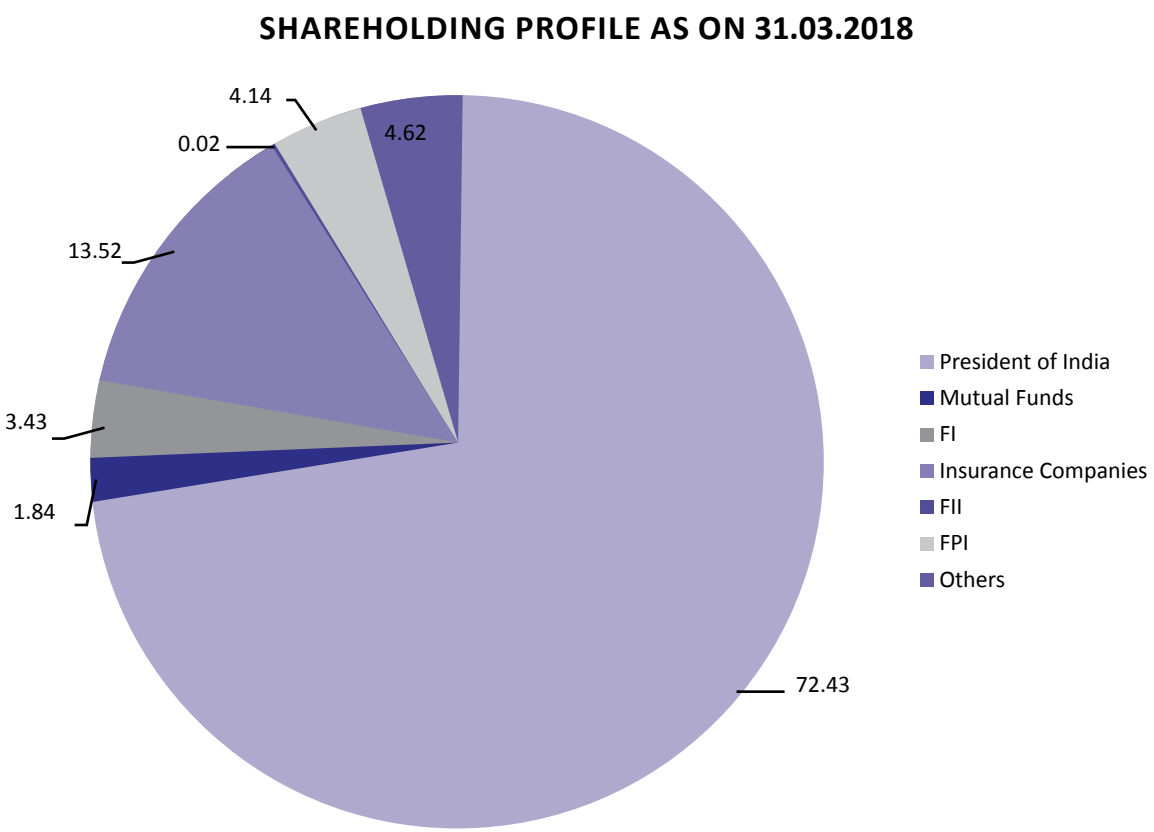
SL NO	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	240973	98.74	67762862	67762862	2.14
2	5001 - 10000	1573	0.64	11570512	11570512	0.37
3	10001 - 20000	703	0.29	10059416	10059416	0.32
4	20001 - 30000	243	0.1	6116221	6116221	0.19
5	30001 - 40000	106	0.04	3801985	3801985	0.12
6	40001 - 50000	77	0.03	3589909	3589909	0.11
7	50001 - 100000	157	0.06	11302750	11302750	0.36
8	100001 & Above	221	0.09	3049686819	3049686819	96.39
	Total:	**244053**	**100**	**3163890474**	**3163890474**	**100**

(c) Top ten shareholders of the Company as on 31.03.2018

Sl. No.	Shareholder	No. of Shares	%	Group	Category
1	PRESIDENT OF INDIA	2291571551	72.43	Promoter	Central Government
2	LIFE INSURANCE CORPORATION OF INDIA	394591074	12.47	Public	Insurance Companies
3	LICI NEW ENDOWMENT PLUS-GROWTH FUND	67149740	2.12	Public	Financial Institutions / Banks
4	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY SAVINGS FUND	25858500	0.82	Public	Mutual Funds
5	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND	15175888	0.48	Public	Mutual Funds
6	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	13659564	0.43	Public	Foreign Portfolio Investor
7	STATE BANK OF INDIA	11680946	0.37	Public	Financial Institutions / Banks
8	EDGBASTON ASIAN EQUITY TRUST	11457567	0.36	Public	Foreign Portfolio Investor
9	CANARA BANK-NEW DELHI	10772508	0.34	Public	Financial Institutions / Banks
10	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	10446859	0.33	Public	Foreign Portfolio Investor
	TOTAL :	**2852364197**	**90.15**		

(d) Geographical Distribution of Shareholders as on 31.03.2018

Sl No	city	No. of Share Holders	% to Total	No.of Shares	% to Total
1	AHMEDABAD	13480	5.40	5301055	0.17
2	BANGALORE	12532	5.02	6000991	0.19
3	BHUBANESWAR	747	0.30	218195	0.01
4	CHANDIGARH	926	0.37	586684	0.02
5	CHENNAI	9662	3.87	13578374	0.43
6	GUWAHATI	525	0.21	246406	0.01
7	HYDERABAD	10748	4.30	4442949	0.14
8	JAIPUR	5316	2.13	2640775	0.08
9	KANPUR	1356	0.54	432528	0.01
10	KOLKATA	12362	4.95	17143656	0.54
11	MUMBAI	43798	17.54	754456547	23.85
12	NAGPUR	1419	0.57	488962	0.02
13	NEW DELHI	15251	6.11	2312663903	73.10
14	PATNA	1215	0.49	937133	0.03
15	TRIVANDRUM	664	0.27	200159	0.01
16	OTHERS	119670	47.93	44552157	1.41
	TOTAL	**249671**	**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, 2018 are as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in NSDL	3124993934	98.77
Held in dematerialized form in CDSL	38707183	1.22
Physical	189357	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 2017-18 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. Transfer of Dividend and corresponding Ordinary Shares to the Investor Education and Protection Fund

During the financial year 2017-18, unclaimed dividend for the financial year 2009-10 & 2010-11 interim dividend aggregating ₹12,56,322/- and the corresponding 4,207 Ordinary Shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund established by the Central Government (IEPF), pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 including 1840 OFS Shares.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2009-10 & 2010-11 Interim dividend and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF5. This Form can be downloaded from the website of the IEPF Authority www.iepf.gov.in, the access link of which is also available on the Company's corporate website nmdc.co.in under the section 'Investors'.

The unclaimed dividend for the undernoted years and the corresponding shares will be transferred by the Company to IEPF in accordance with the schedule given below. Communication has been sent to the concerned Shareholders advising them to write to the Investor Service Centre of the Company (ISC) to claim their dividend. Notices in this regard have also been published in newspapers. Details of such unclaimed dividend and corresponding shares are available on the Company's corporate website under the section 'Investors'. Attention in particular is drawn that the unclaimed dividend for the financial year 2010-11 (Final dividend) and the corresponding shares will be due for transfer to IEPF on 19.10.2018.

Financial Year	Dividend Identification No.	Date of declaration of Dividend	Total Dividend (₹)	Unclaimed Dividend as on 31.03.2018		Due date for transfer to IEPF
				₹	%	
2010-11	2010-11 Final	20.09.2011	8524155222.00	343355	0.00	19.10.2018
2011-12	2011-12 1st Interim	31.10.2011	3964716000.00	446764	0.01	30.11.2018
2011-12	2011-12 2nd Interim	31.01.2012	3964716000.00	456347	0.01	01.03.2019
2011-12	2011-12 Final	20.09.2012	9911802425.00	440726	0.00	19.10.2019
2012-13	2012-13 1st Interim	07.11.2012	7929432000.00	731814	0.00	06.12.2019
2012-13	2012-13 2st Interim	13.02.2013	3964716000.00	325930	0.00	12.03.2020
2012-13	2012-13 Final	25.09.2013	15858864000.00	893696	0.00	24.10.2020
2013-14	2013-14 1st Interim	24.10.2013	11894148000.00	1574223	0.01	23.11.2020
2013-14	2013-14 2nd Interim	10.02.2014	21805953617.00	2464277	0.01	09.03.2021
2014-15	2014-15 1st Interim	31.10.2014	11894148000.00	1167057	0.00	30.11.2021
2014-15	2014-15 2nd Interim	06.02.2015	16850063857.00	1799747	0.01	05.03.2022
2014-15	2014-15 Final	29.09.2015	5154142052.00	714786	0.01	28.10.2022
2015-16	2015-16 1st Interim	12.02.2016	37664819874.00	4842607	0.01	11.03.2023
2015-16	2015-16 2nd Interim	19.03.2016	5947091716.00	1247700	0.02	18.04.2023
2016-17	2016-17 Interim	07.03.2017	13130168437.00	2563065	0.01	06.04.2024
2016-17	2016-17 Final	22.09.2017	3163890474.00	761814	0.02	21.10.2024

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 ₹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	2480	Nil	Nil
11	Requests received during the year 2014-15	1	320	Nil	Nil
12	Pending as on 31.03.2015	26	2160	Nil	Nil
13	Requests resolved during the year 2015-16	0	0	Nil	Nil
14	Pending as on 31.03.2016	26	2160	Nil	Nil
15	Requests resolved during the year 2016-17	3	320	Nil	Nil
16	Pending as on 31.03.2017	23	1840	Nil	Nil
17	Requests resolved during the year 2017-18	0	0	Nil	Nil
16	Pending as on 31.03.2018 *	23	1840	Nil	Nil

* Corporate Action Form filed for transfer of unclaimed shares to IEPF on 27.03.2018.

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 Complex:-
(a) Donimalai Iron Ore Mine
(b) Kumaraswamy Iron Ore Mine
(c) Pellet Plant
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
Khanij Bhavan,
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 the 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.

xxii. Nodal Officer for coordinating with IEPF Authority – Company Secretary, NMDC

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/corporategovernance.aspx

vi. Web link where Policy on dealing with Related Party Transactions.

https://www.nmdc.co.in/corporategovernance.aspx

vii. Disclosure of commodity price risks and commodity hedging activities.

May refer Sl. No.10 (XIV) of General Shareholder Information.

viii. Other than the sitting fees paid (₹30,000/- per sitting of the Board level Meetings and ₹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 2.89%.

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 2017-18 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 Companies Act, 2013 a separate meeting of Non-official (Independent) Directors was held on 13.02.2018 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 Obligations and Disclosure Requirements) Regulations, 2015 is annexed at Annexure-III (A).

16. Compliance Certificate

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

ANNEXURE - III(A)

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

In compliance with Regulation 26(3) read with 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 2018.

Place : Hyderabad
Date : 08.08.2018

N. Baijendra Kumar
Chairman-cum-Managing Director

ANNEXURE - III(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

DATLA HANUMANTHA 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, 2018, 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, 2017 to 31st March, 2018 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. However, it is observed that Form pertaining to appointment of Mr. Bahram Navroj Vakil was not filed with Registrar of Companies.

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 : 08.08.2018

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

D. HANUMANTA RAJU & CO. * COMPANY SECRETARIES *

CS D.HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO: 1709

ANNEXURE - IV

Form No.MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

III. PARTICULARS OF HOLDING,SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	J&K Mineral Development Corporation Ltd. JAMMU	U14107JK1989SGC001110	Subsidiary	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	54.27	2(6)
18.	Chhattisgarh Mining Ventures Ltd. ###	U14290CT2016GOI007612	Joint Venture	NMDC-SAIL 51% CMDC 49%	2(6)

* 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)	**Shareholding of Promoter and Promoter Group**									
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)	2371126192	0	2371126192	74.94	2291571551	0	2291571551	72.43	-2.51
(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
(e-i)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e-ii)	Trusts	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	**2371126192**	**0**	**2371126192**	**74.94**	**2291571551**	**0**	**2291571551**	**72.43**	**-2.51**
2	Foreign								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
(e-i)	Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
(e-ii)		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 and Promoter Group (A)=(A)(1)+(A)(2)	**2371126192**	**0**	**2371126192**	**74.94**	**2291571551**	**0**	**2291571551**	**72.43**	**-2.51**
(B)	Public Shareholding									
1	Institutions									
(a)	Mutual Funds/UTI	8533625	0	8533625	0.27	58256734	0	58256734	1.84	1.57
(b)	Financial Institutions/ Banks	103737417	0	103737417	3.28	108473294	0	108473294	3.43	0.15
(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	416969958	0	416969958	13.18	427798087	0	427798087	13.52	0.34
(f)	Foreign Institutional Investors	19365900	0	19365900	0.61	665666	0	665666	0.02	-0.59

(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)	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
(i-ii)	Bank - Foreign Bank	0	0	0	0.00	0	0	0	0.00	0.00
(i-iii)	Foreign Portfolio Investor	134500161	0	134500161	4.25	131002797	0	131002797	4.14	-0.11
	Sub Total (B)(1)	683107061	0	683107061	21.59	726196578	0	726196578	22.95	1.36
B2	Non-Institutions									
(a)	Bodies Corporate	16450800	32000	16482800	0.52	26713655	31000	26744655	0.85	0.32
(b)	Individuals									
(I)	Individual shareholders holding nominal share capital upto ₹1 lakh	75985665	126655	76112320	2.41	95004764	125997	95130761	3.01	0.60
(II)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	5911443	0	5911443	0.19	8020892	0	8020892	0.25	0.07
(c)	Qualified Foreign 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	4460863	0	4460863	0.14	6182991	0	6182991	0.20	0.05
(d-ii)	Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
(d-iii)	Trusts	3909758	0	3909758	0.12	6997352	0	6997352	0.22	0.10
(d-iv)	Employees	20067	33890	53957	0.00	19227	32360	51587	0.00	0.00
(d-v)	Clearing Members	2602927	0	2602927	0.08	2755528	0	2755528	0.09	0.00
(d-vi)	Foreign Nationals	0	0	0	0.00	800	0	800	0.00	0.00
(d-vii)	FPO Unclaimed Shares A/c	1840	0	1840	0.00	1840	0	1840	0.00	0.00
(d-viii)	NBFCs Registered with RBI	121313	0	121313	0.00	233000	0	233000	0.01	0.00
(d-ix)	IEPF	0	0	0	0.00	2939	0	2939	0.00	0.00
	Sub Total (B)(2)	**109464676**	**192545**	**109657221**	**3.47**	**145932988**	**189357**	**146122345**	**4.62**	**1.15**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**792571737**	**192545**	**792764282**	**25.06**	**872129566**	**189357**	**872318923**	**27.57**	**2.51**
	Total (A)+(B)	**3163697929**	**192545**	**3163890474**	**100.00**	**3163701117**	**189357**	**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)	**3163697929**	**192545**	**3163890474**	**100.00**	**3163701117**	**189357**	**3163890474**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr 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 Share of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% of total Share of the Company	% of Shares Pledged/encumbered to total shares	
1	PRESIDENT OF INDIA	2371126192	74.94	0	2291571551	72.43	0	-2.51
	Total:	**2371126192**	**74.94**	**0**	**2291571551**	**72.43**	**0**	-2.51

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

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Share of the Company	Number of Shares	% of total Share of the Company
1	**President of India**				
	At the beginning of the year	2371126192	74.94		
	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):				
	Offer for Sale 12.01.2018	-79554641	-2.51	2291571551	72.43
	At the end of the year			2291571551	72.43

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

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Share of the company	Number of Shares	% of total Share of the company
1	**LIFE INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	454313007	14.3593	454313007	14.3593
	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):				
	12-Jan-18	7909726	0.2500	462222733	14.6093
	At the end of the year			462222733	14.6093
2	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE**				
	At the beginning of the year	13280465	0.4198	13280465	0.4198
	07-Apr-17	113624	0.0036	13394089	0.4233
	28-Apr-17	13990	0.0004	13408079	0.4238
	05-May-17	111920	0.0035	13519999	0.4273
	12-May-17	34975	0.0011	13554974	0.4284
	19-May-17	75546	0.0024	13630520	0.4308
	02-Jun-17	30778	0.0010	13661298	0.4318
	07-Jul-17	48965	0.0015	13710263	0.4333
	14-Jul-17	34975	0.0011	13745238	0.4344
	04-Aug-17	30778	0.0010	13776016	0.4354
	11-Aug-17	40571	0.0013	13816587	0.4367
	01-Sep-17	50364	0.0016	13866951	0.4383
	08-Sep-17	71349	0.0023	13938300	0.4405
	15-Sep-17	64354	0.0020	14002654	0.4426

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Share of the company	Number of Shares	% of total Share of the company
	06-Oct-17	41970	0.0013	14044624	0.4439
	13-Oct-17	43369	0.0014	14087993	0.4453
	20-Oct-17	32177	0.0010	14120170	0.4463
	27-Oct-17	29379	0.0009	14149549	0.4472
	22-Dec-17	-18109	-0.0006	14131440	0.4466
	26-Jan-18	65471	0.0021	14196911	0.4487
	02-Feb-18	58506	0.0018	14255417	0.4506
	23-Mar-18	-529853	-0.0167	13725564	0.4338
	28-Mar-18	-66000	-0.0021	13659564	0.4317
	At the end of the year			13659564	0.4317
3	**ROBECO CAPITAL GROWTH FUNDS - ROBECO ACTIVE QUANT**				
	At the beginning of the year	11950419	0.3777	11950419	0.3777
	07-Apr-17	515769	0.0163	12466188	0.3940
	14-Apr-17	1500000	0.0474	13966188	0.4414
	26-May-17	241462	0.0076	14207650	0.4491
	09-Jun-17	-7671	-0.0002	14199979	0.4488
	21-Jul-17	-112748	-0.0036	14087231	0.4453
	28-Jul-17	-1073716	-0.0339	13013515	0.4113
	04-Aug-17	-559953	-0.0177	12453562	0.3936
	11-Aug-17	-1441077	-0.0455	11012485	0.3481
	18-Aug-17	-508412	-0.0161	10504073	0.3320
	01-Sep-17	-1184439	-0.0374	9319634	0.2946
	08-Sep-17	-650000	-0.0205	8669634	0.2740
	15-Sep-17	-26589	-0.0008	8643045	0.2732
	29-Sep-17	-300000	-0.0095	8343045	0.2637
	06-Oct-17	-806472	-0.0255	7536573	0.2382
	31-Oct-17	-453740	-0.0143	7082833	0.2239
	03-Nov-17	-760595	-0.0240	6322238	0.1998
	10-Nov-17	-791404	-0.0250	5530834	0.1748
	24-Nov-17	-1059644	-0.0335	4471190	0.1413
	01-Dec-17	-200000	-0.0063	4271190	0.1350
	22-Dec-17	100000	0.0032	4371190	0.1382
	02-Mar-18	-100000	-0.0032	4271190	0.1350
	At the end of the year			4271190	0.1350

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Share of the company	Number of Shares	% of total Share of the company
4	**STATE BANK OF INDIA**				
	At the beginning of the year	11363580	0.3592	11363580	0.3592
	21-Apr-17	481166	0.0152	11844746	0.3744
	11-Aug-17	-2600	-0.0001	11842146	0.3743
	31-Oct-17	-16000	-0.0005	11826146	0.3738
	10-Nov-17	-17400	-0.0005	11808746	0.3732
	08-Dec-17	-6000	-0.0002	11802746	0.3730
	22-Dec-17	-9000	-0.0003	11793746	0.3728
	29-Dec-17	3000	0.0001	11796746	0.3729
	05-Jan-18	-30000	-0.0009	11766746	0.3719
	12-Jan-18	-15000	-0.0005	11751746	0.3714
	19-Jan-18	-15000	-0.0005	11736746	0.3710
	26-Jan-18	-12000	-0.0004	11724746	0.3706
	02-Feb-18	-15000	-0.0005	11709746	0.3701
	09-Feb-18	-8500	-0.0003	11701246	0.3698
	16-Feb-18	-17300	-0.0005	11683946	0.3693
	23-Feb-18	-3000	-0.0001	11680946	0.3692
	At the end of the year			11680946	0.3692
5	**EDGBASTON ASIAN EQUITY TRUST**				
	At the beginning of the year	11259752	0.3559	11259752	0.3559
	07-Apr-17	-97503	-0.0031	11162249	0.3528
	04-Aug-17	-266677	-0.0084	10895572	0.3444
	28-Mar-18	561995	0.0178	11457567	0.3621
	At the end of the year			11457567	0.3621
6	**CANARA BANK-MUMBAI**				
	At the beginning of the year	10772388	0.3405	10772388	0.3405
	07-Jul-17	120	0.0000	10772508	0.3405
	29-Dec-17	13000	0.0004	10785508	0.3409
	05-Jan-18	-13000	-0.0004	10772508	0.3405
	At the end of the year			10772508	0.3405
7	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**				
	At the beginning of the year	9265213	0.2928	9265213	0.2928
	23-Jun-17	286607	0.0091	9551820	0.3019
	18-Aug-17	262182	0.0083	9814002	0.3102
	17-Nov-17	289256	0.0091	10103258	0.3193
	09-Mar-18	343601	0.0109	10446859	0.3302
	At the end of the year			10446859	0.3302

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Share of the company	Number of Shares	% of total Share of the company
8	**THE NEW INDIA ASSURANCE COMPANY LIMITED**				
	At the beginning of the year	8316508	0.2629	8316508	0.2629
	12-Jan-18	1950000	0.0616	10266508	0.3245
	At the end of the year			10266508	0.3245
9	**MORGAN STANLEY MAURITIUS COMPANY LIMITED**				
	At the beginning of the year	7115514	0.2249	7115514	0.2249
	07-Apr-17	-61228	-0.0019	7054286	0.2230
	14-Apr-17	-57134	-0.0018	6997152	0.2212
	21-Apr-17	-284523	-0.0090	6712629	0.2122
	28-Apr-17	-715824	-0.0226	5996805	0.1895
	05-May-17	-314243	-0.0099	5682562	0.1796
	12-May-17	-564592	-0.0178	5117970	0.1618
	19-May-17	-413439	-0.0131	4704531	0.1487
	26-May-17	-467328	-0.0148	4237203	0.1339
	02-Jun-17	-538129	-0.0170	3699074	0.1169
	09-Jun-17	-782896	-0.0247	2916178	0.0922
	16-Jun-17	-239877	-0.0076	2676301	0.0846
	23-Jun-17	-325432	-0.0103	2350869	0.0743
	30-Jun-17	-274116	-0.0087	2076753	0.0656
	07-Jul-17	-84423	-0.0027	1992330	0.0630
	28-Jul-17	-12000	-0.0004	1980330	0.0626
	18-Aug-17	-126000	-0.0040	1854330	0.0586
	25-Aug-17	-487	0.0000	1853843	0.0586
	01-Sep-17	-142998	-0.0045	1710845	0.0541
	08-Sep-17	-14555	-0.0005	1696290	0.0536
	15-Sep-17	-105528	-0.0033	1590762	0.0503
	22-Sep-17	-147831	-0.0047	1442931	0.0456
	29-Sep-17	-136843	-0.0043	1306088	0.0413
	06-Oct-17	-6965	-0.0002	1299123	0.0411
	03-Nov-17	-84769	-0.0027	1214354	0.0384
	10-Nov-17	-270509	-0.0085	943845	0.0298
	17-Nov-17	-99981	-0.0032	843864	0.0267
	24-Nov-17	-37089	-0.0012	806775	0.0255
	08-Dec-17	-525661	-0.0166	281114	0.0089
	29-Dec-17	-5996	-0.0002	275118	0.0087
	At the end of the year			275118	0.0087

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total Share of the company	Number of Shares	% of total Share of the company
10	**BNP PARIBAS ARBITRAGE**				
	At the beginning of the year	6995795	0.2211	6995795	0.2211
	14-Apr-17	-710463	-0.0225	6285332	0.1987
	28-Apr-17	-78000	-0.0025	6207332	0.1962
	19-May-17	-90000	-0.0028	6117332	0.1933
	01-Sep-17	-300000	-0.0095	5817332	0.1839
	08-Sep-17	18000	0.0006	5835332	0.1844
	22-Sep-17	24723	0.0008	5860055	0.1852
	29-Sep-17	-78000	-0.0025	5782055	0.1828
	27-Oct-17	-1032000	-0.0326	4750055	0.1501
	10-Nov-17	-8962	-0.0003	4741093	0.1499
	08-Dec-17	-456000	-0.0144	4285093	0.1354
	29-Dec-17	-228000	-0.0072	4057093	0.1282
	05-Jan-18	1429709	0.0452	5486802	0.1734
	12-Jan-18	1835622	0.0580	7322424	0.2314
	19-Jan-18	646115	0.0204	7968539	0.2519
	26-Jan-18	-1197584	-0.0379	6770955	0.2140
	02-Feb-18	365633	0.0116	7136588	0.2256
	09-Feb-18	148500	0.0047	7285088	0.2303
	16-Feb-18	-472000	-0.0149	6813088	0.2153
	23-Feb-18	-446000	-0.0141	6367088	0.2012
	02-Mar-18	708100	0.0224	7075188	0.2236
	23-Mar-18	-942000	-0.0298	6133188	0.1938
	28-Mar-18	169637	0.0054	6302825	0.1992
	At the end of the year			6302825	0.1992

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. 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%**	**320**	**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%**	**320**	**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

(₹ in Crores)

Indebtedness at the beginning of the financial year	**Secured Loans excluding deposits**	**Unsecured loans**	**Deposits**	**Total Indebtedness**
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. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹)

Sl No.		Particulars of Remuneration	SHRI N BAIJENDRA KUMAR, IAS	DR. NARENDRA K NANDA	DR. T R K RAO	SHRI P K SATPATHY	SHRI DEVINDER SINGH AHLUWALIA	SHRI SANDEEP TULA	TOTAL
			C M D	DIR (TECH)	DIR (COMML)	DIR (PRD)	DIR (FIN)	DIR (PER)	
1	a	Gross Salary u/s 17(1) of the Income -tax Act,1961	13,78,125	55,07,722	40,34,873	38,94,728	35,21,618	46,46,820	2,29,83,886
	b	Value of Perquisites u/s 17(2) of the Income -tax Act,1961	23,100	39,600	81,643	3,97,483	39,600	39,600	6,21,026
	c	Profit in lieu of salary u/s 17(3) of Income tax Act,1961		0	0	0	0		0
2		Stock Option		0	0	0	0		0
3		Sweat Equity		0	0	0	0		0
4		Commission							0
		-% of profit		0	0	0	0		0
		-% of others specify		0	0	0	0		0
		Others, Please specify							0
		Total Upto 31/03/2018	**14,01,225**	**55,47,322**	**41,16,516**	**42,92,211**	**35,61,218**	**46,86,420**	**2,36,04,912**
		Ceiling as per the Act							

Notes

1. The above figures are as per the Revised Pay Scales w.e.f 01/01/2017 and includes arrears for the period 01/01/2017 to 31/03/2017 , except CMD Sl. No. 1
2. Includes Basic , FPA, DA, PERKS (Taxable), HRAs, PRP, LEC, SPL leave where applicable.
3. Includes perquisite value of conveyance , accommodation, Assets & furniture where applicable.

B. REMUNERATION TO OTHER DIRECTORS:

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	Shri Ashok Kumar Angurana	TOTAL (Including Service Tax)
1	Independent Directors								
	Fees for attending board/ committee meetings	4,56,500	3,97,750	4,01,500	8,17,750	4,17,750	7,41,500	1,15,000	33,47,750
	Commission	-	-	-	-	-	-		-
	Others please specify	-	-	-	-	-	-		-
	Total (1)	**4,56,500**	**3,97,750**	**4,01,500**	**8,17,750**	**4,17,750**	**7,41,500**	**1,15,000**	**33,47,750**
2	Other Non-executive Directors for attending board/ committee meetings	-	-	-	-	-	-		-
	Commission	-	-	-	-	-	-		-
	Others please specify	-	-	-	-	-	-		-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**		**-**
	Grand Total (1+2)	**4,56,500**	**3,97,750**	**4,01,500**	**8,17,750**	**4,17,750**	**7,41,500**	**1,15,000**	**33,47,750**
	Total Managerial Remuneration Overall Ceiling as per the Act								

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

(₹)

Sl No.		Particulars of Remuneration	Key Managerial Personnel Company Secretary
1	a	Gross Salary u/s 17(1) of the Income -tax Act,1961	26,31,025
	b	Value of Perquisites u/s 17(2) of the Income -tax Act,1961	22,710
	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	**26,53,735**

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 fees imposed	Authority RD/NCLT/ COURT	Appeal made, if any (Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors			**NIL**		
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

ANNEXURE - V

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** L13100AP1958G01001674
2. **Name of the Company** NMDC Limited (NMDC)
3. **Registered address** Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad-500028
4. **Website** www.nmdc.co.in
5. **E-mail id** ims@nmdc.co.in
6. **Financial Year reported** April 1, 2017 – March 31, 2018
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
Iron Ore Pellets	241	2410	24101

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 (₹)** 316.39 crores
2. **Total Turnover (₹) (Total Income)** 11,615 crores
3. **Total profit after taxes (₹)** 3,806 crores
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax.** ₹169.37 Cr. (2.80% 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. This 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:

Focus Areas

Prime Focus Areas

- Employment enhancing Vocational Skills including Skill Up-gradation
- Drinking Water including integrated water shed development & Sanitation
- Promotion of Education- special Education in primary schools with special focus on Districts in which NMDC projects are located
- Health
- Rural Development Projects

- Ensuring Environmental Sustainability
- Sustainable Natural Resource Management

Other Focus Areas

- Promoting gender equality and empowering women - Setting up Homes & Hostels for women and Orphans; Setting up Homes, day-care centre and such other facilities for senior citizens and measures for reducing inequalities faced by Socially and Economically backward groups
- Eradicating Hunger, Poverty & Malnutrition
- Reducing Child Mortality & Improving Maternal Health
- Promotion of Sports

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

No	Questions	Business ethics P1	Product responsibility P2	Wellbeing of Employees P3	Stakeholder engagement & CSR P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer relations 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	Y[i]	Y[ii]	Y[iii]	Y[iv]	Y[v]	Y[vi]	Y[vii]	Y[viii]	Y[ix]
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 NMDC Ltd. and Transparency International (India) TII

(ii), (v), (vii),(ix) https://www.nmdc.co.in/Handlers/DownloadCommunicationOnProgress.ashx?ID=65243eb7-5ad1-4ba5-9fd8-24fa0012c626

(iii) https://www.nmdc.co.in/Docs/Service%20Regulations.pdf

(iv)https://www.nmdc.co.in/CSR/Default.aspx

(vi) https://www.nmdc.co.in/EnvironmentalMgmt.aspx

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									
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				Not Applicable					
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.

NMDC has published its First Sustainability Report prepared as per Global Reporting Initiative (GRI) G4 framework ushering in a new resolve in the organization to take sustainable development to greater height and tripple bottom line excellence.

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

In order to have a clearer understanding of the impact of NMDC's CSR activities and to make improvements therein, in terms of monitoring, evaluation & study the socio-economic implications of its CSR interventions, a comprehensive study w.r.t. Baseline Study, Impact Assessment, Monitoring & Evaluation and Social Audit connected with the CSR Programme of the Company has been commissioned through reputed developmental institutions empanelled with the Govt. of India.

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_Policy.aspx

https://www.nmdc.co.in/CSR/CSRActivities.aspx

https://www.nmdc.co.in/CSR/CSR-Booklet.pdf

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 34 shareholder complaints have been received in the financial year 2017-18 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 adopted 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 to protect and safeguard the environmental parameters such as air, water, land, noise and biodiversity.

NMDC wishes to embark on low carbon growth trajectory in its operations and water conservation measures. Few of the measures taken-up in this respect are recycle and reuse. The treated waste water reused for beneficiation of ore process, construction of ameliorative measures like buttress walls, check dams, green belt development in the project premises. Digging contour trenches and biological reclamation of rock waste dumps to minimize land erosion.

Towards water pollution, the environmental measures adopted includes construction of check dams for treatment of surface runoff, tailing dams for treatment of process effluents, effluent treatment plant for treatment of industrial effluents and sewage treatment plant for treating of domestic effluents. Towards safeguarding the environment, NMDC also supports the

Hariyar Chhattisgarh plantation program of CG Govt.

Company has a well-defined CSR policy run by the CSR department for peripheral and community development. 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 roads, bridges, 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.

NMDC also supports natural habitation and wild life protection by implementing bio-diversity conservation plan through State Forest Dept to maintain the ecological balance of the area.

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 utilize optimum consumption of resource such as electricity, fuel oil, lubricant oil, raw material and water. The targets are fixed for specific consumption of resource usage. The achievements of the same are reviewed in internal and external audits of quality and environment management system. Water and energy audits are conducted at all project sites. These audits also help to identify and prioritize 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 implementing water conservation and management measures by installing secondary waste water treatment systems at most of the project sites. The treated water is recycled and reused for various purposes.

   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.**

   NMDC is encouraging procurement through vendors to adopt sustainable practices and also takes due care in handling of bulk materials by giving specific instructions for the transportation of materials like HSD petrol, explosives etc. NMDC also makes proper arrangement to control the dust emission during loading and unloading of the products at site. The bulk transportation is mainly through rail.

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?**

   The company has taken the following steps to procure goods and services from MSE firms as well as MSE SC/ST entrepreneurs. NMDC has participated in the national SC/ST hub organized by MSME during January 2018. Besides NMDC has participated in National vendor development programmes organized by MSME at Hyderabad, Vijayawada, Rajahmundry, Ranchi etc. during November 2017. The Projects at Bailadila and Donimlai Sectors have also conducted meets/ programmes. NMDC has participated in 19 programmes in total during 2017-18. NMDC interacted with prospective MSE entrepreneurs encouraging them for supply of goods for various plants at Bailadila & Donimalai.

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 environment 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 mining projects are implementing productivity improvement mechanism and waste reduction initiatives along with exploring the possibility for re-use of byproducts. One of the waste reduction and mineral conservation is blending of low grade ore. is set for achievement for blending of low grade ore (less than 55% Fe) is < 16% towards mineral beneficiation. The same is also reviewed periodically. Different lubricants in NMDC projects are disposed of to the agencies duly authorized for recycling. It has also set its target to treat, recycle and reuse the 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 31.03.2018):**

   Total: 5382 Category wise breakup is shown below:

   Executives: 1473, Jr. Officers: 146, Workmen: 3763

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

Contract Labour: 10791

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

There are 265 permanent women employees.

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

There are 99 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 FY 2017-18. 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	01	01
3	Discriminatory employment	Nil	Nil

* Departmental Enquiry for major misconduct is pending

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 2017-18:

Sl. No.	Particulars	Percentage	
		Safety Training	Skill Upgradation Training
1	Permanent Employees	24.55	40.66
2	Permanent Women Employees	7.21	7.66
3	Casual / Temporary / Contractual Employees	61.52	6.90
4	Employees with disabilities	17.39	---

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 9001:2015; Environmental Management System (EMS) ISO 14001:2015; Occupational Health Safety Management System (OHSMS) OHSAS 18001:2007 and Social Accountability SA 8000:2014 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 CSR initiatives in different forms and considers the feedback in planning future initiative.

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 2017-18, 33 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 Yojana, Scholarship Scheme for continuation of education beyond 8th class up to Graduation.
   - Integrated Village Development Programme in 18 backward villages around NMDC's Bailadila Projects, which are primarily inhabited by Tribals 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 116 Non-NMDC stakeholders/Contract labours in Mining & Iron & Steel sector related skills respectively has been provided in the year 2017-18.
   - A Skill Development Initiative for imparting training in construction related skills to 200 nos. of unemployed youth from SC/ST/OBC/BPL communities has been initiated in the State of Chhattisgarh.

Principle 5: Businesses should respect and promote human rights

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

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

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

   There have been Nil cases of human right violation during the FY 2017-18.

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?**

   Businesses should respect, protect, and make efforts to restore the environment. 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 employ¬ees and communities about the environmental commitments and applying proven management prac¬tices 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%20Climate%20Change%20NMDC_23rd%20Sept%202015.pdf

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

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

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.

Regional Officer, Chhattisgarh Environment Conservation Board has filed a complaint under section 41,43 & 47 of Water Act 1974 against NMDC, Kirandul Project in Hon'ble court of Bacheli on 3/12/2016. However, the same was not informed to Kirandul Project by CECB, Jagdalpur.

Taking cognizance of the complaint after period of almost 8 months, judicial Magistrate First Class, Bacheli summons to NMDC dated 29.07.2017, directed to present before the Hon'ble court on 03.08.2017. The matter is sub-judice.

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 (FIMI)
- Skill Council for Mining Sector (SCMS)
- Mining Engineers Association of India (MEAI)
- The Mining, Geological & Metallurgical Institute of India (MGMI)
- Indian Institute of Mineral Engineers (IIME)
- 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)
- Global Compact, UN

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

Yes, following are the broad areas:

- Sustainable Mining Practices
- Energy Conservation
- Inclusive Development)

Principle 8: Businesses should support inclusive growth and equitable development

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

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

Literacy and Education

- NMDC's Siksha Sahayog Yojana
- NMDC Balika Siksha Yojana
- Operation of Polytechnic College at Dantewada
- Operation of ITIs at Dantewada and Nagarnar
- Operation of Astha Gurukul- Residential School for SC, ST & Orphans etc.
- Operation of 'Saksham' a School for the differently abled School at Dantewada
- Choo Lo Aasman Scheme- Provision of Tutorial Support to Tribal students aspiring to appear in Professional Competitive Exams like IIT/PET/PMT etc.
- Ujjar- A Chhattisgarh Govt. Programme – to help 100 bright students to pursue higher education. NMDC is providing a financial assistance of ₹75,000/- per year per student for 3 years.
- Lakshya Scheme- Financial support for providing coaching to 150 un-employed youth to appear for job oriented competitive exams.

Health Care

- Free medical treatment at Project hospitals
- Hospital on Wheels
- Contribution to Maa Danteshwari Sanjeevni Kosh for referring poor patients to Higher Centre of Medical Care

Rural Development & Infrastructure

- Construction of roads and bridges
- Promotion of Solar Energy-Installation of Solar Pumps, solar electrification works & distribution of solar equipments
- Providing drinking water through thermal & solar energy-based water supply schemes and installation of hand pumps
- Integrated Village Development in 18 villages in south Bastar, Dantewada Dist.
- Farmers Development Scheme

Others

- Skill Development Programme for non-NMDC Stakeholder/contract labour in Mining & Steel Sector related skills.
- Skill Development programme for unemployed youth of surrounding areas.

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.

However, in order to have a clearer understanding of the impact of the NMDC's CSR activities of the Company and to make improvements in terms of monitoring, evaluation & study the socio-economic implications of its CSR interventions, a comprehensive study w.r.t. Baseline Study, Impact Assessment, Monitoring & Evaluation and Social Audit connected with the CSR Programme of the Company has been commissioned through reputed institutions viz., NIRD, Hyderabad & IHD, New Delhi.

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

NMDC has spent an amount of ₹169.37 crores on development projects as under in FY 2017-18 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 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's 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, NMDC's CSR Programme has been the recipient of the Awards & Accolades from the reputed industry bodies like SKOCH & CII – ITC in the year 2017-18.

NMDC takes all the requisite measures to ensure that its community development initiatives are 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. post implementation maintenance and up keep of the infrastructure and support to instill a sons of ownership among the beneficiaries for initiating the activity. Hence, sustainability has become an integral part of NMDC's CSR initiatives.

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 have been three (3) customer complaints pending in FY 2017-18.

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 2017-18.

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

No consumer survey has been done in FY 2017-18. 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 - VI

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 HANUMANTHA 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 31.03.2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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 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 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, the company has, during the audit period covering the financial year ended on March 31, 2018, 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, 2018, according to the 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;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

D. HANUMANTA RAJU & CO. COMPANY SECRETARIES

(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 - (Not applicable to the Company during the period of audit) 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

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(CSL)

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. Bahram Navroj Vakil was appointed as Independent Director on the Board of the Company pursuant to directions given by Ministry of Steel, Government of India, vide its Order No. 1/10/2015-BLA (Vol- III) dated 06/09/2017. However, it is observed that Form pertaining to appointment of Mr. Bahram Navroj Vakil was not filed with Registrar of Companies.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act excepting for filing of Form pertaining to appointment of Mr Bahram Navroj Vakil. In terms of Articles of Association of the Company all appointments to the Board are made by Government of India.

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.

PLACE: HYDERABAD
DATE : 08.08.2018

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS D.HANUMANTA 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.

'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 records 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. Wherever 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: 08.08.2018

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

D. HANUMANTA RAJU & CO COMPANY SECRETARIES

CS D.HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO: 1709

Page 4 of 4

ANNEXURE - VII

GLOBAL COMPACT - COMMUNICATION ON PROGRESS

ED/EPS/GC/03

20.07.2018

Dear Stakeholders,

As you are aware, UN Global Compact's governance framework is the world's largest sustainability initiative. It is a call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.

The UN Global Compact provides a universal language for corporate responsibility and provides a framework to guide all businesses regardless of size, complexity or location.

The Member States of the United Nations in September 2015 laid a path for the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of "Agenda 2030" are the 17 Sustainable Development Goals (SDGs) which clearly define the world we want — applying to all nations and leaving no one behind.

The new Global Goals result from a process that has been more inclusive than ever, with Governments involving business, civil society and citizens from the outset. Fulfilling these ambitions will take an unprecedented effort by all sectors in society — and business has to play a very important role in the process. Responsible business practices, combined with collaboration and innovation, can bring about powerful change in markets and societies – proving that principles and profits go hand in hand.

NMDC has in the past contributed actively through its' responsible business practices towards achieving the Ten Principles of UN Global Compact and want to play an important role in coming years to support them. I call upon you to be an active partner in our endeavor to support the UN Global Compact and its principles.

With warm regards,

Yours sincerely,

N. Baijendra Kumar
Chairman–Cum–Managing Director

10 principles of UN Global Compact complied by NMDC

1. Business should support and respect the protection of internationally proclaimed human rights.
2. Business should ensure that they are not complicit in human rights abuses.
3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Business should support the elimination of all forms of forced and compulsory labour.
5. Business should support the effective abolition of child labour.
6. Business should support the elimination of discrimination in respect of employment and occupation.
7. Business should support a pre-cautionary approach to environmental challenges.
8. Business should undertake initiatives to promote greater environmental responsibility.
9. Business should encourage the development and diffusion of environmentally friendly technologies.
10. Business should work against corruption in all its forms, including extortion and bribery.

The CEO / CMD signed statement along with COP for UN Global Compact for the year 2017-18 is available on NMDC's website (https://www.nmdc.co.in/docs/NMDC%20 GC% 202017-18.pdf).

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 ₹

Sl. No	Particulars	Details						
1		1	2	3	4	5	6	7
2	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
3	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
4	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
5	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@50.74	Rupees	Rupees	Rupees
6	Share Capital (paid up)	297,400,300	1,000,000	5,500,000	3,148,226,370	100,000	100,000	100,000
7	Reserves & Surplus	(151,224,387)		(1,208,337)	(2,453,667,516)	(304,772)	(336,999)	(446,370)
8	Total Assets	359,441,386	764,072,266	5,222,190	701,701,828	6,396,112,937	13,871	13,371
9	Total Liabilities	212,291,109	763,072,266	930,527	7,142,974	6,396,317,709	250,870	359,741
10	Investments							
11	Turnover							
12	Profit before taxation	14,087,285		(591,615)	(44,010,574)	(73,869)	(145,889)	(320,307)
13	Provision for taxation							
14	Profit after taxation	14,087,285		(591,615)	(44,010,574)	(73,869)	(145,889)	(320,307)
15	Proposed Dividend							
16	% 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

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Associates					Joint Ventures				
	International Coal Ventures (Pvt) Ltd.	Neelachal Ispat Nigam Limited	Krishna-patnam Railway Company Limited	Chhatish-garh Mega Steel Limited	Romelt- Sail (India) Limited	* Kopano-NMDC Minerals (Proprioetary) Limited	NMDC CMDC Limited, Raipur	Jharkhand National Mineral Development Corporation Limited, Ranchi	Bastar Raiway Pvt. Limited	NMDC-SAIL Limited
1.Latest audited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018	31.03.2018		31.03.2017	31.03.2018	31.03.2018	31.03.2018	31.03.2018
2.Shares of Associate/ Joint Ventures held by the company on the year end	376,357,143	74,799,878	40,000,000	13,000	105,000	50	98,347,236	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	14.07.2016	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	3,763,571,430	1,005,997,560	400,000,000	130,000	1,050,000	324	983,472,360	60,000	19,565,000	255,000
Extent of Holding %	25.94%	12.87%	14.82%	26%	25%	50%	51%	60%	54.27%	51%
5.Description of how there is signficant influence										
6.Reason why the associate / joint venture is not consolidated										
7.Networth attributable to share holding as per latest audited Balance sheet (₹ In Crore)	536.36	(71.05)	41.1	0.01	-	-	94.57	0.03	0.60	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 2016-17 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 – https://www.nmdc.co.in/CSR_Policy.aspx

Major CSR activities taken up by NMDC in FY 2017-18

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 city at Jawanga Geedam in Dantewada District,
- Polytechnic College at Dantewada
- Astha Gurukul – Residential School for SC, ST, Orphans etc,
- Saksham – Residential School for children with special needs,
- Balika Shiksha Yojana- sponsoring 40 students from Bastar Region, Chhattisgarh to Nursing Courses at Apollo School & college of Nursing, Hyderabad
- Education city 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.

Construction of E-Toilets in Hyderabad, Raipur, Kirandul, Bacheli & Donimalai

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 1662 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 2017-18 are as follows:

i) Construction of Gaurav Path at Kirandul & Bacheli

ii) Various Developmental works like Roads, drains, Bridges, Culverts, Repair & maintenance of Buildings, construction of new buildings etc. in Gram Panchayats around NMDC Projects in Bailadila

iii) Interior works at Auditorium Sukma

iv) Various infrastructural in Dhurli, Dantewada

v) Construction of CC road from Ranjithpura to Navalhatti

vi) Creation of Rehabilitation facility to Street Vendors in Donimalai

D) Promotion of Sports

i) Initiated partnership with State Govt. of Chhattisgarh for setting up of an Archery & Shooting Academy & Athletics track in Bastar District

ii) Development of Stadium at Sandur

iii) Initiated partnership with MP Kayaking & Canoeing Association for promotion of water sports by development of infrastructure for one Sports Centre & assisting conduct of an international level event.

E) Skill Development

Apart from continuing Skill Development programme being undertaken in partnership with NSDC in Mining & Steel Sector related skills, with a target of training 1600 youth/Non-NMDC stakeholders/contract labour over a period of 3 years, NMDC has initiated a Skill Development programme for the benefit of 200 local youth from SC/ST/OBC/ BPL categories in construction industry related skills in 2017-18.

F) 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 Comprehensive studies of the CSR Programme: NMDC has commissioned the following studies in connection with the CSR programme of the Company:

i) Baseline Survey,

ii) Monitoring & Evaluation,

iii) Impact Assessment and

iv) Social Audit

1.2 CSR Awards

NMDC has bagged various awards in the area of CSR:

1) NMDC was bagged the coveted Platts Global Metals Award in the CSR category.

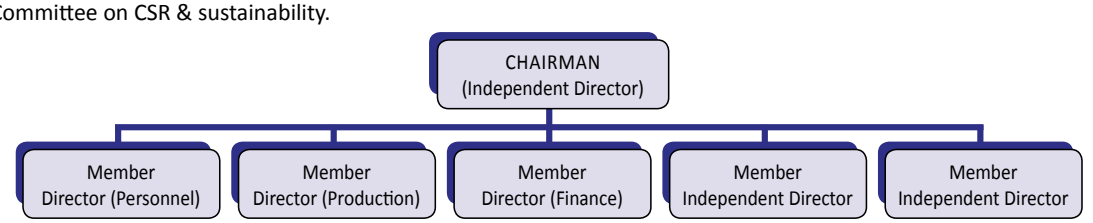
2) NMDC was conferred with SKOCH BSE Order of Merit Award for its Unique Scheme"Shiksha Sahayog Yojana".

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

4) NMDC got "CII-ITC Sustainability Award 2017" under CSR category.

2. The composition of CSR Committee.

In Compliance with the provisions of sec 135. (1) of 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.

₹ 6050.92 Cr

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

An amount of ₹121.02 Cr amounting to 2 % of PBT of preceding three years. Apart from this amount of ₹74.14 Cr of unspent CSR fund of 2016-17 has been carried forwarded to 2017-18. Thus, the total annual CSR Budget for 2017-18 was ₹195.16 Cr.

5. Details of CSR Spent during the financial year 2017-18

(a) Total amount spent during the financial year – ₹169.37 Cr

(b) Amount unspent - ₹25.79 Cr.

(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 ₹169.37 Crores during the year 2017-18 which is 2.80% 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.

8. Implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Director (Personnel)
Independent Director & Chairman
CSR & Sustainability Committee

Statement of Details of CSR Budget & Expenditure during F.Y. 2017-18

(Amount in ₹Lakhs)

S No	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) State & Dist where Projects or Programmes was undertaken	Amount Outlay (budget) project or programme wise	Amount spent on the projects or programmes	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	2571.28	1858.1	1858.1	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	8739.16	6448.97	6448.97	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	138.00	137.99	137.99	Directly, Through implementing Agencies & State Govt
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	875.89	2790.65	2790.65	Directly & State Govt

(Amount in ₹Lakhs)

S No	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) State & Dist where Projects or Programmes was undertaken	Amount Outlay (budget) project or programme wise	Amount spent on the projects or programmes	Cumulative expenditure upto the Reporting Period	Amount spent: Direct or through implementing agency
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	296.00	191.64	191.64	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	0	0	
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	982.91	1326.00	1326.00	Directly, Through implementing agencies & State Govt
8	Rural Development Projects	Infrastructure Development, Integrated Village Development	**Local Area** Chhattisgarh Karnataka Madhya Pradesh	5127.43	4055.99	4055.99	Directly, Through implementing agencies & State Govt
9	Miscellaneous		**Local Area** Chhattisgarh Karnataka Madhya Pradesh	785.35	127.96	127.96	
	GRAND TOTAL			**19516.02**	**16937.3**	**16937.3**	

The CSR Programmes are carried out primarily in the following districts of States as mentioned below:
Chhattisgarh - Bastar, Dantewada, Sukma, Kondagaon, Narayanpur, Bijapur, Kanker
Karnataka- Bellary
Madhya Pradesh - Panna

ANNEXURE - X

RECOMMENDATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE (RAJYA SABHA) IN ITS 150TH REPORT – DETAILS TO BE PROVIDED IN THE ANNUAL REPORT.

Details to be provided in the Annual Report in terms of recommendations made by the Committee on Papers laid on the Table (Rajya Sabha) in its 150th Report are as under:-

I. Details of the vigilance cases for the FY 2017-18

Opening balance as on 01.04.2017	Vigilance cases received during 01.04.2017 to 31.03.2018	Disposed off	Balance
8	NIL	5	3

8 cases are:

1 Surprise inspection by Vigilance dept., Kirandul regarding free issue material to the contractor, Kirandul - Disposed off in August 2017

2 Complaints received from 3 dentists regarding recruitment of visiting dentist at Project hospital, DMP, Panna - disposed off in December 2017

3 Telephonic complaint dt. 21.10.2014 received by Vigilance Officer, Donimalai regarding theft of cement bags from the construction site at Donimalai - disposed off in October 2017

4 Regarding submission of fraudulent medical TA bill / Hotel bill claim - disposed off in August 2017

5 Complaints dt 21.05.2016 & 07.07.2016 received in the vigilance dept. regarding irregularities in the recruitment of Misc. Attendant (Tr.) (PWD) at DMP, Panna - disposed off in March 2018

6 Complaint dt. 14.07.2014 received at ACB, Hyderabad forwarded by CBI regarding irregularities in the recruitment of AM (IS) in NMDC - **pending**

7 Complaint dt. 31.08.2013 & 13.09.2013 from Shri G. Ankamma Rao regarding irregularities in the recruitment of Jr. Officer (Min.) at Donimalai - **pending**

8 Complaint regarding Unwanted recruitment in NMDC forwarded by Ministry of Steel and others - **pending**

II. DETAILS OF CAG PENDING PARAS AND MANAGEMENT REPLIES

Audit para no and year	Brief of audit para	Management reply
Audit Para 12.1 in CAG report no: 13 of 2013 (Commercial)	**Irregular payment towards encashment of Half pay leave.** Audit observed that certain CPSEs have deviated from the DPE guidelines and made irregular payment to their employees towards encashment of HPL on retirement over and above the ceiling of 300 days fixed by DPE. At NMDC the impact is ₹4.19 cr.	The encashment of EL and HPL at the time of superannuation has been restricted to 300 days w.e.f 1.8.2013. Regarding effecting recoveries from retired employees the same is impermissible in Law as clarified by DoPT vide OM 18/03/2015-Estt dated 2nd May 2016 in the light of Supreme Court direction in the State of Punjab & Others Vs Rafiq Masih.
Audit para 14.1 in CAG report no: 13 of 2013 (Commercial 2013)	**Idle Investment of ₹65.55 cr.** The company has commissioned six wind energy generators in Sep 2008 and one unit in Mar 2009 with installed capacity of 10.5 MW at a total cost of ₹65.55 cr by engaging Suzlon Energy Limited on a turnkey basis.	As per clause no: 9(A) of the work order dated 27/3/18 placed on M/s Suzlon, the contractor was responsible for arranging necessary statutory clearances/approvals.

Audit para no and year	Brief of audit para	Management reply
	However, operations of these wind energy generators were stopped in Oct'10 by the forest authorities for want of forest clearance for the 33 KV transmission lines laid (without approval) in the forest land (from wind energy farm to Grid) in Jogimatti Reserve Forest .	After stoppage of operations of wind energy generators in Oct'10 by the forest authorities for want of forest clearance for the 33 KV transmission lines laid (without approval) in the forest land, M/s Suzlon has set up an alternate evacuation route and after necessary approvals, the Wind energy generators are operating from Dec'13.
	Company failed in exercising due diligence in ensuring the availability of the required statutory approvals led to idling of the entire investments of ₹65.55 crore and consequential loss of revenue of ₹9.83 cr due to stoppage of power generation during Oct'10 to Mar'12. Further 289 lakh units of power which could have been generated are lost forever which is a loss of energy to the nation well.	In respect of claim on M/s Suzlon for compensation for the non-operating period, the claim is under arbitration.
Audit para 15.2 in CAG report no: 9 of 2017	**Avoidable expenditure towards interest on delayed payment of royalty.**	

Audit para no and year	Brief of audit para	Management reply
	NMDC was paying royalty to DMG on a provisional basis based on the estimated quantity of dispatches. Since the royalty payable was to be computed for the actual quantity dispatched as per the price declared for that month by IBM at a later date, NMDC was expected to monitor the royalty actually paid and royalty payable and pay any differential amount due to DMG. The Company, however, relied on DMG to raise demands for such differential amounts, if any to be paid, at the end of each financial year. No demands, however, were raised by DMG immediately after the end of financial years from 2007-08 to 2011-12. However, in January 2013, a demand was raised by DMG, Hospet seeking payment of differential royalty of ₹34.85 crore for the above period, with specific mention that the demand was subject to further scrutiny and approval by Director, DMG, Bangalore. NMDC paid this amount on 19 January 2013. DMG, Hospet, at the request of NMDC, issued (March 2013) a 'No Dues Certificate' as well, based on the existing demands raised and payments made. In February 2016, DMG raised another demand of ₹40.52 crore towards differential royalty for the period 2009-10 to 2011-12 which included interest on the arrears up to 2014-15 amounting to ₹34.34 crore, computed at the rate of 24 per cent per annum. The above amount was deducted (March 2016) by the Monitoring Committee from the sales proceeds payable to NMDC and remitted to DMG.	As per the earlier practice at the end of every Financial Year, NMDC, Donimalai unit used to submit the details of month wise actual dispatches (grade wise) along with details of advance payments made to Department of Mines and Geology, Hospet (DMG) for verification and to issue demand notice. After due verification, DMG used to give demand notice for releasing differential royalty, if any, and accordingly NMDC used to release the payment. Accordingly, DMG had conducted the assessment regularly up to F.Y 2006-07 and NMDC discharged the liability. However, DMG did not take up the royalty assessment for the F.Ys 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 (up to September'2011) in spite of submitting every year the details with DMG and also regularly pursuing to take up the Royalty Audit of the respective years. After making several requests by NMDC, finally DMG issued demand notice dated 16.01.2013 for ₹34.85 crores covering all the periods as stated above. After due verification, NMDC has released the amount of ₹34.85 crores to DMG vide DD dated 19.01.2013 on receipt of demand notice from DMG. At the request of NMDC, DMG, Hospet had also issued "No Due Certificate" dated 27.03.2014 stating that there are no dues from NMDC up to 2011-12. However, after a gap of two years of issue of "No Due Certificate", DMG, Hospet issued a fresh demand notice dt. 19.02.2016 to pay an amount of ₹40.52 crores towards differential royalty for the F.Ys 2009-10 to 2014-15 informing that the demand is based on the annual auditing for the period from 2009-10 to 2014-15.
	Thus, failure on the part of NMDC to compute the royalty correctly and pay the same on a timely basis during the period from 2009-10 to 2011-12, resulted in avoidable payment of interest amounting to ₹34.34 crore in March 2016	It is mentioned in the letter that annual auditing of Mining Leases could not be done earlier as the original permit files pertaining to Mining leases for the year 2009-10 & 2010-11 have been taken over by various investigating agencies.

Audit para no and year	Brief of audit para	Management reply
		The short fall in royalty occurred as DMG has first appropriated the payments made by the company in subsequent years towards the interest on differential royalty payable calculated by them. As the assessment of royalty for annual auditing for the period from 2007-08 to 2011-12 was already completed and considering the dues paid by NMDC,DMG, Hospet had issued No Due Certificate, Company is of the view that it is not correct to appropriate the payments made by the company in subsequent years towards the interest on differential royalty payable. However, in this connection, it is to state that considering the practice being followed at that time (payment of advance royalty and later on differential royalty after receipt of demand notice from DMG at the end of every financial year), NMDC did not pay the differential royalty to DMG in the absence of any demand notice from DMG. The demand of DMG for payment of interest for differential royalty, that too after a gap of two years after issue of "No Due Certificate" by the same office was not fair and considered as forceful and unilateral imposition of penalty. The Company has filed a writ petition no: 9859/2017 in the High Court of Karnataka, Bangalore on 4.6.2017. The case is pending.
Para 3.3.8 of CAG report no: 6 of 2017 (Commercial)	**Para no: 3.3.8** The Board of directors shall evaluate the performance of independent directors and on the basis of report of such evaluation, it shall be determined whether to extend or continue the term of appointment of independent director. NMDC is one among the 16 PSUs mentioned where the Board did not evaluate the performance of Independent directors	In terms of Articles of Association of NMDC, all appointments to the Board are made by President of India. In terms of Ministry of Corporate Affairs' Notification dated 05.07.2017, inter alia, Paragraph-VIII dealing with evaluation mechanism shall not apply in case of Govt. companies as defined in Clause 45 of Section 2 of the Companies Act, 2013.

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 2018

The preparation of financial statements of NMDC Limited, Hyderabad for the year ended 31 March 2018 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 vide their Audit Report dated 28 May 2018.

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 2018. 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: 16 July 2018

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Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To

The Members
NMDC Limited
Hyderabad

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NMDC Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 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 financial statements.

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We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements and other financial information of 6 branches included in the accompanying standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs.19,318.47 Crores as at March 31, 2018 and total revenues of Rs. 11614.15 Crores for the year ended on that date. The financial statements and other financial information of these branches have 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") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in "**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, based on our audit 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 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 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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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,as amended, 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 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For Tej Raj & Pal
Chartered Accountants
(Firm's Registration No. 004124E)

CA B Vijay
Partner
(Membership No 214678)

Hyderabad, May 28, 2018

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"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirement' section of our report to the members of NMDC Ltd of even date)

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are physically verified by the management over a period of three years. In our opinion the periodicity of the physical verification is reasonable having regard to the size of the company and the nature of fixed assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company as to whether the title deeds of immovable properties are held in the name of the company, our observations are listed below:

A. Below are the Leasehold Lands (General/ Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification:

1. Land Lease Hold of Dep No. 10 for Iron Ore measuring 308.13 (Hectares) and valuing Re. 1/-;
2. Land Lease Hold of Pocket No. 1, 2, and 3 Near Bhansi measuring 189.956 (Hectares) and valuing Re. 1/-;
3. Land Lease Hold of Bacheli Float Ore measuring 99.956 (Hectares) and valuing Re. 1/-;
4. Land Lease Hold of Dep-11C Mines & Fine Ore Dump measuring 122.619(Hectares) valuing Rs. 21,84,430/-
5. Mining Lease of Dep-14 measuring 17.81 (Hectares) and valuing Rs. 57,31,352/-;
6. Land Lease Hold (for Town Ship) Type II Qtr in Kirandul measuring 20.81 (Hectares) and valuing Nil
7. Land acquisition for Screening Plant measuring 470.00(Acres) and valuing Nil
8. Land Acquisition for Intake Arrangement (Location- Bacheli) measuring 14.13(Acres) and valuing Nil
9. Land for Sankini Nalla W/Supply Scheme for 10 & 11A Project measuring 2 (Hectares) and valuing Rs.1,03,528/-;
10. Land for Sankini Nalla W/Supply Scheme for 10 & 11A Project measuring 3 (Hectares) and valuing Nil;
11. Land for Bailadila Estate at Jagdalpur measuring 10 (Acres) valuing Nil;
12. Land for Operation Township at Hilltop valuing Nil;
13. Buildings (Social Amenities) with Gross Block Rs.72,17,92,289/- and Net Block Rs.68,22,65,758/-

B. Below are the Freehold Lands (General/ Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification:

1. Land- Areas in Bacheli Pargana measuring 14.4 (Acres) and valuing Rs. 4,953/-;
2. Land- Area in Bacheli Pargana (Kameli Kala) measuring 2.10 (Acres) and valuing Rs. 557/-;
3. Land- Area in Bacheli Pargana (PoroKameli) measuring 3.27 (Acres) and valuing Rs. 1,341/-;
4. Land- Areas in Kodenar Pargana measuring 5.16 (Acres) and valuing Rs. 1,606/-;
5. Land- Areas in Kirandul Pargana measuring 19.22 (Acres) and valuing Rs. 13,995/-;
6. Land- Areas in Bada Bacheli measuring 1.46 (Acres) and valuing Rs. 384/-;
7. Land- Areas in Bada Bacheli Pargana measuring 6.65 (Acres) and valuing Rs. 2,468/-;
8. Land- Areas in Padapur Pargana measuring 4.28 (Acres) and valuing Rs. 2,443/-;
9. Land- Area in Jagdalpur measuring 5.823 (Hectares) and valuing Rs. 1,05,778/-;

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10. Land for Accumulation of Slimes measuring 29.58 (Acres) and valuing Rs. 7,09,502/-;
11. Land at Madadi Vil. measuring 15.79 (Acres) and valuing Rs. 4,46,722/-;
12. Land Freehold in Kirandul Pargana measuring 47.18(Acres) and valuing Rs. 22,569/-;
13. Land Freehold (Construction of 100 Permanent Type- C Qtrs) measuring 75.90(Acres) and valuing Rs 46,200/-
14. Land Freehold for Construction of K.V. School Near Praleosh Vidyalaya measuring 21.62(Acres) and valuing Rs. 22,39,610/-
15. Land for Bhansi Camp (Location- Bachell) valuing Rs.7,840/-;
16. Land acquired for Const. of Intake Water Supply to Screening Plant (Location- Bachell) measuring 14(Acres) and valuing Rs.18,967/-;
17. Value of Private Land from Adivasi for Pipeline from Nerli Dam to Screening Plant(Location- Bachell) measuring 1.54(Acres) and valuing Rs.7,375/-;
18. Value of Private Land for Oxidation Pond (Location- Bachell) measuring 17.77 (Acres) and valuing Rs.13,294/-;
19. Land for Rly Siding at Bachell measuring 4(Acres) and valuing Rs.5,502/-;
20. Land acquired from Adivasi for Tailing Dam near Panpur measuring 81.30(Acres) and valuing Rs.2,11,395/-;
21. Acquisition of Land for Tailing Dam valuing Rs.30,635/- for which no measurement details are available;
22. Forest Land for Unilloverly Dispatch System measuring 20Hectares) and valuing Rs.12,40,000/-;
23. Buildings (General) with Gross Block Rs.37,46,50,472/- and Net Block Rs.33,56,96,395/-
24. Land valued at Rs.2,58,392/- for which no measurement details are available;
25. Land at Panna (Plot No.1236/3) measuring 2.063(Acres) and valued at Rs.5,176/-
26. Land at Panna (Plot No.76/2) measuring 1.821(Acres) and valued at Rs.3,304/-
27. Land at Panna (Plot No.123/2) measuring 2.063(Acres) and valued at Rs.7,378/-
28. Land at Panna (Plot No.1236/2) measuring 15.873(Acres) and valued at Rs.30,085/-;

C. Below are the Leasehold Lands (General) for which the company holds possession letter issued by Joint Secretary, Mining Resources Department, Raichur:
   1. Land Lease Hold Dep-14 Mines measuring 407.55(Hectares) and valuing Rs. 41,31,186/-
   2. Land Lease Hold Dep-14 Non Mining measuring 546.882(Hectares) and valuing Rs.66,49,906/-;
   3. Land Lease Hold Dep No. 11 For Iron Ore measuring 1809.23(Hectares) and valuing Re.1/-;

D. Below are the Leasehold Lands (General) for which the company holds possession letter issued by Chief Secretary , Mining resources Dept, M.P.
   1. Land lease Hold of Dep No. 14 for Float Ore measuring 317.79(Hectares) and valuing Nil;

E. Below are the Freehold Lands for which the company holds possession letter(Kabja Praman Patra) issued by Tahsildar, Jagdalpur:
   1. Land at villages Nagarnar, Kasturi, Amaguda & Maganpur measuring 288.79(Hectares) and valuing Rs.7,27,58,374/-;
   2. Land at village Bhansani measuring 1.83(Hectares) and valuing Rs.1,36,380/-;
   3. Land at villages Nagarnar, Bijapur, Upanpal, Kasturi, Amaguda, Madpal, Chokawada & Maganpur measuring 318.74(Hectares) and valuing Rs.88,08,16,636/-;
   4. Land at village Chokawada measuring 7.20(Hectares) and valuing Rs.26,31,600/-;
   5. Land at village Nagarnar measuring 155.55(Acres) the value for which has not been finalised;

[illegible]

F. Below are the Leasehold Lands for which the company holds possession letter (Kabja Praman Patra) issued by Tahsildar, Jagdalpur:
   1. Land at villages Dharpunji measuring 20.28(Hectares) and valuing Rs.3,10,20,964/-;

G. Below are the Leasehold Lands for which the company holds possession letter issued by Mining Officer District South Bastar,Dantewada:
   1. Mining Lease of Dep-05 measuring 1334.463(Acres) valuing Rs.53,99,96,215/-;
   2. Mining Lease of Dep-10 measuring 764.379(Acres) valuing Rs.29,89,00,615/-;
   3. Mining Lease of Dep-10(FO) measuring 352.858(Acres) valuing Rs.13,91,64,937/-;
   4. Mining Lease of Dep-11A measuring 764.379(Acres) valuing Rs.38,45,514/-;

H. Below are the Leasehold Lands for which the company holds possession letter of Lease Deed issued by Tahsildar, Bastar,M.P:
   1. Land Acquired for Central Workshop Location : Bacheli measuring 23.39(Acres) and valuing Rs.62,594/-;

I. Below are the Leasehold Lands(General/Social Amenities) for which the company holds possession letter issued by M.P Govt. Gazette Notification:
   1. Land Magazine Building and Service Centre (Location: Hilltop) measuring 755.27(Acres) and valuing Nil;
   2. Land for Bhansi Base Camp (Location:Bacheli) measuring 30(Acres) and valuing Nil;
   3. Land for Bacheli Township (Lease paid to DFO & Cost of stamp for Regn.) measuring 200(Acres) and valuing Nil;

J. Below are the Leasehold Lands(General) for which the company holds possession letter (Kabja Praman Patra) issued by New Raipur Development Authority:
   1. Land at Jhanj Raipur measuring 1.82(Hectares) valuing Rs.60,82,220/-;

K. Industrial Free Hold Land having Provisional Allotment Letters of 13.43 Acres Measuring 11.35(Acres) and valuing Rs.139.21(Crores);

L. Industrial Free hold Land of 26.39 Acres purchased from M/s Allyn Watches Ltd. measuring 24.23(Acres) and valuing Rs.5.88(Crores);

M. Industrial Free hold land of 1.32 Acres acquired from Chhattisgarh Housing Board measuring 1.43 (Acres) and valuing Rs.0.83(Crores)

N. Buildings (General Leasehold) with Net Block Rs.21,28,51,322/- constructed on mines lease area;

O. Buildings (Social Amneities Freehold) with Net Block Rs.64,97,52,288/- have been constructed over the land for which no title deeds are available.

(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.

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TEJ RAJ & PAL

Chartered Accountants

(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 grant of loans, making investments and providing guarantees and securities as applicable.

(5) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(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) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of income tax, sales tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute , except the following:

Unit	Name of Statue	Nature of Dues	Period	Forum where Dispute is Pending	Amount (In Rs. Crore)
Kirandul	The Finance Act, 1994	Service Tax	July 2012 – June 2014	The Appellate Tribunal	11.71
	The Finance Act, 1994	Service Tax on royalty	2016 - 2017 2017 - 2018	Chhattisgarh High Court, Bilaspur	71.16
	MP Commercial Tax Act	Commercial Act	2002-03, 2005-06, 2008-09	Dy. Commissioner of Commercial Tax (Appeal)	1.50
Donimalai	Karnataka Forest Act 1963	Forest Development Tax	2008-09 to 2010-11	Hon'ble Supreme Court of India	243.69
	Karnataka Sales Act 1957	Tax on EMP Licenses	1991-92 1992-93	Dy. Commissioner of commercial Tax, Bellary	0.51
	Central Excise, Customs and Service Tax	Service Tax	2012 – 13 to 2014-15	Commissioner of Central Excise (Appeals)	0.21
	The Finance Act, 1994	Service Tax on royalty	2016 - 2017 2017 - 2018	Director general of Intelligence, Belgaum	87.01

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	Karnataka Sales Tax Act 1957	CST/VAT-on FDT	2011-12	JCCT, Davangere, Karnataka	0.18
Panna	The Finance Act, 1994	Service Tax on royalty	2016 – 2017 2017 - 2018	Jabalpur High Court, Madhya Pradesh	0.85
	Commercial Tax	Sales & Entry tax	2013-14	DCIT, Sagar	0.23
Bachali	The Finance Act, 1994	Service tax	July 2012- June 2014	The Appellate Tribunal	54.38
	The Finance Act, 1994	Service tax on royalty	2016 –2017 2017-2018	Jabalpur high – Court	90.80
Head Office	Income Tax Act, 1961	Income Tax	2009-10,2010-11, 2012-13,2014-15,	CIT (A)	139.84
			2010-11, 2005-06, 1990-00 & 2001-02 2005-07 to 2009-10,2011-12	High Court	1271.40
			2012-13, 2013-14	ITAT, Hyderabad	318.60
	The Finance Act, 1994	Service Tax	01.0.2013 to 30.09.2014 & 01.10.2007 to 31.01.2012	CESTAT	28.28
			01.07.2012 to 31.03.2015	COM. (A), Mysore	0.17
RO Vizag	The Finance Act, 1994	Service Tax	2007-2008 to 2011-2012	The Customs, Excise and Service Tax Appellate Tribunal - Hyderabad	22.42
			Total		2,342.53

(8) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans and borrowing to any financial institution, banks, government or dues to debenture holders.

(9) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company

(10) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(11) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(12) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

(13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(14) During the year, the Company has not made any preferential allotment or private placement of shares or

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fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(15) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Tej Raj & Pal
Chartered Accountants
(Firm's Registration No. 304124E)

CA B Vijay
Partner
(Membership No. 214678)

Hyderabad, May 28, 2018

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"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NMDC Ltd of even date)

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.	We the auditors of the group , have noticed the following observations: A. Below are the Leasehold Lands (General/ Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification: 1. Land Lease Hold of Dep No. 10 for Iron Ore measuring 308.13 (Hectares) and valuing Re. 1/-; 2. Land Lease Hold of Pocket No. 1, 2, and 3 Near Bhansi measuring 189.956 (Hectares) and valuing Re. 1/-; 3. Land Lease Hold of Bacheli Float Ore measuring 99.956 (Hectares) and valuing Re. 1/-; 4. Land Lease Hold of Dep-11C Mines & Fine Ore Dump measuring 122.619(Hectares) valuing Rs. 21,84,430/- 5. Mining Lease of Dep-14 measuring 17.81 (Hectares) and valuing Rs. 57,31,352/-; 6. Land Lease Hold (for Town Ship) Type II Qtr in Kirandul measuring 20.81 (Hectares) and valuing Nil. 7. Land acquisition for Screening Plant measuring 470.00(Acres) and valuing Nil 8. Land Acquisition for Intake Arrangement (Location- Bacheli) measuring 14.13(Acres) and valuing Nil 9. Land for Sankini Nalla W/Supply Scheme for 10 & 11A Project measuring 2 (Hectares) and valuing Rs.1,03,528/-; 10. Land for Sankini Nalla W/Supply Scheme for 10 & 11A Project measuring 3 (Hectares) and valuing Nil; 11. Land for Bailadila Estate at Jagdalpur measuring 10 (Acres) valuing Nil; 12. Land for Operation Township at Hilltop valuing Nil; 13. Buildings (Social Amenities) with Gross Block Rs.72,17,92,289/- and Net Block Rs 68,22,65,758/- B. Below are the Freehold Lands (General/ Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification: 1. Land- Areas in Bacheli Pargana measuring 14.4 (Acres) and valuing Rs. 4,963/-; 2. Land- Area in Bacheli Pargana (Kameli Kala) measuring 2.10 (Acres) and valuing Rs. 557/-; 3. Land- Area in Bacheli Pargana (PoroKameli) measuring 3.27 (Acres) and valuing Rs. 1,341/-; 4. Land- Areas in Kodenar Pargana measuring 5.16 (Acres) and valuing Rs. 1,605/-; 5. Land- Areas in Kirandul Pargana measuring 19.22 (Acres) and valuing Rs. 13,985/-;

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6. Land- Areas in Bada Bacheli measuring 1.46 (Acres) and valuing Rs. 384/-;
7. Land- Areas in Bada Bacheli Pargana measuring 6.65 (Acres) and valuing Rs. 2,468/-;
8. Land- Areas in Padapur Pargana measuring 4.28 (Acres) and valuing Rs. 2,443/-;
9. Land- Area in Jagdalpur measuring 5.823 (Hectares) and valuing Rs. 1,05,778/-;
10. Land for Accumulation of Slimes measuring 39.58 (Acres) and valuing Rs. 7,09,503/-;
11. Land at Madadi Vill measuring 15.79 (Acres) and valuing Rs. 4,46,722/-;
12. Land Freehold in Kirandul Pargana measuring 47.18(Acres) and valuing Rs. 22,569/-;
13. Land Freehold (Construction of 100 Permanent Type- C Qtrs) measuring 75.90(Acres) and valuing Rs. 48,200/-
14. Land Freehold for Construction of K.V. School Near Praleosh Vidyalaya measuring 21.62(Acres) and valuing Rs. 22,39,610/-
15. Land for Bhansi Camp (Location- Bacheli) valuing Rs.7,840/-;
16. Land acquired for Const. of Intake Water Supply to Screening Plant (Location- Bacheli) measuring 14(Acres) and valuing Rs.18,587/-;
17. Value of Private Land from Adivasi for Pipeline from Nerli Dam to Screening Plant(Location- Bacheli) measuring 1.54(Acres) and valuing Rs.7,375/-;
18. Value of Private Land for Oxidation Pond (Location- Bacheli) measuring 17.77(Acres) and valuing Rs.13,294/-;
19. Land for Rly Siding at Bacheli measuring 4(Acres) and valuing Rs.5,502/-;
20. Land acquired from Adivasi for Tailing Dam near Parapur measuring 81.39(Acres) and valuing Rs.2,11,395/-;
21. Acquisition of Land for Tailing Dam valuing Rs.30,535/- for which no measurement details are available;
22. Forest Land for Uniflowtly Dispatch System measuring 2(Hectares) and valuing Rs.12,40,000/-;
23. Buildings (General) with Gross Block Rs.37,46,50,472/- and Net Block Rs.33,56,95,395/-
24. Land valued at Rs.2,68,392/- for which no measurement details are available;
25. Land at Panna (Plot No.1236/3) measuring 2.063(Acres) and valued at Rs.5,176/-
26. Land at Panna (Plot No.76/2) measuring 1.821(Acres) and valued at Rs.3,304/-
27. Land at Panna (Plot No.1237/2) measuring 2.063(Acres) and valued at Rs.7,370/-
28. Land at Panna (Plot No.1236/2) measuring 15.873(Acres) and valued at Rs.30,085/-;

C. Below are the Leasehold Lands (General) for which the company holds possession letter issued by Joint Secretary, Mining Resources Department, Raidhar.

1. Land Lease Hold Dep-14 Mines measuring 407.55(Hectares) and valuing Rs. 41,31,186/-
2. Land Lease Hold Dep-14 Non Mining measuring 546.882(Hectares) and

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valuing Rs.66,49,906/-;

3. Land Lease Hold Dep No. 11 For Iron Ore measuring 1809.23(Hectares) and valuing Rs.1/-;

D. Below are the Leasehold Lands (General) for which the company holds possession letter issued by Chief Secretary , Mining resources Dept. M.P:
   1. Land lease Hold of Dep No. 14 for Float Ore measuring 317.79(Hectares) and valuing Nil;

E. Below are the Freehold Lands for which the company holds possession letter(Kabja Praman Patra) issued by Tahsildar, Jagdalpur:
   1. Land at villages Nagarnar, Kasturi, Amaguda & Maganpur measuring 288.79(Hectares) and valuing Rs.7,27,58,374/-;
   2. Land at village Bhamani measuring 1.82(Hectares) and valuing Rs.1,35,380/-;
   3. Land at villages Nagarnar, Bijaput, Upanpal, Kasturi, Amaguda, Madpal, Chokawada & Maganpur measuring 318.74(Hectares) and valuing Rs.88,08,16,636/-;
   4. Land at village Chokawada measuring 7.20(Hectares) and valuing Rs.26,31,600/-;
   5. Land at village Nagarnar measuring 155.55(Acres) the value for which has not been finalised.

F. Below are the Leasehold Lands for which the company holds possession letter (Kabja Praman Patra) issued by Tahsildar, Jagdalpur:
   1. Land at villages Dhanpunji measuring 20.28(Hectares) and valuing Rs.3,10,20,964/-;

G. Below are the Leasehold Lands for which the company holds possession letter issued by Mining Officer District South Bastar,Dantewada:
   1. Mining Lease of Dep-05 measuring 1334.463(Acres) valuing Rs.53,99,96,215/-;
   2. Mining Lease of Dep-10 measuring 764.379(Acres) valuing Rs.29,89,00,815/-;
   3. Mining Lease of Dep-10(FC) measuring 352.858(Acres) valuing Rs.13,91,64,937/-;
   4. Mining Lease of Dep-11A measuring 764.379(Acres) valuing Rs.38,45,514/-;

H. Below are the Leasehold Lands for which the company holds possession letter of Lease Deed issued by Tahsildar, Bastar,M.P:
   1. Land Acquired for Central Workshop Location : Bacheli measuring 23.39(Acres) and valuing Rs.62,594/-;

I. Below are the Leasehold Lands(General/Social Amenities) for which the company holds possession letter issued by M.P Govt. Gazette Notification:
   1. Land Magazine Building and Service Centre (Location: Hilltop) measuring 755.27(Acres) and valuing Nil;
   2. Land for Bhansi Base Camp (Location:Bacheli) measuring 30(Acres) and valuing Nil;
   3. Land for Bacheli Township (Lease paid to DFO & Cost of stamp for Regn.)

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		measuring 200(Acres) and valuing Nil. J. Below are the Leasehold Lands(General) for which the company holds possession letter (Kabja Praman Patra) issued by New Raipur Development Authority: 1. Land at Jhanj Raipur measuring 1.82(Hectares) valuing Rs.60,82,220/-. K. Industrial Free Hold Land having Provisional Allotment Letters of 13.43 Acres Measuring 11.35(Acres) and valuing Rs.139.21(Crores); L. Industrial Free hold Land of 26.39 Acres purchased from M/s Allyn Watches Ltd. measuring 24.23(Acres) and valuing Rs.5.66(Crores); M. Industrial Free hold land of 1.32 Acres acquired from Chhattisgarh Housing Board measuring 1.43 (Acres) and valuing Rs.0.83(Crores) N. Buildings (General Leasehold) with Net Block Rs.21,28,51,322/- constructed on mines lease area. O. Buildings (Social Amnenties Freehold) with Net Block Rs.64,97,52,286/- have been constructed over the land for which no title deeds are available.
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 2017-18.
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 2017-18.

For **Tej Raj & Pal**
Chartered Accountants
(Firm's Registration No. 304124E)

CA.B.Vijay
Partner
(Membership No.214678)

Hyderabad, May 28, 2018

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"ANNEXURE C" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NMDC Ltd of even date)

Report on the Internal Financial Controls over Financial Reporting 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 March 31, 2018 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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

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prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies ,its associates and jointly controlled entities,which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective Companies 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
(Firm's Registration No. 304124E)

CA B Vijay
Partner
(Membership No 214678)

Hyderabad, May 28, 2018

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BALANCE SHEET AS AT 31ST MARCH 2018

₹ in crore

Particulars	Note No.	Figures as at the end of current reporting year 31-March-2018	Figures as at the end of previous reporting year 31-March -2017
ASSETS			
Non-Current Assets			
a) Property, plant & equipment	2.1	2,507.53	1,730.76
b) Capital work-in- progress	2.2	12,519.90	11,831.36
c) Other intangible assets	2.3	164.17	222.05
d) Financial assets			
i) Investments	2.4.1	786.45	726.98
ii) Loans	2.4.2	779.68	731.12
e) Deferred tax assets (Net)	2.5	385.71	453.36
f) Other non-current assets	2.6	2,626.23	2,060.12
Total non-current assets		**19,769.67**	**17,755.75**
Current Assets :			
a) Inventories	2.7	571.69	540.04
b) Financial assets			
i) Trade receivables	2.8.1	1,472.74	1,043.52
ii) Cash and cash equivalents	2.8.2	25.97	70.38
iii) Bank balances other than (ii) above	2.8.3	5,412.25	5,218.90
iv) Other financial assets	2.8.4	447.00	285.18
c) Current tax assets (Net)	2.9	602.10	564.32
d) Other current assets	2.10	307.29	179.34
e) Assets held for disposal	2.11	0.41	44.63
Total current assets		**8,839.45**	**7,946.31**
Total Assets		**28,609.12**	**25,702.06**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	2.12	316.39	316.39
b) Other equity	2.13	24,037.44	22,202.55
Total equity		**24,353.83**	**22,518.94**
Liabilities			
Non- Current Liabilities			
a) Provisions	2.14	714.12	611.20
Total non-current liabilities		**714.12**	**611.20**
Current Liabilties			
a) Financial liabilities			
i) Borrowings	2.15.1	500.09	-
ii) Trade payables	2.15.2	159.54	198.78
iii) Other financial liabilities	2.15.3	1,887.31	1,230.46
b) Other current liabilities	2.16	966.83	836.65
c) Provisions	2.17	27.40	306.03
Total current liabilities		**3,541.17**	**2,571.92**
Total liabilities		**4,255.29**	**3,183.12**
Total equity and liabilities		**28,609.12**	**25,702.06**
Significant Accounting Policies and notes on accounts : 1 & 2			

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

(CA B VIJAY)
Partner
Membership No: 214678

Place : Hyderabad
Dated : 28/05/2018

For and on behalf of the Board

(NARENDRA KUMAR NANDA)
Director (Technical)

(N.BAIJENDRA KUMAR)
Chairman-cum -Manging Director

(ABANINDRA KUMAR PADHY)
General Manager (Finance)

(A S PARDHA SARADHI)
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

₹ in crore

Particulars	Note No	Figures for the current reporting year 31-March-2018	Figures for the previous reporting year 31-March-2017
I. Revenue from operations	2.18	11,614.91	8,829.64
II. Other Income	2.19	519.73	908.81
III. Total Income (I+II)		**12,134.64**	**9,738.45**
IV. Expenses :			
Consumption of raw materials	2.20	17.33	5.37
Excise duty		0.01	1.50
Consumption of stores & spares		270.30	264.08
Changes in inventories of finished goods/work in progress	2.21	(38.48)	98.87
Employee benefit expense	2.22	1,046.42	885.58
Power and electricity	2.23	99.20	87.60
Repairs & maintenance	2.24	144.66	112.22
Royalty & other levies		2,119.54	1,524.74
Selling expenses	2.25	639.68	725.93
Finance cost	2.26	37.10	20.76
Depreciation and amortization expense	2.1 & 2.3	256.04	196.18
Other expenses	2.27	1,507.48	1,521.94
Total expenses		6,099.28	5,444.77
V. Profit before exceptional items and tax (III-IV)		6,035.36	4,293.68
VI. Exceptional items (Income)/Expenditure	2.28	(144.30)	-
VII. Profit before tax (V-VI)		**6,179.66**	**4,293.68**
VIII. Tax expense :			
(1) Current year	2.29	2,141.62	1,620.18
(2) Earlier years (net)		164.06	274.05
(3) Deferred tax	2.29	67.66	(190.19)
		2,373.34	1,704.04
IX. Profit for the year from continuting operations (VII-VIII)		3,806.32	2,589.64
X. Loss from discontinued operations		(0.67)	(0.76)
XI. Tax expense of discontinued operations		(0.23)	(0.26)
XII. Net loss from discontinued operations(X-XI)		(0.44)	(0.50)
XIII. Profit for the year (IX +XII)		**3,805.88**	**2,589.14**
Other Comprehensive Income			
(i) Item that will not be reclassified to profit or loss (Re-measurements of post-employment benefit obligations)		72.25	(102.52)
(ii) Income tax relating to these items		(25.01)	35.48
XIV. Other Comprehensive income		**47.24**	**(67.04)**
Total Comprehensive income for the year (XIII + XIV)		**3,853.12**	**2,522.10**
Earnings per equity share (for continuing operation)			
i) Basic	2.32.5	12.03	7.22
ii) Diluted	2.32.5	12.03	7.22
Earnings per equity share (for discontinued operation)			
i) Basic	2.32.5	-	-
ii) Diluted	2.32.5	-	-
Earnings per equity share (for discontinued & continuing operation)			
i) Basic	2.32.5	12.03	7.22
ii) Diluted	2.32.5	12.03	7.22
Significant Accounting Policies and notes on accounts : 1 & 2			

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

(CA B VIJAY)
Partner
Membership No: 214678

Place : Hyderabad
Dated : 28/05/2018

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(A S PARDHA SARADHI)
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2018

a) Equity Share Capital ₹ in crore

	Amount
Balance as at 1 April 2016	396.47
Changes in Equity share capital (*)	(80.08)
Balance as at 31 March 2017	316.39
Changes in Equity share capital	-
Balance as at 31 March 2018	316.39

b) Other Equity ₹ in crore

Particulars	General Reserve	Retained earnings	CRR	OCI	Total
Balance as at 1 April 2016	29,514.22	(770.47)	-	(22.63)	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 transaction charges)	(7,460.35)				(7,460.35)
Other Comprehensive Income net of tax				(67.04)	(67.04)
Interim dividend		(1,313.02)			(1,313.02)
DDT on Interim dividend		(267.30)			(267.30)
Total	(7,540.43)	1,008.82	80.08	(67.04)	(6,518.57)
Balance as at 31/03/2017	21,973.79	238.35	80.08	(89.67)	22,202.55
Balance as at 1/04/2017	**21,973.79**	**238.35**	**80.08**	**(89.67)**	**22,202.55**
Profit for the year		3,805.88			3,805.88
Other Comprehensive Income net of tax				47.24	47.24
Final dividends (for the year 2016-17)		(316.39)			(316.39)
DDT on final dividend (for 2016-17)		(64.41)			(64.41)
Interim dividend (for the year 2017-18)		(1,360.47)			(1,360.47)
DDT on Interim dividend (Year 2017-18)		(276.96)			(276.96)
Transfer to General Reserve	1000.00	(1000.00)			-
Total	1000.00	787.65	-	47.24	1,834.89
Balance as at 31 March 2018	22,073.79	1,026.00	80.08	(42.43)	24,037.44

Subject to our Report of even date
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Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

₹ in Crore

Particulars	Figures as at the end of current reporting year	Figures as at the end of previous reporting year
	31 March 2018	31 March 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax from		
Continued Operations	6,179.66	4,293.68
Discontinued Operations	(0.67)	(0.76)
Profit before income tax including discontinued operations	**6,178.99**	**4,292.92**
Adjustments for non cash/non operational expenses:		
Depreciation & amortisation expense	256.04	196.18
Loss on disposal of property, plant & equipement	(0.48)	(0.96)
Expenditure on enabling facilities	172.80	176.72
Provision for bad & doubtful advances	336.92	301.46
Interest Income classified as investing cash flow	(389.39)	(797.66)
Finance Costs	37.10	20.76
Operating Profits before working capital changes	6,591.98	4,189.42
Adjustments for working capital changes:		
(Increase)/Decrease in trade receivables	(766.14)	(548.91)
(Increase)/Decrease in inventories	(31.65)	82.01
(Increase)/Decrease in other financial assets	(258.70)	655.32
(Increase)/Decrease loans to employees and related parties	1.67	(639.08)
(Increase)/Decrease in other non current assets	(429.89)	(731.54)
(Increase)/Decrease in other current assets	(127.95)	9.36
(Increase)/Decrease in assets held for disposal	44.22	(44.28)
Increase/(Decrease) in trade payables	(39.24)	(125.64)
Increase/(Decrease) in provisions	103.64	258.66
Increase/(Decrease) employee benefit obligations	(232.30)	168.63
Increase/(Decrease) in other financial liabilities	738.62	(38.35)
Increase/(Decrease) in other current liabilities	130.16	486.60
Cash generated from operations	5,724.42	3,722.20
Income Taxes paid	(2,343.23)	(1,588.90)
Net Cash Flow from operating activities	3,381.19	2,133.30
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	(2,052.39)	(2,314.64)
Purchase of investments	(59.47)	(31.57)
Interest received	436.04	1,375.75
Investment in term deposits with more than three months	(192.81)	6,122.27
Net Cash Flow from investing activities	(1,868.63)	5,151.81

₹ in Crore

Particulars	Figures as at the end of current reporting year	Figures as at the end of previous reporting year
	31 March 2018	31 March 2017
CASH FLOW FROM FINANCING ACTIVITIES		
Amount paid on buyback of Shares (including transaction charges)	-	(7,540.43)
(Repayment)/Proceeds from borrowings*	500.09	(1,496.95)
Deposits paid towards LCs and BGs (towards non fund based facilities)	372.11	3,270.19
Interest paid	(36.92)	(20.60)
Dividends paid (including tax thereon and net off balances for unpaid dividends)	(2,392.25)	(1,461.41)
Net Cash Flow from financing activities	(1,556.97)	(7,249.20)
Net increase (decrease) in cash and cash equivalent	(44.41)	35.91
Cash & Cash equivalents at the beginning of the year	70.38	34.47
Cash & Cash equivalents at the end of the year	25.97	70.38

*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.

Ammendment ot Ind-As -7:

Effective from April 1, 2017 the company adopted the amendment to Ind AS-7 which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of ammedment did not have any metterial impact on the financial statements.

Subject to our Report of even date
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Company Secretary

Place : Hyderabad
Dated : 28/05/2018

NOTES

SIGNIFICANT ACCOUNTING POLICIES

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 2017 and other relevant provisions of the Act.

(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:

a) 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 ₹ 5,000 or less are fully depreciated in the year of purchase

b) Treatment of Enabling Assets:

"Expenditure incurred on any facility, the ownership of which is not vested with the company, but the incurrence of which is essential in bringing an asset/projects of NMDC to the location and condition necessary to be capable of operating in the manner intended by the management, shall be capitalized as a part of the overall cost

NOTES

of the said asset/project. Else the same shall be charged to revenue."

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.

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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 and receipt of money.

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

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

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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

xix) Prepaid Expenses:

Expenses are accounted under prepaid expenses only when the amount relating to the unexpired period exceeds rupees Two crore in each case.

xx) Restatement of earliest prior period financials on material error/omissions

The value of error and omissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/ expenses exceeds 1.0% of the previous year turnover of the company

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

(CA B VIJAY)
Partner
Membership No: 214678

For and on behalf of the Board

(NARENDRA KUMAR NANDA)
Director (Technical)

(N.BAIJENDRA KUMAR)
Chairman-cum -Manging Director

(ABANINDRA KUMAR PADHY)
General Manager (Finance)

(A S PARDHA SARADHI)
Company Secretary

Place : Hyderabad
Dated : 28/05/2018

Note 2.1 : PROPERTY, PLANT & EQUIPMENT

₹ in crore

ASSETS	GROSS BLOCK					DEPRECIATION BLOCK						NET BLOCK	
	As at 1st Apr, 2017	Additions during the year	Ded/Adj during the year	Transfer to/from Other units	As at 31st March 2018	As at 1st Apr, 2017	For the year	Deductions/ adjustments	Transfer to/from other units	Internal transfers	upto 31st March 2018	As at 31st March 2018	As at 31st March 2017
A. General													
Land :													
- Free hold	271.72	-	-	-	**271.72**	-	-	-	-	-	-	**271.72**	271.72
- Lease hold	4.93	-	-	-	**4.93**	0.40	0.18	-	-	-	**0.58**	**4.35**	4.53
Buildings	128.88	172.01	-	-	**300.89**	8.52	10.78	-	-	-	**19.30**	**281.59**	120.36
Plant & Machinery	632.30	606.12	(20.30)	-	**1,218.12**	85.59	73.73	(20.24)	-	-	**139.08**	**1,079.04**	546.71
Heavy Mobile Equipt.	402.56	35.45	(4.97)	-	**433.04**	142.11	55.79	(4.99)	-	-	**192.91**	**240.13**	260.45
Furniture & fittings	13.47	0.74	-	-	**14.21**	3.00	1.74	-	-	-	**4.74**	**9.47**	10.47
Vehicles	24.31	2.54	(0.23)	-	**26.62**	6.29	3.62	(0.11)	-	(0.01)	**9.79**	**16.83**	18.02
Office Equipment	31.89	13.27	(0.02)	(0.06)	**45.08**	12.24	7.64	0.01	(0.03)	-	**19.86**	**25.22**	19.65
Others :													
Roads, bridges etc.	79.88	19.89	-	-	**99.77**	34.52	14.05	-	-	-	**48.57**	**51.20**	45.36
Dams, Wells & Pools	11.99	-	-	-	**11.99**	0.84	0.43	-	-	-	**1.27**	**10.72**	11.15
Adit & tunnel	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**	
Railway sidings	34.34	-	-	-	**34.34**	7.48	3.73	-	-	-	**11.21**	**23.13**	26.86
Locomotives	11.18	-	-	-	**11.18**	0.56	0.75	-	-	-	**1.31**	**9.87**	10.62
Electrical Installations	141.20	117.83	(0.03)	-	**259.00**	22.01	23.74	-	-	-	**45.75**	**213.25**	119.19
Sanitary & W. S. Installations	31.20	1.06	-	-	**32.26**	1.74	1.14	-	-	-	**2.88**	**29.38**	29.46
TOTAL 'A'	**1,819.85**	**968.91**	**(25.55)**	**(0.06)**	**2,763.15**	**325.30**	**197.32**	**(25.33)**	**(0.03)**	**(0.01)**	**497.25**	**2,265.90**	**1,494.55**
Previous year 2016-17	**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**	1472.02
B. Social Facilities													
Land :													
- Free hold	0.29	-	-	-	**0.29**	-	-	-	-	-	**-**	**0.29**	0.29
- Lease hold	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**	0.00
Buildings	203.52	9.76	-	-	**213.28**	7.76	4.23	-	-	-	**11.99**	**201.29**	195.76
Plant & Machinery	0.13	-	-	-	**0.13**	0.02	0.01	-	-	-	**0.03**	**0.10**	0.11
Furniture & fittings	7.63	1.71	(0.16)	0.02	**9.20**	1.37	0.91	(0.03)	-	-	**2.25**	**6.95**	6.26
Vehicles	1.47	-	-	-	**1.47**	0.41	0.21	-	-	-	**0.62**	**0.85**	1.06
Office Equipment	19.72	4.64	(0.25)	0.04	**24.15**	5.06	4.78	(0.08)	0.03	0.01	**9.80**	**14.35**	14.66
Others :						-							
Roads, bridges etc.	5.31	0.43	-	-	**5.74**	1.25	0.56	-	-	-	**1.81**	**3.93**	4.06
Cess fund quarters	6.57	-	-	-	**6.57**	0.34	0.17	-	-	-	**0.51**	**6.06**	6.23
Dams, Wells & Pools	0.06	0.26	-	-	**0.32**	-	0.01	-	-	-	**0.01**	**0.31**	0.06
Cess Fund Vehicles	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**	
Electrical Instaln.	2.71	0.10	-	-	**2.81**	0.59	0.36	-	-	-	**0.95**	**1.86**	2.12
Sanitary & W.S.Instlns.	6.07	0.29	-	-	**6.36**	0.47	0.25	-	-	-	**0.72**	**5.64**	5.60
Cess fund other assets	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**	
TOTAL 'B'	**253.48**	**17.19**	**(0.41)**	**0.06**	**270.32**	**17.27**	**11.49**	**(0.11)**	**0.03**	**0.01**	**28.69**	**241.63**	**236.21**
Previous Year 2016-17	**184.96**	**35.23**	**(0.81)**	**34.10**	**253.48**	**7.02**	**9.79**	**(0.12)**		**0.58**	**17.27**	**236.21**	**177.94**
TOTAL 'A + B'	**2,073.33**	**986.10**	**(25.96)**	**-**	**3,033.47**	**342.57**	**208.81**	**(25.44)**	**-**	**-**	**525.94**	**2,507.53**	**1,730.76**
Previous year 2016-17	1,851.69	230.45	(8.81)	-	**2,073.33**	201.73	152.88	(12.04)	-	-	342.57	1,730.76	1649.96

NOTES

NON-CURRENT ASSETS

Note: 2.2 Capital Work in Progress

(₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Construction work in progress	11,388.18	10,787.52
Add : Impairment reversed/ (provided)		
Construction Stores	1.46	1.36
Capital Assets in stores awaiting installation or in transit	56.76	58.10
Less : Provision	-	-
	56.76	58.10
Expenditure incidental to construction awaiting allocation (See note 2.2.2)	1,073.50	984.38
Total	**12,519.90**	**11,831.36**

Note - 2.2.1: Movement of Capital work in progress

₹ 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 2017					
Gross carrying amount	8936.40	1.70	32.11	752.67	9722.88
Additions	1985.53	0.00	80.95	231.70	2298.18
Disposals/Capitalisation to PPE	134.40	0.34	54.96	0.00	189.70
Closing gross carrying amount	10787.53	1.36	58.10	984.37	11831.36
Accumulated amortization					
Amortization charge during the year					
Closing accumulated amortization	0.00	0.00	0.00	0.00	0.00
Closing net carrying amount	10787.53	1.36	58.10	984.37	11831.36
Year ended 31 March 2018					
Gross carrying amount					
Opening gross carrying amount	10787.53	1.36	58.10	984.37	11831.36
Additions	1434.90	4.10	85.94	207.45	1732.39
Disposals/Capitalisation to PPE	834.25	4.00	87.28	118.32	1043.85
Closing gross carrying amount	11388.18	1.46	56.76	1073.50	12519.90
Accumulated amortization					
Amortization charge during the year					
Closing accumulated amortization	0.00	0.00	0.00	0.00	0.00
Closing net carrying amount	**11388.18**	**1.46**	**56.76**	**1073.50**	**12519.90**

NOTES

Note : 2.2.2 Expenditure Incidental to Construction Awaiting Allocation

(₹ In Crore)

Particulars	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
a. Opening balance		984.38		752.68
b. Net Expenditure incurred during the year				
Consumption of stores and spares		4.86		23.13
Employee Benefit expense :				
Salaries, Wages & Bonus	63.92		44.64	
Contribution to Provident fund, EPS, DLI	3.74		3.23	
Contribution to Pension Fund	0.04		0.15	
Contribution to Gratuity fund	5.54		11.65	
Staff Welfare expenses	6.53		12.80	
		79.77		72.47
Power, Electricity & Water		16.23		28.21
Repairs and Maintenance		10.77		25.17
Depreciation and amortisation		12.78		16.78
Other expenses :				
Rent, Insurance, Rates and taxes	3.58		1.16	
Raising and transportation	0.07			
Payment to auditors : As auditors	0.04		0.04	
Payment to auditors : For Other Services	0.03		0.02	
Reimbursement of expenses	0.02		0.03	
		3.74		1.25
Travelling and Conveyance expenses		1.57		1.56
Consultancy expenditure		40.80		51.94
Excise duty		(1.65)		1.64
CISF/Security expenditure		3.96		2.33
Change In inventory of Finished Goods		14.81		-
Environmental Development		0.22		2.27
Other expenditure		35.73		29.11
		223.59		255.86
Less : Recoveries/Income				
Interest Received		2.15		0.49
Other income		0.54		2.01
Stock of Finished Goods(Pellet)		-		14.81
Income from Sale of Pellets		12.04		6.85
Total (b)		**208.86**		**231.70**
Sub-total (a+b)		1,193.24		984.38
Less : Amount allocated to Fixed assets/ Capital W I P		119.74		-
Total		**1,073.50**		**984.38**

Note 2.3 : INTANGIBLE ASSETS

₹ in crore

ASSETS	GROSS BLOCK				AMORTISATION BLOCK				NET BLOCK	
	As at 1st Apr, 2017	Additions during the year	Ded/Adj during the year	As at 31st March 2018	As at 1st 1st Apr 2017	For the year	Deductions/ adjustments	As at 31st March 2018	As at 31st 31st March 2018	As at 31st 31st March 2017
GENERAL				-						
Computer software	3.50	2.13	-	**5.63**	2.56	1.04	-	**3.60**	2.03	0.94
	-			-						
Mining rights	329.43	-	-	**329.43**	108.32	58.97	-	**167.29**	162.14	221.11
Total	**332.93**	**2.13**	**-**	**335.06**	**110.88**	**60.01**	**-**	**170.89**	**164.17**	**222.05**
Previous year 2016-17	319.29	13.64		332.93	50.8	60.08		110.88	222.05	268.49

NOTES

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 3021.35 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 31-03-2018.
2. The value of land of 155.55 hectares taken over from District Industries Centre, Jagdalpur for construction of Steel Plant near Nagarnar has not been brought into the books as the amount payable is not ascertainable in the absence of any demand from the concerned authorities.
3. Formal agreements / Transfer deeds remain to be executed in respect of the following:
   (a) Renewal of Mining Leases at Deposit 10 (Float Ore) & Panna (supplementary lease) & Donimalai.
   (b) Lease deeds in respect of parts of land for township at Bacheli Complex, Kirandul Complex and Panna Project.
   (c) Mining lease to the extent of 33.58 hectares (Mining area) and 19.42 hectares (Plant area) of Silica Sand Plant near Lalapur (Allahabad).
   (d) Lease in respect of a portion of the total land at R&D Center measuring 9.12 acres has expired during Feb 07 (6.66 acres) and the balance in Feb 2010 (2.46 acres). The process of renewal of the lease is under progress.
   (e) Only Provisional allotment letters issued for the land to the extent of 13.43 acres purchased from M/s APIIC at Industrial park, Paloncha. However, on physical survey found only 11.35 acres of land. No effect is given in books, pending confirmation from M/s APIIC.
   (f) Land to the extent of 26.39 acres purchased at Patancheru, Hyderabad from the Official Liquidator of Allwyn Watches Ltd. However, on physical survey found only 24.23 acres of land. No effect is given in books, pending confirmation from the Official Liquidator of Allwyn Watches Ltd.
   (g) Land at Raipur to the extent of 57,432.99 Sq. Ft. has been acquired from Chhattisgarh Housing Board, however as per the actual land measurement taken by surveyor the total land comes to 62,205.96 Sq. Ft. The registration formalities are in the process for the total land.
4. Reconciliation of Depreciation and Amortisation as per Statement of Profit and Loss:

₹ In crore

Note no	Particulars	2017-18	2016-17
2.1	Depreciation on PPE	208.81	152.88
2.3	Amortisation of Intangible Assets	60.01	60.08
	Total	268.82	212.96
2.2.1	Transferred to IEDC	(-)12.78	(-)16.78
Depreciation and amortisation as per Statement of Profit and Loss		256.04	196.18

5. During the year following are the major capitalization :
   a) ₹ 508.91 crore in respect of the Pellet plant at Donimalai Iron Ore Mines in Karnataka. Total capitalisation upto the current year ₹ 575.18 crore.
   b) ₹ 359.24 crore in respect of the Kumar Swamy Iron Ore Mines at Donimalai in Karnataka. Total Capitalisation upto the year ₹ 425.88 Crore.
6. During the year 2017-18 a review of residual and useful life of PPE was done and as per the review there is no change recommended. The Useful life of all the PPE is as per schedule II except for the following PPE whose life as given under is determined as per technical assessment.

Equipment	Capacity	Use life (in Years)
Dumper	85-100 T	10
	50-60 T	9
Water Sprinkler	28 KL	9
Rope Shovel	8-10 Cum	20
Hydraulic Shovel	5-7.5 Cum	9
	>7.5 Cum	10
Blast Hole Drill	165mm Diesel	9
	165mm Electric	12
	250mm single pass	16
	250 mm multiple pass	10
Top Hammer Drill	<160mm	9
Front End Loader	< 300 HP to >600HP	10
Track Dozer	<500 HP to >500HP	10
Wheel Dozer	<500 HP	12
Grader	<200HP	12
Mobile Crane	<12 ton	9
	12 – 40 ton	12
	>40 ton	15
Boom Stacker	2000 – 3000 TPH	30
Reclaimer	2000-3000 TPH	30

NOTES

Note : 2.4.1 Investments

(₹ In Crore)

Particulars	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
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
Unquoted at cost:				
i) 28,51,002 (previous Year 28,51,002) Equity shares of ₹ 100 each fully paid up in Subsidiary company J &K MDC Ltd., Jammu.	28.51		28.51	
Less: Investment deration	28.51		28.51	
		-		-
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	
Less: Investment deration	7.20		7.20	
		-		-
iii) 5,50,000 (Previous Year 5,50,000) Equity shares of ₹ 10/- each fully paid up in NMDC Power Ltd.		0.55		0.55
iv) 10,000 (Previous Year 10,000) equity shares of ₹ 10/- each fully paid up in Karnataka Vijayanagar Steel Limited (KVSL)		0.01		0.01
v) 10,000 (previous year 10,000) equity shares of ₹ 10/- each fully paid up in NMDC Steel Limited (NSL)		0.01		0.01
vi) 10,000 (previous year 10,000) equity shares of ₹ 10/- each fully paid up in Jharkhan Kolhan Steel Limited (JKSL)		0.01		0.01
Investment in Joint Ventures :				
Unquoted at cost:				
i) 9,83,47,236 (Previous Year 3,58,32,090) Equity shares of ₹ 10/- each fully paid up in NMDC CMDC Ltd.		98.35		35.83
ii) 6,000 (Previous year 6,000) equity shares of ₹ 10/- each in Jharkhand National Mineral Development Corporation Ltd. (JNMDC)		0.01		0.01
iii) 19,56,500 (previous year 19,56,500) equity shares of ₹ 10/- each in Bastar Railway Pvt. Ltd. (BRPL)		1.96		1.96
iv) 50 (Previous year 50) equity shares of South african Rand 1/- each in Kopano-NMDC Minerals (Proprietary) Limited (₹ 324/- only)		-		-
v) 25,500 (previous year 25,500) equity shares of ₹ 10/- each in NMDC-SAIL Ltd.		0.03		0.03

NOTES

(₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Investments in Associates :		
Unquoted at cost:		
i) 1,05,000 (previous year 1,05,000) Equity shares of ₹ 10/- each fully paid up in Romelt SAIL India Ltd., New Delhi	0.11	0.11
Less: Investment deration	0.11	0.11
	-	-
ii) 37,63,57,143 (Previous year 33,63,57,143) Equity shares of ₹ 10/- each fully paid in International Coal Ventures (P) Ltd.	376.36	336.36
iii) 4,00,00,000 (Previous year 4,00,00,000) equity shares of ₹ 10/- each in fully paid up in Krishnapatnam Railway Co. Ltd.	40.00	40.00
iv) 7,47,99,878 (previous year 7,47,99,878) equity shares of ₹ 10/- each fully paid up in NINL, Bhubaneswar	100.60	100.60
v) 13,000 (previous year Nil) equity shares of ₹ 10/- each fully paid up in Chhattisgarh Mega steel Ltd	0.01	-
Advance against equity for trade and unquoted investments in Associates		
i) Nil (Previous year 4,00,00,000) equity shares of ₹ 10/- each in International Coal Ventures (P) Ltd. Pending issue of shares	-	40.00
ii) Nil (Previous year 30,49,146) equity shares of ₹ 10/- each in NMDC CMDC Limited , Pending issue of shares	-	3.05
iii) Nil (Previous year 13,000) equity shares of ₹ 10/- each in Chhattisgarh Mega steel Ltd Pending issue of shares	-	0.01
Unquoted shares in co-operative societies		
i) 150 Shares (previous year 150 Shares) of ₹ 1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul ₹ 1,50,000/- (Previous year ₹ 1,50,000/-)	0.02	0.02
ii) 500 Shares (previous year 500 Shares) of ₹ 10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli ₹ 5,000/- (previous year ₹ 5,000/-)	-	-
iii) 25 Shares (previous year 25 Shares) of ₹ 100/- each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai ₹ 2,500/- (previous year ₹ 2,500/-)	0.02	0.02
Total	**786.45**	**726.98**
1. Aggregate amount of Quoted Investments	168.53	168.53
(Market value of quoted Investments)	42.17	28.59
2. Aggregate amount of Unquoted Investments	653.74	594.27
3. Aggregate amount of provision for diminution in value of investments:	35.82	35.82

NOTES

Note: 2.4.2 : Loans (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Loans to employees and outsiders	15.54	18.18
Loan to Subsidiaries	639.61	638.64
Deposit with Others	124.53	74.30
TOTAL	**779.68**	**731.12**
Secured, considered good	15.54	18.18
Unsecured, considered good	764.14	712.94
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, no effect has been made in the accounts.

Note: 2.5 Deferred tax assets (Net) (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
A. Deferred tax assets :		
1. Provision for bad & doubtful debt and advances	597.03	484.66
2. Asset retirement obligation and spares	5.88	0.84
3. Investments	12.39	91.98
4. Others	0.07	9.87
Total Deferred Tax Assets	615.37	587.35
B. Deferred tax liabilities :		
1. Related to PPE	(229.66)	(133.99)
Total Deferred Tax Liabilities	(229.66)	(133.99)
Net Deferred Tax Assets	**385.71**	**453.36**

Note 2.6 : Other Non-Current Assets (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Capital Advances (*)	607.84	471.62
ITC Receivables	1,207.54	880.25
Mines Closure Fund with Life Insurance Corporation	628.97	353.89
Other Advances	181.88	354.36
Total	**2,626.23**	**2,060.12**

* Capital Advances includes an amount of ₹144.06 crore towards doubling of railway lines between Jagdalpur and Ambagoan

NOTES

Note:2.7 I. Inventories

(As Valued and Certified by the Management)

(₹ In Crore)

Particulars	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
Raw materials		0.93		0.51
Work-in-Process :				
Pellets	4.08			
Diamonds	1.47		8.46	
Sponge Iron	0.36		0.35	
Total WIP		5.91		8.81
Finished Goods:				
Iron Ore	396.29		367.45	
Sponge Iron	0.52		0.59	
Pellets	8.94		14.81	
Diamonds & Precious Stones	36.61		32.94	
Total Finished Goods		442.36		415.79
Generated Iron ore fines at Sponge Iron unit	-	-		0.42
Inventories are valued at cost or NRV whichever is lower.				
Total		**449.20**		**425.53**

Note:2.7 II. Inventories

(₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Stores & Spares	122.24	114.19
Loose tools and Implements	0.25	0.32
Total	122.49	114.51
G. Total	**571.69**	**540.04**
1. Stores and Spares include:		
a) Stores-in-transit	37.19	3.68
b) Obsolete stores & spares valued at Re 1 per unit of their original value of ₹3.79 crore (previous year ₹3.99 crore)	0.02	0.03

NOTES

Notes: 2.8.1 Trade Receivables (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
Trade receivables outstanding for a period exceeding six months from the due date of payment	1,581.86		1,237.04	
Other trade receivables	1,599.85		1,179.18	
	3,181.71		2,416.22	
Less: Provision for bad & doubtful trade receivables	23.75		22.69	
Less: Provision for bad & doubtful (Monitoring Committee)	1,685.22		1,350.01	
	1,708.97	1,472.74	1,372.70	1,043.52
TOTAL		**1,472.74**		**1,043.52**
Break-up security details				
i) Secured, Considered good		0.15		-
ii) Unsecured considered good		1,472.59		1,043.52
iii) Doubtful		1,708.97		1,372.70
Total				

Trade Receivables includes ₹2,418.99 crore_(Previous year ₹1,866.35 crore) dues from Monitoring Committee.

Notes: 2.8.2 Cash And Cash Equivalents (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Cash in hand	-	0.01
Balance with Banks		
on current Accounts	25.97	32.65
On Deposit Accounts	-	-
(Original Maturity less than 3 months)		
Ear marked Balances	-	37.72
Total	**25.97**	**70.38**

Notes :2.8.3 Bank Balances Other Than (ii) above (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Balances with bank on 'Deposits accounts (Original maturity more than 3 months but less than 12 months)	5,003.46	4,810.63
Balances with banks for Unpaid Dividend	376.10	3.47
Bank deposits offered as security for Bank guarantees and letter of credit	32.69	404.80
Total	**5,412.25**	**5,218.90**

NOTES

Note: 2.8.4 Other Financial Assets (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
Related Parties				
Advances to Directors		-		-
Advances to Subsidiaries	71.24		18.41	
Less: Provision	13.86		13.86	
		57.38		4.55
Employees and outsiders				
Advances to Employees and outsiders		242.90		107.38
Interest Accrued				
Accrued interest on deposits with banks		111.95		157.15
Accrued interest on Other		3.35		4.80
Other Receivables		31.42		11.30
Total		**447.00**		**285.18**

Note: 2.9 Current Tax Asset (Net) (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
Advance Income tax & TDS	6,388.10		7,427.33	
Less : Provision	5,786.00		6,863.01	
		602.10		564.32
Total		**602.10**		**564.32**

Note: 2.10 Other Current Assets (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
Advances to Employee and outsiders	246.60		182.05	
Less: Provision for bad and doubtful advances	2.28		2.71	
		244.32		179.34
ITC Receivables		62.97		-
Total		**307.29**		**179.34**

Note: 2.11 Assets Held for Disposal (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Assets held for disposal (*)	0.41	44.63
Total	**0.41**	**44.63**

(*) An amount of ₹44.25 crore towards registration and stamp duty charges of Deposit 13 mining lease was shown above in the previous year and the same has now been transferred to NMDC-CMDC Limited during current year.

NOTES

Note: 2.12 Equity Share Capital

(₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
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
Issued, Subscribed & Paid up:		
Opening Balance 3,16,38,90,474 (Previous year 3,96,47,16,000 Equity shares) of Re.1/- each fully paid up	316.39	396.47
Add: issue of shares during the year		
Less: Repurchase of shares during the year Nil (Previous year 80,08,25,526 Equity shares of Re.1/- each fully paid up)	-	80.08
3,16,38,90,474 Equity Shares of Re.1/- each fully paid up (Previous year 3,16,38,90,474 of Re.1/- each fully paid)	316.39	316.39
Total	**316.39**	**316.39**

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 @ ₹ 94/- for an aggregate consideration of ₹7,527.76 crore. The buyback offer of shares was closed on 30th September 2016 and the process for buyback was 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-18		31-Mar-17	
	%of Holding	No. of Shares	%of Holding	No. of Shares
i) President of India	72.43	2,291,571,551	74.94	2,371,126,192
ii) LIC of India (incl all schemes)	12.47	394,591,074	12.32	389,938,677

Note: 2.13 Other Equity

₹ in crore

Particulars	General Reserve	Retained earnings	CRR	OCI	Total
Balance as at 1 April 2016	29,514.22	(770.47)	-	(22.63)	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 transaction charges)	(7,460.35)				(7,460.35)
Other Comprehensive Income net of tax				(67.04)	(67.04)
Interim dividend		(1,313.02)			(1,313.02)
DDT on Interim dividend		(267.30)			(267.30)
Total	(7,540.43)	1,008.82	80.08	(67.04)	(6,518.57)
Balance as at 31/03/2017	21,973.79	238.35	80.08	(89.67)	22,202.55
Balance as at 1/04/2017	**21,973.79**	**238.35**	**80.08**	**(89.67)**	**22,202.55**
Profit for the year		3,805.88			3,805.88
Other Comprehensive Income net of tax				47.24	47.24
Final dividends (for the year 2016-17)		(316.39)			(316.39)
DDT on final dividend (for 2016-17)		(64.41)			(64.41)
Interim dividend (for the year 2017-18)		(1,360.47)			(1,360.47)
DDT on Interim dividend (Year 2017-18)		(276.96)			(276.96)
Transfer to General Reserve	1000.00	(1000.00)			-
Total	1000.00	787.65	-	47.24	1,834.89
Balance as at 31 March 2018	22,073.79	1,026.00	80.08	(42.43)	24,037.44

NOTES

Note 2.14 Provisions(Non- Current) (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Employee Benefits :		
Long Service Reward	19.33	20.05
Mine closure obligation	694.79	591.15
Total	**714.12**	**611.20**

Note: 2.15.1 Borrowings (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Loan against FDs	500.09	-
Total	**500.09**	**-**

Note: 2.15.2 Trade Payables (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Total outstanding dues of micro and small enterprises	6.63	1.00
Other than micro and small enterprises	152.91	197.78
Total	**159.54**	**198.78**

Disclosure Relating to Micro and Small Enterprises		31-Mar-18	31-Mar-17
i)(a).	The principal amount remaining unpaid to the supplier as at the end of the year	6.63	1.00
ii)(b).	The interest due on the above amount, remaining unpaid to the supplier as at the end of the year	Nil	Nil
iii)	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
iv)	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
(v)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(vi)	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

NOTES

Note: 2.15.3 Other Financial Liabilities (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Unpaid Dividend	2.08	3.47
Deposits from Suppliers, Contractors and Others	81.57	124.06
Capital Creditors	690.35	770.73
Other financial Liabilities	1,113.31	332.20
Total	1,887.31	1,230.46

Note : 2.16 Other Current Liabilities (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Advances from customers	100.84	102.61
Other Payables	431.26	206.05
(like withholding and other taxes payable, amounts payable to employees and others)		
Statutory Dues	434.73	527.99
Total	**966.83**	**836.65**

Note: 2.17 Provisions (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Employee Benefits :		
Long Service Reward	2.05	2.20
Provision for gratuity, leave salary, family benefit scheme and post employment medical benefits	23.21	301.88
Provisions for de-commissioning liability (ARO Obligation)	2.14	1.95
Total	**27.40**	**306.03**

NOTES

Note: 2.18 Revenue from Operations (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Sale of Products :		
Iron Ore		
Export through MMTC	1,069.93	904.75
Domestic		
Basic price	8,534.85	6,431.78
Royalty	1,438.24	999.44
Development Cess	30.70	30.40
Forest Permit Fee	30.70	30.40
Forest development Fee	93.85	110.28
District Mineral Fund (DMF)	274.37	189.15
National Mineral Exploration Trust (NMET)	18.29	12.70
Total Domestic Sales	10,421.00	7,804.15
Total Iron Ore Sales	11,490.93	8,708.90
Sponge Iron	-	13.13
Diamonds	35.17	41.91
Sale of Power	6.50	7.48
Sale of Services	56.17	57.84
Sales of Pellets	25.40	-
Other operating revenue	0.74	0.38
Total	**11,614.91**	**8,829.64**

Note: 2.19 Other Income (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Interest Income:		
Deposits with Banks	331.35	720.30
Others	58.04	77.36
	389.39	797.66
Profit on sale/adjustment of assets	0.84	1.33
Profit on sale of Current investments(MUF)	26.55	-
Other non operating income	102.95	109.82
Total	**519.73**	**908.81**

NOTES

Note: 2.20 Consumption of Raw Materials (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Iron ore	16.72	1.21
Coal	-	4.00
Lime Stone	0.23	0.04
Internal handling of raw materials	0.38	0.12
Total	**17.33**	**5.37**

Note: 2.21 Changes in Inventories of Finished Goods and Work in Progress (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Work-in-process:		
Balance as at the beginning of the Year	8.81	13.94
Less: Balance as at close of the Year	5.91	8.81
	2.90	5.13
Finished Goods:		
Balance as at the beginning of the Year	400.98	494.72
Less: Balance as at close of the Year	433.42	400.98
	(32.44)	93.74
Finished Goods: (Pellets)		
Balance as at the beginning of the Year	-	
Less: Balance as at close of the Year	8.94	
	(8.94)	
Total	**(38.48)**	**98.87**

Note: 2.22 Employee Benefit Expense (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Salaries, Wages & Bonus	723.62	576.53
Contribution to Provident fund and other funds		
Provident Fund, FPS & DLI	43.81	42.97
Pension Fund	28.18	26.28
Group Gratuity Fund	38.44	127.62
Staff Welfare Expenses	212.37	112.18
Total	**1,046.42**	**885.58**

NOTES

Note: 2.23 Power,Electricity and Water Charges (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Power charges	80.71	68.81
Electricity charges	16.72	16.94
Water charges	1.77	1.85
Total	**99.20**	**87.60**

Note: 2.24 Repairs & Maintenance (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Buildings	17.76	19.14
Plant and Machinery	58.27	31.54
Vehicles	0.91	0.70
Others	67.72	60.84
Total	**144.66**	**112.22**

Note: 2.25 Selling Expense (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Railway freight	263.86	349.34
Export duty	109.52	92.64
Infrastructure Development cess	17.02	17.31
Environmental Development cess	17.02	17.31
Other selling expenses	232.26	249.33
Total	**639.68**	**725.93**

Note: 2.26 Finance Cost (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
i) Interest on Short term Borrowings	0.20	5.38
ii) Interest - Others	36.72	15.22
iii) Interest on deposit from contractors, suppliers & others	0.18	0.16
Total	**37.10**	**20.76**

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

NOTES

Note: 2.27 Other Expenses (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Rent	4.20	3.85
Insurance	10.72	6.46
Rates & Taxes	7.19	7.96
Directors' Travelling expenses	1.64	2.10
Directors' Sitting Fees	0.33	0.33
Payment to Auditors:		
As audit Fee	0.26	0.26
For taxation matters	0.02	0.02
For Management Services	0.01	-
For Other Services	0.21	0.36
For reimbursement of expenses	0.14	0.18
	0.64	0.82
Loss on sale/adjustment of Assets	0.36	0.37
Miscellaneous losses written off	0.34	0.29
Provision for doubtful debts/advances	336.92	301.46
Mine closure Obligation	103.64	258.50
Raising and Transportation	72.60	84.22
Local Area Development (Towards SPV in Karnataka)	335.21	244.96
Entertainment	1.22	0.86
Travelling & Conveyance	26.77	26.26
Advertisement & Publicity	13.76	7.65
Postage, Telephone & Telex	4.03	3.47
Stationery & Printing	3.14	2.64
Consultancy charges	11.23	10.85
CISF/Security guards	122.24	125.21
Safety expenses	1.24	1.33
Corporate Social Responsibility	169.37	174.18
Loss in Exchange variation (net)	0.11	0.05
Environmental Development	56.81	45.21
Other expenses	50.97	36.19
Expenditure on enabling facilities for the company	172.80	176.72
Total	**1,507.48**	**1,521.94**

NOTES

Note: 2.28 Exceptional Items (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Expenditure		
DMF Refund to Customers (12/01/2015 to 16/09/2015)	55.25	-
Less:		
Income		
DMF Liability to Govt. reversed (12/1/2015 to 16/09/2015)	199.55	-
Total Expenditure/(Income)	**(144.30)**	**-**

Details notes given at note no. 2.34.7.

Note: 2.29 Tax Expenses

Reconciliation of Effective Tax rate and Statutory tax Rate as on 31st March 2018 (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
CURRENT TAX		
Current Tax on profit for the year	2,166.40	1,584.44
Adj. of current tax for prior period	164.06	274.05
Total current tax expenses	**2,330.46**	**1,858.49**
DEFERRED TAX		
Decrease/(increase) in deferred tax assets	(20.92)	(202.21)
Decrease/(increase) in deferred tax liabilities	88.58	12.01
Total differed tax expenses/(benefit)	**67.66**	**(190.20)**
Total Expenditure	**2,398.12**	**1,668.29**

Particulars	Amount ₹In crore	Tax - ₹In crore	Tax %
Accounting profit before tax from continuing operations	6,179.66		
Profit/(loss) before tax from discontinued operations	(0.67)		
Total	6,178.99		
Accounting profit before income tax		2138.42	34.608
Income tax rate			
Tax at Income tax rate			
Tax effect of amount not deductible in calculating taxable income			
CSR exp.	169.37	58.62	0.949
Prov. For bad & doubtful exp.	336.92	116.60	1.887
Change in Depreciation	(184.03)	(63.69)	(1.031)
Weighted deduction on R & D exp.	(14.15)	(4.90)	(0.079)
Investment allowance	72.25	25.01	0.405
Other items	(299.54)	(103.66)	(1.678)
Taxable income	6,259.81		
Current Tax on Profit for the year	2,166.40	2,166.40	35.061

NOTES

NOTE 2.30 ADDITIONAL INFORMATION (₹ In Crore)

Particulars	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
2.30.1. Value of imports calculated on CIF basis:				
i. Components & Spare parts		10.52		16.82
ii. Capital Goods		170.97		169.77
2.30.2. Expenditure in foreign currency:				
i. Consultancy charges		-		-
ii. Others		6.22		10.41
2.30.3. Particulars of consumption of raw material				
Raw material	**Value**	**Percentage**	**Value**	**Percentage**
a) Imported	-	-	-	-
b) Indigenous	17.33	100.00	5.00	100.00
	17.33	**100.00**	**5.00**	**100.00**
2.30.4. Particulars of consumption of Stores & spares:				
Components & spare parts (including consumable stores)	Value	Percentage	Value	Percentage
a) Imported	13.68	5.06	18.41	6.97
b) Indigenous	256.62	94.94	245.67	93.03
	270.30	**100.00**	**264.08**	**100.00**
2.30.5. Foreign Exchange earnings :	-	-	-	-

2.31. Contingent liabilities and Commitments (to the extent not provided for)

A. Contingent liabilities ₹ in crore

	Particulars	As at 31-Mar-18	As at 31-Mar-17
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.,	1,910.22	1,877.28
B	Claims by contractors under arbitration		
	i. On capital account	283.36	173.30
	ii. On revenue account	-	-
C	Other claims on company not acknowledged as debts	91.62	85.08
1.2	**Contingent liability on bills discounted/ LCs/BG's**	751.54	588.71

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 BengaLimitada, 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.

NOTES

B. Commitments: (₹ in crore)

Particulars		As at 31-Mar-18	As at 31-Mar-17
1.1	Estimated amount of contracts remaining to be executed on Capital account	6,774.36	7,887.01
1.2	Other commitments- commitments to subsidiaries and JV	144.22	0.00

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 ₹ **1,207.14** Crore (Previous year ₹ 1,207.14 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. As against the total FDT demand of ₹487.27 Crore (from August 2008 to Sep-2011), the Company has deposited an amount of ₹ 121.84 Crore (25%) in cash which has been shown as amount recoverable and submitted a bank guarantee for similar amount. An amount of ₹365.43 Crore (balance 50% amount of ₹243.69 Crore plus ₹128.84 Crore paid and accounted as amount recoverable) is included under disputed claims at 1.1.A. The amount of ₹121.84 Crore for which BG was given is included under contingent liability on BGs' at 1.2.

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' w.e.f 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 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 modified the order of 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 ₹93.85 crore (previous year ₹110.28 crore) towards newly introduced FDF has been accounted under sales revenue. However, the Karnataka High Court vide its judgement dated 4th October 2017 has declared the Karnataka Forests (Amendment) Act, 2016 which was introduced for collection of Forest Development Fee (FDF) as unconstitutional. No FDF is collected nor paid with effect from 5th October 2017.

NOTES

2.32 DISCLOSURES UNDER ACCOUNTING STANDARDS

2.32.1 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 payable as per the rules of the Company to the employees on separation is made by 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 Medical 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 2018.

ii) Other defined benefit plans : (₹ in crore)

Particulars	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
A. Changes in the present value of obligation as on 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

NOTES

(₹ in crore)

Particulars	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
31st March 2018						
Present value of obligation at the beginning of the year	321.65	153.68	16.51	410.85	31.30	22.05
Interest cost	23.64	11.30	-	30.20	-	-
Current service cost	31.37	0.34	-	24.54	-	-
Past service cost	-	-	-	-	-	-
Benefits paid/payable	(16.70)	(5.43)	(0.26)	(26.26)	(6.39)	(2.41)
Actuarial gain/loss on obligation	(44.48)	(5.87)	(3.38)	(28.42)	14.01	1.74
Present value of obligation at the end of the period	315.48	154.02	12.87	410.91	38.92	21.38
B. Changes in the fair value of the Plan Assets as on						
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	-
31st March 2018						
Fair value of plan assets at the beginning of the year	181.59	113.05	34.57	300.05	27.88	-
Expected return on plan assets	13.35	8.31	2.82	25.36	2.47	-
Contributions	140.06	40.63	-	110.80	-	-
Benefits paid/payable	(16.70)	(2.66)	(0.26)	(26.26)	(6.39)	-
Actuarial gain/loss on plan assets	8.87	2.33	-	2.71	0.01	-
Fair value of plan assets at the end of the period	327.17	161.66	37.13	412.66	23.97	-
C. Amounts recognised in the Balance sheet as on						
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
31st March 2018						
Present value of the obligations at the end of the year	315.48	154.02	12.87	410.91	38.92	21.38
Fair value of plan assets at the end of the year	327.17	161.66	37.13	412.66	23.97	-
Liability(+)/Asset (-) recognised in the balance sheet	(11.69)	(7.64)	(24.26)	(1.75)	14.95	21.38

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(₹ in crore)

Particulars	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						
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
31st March 2018						
Current service cost	31.37	0.34	-	24.54	-	-
Past service cost	-	-	-	-	-	-
Interest cost	23.64	11.30	-	30.20	-	-
Expected return on plan assets	(13.35)	(8.31)	(2.82)	(25.36)	(2.47)	-
Net acturarial gain/loss recognised in the year	(53.35)	(8.20)	(3.38)	(31.13)	14.00	1.74
Expenses recognised in Statement of Profit and Loss	(11.69)	(4.87)	(6.20)	(1.75)	11.53	1.74

E. PRINCIPAL ACTUARIAL ASSUMPTIONS : (₹ in crore)

DESCRIPTION	2017-18	2016-17	2015-16
i. Discount Rate	7.74%	7.35%	8.00%
ii. Mortality Rate	**LIC 1994-96 ultimate**	**LIC 1994-96 ultimate**	**LIC 1994-96 ultimate**
iii. Medical Cost Trend rates	5%	4%	4%
iv. Withdrawal rate	1% to 3%	1% to 3%	1% to 3%
iv. Future salary increase	6.50%	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 ₹10 lakhs to ₹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 (₹ in crore)

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2018	31/3/ 2018	31/3/ 2017	31/3/ 2017
A. Effect of 1% Change in the Assumed Discount Rate	294.08	340.08	299.20	347.55
1. Effect on DBO	(6.78)	7.80	(6.98)	8.05
B. Effect of 1% Change in the Assumed Salary Rate	333.55	296.79	342.03	301.38
2. Effect on DBO	5.73	(5.92)	6.34	(6.30)
C. Effect of 1% Change in the Assumed Attrition Rate	335.11	293.73	341.41	299.68
3. Effect on DBO	6.22	(6.89)	6.14	(6.83)

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b) Accrued Leave Salary (₹ in crore)

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2018	31/3/ 2018	31/3/ 2017	31/3/ 2017
A Effect of 1% Change in the Assumed Discount Rate	147.60	161.54	140.58	169.03
1. Effect on DBO	(4.17)	4.88	(8.52)	9.99
B Effect of 1% Change in the Assumed Salary Rate	164.23	145.44	174.19	136.43
2. Effect on DBO	5.63	(5.57)	13.35	(11.23)
C Effect of 1% Change in the Assumed Attrition Rate	161.27	145.92	167.33	138.40
3. Effect on DBO	4.71	(5.26)	8.88	(9.94)

c) Post Retirement Medical Facilities (₹ in crore)

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2018	31/3/ 2018	31/3/ 2017	31/3/ 2017
A Effect of 1% Change in the Assumed Discount Rate	375.11	453.08	375.64	452.27
1. Effect on DBO	(8.71)	10.27	(8.57)	10.08
B Effect of 1% Change in the Assumed Salary Rate	454.91	373.95	449.63	377.61
2. Effect on DBO	10.71	(8.99)	9.44	(8.08)

(G) Defined benefit liability

The weighted average duration of the defined benefit obligation is 12.89 years for Leave encahement benefit , 9.89 years for gratuity scheme as on 31 March 2019 .The expected maturity analysis of gratuity and compensated absenses is as under :

(₹ in crore)

	Less than a year	Between 2 - 5 years	between 5 -10 years	Over 10 years	Total
31 March 2018					
Gratuity scheme	8.47	27.84	32.50	85.21	154.02
Accrued leave salary	28.35	82.70	74.85	129.58	315.48
Post retirement medical benefits	27.04	96.96	95.60	191.29	410.89
Total	**63.86**	**207.50**	**202.95**	**406.08**	**880.39**

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

(₹ 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**

2.32.2. 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

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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

(₹ in crore)

	Iron Ore		Pellets, Other Minerals & Services		Other reconciliation items		Grand Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
1.REVENUE								
External Sales	**11,490.93**	8,708.89	**123.98**	120.75	-	-	**11,614.91**	8,829.64
Inter-Segment Sales	**-**	-	**-**	-	-	-	**-**	-
Total Revenue	**11,490.93**	8,708.89	**123.98**	120.75	-	-	**11,614.91**	8,829.64
2. RESULT								
Segment Result	**6,209.64**	3,678.27	**(106.12)**	(41.78)	(77.05)	60.78	**6,026.47**	3,697.27
Unallocated Corporate Exps							**(199.77)**	(181.25)
Operating Profit							**5,826.70**	3,516.02
Finance Cost							**(37.10)**	(20.76)
Interest Income							**389.39**	797.66
Income Taxes							**(2,373.11)**	(1,703.78)
Net Profit							**3,805.88**	2,589.14
3. OTHER INFORMATION								
Segment Assets	**4,641.05**	5,749.69	**666.68**	152.88	22,915.68	19,346.13	**28,223.41**	25,248.70
Segment Liabilities	**1,633.80**	1,554.56	**37.87**	27.32	2,583.62	1,601.24	**4,255.29**	3,183.12
Additions to assets during the year :								
Tangible Assets	**398.00**	215.55	**574.62**	3.13	13.48	11.77	**986.10**	230.45
Intangible Assets	**0.10**	13.30	**-**	0.21	2.03	0.13	**2.13**	13.64
Depreciation and Amortisation	211.57	183.27	32.47	2.92	12.00	9.99	256.04	196.18
expenses during the year								
Impairment reversal/provided	-	-	-	-	-	-	-	-
Non-Cash expenses other than	337.04	270.17	0.00	0.01	0.22	31.57	337.26	301.75
Depreciation & amortization								

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Geographical Segments

Sales Revenue by location of Customers:

(₹ in crore)

	Curr. Year	Prev. Year
Revenue from External customers		
- Domestic	10,544.98	7,924.89
- Export : Through MMTC	1,069.93	904.75
Total	**11,614.91**	**8,829.64**

Assets by Geographical Location:

(₹ in crore)

Location	Carrying amount of Segment Assets		Additions to Tangible and Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chattisgarh	16,875.89	14,657.19	88.32	123.67
Telangana & Andhra Pradesh	8,920.86	8,084.95	9.12	8.33
Others	2,426.66	2,506.56	890.79	112.09
Total	**28,223.41**	**25,248.70**	**988.23**	**244.09**

2.32.3 Accounting policies, change in Accounting Estimates and Errors (As per Ind-AS 8):

I. Revision to existing Accounting Policies

a. **Change proposed in the existing Accounting Policy on 'Revenue Recognition' Para 1(1.2)(xi)(b):** In case of spot auction under electronic mode, the sale is recognized on conclusion of the auction **and receipt of money** as against the earlier practice of recognizing sales on conclusion of auction.

The said revision has an impact of reduction in turnover of ₹8.79 crore along with the reduction in the profit to the extent of ₹5.96 crore.

b. Treatment of Enabling Assets: Under PPE 1.2(v)(b)

"Expenditure incurred on any facility, the ownership of which is not vested with the company, but the incurrence of which is essential in bringing an asset/projects of NMDC to the location and condition necessary to be capable of operating in the manner intended by the management, shall be capitalized as a part of the overall cost of the said asset/project. Else the same shall be charged to revenue."

No impact in the financials as the treatment of enabling assets as mentioned in the policy is already in practice. The same is added to Accounting Policy to bring in clarity.

c. Prepaid Expenses: 1.2(xix)

Expenses are accounted under prepaid expenses only when the amount relating to the unexpired period exceeds rupees Two crore in each case.

The addition of the said policy has resulted in increase in the current year expenses by ₹8.16 crores with a corresponding decrease in profit.

d. Restatement of earliest prior period financials on material error/omissions 1.2 (xx)

The value of error and omissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expenses exceeds 1.0% of the previous year turnover of the company.

This policy is introduced for more clarity on recognising material prior period errors. During the current year there is nil impact in the financials as there are no material prior period errors and omissions recognised.

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II. **Ind AS issued but not yet effective:** The Companies (Indian Accounting Standards) Amendment Rules, 2018 has been notified containing the following:

a. **Ind AS 115- Revenue from Contracts with Customers :** The Ministry of Corporate Affairs has notified this standard to be effective from 1st April 2018. The objective of this standard is to give enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The core principle of this Standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company intends to adopt this standard w.e.f 1st April 2018. The effect on adoption of this standard is expected to be insignificant.

b. **Appendix B to Ind AS 21, foreign currency transactions and advance consideration:** The Ministry of Corporate Affairs has notified this standard to be effective from 1st April 2018. This standard clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company intends to adopt this standard w.e.f 1st April 2018. The effect of this on financial statements is expected to be insignificant.

2.32.4 Related Party Disclosures (IndAS-24)-:

i) List of related parties

			Holding as at	
A. Subsidiaries	**Country of incorporation**	**No. of Shares Hold**	**March 31, 2018**	**March 31, 2017**
Legacy Iron Ore Limited	Australia	115,34,50,796	78.56%	78.56%
J & K Mineral Development Corporation Limited	India	28,51,002	95.86%	95.86%
NMDC Power Limited	India	5,50,000	100%	100%
Karnataka Vijaynagar Steel Limited	India	10,000	100%	100%
NMDC Steel Limited	India	10,000	100%	100%
Jharkhand Kolhan Steel Limited	India	10,000	100%	100%
NMDC-SARL, Madagaskar(Under closure)	Africa	41,85,590	100%	100%
B.Joint Ventures				
Kopano-NMDC Minerals(Proprietary) Limited	South Africa	50	50%	50%
Jharkhand National Mineral Development Corporation Ltd.	India	6,000	60%	60%
NMDC-CMDC Ltd., Raipur	India	9,83,47,236	51%	51%
NMDC-SAIL Ltd.	India	25,500	51%	51%
Bastar Railway Pvt. Ltd.	India	19,56,500	54.27%	80.35%

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C. Associates				
Romelt-Sail(India) Limited*	Africa	1,05,000	25%	25%
International Coal Ventures (Pvt.) Ltd.	India	37,63,57,143	25.94%	26.47%
Krishnapatnam Railway Company Ltd.	India	4,00,00,000	14.82%	14.82%
Neelachal Ispat Nigam Ltd	India	7,47,99,878	12.87%	12.87
Chhattisgarh Mega Steel Ltd.	India	13,000	26%	26%

D: Key Management Personnel: (Directors) as on 31/03/2018

Directors :

1. Shri N.Baijendra Kumar — CMD w.e.f 6th Sep. 2017
2. Shri R. Sridharan — CMD w.e.f 7th Dec 2016 to 5th Sep. 2017
3. Dr. Narendra K Nanda — Director (Technical)
4. Dr T R K Rao — Director (Commercial)
5. Shri P K Satpathy — Director (Production)
6. Shri D S Ahluwalia — Director (Finance) up to 30th April 2018
7. Shri Sandeep Tula — Director (Personnel)

Company Secretary :

Sri A.S Pardha Saradhi

ii) RELATED PARTY TRANSACTIONS

₹ In Crore

Investment in subsidiaries	As at March 31, 2018	As at March 31, 2017
Legacy Iron Ore Limited	168.53	168.53
J & K Mineral Development Corporation Limited*	28.51	28.51
NMDC Power Limited	0.55	0.55
Karnataka Vijaynagar Steel Limited	0.01	0.01
NMDC Steel Limited	0.01	0.01
Jharkhand Kolhan Steel Limited	0.01	0.01
NMDC-SARL, Madagaskar(Under closure)#	7.20	7.20
Total	204.82	204.82
*Investment derated/provision	28.51	28.51
#Investment derated/provision	7.20	7.20

₹ In Crore

Loans & Advances to subsidiaries	March 31, 2018	March 31, 2017
Legacy Iron Ore Limited	-	-
J & K Mineral Development Corporation Limited*	18.33	17.97
NMDC Power Limited	0.09	0.07
Karnataka Vijaynagar Steel Limited	639.63	638.65
NMDC Steel Limited	0.02	0.01
Jharkhand Kolhan Steel Limited	0.03	0.01
NMDC-SARL, Madagaskar (Under closure)	-	-
Total	658.10	656.71
* Advances derated/Provision made during the year	13.86	13.86

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₹ In Crore

Investment in Joint Venture Companies (including advance against equity)	March 31, 2018	March 31, 2017
Kopano-NMDC Minerals(Proprietary) Limited (₹ 324/-)	-	-
Jharkhand National Mineral Development Corporation Ltd.	0.01	0.01
NMDC-CMDC Ltd., Raipur	98.35	38.88
NMDC-SAIL Ltd.	0.03	0.03
Bastar Railway Pvt. Ltd.	1.96	1.96
Total	100.35	40.88

₹ In Crore

Loans & Advances to JVs	March 31, 2018	March 31, 2017
Kopano-NMDC Minerals(Proprietary) Limited	0.10	0.10
Jharkhand National Mineral Development Corporation Ltd.	0.04	0.04
NMDC-CMDC Ltd., Raipur	46.10	0.20
NMDC-SAIL Ltd.	-	-
Bastar Railway Pvt. Ltd.	6.50	-
Total	52.74	0.34

₹ In Crore

Investment in Associates(including advance against equity)	March 31, 2018	March 31, 2017
Romelt-Sail(India) Limited*	0.11	0.11
International Coal Ventures (Pvt.) Ltd.	376.36	376.36
Krishnapatnam Railway Company Ltd.	40.00	40.00
Chhattisgarh Mega Steel Ltd.	0.01	0.01
NeelachalIspat Nigam Ltd.	100.60	100.60
Total	517.08	517.08
*Investment deration/Provision	0.11	0.11

Aggregate amount of unquoted investments Gross ₹653.74 crore and net ₹617.92 crore(Previous year Gross ₹594.27 crore and net ₹558.45 crore)

₹in Crore

Particulars	As at March 31, 2018	As at March 31, 2017
Key Management Personnel:		
Key Managerial Personnel Remuneration	4.24	2.01

The Company has so far deposited an amount of ₹639.61 Crore (previous year 638.64 crore) with Karnataka Industrial Area Development Board (KIADB) for acquisition of land for setting up of Steel plant at Karnataka. The amount is included under Advances to Subsidiaries under the note 2.4.2.

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, (KVSL) 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 in favour of Karnataka Vijayanagar Steel Limited (KVSL) a wholly owned subsidiary of the Company.

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KIADB has vide its letter dated KIADB/BALLARI/DO/PC/714/2017-18 dated 11.01.2018 handed over the possession of land measuring 2857.54 acres to KVSL. However, KIADB has not considered the extent of land utilised for the widening work of existing NH-63 by concerned authority which is passing through few survey numbers of our acquired private land. Subsequent to this rectification, the execution of agreement and registration of private land shall be taken up. Pending rectification, the land is capitalised in the books of KVSL.

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

Particulars	Year ended	
	31-MAR-18	31-MAR-17
1. Profit after Tax (₹ Crore)	3,805.88	2,589.14
2. No of Equity shares	316,38,90,474	316,38,90,474
3. Nominal value per Equity share (₹)	1	1
4. Basic and Diluted Earnings per share (₹)	12.03	7.22 (*)

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

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

2.32.7 Discontinuing Operations (IndAS-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.

₹In crore

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Silica Sand Project, Lalapur		
Carrying value of Assets	0.29	0.29
Carrying value of liabilities	0.76	0.80

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

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
A. Revenue		
Revenue from operations		
Other income	0.00	0.01
Total Revenue	0.00	0.01
B. Expenses		
Power, Electricity and Water	0.25	0.25
Repairs and Maintenance	0.01	0.02
Other expenses	0.41	0.50
Total Expenses	0.67	0.77
C.Profit(+)/Loss(-) from discontinued operations before tax (A-B)	(0.67)	(0.76)

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2.32.8 Intangible Assets (IndAS-38) : R&D

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is ₹22.03 crore (previous year ₹20.30 crore), including expenditure of ₹0.83 crore (previous year ₹1.47crore) on feasibility studies.

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

Head of account	2017-18	2016-17
Consumption of Stores and Spares	0.15	0.19
Power, Electricity & Water	0.58	0.55
Employee benefit expense	13.16	12.33
Repairs and Maintenance	0.52	0.44
Other expenditure	4.57	5.53
Depreciation & Amortisation	3.59	3.43
Total expenditure	22.57	22.47
Less : Other income	1.37	3.64
Total net R&D expenditure	21.20	18.83

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are ₹3.10 crore. (Previous year ₹1.47 crore).

2.32.9 Joint Ventures (IndAS- 28) Jointly Controlled entities:

Sl no	Name of the Joint Venture	Country of Incorporation	Proportion of ownership 2017-18	Proportion of ownership 2016-17
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%	51%
5	Bastar Railway Pvt Ltd	India	54.27%	80.35%

2.32.10 Impairment of Assets (IndAS – 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:

₹ in crore

Unit	Year of impairment	Impaired Amount as on 01-04-17	Adjustments during 2017-18			Impaired Amount as on 31-03-18
			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.

NOTES

2.32.11 Provisions, Contingent Liabilities and Contingent Assets (IndAS-37) :

Necessary details in regard to provisions have been disclosed in notes 2.14,2.17 & 2.31.

2.33 :Disclosure as required under Regulation 34(3) and 53(f) of SEBI (LODR) Regulations, 2015

2.33.1 Loans and advances in the nature of loans to Subsidiaries/Jvs' where there is no repayment schedule or no interest :

₹ in crore

Name of the Subsidiary	Maximum Balance outstanding	
	As at 31-Mar-18	As at 31-Mar-2017
J&K Mineral Development Corporation Limited, Jammu (*)	18.33	17.97
NMDC Power Ltd, Hyderabad	0.09	0.07
Jharkhand Kolhan steel Limited	0.03	0.01
Karnataka Vijayanagar Steel Limited	639.63	638.65
NMDC Steel Limited	0.02	0.01
Total	658.10	656.71
* Advances derated/Provision made during the year	13.86	13.86

Name of the Joint Venture	Maximum Balance outstanding	
	As at 31-Mar-18	As at 31-Mar-2017
Kopano-NMDC Minerals(Proprietary) Limited	0.10	0.10
Jharkhand National Mineral Development Corporation Ltd.	0.04	0.04
NMDC-CMDC Ltd., Raipur	46.10	0.20
NMDC-SAIL Ltd.	-	-
Bastar Railway Pvt. Ltd.	6.50	-
Total	52.74	0.34

2.33.2 There are no Investments by the loanees as mentioned in 2.36.1 in the shares of NMDC Ltd.

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

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

2.34. Others:

2.34.1 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 Courts of Karnataka ,Chhattisgarh & Madhyapradesh. The Chhattisgarh High Court has permitted NMDC to withdraw the case with liberty to pursue the matter before the concerned authority by filing a reply. The Madhya Pradesh High court has granted stay. The Karnataka High Court, initially granted stay but subsequently vacated the stay and dismissed the petition.

Considering the stay given by Supreme court in one of the cases on similar matter, the company has filed fresh 'Writs' in the High Courts of Chhattisgarh & Karnataka. The company has also filed transfer petitions before Hon' Supreme Court seeking transfer of the cases with Chhattisgarh High Court & Madhya Pradesh High Court. Hon'ble Supreme Court has not admitted the transfer petition with respect to the case with Chhattisgarh High Court. However with regard to case with Madhya Pradesh High Court, Hon'ble Supreme Court has granted permission to withdraw the transfer petition with liberty to draw the attention of the High Court to the pendency of similar matter(s) before the Hon Supreme Court.

Pending the outcome of above actions, the company has provided for the liability of ₹ 249.82 crore (previous year ₹ 166.65 crore) towards Service Tax on Royalty and interest.

NOTES

2.34.2. 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 2017-18 and the Liability of ₹103.64 crore (previous year ₹258.50 crore) has been provided during the year.

2.34.3 Enabling Facilities:

During the year the Company has paid ₹150 crore towards doubling of Railway lines owned by Railways between Kirandul-Jagdalpur and ₹140 crore towards Jagdalpur-Ambagon , which is required for augmentation of evacuation facility of Bailadila Sector. In addition to above certain amounts were also paid to Railways for other works on railway properties. An amount of ₹ 172.80 Crore utilised for the above purpose during the year 2017-18 (previous year ₹176.72 Crore) is included in 'Other Expenses'.

2.34.4 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 ₹ 28.51 crore and Advances to an extent of ₹ 13.86 crore (adjusted for free cash & bank balance) has been provided for during the previous year 2016-17. Status quo maintained for 2017-18.

2.34.5 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.Transaction Advisor (TA), Legal Advisor (LA) & Asset Valuer (AV) are appointed. However, the process of disinvestment has been deferred.

2.34.6 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 ₹ 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.

2.34.7 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 was required to pay 30% of royalty towards DMF and 2% of royalty towards NMET with effect from 12th Jan 2015 respectively.

The Hon'ble Supreme Court of India has in its judgement dated 13.10.2017 clarified that "DMF is required to be made by the holder of a mining lease or a prospecting licence-cum-mining lease in the case of minerals other than coal, lignite and sand for stowing with effect from 17th September, 2015 when the rates were prescribed by the Central Government". Subsequent to this, Company has withdrawn the excess provision made towards DMF for the period from 12th Jan 2015 to 16th September 2015 and returned/adjusted the amount collected from customers. On account of this a net amount of ₹144.30 Croreis shown as Exceptional item in Profit and Loss Account.

With regard to NMET, Company has made the payment w.e.f 12.01.2015. Moreover, the judgement of Supreme court dated 13.10.2017 is silent hence status quo is maintained. Since the rates for NMET were declared in the MMDR Act itself and Supreme court judgement is silent on its applicability, payment made by the Company with effect from 12.01.2015 is deemed to be in order.

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.

2.34.8 Mining issues at Donimalai complex in Karnataka:

The monitoring Committee has retained 10% of sale proceeds for the period from 04/10/2011 to 31/03/2018 amounting to ₹1,685.22 crore (previous year ₹1,350.01 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

NOTES

considered under the trade receivables from Monitoring Committee and under Ind AS 109, has provided for 100% of the said amount.

2.34.9 GST issue on Sales through Monitoring Committee

Post GST 1st July 2017, for sales through Monitoring Committee (MC), GST invoices were raised by Donimalai unit on MC as per the requirement of the GST Act. It was expected that MC shall raise GST invoices on the customers and utilize the input tax credit of the GST billed by NMDC and payback the GST to NMDC. However, for the period from 1st July 2017 to 30th Sept 2017 MC has not acknowledged the invoices raised by NMDC and has paid the GST of ₹45.73 Crore collected from customers to the Exchequer without utilizing the input tax credit of GST billed by NMDC. This amount stands receivable in the books of Donimalai. Efforts are on to recover the amount from MC. Pending clarity on the issue of recovery of this amount, no provision has been made in the books of accounts of the year 2017-18. However, from 1st October 2017 Donimalai has been raising bill directly on the customers as per the Hon'ble Supreme Court direction.

2.34.10 Other issues:

The Company has been legally advised that there is no impact of the Hon'ble Supreme Court of India judgement with reference to the writ petition (Civil) no. 114 of 2014 dated 2nd August 2017 on NMDC. However, in case it is found applicable to NMDC at a later date, it may impact the profits of the company.

2.34.11 CSR Expenditure :

a) Gross amount required to be spent by the company during the year is ₹121.02 crore (2% of the last three years average PBT ₹6050.93 crore).(Previous Year ₹160.22 crore (2% of the last three years average PBT ₹8010.77 crore).

b) Amount spent during the year on account of CSR activities is ₹169.37 crore.(Previous Year ₹174.18 crore)

2.34.12 General:

i. 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.

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

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

Note. No. 2.34.13 : Fair Value Measurement

Financial instruments by category ₹ In crore

	As at March 18			As at March 17		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Trade receivables			1,472.74			1,043.52
Cash and cash equivalents			25.97			70.38
Other bank balances			5,412.25			5,218.90
Loans			779.68			731.12
Other financial assets			447.00			285.18
Total	-	-	8,137.64	-	-	7,349.10
Financial liabilities						
Borrowings			500.09			-
Trade payables			159.54			198.78
Other financial liabilities			1,887.31			1,230.46
Total	-	-	2,546.94	-	-	1,429.24

NOTES

(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 2018, and 1 April 2017, 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 2018, and 1 April 2017, respectively, are not included.

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

Note No: 2.34.14 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 Karantaka which is through Montoring 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 2018 ₹ In crore

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	1,600.64	207.93	1,373.14	3,181.71
Expected loss rate	11.34%	74.20%	100.00%	53.71%
Expected credit losses (loss allowance provision)	181.56	154.28	1,373.14	1,708.97
Carrying amount of trade receivables (net of impairment)	1,419.08	53.65	-	1,472.74

NOTES

Year ended 31 March 2017

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	1,372.72
Carrying amount of trade receivables (net of impairment)	974.33	13.09	56.06	1,043.48

iii. Reconciliation of loss allowance provision - trade receivables

Loss allowance on 1 April 2016	1,115.78
Changes in loss allowance	256.94
Loss allowance on 31 March 2017	1,372.72
Changes in loss allowance	336.25
Loss allowance on 31 March 2018	1,708.97

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 ₹ 500 Crore within limits assigned to each bank and Debt based mutual funds of public sector AMCs. 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

₹ in crore

	31 March 2018	31 March 2017
Flexible rate		
Expiring within one year (bank overdraft and other facilities)	100	-
Working capital Limits with Banks	100	100

NOTES

ii. Maturities of financial liabilities

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

₹ in crore

Year ended 31 March 2018	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	-	500.09	-	-	-	-	500.09
Trade payables	84.06	75.48		-	-	-	159.54
Other financial liabilities	1,110.34	721.82	32.04	23.12	-	-	1,887.32
	1,194.40	**1,297.39**	**32.04**	**23.12**	**-**	**-**	**2,546.95**

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
	1,397.78	**16.45**	**8.03**	**4.24**	**2.45**	**0.29**	**1,429.24**

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 is 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 is minimal and hence no sensitivity analysis is presented.

NOTES

Note No. : 2.34.15 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 2018.

b) Dividends

₹ In crore

	31 March 2018	31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2018 of ₹ Nil (31 March 2017: Re 1 per equity share) per equity share.		316.39
Interim dividend for the year ended 31 March 2018 of ₹4.30 (31 March 2017: ₹ 4.15) per fully paid share	1360.48	1313.02
(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 ₹ Nil per fully paid equity share (31 March 2017: Re 1.00 per equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		316.39

₹ In crore

Particulars	31st- March 2018	31st- March 2017
Net Debt (excluding short term)	0	0
Total equity	24,353.83	22,518.94
Net debt to equity ratio	0%	0%

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 FOR THE YEAR ENDED 31 MARCH 2018

The preparation of consolidated financial statements of NMDC Limited for the year ended on 31 March 2018 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 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 28 May 2018.

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 for the year ended on 31 March 2018. We conducted a supplementary audit of the financial statements of NMDC Limited, subsidiaries, associate companies and jointly controlled entities listed in Annexure-I, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure-II 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)
Director General of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad
Date: 24 July 2018

Annexure I

Subsidiaries

1. NMDC Power Limited, Hyderabad
2. NMDC Steel Limited, Hyderabad
3. Karnataka Vijaynagar Steel Limited, Bangalore

Joint Ventures

1. Bastar Railways Private Limited
2. NMDC SAIL Limited

Associate Companies

1. International Coal Ventures (Pvt) Limited, New Delhi

Annexure II

Subsidiaries

1. J&K Mineral Development Corporation Limited, Jammu
2. Jharkhand Kolhan Steel Limited, Ranchi

Joint Ventures

1. NMDC CMDC Limited, Raipur
2. Jharkhand National Mineral Development Corporation Limited, Ranchi

Associate Companies

1. Krishnapatnam Railway Company Limited, Secunderabad
2. Nilachal Ispat Nigam Limited, Bhubaneswar

TEJ RAJ & PAL

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To

The Members
NMDC Limited
Hyderabad

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of NMDC Limited ("the Holding Company") and its subsidiaries (collectively refer to as "the company" or "the Group"), and its associates and jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March 2018, 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 referred to as "Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these Consolidated 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 the 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 with the 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting 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.

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We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Act, read with the relevant rules issued there under of the Consolidated financial position of the Group, its associates and jointly controlled entities as at March 31, 2018, 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. We did not audit the Financial Statements / financial information of 7 (Seven) subsidiaries, whose Financial Statements / financial information reflect total assets of Rs.725.68 crores as at 31st March, 2018, total revenues of nil and net cash out flows amounting to Rs. 3.36 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.3.11crores for the year ended 31st March, 2018, 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

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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 of 7 (Seven) subsidiaries, 5 (Five) Joint Ventures and 5 (Five) associate Company, whose Financial Statements / financial information reflect total assets of Rs.725.68 crores as at 31st March, 2018, total revenue nil and net cash out flows amounting to Rs. 3.36 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 profits of Rs.4.73 crores for the year ended 31st March, 2018, as considered in the Consolidated Financial Statements, in respect of five associates and five joint ventures, 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, based on our audit, 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 relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Holding 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 (including other Comprehensive Income), 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 Financial Statements comply with the Indian Accounting Standards prescribed 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) On the basis of the written representations received from the Directors of the Company as on March 31, 2018 taken on record by the board of Directors of the company and its subsidiaries

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incorporated in India and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of the internal financial control over financial reporting of the Holding company and the operating effectiveness of such control, refer to our separate report in "ANNEXURE- B" our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.

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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Holding Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements;

ii. The Holding 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company.

For Tej Raj & Pal
Chartered Accountants
(Firm's Registration No. 304124E)

CA B Vijay
Partner
(Membership No 214678)

Hyderabad, May 28, 2018

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"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirement' section of our report to the members of NMDC Ltd of even date)

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.	We the auditors of the group, have noticed the following observations: A. Below are the Leasehold Lands (General/ Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification: 1. Land Lease Hold of Dep No. 10 for Iron Ore measuring 308.13 (Hectares) and valuing Re. 1/-; 2. Land Lease Hold of Pocket No. 1, 2, and 3 Near Bhansi measuring 189.956 (Hectares) and valuing Re. 1/-; 3. Land Lease Hold of Bacheli Float Ore measuring 99.996 (Hectares) and valuing Re. 1/-; 4. Land Lease Hold of Dep-11C Mines & Fine Ore Dump measuring 122.619(Hectares) valuing Rs. 21,84,430/- 5. Mining Lease of Dep-14 measuring 17.81 (Hectares) and valuing Rs. 57,31,352/-; 6. Land Lease Hold (for Town Ship) Type II Qtr in Kirandul measuring 20.81 (Hectares) and valuing Nil; 7. Land acquisition for Screening Plant measuring 470.00(Acres) and valuing Nil 8. Land Acquisition for Intake Arrangement (Location-Bacheli) measuring 14.13(Acres) and valuing Nil 9. Land for Sankini Nalla W/Supply Scheme for 10 & 11A Project measuring 2 (Hectares) and valuing Rs.1,03,529/-; 10. Land for Sankini Nalla W/Supply Scheme for 10 & 11A Project measuring 3 (Hectares) and valuing Nil; 11. Land for Bailadila Estate at Jagdalpur measuring 10 (Acres) valuing Nil; 12. Land for Operation Township at Hilltop valuing Nil; 13. Buildings (Social Amenities) with Gross Block Rs.72,17,92,289/- and Net Block Rs.68,22,65,758/- B. Below are the Freehold Lands (General/ Social Amenities) for which no comments could be offered for the reason no documents were made available for our verification: 1. Land- Areas in Bacheli Pargana measuring 14.4 (Acres) and valuing Rs. 4,953/-; 2. Land- Area in Bacheli Pargana (Kameli Kala) measuring 2.10 (Acres) and valuing Rs. 557/-;

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		3. Land- Area in Bachelli Pargana (PoroKameli) measuring 3.27 (Acres) and valuing Rs. 1,341/-; 4. Land- Areas in Kodenar Pargana measuring 5.16 (Acres) and valuing Rs. 1,606/-; 5. Land- Areas in Kirandul Pargana measuring 19.22 (Acres) and valuing Rs. 13,995/-; 6. Land- Areas in Bada Bacheli measuring 1.46 (Acres) and valuing Rs. 384/-; 7. Land- Areas in Bada Bacheli Pargana measuring 6.65 (Acres) and valuing Rs. 2,468/-; 8. Land- Areas in Padapur Pargana measuring 4.28 (Acres) and valuing Rs. 2,443/-; 9. Land- Area in Jagdalpur measuring 5.823 (Hectares) and valuing Rs. 1,05,778/-; 10. Land for Accumulation of Slimes measuring 39.58 (Acres) and valuing Rs. 7,09,502/-; 11. Land at Madadi VIL measuring 15.79 (Acres) and valuing Rs. 4,46,722/-; 12. Land Freehold in Kirandul Pargana measuring 47.18(Acres) and valuing Rs. 22,569/-; 13. Land Freehold (Construction of 100 Permanent Type- C Qtrs) measuring 75.90(Acres) and valuing Rs. 46,200/- 14. Land Freehold for Construction of K.V. School Near Praleosh Vidyalaya measuring 21.62(Acres) and valuing Rs. 22,39,610/- 15. Land for Bhansi Camp (Location- Bachelli) valuing Rs.7,840/-; 16. Land acquired for Const. of Intake Water Supply to Screening Plant (Location- Bachelli) measuring 14(Acres) and valuing Rs.18,987/-; 17. Value of Private Land from Adivasi for Pipeline from Nerli Dam to Screening Plant(Location- Bachelli) measuring 1.54(Acres) and valuing Rs.7,375/-; 18. Value of Private Land for Oxidation Pond (Location- Bachelli) measuring 17.77(Acres) and valuing Rs.13,294/-; 19. Land for Rly Siding at Bachelli measuring 4(Acres) and valuing Rs.5,502/-; 20. Land acquired from Adivasi for Tailing Dam near Parapur measuring 81.39(Acres) and valuing Rs.2,11,395/-; 21. Acquisition of Land for Tailing Dam valuing Rs.30,635/- for which no measurement details are available; 22. Forest Land for Uniflowrly Dispatch System measuring 2(Hectares) and valuing Rs.12,40,000/-; 23. Buildings (General) with Gross Block Rs.37,46,50,472/- and Net Block Rs.33,56,95,305/- 24. Land valued at Rs.2,68,392/- for which no measurement details are available.

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25. Land at Panna (Plot No.1236/3) measuring 2.063(Acres) and valued at Rs.5,176/-
26. Land at Panna (Plot No.76/2) measuring 1.821(Acres) and valued at Rs.3,304/-
27. Land at Panna (Plot No.1237/2) measuring 2.063(Acres) and valued at Rs.7,370/-
28. Land at Panna (Plot No.1236/2) measuring 15.873(Acres) and valued at Rs.30,085/-;

C. Below are the Leasehold Lands (General) for which the company holds possession letter issued by Joint Secretary, Mining Resources Department, Raichur:
   1. Land Lease Hold Dep-14 Mines measuring 407.55(Hectares) and valuing Rs. 41,31,186/-
   2. Land Lease Hold Dep-14 Non Mining measuring 546.882(Hectares) and valuing Rs.66,49,906/-;
   3. Land Lease Hold Dep No. 11 For Iron Ore measuring 1809.23(Hectares) and valuing Re.1/-;

D. Below are the Leasehold Lands (General) for which the company holds possession letter issued by Chief Secretary , Mining resources Dept, M.P:
   1. Land lease Hold of Dep No. 14 for Float Ore measuring 317.75(Hectares) and valuing Nil;

E. Below are the Freehold Lands for which the company holds possession letter(Kabja Praman Patra) issued by Tahsildar, Jagdalpur:
   1. Land at villages Nagarnar, Kasturi, Amaguda & Maganpur measuring 288.79(Hectares) and valuing Rs.7,27,58,374/-;
   2. Land at village Bhamani measuring 1.82(Hectares) and valuing Rs.1,36,380/-;
   3. Land at villages Nagarnar, Bijaput, Upanpal, Kasturi, Amaguda, Madpal, Chokawada & Maganpur measuring 318.74(Hectares) and valuing Rs.88,08,16,636/-;
   4. Land at village Chokawada measuring 7.20(Hectares) and valuing Rs.26,31,600/-;
   5. Land at village Nagarnar measuring 155.55(Acres) the value for which has not been finalised;

F. Below are the Leasehold Lands for which the company holds possession letter (Kabja Praman Patra) issued by Tahsildar, Jagdalpur:
   1. Land at villages Dhanpunji measuring 20.28(Hectares) and valuing Rs.3,10,20,964/-;

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E-mail: [illegible]
Website: [illegible]

G. Below are the Leasehold Lands for which the company holds possession letter issued by Mining Officer District South Bastar,Dantewada:

1. Mining Lease of Dep-05 measuring 1334.463(Acres) valuing Rs.53,99,96,215/-;
2. Mining Lease of Dep-10 measuring 764.379(Acres) valuing Rs.29,89,00,815/-;
3. Mining Lease of Dep-10(FC) measuring 352.858(Acres) valuing Rs.13,91,64,937/-;
4. Mining Lease of Dep-11A measuring 764.379(Acres) valuing Rs.38,45,514/-;

H. Below are the Leasehold Lands for which the company holds possession letter of Lease Deed issued by Tahsildar, Bastar,M.P:

1. Land Acquired for Central Workshop Location : Bacheli measuring 23.39(Acres) and valuing Rs.62,594/-;

I. Below are the Leasehold Lands(General/Social Amenities) for which the company holds possession letter issued by M.P Govt. Gazette Notification:

1. Land Magazine Building and Service Centre (Location: Hilltop) measuring 755.27(Acres) and valuing Nil;
2. Land for Bhansi Base Camp (Location:Bacheli) measuring 30(Acres) and valuing Nil;
3. Land for Bacheli Township (Lease paid to DFO & Cost of stamp for Regn.) measuring 200(Acres) and valuing Nil;

J. Below are the Leasehold Lands(General) for which the company holds possession letter (Kabja Praman Patra) issued by New Raipur Development Authority:

1. Land at Jhanj Raipur measuring 1.82(Hectares) valuing Rs.60,82,220/-;

K. Industrial Free Hold Land having Provisional Allotment Letters of 13.43 Acres Measuring 11.35(Acres) and valuing Rs.139.21(Crores);

L. Industrial Free hold Land of 26.39 Acres purchased from M/s Allyn Watches Ltd. measuring 24.23(Acres) and valuing Rs.5.88(Crores);

M. Industrial Free hold land of 1.32 Acres acquired from Chhattisgarh Housing Board measuring 1.43 (Acres) and valuing Rs.0.83(Crores)

N. Buildings (General Leasehold) with Net Block Rs.21,28,51,322/-

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		constructed on mines lease area; c. Buildings (Social Amneities Freehold) with Net Block Rs.54,97,52,288/- have been constructed over the land for which no title deeds are available.
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 2017-18.
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 2017-18.

For Tej Raj & Pal
Chartered Accountants
(Firm's Registration No. 304124E)

CA B Vijay
Partner
(Membership No 214678)

Hyderabad, May 28, 2018

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"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NMDC Ltd of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **NMDC Limited** ("the Holding Company") and its subsidiary companies, including its Associates and Jointly controlled entities which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Companies, including its Associates and Jointly controlled entities 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 respective Companies 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the holding company, its subsidiary companies, associates and jointly controlled entities, have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies 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
(Firm's Registration No: 304124E)

CA B Vijay
Partner
(Membership No 214578)

Hyderabad, May 28, 2018

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CONSOLIDATED BALANCE SHEET as at 31st March 2018

₹ in crore

Particulars	Note No.	Figures as at the end of current reporting year 31-March-2018	Figures as at the end of previous reporting year 31-March -2017
ASSETS			
Non-current Assets			
a) Property, plant & equipment	2.1	3,149.61	1,733.39
b) Capital work-in- progress	2.2	12,545.06	11,855.45
c) Goodwill		93.89	93.89
d) Other intangible assets	2.3	213.71	267.85
e) Financial assets			
i) Investments	2.4.1	672.73	612.30
ii) Loans	2.4.2	140.07	92.48
f) Deferred tax assets (Net)	2.5	385.71	453.36
g) Other non-current assets	2.6	2,626.23	2,698.76
Total non-current assets		**19,827.01**	**17,807.48**
Current Assets :			
a) Inventories	2.7	571.69	540.04
b) Financial assets			
i) Trade receivables	2.8.1	1,472.74	1,043.52
ii) Cash and cash equivalents	2.8.2	34.39	80.17
iii) Bank balances other than (ii) above	2.8.3	5,426.59	5,240.34
iv) Other financial assets	2.8.4	443.09	281.87
c) Current tax assets (Net)	2.9	602.20	564.37
d) Other current assets	2.10	313.20	181.24
e) Assets held for disposal	2.11	0.41	44.63
Total current assets		**8,864.31**	**7,976.18**
Total Assets		**28,691.32**	**25,783.66**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	2.12	316.39	316.39
b) Other Equity	2.13	24,101.02	22,265.82
Equity attributable to owners of NMDC Ltd		24,417.41	22,582.21
Non-controlling interest		14.89	15.39
Total equity		**24,432.30**	**22,597.60**
Liabilities			
Non- current liabilities			
a) Provisions	2.14	714.12	611.32
Total non-current liabilities		**714.12**	**611.32**
Current liabilities			
a) Financial liabilities			
i) Borrowings	2.15.1	500.09	-
ii) Trade payables	2.15.2	159.64	198.90
iii) Other financial liabilities	2.15.3	1,889.32	1,232.36
b) Other current liabilties	2.16	968.24	837.42
c) Provisions	2.17	27.61	306.06
Total current liabilities		**3,544.90**	**2,574.74**
Total liabilities		**4,259.02**	**3,186.06**
Total equity and liabilities		**28,691.32**	**25,783.66**
Significant Accounting Policies and notes on accounts: 1 & 2			

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

(CA B VIJAY)
Partner
Membership No: 214678

Place : Hyderabad
Dated : 28/05/2018

For and on behalf of the Board

(NARENDRA KUMAR NANDA)
Director (Technical)

(N.BAIJENDRA KUMAR)
Chairman-cum -Manging Director

(ABANINDRA KUMAR PADHY)
General Manager (Finance)

(A S PARDHA SARADHI)
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for The Year Ended 31st March 2018

₹ in crore

Particulars	Note No	Figures for the current reporting year 31-March-2018		Figures for the previous reporting year 31-March-2017	
I. Revenue from operations	2.18		11,614.91		8,829.64
II. Other Income	2.19		523.22		910.17
III. Total Income (I+II)			**12,138.13**		**9,739.81**
IV. Expenses :					
Consumption of raw materials	2.20		17.33		5.37
Excise Duty			0.01		1.50
Consumption of Stores & Spares			270.30		264.08
Changes in inventories of finished goods/ Work in progress	2.21		(38.48)		98.87
Employee benefit expense	2.22		1,049.23		888.75
Power and electricity	2.23		99.27		87.65
Repairs & maintenance	2.24		144.80		112.37
Royalty & other Levies			2,119.73		1,524.74
Selling Expenses	2.25		639.68		725.93
Finance cost	2.26		37.10		20.78
Depreciation and amortisatioon expense	2.1 & 2.3		256.63		196.65
Other expenses	2.27		1,510.26		1,525.55
Total expenses			**6,105.86**		**5,452.24**
V. Profit before exceptional items and tax (III-IV)			6,032.27		4,287.57
VI. Exceptional items (Income)/Expenditure	2.28		(144.30)		-
VII. Profit before tax (V-VI)			**6,176.57**		4,287.57
VIII.Tax expense :					
(1) Current year	2.29	2,141.62		1,620.18	
(2) Earlier years (net)		164.06		274.05	
(3) Deferred tax	2.29	67.66		(190.19)	
			2,373.34		1,704.04
IX. Profit for the year from continuting operations (VII-VIII)			3,803.23		2,583.53
X. Loss from discontinued operations			(0.67)		(0.76)
XI. Tax expense of discontinued operations			(0.23)		(0.26)
XII. Loss from discontinued operations(X-XI)			**(0.44)**		**(0.50)**
XIII.Profit for the year (IX +XII)			**3,802.79**		**2,583.03**
XIV. Share of non controling interest (Loss)			0.94		1.15
XV. Share of Profit /(Losses) of Associates			4.73		(40.32)
XVI.Profit after adjusting minority interest and share of loss of Associates (XIII+XIV+XV)			3,808.46		- 2,543.86
Other Comprehensive Income					
Item that will not be reclassified to profit or loss Re-measurements of post-employment benefit obligations			73.49		(102.52)
Income tax relating to these items			(25.01)		35.48
XVII.Other Comprehensive income			**48.48**		**(67.04)**
Total Comprehensive income for the year (XVI-XVII)			**3,856.94**		**2,476.82**
Earnings per equity share (for continuing operation)					
i) Basic	2.33.3		12.04		7.10
ii) Diluted	2.33.3		12.04		7.10
Earnings per equity share (for discontinued operation)					
i) Basic	2.33.3				
ii) Diluted	2.33.3				
Earnings per equity share (for discontinued & continuing operation)					
i) Basic	2.33.3		12.04		7.10
ii) Diluted	2.33.3		12.04		7.10
Significant Accounting Policies and notes on accounts : 1 & 2					

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

(CA B VIJAY)
Partner
Membership No: 214678

Place : Hyderabad
Dated : 28/05/2018

For and on behalf of the Board

(NARENDRA KUMAR NANDA)
Director (Technical)

(N.BAIJENDRA KUMAR)
Chairman-cum -Manging Director

(ABANINDRA KUMAR PADHY)
General Manager (Finance)

(A S PARDHA SARADHI)
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 March 2018

a) Equity Share Capital

₹ in crore

	Amount
Balance as at 1 April 2016	396.47
Changes in Equity share capital (*)	(80.08)
Balance as at 31 March 2017	316.39
Changes in Equity share capital	
Balance as at 31 March 2018	316.39

b) Other Equity

₹ in crore

Particulars	General Reserve	Retained earnings	CRR	OCI	Capital Reserve	Total
Balance as at 1 April 2016	29,514.22	(980.05)	-	6.20	243.25	28,783.62
Profit for the year		2,543.86				2,543.86
Other Comprehensive Income net of tax				(67.04)		(67.04)
Buyback of shares (including transition charges)	(7,460.35)					(7,460.35)
Transfer to Capital Redemption Reserve	(80.08)		80.08			-
Ind-AS Adjustments		42.31				42.31
Foreign Exchange Translation Reserve (OCI)				3.74		3.74
Interim Dividend for 2016-17		(1,313.02)				(1,313.02)
DDT of Interim Dividend for 2016-17		(267.30)				(267.30)
Total	(7,540.43)	1,005.85	80.08	(63.30)	-	(6,517.80)
Balance as at 31.3.2017	21,973.79	25.80	80.08	(57.10)	243.25	22,265.82
Balance as at 01.4.2017	**21,973.79**	**25.80**	**80.08**	**(57.10)**	**243.25**	**22,265.82**
Profit for the year		3,808.46				3,808.46
Capital Reserve					(5.01)	(5.01)
Other Comprehensive Income net of tax				48.48		48.48
Final dividends (2016-17)		(316.39)				(316.39)
DDT -Final dividends (2016-17)		(64.41)				(64.41)
Interim Dividends (2017-18)		(1,360.47)				(1,360.47)
DDT -Interim Dividends (2017-18)		(276.96)				(276.96)
Foreign Exchange Translation Reserve (OCI)				1.50		1.50
Transfer to General Reserve	1000.00	(1000.00)				-
Total	1000.00	790.23	-	49.98	(5.01)	1,835.20
Balance as at 31 March 2018	22,973.79	816.03	80.08	(7.12)	238.24	24,101.02

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

(CA B VIJAY)
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Membership No: 214678

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(NARENDRA KUMAR NANDA)
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Chairman-cum -Manging Director

(ABANINDRA KUMAR PADHY)
General Manager (Finance)

(A S PARDHA SARADHI)
Company Secretary

Place : Hyderabad
Dated : 28/05/2018

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2018

(₹ in Crore)

Particulars	Figures as at the end of current reporting year 31 March 2018	Figures as at the end of previous reporting year 31 March 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax from		
Continued Operations	6,176.57	4,287.57
Discontinued Operations	(0.67)	(0.76)
Profit before income tax including discontinued operations	**6,175.90**	**4,286.81**
Adjustments for non cash/non operational expenses:		
Depreciation & amortisation expense	256.63	196.65
(Profit)/Loss on disposal of property, plant & equipement	(0.65)	(0.96)
Expenditure on enabling facilities	172.80	176.72
Provision for bad & doubtful advances	336.92	301.46
Interest Income classified as investing cash flow	(390.31)	(798.98)
Finance Costs	37.10	20.78
Operating Profits before working capital changes	6,588.39	4,182.49
Adjustments for working capital changes:		
(Increase)/ Decrease in trade receivables	(766.14)	(548.91)
(Increase)/Decrease in inventories	(31.65)	82.01
(Increase)/Decrease in other financial assets	(258.35)	(14.44)
(Increase)/Decrease loans to employees and related parties	2.64	(0.42)
(Increase)/Decrease in other non current assets	(429.89)	(716.34)
(Increase)/Decrease in other current assets	(131.96)	9.40
(Increase)/Decrease in assets held for disposal	44.22	(44.28)
Increase/(Decrease) in trade payables	(39.26)	(125.62)
Increase/(Decrease) in provisions	103.64	258.66
Increase/(Decrease) employee benefit obligations	(205.99)	133.14
Increase/(Decrease) in other financial liabilities	738.10	(40.52)
Increase/(Decrease) in other current liabilities	130.82	486.79
Cash generated from operations	5,744.57	3,661.96
Income Taxes paid	(2,368.29)	(1,553.43)
Net Cash Flow from operating activities	3,376.28	2,108.53
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	(2,057.80)	(2,319.06)
Purchase of investments	(58.58)	(14.93)
Interest received	437.21	1,377.15
Investment in term deposits with more than three months	(185.71)	6,128.18
Net Cash Flow from investing activities	(1,864.88)	5,171.33

(₹ in Crore)

Particulars	Figures as at the end of current reporting year 31 March 2018	Figures as at the end of previous reporting year 31 March 2017
CASH FLOW FROM FINANCING ACTIVITIES		
Amount paid on buyback of Shares (including transaction charges)	-	(7,540.43)
(Repayment)/Proceeds from borrowings*	500.09	(1,496.95)
Deposits paid towards LCs and BGs (towards non fund based facilities)	372.09	3,270.25
Interest paid	(37.10)	(20.78)
Dividends paid (including tax thereon and net off balances for unpaid dividends)	(2,392.25)	(1,461.41)
Net Cash Flow from financing activities	(1,557.17)	(7,249.32)
Net increase (decrease) in cash and cash equivalent	**(45.77)**	**30.54**
Cash & Cash equivalents at the beginning of the year	80.17	49.63
Cash & Cash equivalents at the end of the year	**(34.39)**	**80.17**

*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

Ammendment ot Ind-As -7:

Effective April 1, 2017 the company adopted the amendment to Ind AS-7 which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arranging from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the oppening and closing balances in the Balance Sheet for liabilities arrising from financing activities, to meet the disclosure requirment. The adoption of ammedment didnot have any metterial impact on the financial statements.

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

(CA B VIJAY)
Partner
Membership No: 214678

Place : Hyderabad
Dated : 28/05/2018

For and on behalf of the Board

(NARENDRA KUMAR NANDA)
Director (Technical)

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(ABANINDRA KUMAR PADHY)
General Manager (Finance)

(A S PARDHA SARADHI)
Company Secretary

NOTES

SIGNIFICANT GROUP ACCOUNTING POLICIES

1. Significant accounting policies

1.1 Basis of preparation

(a) Statement of compliance

The consolidated 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.

(b) Basis of measurement

The consolidated 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 consolidated 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 consolidated 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 consolidated 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.

NOTES

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:

a) 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 consolidated 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 ₹5,000 or less are fully depreciated in the year of purchase

a) Treatment of Enabling Assets:

"Expenditure incurred on any facility, the ownership of which is not vested with the company, but the incurrence of which is essential in bringing an asset/projects of NMDC to the location and condition necessary to be capable of operating in the manner intended by the management, shall be capitalized as a part of the overall cost of the said asset/project. Else the same shall be charged to revenue."

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.

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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. 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

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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 and receipt of money.

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.

NOTES

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

xix) Prepaid Expenses:

Expenses are accounted under prepaid expenses only when the amount relating to the unexpired period exceeds rupees Two crore in each case.

NOTES

xx) Restatement of earliest prior period financials on material error/omissions

The value of error and omissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/ expenses exceeds 1.0% of the previous year turnover of the company

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

For and on behalf of the Board

(CA B VIJAY)
Partner
Membership No: 214678

(NARENDRA KUMAR NANDA)
Director (Technical)

(N.BAIJENDRA KUMAR)
Chairman-cum -Manging Director

(ABANINDRA KUMAR PADHY)
General Manager (Finance)

(A S PARDHA SARADHI)
Company Secretary

Place : Hyderabad
Dated : 28/05/2018

Note 2 PROPERTY, PLANT & EQUIPMENT

₹ in Crores

ASSETS	GROSS BLOCK					DEPRECIATION BLOCK						NET BLOCK	
	As at 1st Apr, 2017	Additions during the year	Ded/Adj during the year	Transfer to/from Other units	As at 31st Mar-18	Upto 1st Apr-17	For the year	Deductions/ adjustments	Transfer to/from	Internal transfers	Upto 31st Mar-18	As at 31st Mar-18	As at 31st Mar-17
A. General													
Land :													
- Free hold	274.12	639.61	-	-	**913.73**	-	-	-	-	-	-	913.73	274.12
- Lease hold	4.93	-	-	-	**4.93**	0.40	0.18	-	-	-	**0.58**	4.35	4.53
Buildings	128.88	172.01	-	-	**300.89**	8.52	10.78	-	-	-	**19.30**	281.59	120.36
Plant & Machinery	632.30	606.12	(20.30)	-	**1,218.12**	85.59	73.73	(20.25)	-	-	**139.07**	1,079.05	546.71
Heavy Mobile Equipt.	402.56	35.45	(4.97)	-	**433.04**	142.11	55.78	(4.99)	-	-	**192.90**	240.14	260.45
Furniture & fittings	13.58	0.74	0.46	-	**14.78**	3.08	1.77	0.44	-	-	**5.29**	9.49	10.5
Vehicles	24.71	2.53	(0.63)	-	**26.61**	6.53	3.74	(0.47)	-	(0.01)	**9.79**	16.82	18.18
Office Equipment	32.03	13.32	0.34	(0.06)	**45.69**	12.35	7.66	0.39	(0.03)	-	**20.40**	25.29	19.69
Others :					**-**						**-**	-	
Roads, bridges etc.	79.88	19.89	-	-	**99.77**	34.52	14.05	-	-	-	**48.57**	51.20	45.36
Dams, Wells & Pools	11.99	-	-	-	**11.99**	0.84	0.43	-	-	-	**1.27**	10.72	11.15
Adit & tunnel	-	-	-	-	**-**	-	-	-	-	-	**-**	-	
Railway sidings	34.34	-	-	-	**34.34**	7.48	3.73	-	-	-	**11.21**	23.13	26.86
Locomotives	11.18	-	-	-	**11.18**	0.56	0.75	-	-	-	**1.31**	9.87	10.62
Electrical Installations	141.20	117.83	(0.03)	-	**259.00**	22.01	23.74	-	-	-	**45.75**	213.25	119.19
Sanitary & W. S. Installations	31.20	1.06	-	-	**32.26**	1.74	1.14	-	-	-	**2.88**	29.38	29.46
TOTAL 'A'	**1,822.90**	**1,608.56**	**(25.13)**	**(0.06)**	**3,406.33**	**325.73**	**197.48**	**(24.88)**	**(0.03)**	**(0.01)**	**498.32**	**2,908.01**	**1,497.18**
Previous year 2016-17	**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**	**1,474.83**
B. Social Facilities													
Land :													
- Free hold	0.29	-	-	-	**0.29**	-	-	-	-	-	-	0.29	0.29
- Lease hold	-	-	-	-	**-**	-	-	-	-	-	**-**	-	
Buildings	203.52	9.76	-	-	**213.28**	7.76	4.23	-	-	-	**11.99**	201.29	195.76
Plant & Machinery	0.13	-	-	-	**0.13**	0.02	0.01	-	-	-	**0.03**	0.10	0.11
Furniture & fittings	7.63	1.71	(0.16)	0.02	**9.18**	1.37	0.91	(0.03)	-	-	**2.25**	6.93	6.26
Vehicles	1.47	-	-	-	**1.47**	0.41	0.21	-	-	-	**0.62**	0.85	1.06
Office Equipment	19.72	4.64	(0.25)	0.04	**24.11**	5.06	4.78	(0.08)	0.03	0.01	**9.77**	14.34	14.66
Others :					**-**						**-**	-	
Roads, bridges etc.	5.31	0.43	-	-	**5.74**	1.25	0.56	-	-	-	**1.81**	3.93	4.06
Cess fund quarters	6.57	-	-	-	**6.57**	0.34	0.17	-	-	-	**0.51**	6.06	6.23
Dams, Wells & Pools	0.06	0.26	-	-	**0.32**	-	0.01	-	-	-	**0.01**	0.31	0.06
Cess Fund Vehicles	-	-	-	-	**-**	-	-	-	-	-	**-**	-	
Electrical Instaln.	2.71	0.10	-	-	**2.81**	0.59	0.36	-	-	-	**0.95**	1.86	2.12
Sanitary & W.S.Instlns.	6.07	0.29	-	-	**6.36**	0.47	0.25	-	-	-	**0.72**	5.64	5.6
Cess fund other assets	-	-	-	-	**-**	-	-	-	-	-	**-**	-	
TOTAL 'B'	**253.48**	**17.19**	**(0.41)**	**0.06**	**270.26**	**17.27**	**11.49**	**(0.11)**	**0.03**	**0.01**	**28.66**	**241.60**	**236.21**
Previous year 2016-17	184.96	35.23	(0.81)	34.10	253.48	7.02	9.79	(0.12)		0.58	17.27	236.21	177.94
TOTAL 'A + B'	**2,076.38**	**1,625.75**	**(25.54)**	**-**	**3,676.59**	**343.00**	**208.97**	**(24.99)**	**-**	**-**	**526.98**	**3,149.61**	**1,733.39**
Previous year 2016-17	1,854.72	230.50	(8.84)	-	2,076.38	201.95	153.11	(12.07)	-	-	342.99	1,733.39	1,652.77

NOTES

NON-CURRENT ASSETS

Note: 2.2 CAPITAL WORK IN PROGRESS ₹ In Crore

PARTICULARS	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
Construction work in progress		11,413.34		10,811.61
Add : Impairment reversed/ (provided)		-		
Construction Stores		1.46		1.36
Capital Assets in stores awaiting installation or in transit	56.76		58.10	
Less : Provision	-		-	
		56.76		58.10
Expenditure incidental to construction awaiting allocation (See note 2.2.2)		1,073.50		984.38
Total		**12,545.06**		**11,855.45**

NOTES

Note - 2.2.1 : Movement of Capital work in progress ₹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 2017					
Gross carrying amount	8960.59	1.70	32.11	752.67	9747.07
Additions	1985.43	0.00	80.95	231.70	2298.08
Disposals/Capitalisation to PPE	134.40	0.34	54.96	0.00	189.70
Closing gross carrying amount	10811.62	1.36	58.10	984.37	11855.45
Accumulated amortisation					
Amortisation charge during the year					
Closing accumulated amortisation	0.00	0.00	0.00	0.00	0.00
Closing net carrying amount	10811.62	1.36	58.10	984.37	11855.45
Year ended 31 March 2018					
Gross carrying amount					
Opening gross carrying amount	10811.62	1.36	58.10	984.37	11855.45
Additions	1435.97	4.10	85.94	207.45	1733.46
Disposals/Capitalisation to PPE	834.25	4.00	87.28	118.32	1043.85
Closing gross carrying amount	11413.34	1.46	56.76	1073.50	12545.06
Accumulated amortisation					
Amortisation charge during the year					
Closing accumulated amortisation	0.00	0.00	0.00	0.00	0.00
Closing net carrying amount	11413.34	1.46	56.76	1073.50	12545.06

NOTES

Note : 2.2.2 EXPENDITURE INCIDENTAL TO CONSTRUCTION AWAITING ALLOCATION ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
a. Opening balance		984.38		752.68
b. Net Expenditure incurred during the year				
Consumption of stores and spares		4.86		23.13
Employee Benefit expense :				
Salaries, Wages & Bonus	63.92		44.64	
Contribution to Provident fund, EPS, DLI	3.74		3.23	
Contribution to Pension Fund	0.04		0.15	
Contribution to Gratuity fund	5.54		11.65	
Staff Welfare expenses	6.53		12.80	
		79.77		72.47
Power, Electricity & Water		16.23		28.21
Repairs and Maintenance		10.77		25.17
Depreciation and amortisation		12.78		16.78
Other expenses :				
Rent, Insurance, Rates and taxes	3.58		1.16	
Raising and transportation	0.07		-	
Payment to auditors : As auditors	0.04		0.04	
Payment to auditors : For Other Services	0.03		0.02	
Reimbursement of expenses	0.02		0.03	
		3.74		1.25
Travelling and Conveyance expenses		1.57		1.56
Consultancy expenditure		40.80		51.94
Excise duty		(1.65)		1.64
CISF/Security expenditure		3.96		2.33
Change In inventories of Finished Goods		14.81		-
Environmental Development		0.22		2.27
Other expenditure		35.73		29.11
		223.59		**255.86**
Less : Recoveries/Income				
Interest recived		2.15		0.49
Other income		0.54		2.01
Stock of Finished Goods(Pellet)		-		14.81
Income from Sale of Pellets		12.04		6.85
Total (b)		208.86		231.70
Sub-total (a+b)		1,193.24		984.38
Less : Amount allocated to Fixed assets/ Capital W I P		119.74		-
Total		**1,073.50**		**984.38**

Note 2.3 : INTANGIBLE ASSETS

₹ in Crores

ASSETS	GROSS BLOCK				AMORTISATION BLOCK				NET BLOCK	
	As at 1st April 2017	Additions during the year	Ded/Adj during the year	As at 31st March 2018	As at 1st April 2017	For the year	Deductions/ adjustments	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Goodwill	93.89	-	-	**93.89**	-	-	-	**-**	93.89	93.89
Total	93.89	-	-	93.89	-	-	-	-	93.89	93.89
Previous Year-2016-17	93.89	-	-	93.89	-	-	-	-	93.89	93.89
GENERAL										
Computer software	3.49	2.13		**5.62**	2.56	1.04	-	**3.60**	2.02	0.93
Mining rights	376.72	-	4.17	**380.89**	109.80	59.40	-	**169.20**	211.69	266.92
Total	380.21	2.13	4.17	386.51	112.36	60.44	-	172.80	213.71	267.85
Previous Year-2016-17	363.84	17.10	(0.73)	380.21	52.04	60.32	-	112.36	267.85	311.80
Total	**474.10**	**2.13**	**4.17**	**480.40**	**112.36**	**60.44**	**-**	**172.80**	**307.60**	**361.74**
Previous Year 2016-17	457.73	17.1	(0.73)	474.10	52.04	60.32		112.36	361.74	405.69

NOTES

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 3021.35 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 31-03-2018.
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 Chhatishgarh 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:

₹ In crore

Note no	Particulars	2017-18	2016-17
2.1	Depreciation on PPE	208.97	153.11
2.3	Amortisation of Intangible Assets	60.44	60.32
	Total	269.41	213.43
2.2.1	Transferred to IEDC	(-)12.78	(-)16.78
Depreciation and amortisation as per Statement of Profit and Loss		256.63	196.65

5. During the year following are the major capitalization :
   a) ₹ 508.91 crore in respect of the Pellet plant at Donimalai Iron Ore Mines in Karnataka. Total capitalisation upto the current year ₹575.18 crore.
   b) ₹ 359.24 crore in respect of the Kumar Swamy Iron Ore Mines at Donimalai in Karnataka. Total Capitalisation upto the year ₹425.88 Crore.
6. During the year major capitalization of ₹639.61 crore towards accusation of land at Karnataka for proposed steel plant at Karnataka under Karnataka Vijayanagar Steel Limited.
7. During the year 2017-18 a review of residual and useful life of PPE was done and as per the review there is no change recommended. The Useful life of all the PPE is as per schedule II except for the following PPE whose life as given under is determined as per technical assessment adopted.

Equipment	Capacity	Use life (in Years)
Dumper	85-100 T	10
	50-60 T	9
Water Sprinkler	28 KL	9
Rope Shovel	8-10 Cum	20
Hydraulic Shovel	5-7.5 Cum	9
	>7.5 Cum	10
Blast Hole Drill	165mm Diesel	9
	165mm Electric	12
	250mm single pass	16
	250 mm multiple pass	10
Top Hammer Drill	<160mm	9
Front End Loader	< 300 HP to >600HP	10
Track Dozer	<500 HP to >500HP	10
Wheel Dozer	<500 HP	12
Grader	<200HP	12
Mobile Crane	<12 ton	9
	12 – 40 ton	12
	>40 ton	15
Boom Stacker	2000 – 3000 TPH	30
Reclaimer	2000-3000 TPH	30

NOTES

Note : 2.4.1 INVESTMENTS ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
In Equity Shares:				
i) 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	
Less: Investment deration	7.20		7.20	
		-		-
Investment in Joint Ventures :				
Unquoted at cost:				
i) 9,83,47,236 (Previous Year 3,58,32,090) Equity shares of ₹ 10/- each fully paid up in NMDC CMDC Ltd.		94.57		35.83
ii) 19,56,500 (previous year 19,56,500) equity shares of ₹10/- each fully paid up in Bastar Railway Pvt. Ltd. (BRPL)		0.60		1.88
iii) 25,500 (previous year 25,500) equity shares of ₹10/- each fully paid up in NMDC-SAIL Ltd.		0.02		0.02
iv) 6,000 (Previous year 6,000) equity shares of ₹10/- each fully paid up in Jharkhand National Mineral Devlopment Corporation Ltd.		-		-
v) 13,000 (previous year Nil) equity shares of ₹10/- each in Chhatishgarh Mega steel Ltd		-		-
Investments in Associates :				
Unquoted at cost:				
i) 105,000 (previous year 105,000) Equity shares of ₹ 10/- each fully paid up in Romelt SAIL India Ltd., New Delhi	0.11		0.11	
Less: Investment deration	0.11		0.11	
		-		-
ii) 37,63,57,143 (Previous year 33,63,57,143) Equity shares of ₹10/- each fully paid in International Coal Ventures (P) Ltd.		536.44		493.15
iii) 4,00,00,000 (P.Y 4,00,00,000) equity shares of ₹ 10/- each in Krishnapatnam Railway Co. ltd fully paid		41.07		38.34
iv) 7,47,99,878 (previous year 7,47,99,878) equity shares of ₹10/- each fully paid up in NINL, Bhubaneswar		-		-
v) 13,000 (previous year Nil) equity shares of ₹10/- each in Chhatishgarh Mega steel Ltd		0.01		-
Advance against equity trade and unquoted investments				
i) Nil (Previous year 4,00,00,000) equity shares of ₹10/- each in International Coal Ventures (P) Ltd. Pending allotment		-		40.00

NOTES

ii)	NIL (Previous year 3,0,49,146) equity shares of ₹10/- each in NMDC CMDC Limited , Pending issue of shares		-	3.05
iii)	NIl (Previous year 13,000) equity shares of ₹10/- each in Chhatishgarh Mega steel Ltd Pending issue of shares		-	0.01
Non-trade and unquoted shares in co-operative societies				
i)	150 Shares (previous year 150 Shares) of ₹1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul ₹ 1,50,000 (Previous year ₹1,50,000)	0.02	0.02	
ii)	500 Shares (previous year 500 Shares) of ₹10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli ₹5,000 (previous year ₹ 5,000)	-	-	
iii)	25 Shares (previous year 25 Shares) of ₹100 each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai ₹2,500 (previous year ₹ 2,500)			
		-	-	
			0.02	0.02
Total			**672.73**	**612.30**
1.	Aggregate amount of Quoted investments (Market value of quoted Investments)		-	-
2.	Aggregate amount of Unquoated Investments		680.04	619.61
3.	aggregate amount of provision for diminution in value investments		7.31	7.31

Note: 2.4.2 : Loans

₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Loans to employees & outsiders	15.54	18.18
Loan to Subsidiaries	-	
Deposit with Others	124.53	74.30
TOTAL	**140.07**	**92.48**
Secured, considered good	15.54	18.18
Unsecured, considered good	124.53	74.30
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, no effect has been made in the accounts.

NOTES

Note: 2.5 Deferred tax assets (Net)

₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
A. Deferred tax assets :				
1. Provision for bad & doubtful debts	597.03		484.66	
2. Asset retirement obligation and spares	5.88		0.84	
3. Investments	12.39		91.98	
4. Others	0.07		9.87	
Total Deferred Tax Assets		615.37		587.35
B. Deferred tax liability :				
1. Related to PPE	(229.66)		(133.99)	
Total Deferred Tax Liability		(229.66)		(133.99)
Net Deferred Tax Assets		385.71		453.36

Note 2.6 : Other non-current Assets

₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Capital Advances (*)	607.84	1,110.26
ITC Receivables	1,207.54	880.25
Mines Closure Fund with Life insurance Corporation	628.97	353.89
Other Advances	181.88	354.36
Total	**2,626.23**	**2,698.76**

* Capital Advances includes an amount of ₹144.06 crore towards doubling of railway lines between Jagdalpur and Ambagoan ,

NOTES

CURRENT ASSETS

Note:2.7 INVENTORIES

(As Valued and Certified by the Management) ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
Raw materials		0.93		0.51
Work-in-Process :				
Pellets	4.08			
Diamonds	1.47		8.46	
Sponge Iron	0.36		0.35	
		5.91		8.81
Finished Goods:				
Iron Ore	396.29		367.45	
Sponge Iron	0.52		0.59	
Pellets	8.94		14.81	
Diamonds & Precious Stones	36.61		32.94	
Total Finished Goods		**442.36**		**415.79**
Generated Iron ore fines at Sponge Iron unit	-	-	0.42	0.42
Total		449.20		425.53
Stores & Spares		122.24		114.19
Loose tools and Implements		0.25		0.32
Total		122.49		114.51
G. Total		**571.69**		**540.04**
Inventories are valued at cost or NRV whichever is lower.				
1. Stores and Spares include:				
a) Stores-in-transit		**37.19**		**3.68**
b) Obsolete stores & spares valued at Re1 per unit of their original value of ₹3.79 crore (previous year ₹3.99 crore)		**0.02**		**0.03**

NOTES

Notes: 2.8.1 Trade Receivables ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
Trade receivables outstanding for a period exceeding				
six months from the due date of payment	1,581.86		1,237.04	
Other trade receivables	1,599.85		1,179.18	
	3,181.71		2,416.22	
Less: Provision for bad & doubtful trade receivables	23.75		22.69	
Less: Provision for bad & doubtful (Monitoring Committee)	1,685.22		1,350.01	
	1,708.97		1,372.70	
		1,472.74		1,043.52
TOTAL		**1,472.74**		**1,043.52**
Break-up security details				
i) Secured, Considered good		0.15		-
ii) Unsecured considered good		1,472.59		1,043.52
iii) Doubtful		1,708.97		1,372.70

Trade Receivables includes ₹2,418.99 crore_(Previous year ₹1,866.35 crore) dues from Monitoring Committee.

Notes: 2.8.2 Cash and cash equivalents ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Cash in hand	-	0.01
Balance with Banks		
on current Accounts	27.41	33.28
On Deposit accounts (Original maturity less then 3 months)	6.98	9.16
Ear marked Balances	-	37.72
Total	**34.39**	**80.17**

Notes :2.8.3 Bank Balances other than (ii) above ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Balance with bank on 'Deposits Accounts (original maturity more than 3 months but less than 12 months	5,017.78	4,832.07
Balance with bank for Unpaid Dividend	376.10	3.47
Bank deposits offered as security for Bank guarantees and letter of credit	32.71	404.80
Total	**5,426.59**	**5,240.34**

NOTES

Note: 2.8.4 Other Financial Assets ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Related Parties		
Advances to Directors	-	-
Advances to Subsidiaries/ Jv's/ Associates	52.75	0.46
Less: Prov. Made	-	-
	52.75	0.46
Deposits with Others		0.02
Employees and outsiders		
Advances to Employees and outsiders	243.37	107.66
Interest Accrued		
Accrued interest on deposits with banks	112.18	157.63
Accrued interest on Other	3.35	4.80
Other Receivables	31.44	11.30
Total	**443.09**	**281.87**

Note: 2.9 Current Tax Asset (Net) ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Advance Income tax & TDS	6,388.20	7,427.38
Less : Provision	5,786.00	6,863.01
	602.20	564.37
Total	**602.20**	**564.37**

Note: 2.10 Other Current Assets ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Advances to suppliers, contractors and prepaid expenses	248.98	182.05
Less: Provision	2.28	2.71
Net	246.70	179.34
Current Investments	3.51	1.90
ITC Receivables	62.99	-
Total	**313.20**	**181.24**

Note: 2.11 Assets Held for disposal ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Assets held for disposal (*)	0.41	44.63
Total	**0.41**	**44.63**

(*) An amount of ₹44.25 crore towards registration and stamp duty charges of Deposit 13 mining lease was shown above in the previous year and the same has now been transferred to NMDC-CMDC Limited during current year.

NOTES

Note: 2.12 Equity Share Capital

₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
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
Issued, Subscribed & Paid up: 3,16,38,90,474 Equity Shares of Re.1/- each fully paid up (Previous year 3,16,38,90,474 of Re.1/- each fully paid)	316.39	396.47
Less : Repurchase of shares during the year Nil (Previous year 80,08,25,526) Equity share of ₹1/- each fully paid up	-	80.08
Total	**316.39**	**316.39**

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 @ ₹ 94/- for an aggregate consideration of ₹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	2017-18		201-17	
	% of shareholding	Number of shares	% of shareholding	Number of shares
i) President of India	72.43	2,291,571,551	74.94	2,371,126,192
ii) LIC of India (incl all schemes)	12.47	394,591,074	12.32	389,938,677

Note: 2.13 Other Equity

₹ in crore

Particulars	General Reserve	Retained earnings	CRR	OCI	Capital Reserve	Total
Balance as at 1 April 2016	29,514.22	(980.05)	-	6.20	243.25	28,783.62
Profit for the year		2,543.86				2,543.86
Other Comprehensive Income net of tax				(67.04)		(67.04)
Buyback of shares (including transition charges)	(7,460.35)					(7,460.35)
Transfer to Capital Redemption Reserve	(80.08)		80.08			-
Ind-AS Adjustments		42.31				42.31
Foreign Exchange Translation Reserve (OCI)				3.74		3.74
Interim Dividend for 2016-17		(1,313.02)				(1,313.02)
DDT of Interim Dividend for 2016-17		(267.30)				(267.30)
Total	(7,540.43)	1,005.85	80.08	(63.30)	-	(6,517.80)
Balance as at 31.3.2017	21,973.79	25.80	80.08	(57.10)	243.25	22,265.82
Balance as at 01.4.2017	**21,973.79**	**25.80**	**80.08**	**(57.10)**	**243.25**	**22,265.82**
Profit for the year		3,808.46				3,808.46
Capital Reserve					(5.01)	(5.01)
Other Comprehensive Income net of tax				48.48		48.48
Final dividends (2016-17)		(316.39)				(316.39)
DDT -Final dividends (2016-17)		(64.41)				(64.41)
Interim Dividends (2017-18)		(1,360.47)				(1,360.47)
DDT -Interim Dividends (2017-18)		(276.96)				(276.96)
Foreign Exchange Translation Reserve (OCI)				1.50		1.50
Transfer to General Reserve	1000.00	(1000.00)				-
Total	1000.00	790.23	-	49.98	(5.01)	1,835.20
Balance as at 31 March 2018	22,973.79	816.03	80.08	(7.12)	238.24	24,101.02

NOTES

Note 2.14 Provisions(Non- Current) ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Employee Benefits :		
Gratuity	-	0.07
Accrued leave	-	0.01
Long Service Reward	19.33	20.09
Mine closure Liability	694.79	591.15
Total	**714.12**	**611.32**

Note: 2.15.1 Borrowings ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Loan against FDs	500.09	-
Total	**500.09**	**-**

Note: 2.15.2 Trade & Other Payables ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Total outstanding dues of micro and small enterprises	6.63	1.10
Other than micro and small enterprises	153.01	197.80
Total	**159.64**	**198.90**

DISCLOSURE RELATING TO MICRO AND SMALL ENTERPRISES			
i) (a).	The principal amount remaining unpaid to the supplier as at the end of the year	6.63	1.10
i) (b).	The interest due on the above amount, remaining unpaid to the supplier as at the end of the year	Nil	Nil
ii)	the amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro,Small and Medium Enterprises Development Act,2006;	Nil	Nil
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro,Small and Medium Enterprises Development Act,2006.	Nil	Nil

NOTES

Note: 2.15.3 Other Financial Liabilities ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Unpaid Dividend	2.08	3.47
Deposits from Suppliers, Contractors	81.57	124.06
Capital Creditors	692.34	772.09
Other financial Liabilities	1,113.33	332.74
Total	**1,889.32**	**1,232.36**

Note : 2.16 Other Current Liabilities ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Advances from customers	100.84	102.60
Others:		
Deposits from Suppliers, Contractors	-	-
Other Payables (like withholding and other taxes payable, amounts payable to employees and others)	431.80	206.17
Statutory Dues	435.60	528.65
Total	**968.24**	**837.42**

Note: 2.17 Provisions ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Employee Benefits :		
Accrued leave	0.11	
Long service reward	2.05	2.20
Provision for gratuity, leave salary, family benefit scheme and post employment medical benefits	23.31	301.91
Provisions for de-commissioning liability (ARO Obligation)	2.14	1.95
Total	**27.61**	**306.06**

NOTES

Note: 2.18 Revenue from operations ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Sale of Products :		
Iron ore :		
Export through MMTC	1,069.93	904.75
Domestic		
Basic price	8,534.85	6,431.78
Royalty	1,438.24	999.44
Development Cess	30.70	30.40
Forest Permit Fee	30.70	30.40
Forest devlopment Fee	93.85	110.28
District Mineral Fund (DMF)	274.37	189.15
National Mineral Exploration Trust (NMET)	18.29	12.70
Total Domestic	10,421.00	7,804.15
Total Iron Ore Sales	**11,490.93**	**8,708.90**
Sponge Iron	-	13.13
Diamonds	35.17	41.91
Sale of Power	6.50	7.48
Sale of Services	56.17	57.84
Sales of Pellets	25.40	
Other operating revenue	0.74	0.38
Total	**11,614.91**	**8,829.64**

Note: 2.19 Other Income ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Interest Income:		
On Deposits with Banks	331.88	720.82
Others	58.43	78.16
	390.31	798.98
Profit on sale/adjustment of assets	1.01	1.33
Profit on sale of Current investments(MUF)	26.55	
Other non operating income	105.35	109.86
Total	**523.22**	**910.17**

NOTES

Note: 2.20 Consumption of Raw Materials ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Iron ore	16.72	1.21
Coal	-	4.00
Lime Stone	0.23	0.04
Internal handling of raw materials	0.38	0.12
Total	**17.33**	**5.37**

Note: 2.21 Changes in inventories of finished goods and work in progress ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017	
Work-in-process:				
Balance as at the beginning of the Year	8.81		13.94	
Less: Balance as at close of the Year	5.91		8.81	
		2.90		5.13
Finished Goods:				
Balance as at the beginning of the Year	400.98		494.72	
Less: Balance as at close of the Year	433.42		400.98	
		(32.44)		93.74
Finished Goods: (Pellets)				
Balance as at the beginning of the Year	-		-	
Less: Balance as at close of the Year	8.94		-	
		(8.94)		-
Total		**(38.48)**		**98.87**

Note: 2.22 Employee Benefit Expense ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Salaries, Wages & Bonus	725.59	578.98
Contribution to Provident fund and other funds		
Providend Fund, FPS & DLI	44.01	43.21
Pension Fund	28.18	26.28
Group Gratuity Fund	38.44	127.62
Staff Welfare Expenses	213.01	112.66
Total	**1,049.23**	**888.75**

NOTES

Note: 2.23 Power,Electricity And Water Charges ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Power charges	80.71	68.81
Electricity charges	16.79	16.99
Water charges	1.77	1.85
Total	**99.27**	**87.65**

Note: 2.24 Repairs & Maintenance ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Buildings	17.76	19.14
Plant and Machinery	58.27	31.54
Vehicles	0.94	0.73
Others	67.83	60.96
Total	**144.80**	**112.37**

Note: 2.25 Selling Expense ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Railway freight	263.86	349.34
Export duty	109.52	92.64
Infrastructure Development cess	17.02	17.31
Environmental Development cess	17.02	17.31
Other selling expenses	232.26	249.33
Total	**639.68**	**725.93**

Note: 2.26 Finance Cost ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
i) Interest on Short term Borrowings	0.20	5.38
ii) Interest - Others	36.72	15.24
iii) Interest on deposit from contractors, suppliers & others	0.18	0.16
Total	**37.10**	**20.78**

NOTES

Note: 2.27 Other Expenses ₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
Rent	4.90	5.24
Insurance	10.88	6.62
Rates & Taxes	7.19	7.97
Directors' Travelling expenses	1.72	2.12
Directors, Sitting Fees	0.71	0.95
Payment to Auditors:		
As audit Fee	0.41	0.40
For taxation matters	0.02	0.02
For Management Services	0.01	-
For Other Services	0.21	0.36
For reimbursement of expenses	0.14	0.19
	0.79	0.97
Loss on sale/adjustment of Assets	0.36	0.37
Miscellaneous losses written off	0.34	0.29
Provision for doubtful debts/advances	336.92	301.46
Mine closure Obligation	103.64	258.50
Raising and Transportation	72.60	84.22
Local Area Development (Towards SPV in Karnataka)	335.21	244.96
Entertainment	1.24	0.87
Travelling & Conveyance	26.96	26.43
Advertisement & Publicity	13.76	7.65
Postage, Telephone & Telex	4.10	3.54
Stationery & Printing	3.15	2.66
Consultancy charges	11.74	11.34
CISF/Security guards	122.35	125.31
Safety expenses	1.24	1.33
Corporate Social Responsibility	169.37	174.18
Loss in Exchange variation (net)	0.11	0.05
Environmental Development	56.81	45.21
Other expenses	51.38	36.59
Exp. On Enabling Assets for the compnay	172.80	176.72
Total	**1,510.26**	**1,525.55**

NOTES

Note: 2.28 Exceptional Items

₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018	Figures as at the end of 31-March-2017
DMF Refund to Cstomers (12/01/2015 to 16/09/2015)	55.25	-
Less:		
DMF Liability to Govt. reversed (12/1/2015 to 16/09/2015)	199.55	-
Total Expenditure	**(144.30)**	**-**

Detailed notes given at note no. 2.34.8.

Note: 2.29 Tax Expenses

Reconciliation of Effective Tax rate and Statutory tax Rate as on 31st March 2018

₹In Crore

PARTICULARS	Figures as at the end of 31-March-2018		Figures as at the end of 31-March-2017
	Income	Expenditure	
CURRENT TAX			
Current Tax on profit for the year		2,166.40	1,584.44
Adj. of current tax for prior period		164.06	274.05
Total current tax expenses		2,330.46	1,858.49
DEFERRED TAX			
Decrease/(increase) in defferred tax assets		(20.92)	(202.21)
Decrease/(increase) in defferred tax liabilities	-	88.58	12.01
Total deffered tax expenses/(benefit)	-	67.66	(190.20)
Total Expenditure		**2,398.12**	**1,668.29**

Particulars	Amount ₹In crore	Tax - ₹In crore	Tax %
Accounting profit before tax from continuing operations	6,179.66		
Profit/(loss) before tax from discontinued operations	(0.67)		
Total	6,178.99		
Accounting profit before income tax		2138.42	34.608
Income tax rate			
Tax at Income tax rate			
Tax effect of amount not deductible in calculating taxable income			
CSR exp.	169.37	58.62	0.95
Prov. For bad & doubtful exp.	336.92	116.60	1.89
Change in Depreciation	(184.03)	(63.69)	(1.03)
Provision for deration of inv. and advance	(14.15)	(4.90)	(0.08)
Investment allowance	72.25	25.01	0.40
Other items	(299.54)	(103.66)	(1.68)
Taxable income	6,259.81		
Current Tax on Profit for the year	2,166.40	2,166.40	35.06

NOTES

2.31.1 Related Party Transaction:

i) List of related parties

A. Subsidiary Companies	Country	Holding as at March 31, 2018	Holding as at March 31, 2017
Legacy Iron Ore Limited	Australia	78.56%	78.56%
J & K Mineral Development Corporation Limited	India	95.86%	95.86%
NMDC Power Limited	India	100%	100%
Karnataka Vijaynagar Steel Limited	India	100%	100%
NMDC Steel Limited	India	100%	100%
Jharkhand Kolhan Steel Limited	India	100%	100%
NMDC-SARL, Madagaskar(Under closure)	Africa	100%	100%

B.Joint Venture Companies	Country	March 31, 2018	March 31, 2017
Kopano-NMDC Minerals(Proprietary) Limited	South Africa	50%	50%
Jharkhand National Mineral Development Corporation Ltd.	India	60%	60%
NMDC-CMDC Ltd., Raipur	India	51%	51%
NMDC-SAIL Ltd.	India	51%	51%
Bastar Railway Pvt. Ltd.	India	54.27%	80.35%

C. Associate Companies	Country	March 31, 2018	March 31, 2017
Romelt-Sail(India) Limited*	Africa	25%	25%
International Coal Ventures (Pvt.) Ltd.	India	25.94%	26.47%
Krishnapatnam Railway Company Ltd.	India	14.82%	14.82%
Chhattisgarh Mega Steel Ltd.	India	26%	26%
Neelachal Ispat Nigam Ltd.	India	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 31/03/2018

Directors :

1. Shri N.Baijendra Kumar	CMD w.e.f 6th Sep. 2017
2. Shri R. Sridharan	CMD w.e.f 7th Dec 2016 to 5th Sep. 2017
3. Dr. Narendra K Nanda	Director (Technical)
4. Dr T R K Rao	Director (Commercial)
5. Shri P K Satpathy	Director (Production)
6. Shri D S Ahluwalia	Director (Finance) up to 30th April 2018
7. Shri Sandeep Tula	Director (Personnel)

Company Secretary :

Sri A.S Pardha Saradhi

NOTES

i) The consolidated financial statements are drawn by considering unaudited financial statements of the above mentioned subsidiaries for the year ended 31/03/2018 except M/s NMDC Power 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 31/03/2018 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 31/03/2018 except NMDC-CMDC Limited and Bastar Railways Private Limited.

iv) 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 ₹ 28.51 crore and Advances to an extent of ₹ 13.86 crore (adjusted for free cash & bank balance) has been provided during previous year. Status quo is maintained.

v) The Company has so far deposited an amount of ₹639.63 Crore (previous year 638.65 crore) with Karnataka Industrial Area Development Board (KIADB) for acquisition of land for setting up of Steel plant at Karnataka. The amount is included under Loans and Advances to Subsidiary under the head Long term loans and advances.

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, (KVSL) 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 in favour of Karnataka Vijayanagar Steel Limited (KVSL) a wholly owned subsidiary of the Company.

KIADB has vide its letter dated KIADB/BALLARI/DO/PC/714/2017-18 dated 11.01.2018 handed over the possession of land measuring 2857.54 acres to KVSL. However, KIADB has not considered the extent of land utilised for the widening work of existing NH-63 by concerned authority which is passing through few survey numbers of our acquired private land. Subsequent to this rectification, the execution of agreement and registration of private land shall be taken up. Pending rectification, the land is capitalised in the books of KVSL.

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

Investment in Joint Venture Companies(including advance against equity)	March 31, 2018	March 31, 2017
Kopano-NMDC Minerals(Proprietary) Limited (₹ 324/-)	-	-
Jharkhand National Mineral Development Corporation Ltd.	-	-
NMDC-CMDC Ltd., Raipur	97.28	38.88
NMDC-SAIL Ltd.	0.02	0.02
Bastar Railway Pvt. Ltd.	0.60	1.88
Total	**97.90**	**40.78**

NOTES

Loans & Advances to JVs	March 31, 2018	March 31, 2017
Kopano-NMDC Minerals(Proprietary) Limited	0.10	0.10
Jharkhand National Mineral Development Corporation Ltd.	0.04	0.04
NMDC-CMDC Ltd., Raipur	46.10	0.20
NMDC-SAIL Ltd.	-	-
Bastar Railway Pvt. Ltd.	6.50	-
Total	**52.74**	**0.34**

Investment in Associates(including advance against equity)	March 31, 2018	March 31, 2017
Romelt-Sail(India) Limited*	0.11	0.11
International Coal Ventures (Pvt.) Ltd.	533.15	533.15
Krishnapatnam Railway Company Ltd.	38.68	38.34
Chhattisgarh Mega Steel Ltd.	0.01	0.01
NeelachalIspat Nigam Ltd.	-	-
Total	**571.95**	**571.61**
*Investment deration/Provision	0.11	0.11

Aggregate amount of unquoted investments Gross ₹669.85 crore and net ₹669.74 crore(Previous year Gross ₹612.39 crore and net ₹612.28 crore)

₹in Crore

Particulars	As at March 31, 2018	As at March 31, 2017
Key Management Personnel:		
Key Managerial Personnel Remuneration	4.24	2.01

2.32. Contingent liabilities and Commitments (to the extent not provided for)

A. Contingent liabilities ₹ in crore

	Particulars	As at 31-Mar-18	As at 31-Mar-17
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.,	1912.82	1,877.45
B	Claims by contractors under arbitration		
	i. On capital account	283.36	173.30
	ii. On revenue account	-	-
C	Other claims on company not acknowledged as debts	136.50	153.63
1.2	**Contingent liability on bills discounted/ LCs/BG's**	751.56	588.79
1.3	a. Corporate Guarantee of USD 30 million submittedto EXIM Bank on behalf of ICVL Mauritius in respect of short term working capital loan	51.73	52.24
	b. Corporate Guarantee by NINL to MMTC Ltd for ₹ 945 crore –(Company share 12.87%)	0	121.62

NOTES

B. Commitments:

	Particulars	As at 31-Mar-18	As at 31-Mar-17
1.1	Estimated amount of contracts remaining to be executed on Capital account	6,790.31	7,967.52
1.2	Other commitments- commitments to subsidiaries and JV	144.22	0.00

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 Y**ears 2006-07 to 2009-10.** The Department has filed appeals before the Hon'ble High Court and pending its decision, the amount of demands ₹**1,207.14** Crore (Previous year ₹ 1,207.14 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. As against the total FDT demand of ₹487.27 Crore (From Aug. 2008 to Sep-2011),), the Company has deposited an amount of ₹ 121.84 Crore (25%) in cash which has been shown as amount recoverable and submitted a bank guarantee for similar amount. An amount of ₹365.43 Crore (balance 50% amount of ₹243.69 Crore plus ₹121.84 Crore paid and accounted as amount recoverable) is included under disputed claims at 1.1.A. The amount of ₹121.84 Crore for which BG was given is included under contingent liability on BGs' at 1.2.

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' w.e.f 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 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 modified the order of 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 ₹93.85 crore (previous year ₹110.28 crore) towards newly introduced FDF has been accounted under sales revenue. However, the Karnataka High Court vide its judgement dated 4th October 2017 has declared the Karnataka Forests (Amendment) Act, 2016 as unconstitutional which was introduced for collection of Forest Development Fee (FDF).

2.32.3 Accounting policies, change in Accounting Estimates and Errors (As per Ind-AS 8):

I. Revision to existing Accounting Policies

a. Change Proposed in the existing Accounting Policy on 'Revenue Recognition' Para 1(1.2) (xi)(b): In case of spot auction under electronic mode, the sale is recognized on conclusion of the auction and receipt of money as against the earlier practice of recognizing sales on conclusion of auction.

The said revision has an impact of reduction in turnover of ₹8.79 crore along with the reduction in the profit to the extent of ₹5.96 crore.

b. <u>Treatment of Enabling Assets: Under PPE 1.2(v) (b)</u>

"Expenditure incurred on any facility, the ownership of which is not vested with the company, but the incurrence of which is essential in bringing an asset/projects of NMDC to the location and condition necessary to be capable of operating in the manner intended by the management, shall be capitalized as a part of the overall cost of the said asset/project. Else the same shall be charged to revenue."

No impact in the financials as the treatment of enabling assets as mentioned in the policy is already in practice. The same is added to Accounting Policy to bring in clarity.

c. Prepaid Expenses: 1.2(xix)

Expenses are accounted under prepaid expenses only when the amount relating to the unexpired period exceeds rupees Two crore in each case.

NOTES

The addition of the said policy has resulted in increase in the current year expenses by ₹8.16 crores with a corresponding decrease in profit.

d. Restatement of earliest prior period financials on material error/omissions 1.2 (xx)

The value of error and omissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expenses exceeds 1.0% of the previous year turnover of the company.

This policy is introduced for more clarity on recognising material prior period Errors. During the current year there is nil impact in the financials as there are no material prior period errors and omissions recognised.

II. Ind AS Issued but not yet effective: The Companies (Indian Accounting Standards) Amendment Rules, 2018 has been notified containing the following:

a. Ind AS 115- Revenue from Contracts with Customers : The Ministry of Corporate Affairs has notified this standard to be effective from 1st April 2018. The objective of this standard is to give enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The core principle of this Standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company intends to adopt this standard w.e.f 1st April 2018. The effect on adoption of this standard is expected to be insignificant.

b. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: The Ministry of Corporate Affairs has notified this standard to be effective from 1st April 2018. This standard clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company intends to adopt this standard w.e.f 1st April 2018. The effect of this on financial statements is expected to be insignificant.

2.33 DISCLOSURES 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 payable as per the rules of the Company to the employees on separation is made by 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 Medical 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.

NOTES

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 2018.

ii) Other defined benefit plans :

(₹ 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 obligation as on						
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
31st March 2018						
Present value of obligation at the beginning of the year	321.65	153.68	16.51	410.85	31.30	22.05
Interest cost	23.64	11.30	-	30.20		
Current service cost	31.37	0.34	-	24.54		
Past service cost	-	-	-	-	-	-
Benefits paid/payable	(16.70)	(5.43)	(0.26)	(26.26)	(6.39)	(2.41)
Actuarial gain/loss on obligation	(44.48)	(5.87)	(3.38)	(28.42)	14.01	1.74
Present value of obligation at the end of the period	315.48	154.02	12.87	410.91	38.92	21.38
B. Changes in the fair value of the Plan Assets as on						
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	-
31st March 2018						
Fair value of plan assets at the beginning of the year	181.59	113.05	34.57	300.05	27.88	-
Expected return on plan assets	13.35	8.31	2.82	25.36	2.47	
Contributions	140.06	40.63	-	110.80		
Benefits paid/payable	(16.70)	(2.66)	(0.26)	(26.26)	(6.39)	-
Actuarial gain/loss on plan assets	8.87	2.33	-	2.71	0.01	-
Fair value of plan assets at the end of the period	327.17	161.66	37.13	412.66	23.97	-

NOTES

(₹ in crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
C. Amounts recognised in the Balance sheet as on						
31st 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
31st March 2018						
Present value of the obligations at the end of the year	315.48	154.02	12.87	410.91	38.92	21.38
Fair value of plan assets at the end of the year	327.17	161.66	37.13	412.66	23.97	-
Liability(+)/Asset (-) recognised in the balance sheet	(11.69)	(7.64)	(24.26)	(1.75)	14.95	21.38
D. Amounts recognised in the Statement of P&L for the period ended						
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
31st March 2018						
Current service cost	31.37	0.34	-	24.54	-	-
Past service cost	-	-	-	-	-	-
Interest cost	23.64	11.30	-	30.20	-	-
Expected return on plan assets	(13.35)	(8.31)	(2.82)	(25.36)	(2.47)	-
Net acturarial gain/loss recognised in the year	(53.35)	(8.20)	(3.38)	(31.13)	14.00	1.74
Expenses recognised in Statement of Profit and Loss	(11.69)	(4.87)	(6.20)	(1.75)	11.53	1.74

E. PRINCIPAL ACTUARIAL ASSUMPTIONS : (₹ in crore)

DESCRIPTION	2017-18	2016-17
i. Discount Rate	7.74%	7.35%
ii. Mortality Rate	LIC 1994-96 ultimate	LIC 1994-96 ultimate
iii. Medical Cost Trend rates	5%	4%
iv. Withdrawal rate	1% to 3%	1% to 3%
iv. 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 ₹10 lakhs to ₹20 lakhs for provision of gratuity

NOTES

F. Sensitivity analysis

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

a) Gratuity (₹ in crore)

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2018	31/3/ 2018	31/3/ 2017	31/3/ 2017
A. Effect of 1% Change in the Assumed Discount Rate	294.08	340.08	299.20	347.55
1. Effect on DBO	(6.78)	7.80	(6.98)	8.05
B. Effect of 1% Change in the Assumed Salary Rate	333.55	296.79	342.03	301.38
2. Effect on DBO	5.73	(5.92)	6.34	(6.30)
C. Effect of 1% Change in the Assumed Attrition Rate	335.11	293.73	341.41	299.68
3. Effect on DBO	6.22	(6.89)	6.14	(6.83)

b) Accrued Leave Salary (₹ in crore)

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2018	31/3/ 2018	31/3/ 2017	31/3/ 2017
A. Effect of 1% Change in the Assumed Discount Rate	147.60	161.54	140.58	169.03
1. Effect on DBO	(4.17)	4.88	(8.52)	9.99
B. Effect of 1% Change in the Assumed Salary Rate	164.23	145.44	174.19	136.43
2. Effect on DBO	5.63	(5.57)	13.35	(11.23)
C. Effect of 1% Change in the Assumed Attrition Rate	161.27	145.92	167.33	138.40
3. Effect on DBO	4.71	(5.26)	8.88	(9.94)

c) Post Retirement Medical Facilities (₹ in crore)

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2018	31/3/ 2018	31/3/ 2017	31/3/ 2017
A. Effect of 1% Change in the Assumed Discount Rate	375.11	453.08	375.64	452.27
1. Effect on DBO	(8.71)	10.27	(8.57)	10.08
B. Effect of 1% Change in the Assumed Salary Rate	454.91	373.95	449.63	377.61
2. Effect on DBO	10.71	(8.99)	9.44	(8.08)

NOTES

(G) Defined benefit liability

The weighted average duration of the defined benefit obligation is 12.89 years for Leave encahement benefit, 9.89 years for gratuity scheme as on 31 March 2019 .The expected maturity analysis of gratuity and compensated absenses is as under :

(₹ in crore)

	Less than a year	Between 2 - 5 years	between 5 -10 years	Over 10 years	Total
31 March 2018					
Gratuity scheme	8.47	27.84	32.50	85.21	154.02
Accrued leave salary	28.35	82.70	74.85	129.58	315.48
Post retirement medical benefits	27.04	96.96	95.60	191.29	410.89
Total	**63.86**	**207.50**	**202.95**	**406.08**	**880.39**

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

(₹ 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**

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.

NOTES

Repotable Segments

Business Segments

(₹. in crore)

	Iron Ore		Other Minerals & Services		Other reconciliation items		Grand Total	
	Current	Previous	Current	Previous	Current	Previous	Current	Previous
1.REVENUE								
External Sales	**11,490.93**	8,708.89	**123.98**	120.75	**-**	-	**11,614.91**	8,829.64
Inter-Segment Sales	**-**	-	**-**	-	**-**	-	**-**	-
Total Revenue	**11,490.93**	8,708.89	**123.98**	120.75	**-**	-	**11,614.91**	8,829.64
2. RESULT								
Segment Result	**6,205.24**	3,673.70	**(104.71)**	(43.30)	**(77.16)**	60.78	**6,023.36**	3,691.18
Unallocated Corporate Exps							**(199.78)**	(181.25)
Operating Profit							**5,823.58**	3,509.93
Finance Cost							**(37.07)**	(20.78)
Interest Income							**389.39**	797.66
Income Taxes							**(2,373.11)**	(1,703.78)
Non-controlling Interest							**0.94**	1.15
Share of associates							**4.73**	(40.32)
Net Profit							**3,808.46**	**2,543.86**
3. OTHER INFORMATION							**-**	
Segment Assets	**4,636.60**	5,822.28	**655.79**	152.88	**23,013.23**	19,355.14	**28,305.61**	25,330.30
Segment Liabilities	**1,634.51**	1,554.56	**40.87**	30.26	**2,583.64**	1,601.24	**4,259.02**	3,186.06
Additions to assets during the year :								
Tangible Assets	**398.04**	215.55	**574.62**	3.13	**653.09**	11.82	**1,625.75**	230.50
Intangible Assets	**0.10**	16.75	**-**	0.21	**2.03**	0.14	**2.13**	17.10
Depreciation and Amortisation	**211.74**	183.50	**32.89**	3.16	**12.00**	9.99	**256.63**	196.65
expenses during the year								
Impairment reversal/ provided	**-**	-	**-**	-	**-**	-	**-**	-
Non-Cash expenses other than	**337.04**	270.17	**0.00**	0.01	**0.22**	31.57	**337.26**	301.75
Depreciation & amortization								

NOTES

Geographical Segments

Sales Revenue by location of Customers:

(₹ in crore)

	Curr. Year	Prev. Year
Revenue from External customers		
- Domestic	10,421.00	7,294.89
- Export : Through MMTC	1,069.93	904.75
Total	**11,614.91**	**8,829.64**

Assets by Geographical Location:

(₹ in crore)

Location	Carrying amount of Segment Assets		Additions to Tangible and Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chattisgarh	16,875.89	14,657.19	88.32	136.65
Telangana & Andhra Pradesh	9,003.79	8,084.97	9.12	8.33
Others	2,425.93	2,588.14	1,530.44	102.62
Total	**28,305.61**	**25,330.30**	**1,627.88**	**247.60**

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

Particulars	Year ended	
	31-MAR-18	31-MAR-17
1. Profit after Tax (₹ Crore)	3,808.46	2,543.86
2. No of Equity shares	316,38,90,474	316,38,90,474
3. Nominal value per Equity share (₹)	1	1
4. Basic and Diluted Earnings per share (₹)	12.04	7.10 (*)

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

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

2.33.5 Discontinuing Operations (IndAS-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.

₹In crore

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Silica Sand Project, Lalapur		
Carrying value of Assets	0.29	0.29
Carrying value of liabilities	0.76	0.80

NOTES

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

₹ In crore

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
A. Revenue		
Revenue from operations		
Other income	0.00	0.01
Total Revenue	0.00	0.08
B. Expenses		
Power, Electricity and Water	0.25	0.25
Repairs and Maintenance	0.01	0.02
Other expenses	0.41	0.50
Total Expenses	0.67	0.77
C.Profit(+)/Loss(-) from discontinued operations before tax (A-B)	(0.67)	(0.69)

2.33.6 Intangible Assets (IndAS-38) : R&D

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is ₹22.03 crore (previous year ₹20.30 crore), including expenditure of ₹0.83 crore (previous year ₹1.47 crore) on feasibility studies.

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

₹ in crore

Head of account	2017-18	2016-17
Consumption of Stores and Spares	0.15	0.19
Power, Electricity & Water	0.58	0.55
Employee benefit expense	13.16	12.33
Repairs and Maintenance	0.52	0.44
Other expenditure	4.57	5.53
Depreciation & Amortisation	3.59	3.43
Total expenditure	22.57	22.47
Less : Other income	1.37	3.64
Total net R&D expenditure	21.20	18.83

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are ₹3.10 crore. (Previous year ₹1.47 crore).

NOTES

2.33.7 Joint Ventures (IndAS- 28) Jointly Controlled entities:

Sl no	Name of the Joint Venture	Country of Incorporation	Proportion of ownership 2017-18	Proportion of ownership 2016-17
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%	51%
5	Bastar Railway Pvt Ltd	India	54.27%	43%

2.33.8 Impairment of Assets (IndAS – 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:

₹ in crore

Unit	Year of impairment	Impaired Amount as on 01-04-17	Adjustments during 2017-18			Impaired Amount as on 31-03-18
			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.

2.33.9 Provisions, Contingent Liabilities and Contingent Assets (IndAS-37) :

Necessary details in regard to provisions have been disclosed in notes 2.14,2.17 & 2.31.

2.34. Others:

2.34.1. 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 Courts of Karnataka ,Chattisgarh & Madhyapradesh. The Chattisgarh High Court has permitted NMDC to withdraw the case with liberty to pursue the matter before the concerned authority by filing a reply. The Madhya Pradesh High court has granted stay. The Karnataka High Court, initially granted stay but subsequently vacated the stay and dismissed the petition.

Considering the stay given by Supreme court in one of the cases on similar matter, the company has filed fresh 'Writs' in the High Courts of Chattisgarh & Karnataka. The company has also filed transfer petitions before Hon' Supreme Court seeking transfer of the cases with Chattisgarh High Court & Madhya Pradesh High Court. Hon'ble Supreme Court has not admitted the transfer petition with respect to the case with Chattisgarh High Court. However with regard to case with Madhya Pradesh High Court, Hon'ble Supreme Court has granted permission to withdraw the transfer petition with liberty to draw the attention of the High Court to the pendency of similar matter(s) before the Hon Supreme Court.

Pending the outcome of above actions, the company has provided for the liability of ₹ 249.82 crore (previous year ₹ 166.65 crore) towards Service Tax on Royalty and interest.

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2.34.2. 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 2017-18 and the Liability of ₹103.64 crore (previous year ₹258.50 crore) has been provided during the year.

2.34.3 Enabling Facilities:

During the year the Company has paid ₹150 crore towards doubling of Railway lines owned by Railways between Kirandul-Jagdalpur and ₹140 crore towards Jagdalpur-Ambagon , which is required for augmentation of evacuation facility of Bailadila Sector. In addition to above certain amounts were also paid to Railways for other works on railway properties. An amount of ₹ 172.80 Crore utilised for the above purpose during the year 2017-18 (previous year ₹176.72 Crore) is included in 'Other Expenses.

2.34.4 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 ₹ 28.51 crore and Advances to an extent of ₹ 13.86 crore (adjusted for free cash & bank balance) has been provided for during the previous year 2016-17. Status quo is maintained.

2.34.5 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.Transaction Advisor (TA), Legal Advisor(LA) & Asset Valuer (AV) are appointed. However, the process of disinvestment has been deferred.

2.34.6 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 ₹ 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.

2.34.7 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 was required to pay 30% of royalty towards DMF and 2% of royalty towards NMET with effect from 12th Jan 2015 respectively.

The hon'ble Supreme Court of India has in its judgement dated 13.10.2017 clarified that "DMF is required to be made by the holder of a mining lease or a prospecting licence-cum-mining lease in the case of minerals other than coal, lignite and sand for stowing with effect from 17th September, 2015 when the rates were prescribed by the Central Government". Subsequent to this, Company has withdrawn the excess provision made towards DMF for the period from 12th Jan 2015 to 16th September 2015 and returned/adjusted the amount collected from customers. On account of this a net amount of ₹144.30 Croreis shown as Exceptional item in Profit and Loss Account.

With regard to NMET, Company has made the payment w.e.f 12.01.2015. Moreover, the judgement of Supreme court dated 13.10.2017 is silent hence status quo is maintained. Since the rates for NMET were declared in the MMDR Act itself and Supreme court judgement is silent on its applicability, payment made by the Company with effect from 12.01.2015 is deemed to be in order.

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.

2.34.8 Mining issues at Donimalai complex in Karnataka:

The monitoring Committee has retained 10% of sale proceeds for the period from 04/10/2011 to 31/03/2018 amounting to ₹1685.22 crore (previous year ₹1,350.01 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

NOTES

Committee and under Ind AS 109, has provided for 100% of the said amount.

2.34.9 GST issue on Sales through Monitoring Committee

Post GST 1st July 2017, for sales through Monitoring Committee (MC), GST invoices were raised by Donimalai unit on MC as per the requirement of the GST Act. It was expected that MC shall raise GST invoices on the customers and utilize the input tax credit of the GST billed by NMDC and payback the GST to NMDC. However, for the period from 1st July 2017 to 30th Sept 2017 MC has not acknowledged the invoices raised by NMDC and has paid the GST of ₹45.73 Crore collected from customers to the Exchequer without utilizing the input tax credit of GST billed by NMDC. This amount stands receivable in the books of Donimalai. Efforts are on to recover the amount from MC. Pending clarity on the issue of recovery of this amount, no provision has been made in the books of accounts of the year 2017-18. However, from 1st October 2017 Donimalai has been raising bill directly on the customers as per the Hon'ble Supreme Court direction.

2.34.10 Other issues:

On the Judgement of the Hon'ble Supreme Court of India on the illegal mining in Odisha (writ petition (civil)no.114 dated 2nd August 2017), Companysought a legal opinion, as per which there is no impact on the Company. However, in case it is found applicable to NMDC at a later date, it may impact the profits of the company.

2.34.11 CSR Expenditure :

a) Gross amount required to be spent by the company during the year is ₹121.02 crore (2% of the last three years average PBT ₹6,050.93 crore). (Previous Year ₹160.22 crore (2% of the last three years average PBT ₹8,010.77 crore).

b) Amount spent during the year on account of CSR activities is ₹169.37 crore.(Previous Year ₹174.18 crore)

2.34.12 General:

i. 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.

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

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

Note. No. 2.34.13 : Fair Value Measurement

₹ In crore

Financial instruments by category	As at March 18			As at March 17		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Trade receivables			1,472.74			1,043.52
Cash and cash equivalents			34.39			80.17
Other bank balances			5,426.59			5,240.34
Loans			140.07			92.48
Other financial assets			443.09			281.87
Total	-	-	**7,516.88**	-	-	**6,738.38**
Financial liabilities						
Borrowings			500.09			-
Trade payables			159.64			198.90
Other financial liabilities			1,889.32			1,232.36
Total	-	-	**2,549.05**	-	-	**1,431.26**

(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 2018, and 31 March 2017, 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 2018, and 31 March 2017, respectively, are not included.

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

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Note No: 2.34.14 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 Karantaka which is through Montoring 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 2018 ₹ In crore

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	1,600.64	207.93	1,373.14	3,181.71
Expected loss rate	11.34%	74.20%	100.00%	53.71%
Expected credit losses (loss allowance provision)	181.56	154.28	1,373.14	1,708.97
Carrying amount of trade receivables (net of impairment)	1,419.08	53.65	-	1,472.74
	423.54	499.79	1,685.22	

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Year ended 31 March 2017

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

iii. Reconciliation of loss allowance provision - trade receivables

Loss allowance on 1 April 2016	1,115.78
Changes in loss allowance	256.93
Loss allowance on 31 March 2017	1,372.71
Changes in loss allowance	336.26
Loss allowance on 31 March 2018	1,708.97

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 ₹ 500 Crore within limits assigned to each bank and Debt based mutual funds of public sector AMCs. 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

₹ in crore

	31 March 2018	31 March 2017
Flexible rate		
Expiring within one year (bank overdraft and other facilities)	100	-
Working capital Limits with Banks	100	100

NOTES

ii. Maturities of financial liabilities

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

₹ in crore

Year ended 31 March 2018	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	-	500.09	-	-	-	-	500.09
Trade payables	84.06	75.58		-	-	-	159.64
Other financial liabilities	1,110.34	723.82	32.04	23.12	-	-	1,889.32
	1,194.40	1,299.49	32.04	23.12	-	-	2,549.05

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

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 is 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 is minimal and hence no sensitivity analysis is presented.

NOTES

Note No. : 2.34.15 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 2018.

b) Dividends

₹ In crore

	31 March 2018	31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2018 of ₹ Nil (31 March 2017: Re 1 per equity share) per equity share.		316.39
Interim dividend for the year ended 31 March 2018 of ₹4.30 (31 March 2017: ₹ 4.15) per fully paid share	1360.48	1313.02
(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 ₹ Nil per fully paid equity share (31 March 2017: Re 1.00 per equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		316.39

₹ In crore

Particulars	31st- March 2018	31st- March 2017
Net Debt (excluding short term)	0	0
Total equity	24,432.30	22,597.60
Net debt to equity ratio	0%	0%

NMDC Limited

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

NOTICE

Notice is hereby given to the Members of NMDC Limited that the 60th Annual General Meeting (AGM) of the Company will be held at 1130 hours on Wednesday the 26th September 2018 at Hotel Marigold, Peacock Hall, 7-1-25, Greenlands, Begumpet, Hyderabad, Telangana, 500016 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 2018 and the reports of the Board of Directors', Statutory Auditor and Comptroller and Auditor General of India thereon.
2. To confirm the payment of Interim dividend of Rs. 4.30 ps per equity share of Re. 1.00 each for the financial year 2017-18.
3. To appoint a Director in place of Dr. T.R.K. Rao (DIN: 01312449), who retires by rotation and being eligible, offers himself for re-appointment as Director (Commercial) of the Company.
4. To appoint a Director in place of Shri P.K. Satpathy, (DIN: 07036432), who retires by rotation and being eligible, offers himself for re-appointment as Director (Production) of the Company.
5. To fix remuneration of Statutory Auditors for the financial year 2018-19

   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 2018-19, as may be deemed fit.

SPECIAL BUSINESS:

6. To appoint Shri Ashok Kumar Angurana (DIN: 06600185) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Shri Ashok Kumar Angurana (DIN: 06600185), who was appointed as an Additional Director on the Board of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose Shri Ashok Kumar Angurana as a candidate for the office of Director and who meets the criteria of independence as provided under Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to hold office for the balance period of his appointment or till further orders from Govt. of India, whichever is earlier in terms of Ministry of Steel Order F. No. 1/(10)/2015-BLA (Vol-III) dated 16th November 2017, and is not liable to retire by rotation."

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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 appoint Smt. Rasika Chaube (DIN: 08206859) as 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 16th July 2018 of Ministry of Steel, Government of India, Smt. Rasika Chaube (DIN: 08206859), Additional Secretary, Ministry of Steel appointed as Government Director of the Company, was appointed as an Additional Director on the Board 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 Act from a member signifying her intention to propose Smt. Rasika Chaube as a candidate for the office of Director of the Company, 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."

8. To ratify the remuneration of the Cost Auditors of the Company for the financial year 2018-19 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 travelling, out-of-pocket expenses plus GST) payable to M/s Tanmaya S Pradhan & Co., Cost Accountants, having office at "Swasthan", Brooks Hill, Sambalpur, Odisha – 768001 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 2018-19, 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 : 8th August 2018

Copy to:

1. All Members
2. All Directors
3. Statutory Auditors
4. Secretarial Auditors

Enclosures:

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 60th Annual Report of the Company for the year 2017-18.

NOTES TO 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 appointment / 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 20th September 2018 to 26th September 2018 (both days inclusive).

5. During the financial year, the Company declared interim dividend @ Rs. 4.30 ps per Equity Share of Re. 1.00 each amounting to Rs. 1,360 crores.

6. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agent of the Company M/s Aarthi Consultants Pvt Ltd., D.No. 1-2-285, Domalguda, Hyderabad - 500 029. Phone Nos. 040-27638111/27634445, Fax No. 040-27632184, Email: ims@nmdc.co.in, info@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 Participant. As per the 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 2009-10 & 2010-11 (Interim) 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 22nd September 2017 (date of previous AGM) on the website of the Company (www.nmdc.co.in) at the weblink: https://www.nmdc.co.in/Dividends.aspx and also on the website of the Ministry of Corporate Affairs, the information in respect of such unclaimed/unpaid dividend.
14. Pursuant to the provisions of Sections 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as prescribed in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Accordingly, your Company has transferred the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to Investor Education and Protection Fund. Any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed in the rules. The Company Secretary of the Company is the Nodal Officer for the purpose of coordination with IEPF Authority. Further details are available at the weblink: https://www.nmdc.co.in/Docs/Investors/ruleshare.pdf
15. 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.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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.
21. SEBI vide its Gazette notification dated 8th June 2018 amended Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has mandated that transfer of

securities would be carried out in dematerialized form only, with effect from 5th December 2018. Accordingly, with effect from 5th December 2018, shares which are lodged for transfer shall be in dematerialized form only.

22. 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 2018-19 after taking into consideration the increase in volume of work and pertaining inflation, etc.

23. 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 Participant and not to the Company/ Share Transfer Agent, without any delay.

    (v) To note that no gift/coupons will be distributed at the meeting.

24. 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.

25. 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.

26. 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.

27. 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.

28. NMDC, being a Government Company, all the appointments to the Board and terms and conditions thereto are fixed by the Government of India.

29. The details of remuneration / sitting fees paid to Board Members have been given in Corporate Governance Report.

30. None of the Directors have any relationship with other Directors, Manager(s) and other Key Managerial Personnel of the Company.

31. 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).

    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 22nd September 2018 (10.00 a.m. IST) and ends on 25th September 2018 (5.00 p.m. IST). The voting rights shall be proportionate to the shares held on 19th September 2018. During this period members of the Company, holding shares either in physical form or in dematerialized form,

as on the cut-off date of 19th September 2018 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: -

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

I. Details on Step 1 are mentioned below (Log-in to NSDL e-Voting website):

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client IDFor example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary IDFor example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' (provided in the Ballot Form) is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

II. Details on Step 2 are given below (cast your vote electronically on NSDL e-Voting system):

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

VI. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to dhr300@gmail.com with a copy marked to evoting@nsdl.co.in.

VII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

VIII. 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 download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

IX. 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).

X. 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., 19th September 2018.

XI. 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.

XII. 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.

XIII. 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.

XIV. 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.

XV. 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.

XVI. 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.

XVII. 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	Dr. T.R.K. RAO	Shri P.K. SATPATHY
Date of Birth & Age	14.07.1961 & 57 years	28.08.1961 & 56 years
Date of Appointment	17.11.2014	13.12.2014
Qualifications	i) Doctor of Philosophy - Indian Agricultural Research Institute, New Delhi ii) Master in Economic Policy Management - Columbia University, USA	B.E. (Mining)
(b) Nature of expertise in specific functional areas	Dr. T.R.K. Rao belongs to the 1986 batch of Indian Railway Traffic Service (IRTS) and held various key positions in the Ministry of Railways and State Government. His earlier positions included Vice-Chairman-cum-Managing Director of A.P. Mineral Development Corporation Ltd., Hyderabad, Managing Director of Sports Authority and Executive Director (Finance, Marketing & Public Relations) in Singareni Collieries Limited. He also served as a Special Secretary Infrastructure and Revenue (Disaster Management) in Govt. of A.P. In Railways, he worked as Additional Divisional Manager and Dy. General Manager and other senior level assignments. He holds Doctorate Degree from Indian Agricultural Research Institute, New Delhi and also Master in Economic Policy Management from Columbia University, USA. He has also worked as Consultant at the World Bank, Washington DC. He served as Director on various Boards like Hindustan Shipyard Ltd, GMR Hyderabad, Visakhapatnam Port Trust etc. He is also Director on the Board of Krishnapatnam Railway Company Limited, NMDC Power Limited, Neelachal Ispat Nigam Limited, Bastar Railway Private Limited, Legacy Iron Ore Limited and International Coal Ventures Pvt. Ltd.	Shri P K Satpathy is a Bachelor of Engineering (Mining) from NIT, Raipur with 1st class Mine Manager Certificate of Competency. Shri Satpathy joined Hindustan Copper Ltd. (HCL) in Malanjkhand Mines and held various positions in the management. Thereafter, Shri Satpathy joined NMDC Ltd. and held key positions in various projects of NMDC. Prior to his appointment as Director (Production), he was General Manager of BIOM, Kirandul Complex, Chhattisgarh. He has varied experience in the field of iron ore and copper mining. He has attended various National and International seminars and presented paper in Fragblast - International Seminar in 2012 and also attended Management Development Programmes in IIM, Ahmedabad and IIM, Kolkata. He is also Director on the Board of NMDC-CMDC Limited, Jharkhand Mineral Development Corporation Limited, NMDC-SAIL Limited and International Coal Ventures Pvt. Ltd.
(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	NIL	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL	320

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS

Item No. 6:- Appointment of Shri Ashok Kumar Angurana (DIN: 06600185) as an Independent Director of the Company

Pursuant to the order issued by the Ministry of Steel, Government of India vide order no. 1/(10)/2015-BLA (Vol-III) dated 16th November 2017, Shri Ashok Kumar Angurana (DIN: 06600185), was appointed as an Additional Director on the Board of the Company by the Board of Directors with effect from 16th November 2017 subject to his re-appointment by the shareholders in the Annual General Meeting as an Independent Director of the Company. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Ashok Kumar Angurana 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 Ashok Kumar Angurana
Date of Birth & Age	20.04.1956 & 62 years
Date of Appointment	16.11.2017
Qualifications	(i) Master Degree in Political Science (ii) Master Degree in Political Administration
(b) Nature of expertise in specific functional areas	Shri Ashok Kumar Angurana an IAS Officer of the Jammu & Kashmir cadre belongs to 1980 batch. He has held several important positions both in the State of J&K as well as at the Central Government. Among various positions at the state level are Development Commissioner and District Magistrate, Leh-Ladakh, Managing Director, J&K State Road Transport Corporation, Registrar Cooperatives, Secretary Health & Medical Education, Principal Secretary, Higher & Technical Education, Culture, Youth Services, Sports, Principal Secretary, Water Resources and Drinking Water etc. In the Govt. of India, his postings have been DDG, CAPART, Managing Director TRIFED, Secretary Panchayati Raj and Secretary Animal Husbandry, Dairying & Fisheries in the Ministry of Agriculture.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL

Shri Ashok Kumar Angurana submitted a declaration that he meets the criteria of independence under Section 149(7) of the Act. He is not liable to retire by rotation in terms of provision of Section 149(13) of the Companies Act, 2013.

Shri Ashok Kumar Angurana 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 Ashok Kumar Angurana and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as an Independent Director and recommend this Resolution for approval of the shareholders.

Item No. 7:- Appointment of Smt. Rasika Chaube (DIN: 08206859) 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 16.07.2018, Smt. Rasika Chaube (DIN: 08206859), Additional Secretary, Ministry of Steel appointed as Government Director of the Company, was appointed as an Additional Director on the Board of the Company by the Board of Directors with effect from 16.07.2018 subject to her 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, she would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Smt. Rasika Chaube (DIN: 08206859) as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below: -

(a) Brief Resume of the Director	
Name	Smt. Rasika Chaube
Date of Birth & Age	31.10.1963 & 54 Years
Date of Appointment	16.07.2018
Qualifications	(i) Post Graduate in Psychology (ii) M.Phil from Annamalai University
(b) Nature of expertise in specific functional areas	Smt. Rasika Chaube, an Officer of the Indian Defence Accounts Service (IDAS: 86) is a Post Graduate in Psychology and M.Phil from Annamalai University. During her vast and rich experience in the Civil Services, she has held several positions of importance which includes Joint Secretary & Financial Advisor to the President Secretariat, with 2 Hon'ble Presidents of India and Principal Integrated Financial Advisor to the Indian Airforce where her office was awarded the Raksha Mantri Award for Excellence – 2017. During her stint in Rashtrapati Bhawan she has worked in the areas of Culture, Women Empowerment, Agriculture and Environment. She has authored three books & has keen interest in Arts & Culture.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities companies and the membership of Committees of the Board	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL

Smt. Rasika Chaube is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Save and except Smt. Rasika Chaube and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.7 of the Notice.

Board considers it desirable that the Company should continue to avail itself of her services as Director and recommend this Resolution for approval of the shareholders.

Item No. 8: Ratification of the Remuneration of Cost Auditors of the Company for the financial year 2018-19

The Board at its meeting held on 8th August 2018 on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Tanmaya S Pradhan & Co., Cost Accountants 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 2019 at a remuneration of Rs. 6.00 lakhs (excluding travelling, out-of-pocket expenses plus GST).

M/s Tanmaya S Pradhan & Co., 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. 8 to the Notice for ratification of the Remuneration payable to Cost Auditors of the Company for the financial year ending 31st March 2019.

The Board recommends the Ordinary Resolution set out at item no. 8 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. 8 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: 8th August 2018

NMDC Limited

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

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 60th Annual General Meeting of the Company, to be held on Wednesday the 26th September 2018 at 1130 hrs. at Hotel Marigold, Peacock Hall, 7-1-25, Greenlands, Begumpet, Hyderabad, Telangana, 500016 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 2018 and the reports of the Board of Directors', Statutory Auditor and Comptroller and Auditor General of India thereon.		
2.	To confirm the payment of Interim dividend of Rs. 4.30 ps per equity share of Re. 1.00 each for the financial year 2017-18.		
3.	To appoint a Director in place of Dr. T.R.K. Rao (DIN: 01312449), who retires by rotation and being eligible, offers himself for re-appointment as Director (Commercial) of the Company.		
4.	To appoint a Director in place of Shri P.K. Satpathy, (DIN: 07036432), who retires by rotation and being eligible, offers himself for re-appointment as Director (Production) of the Company.		
5.	To fix remuneration of Statutory Auditors for the financial year 2018-19 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 2018-19, as may be deemed fit.		
	Special Business		
6.	To appoint Shri Ashok Kumar Angurana (DIN: 06600185) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution: **"RESOLVED THAT** Shri Ashok Kumar Angurana (DIN: 06600185), who was appointed as an Additional Director on the Board of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to hold office for the balance period of his appointment or till further orders from Govt. of India, whichever is earlier in terms of Ministry of Steel Order F. No. 1/(10)/2015-BLA (Vol-III) dated 16th November 2017, and is not liable to retire by rotation." **RESOLVED FURTHER THAT** the Board of Directors of the Company be and are 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 appoint Smt. Rasika Chaube (DIN: 08206859) as 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 16th July 2018 of Ministry of Steel, Government of India, Smt. Rasika Chaube (DIN: 08206859), Additional Secretary, Ministry of Steel appointed as Government Director of the Company, was appointed as an Additional Director on the Board 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 Act from a member signifying her intention to propose Smt. Rasika Chaube as a candidate for the office of Director of the Company, 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."		
8.	To ratify the remuneration of the Cost Auditors of the Company for the financial year 2018-19 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 travelling, out-of-pocket expenses plus GST) payable to M/s Tanmaya S Pradhan & Co., Cost Accountants, having office at "Swasthan", Brooks Hill, Sambalpur, Odisha – 768001 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 2018-19, 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 ..... 2018 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

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

ATTENDANCE SLIP

60th ANNUAL GENERAL MEETING

L.F./Demat A/c No._____ No. of Shares held _____

Name(s) in Full Name & Address as registered with the Company

1. _____ _____

2. _____ _____

3. _____ _____

I hereby record my presence at the meeting of the 60th Annual General Meeting of Shareholders of NMDC Limited at 1130 hours on Wednesday the 26th September 2018 at Hotel Marigold, Peacock Hall, 7-1-25, Greenlands, Begumpet, Hyderabad, Telangana, 500016.

Please tick [✓] in the Box

[ ] Equity Shareholder [ ] Proxy

_____
Equity Shareholder's Signature

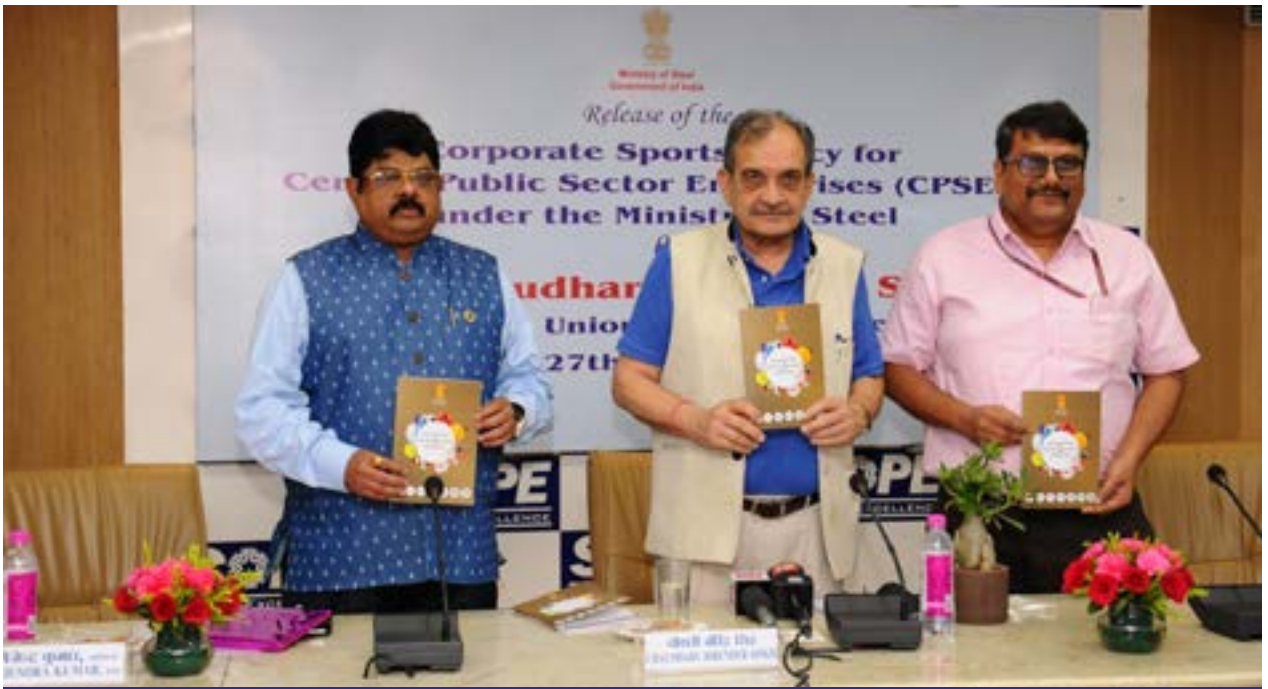
_____
Proxy's Signature

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 60th AGM to be held on 26th September 2018 at 1130 Hrs





Release of Corporate sports policy for Central PSEs under Ministry of Steel by Hon'ble Union Minister of Steel, Shri Chaudhary Birender Singh



Shri Binoy Kumar, IAS, OSD, Ministry of Steel during the performance review meet at NMDC



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NMDC

NMDC Limited

(A Government of India Enterprise)
Khanji Bhawan, 10-3-311/A, Castle Hills,
Masab Tank, Hyderabad- 500 028

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