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# NMDC Limited

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## NMDC Limited

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# NMDC Limited

## BOARD OF DIRECTORS

(AS ON 31.03.2010)

### WHOLE-TIME DIRECTORS

<b>Shri Rana Som</b>	Chairman-cum-Managing Director
<b>Shri VK Sharma</b>	Director (Commercial)
<b>Shri S.Venkatesan</b>	Director (Production)
<b>Shri N.K. Nanda</b>	Director (Technical)
<b>Shri S. Thiagarajan</b>	Director (Finance)

### GOVERNMENT OF INDIA NOMINEE DIRECTOR

<b>Shri UP Singh</b>	Joint Secretary, Ministry of Steel
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### INDEPENDENT DIRECTORS

<b>Shri RN Aga</b>	Director
<b>Dr (Mrs.) Indira Misra</b>	Director
<b>Ms Teresa Bhattacharya</b>	Director
<b>Shri Y.K. Sharma</b>	Director
<b>Shri Abdul Kalam</b>	Director
<b>Shri K.S. Raju</b>	Director
<b>Shri Kumar Raghavan</b>	Company Secretary & Executive Director (L&CC)

### STATUTORY AUDITORS

**M/s. Ramamoorthy (N) & Co.**

Hyderabad  
Andhra Pradesh

**M/s. Sriramamurthy & Co.**

Visakhapatnam  
Andhra Pradesh

**M/s. D.V. Sarovar & Co.**

Bellary  
Karnataka

**M/s. Hari Gupta & Co.**

Allahabad  
Uttar Pradesh

### BANKERS

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

### REGD. OFFICE:

**NMDC Limited**

"Khanij Bhavan"  
10-3-311/A, Castle Hills  
Masab Tank  
Hyderabad - 500 173

# NMDC Limited

No. 52-AGM/Sectt.

Dated : 29.06.2010

## Notice

Notice is hereby given that the 52nd Annual General Meeting of NMDC Limited (AGM) will be held at 1430 hours on Thursday, the 5th August, 2010 at Ravindra Bharathi, Saifabad, Hyderabad - 500 004 to transact the following business:

### **A ORDINARY BUSINESS:**

#### **1. Adoption of Audited Accounts, Directors' and Auditors' Reports**

To receive, consider and adopt the Profit & Loss Account for the financial year ended 31st March, 2010, the Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.

#### **2. Declaration of Dividend**

To declare the Final Dividend as recommended by the Board.

#### **3. Re-appointment of Directors**

- i) To appoint Shri Rana Som, as Chairman-cum-Managing Director, who retires by rotation and is eligible for re-appointment.
- ii) To appoint Shri V.K. Sharma, as Director (Commercial), who retires by rotation and is eligible for re-appointment.
- iii) To appoint Shri S. Venkatesan, as Director (Production), who retires by rotation and is eligible for re-appointment.
- iv) To appoint Shri N.K. Nanda, as Director (Technical), who retires by rotation and is eligible for re-appointment.
- v) To appoint Shri S. Thiagarajan, as Director (Finance), who retires by rotation and is eligible for re-appointment.
- vi) To appoint Shri U.P. Singh, as Director, who retires by rotation and is eligible for re-appointment.
- vii) To appoint Ms. Teresa Bhattacharya, as Director, who retires by rotation and is eligible for re-appointment.

- viii) To appoint Shri Y.K. Sharma, as Director, who retires by rotation and is eligible for re-appointment.
- ix) To appoint Shri Abdul Kalam, as Director, who retires by rotation and is eligible for re-appointment.
- x) To appoint Shri K. S. Raju, as Director, who retires by rotation and is eligible for re-appointment.

#### **4. Remuneration of Statutory Auditors**

In terms of the amended Section 224 of the Companies Act, 1956 vide Clause (aa) of Sub-section 8, 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 fix the remuneration of the Statutory Auditors of the Company for the year 2010-11, as may be deemed fit.

### **B SPECIAL BUSINESS**

#### **5. Amendment to the Object Clause of Memorandum of Association of the Company.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions:

#### **RESOLVED THAT-**

consent of the Company be and is hereby accorded to amend the Object Clause of the Memorandum of Association of the Company, by inserting the following Sub-clauses, after existing Object Clause 1(b) of the Memorandum of Association and to re-number the other clauses as under:

- "(c) To produce, manufacture, purchase, refine, import, export, sell and really deal in naturally occurring ores and agglomerated iron ores pre-reduced forms of iron such as sponge iron, grey iron, alloy iron, ductile iron, S.G iron, malleable Iron, alloy and special iron and steel in all forms and/or bye-products thereof.

# NMDC Limited

- (d) To carry on the trades or business of iron ore processors, iron masters, steel makers, steel converters, rolled steel makers, miners, smelters, engineers, tinplate makers and iron founders in all their respective branches and manufacture of all kinds of agglomerated and pre-reduced form of iron such as sponge iron, grey iron, alloy iron, ductile iron, S.G. iron, malleable iron alloy and special Steel Iron, steel products such as bar, rods and other section, sheets and plates, wires and wire products of iron, steel and other metals.
- (e) To search for, get, work, make, merchantable, sell and deal in naturally occurring iron ores, agglomerated iron, pre-reduced form of iron such as sponge iron, grey iron, alloy iron, ductile, iron, S.G Iron, malleable iron, iron alloy and special steel, steel and other metals, old or new, coal, coke, slag, slag granules, minerals and substances.
- (f) To carry on the business of iron founders, coke manufactures, mechanical engineers, manufactures of agricultural implements and other machinery, tool makers, brass founders, metal workers, boiler makers, Mill wrights, machinists, iron and steel converters, smiths, painters, metallurgists, electrical engineers, water supply engineers, manufacturer of brass, copper and other metals and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery implements, all sorts of metal scrap and hardware and hollow-ware of all kinds. To act as agents and brokers for sellers, buyers, exporters, importers, manufacturers, merchants, tradesmen, insurers and other and generally to undertake and carryout agency work of any kind whatsoever and transact all manner of agency and commission business, and
- The existing clause 1(c) and (d) be re-numbered as (g) and (h)."

## RESOLVED FURTHER THAT -

the Company also be and is hereby authorized to take all necessary actions for the purpose of said amendment and also to take all necessary actions as deemed fit in this regard."

6. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

### "RESOLVED THAT

Lt. Gen. (Retd.) Arvind Mahajan be and is hereby appointed as Director of the Company on the existing terms of his appointment, who is liable to retire by rotation."

7. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

### "RESOLVED THAT

Shri S. Machendranathan be and is hereby appointed as Director of the Company on the existing terms of his appointment, who is liable to retire by rotation."

By Order of the Board,



**(Kumar Raghavan)**

Company Secretary &  
Executive Director (L&CC)

Place : Hyderabad

Date : 01.07.2010

### Copy to:

1. All Members
2. Statutory Auditors

### Encls:

1. Notes to Notice.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business.
3. Proxy Form and Attendance Slip.
4. ECS Form
5. A copy of the 52nd Annual Report of the Company for the year 2009-10.

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## Notes to Notice

1. None of the Directors of the Company are interested in the business except to the extent of their appointment / re-appointment and shareholding which is below 2% of the paid - up capital of the Company.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. A blank Proxy Form also enclosed.
3. Should any Member choose to exercise his / her right to appoint a proxy, the proxy form duly completed should be deposited at the Registered Office of the Company not less than forty eight (48) hours before the time of holding of the Meeting.
4. Government of India has divested 8.38% of paid up capital of the Company out of the shares held by the President of India in the month of March, 2010, as a result of divestment the public holding increased from 1.62% to 10%.
5. During the year the Company had paid an interim dividend @ Re.0.75 per share totaling to Rs.297.35 crore on the nominal value of the paid-up equity shares of the Company to the Members.
6. Final Dividend @ Re. 1/- per share as recommended by Board, if declared by the members at the meeting, will be paid / dividend warrants despatched with effect from 30.08.2010 by the Company to those Members, whose names appear in the Register of Members of the Company as on 31.07.2010, being the book closure date and also to the Beneficial Owners of shares held in electronic form on the said date as per the details furnished by the Depositories for this purpose.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 31.07.2010 to 05.08.2010 (both days inclusive).
8. Members are requested to bring their copy of this Report to the meeting.
9. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is enclosed.
10. (i) The Company has appointed Aarathi Consultants Private Limited as Share Transfer Agents (STA) of NMDC Ltd. The address and contact numbers are given below:

Mr. G. Bhaskara Murthy  
General Manager,  
M/s. Aarathi Consultants Pvt Ltd.,  
D.No. 1-2-285, Domalguda  
Hyderabad - 500 029.  
Phone Nos. 040-27638111/27634445,  
Fax No. 040-27632184  
Email : [ims@nmdc.co.in](mailto:ims@nmdc.co.in),  
[info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)  
Web site : [www.aarthiconsultants.com](http://www.aarthiconsultants.com)

Members are requested to correspond at above address with STA on all the matters relating to share transfers/ dividend etc., and also for any clarifications thereon.
- (ii) It is to inform that shares of your Company have been dematerialized in Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The ISIN number allotted is "ISIN-INE584A01023".

Members are advised to get in touch with the Depository participant (DP)/STA for any clarification on dematerialization of shares held.
- (iii) **Members are requested to correspond with M/s Karvy Computershare Pvt. Ltd., Registrar to the Offer for Sale made by Government of India on all matters relating to divestment of 8.38% shares held by the President of India in the Company aggregating 33,22,43,200 equity shares of Re.1/- each in the month of March, 2010, at the following address:**

# NMDC Limited

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**Mr. M. Murali Krishna, Karvy Computershare Pvt. Ltd., Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, Tel: 040-23420815, Fax: 040-23431551, Email: nmhc.ipo@karvy.com / einward.ris@ karvy.com.**

11. Members are requested to notify immediately, any change in their address, with complete postal address, with PIN, telephone numbers and email address etc. at the following address:

**(i) The Company Secretary & Executive Director (L&CC)**

Khanij Bhavan, 10-3-311/A  
Castle Hills, Masab Tank  
Hyderabad - 500 173.  
Phone No.040-2353 8757  
Fax No.040-2353 8759  
E-mail: ims@nmhc.co.in  
Web site: www.nmhc.co.in

**(ii) The General Manager  
M/s Aarhi Consultants Pvt Ltd**

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

12. The Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) have made it mandatory for all the Listed Companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instrument in transit or fraudulent encashment etc.

In view of the above:

- (i) Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete ECS form attached to this Annual Report and forward the same to the Company's Share Transfer Agent (STA).
- (ii) Shareholders holding shares in Dematerialized Form are requested to provide the Bank details to their

Depository Participants for incorporation in their records. The Depository in turn would forward the required information to the Company's STA for effecting ECS payment.

### 13. Brief Profile of Retiring Directors

- i) **Shri Rana Som**, aged 58 years, is the Executive Chairman-cum-Managing Director of our Company since November 2, 2007. He holds a Post Graduate Degree in Economics from the University of Calcutta and a Post Graduate Diploma in Personnel Management from National Institute of Personnel Management, Calcutta. He has approximately 38 years of experience in various managerial positions. Shri Som started his career in 1972 as a probationary officer with the Calcutta Port Trust and was the director and the chairman-cum-managing director of Hindustan Copper Limited during 2000-05 and a director in State Trading Corporation of India during 2005-07 prior to joining the Company.

- ii) **Shri V. K. Sharma**, aged 58 years, is the Director (Commercial) of our Company since October 3, 2007. He holds a Bachelor's Degree in Mining Engineering from Indian School of Mines, Dhanbad and also holds a Manager's First Class Certificate of Competency (R) under The Metalliferous Mines Regulations, 1961 from the Director General of Mines Safety, Dhanbad. He joined our Company as an Executive Trainee in January 1973 and has worked in Bailadila Deposit-5 Mine for about 14 years in different capacities as a mining engineer. In the year 1987, he was posted to the production department at the head office for coordination between production projects, railways, ministry and MMTC India Limited for smooth flow of material for different customers and for exports. In the year 1994, Shri Sharma was posted in the commercial department and has worked in different capacities in the commercial department. He has approximately 37 years of experience in different operations connected to the mining and marketing of iron ore.

# NMDC Limited

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- iii) **Shri S. Venkatesan**, aged 59 years, is the Director (Production) of our Company since August 1, 2008. Shri Venkatesan holds a Bachelor's Degree in Metallurgy from the Indian Institute of Technology, Madras and a Post Graduate Diploma in Computer Systems from the Institute of Public Enterprise. He joined our Company as an Executive Trainee in 1973. During the course of his service with our Company, he had been closely associated with various functions in iron ore mining including research and development activities of our Company. Prior to his appointment on the Board, Shri Venkatesan was functioning as General Manager, Bailadila iron ore mine, Kirandul Complex in Chhattisgarh. He has an experience of approximately 37 years in the field of mining and mineral processing.
- iv) **Shri N. K. Nanda**, aged 49 years, is the Director (Technical) of our Company since December 1, 2008. He holds a Bachelor's Degree in Mining with a 1st Division from Indian School of Mines, Dhanbad and a Master's Degree in Mining from Indian School of Mines, Dhanbad. He has also received a Certificate of Recognition as Qualified Person to prepare Mining Plans from Indian Bureau of Mines and possesses a 1st Class Competency Certificate to manage multifarious open cast mines issued by the Director General of Mine Safety, Dhanbad. He is a fellow member of the Institution of Engineers (India), a fellow member of the Mining Engineers Association of India and a Council Member of the Mining Engineers Association of India. He has approximately 27 years of experience in the field of mining. Prior to being appointed on the Board of our Company, Shri Nanda was also associated with Hindustan Copper Limited. He joined our Company as Deputy Mining Engineer in the year 1999 and has served in various positions such as Statutory Mines Manager and General Manager-Head of the project until the Government of India appointed him as Director (Technical) on the Board of our Company with effect from December 1, 2008.
- v) **Shri S. Thiagarajan**, aged 55 years, is the Director (Finance) of our Company since July 9, 2009. Shri Thiagarajan holds a Bachelor's Degree in Science from the University of Madras and is a Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of India. He has approximately 30 years of experience in the field of Finance. He joined our Company in March 1979 and has served in various capacities in different units of our Company during his service with our Company. Prior to his appointment as Director (Finance) by the Government of India, he was serving as Executive Director (Finance) of our Company. He is experienced in the areas of taxation, accounting, tax planning, financial management etc.
- vi) **Shri U. P. Singh**, aged 51 years, is a nominee of the Government of India and was appointed as a Director of our Company on December 11, 2007. Shri Singh is an officer with the Indian Administrative Services since 1984 and is presently serving as the Joint Secretary, Ministry of Steel, Government of India. He has a professional experience of about 26 years. Prior to this he served in various capacities / positions in the Government.
- vii) **Mrs. Teresa Bhattacharya**, aged 68 years, is a Non-Executive Director of our Company and was appointed as a Director on December 24, 2007. She holds a Bachelor's Degree in Mathematics and a Master's Degree in English from the Madras University. She was also an officer with the Indian Administrative Services from 1965 to March 2002. She retired as the Chief Secretary of Government of Karnataka. She also served as Secretary, Department of Energy, Government of Karnataka, Chairman-cum-Managing Director of NGEF Limited and as the Chairman-cum-Managing Director of Mysore Sugars Limited, apart from other posts. She has over 36 years of



# NMDC Limited

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experience in the field of administration in Government, including public sector management, energy and personnel management.

viii) **Shri Y. K. Sharma**, aged 65 years, is a Non-Executive Director of our Company and was appointed as a Director on June 19, 2009. He holds a Bachelor's Degree in Commerce from the University of Rajasthan and is a Fellow Member of the Institute of Chartered Accountants of India. Shri Sharma has been the Founder Honorary Secretary of Jaipur Branch of Institute of Chartered Accountants of India. He is the Ex-Honorary Secretary of Jaipur Club Limited, the Ex-President of Jaipur Club Limited, the founder of Nu-Life Housing Cooperative Society Limited and the Vice Chairman of the District Sports Council, Jaipur. Shri Sharma has about 41 years experience in practise as a chartered accountant.

ix) **Shri Abdul Kalam**, aged 65 years, Non-Executive Director of our Company, was appointed as a Director on June 19, 2009. He holds a Degree in Mining from Banaras Hindu University. Shri Kalam has approximately 37 years experience in Coal India Limited and the coal sector.

x) **Shri K.S. Raju**, aged 66 years, Non-Executive Director of our Company was appointed as a Director on June 19, 2009. Shri Raju Satyanarayana Kanumuri holds a Master's degree in Applied Geology from M. S. University, Baroda. He has an experience of 36 years in the field of mining, mineral beneficiation and mineral testing. Shri Raju Satyanarayana Kanumuri retired as Controller General of the Indian Bureau of Mines, Government of India in June 2004. Shri Raju Satyanarayana Kanumuri has also been the director of Jawaharlal Nehru Aluminium Research and Development Center from January 1, 2003 until June 30, 2004. Shri Raju joined National Aluminium Company Limited as a part-time non-official director on September 27, 2007. His present honorary assignments include (i) Member of a high power committee constituted by the Ministry of Mines, Government of India to review and restructure the functions of the Indian Bureau of Mines; and (ii) Member of Scrutiny Committee for Mineral Awards constituted by Ministry of Mines.

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## Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

### SPECIAL BUSINESS

#### Item No. 5

Amendment to object clause of the Memorandum of Association of the Company

Government of India, Ministry of Steel, decided to merge Sponge Iron India Limited (SIIL) with NMDC Ltd. Accordingly, your Company has initiated the merger process as per the provisions of the Companies Act, 1956. As required under section 391-394, necessary petitions/documents were filed before Ministry of Corporate Affairs, Government of India (MCA) for sanction of the scheme of Amalgamation of SIIL with NMDC Ltd., through Amarchand Mangaldas, Hyderabad, Legal

Counsel (LC) appointed for this purpose by your Company. As per the orders issued by MCA in the matter, the consent for merger of SIIL with NMDC Ltd., was obtained from the Creditors and Members of the Company in the duly convened meetings held on 22nd May, 2009 and thereafter, petitions were filed as required under the provisions of the Companies Act, 1956.

MCA, after hearing both the Companies and other parties including public, has passed an order on 18.01.2010, sanctioning the scheme of Amalgamation of SIIL with NMDC Ltd. and a certified copy of the order was forwarded to your Company for necessary action in the matter. The scheme provides an amendment to the Object Clause of Memorandum of Association of your Company to



# NMDC Limited

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include the business objects of sponge iron, as per the scheme.

As per the provisions of the Companies Act, 1956, the proposed amendment requires approval of the shareholders of the Company. Though scheme contains deemed corporate approvals, your Board of Directors considered necessary as a matter of abundant caution, to obtain the consent of the Members for the proposed amendment to object clause of the Memorandum of Association of your Company and approved the said proposal.

## **Item No. 6 - Appointment of Director**

In line with the Government of India order, Lt. Gen. (Retd.) Arvind Mahajan, was appointed as Additional Director by the Board of Directors of NMDC Ltd., as per the provisions of the Companies Act, 1956, after the last AGM.

### **The Brief Bio-data of above Director is as under:**

Lt. Gen. (Retd.) Arvind Mahajan, PVSM, AVSM, VSM, is a Post Graduate Degree holder in Mechanical Engg. (Automobiles) and also holds a Post Graduate Diploma in Business Management, Post Graduate Diploma in Industrial Management, AMIE (Mech.), MIE (Mech.) and FIE, M.Phil (Defence Studies). He retired as Director General of Electrical and Mechanical Engineering, Indian Army (CEO Equivalent), Master General Ordnance Branch, Integrated HQ of MoD, New Delhi.

He had a rich and varied experience in the fields of Security Advising, General Management, Support Services and Project Management Services, Strategic Planner, Environment & Infrastructure Expertise & Advisor, Technical Consulting, Domain Expertise in Disaster Management Plans Formulation and in Power, Steel & Mining Management (Handling of Plant & Equipment, Operation & Maintenance of Heavy Machineries) and Corporate Administration.

Lt. Gen. (Retd.) Arvind Mahajan, as an Additional Director, holds office upto the date of the AGM only,

therefore, it is proposed to appoint him as Director of the Company at this Annual General Meeting.

## **Item No. 7 - Appointment of Director**

In line with the Government of India order, Shri S. Machendranathan, was appointed as Additional Director by the Board of Directors of NMDC Ltd., as per the provisions of the Companies Act, 1956, after the last AGM.

### **The Brief Bio-data of above Director is as under:**

Shri S. Machendranathan, aged 56 years, is a nominee of the Government of India and is appointed as a Director of our Company on May 24, 2010. Shri Machendranathan was an officer with the Indian Administrative Services since 1979 and is presently serving as the Additional Secretary & Financial Advisor, Ministry of Steel, Government of India. He has a professional experience of about 30 years. Prior to this he served in various capacities / positions in the Government.

Shri S. Machendranathan, as an Additional Director, holds office upto the date of the AGM only, therefore, it is proposed to appoint him as Director of the Company at this Annual General Meeting.

The Board of Directors recommended the above said proposals for approval of the shareholders.

None of the Directors of the Company is interested or concerned in the above resolutions except to the extent of their re-appointment / appointment.

By Order of the Board of Directors  
For and on behalf of NMDC Ltd



**(Kumar Raghavan)**  
Company Secretary &  
Executive Director (L&CC)

Place : Hyderabad  
Date : 01.07.2010

## Directors' Report for the year 2009-10

Dear Members,

On behalf of the Board of Directors, I take pleasure in presenting the 52nd Annual Report on the performance of your Company, together with the Audit Report and Audited Accounts, for the year ended 31 March 2010 and the Report thereon by the Comptroller and Auditor General of India.

### 1.0 PERFORMANCE HIGHLIGHTS

- Turnover for the year under review was Rs.6239 crore compared to Rs.7564 crore in the previous financial year 2008-09 recording a decrease of 18%.
- Profit before tax was Rs.5207 crore compared to Rs.6648 crore in the previous financial year 2008-09 recording a decrease of 22%. Profit after tax was Rs.3447 crore compared to Rs.4372 crore in the previous financial year 2008-09 recording a decrease of 21%.
- Net worth increased to Rs.14250 crore as on 31.03.2010, 23% higher than Rs.11615 crore in the previous financial year 2008-09.
- Interim Dividend @ 75% on the equity shares of Re.1/- each aggregating Rs.297.35 crore was paid.
- As an MoU signing PSE with the Government of India, your Company's performance during the year qualifies for excellent performance.
- Supply of Iron Ore to domestic industries recorded 206.53 lakh tones as against the previous year supply of 225.98 lakh tonnes, recording a decrease of 9%. Total exports of Iron Ore during the year was 34.32 lakh tonnes against 38.74 lakh tonnes in the previous financial year 2008-09 recording a decrease of 11%.
- During the year 194.05 lakh Kwh Power has been generated by wind electricity generators as compared to 65.46 lakh Kwh of power in the previous financial year 2008-09.

I am pleased to present in brief the physical and financial performance of your Company during the year under review:

### 2.0 PHYSICAL PERFORMANCE

#### 2.1 Production

Product	Achievement		Percentage change
	2008-09	2009-10	
Iron Ore (lakh tonnes)	285.15	<b>238.03</b>	(-)17%
Diamond (Carats)	–	<b>16529.21</b>	100%

#### Note:

- a) The Hon'ble Supreme Court of India has granted permission for re-opening of Diamond Mining Project for a maximum period of 15 years with certain conditions. After fulfilling the conditions, the project work started on 20th June, 2009.
- b) Silica sand mining operations are suspended since November, 2007 due to commercial reasons and the Lalapur Silica sand mines are kept under care and maintenance.

#### 2.2 Sales of Iron Ore

(in lakh tonnes)

Product	Achievement		Percentage change
	2008-09	2009-10	
Domestic	225.98	<b>206.53</b>	-9%
Export through MMTC	38.74	<b>34.32</b>	-11%

#### Notes:

- a) Production and sales of Iron Ore were partially affected in 2009-10 due to constraints caused by Maoist activities in evacuation of products from Bailadila mines.
- b) The effect of recession continued during the first quarter of 2009-10.
- c) The serious damage to Essar pipeline affected evacuation.

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## 2.3 Other Sales

Products	Achievement	
	2008-09	2009-10
a) Diamond		
Sales (carats)	–	<b>7335.34</b>
Value (Rs. in crore)	–	<b>6.94</b>
b) Silica Sand		
Sales (lakh tonnes)	0.02	–
Value (Rs. in crore)	0.08	–
c) Wind Power		
Sales (lakh KWh)	65.46	<b>194.05</b>
Value (Rs in crore)	2.22	<b>6.57</b>

## 3.0 FINANCIAL PERFORMANCE

### 3.1 Operating Results

Parameter	Achievement		Percentage change
	2008-09	2009-10	
Profit Before Tax (Rs. in crore)	6648	<b>5207</b>	(-)22%
Net Worth (Rs. in crore)	11615	<b>14250</b>	23%
Book value per share (Rs.)	29.30	<b>35.94</b>	23%
Earnings per Share (Rs.)	11.03	<b>8.69</b>	(-)21%

### 3.2 Profit & Dividend

During the year under review, your Company has earned profit before tax of Rs.5207 crore on a turnover of Rs.6239 crore in comparison with those of previous year's achievement of Rs. 6648 crore and 7564 crore.

The Company has paid interim dividend @ 75% on the equity shares of Re.1/- each aggregating Rs.297.35 crore. The Board has recommended subject to shareholder's approval, payment of final dividend of Rs.396.47 crore. (Total dividend aggregating Rs.693.82 crore).

## 4.0 DEPOSITS

The Company has not accepted any Fixed Deposits during the year under review.

## 5.0 NEW PROJECTS & BUSINESS DIVERSIFICATIONS

### 5.1 Projects under construction

#### 5.1.1 Bailadila deposit-11/B

To achieve targeted production of 50MTPA by 2014 - 15 the construction of Deposit 11B mine at expanded capacity of 7.0 million tones of ROM per annum has been taken on priority. The estimated capital expenditure towards this is Rs.607 crore. Out of which Rs.320 crore is for Plant and Rs.188 crore is for mining machineries. Expenditure incurred till 31st Mar'10 for the plant is 213 crore. Due to Naxalite activities progress of the project work is getting hampered. The expected date of completion is March 2011. Project progress till 31st Mar'10 is 56%.

#### 5.1.2 Uniflow System at Bachel

M/s East Coast Railways have been assigned the work of execution of the "Construction of Uniflow Dispatch Line at Bachel on K.K. Line of East Coast Railways of Waltair Division for Civil, OHE and S&T works" as a Deposit Work for which an amount of Rs.15,60,86,038/- has been deposited with East Coast Railways on 02.01.2006 towards the estimated cost of the work based on the detailed estimate for Civil, S&T and OHE submitted by M/s East Coast Railways. This has since been revised by Railway due to adverse ground condition of the area.

M/s East Cost Railways have invited the Tender for execution of balance works such as earth work in formation, minor bridges, RCC retaining walls, drains, protection works, ballast supply, transportation of P-way-materials, P-way linking and other misc. works. Tender was opened on 23.03.2010 and further finalization of the contract for execution of work by M/s East Cost Railways is in progress. The time for completion of work is 15 months from the date of award of work by M/s East Coast Railways.

## **5.1.3 Fourth Line in Screening Plant-II of Bailadila-14/11C**

The work of installing Fourth line in Screening Plant II of Bld-14/11C was awarded to M/s TRF and the firm completed the work and the Performance Guarantee test conducted during November 2009. Report of the Performance Guarantee test is under approval.

## **5.1.4 Slime-based Pig Iron Plant at Jagdalpur**

Matter related to setting of slime based Pig Iron Plant has since been closed because of construction of ISP.

## **5.1.5 Merger of Sponge Iron India Limited**

The Scheme of Amalgamation/Merger between the Company and Sponge Iron India Ltd has been approved by Ministry of Corporate Affairs, Government of India (MCA) pursuant to its order dated January 18, 2010. In view of disinvestment of shares by Govt. of India and to facilitate consolidation of accounts, the Company through its Legal Counsel to the merger process Amarchand & Mangaldas has made an application to MCA seeking orders for further extension of time upto 2nd July, 2010 for filing the sanction order with Registrar of Companies, Hyderabad. Orders from MCA are awaited.

## **5.1.6 Kumaraswamy Iron Ore Project**

To compensate the depleting reserve of Donimalai Iron Ore Mine and augmenting production capacity towards achieving the target of 50 MTPA, the construction of Kumaraswamy mine with capacity of 7.0 MTPA was envisaged. MECON is appointed as EPCM consultant. The entire project has been planned to be executed in six packages. Tender Enquiries floated for packages 1, 2 & 3 (Crushing Plant Package, Downhill Conveyor Package & Electrics and Substation package) and the same are under various stages of finalization. Down hill conveyor Package (Package -2) is the most critical Package & the project completion / commissioning is 24 months from the date of issue of LOA for this package.

## **5.1.7 Windmill in Karnataka**

9.0 MW Wind Power Project has been commissioned on 30th September 2008 and

connected to KPTCL grid. 1.5 MW Wind Energy Farm has been commissioned on 31st March 2009 and connected to KPTCL grid.

## **5.1.8 Low Silica Limestone Project, Arki (HP)**

Mining Lease is due in August 2010. Joint inspection of Mining Lease was done by a Committee of SDM, DFO and officials from PED, PHED, HPSCB and Mining Office on 7th April, 2010. Mining Officer, Solan, has forwarded inspection report for the State Geologist on 30.04.2010. Inescapability certificate for 1851.03 Bigha of Private land issued by Deputy Commissioner, Solan to Commissioner of Industries on 09.09.2009. Additional Secretary advised Commissioner of Industries to obtain approval of Principal Secretary (Rev) for relaxation under Revenue Land Maximum Limit Amendment Act, 1972. NMDC vide letter dated 17.03.2010 has also requested Principal Secretary (Rev) to accord relaxation as desired. Draft P&R scheme has been prepared as per guidelines of State Government. Application for Govt. / Forest land (84.36 Hect) was submitted on 01.09.2009; RO submitted tree enumeration and revenue details to DFO on 27.01.2010; DFO made inspection on 10.02.2010. Public Hearing was conducted successfully on 12.01.2010. Director (Env. S&T) / Member Secretary, State Pollution Control Board forwarded proceedings of PH to the Secretary, Ministry of Environment & Forest. NMDC has requested Govt. of Himachal Pradesh, HPSCB and Ministry of Environment & Forest to consider transport of Limestone by road for 4 - 5 years as per TOR issued by Ministry of Environment & Forest. Application has been submitted to the Commissioner of Industries for permission to draw water from Gambhar Khad as per the scheme of I & PH Dept. on 04.01.2010. MoU was signed between NMDC & SAIL on 16.11.2009. Working Group met on 06.01.2010 and decided action plan. Corpus fund is being created. Scope of work for feasibility report has been finalized. Working group visited Arki mine, ACL mine, Plant and proposed siding at Bharatgarh and decided further course of action. As per the advice of State Geol, action has been initiated for submission of application for inclusion of left out areas in Mining Lease boundary.

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## 5.1.9 Panthal Magnesite Project

NMDC has formed a joint venture company with J&K minerals limited in the year 1989 to explore and exploit panthal magnesite mine to produce dead burnt magnesite. The Joint Venture is named as J&K Mineral Development Corporation Ltd and is a subsidiary of NMDC. After an initial phase of uncertainty regarding future of the Panthal Magnesite Plant due to inadequate demand in the market, J&KMDC Board in its 157th meeting held on 30.11.2009 decided to review the project. Subsequently Board of NMDC decided to review the project by setting up a 30,000 TPA Dead Burnt Magnesite plant.

Mining Lease has been renewed for further period of 10 years in favour of NMDC. Public hearing has been conducted successfully and public hearing proceedings forwarded by J&K SPCB to MOEF, New Delhi. W.O has been issued in favor of M/s.MN Dastur as EPCM consultant. Demand note has been raised by SMVDSB towards tree felling, compensatory afforestation and NPV.

## 5.2 Joint Ventures

### 5.2.1 Bailadila Iron Ore Deposit-13

Your Company has formed a Joint Venture Company NMDC-CMDC Ltd. with CMDC to develop Deposit 13 as a stand alone project of 10 MTPA. Necessary statutory clearances / approvals to execute the project are awaited.

### 5.2.2 Bailadila Deposit-4

It is envisaged to develop Deposit 4 as joint venture with CMDC as a stand alone project for supplying raw material to the steel plant at Nagarnar.

### 5.2.3 Rail Link between Dalli-Rajhara - Raoghat Railway Line Project

Two Tahsils under Bhanupratappur Sub-Division have been affected due to construction of Railway line. (1) Bhanupratappur Tahsil (2) Anthahgarh Tahsil. Land acquisition was done in 15 villages of Bhanupratappur Tahsil and 12 villages of Anthahgarh Tahsil. Action has been taken for land acquisition in 27 villages in two Tahsils. Land registration has been completed in both the Tahsils and the land was handed over to Railway Department well in time.

The construction of quarters for Railway staff in Village-Kanhargaon and construction of Railway office at Bhanupratappur was already commenced and the construction of Railway track is under progress.

## 5.2.4 International Coal ventures Limited (ICVL)

The Joint Venture company International Coal ventures limited (ICVL) has been incorporated.

The opportunities for acquisition of coal properties abroad were pursued in Australia, Indonesia, Canada and USA.

**5.2.5 Memorandum of Understanding with Department of Mines & Geology (DMG), Govt. of A.P., Andhra Pradesh Mineral Development Corporation (APMDC), Govt. of A.P. and NMDC Limited for Mineral Exploration in the State of A.P.**

Your Company has entered into an MoU on 29th January, 2010 with Department of Mines & Geology (DMG), Govt. of Andhra Pradesh and Andhra Pradesh Mineral Development Corporation (APMDC), Govt. of Andhra Pradesh for mineral exploration in the State of Andhra Pradesh.

## Details in respect of any other Joint Ventures.

### 5.3 Foreign venture

#### 5.3.1 Tanzania

In Tanzania, your Company is pursuing the gold exploration works in Bulyang'Ombe and Siga Hill area. NMDC has been granted Retention Licence at Bulyang'Ombe and Siga Hill areas. EIA/EMP report for Bulyang'Ombe area submitted to National Environmental Management Committee (NEMC) for its approval. EC expected shortly, which shall enable grant of Mining Lease.

#### 5.3.2 Tunisia

Your company participated for the SRA Ouertane Project in Tunisia in consortium with Rashtriya Chemicals and Fertilizers (RCF) as lead member, Krishak Bharati Cooperative Limited (KRIBHCO) and Gujarat State Fertilizers Company (GSFC) submitted a Non-binding Pre-qualification bid for a Rock Phosphate deposit.



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The lead member - M/s Rashtriya Chemicals and Fertilizers (RCF) in the consortium made an macro financial review of the project and dropped the proposal for further participation in view of the perception of financial risk involved and also the uncertainties with respect to basic infrastructure such as water availability, ports and railways till getting firm commitment as well as start of development of infrastructure by the Govt. of Tunisia. The non-commitment of lead sponsor - M/s RCF to the submission of binding offer canceled the whole process.

**5.3.3** Australia - Your company has submitted proposal in consortium with ABS Boulder for acquiring stake in Ridley Magnetite Iron Ore project in Australia.

## **5.4 Leases for minerals**

### **5.4.1 Iron Ore**

#### **5.4.1.1 In respect of Bailadila-1 & 3**

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

#### **5.4.1.2 The PLs being pursued in Chhattisgarh are -**

Your Company has applied 8 PL's in 2006-07 & 2007-08 in Dantewada District. In addition to that, your company has also identified 4 new Iron ore area and applied for PL's in Dantewada and 3 PLs in Kanker districts in July / Sept - 09. Your Company is pursuing all the applied PLs with Chhattisgarh Govt.

#### **5.4.1.3 In Jharkhand**

Sasangada: Your Company applied for PL/ML in the west Singhbhum district. State Govt. recommended to Central Govt. for prior approval for grant of PL in favour of JV Co. (NMDC & JSMD).

Your Company has signed MOU with Dept. of Mines & Geology (DMG), Jharkhand for exploration Iron ore & other minerals in the State of Jharkhand. Under the MoU signed, your Company shall be taking up

exploration for iron ore in West Singhbhum Dist. (Silpunji -Kanturia & Sasangada area).

Ghatkuri (Notified Forest): Your Company is pursuing ML application for Ghatkuri Iron Ore Deposit for exploitation in JV with State Government. Your Company has filed Impleadment Petition requesting the Apex Court to direct maintaining status-quo of the State Government Notification of 27.10.2006 which reserves exploitation of Ghatkuri deposit by PSU's. The case is pending before Hon'ble Supreme Court of India. In addition, your company is also pursuing for MLs for Budhaburu, Ankua RF and Jhilingburu.

#### **5.4.1.4 In Karnataka**

Your Company is pursuing for ML for Ramandurg, Kumaraswamy (contiguous to ML No.1111), Kudre Kanive Kaval, Jaisingpur, Bhavihalli, Narayanpura, Vyasanakere & Hanumanhalli, Sy. No. 278 of Kenkere, Ramthal & Aihole, Bababudangiri.

#### **5.4.1.5 In Orissa**

Your Company is pursuing for ML for Mankadnacha.

### **5.4.2 Gold**

#### **5.4.2.1 In Jharkhand**

Your Company is pursuing for ML/PL for Pahardia - Rungikocha (West Singhbhum District) and Parasi-Kutachauli-Khotadih (Ranchi District).

### **5.4.3 Diamond**

#### **5.4.3.1 In Andhra Pradesh**

Your Company is carrying out exploration work in 5 PLs (Revenue area) of Kalyandurg area, Anantapur Dist. Your Company is pursuing forest permission for exploration in the other 3 PLs falling in the Forest area.

#### **5.4.3.2 In Madhya Pradesh**

Your Company has been granted 2 PLs (Baghain & Sarang) and exploration work is in progress. Your Company is also pursuing for other 3 PLs viz., Rampura, Karmatia & Lakshampur for early grant in favour of NMDC.

Your Company has also been granted RP over and area of 2092 Sq. Km in Tikamgarh District, M.P. for



diamond exploration. Application for forest clearance has been submitted. After obtaining forest clearance, RP work will be taken up.

#### **5.4.3.3 Beach Sand**

Your Company carried out exploration for Beach Sand in Ganjam Dist., Orissa. As the results are not promising, the area has been relinquished.

#### **5.4.4 Platinum Group of elements**

##### **5.4.4.1 In Uttar Pradesh**

Your Company is pursuing for PLs for Tsganan area, Dangli and Dangli RF.

#### **5.4.5 Coal**

**5.4.5.1** In Chhattisgarh, your Company has applied for 8 Coal Blocks viz. West of Bejjin Phatepur, Girari, Gitkunwari, Ongaon-Potia, Batatikolga Central, Puta Parogia & Karline and Tara Coal Block in Raigarh and Sarguja District.

**5.4.5.2** Your Company has applied afresh for 4 Coal Blocks in Jharkhand viz. Pachwara South, Tokisud South, Rautpara and Parabatpur (North).

**5.4.5.3** In Madhya Pradesh, your Company was granted 2 underground Coal Blocks viz. Shahapur East and Shahpur West in Sahdol District. The Coal exploration in the above 2 Blocks has been completed by MECL (Nagpur) and Geological Report is prepared. Mining lease is applied for and Mine plans are under preparation for submission to Ministry of Coal.

**5.4.5.4** In Orissa, your Company has applied for 1 Coal Block i.e. Kupano- Labo.

#### **5.4.6 Bauxite**

##### **5.4.6.1 In Jharkhand**

Your Company is pursuing for PL/ML for Mahaudih village, Kujam village, Utani, Akasi & Putrang villages, Kotih village, Kujam & Chirodih villages in Gumla District.

#### **5.4.7 Dolomite:**

##### **5.4.7.1 In Chhattisgarh**

Your Company is pursuing ML application for Sadartera Dolomite Block in Bastar District.

## **5.5 Business Diversification**

Your Company has undertaken various business diversification initiatives as under:

### **5.5.1 3.0 MTPA Integrated Steel Plant in Chhattisgarh**

- 'In-Principle' decision is taken for setting up of 3.0 MTPA integrated Steel plant at Nagarnar, near Jagdalpur, Chhattisgarh where NMDC already has 995 acres of land in its possession.
- Foundation stone for the plant has been jointly laid on 03.09.2008 at the hands of Honorable Shri Ram Vilas Paswan, Union Minister for Chemicals, Fertilizers and Steel and Shri. Raman Singh, Chief Minister of Chhattisgarh.
- MOUs have been signed between Chhattisgarh Government and NMDC as well as between NMDC and CMDC on 03.09.2008.
- IEM (Industrial Entrepreneur Memorandum) acknowledgement received on 18/11/2008.
- TEFR & Investment of Rs. 15,525 crore approved by Board on 07.01.2010.
- Environment Clearance already received on 15.09.09.
- Rail transport clearance received on 17.02.09.
- Railway consultant has been appointed on 29.12.09 and preparation of feasibility report is under progress.
- State Govt. of Chhattisgarh has already sanctioned water for construction and operation purpose.
- Chhattisgarh State Power Distribution Company Limited has approved and agreed to construct power line to make construction power available by end July 2010.
- Discussions are in progress with Chhattisgarh State Power Distribution Co. Limited & Chhattisgarh State Power Transmission Co. Limited for operational power.
- Acquisition of additional private land of approx. 787.62 acres is in advanced stage at Dist. Administrative level.

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- Allotment of Govt. Revenue land of 102.64 acres is under consideration of Government of Chhattisgarh.
- The process of short listing of technology suppliers for 6 major packages has been already completed and remaining 2 major packages will be completed by end of May 2010. NMDC decided to set up Oxygen plant package on BOO basis.
- Out of 8 major packages, Limited Tender Enquiry for 3 packages has been already floated.
- Process for appointment of consultant on EPCM (Engineering Procurement & Construction Management) is in progress.
- Forest clearance for 25.72 Hect. (63.56 acres) forest land is awaited to enable start construction activities.

## **5.5.2 2.0 MTPA Pellet Plant in Chhattisgarh**

The main objective of this project is to prolong the life of Tailing Dam at Bachel Complex. TEFR has been prepared. Design basis for Pellet Plant Bachel is frozen. W.O has been issued in June '09 in favour of M/s MN Dastur as EPCM consultant. Execution of Project is divided into Six Packages. The estimated capital expenditure towards this is Rs.807 crore. Now it is planned to construct the Pellet Plant adjacent to Steel Plant at Nagarnar. Raw material will be transported through a slurry pipeline. The complete proposal is being prepared.

## **5.5.3 1.2 MTPA Pellet Plant at Donimalai**

The main objective of this project is to prolong the life of Tailing Dam at Donimalai. TEFR has been prepared. Survey work Completed. Soil investigation Completed. Design basis for Pellet Plant Donimalai is frozen. W.O has been issued in June '09 in favour of M/s MN Dastur as EPCM consultant. Execution of Project divided into Six Packages. The estimated capital expenditure towards this is Rs.572 crore. Tender Enquiry floated for Pelletization, Beneficiation, Site leveling & MRSS Packages. Project is scheduled to be completed by Sep'12.

**5.5.4** MOU has been signed with the West Bengal Mineral Development & Trading Corporation Limited for exploring coal blocks allotted to them. No further development.

## **5.6 New Initiatives**

### **5.6.1 SOLAR POWER PLANT**

Your Company is venturing into to development of solar power development projects in India. It plans to register as a Solar power developer under the Jawaharlal Nehru National Solar Mission (JNNSM) for which NTPC Vidyut Vyapar Nigam Limited (NVTN) has been appointed as nodal agency by Ministry of Renewable Energy, Government of India.

**5.6.2** A Demonstration beneficiation plant for BHI is being considered at Donimalai (3 LAKH TPA). The flow sheet has been finalized. MECON has been finalized as Consultant for preparation of TEFR.

## **5.7 Strategic alliances**

**5.7.1** Your Company signed MOU with Rio Tinto India Private Limited to co-operate in investigating mutually advantageous potential investment opportunities primarily for iron ore and other commodities both within India and globally.

**5.7.2** Moving globally your Company has also joined hands with Kopano Ke Matla Investment Company (Pty) in the Republic of South Africa for exploring and exploiting the mineral resources in South Africa.

**5.7.3** Your company signed MOU with Tata Steel on 22nd Jan, 2010 to jointly explore the possibility of setting up integrated steel plants, downstream value-addition projects, acquisition and development of mineral resources for steel making etc.

## **6.0 R&D ACTIVITIES**

Details as required under the Company's Rules 1988 (Disclosure of particulars in the Report of Board of Directors) are at Annexure-I.

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## 7.0 SUBSIDIARY COMPANIES

### 7.1 J&K Mineral Development Corporation Ltd (JKMDC)

The annual report of the subsidiary company is annexed.

### 7.2 NMDC-CMDC Ltd (NCL)

The annual report of the subsidiary company is annexed.

### 7.3 NMDC SARM, Madagascar

The annual report of the subsidiary company is annexed.

### 7.4 NAM - India MDC (Pty) Ltd, Namibia

The annual report of the subsidiary company is annexed.

7.5 Statement pursuant to section 212 of the Companies Act, 1956, pertaining to the Subsidiary Companies is at Annexure-II.

## 8.0 ENVIRONMENT MANAGEMENT:

Your Company prompted to design, develop, document and implement Environmental Management Systems in line with ISO 14001 Environmental Management System standards at all its Iron Ore and Diamond production projects, with the aim of strengthening and achieving continuous improvement in environmental performance.

- The four major production projects, Bailadila Dep-14/11C, Dep-5, Donimalai and Diamond Project have been accredited with ISO 14001-2004 EMS by M/s DNV, Hyderabad. The Environment Management System Certification was issued on 4.12.2008 and is valid up to 2011.
- The Corporate approach to environmental management seeks continuous improvement in performance by taking account of evolving scientific knowledge and community expectation.
- Environmental monitoring studies at all the production projects have been successfully completed for the year 2009 to 2010 by the MOEF recognized external agencies and also

by the respective State Pollution Control Board authorities. The studies indicate that SPM, RPM, SO<sub>2</sub>, NO<sub>x</sub> and CO levels at all the production projects are well within the prescribed limits as per CPCB and State Pollution Control Board Standards.

## 9.0 SAFETY

### Mine Safety - Activities

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

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

Mine Level Tripartite Safety Committee Meetings have been conducted in each of the operating mines. Except DMP, Panna all the projects have conducted the meetings this year. 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 is made and the recommendations are implemented.

Tripartite Safety Committee Meetings are being held regularly once in a year at Head Office. This year due to changes in Zonal/Regional Offices of DGMS, Corporate Level Tripartite Safety Committee Meeting will be conducted with the consultation of DGMS officials at the earliest.

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 2009-10 is 3.01 against 5.66 for the year 2008-09.

## 10.0 ISO CERTIFICATION

### ISO 9001:2008 Certification:

NMDC Projects - BIOM, Kirandul Complex, BIOM, Bachel Complex; Donimalai Iron Ore Mine and R & D Center are accredited with ISO 9001:2008 Certification. Certification Audits were conducted successfully at BIOM, Kirandul Complex and BIOM, Bachel Complex in the month of November 2009. II Surveillance Audits were conducted successfully at Donimalai Iron Ore Mine in the month of February 2010 and at R&D Center in the month of October 2009.

### OHSAS 18001:2007 Certification:

NMDC Projects - BIOM, Kirandul Complex, BIOM, Bachel Complex and Donimalai Iron Ore Mine are accredited with OHSAS 18001:2007 Certification in the month of December 2009.

### OHS Activities:

Occupational Health Services have been provided with adequate manpower and infrastructure and are functioning in full-fledged manner at all the projects, headed by Qualified Doctors trained in OHS at Central Labour Institute, Mumbai.

Periodical Medical Examination under statute is carried out regularly in all the projects, with a planned programme. All the results are computerized and individual files are being maintained.

## 11.0 IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

Successful efforts for the implementation and progressive use of Official language were made by NMDC Ltd. in all its production Units and Head Office during the year 2009-10.

Training in Hindi was imparted to the employees. Hindi-Workshops were also conducted for the officers and employees having working knowledge of Hindi. Various programmes such as "Hindi Divas, Hindi Pakhawada, Rajbhasha Maah", District level competitions in Hindi etc were organized during the year to bring awareness among the employees and their family members and also among the employees of other offices situated in and around Head Office and various production

Units. Incentive Schemes at Central and Regional level were implemented and suitable prizes were awarded to the eligible employees.

Rajbhasha Technical Seminars in Hindi were organized during the year in Production Units. Rajbhasha Souvenir and technical Seminar books were also published. Apart from these publications - Hindi House Journals viz. NMDC Patrika published bi-lingual along with Baila Samachar, Bachel Samachar, Hira Samachar - monthly Hindi bulletins and Doni-Samachar tri-lingual monthly bulletin were published.

During the year NMDC Ltd. has also conducted Hindi Officers meet under the auspices of Steel Ministry in which Hindi Officers of all the PSUs of Steel Ministry including Hindi Officers from the Ministry participated.

NMDC Ltd was awarded the Government of India's Indira Gandhi Rajbhasha Puraskar (2nd Prize) for excellent implementation of the Official Language policy and progressive use of Hindi amongst the PSUs of Region 'C' for the year 2007-08. Sri Rana Som, CMD, NMDC Ltd. received the shield from Her Excellency President of India Mrs. Prathibha Patil at a function held at Vignan Bhavan, New Delhi on Hindi Divas, 14th September, 2009.

NMDC Ltd. was also awarded Rajbhasha Shield - 1st prize for the year 2008-09 by Town Official Language implementation committee (undertakings) Hyderabad-Secunderabad, for excellent implementation of the Official Language policy amongst the PSUs situated in twin cities.

## 12.0 Manpower

### 12.1 Employee-Employer relations

The overall industrial relations situation was peaceful and cordial during the year. There was no strike/lockout affecting the Production and Productivity.

### 12.2 Scheduled Castes & Scheduled Tribes

122 persons belonging to Scheduled Castes and 152 persons belonging to Scheduled Tribes were appointed during the year 2009 against 609 posts filled in by direct recruitment.

# NMDC Limited

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## 12.3 Strength of SCs & STs as on 31st March 2010

1. Total number of employees	=	5895
2. Scheduled Castes amongst them	=	1072
3. Scheduled Tribes amongst them	=	1303
4. Total SCs and STs	=	2375

12.4 Physically challenged = 37

12.5 Particulars of employees drawing Rs.2 lakhs per month or Rs.24 lakh per annum under Section 217 (2-A) : NIL

## 12.6 Staff Welfare activities

Education, health and township facilities, workers' participation in Management Scheme and other Bipartite fora have been functioning satisfactorily. Inter Project Tournaments, both indoor and outdoor, cultural programmes etc. were held in different Projects during the year.

## 13.0 HUMAN RESOURCES DEVELOPMENT

Your Company has taken various HRD initiatives during the year under report 81% of the employees were covered in various training events. HRD index, i.e. training mandays/working mandays achieved for all the employees during the year is 1.21 against the target of 0.99.

### 13.1 In-Company Training Programmes

Your Company conducted 11 in-company training programmes covering 237 employees during the period under review. The areas covered include Pygmalion Manager, Disciplinary Proceedings, Auto Desk Auto Cad, Finance for Non-Finance, MDP, Legal Aspects of Tenders, Contract Management & Arbitration etc.

### 13.2 External Training Programmes

Your Company nominated 348 executives to 126 External Training Programmes during the year under report.

### 13.3 Foreign Training Programmes

Your Company deputed 20 Executives to attend training/seminars/conferences and study tours abroad in 7 events during the year.

## 13.4 Executive Trainees

Your Company recruited 92 Executive trainees (Mining, Mechanical, Electrical Civil, Mineral Processing, Materials Management, Geology, Industrial Engineering, Commercial and Finance) during the year.

## 14.0 VIGILANCE

Your Company's Vigilance Department is certified to conform to ISO 9001 : 2008 Quality Management Systems. Vigilance Department is playing a productive role for continuous simplification of systems and procedures to facilitate faster and effective decision making in a transparent manner. To ensure compliance of laid-down systems and procedures, Vigilance Department conduct surprise checks, regular inspections and CTE type inspections. Based on the outcome, preventive / administrative actions and system improvements are initiated. Awareness programmes are conducted in all units of the organization to sensitize employees on the evil effects of corruption.

## 15.0 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that -

- i) In the preparation of the annual accounts for the financial year ending 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the company for the year under report;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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iv) that the Directors have prepared the annual accounts on a going concern basis.

## 16.0 DIRECTORS

During the year under review, the following were appointed as Directors of the Company pursuant to orders of Ministry of Steel, Government of India:

Name of the Director	w.e.f
i. Shri Y.K. Sharma	19.06.2009
ii. Shri Abdul Kalam	19.06.2009
iii. Shri K.S. Raju	19.06.2009
iv. Shri S. Thiagarajan	09.07.2009

The following Directors ceased to be Directors on the Board of the Company for the year under review:

Name of the Director	w.e.f
i. Shri K.R. Venkateswarlu	30.06.2009
ii. Shri B.S. Meena	23.01.2010

The Board places on record its deep appreciation for the valuable contribution made by Shri K.R. Venkateswarlu and Shri B.S. Meena during their tenure on the Board of the Company.

## 17.0 AUDIT

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 your Company for the year 2009-10:

SI No.	Name & address of Auditors	Units to be covered
1.	M/s. Ramamoorthy (N) & Co., 4-1-1229, Gulshan Manzil, Boggulakunta, Abids, Hyderabad-500 001	Head Office and R&D Centre; Silica Sand Project, Lalapur Consolidation
2.	M/s. Sriramamurthy & Co. D No. 47-9-39/173C, Sai Sadan Apartments, Dwarakanagar, Visakhapatnam-530 016	Bailadila Dep-14/11C, Bailadila Dep-5,10 & 11A, Central Workshop, NISP, RO, Vishakapatnam
3.	M/s. D.V. Sarovar & Co, First Floor, D.No. 45/3 Ward No.V, Car Street, Bellary-583 101	Donimalai Iron Ore Mine
4.	M/s. Hari Gupta & Co, Purvasha, 5A/7A, Dr. Panna Lal Road, Allahabad-211 002	Diamond Mining Project, Panna

## 18.0 CORPORATE GOVERNANCE

The details on Corporate Governance are given at Annexure-III.

## 19.0 Report on Management Discussions

A Report on Management discussions and Analysis as required in terms of Clause 49(F) of the Listing Agreement is enclosed at Annexure-IV.



## 20.0 Corporate Social Responsibility

At NMDC, the purpose of its business is maximization of value for all stakeholders and CSR is considered as a source of competitive advantage.

The focus of our CSR initiatives is integrated development of community in the villages surrounding our establishments which are among the most backward tribal villages of India.

NMDC has initiated integrated development of villages to facilitate sustainable income generation through employment / self employment by targeting education and skill development. NMDC is also offering facilities in healthcare and infrastructure to enable the beneficiaries engage in income generation activities.

### List of Major CSR Initiatives take up during 2009-10

#### Integrated Development of Villages

Pre-project survey taken up in 58 villages and completed in 45 villages. Integrated development works initiated in 8 villages during 2008-09 are in progress. Further, integrated development activities of 5 villages in Bailadila @ Rs 820.32 lakhs are to be initiated shortly.

#### Hospital on Wheels

'Hospital on Wheels' facility launched on 1/1/2009 to provide Medicare in 29 villages predominantly inhabited by tribals, in Bailadila is running successfully.

Medical Vans equipped with ultra modern medical equipment are visiting the villages every day. For 'Hospital on Wheels', the requisite manpower inclusive of two duly qualified Doctors has been provided.

During the year 2009-10, 29552 patients have been treated.

#### Scholarship Scheme

The Scholarship Scheme to motivate SC/ST students to pursue studies beyond 8th Class upto Degree in Engg/Medicine is in operation in five Districts of Bastar & eight villages surrounding Donimalai Project.

For the 2008-09 academic year, an amount of Rs. 209.75 lakhs covering 6404 students has been disbursed making the total outgo on Scholarships at Rs. 252.55 lakhs for the academic year 2008-09.

For the academic year 2009-10, the number of Scholarships is around 23000 at a cost of Rs. 650 lakhs.

#### Education

Activities relating to the establishment of Residential Schools at Geedam, Kuwakonda, Dantewada and Nagarnar in Chhattisgarh & Sitapur in UP, Polytechnic at Dantewada and Nagarnar as well as ITI at Nagarnar are in various stages of progress.

Literacy improvement programme in 84 schools of Dantewada @ Rs.368.02 lakhs to be initiated shortly.

#### Mid-day meal Programme

Mid-day meal programme covering 10,000 children in & around Donimalai Project is running successfully.

#### Skill Development

Skill Development workshops on Jute / Bamboo / Bell Metal / Terracotta / Sisal crafts to develop the latent skills of the Bastar Villagers have been organized. The results are very encouraging & are yielding revenue to the trained un-employed youth.

#### Schemes with partnership of State Governments

Works relating to Solar Electrification in Dantewada and Kuwakonda blocks and Solar Lighting in the houses and on the roads in Bijapur, Dantewada, Bastar and Narayanpur Districts of Chhattisgarh @ Rs.1611.29 lakhs are nearing completion.

Work on the establishment of a Gurukul Astha for SC/ST/OBC Orphans at Geedam @ Rs 1291.19 lakhs has commenced.

During 2009-10, an additional contribution of Rs 375 lakhs for the construction of houses for the slum-dwellers in Bellary District, Karnataka has been made. With this the total contribution is Rs 1875 lakhs till date.

# NMDC Limited

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Apart from the contribution of Rs 558.34 lakhs for creating of various kinds of infrastructure in Chhattisgarh, NMDC has committed an additional amount of Rs.6853.86 lakhs for a variety of works including By-pass road to Jagdalpur as proposed by the State Authorities.

## Infrastructure Development

Expenditure on various infrastructure development works viz., Roads, Culverts, Community Halls etc has been to the tune of Rs 1303.93 lakhs.

## CSR works in other than peripheral areas

- Construction of Flood Relief Shelter at Kusheshwar Asthan, Bihar is in progress.
- Establishment of a Residential School in Sitapur Dist, UP is in progress.
- 'Hospital on Wheels' facility in Sitapur & Lakhimpur Kheri Districts of U.P. in operation.
- Contributed Rs. 1000 lakhs for Flood Relief works in Andhra Pradesh & Karnataka.
- Relief to victims of Fire accident at Rohru, H.P.
- Relief to flood victims in Rohru, H.P.
- Contribution of Rs 50 lakhs for the establishment of Multi Disciplinary Hospital at Hyderabad.

## Promotion of Sports

- Promotion of Archery in Chhattisgarh.
- Sponsorship of World Snooker championship 2009.
- Promotion of Handball in Chhattisgarh.
- Sponsorship of National Rapid & Blitz Championships 2009.
- Support to District Football Association, Panna.
- Provided Sports material to Nagarnar, Amaguda & Manganpur Gram Panchayats.

## Misc. CSR activities

- Support to Ramakrishna Mission Sanatorium, Ranchi for the purchase of Vehicles.
- Sponsorship of Rajyotsava Chhattisgarh 2009.
- Contribution to Bastar Dussehra Lokotsav 2009.
- Assistance to M/s SPIC MACAY.
- Assistance to International Levi Festival at Shimla.
- Financial Support to various other reputed Organizations.

## 21.0 IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

Your Company is proactively complying with the provisions of the Right to Information Act, 2005. All information sought under the Act have been furnished within the stipulated time period.

## 22.0 DISINVESTMENT OF SHARES BY GOVERNMENT OF INDIA

During the year under review, Government of India disinvested 8.38% of its holding in the Company aggregating 332,243,200 equity shares of the face value of Re.1/- each through an Offer for Sale. The Government of India received Rs. 9930.42 crore out of the said disinvestment process. Accordingly, the equity shareholding of President of India in NMDC stands at 90%.

## 23.0 Implementation of Integrity Pact

1. With a view to maintain transparency in all dealings with contractors and vendors and keeping with international practices, NMDC & Transparency International India (TII) developed an Integrity Pact Programme.
2. All the tenders for the contracts and civil works above threshold value of Rs. 20.00 crore and procurements above threshold value of Rs. 10.00 crore are the subject matters of Integrity Pact.

# NMDC Limited

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3. After the implementation of said programme, Head of Safety Dept. was appointed as Nodal Officer and a Review Committee comprising of Functional Directors of NMDC was constituted. This Committee was also vested with the powers to modify the Integrity Pact procedure and systems.
4. Shri M. Gopalkrishna, IAS (Retd.) and Dr. S. Ramnarayan, Professor, ISB were appointed as independent external monitors (IEMS) for overseeing the Integrity Pact programme.
5. During the year under review, a total of 13 cases of tenders with a value of Rs. 914.31 crore were covered under the Integrity Pact.

## 24.0 ACKNOWLEDGEMENT

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

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.

**For and on behalf of  
the Board of NMDC Ltd**



**Rana Som**

Chairman-cum-Managing Director

Place : Hyderabad  
Date : 04.06.2010

### Annexure to Directors' Report as required under the Companies Act/Rules-1988 (Disclosure of Particulars in Report of Board of Directors)

#### **TECHNOLOGY: EFFORTS IN TECHNOLOGY ABSORPTION:**

R&D Centre is committed to maintain its excellence in undertaking product and Technology Development Missions related to ore and Minerals through continual improvement in process and efforts are made to enhance customer's full satisfaction. The R&D Centre functions in the following thrust Areas:

- Upgradation of processing Technology of existing process plants for better productivity and meet the customer requirement.
- Development of Technology for Utilization and Recycling of mine waste mineral products.
- Development of Value Added products.
- To carryout further advanced studies on beneficiation of Mine products like BHJ & BHQ.

NMDC, as one of the MOU signing companies, it fixes annual targets for all units including R&D. In this direction, R&D Centre has achieved rating of "Excellent" in the MOU performance indicators.

Achievements and improvements carried out in the development of new process, products, cost reduction, and quality improvement in various areas / fields of R&D Centre during the financial year 2009--10 been formulated in the proceeding sections:

#### **1.0 Technology Development Projects:**

##### **1.1 UTILIZATION OF BLUE DUST**

##### **1.1.1 Pilot Plant Facility for Production of 300 TPA Hydrogen Reduced Carbon Free Sponge Iron Powder from Blue dust**

- NMDC in collaboration with DMRL has established the feasibility of producing "Carbon free sponge iron powder "from Blue

dust of Bailadila at laboratory scale. Carbon free sponge iron powder finds application in producing soft - magnetic iron, friction components, food fortification, micro-motors, food preservatives and high compressibility admixes etc.

- Based on encouraging results decision was taken by NMDC to setup a pilot plant of 300 TPA capacity for production of hydrogen reduced carbon free sponge iron powder at R&D Centre of NMDC.
- The work of construction as well setting up of this pilot plant was awarded to M/s. Gas Institute of National Academy of Sciences, Ukraine in January 2006. The erection of plant has been completed and it was successfully commissioned in December-2009. The plant after some minor modifications and replacement of muffles based on observations made during commissioning will be ready for PG Test by July 2010 and will be ready for commercial production after successful PG Test.
- The iron powder produced during trial operation and commissioning has been sent to various customers like Midhani, Crompton Greaves, Hoganas, HAL for evaluation and characterization. In House studies are being carried out for densification and optimization of flow properties as per industry requirement.

##### **1.1.2 Nano Crystalline Powder from Blue Dust:**

- A technology for production of nano iron powder using Blue Dust has been established at lab scale in collaboration with MISA (Moscow State Institute of Steel and Alloys). The product is evaluated and accordingly facilities for the production of nano iron powder on lab scale are being created at R&D Centre.

# NMDC Limited

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- This project has been initiated with an objective to develop high value material from Blue Dust. The output from this facility would be used for development of market and generation of data for setting up a scaled up production unit.
- Procurement of critical equipments has been completed. Civil works for making world class laboratory also completed. Electrical works are under progress. Positioning of equipment are under progress.
- Crucial Applications of Nano-structured Iron Powder are in Electro-magnetic, Automobile, Computer and Paint industries apart from Pharmaceutical applications.

## 1.2 Utilization of Kimberlite Waste:

### 1.2.1 Setting up of Pilot Plant for Commercialization of Precipitated Silica Sodium Silicate and Zeolite - A:

- A Memorandum of Understanding (MOU) has been signed between Central Salt & Marine Chemicals Research Institute (CSMCRI), NMDC Ltd and Kanoria Chemicals & Industries Ltd., to set up Pilot Plant for Scaling up the process for production of value added Silica based products from Kimberlite tailings. Action has been initiated for the extension of MOU.
- NMDC & CSMCRI had approached funding agencies & submitted proposals for the funds.

### 1.3 Development of Various Grades of Ferrite Powders:

- Naval Material Research Laboratory [NMRL] has requested to produce special grade of microwave absorbing ferrite for defence application at NPD. The technology for production of ferrite will be provided by NMRL and NMRL are in discussion with NMDC for signing of MOU.

### 1.4 Advanced studies on beneficiation of BHJ & BHQ of various NMDC's in house products:

Beneficiation studies on BHJ/BHQ Iron Ore of Donimalai Iron Ore Project were

completed successfully. Lean grade BHL/ BHQ Iron ore samples of Donimalai assaying 40 - 42%Fe, 38 - 40% SiO<sub>2</sub> were subjected to beneficiation studies. Based on the studies, it was possible to produce concentrate assaying Fe>64.5%, SiO<sub>2</sub><5.5% and Al<sub>2</sub>O<sub>3</sub><0.5% with a yield of 28 - 32%. Based on the flow sheet developed by R&D Centre, a demonstration beneficiation plant of 0.36 MTPA capacity is being setup at Donimalai. M/s MECON is preparing TEFR for the above project.

### 1.5 ISO - 9000 Certification:

Regular internal quality audits and management review meetings were carried out for effective implementation of Quality management system. Second Survivance Audit based on the revised standard of ISO-9001-2000 was carried out successfully during October 2009 and the Auditors had recommended for continuation of "Certificate of approval" for quality management system, which is valid upto October 2010.

### 2.0 Investigation /Exploration Support:

- Processing of 104.240 MT out of 132.29 MT of Kimberlite LDD from Chigicherla are completed and processing of balance Kimberlite is in progress.

### 3.0 Developmental Support:

- Recovery of iron values from the iron based residue/COB from Sukinda Mines, Orissa through Hydrometallurgy and physical beneficiation route. Studies are under progress.
- LDD samples of Kalyandurg area-prioritized 35 batches of samples weighing 48.60 Metric Tonnes was processed and concentrate was produced.
- During iron ore mining about 10-12% waste is being generated in the form of low iron value slime, which are lying in tailing dam and creating space and environment problems. Studies of possible utilization of Slime without beneficiation in sintering are under progress.

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- Studies of utilization of Slimes after beneficiation for iron ore pellet making have been completed.
- Studies on utilization of mine waste generated [Kimberlite] during diamond processing at Panna Mines in Agglomeration of iron ore are under progress.

#### 4.0 Production / Projects Support:

- Forty Three Nos (43), of project works of various NMDC Production Units(Projects), Two (2) nos of Development works(in-house) and Two (2) Investigation Projects were completed for different need based requirements of the Corporation.

#### 5.0 Sponsored Projects:

- 12 number of various sponsored Projects were taken up for variety of iron ores, Slimes & Tailings for evaluation which includes Mineral Beneficiation, Flowability, Ore Mineralogical up-gradation including physical and Chemical Characterisation tests were carried out.

#### 6.0 COLLABORATIONS:

##### 6.1 Utilization of Kimberlite Tailings:

- MOU was signed on 13th December, 2005 between Central Salt & Marine Chemical Research Institute, NMDC Ltd., and Kanoria Chemicals & Industries Ltd., to set up a Pilot Plant for up-scaling the process for production of value added Silica based Products from Kimberlite Tailings.

##### 6.2 Nickel Extraction Technology:

- Global Expression of Interest (EOI) was floated by NALCO for preparation of TEFR for installing 10,000 TPA Nickel production plant. This was awarded to M/s EIL for preparation of TEFR on 24.03.08. M/s EIL has submitted TEFR for evaluation.

#### 7.0 Future Plans:

- Up-gradation of technology for beneficiation of low-grade iron ore.
- Creation of facility for reduction under load testing: To determine Softening characteristic of iron ore & pellets and optimizing operational parameters in Blast furnace.
- Upgradation of Agglomeration Lab with latest equipments.

#### 8.0 TOTAL R&D EXPENDITURE AND TURNOVER YEAR WISE

Rs in Crores

Year	Expenditure on R&D			Annual Turnover	Percentage (%)
	Revenue	Capital	Total		
(1)	(2)	(3)	(4) (2+3)	(5)	(6) (4/5)
2007-2008	5.69	4.39	10.02	5711.31	0.18
2008-2009	6.98	13.63	20.61	7564.80	0.27
2009-2010	11.04	2.78	13.82	6239.09	0.22



**Annexure - II**

**Statement pursuant to Section 212 of the Companies Act, 1956  
relating to Subsidiary Companies**

Particulars	J&K Mineral Development Corporation Limited, Jammu	NMDC-CMDC Limited Raipur	NMDC SARL Madagascar	NAM - India Minerals Development Corporation (Pty) Limited Namibia #
1.The Financial year of the Subsidiary Companies ended on	31st March, 2010	31st March 2010	30th June, 2009	
2.a. Paid-up Capital of the Subsidiary Company	Rs. 4.74 Crore.	Rs.1.50 Crore.	FMG 1,046.40 Cr.	
b. Number of shares held by NMDC with its nominees in the Subsidiaries.	3,96,002 Equity shares of the face value of Rs.100/- each fully paid up.	7,65,000 Equity shares of the face value of Rs.100/- each full paid up.	41,85,590 equity shares of the face value of FMG 2500 each fully paid up.	
c. Extent of interest of holding Company at the end of financial year	Rs.3.96 Crore (83.54%)	(51%)	FMG) 1,046.40 Cr. (100%)	
3.The net aggregate amount of the Subsidiary Companies profit/(loss) so far as it concerns the members of the holding Company.				
a. Not dealt with in the holding Company's accounts.				
i) For the financial year of Subsidiary Companies	Rs. (-) 0.60 Crore	Rs. (-) 0.24 Crore	-	
ii) For the previous financial years of the Subsidiary Companies since they became the holding Company's Subsidiaries.	Rs. (-) 9.82 Crore	Rs. (-) 0.13 Crore	FMG (-) 798.64 Cr.	
b. Dealt with in the holding Company's accounts				
i) For the financial year of Subsidiary Companies	Nil	Nil	Nil	
ii) For the previous financial years of the Subsidiary Companies since they became the holding Company's Subsidiaries.	Nil	Nil	Nil	

# Consequent to decision of the Board of Directors and the approval of the Government of India, the wholly owned subsidiary company at Namibia namely, Nam-India Development Corporation Limited (Registration No.2001/039) has been deregistered in terms of Section 73(5) of the Company Act, 1973 of the Republic of Namibia as notified in the Government Gazette No.4329, dated 28th August 2009 (Notification No.169).

### 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.

#### 2. Board of Directors

As on 31st March, 2010 the Board of NMDC comprises of a full time Chairman-Cum-Managing Director, four Functional Directors, one Government Nominee Director and six Non-Executive (Independent) Directors.

##### a. Composition and category of Directors:

###### Whole-time Directors

- i. Shri Rana Som, Chairman-cum-Managing Director
- ii. Shri KR Venkateswarlu, Director (Finance) (upto 30.06.2009)
- iii. Shri VK Sharma, Director (Commercial)
- iv. Shri. S.Venkatesan, Director (Production)
- v. Shri. N.K. Nanda, Director (Technical)
- vi. Shri S. Thiagarajan, Director (Finance) (w.e.f. 09.07.2009)

###### Government of India nominee Directors

- i. Shri BS Meena, Special Secretary & Financial Adviser (SS&FA), Ministry of Steel (upto 23.01.2010).
- ii. Shri UP Singh, Joint Secretary, Ministry of Steel.

###### Independent Directors

- i. Dr (Mrs.) Indira Misra
- ii. Shri RN Aga
- iii. Ms Teresa Bhattacharya
- iv. Shri K.S. Raju (w.e.f. 19.06.2009)
- v. Shri Abdul Kalam (w.e.f. 19.06.2009)
- vi. Shri Y.K. Sharma (w.e.f. 19.06.2009)

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The Chairman-cum-Managing Director and Functional Directors are appointed by Government of India for a period of five years or till the age of superannuation or until further orders whichever is earlier. The Directors are initially appointed by the Board as Additional Director in terms of the provisions of Section 260 of the Companies Act, 1956 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, 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.

As on 31st March, 2010 the composition of the Board of NMDC is in conformity with Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance.

## b. Attendance of each Director at the Board Meeting and the last AGM

Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended	Last AGM attended
Shri Rana Som Chairman-cum-Managing Director	10	10	YES
Shri K.R. Venkateswarlu Director (Finance) (upto 30.06.2009)	03	03	-
Shri V.K. Sharma Director (Commercial)	10	10	YES
Shri S. Venkatesan Director (Production)	10	09	YES
Shri N.K. Nanda Director (Technical)	10	08	YES
Shri S. Thiagarajan Director (Finance) (w.e.f. 09.07.2009)	07	07	YES
Shri U.P. Singh	10	08	NO
Shri B.S. Meena (upto 23.01.2010)	07	07	NO
Shri R.N. Aga	10	10	YES
Dr. (Mrs.) Indira Misra	10	10	NO
Ms. Teresa Bhattacharya	10	10	NO
Shri Y.K. Sharma	07	07	NO
Shri Abdul Kalam	07	06	NO
Shri K.S. Raju	07	06	NO

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

Name of the Director	No. of Directorship and Committee Membership / Chairmanship		
	Other Directorship	Committee Membership	Committee Chairmanship
Shri Rana Som Chairman cum Managing Director	4	1	2
Shri K.R. Venkateswarlu Director (Finance) (upto 30.06.2009)	2	2	–
Shri V.K. Sharma Director (Commercial)	1	2	–
Shri S. Venkatesan Director (Production)	2	4	–
Shri N.K. Nanda Director (Technical)	5	2	–
Shri S. Thiagarajan Director (Finance) (w.e.f 09.07.2009)	1	3	–
Shri U.P. Singh	2	1	1
Shri B.S. Meena (upto 23.01.2010)	4	–	–
Dr. (Mrs.) Indira Misra	–	1	–
Ms. Teresa Bhattacharya	–	1	–
Sri R.N. Aga	2	1	2
Shri Abdul Kalam	2	1	1
Shri Y.K. Sharma	–	–	–
Shri K.S. Raju	1	2	–

**Notes:**

1. Excluding Private Limited Companies, Foreign Companies and Section 25 Companies.
2. Membership / Chairmanship of only the Audit Committee, Shareholders' Committee, Investor Grievance Committee of all Public Limited Companies (Explanation to clause 49(C) of the Listing Agreement). Committee Membership of NMDC is also included.
3. Directors are not inter se related to each other.

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

During the year 2009-2010, ten (10) Board meetings were held, the details of which are given below:

Sl. No.	Date	Board Strength	No. of Directors Present
1	24.04.09	10	09
2	20.05.09	10	08
3	29.05.09	10	08
4	29.07.09	13	11
5	28.10.09	13	12
6	17.12.09	13	12
7	07.01.10	13	13
8	23.01.10	12	11
9	18.02.10	12	12
10	14.03.10	12	12

## 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.
- Recommending to the Board the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Sec 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

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# NMDC Limited

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- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue etc) the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency the utilization of proceeds of a public or right issue, and making appropriate recommendation to the Board to take up the steps in the matter.
- Reviewing, with the management, performance of statutory and internal auditors and 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 and/or auditors 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, in case the same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 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 and pre-approve all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
- Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- Consider and review the following with the independent auditor and the management:
  - ❑ The adequacy of internal controls including computerized information system controls and security;
  - ❑ Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.



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- Consider and review the following with the management, internal auditor and the independent auditor:
  - Significant findings during the year, including the status of previous audit recommendations.
  - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

## ii. Composition, name of Members and Chairperson

The Audit Committee consists of the following Directors:

- Sri RN Aga, Chairman
- Dr (Mrs.) Indira Misra, Member
- Ms Teresa Bhattacharya, Member
- Shri. S. Venkatesan, Director (Production)
- Shri S. Thiagarajan, Director (Finance) of the Company, Invitee
- Representatives of Statutory and Internal Auditors - Invitee.
- The Company Secretary acted as the Secretary to the Audit Committee as was laid down under the provisions of clause 49.
- Functional Directors, 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, six meetings of the Audit Committee were held. The details of attendance of the Members are indicated below:

Sl.No.	Date	Strength of Audit Committee	No. of Members Present
1	28.05.09	4	3
2	29.07.09	4	4
3	28.10.09	4	3
4	17.12.09	4	3
5	23.01.10	4	4
6	18.02.10	4	4

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## iv. Attendance of each Director at the Audit Committee meetings

Name of the Director	No of meeting held	No. of meetings attended
Sri R.N. Aga	06	06
Dr. (Mrs.) Indira Misra	06	04
Ms. Teresa Bhattacharya	06	06
Shri S. Venkatesan	06	05

## 4. Remuneration Committee

A Remuneration Committee was constituted by the Board at its 358th meeting held on 14 June 2002.

The Committee observed that the remuneration of the whole-time Directors is paid as per the terms of their appointment orders issued by the Government of India. The Board does not decide on remuneration of the Directors.

The non-executive Directors are paid sitting fee as approved by the Board within the ceiling fixed under the Companies Act, 1956 and as per the guidelines issued by the Government of India.

Considering the above position and that the Remuneration Committee has no specific role to play, the Board at its 393rd meeting held on 31 Oct 2006 dissolved the Committee.

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

The details of remuneration paid to Functional Directors during the financial year 2009-10 are as follows:

(In Rs)

Name of the Director	All elements of remuneration package of the Directors i.e. salary, benefit, bonus pension etc #	Details of fixed component and performance linked incentive	Other benefits	Total
Shri Rana Som Chairman-cum-Managing Director	19,37,779	-	6,35,819	25,73,598
Shri K.R. Venkateswarlu, Director (Finance) (upto 30.06.2009)	2,69,221	-	1,03,818	3,73,039
Shri V.K. Sharma, Director (Commercial)	16,87,828	-	3,83,631	20,71,459
Shri S. Venkatesan, Director (Production)	17,23,387	-	4,37,083	21,60,470
Shri N.K. Nanda, Director (Technical)	16,58,699	-	3,74,647	20,33,346
Shri S. Thiagarajan (w.e.f. 09.07.2009) Director (Finance)	14,91,164	-	4,75,071	19,66,235

# As per existing pay scales

Notice period of 3 months or salary in lieu thereof is required for severance of service.

# NMDC Limited

The Company has not introduced any stock option scheme.

During the year under review, the part-time Directors (Independent Directors) were paid sitting fees of Rs. 10,000/- per meeting or a Committee meeting thereof. Govt. Directors and Functional Directors are not paid sitting fees for attending the meeting of the Board or any Committee meeting thereof.

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

Name of the Directors	Sitting Fees (In Rs.)
Sri R.N. Aga	1,70,000
Dr. (Mrs.) Indira Misra	1,39,000
Ms. Teresa Bhattacharya	1,60,000
Shri Y.K. Sharma (w.e.f. 19.06.2009)	70,000
Shri Abdul Kalam (w.e.f. 19.06.2009)	60,000
Shri K.S. Raju (w.e.f. 19.06.2009)	60,000
Shri S. Venkatesan*	-

\* Sitting Fees is not payable to Shri. S. Venkatesan.

## No. of Equity Shares of the Company held by Directors as on 31st March, 2010.

S.No.	Name of the Director	No. of Shares of the Company
1	Shri Rana Som, Chairman-Cum-Managing Director	NIL
2	Shri V.K. Sharma, Director (Commercial)	60
3	Shri S. Venkatesan, Director (Production)	120
4	Shri N.K. Nanda, Director (Technical)	320
5	Shri S. Thiagarajan, Director (Finance)	NIL
6	Shri U.P. Singh, Govt. Nominee Director	NIL
7	Dr. (Mrs.) Indira Mishra	NIL
8	Shri R.N. Aga	NIL
9	Mrs. Teresa Bhattacharya	NIL
10	Shri K.S. Raju	NIL
11	Shri Abdul Kalam	NIL
12	Shri Y.K. Sharma	NIL

# NMDC Limited

## 5. Shareholders Committee

### i. Share Transfer Committee

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

1. Chairman-cum-Managing Director
2. Director (Commercial)
3. Director (Production)
4. Director (Technical)
5. Director (Finance)
6. Company Secretary
7. Dy. Secretary

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

Sl.No.	Date	Strength of Share Transfer Committee	No. of Members present
1.	06.06.09	7	5
2.	15.07.09	7	7
3.	27.07.09	7	7
4.	29.09.09	7	6
5.	02.01.10	7	7
6.	23.01.10	7	7
7.	17.03.10	7	7

### Attendance of each Members at the Share Transfer Committee meetings

Name of the Directors	No. of meetings held	No. of meetings attended
Chairman-cum-managing Director	7	7
Director (Commercial)	7	6
Director (Production)	7	6
Director (Technical)	7	6
Director (Finance)	7	7
Company Secretary	7	7
Dy. Secretary	7	7

# NMDC Limited

ii. Name and designation of the Compliance Officer: Mohammad Imam, Dy. Secretary.

iii. Details in respect of shareholders' complaints:

- Number of shareholders complaints received so far - 10.
- Number not solved to the satisfaction of the shareholders- Nil
- Number of pending complaints- Nil

iv. Shareholders'/Investors' Grievance Committee

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

During the year 2009-2010, no Shareholders'/Investors' Grievance Committee meeting was held.

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 Re.1/- each in the financial year 2009-10. M/s Karvy Computershare Pvt. Ltd. were appointed as Registrar to the offer for sale by Government of India. All grievances / complaints relating to offer for sale made by Government of India are exclusively dealt by M/s Karvy Computershare Pvt. Ltd.

## 6. General Body Meeting

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

The Annual General Meetings of the Company are held at the Registered Office of the Company. The details of the General Meetings held for the past three years are as under:

Nature of Meeting	Date & time	Special Resolutions passed
49th Annual General Meeting	31.08.07 at 1530 hrs	Six
50th Annual General Meeting	08.08.08 at 1530 hrs	Five
51st Annual General Meeting	29.08.09 at 1530 hrs	Seven

- iii. During the year 2009-10, there was no occasion to resort to Postal Ballot for consideration of the shareholders of the Company.

## 7. Disclosures

- i. There was no 'materially significant related party transactions' that may have a potential conflict with the interests of Company, attracting the provisions of Sec. 297 of the Companies Act, 1956.
- ii. There was no case of non-compliance of statutory provisions of the Companies Act, 1956 or SEBI Regulations or provisions of Listing Agreement, or any other 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. No personnel of the Company has been denied access to the Audit Committee.
- iv. The Company has complied with the requirement of Clause 49 and DPE Guidelines on Corporate Governance.

# NMDC Limited

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In respect of non-mandatory requirements as prescribed in Annexure-I D to Clause 49 of the Listing Agreement, the extent of compliance is as under:

- **The Board:**

The Chairman cum Managing Director of the Company who is in whole time employment, is the Chairman of the Board. Therefore, there is no need for maintenance of a separate Chairman's office. Independent Directors are appointed by Ministry of Steel, Govt. of India for a tenure not exceeding three years. No independent Directors has served in aggregate for a period of nine years.

- **Remuneration Committee:**

In respect of Remuneration Committee, details has been outlined in SI.4.

- **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.

- **Audit Qualification:**

The Company always aims to present unqualified financial statements.

- **Training of Board Members:**

The Directors of the Company are nominated for suitable training / programme / seminar from time to time.

- **Mechanism for evaluating Non Executive Board Members:**

Being a PSU, the Non Executive Directors are appointed by Government of India. The Company has not adopted any mechanism for evaluating individual performance of Non Executive Board Members.

- **Whistle Blower Policy:**

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.

- v. Other than the sitting fees paid (Rs.10,000/- per sitting as determined by the Government of India), part-time Directors have had no pecuniary relationship or transactions with the Company during the year under report.
- vi. Items of expenditure debited in books of accounts, which are not for the purposes of the business.  
Nil.
- vii. Expenses incurred which are personal in nature and incurred for the Boards of Directors and Top Management.  
Nil

## 8. Means of communication

### Quarterly Results:

The Company publishes quarterly Un-audited/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](http://www.nmdc.co.in). The Companies 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.

In connection with disinvestment of Shares by Government of India in the financial year 2009-10, a presentation was made to institutional investors / analysts which was also displayed on the Company's website.



# NMDC Limited

## 9. General Shareholders Information

### i. AGM date, time and venue

Date	Time	Venue
5th August 2010	1430 hrs.	Ravindra Bharathi, Saifabad, Hyderabad - 500 004

### ii. Financial Calendar for 2010-11

1st quarter results	(Unaudited)	on or before 15.08.2010
2nd quarter results	(Unaudited)	on or before 15.11.2010
3rd quarter results	(Unaudited)	on or before 15.02.2011
4th quarter results	(Audited)	on or before 30.06.2011

### iii. Date of Book Closure : From 31.07.2010 to 05.08.2010 (both days inclusive)

### iv. Dividend Payment date

Dividend to be paid within 30 days of declaration as per the provisions of the Companies Act, 1956.

### v. Listing on Stock Exchanges

NMDC shares are listed on Stock Exchanges at Bangalore, Chennai, Mumbai, Kolkata, New Delhi and National Stock Exchange, Mumbai. Listing Fees for the year 2009-10 has been paid to all the Stock Exchanges.

### vi. Stock Code : 526371

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

#### (a) Market prices at Bombay Stock Exchange, Mumbai

Year	Month	Highest	Lowest
2009	April	240.60	154.55
2009	May	458.70	200.60
2009	June	489.00	333.10
2009	July	399.40	296.10
2009	August	404.00	346.55
2009	September	379.50	353.00
2009	October	361.90	296.00
2009	November	477.00	283.15
2009	December	438.00	392.20
2010	January	571.80	414.55
2010	February	514.00	427.00
2010	March	448.40	283.50

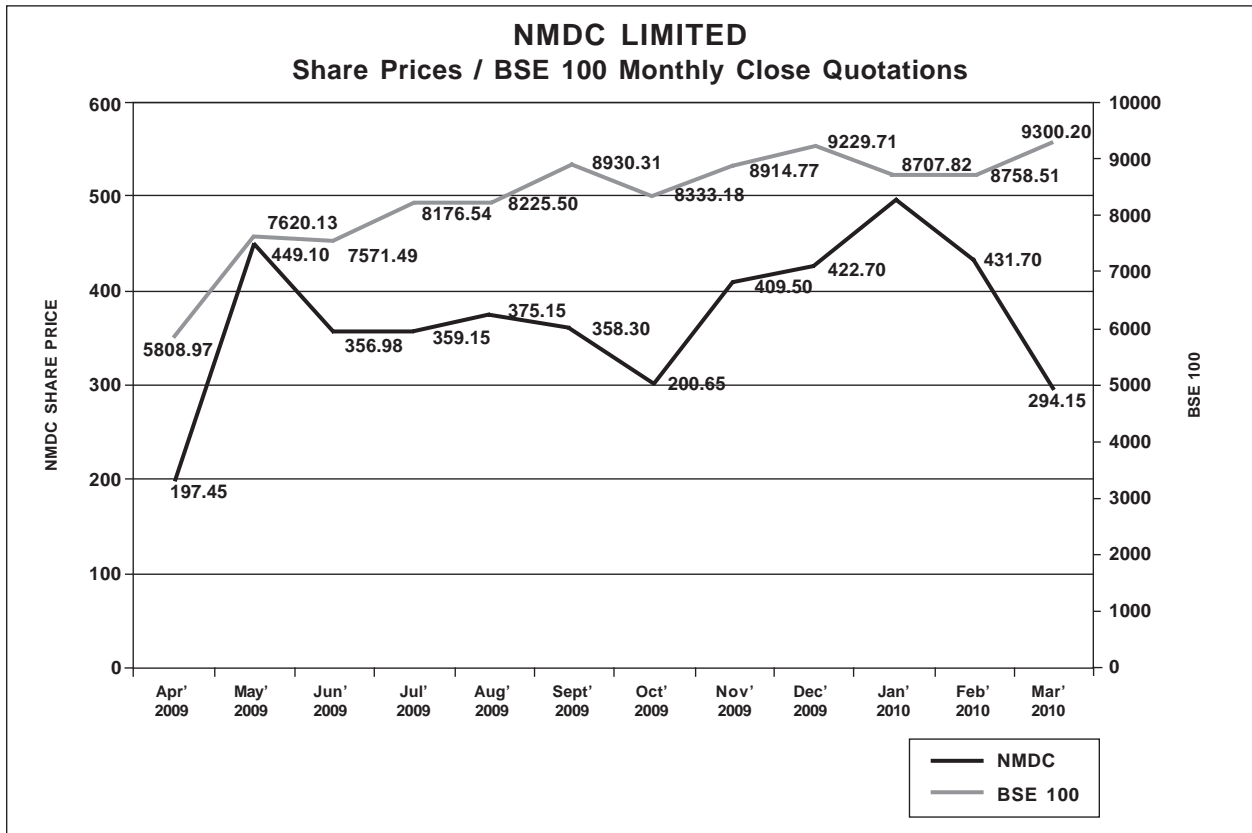
# NMDC Limited

## (b) Market prices at National Stock Exchange

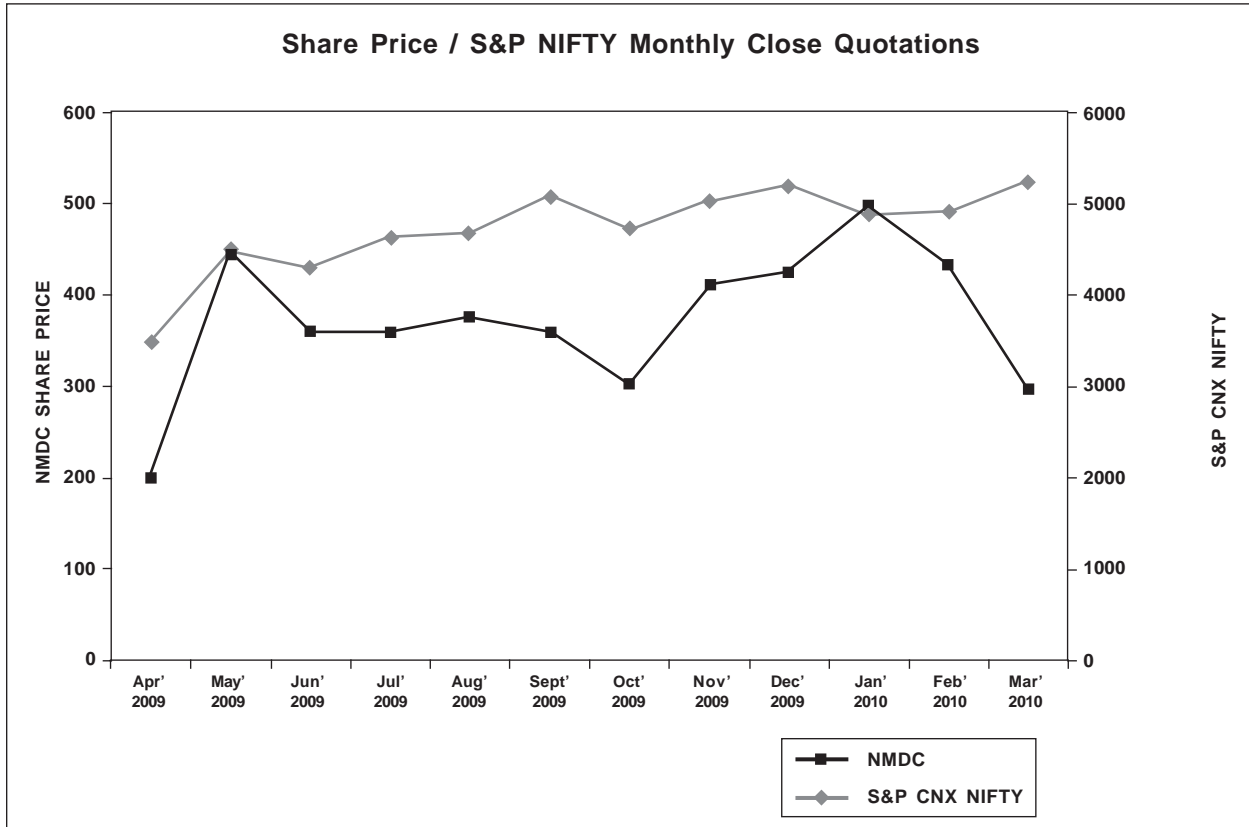
Year	Month	Highest	Lowest
2009	April	241.00	155.00
2009	May	462.90	200.00
2009	June	474.40	333.00
2009	July	400.75	298.05
2009	August	402.85	345.50
2009	September	379.70	349.00
2009	October	362.50	282.10
2009	November	475.45	282.50
2009	December	437.90	393.10
2010	January	571.20	414.55
2010	February	513.90	425.05
2010	March	448.50	283.10

Note : The Company split the face value of the share to Re.1 per share from Rs. 10 per share on 21st April, 2008.

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



# NMDC Limited



## ix. Registrar & Transfer Agent

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

In connection with offer for sale by Government of India in the financial year 2009-10. M/s Karvy Computershare Pvt. Ltd. were appointed as Registrar to the offer for sale. The said appointment of M/s Karvy Computershare Pvt. Ltd. was made by Government of India.

## x. Share Transfer System

The Company has a Share Transfer Committee comprising of all the Functional Directors, Company Secretary and Deputy 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 application are kept pending beyond the stipulated period of thirty days. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories viz, NSDL and CDSL within 15 days.

# NMDC Limited

xi. Distribution of Shareholding as on 31.03.2010, pursuant to clause 35 of the Listing Agreement with the Stock Exchanges:

a. **SHAREHOLDING PATTERN AS ON 31st March, 2010 pursuant to Clause 35 of the Listing Agreement (Consolidated)**

Category code	Category of Shareholder	Number of Share holders	Total Number of shares	Number of shares held in demateria- lised form	Total share- holding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a Percen- tage of (A+B) <sup>1</sup>	As a Percen- tage of (A+B+C)	Number of Shares	As a Perce- ntage
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
a.	Individuals/ Hindu Undivided Family	0	0	0	0	0	0	0
b.	Central Government/ State Government(s)	1	3568418180	0	90	90	0	0
c.	Bodies Corporate	0	0	0	0	0	0	0
d.	Financial Institutions/Banks	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
e.	Mutual Funds	0	0	0	0	0	0	0
f.	Trusts	0	0	0	0	0	0	0
	<b>Sub Total (A)(1)</b>	<b>1</b>	<b>3568418180</b>	<b>0</b>	<b>90</b>	<b>90</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>							
a.	Individuals (Non Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0
b.	Bodies Corporate	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0
	Others :	0	0	0	0	0	0	0
d.	Overseas Corporate Bodies	0	0	0	0	0	0	0
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Total Shareholding of Promoter and Promoter Group							
	<b>(A)=(A)(1)+(A)(2)</b>	<b>1</b>	<b>3568418180</b>	<b>0</b>	<b>90</b>	<b>90</b>	<b>0</b>	<b>0</b>
<b>(B)</b>	<b>Public Shareholding</b>							
<b>1</b>	<b>Institutions</b>							
a.	Mutual Funds/UTI	22	20237891	20237891	0.51	0.51	0	0
b.	Financial Institutions/ Banks	40	104865210	104865210	2.64	2.64	0	0
c.	Central Government/ State Government(s)	0	0	0	0	0	0	0
d.	Venture Capital Funds	0	0	0	0	0	0	0

# NMDC Limited

Category code	Category of Shareholder	Number of Share holders	Total Number of shares	Number of shares held in demateria- lised form	Total share- holding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a Perce- ntage of (A+B)1	As a Perce- ntage of (A+B+C)	Number of Shares	As a Perce- ntage
e.	Insurance Companies	7	218497266	218491266	5.51	5.51	0	0
f.	Foreign Institutional Investors	20	5992344	5992344	0.15	0.15	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
h.	Foreign Companies	0	0	0	0	0	0	0
i.	FPO Unclaimed A/Cs	2	70860	70860	0	0	0	0
	<b>Sub Total (B)(1)</b>	<b>91</b>	<b>349663571</b>	<b>349657571</b>	<b>8.82</b>	<b>8.82</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Non-Institutions</b>							
a.	Bodies Corporate	1612	13701040	13670040	0.35	0.35	0	0
b.	Individuals	0	0	0	0	0	0	0
	i. Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0
		198685	28017258	27783956	0.71	0.71	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0
		3	448840	448840	0.01	0.01	0	0
c.	Any others	0	0	0	0	0	0	0
	i. Non Resident Individuals	1556	419000	419000	0.01	0.01	0	0
	ii. Overseas Corporate Bodies	0	0	0	0	0	0	0
	iii. Trusts	21	23337	23337	0	0	0	0
	iv. Employees	75	86089	34589	0	0	0	0
	v. Clearing Members	836	3938685	3938685	0.1	0.1	0	0
	vi. Foreign Nationals	0	0	0	0	0	0	0
	<b>Sub Total (B)(2)</b>	<b>202788</b>	<b>46634249</b>	<b>46318447</b>	<b>1.18</b>	<b>1.18</b>	<b>0</b>	<b>0</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>202879</b>	<b>396297820</b>	<b>395976018</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>
	<b>Total (A)+(B)</b>	<b>202880</b>	<b>3964716000</b>	<b>395976018</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>(C)</b>	Shares held by Custodians and against Depository Receipts have been issued	0	0	0	0	0	0	0
	<b>Grand Total (A)+(B)+(C)</b>	<b>202880</b>	<b>3964716000</b>	<b>395976018</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>

# NMDC Limited

**(b) Distribution of Shareholding by size as on 31.03.2010**

Category	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Shares
1 - 500	198445	97.81	21936239	0.55
501 - 1000	1958	0.97	1511225	0.04
1001 - 2000	939	0.46	1414291	0.04
2001 - 3000	548	0.27	1476491	0.04
3001 - 4000	192	0.09	669466	0.02
4001 - 5000	130	0.06	608293	0.02
5001 - 10000	269	0.13	1964185	0.05
10001 & above	400	0.20	3935135810	99.25
<b>Total</b>	<b>202881</b>	<b>100.00</b>	<b>3964716000</b>	<b>100.00</b>

**(c) Top ten shareholders as on 31.03.2010**

Sl. No.	Name of the Shareholder	No. of Shares	% of Total Shareholding
1	President of India	3568418180	90.00
2	LIC of India.	196858195	4.97
3	State Bank of India	26236285	0.66
4	LIC of India Money Plus	20015000	0.50
5	Canara Bank	12979162	0.33
6	LIC of India Market Plus - 1	11575000	0.29
7	Bank of Baroda	10454508	0.26
8	LIC of India - Profitplus	10173693	0.26
9	The New India Assurance Company Limited	6415499	0.16
10	LIC Special Unit Scheme	4729592	0.12
		<b>3867855114</b>	<b>97.55</b>



# NMDC Limited

## 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:

- (1) National Securities Depository Limited  
Trade World, 4th Floor,  
Kamala Mills Compund  
Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013
- (2) 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, 2010 are as under:**

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in CDSL	1,16,60,016	0.30
Held in dematerialized form in NSDL	38,43,16,002	9.69
Physical	356,87,39,982	90.01
<b>TOTAL</b>	<b>396,47,16,000</b>	<b>100.00</b>

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

## xiv. Plant / Mine Locations :

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

- a. Bailadila Iron Ore Mine  
Kirandul Complex  
P.O. Kirandul  
Dist: Dantewada (Chhattisgarh)
- b. Bailadila Iron Ore Mine  
Bachel Complex  
P.O. Bachel  
Dist: Dantewada (Chhattisgarh)
- c. Donimalai Iron Ore Mine  
Donimalai Township  
Dist: Bellary - 583 118  
Karnataka
- d. Diamond Mining Project  
Majhgawan  
Panna - 488 001 (MP)

# NMDC Limited

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**xv. Address for correspondence :**

Company Secretary  
NMDC Limited  
Regd. Office: 10-3-311/A  
Castle Hills, Masab Tank  
Hyderabad - 500 173  
E-mail: ims@nmdc.co.in

**xvi. Investors having any grievance relating to Offer for Sale by Government of India may register the complaint with M/s Karvy Computershare Pvt. Ltd. at the under mentioned address:**

Karvy Computershare Pvt. Ltd.  
Plot No. 17-24, Vittal Rao Nagar,  
Madhapur,  
Hyderabad - 500 081.  
Tel: 040-23420815  
Fax: 040-23431551  
Email: nmdc.ipo@karvy.com  
Contact Person: Mr. M. Murali Krishna

**Risk Management**

The Board of Directors has approved the broad approach / procedure on the policy on Risk Management.

**Code of Conduct**

The Board of Directors at their meeting held on 6th January, 2006 has approved the Code of Conduct for Directors and Senior Management Personnel of the Company. A copy of the Code of Conduct is posted at the website of the Company. Declaration as required under Clause 49I (D) of the Listing Agreement is annexed at Annexure-III (A).

**CEO / CFO certification**

CEO / CFO certification as required in terms of Clause 49 (V) of the Listing Agreement is annexed at Annexure III (B).

**Compliance Certificate**

In Compliance with Clause 49 (VII) of the Listing Agreement, certificate from the Company Secretary in whole-time practice regarding compliance of conditions of Corporate Governance is annexed at Annexure III (C).

**Annexure - III(A)**

**DECLARATION AS REQUIRED UNDER CLAUSE 49I(D)  
OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

In compliance with Clause 491(D) of the Listing Agreement, all the Members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2010.



**(Rana Som)**

Chairman cum Managing Director

Place : Hyderabad

Date : 18.05.2010

**Annexure - III(B)**

**Chief Executive Officer (CEO) and Chief Financial Officer (CFO)  
Certification pursuant to Clause 49(V) of the Listing Agreement**

We Rana Som, Chief Executive Officer (CEO) and Chairman-cum-Managing Director (CMD) and S. Thiagarajan, Chief Financial Officer (CFO) and Director (Finance) of NMDC Limited, to the best of our knowledge and belief certify that :

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Company's Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.



**Rana Som**

Chief Executive Officer (CEO)  
& Chairman cum Managing Director



**S.Thiagarajan**

Chief Financial Officer (CFO)  
& Director (Finance)

Place : Hyderabad

Date : 18.05.2010

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

**To The Members of NMDC Limited**

We have examined all relevant records of NMDC Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the financial year ended 31<sup>st</sup> March 2010. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation process, adopted by the company for ensuring the compliances of the conditions of Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us , we hereby certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the Listing Agreement.

Place : Hyderabad  
Dated : May 18, 2010

For **MARTHI & CO.**  
COMPANY SECRETARIES

  
**S.S. MARTHI**  
COMPANY SECRETARY  
F.C.S-1989 CP-1937

### Management Discussion & Analysis Report

#### 1. Industry structure and developments

Established in 1958, over the years, NMDC has grown to be India's largest single iron ore producer, operating its mines in Chhattisgarh and Karnataka. Adopting modern technologies and commitment to quality of its products, NMDC is determined to be a world-class eco-friendly mining organization. NMDC has been paying dividends for the last 20 years.

The iron ore industry being cyclic in nature, NMDC is exposed to sharp fluctuation in demand for its products. Historically, the international commodity prices for iron ore and the prevailing market for iron have been volatile and subject to wide fluctuations in response to relatively minor changes in supply and demand, market uncertainties, the overall performances of the global or regional economics, the related cyclicity in industries the company directly serves and a variety of other factors. Prices and the market for iron ore may continue to be volatile and subject to wide fluctuations in the future. Premises also may be affected by government actions, including the imposition of tariffs and import duties, speculative trades, 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. These external factors and the volatility of the commodity markets make it difficult to estimate future prices. The demand for Iron ore is related to growth of Indian economy and also that of the global economy reflected primarily in the growth of the infrastructure sector.

#### 2. Strength and weakness

##### Strength

- Larger reserves of high grade of iron ore consisting principally of hematite ore with Fe content of predominantly > 64 %.
- Largest producer of iron ore by volume in the last 3 financial years.
- Resources making the Company a low cost producer - the Company's cost of production are competitive with those of the leading iron ore producers in the world. The Company is seeking to further cover its cost across all of its operations.
- Financial strength characterized by high net worth, zero debt, good credit rating.
- Good work culture - skilled, experienced and dedicated workforce.
- Good Brand image of NMDC's iron ore in domestic/international market.
- Highly mechanized iron ore mines.
- Availability of technology and infrastructure of existing projects in Bailadila to add new projects in the area with comparatively less investment.
- Core competence in iron ore mining.
- In-house R&D capability - Research and Development Centre and an In-house exploration capability at Hyderabad which is capable of taking up assignments in the field of ore beneficiation and mineral processing.



# NMDC Limited

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## **Weakness**

- Geographically remote location of the projects acting as deterrent in attracting and retaining talent and also for reaching supplies and services.
- Delay in forest and environmental and other clearances affecting time schedules for opening and commissioning new mines and affecting our investment plans.
- Extreme foggy weather conditions causing stoppage of mining operations at Bailadila complex during monsoon months.
- The Company has not diversified into other sector. As such, any adverse impact on the mining sector hits the profitability of the Company.
- As a mining Company, NMDC is subject to extensive regulations surrounding health, safety of the people and environment. However, regulatory standards and community expectations are constantly evolving and as a result the Company is exposed to increased litigation compliance cost and unforeseen environmental remediation expenses apart from constraints in operations.

## **Opportunities and Threats**

### **Opportunities**

#### **1) Continue diversifying and expanding its mining activities and products:**

The Company believes diversification and expansion of its mining activities and products fits well with its strategy of becoming an integrated producer of iron and steel and will enable it to better balance cyclical change in mineral prices and economic change as well as to grow its business. The Company has applied for and has been granted mining leases for diamonds, limestone and magnesite. The Company also has acquired two coal blocks and is looking to diversify into other minerals including minerals used in fertilizer.

#### **2) Expand and establish its presence as an integrated producer of iron and steel:**

The Company plans to expand and establish its presence as an integrated producer of iron and steel through selective value addition projects. The Company has signed an MOU with the state government of Chhattisgarh to develop a steel plant with a capacity of 3 mtpa at Jagdalpur, and also has plans to develop a steel plant in Karnataka. Furthermore, the company expects to complete its acquisition of sponge Iron India Limited, a Company involved in the production of Sponge Iron. In addition, the Company plans to develop two pellet plants at Donimalai and at Bachel.

#### **3) Continue to be a low cost, efficient and environmentally friendly mining Company.**

4) Augment resources, improve infrastructure and enhances technology through joint ventures and commercial tie-ups - the Company seeks to augment its resources and reserves, improve its infrastructure and enhance its technology through joint ventures and commercial tie-ups.

5) Financial powers for investment in new projects as a Navaratna Company.

### **Threats**

- Disturbances due to Maoists activities in Bailadila area.
- Production is affected due to problem of evacuation arising out of blasting of slurry pipeline connecting Bailadila and restriction in rail movement.

# NMDC Limited

- Intense competition from private sector in securing fresh mining leases, resulting in denial of leases in many cases and litigation delaying actions. Inability to secure additional reserves of iron ore that can be mined at competitive costs or cannot mine existing reserves at competitive costs, profitability and operating margins may be affected.
- Entry of MNCs and other Indian private companies into iron ore mining.
- The industry being cyclic in nature, NMDC is exposed to sharp fluctuations in demand for its products.
- The Company faces risks in respect of high inventory of stocks and its disposal.

### 3. Product-wise performance

#### Financial Performance of NMDC

(Rs. in Cr.)

Details	2005-06	2006-07	2007-08	2008-09	2009-10
Sale of Iron Ore	3669.47	4170.92	5705.32	7559.11	6222.60
Sale of Diamonds	35.69	10.60	3.75	–	6.94
Sale of Wind Power	–	–	–	2.22	6.57
Turnover	3710.92	4185.84	5711.31	7564.03	6239.09
PBT	2770.13	3498.31	4947.47	6648.23	5207.32
PAT	1827.80	2320.21	3250.98	4372.38	3447.26
Dividend	365.57	465.19	651.53	876.20	693.82

#### Physical Performance of NMDC

Details	2005-06	2006-07	2007-08	2008-09	2009-10
Production of Iron Ore (in million tonnes)	22.92	26.23	29.82	28.52	23.80
Production of Diamonds (carats)	43878	1703	–	–	16529
Sale of Iron Ore (in million tonnes)	24.85	25.59	28.18	26.47	24.09
Sale of Diamonds (carats)	48825	14588	2632	–	7335

### 4. Outlook

NMDC proposes to augment its production of iron ore from the present level of 30 million to 50 million tonnes by 2015. It also has chalked out plans for value addition by setting up pelletization plants in Chhattisgarh and Karnataka utilizing the slimes and an integrated steel plant in Chhattisgarh. NMDC is also planning to venture into coal mining and other minerals.

The world economy is recovering from the recession and the Company anticipates strong growth in all parameters.

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# NMDC Limited

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## 5. Risks and concerns

The major risk NMDC is facing is the Maoists' attacks on and around its project at Bailadila on and off. Such attacks have made some impact on production which has affected the movement of ore from the Bailadila sector. The company is in contact with the Government agencies for support and protection of its people 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.

The serious concern for NMDC in expanding its activities is the hurdle the Company is encountering in getting mining leases. All out efforts are being made to see that the Company gets the required mining leases for its expansion.

The industry being cyclic in nature, NMDC is exposed to sharp fluctuations in demand for its products. The Company also faces risks in respect of high inventory of stocks and its disposal.

## 6. Internal control systems and their adequacy

NMDC has put in place all the necessary internal controls and they are found to be quite adequate.

## 7. Discussion on financial performance with respect to operational performance.

Details on financial performance with respect to operational performance are given in detail in the Directors' Report. However, for the year under review, the Company has achieved production of 23.80 MT of Iron Ore. In respect of diamond, the Company achieved production of 16,529 carats. The Company has also recorded sale of wind power of Rs.6.57 crore for the year under review. On the financial performance, the turnover of the Company for the year under review was Rs.6,239.09 crore. PBT for the year under review was Rs.5,207.32 crore. PAT for the year under review was Rs.3,447.26 crore respectively. Net worth of the Company was Rs.14,250.45 crore. The Company achieved excellent rating by MOU for the financial year 2009-10.

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

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

It is worth highlighting that industrial relation has been cordial all along. Any difference is sorted out through discussions at appropriate levels. The support of workmen needs special mention.

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

**During the last five years, the number of people employed is as follows:**

2005-06	:	5,667
2006-07	:	5,582
2007-08	:	5,560
2008-09	:	5,652
2009-10	:	5,895

# NMDC Limited

## Ten Years Performance

(Rs. in Crore)

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
<b>Operating Statistics:</b>										
<b>Production @</b>										
1 Iron Ore (WMT) (in million tonnes)	23.80	28.52	29.82	26.23	22.92	20.74	17.96	16.97	15.63	15.05
2 Diamonds (Carats)	16529.21	0.00	0.00	1703.00	43878	78217	71163	84348	81251	56955
<b>Sales</b>										
1 Iron Ore (WMT) (in million tonnes)	24.09	26.47	28.18	25.59	24.85	23.22	20.66	19.51	17.46	18.15
2 Diamonds (Carats)	7335.34	0.00	2632	14588	48825	86257	84097	70787	76944	44514
<b>Financial Statistics:</b>										
<b>Income</b>										
1 Sales Iron Ore	6222.60	7559.11	5705.32	4170.92	3669.47	2180.58	1411.39	1177.28	1092.98	986.96
2 Sales Diamonds	6.94	0.00	3.75	10.60	35.69	43.82	36.19	31.17	33.78	24.48
3 Sale of Power	6.57	2.22	-	-	-	-	-	-	-	-
4 Sales Others	-	0.08	0.09	1.34	2.22	2.15	1.27	1.13	0.32	0.65
5 Income from services	2.98	2.62	2.15	2.98	3.54	3.44	4.84	4.65	2.97	2.96
6 Other Income	861.71	884.04	670.53	354.69	199.93	105.28	77.07	97.15	99.87	59.95
7 Stock Adjustments	-1.90	127.39	30.17	-6.49	4.42	-3.75	1.94	-17.95	38.19	12.86
	<b>7098.90</b>	<b>8575.46</b>	<b>6412.01</b>	<b>4534.04</b>	<b>3915.27</b>	<b>2331.52</b>	<b>1532.70</b>	<b>1293.43</b>	<b>1268.11</b>	<b>1087.86</b>
<b>PROFIT</b>										
1 Profit before depreciation, Interest & Taxes	5280.48	6721.79	5007.47	3578.33	2883.82	1287.49	670.00	462.46	388.93	352.14
2 Depreciation	73.16	73.56	60.00	80.02	113.69	63.84	53.98	42.28	39.92	36.10
3 Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.07	0.00
4 Profit before tax	5207.32	6648.23	4947.47	3498.31	2770.13	1223.65	616.02	420.18	343.94	316.04
5 Taxes	1760.66	2275.85	1696.49	1178.10	942.33	468.21	183.39	107.98	87.39	81.06
6 Profit/Loss after depreciation Interest & Taxes	3447.26	4372.38	3250.98	2320.21	1827.80	755.44	432.63	312.20	256.55	234.98
7 Dividend	693.82	876.20	651.53	465.19	365.57	151.32	46.25	39.65	33.04	33.04
<b>FINANCIAL POSITION</b>										
1 Equity (^)	396.47	396.47	132.16	132.16	132.16	132.16	132.16	132.16	132.16	132.16
2 Reserves & Surplus	13875.96	11240.44	8157.49	5668.77	3882.32	2471.36	1893.20	1512.75	1245.27	1017.10
3 Gross Fixed Assets	1771.14	1669.17	1421.40	1304.15	1259.68	1176.78	1148.15	807.10	757.08	742.69
4 Net Fixed Assets	787.15	746.63	568.06	504.90	530.16	537.44	574.27	285.16	272.64	293.76
5 Other Assets (intangible) \$	21.98	22.20	24.55	26.80	29.95	34.75	58.49	53.17	45.27	25.31
6 Capital Work-in-Progress	556.09	248.31	111.83	112.97	56.16	31.47	66.24	374.34	340.85	306.25
7 Current Assets	14263.61	11771.02	8282.70	5525.84	4742.14	2804.78	1923.10	1457.96	1148.56	986.41
8 Current Liabilities	1347.66	1164.75	774.76	417.36	1399.32	866.64	675.68	572.19	454.39	496.37
9 Deferred Tax Asset	-84.88	-58.04	-6.01	-26.60	-18.46	-12.13	6.87	13.64	9.91	
10 Capital Employed *	13703.10	11352.90	8076.00	5613.38	3872.98	2475.58	1821.69	1170.93	966.81	783.80
11 Net Worth	14250.45	11614.71	8265.10	5774.13	3984.53	2568.77	1966.87	1591.74	1332.16	1123.95
12 Book value per share (Rs.) (^)	35.94	29.30	625.40	436.91	301.50	194.37	148.83	120.44	100.80	85.05
13 Earning per share (Rs.) (^)	8.69	11.03	245.99	175.56	138.30	57.16	32.74	23.62	19.41	17.87

@ Production figures as per Balance Sheet

\$ Includes Expenditure on Feasibility studies from 1999-00 to 2003-04.

\* Excludes Investments

(^ ) 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.

# NMDC Limited

## Value Added Statement for the year 2009-10

(Rs. in Crore)

	2009-2010	2008-2009
<b>HOW VALUE IS GENERATED:</b>		
Value of Production	6,237.19	7,691.42
Less : Direct Material, Power & Water charges, Royalty & Freight	809.73	822.26
<b>Total Value Added</b>	<b>5,427.46</b>	<b>6,869.16</b>
<b>HOW VALUE IS DISTRIBUTED:</b>		
<b>A. Employees</b>		
Payments & Benefits	418.35	420.19
<b>B. Suppliers of Materials and Services</b>		
Stores & Spares	140.63	144.90
Selling Expenses	131.12	203.95
Others (Net of Miscellaneous Income)	-620.93	-653.55
<b>TOTAL</b>	<b>-349.18</b>	<b>-304.70</b>
<b>C. Society - Corporate Social Responsibility</b>		
	71.20	33.30
<b>D. Govt. Payments - Income Tax</b>		
	1,877.98	2,424.76
<b>E. Providers of Capital</b>		
Shareholders - Dividend	693.82	876.20
<b>TOTAL</b>	<b>693.82</b>	<b>876.20</b>
<b>F. Re-investment in the Business</b>		
Depreciation	72.49	72.66
Operational Profit	2,642.80	3,346.75
<b>TOTAL</b>	<b>2,715.29</b>	<b>3,419.41</b>
<b>Total Value Distributed</b>	<b>5,427.46</b>	<b>6,869.16</b>
Average Number of Employees	5,800	5,596
Value added per employee (Rs. in lakh)	93.58	122.75



**Ramamoorthy (N) & Co.,**  
Chartered Accountants

## Auditors' Report

To  
**The Members**  
**NMDC Ltd**

We have audited the attached Balance Sheet of **N M D C LIMITED** (The Company) as at 31st March, 2010 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto, into which are incorporated the accounts of Seven Projects / Units audited by Branch Auditors and in respect of Head Office, Lalapur and R&D Labs audited by us, and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of Section 227 of the

Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable.

1. Further to our comments in the Annexure referred to above, we report that:
  - (a) We have 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 appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Branch Auditors Reports have been forwarded to us and have been appropriately dealt with;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the Projects / Units;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report



# NMDC Limited

**Ramamoorthy (N) & Co.,**

Chartered Accountants

Continuation Sheet

comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- (e) The Company has informed that Department of Company affairs vide the notification No. GSR 829(E) dt 21st October 2003 notified that Section 274(1)(g) of the Companies Act 1956 is not applicable to the Government Companies. Hence Clause regarding disqualification of directors is not applicable.
- (f) The Company has provided for cess under section 441A of the Companies Act, 1956 but the same has not been deposited, pending notification specifying the manner of payment.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and Notes forming part of accounts appearing in Schedule No.23 give the information required by

the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31.03.2010;
- (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For RAMAMOORTHY (N) & Co.,**  
Chartered Accountants



**(CA Surendranath Bharathi)**  
Partner  
Membership No.23837

Place : New Delhi

Date : 22-May-2010



## Annexure to Auditor's Report

Re: NMDC LIMITED

[Referred to in our report of even date]

**(i) In respect of Fixed Assets:**

- (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, few fixed assets have been disposed off by the Company. On the basis of information and explanations given to us, we are of the opinion, that disposal of the part of fixed assets has not affected the going concern status of the Company.

**(ii) In respect of Inventories:**

- (a) The inventory has been physically verified by the management during the year except the inventory with Third parties. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) According to the information and explanation given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

**(iii) According to the information and explanations given to us,**

- (a) The Company has neither granted nor taken any loans secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 (The Act), hence clauses iii (a, b, c, d, e, f and g) are not applicable.
- (b) There are no contracts or agreements that need to be entered into the Register maintained under section 301 of the Companies Act, 1956. As there are no such contracts or agreements, Clause (b) of paragraph 4(v) is in applicable.

**(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.**

**(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provision of the Act and the rules framed there under.**

**(vi) The Company has an internal audit system commensurate with the size and nature of its business.**

**(vii) The maintenance of cost records under Section 209(1)(d) of The Act has not been prescribed by the Central government for the products of the Company.**

# NMDC Limited

## Ramamoorthy (N) & Co.,

Chartered Accountants

Continuation Sheet

**(viii) In respect of Statutory Dues:**

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor education and protection fund, Employees' state insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.

(b) According to information and

explanation given to us, no undisputed amounts payable in respect of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess were in arrears, as at 31.03.2010 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are dues of Forest Development Tax, Entry Tax, Sales Tax, Property Tax, Export Tax, Conservancy Tax, Road Tax and Property Tax which are not deposited on account of dispute which are as follows:

Name of the statute/Authority	Nature of dues which relates	Period to which it relates	Forum	Amount (Rs. in Crores)
Karnataka Forest Tax Act, 1963	Forest development tax	Aug'08 to Mar'10	Dy.Conservator of Forests, Bellary	26.90
Madhya Pradesh Entry Tax Act	Entry Tax	2001-02	Commissioner of Commercial Taxes(Appeal), Raipur	0.01
Nagar Palika, Kirandul	Property tax	2008-09 & 2009-10	Nagar Palika, Kirandul	0.10
Nagar Palika, Kirandul	Export tax	1995-96 to 2009-10	High Court, Chhattisgarh	11.48
Nagar Palika, Kirandul	Conservancy tax	1997-98 to 2009-10	High Court, Chhattisgarh	0.44
Nagarpalika, Bade Bacheli	Export Tax	May 2001 to July 2002	High Court of Chhattisgarh	0.26
Madhya Pradesh Commercial Tax Act, 1994	Entry Tax	2000-01	Dy.Commissioner of Commercial Tax(Appeal) Sagar	0.01
Karnataka Sales tax Act, 1957	Tax on REP licenses	1991-92 to 92-93	Deputy Commissioner of Commercial Taxes, Bellary	0.40
Karnataka Motor Vehicle taxation Act 1957	Road tax on dumpers	2003-04	Regional transport officer, Hospet	0.96
MMDR Act	Royalty	SEP-1977 to AUG-2005	Madhya Pradesh State Govt.	0.89
CST Act, 1956	Sales Tax	2005-06	JCIT (Commercial Tax) Davanagiri	8.76
MP Commercial Tax Act, 1994	Commercial Tax/VAT	1997-98 2001-02 2003-04	Dy.Commissioner of Commercial Tax(Appeal), Raipur	1.51

# NMDC Limited

## Ramamoorthy (N) & Co.,

Chartered Accountants

Continuation Sheet

- (ix) In our opinion, the Company has no accumulated losses as at 31.03.2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (x) In our opinion and according to the information and explanation given to us, the Company has not taken any loans from financial Institution, Bank and has not issued any debentures. Therefore, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xv) According to the information and explanations given to us, the Company has not obtained any term loans. Therefore, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on a short-term basis have been used for long-term investments.
- (xvii) According to the information and explanation given to us, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of The Act. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xviii) According to the information and explanation given to us, the Company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xix) According to the information and explanation given to us, the Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xx) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For RAMAMOORTHY (N) & Co.,**

Chartered Accountants



**(CA SURENDRANATH BHARATHI)**

Partner

Membership No.23837

Place : New Delhi

Date : 22-May-2010

# NMDC Limited

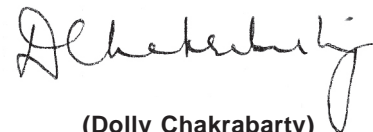
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## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NMDC LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2010.**

The preparation of financial statements of NMDC Limited, Hyderabad for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on the independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 22 May 2010.

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of NMDC Limited, Hyderabad for the year ended on 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor 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 the Statutory Auditor's Report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of  
the Comptroller and Auditor General of India



**(Dolly Chakrabarty)**  
Principal Director of Commercial Audit  
& Ex-Officio Member, Audit Board,  
Hyderabad

Place : Hyderabad  
Date : 04 June 2010

## Significant Accounting Policies

### A. BASIS OF ACCOUNTING

The Company prepares its financial statements as a going concern, under historical cost convention and on accrual basis, in accordance with the generally accepted accounting principles.

### B. BALANCE SHEET

#### 1. FIXED ASSETS:

- 1.1 Fixed Assets are stated at historical cost.
- 1.2 Assets acquired / constructed by the Company with the subsidy sanctioned by Iron Ore Mines Labour Welfare Cess Fund are capitalised to the extent of cost to the Company. However, the work-in-progress and the subsidy thereon are shown separately till capitalisation.
- 1.3 The fixed assets acquired against Govt. Grants are shown in the Balance Sheet after deducting the grant received. However, where the grant received is equal to the cost of the asset, such asset is shown at a nominal value of Re.1/- per asset.
- 1.4 The Insurance Spares which can only be used in connection with an item of Fixed Asset and whose use is expected to be irregular, are capitalised and depreciated from the date of acquisition over the balance useful life of the respective assets.

#### 2. DEPRECIATION:

- 2.1 Depreciation is charged on straight-line method based on the life of the assets determined by technical assessment. The rates are equal to or higher than those prescribed in Schedule-XIV to the Companies Act, 1956. In the case of assets acquired before 01.04.1987 depreciation is continued to be provided at the rates based on the lives adopted earlier.
- 2.2 Depreciation is charged on pro-rata monthly basis on additions / disposals of assets during the year taking the first day of the month for acquisition / commissioning and the last day of the month for disposals.

2.3 In respect of additions forming an integral part of an existing asset, depreciation is charged over the remaining useful life of the asset. In case the asset is already fully depreciated, such additions are depreciated in full.

2.4 Cost of leasehold land is amortized over the period of lease.

2.5 The life of the assets constructed on leasehold land is restricted to the lease period except in case of mining projects.

#### 3 EXPENDITURE DURING CONSTRUCTION:

3.1 Development expenses (pre-construction period expenses) and Expenses on removal of overburden and preparation of mining benches are amortized in ten annual instalments from the date of commencement of production.

3.2 Expenditure incurred on supervision during the construction period in respect of projects for expansion of existing facilities or creation of new facilities are treated as period costs and charged to revenue. Further, all administrative expenses incurred during the period of delay in the construction and commissioning of facilities beyond the period contemplated by Detailed Project Report are similarly treated as revenue and charged to the Profit & Loss Account.

3.3 In respect of those projects under construction necessitating selection of a different technology than originally envisaged, for the reasons beyond the control of the management, the cumulative administrative expenses incurred on such projects having no other useful purpose till the date of the decision to go in for the new technology are charged to the profit and loss account for the year during which the relevant decision is taken. Further, all administrative expenses incurred on such projects subsequently till the new technology is identified are also treated as revenue and charged to the profit and loss account of the year in which they are incurred.

# NMDC Limited

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**3.4** In the case of projects abandoned in the mid way due to unforeseen circumstances beyond the control of the management, the cumulative administrative expenditure incurred on such projects up to the date of abandonment are charged to the profit and loss account during the year of abandonment.

## **4 INVESTMENTS:**

Long-term investments are stated at cost. A provision for diminution is made to recognise the decline in value, other than temporary, on an individual investment basis.

## **5 INVENTORIES:**

Items of inventories as certified by the Management are valued on the basis mentioned below:

**5.1** Finished Goods : At cost OR Net Realisable value whichever is lower.

**5.2** Work-in-process : At cost OR Net Realisable value whichever is lower.

**5.3** Work in process-Consultancy Contract job : At cost

**5.4** Stores & Spares : At cost on weighted average method. However, Stationery, Medical, Canteen School stores, Cotton Waste Hospital stores and lab stores (excluding for R & D Lab): charged off to Revenue on procurement.

**5.5** Stores & spares not moved for 5 years and above and identified as obsolete by technical assessment : At Re.1 per unit.

**5.6** Stores-in-Transit : At cost.

**5.7** Loose Tools & Implements : At cost on weighted average method.

**5.8** No credit is taken in the Accounts in respect of :

**5.8.1** Stock of run of mine ore, embedded ore low grade ore of Kumaraswamy Mine and slimes in case of Iron Ore.

**5.8.2** Stock of run of mine ore generated during construction period pending assessment of quality and saleability.

**5.8.3** Partly used stores and spares kept in stores.

**5.8.4** Surplus/Obsolete stores and spares determined and not disposed of.

## **6. FOREIGN CURRENCY TRANSACTIONS:**

**6.1** Foreign Currency Transactions are accounted for at the exchange rates prevailing on the date of transactions.

**6.2** Fixed Assets are translated at the exchange rates on the date of transaction. The exchange difference in each financial year, up to the period of settlement is taken to profit & loss account.

**6.3** The monetary items in foreign currencies are translated at the closing exchange rate on the date of balance sheet and gains / losses thereon adjusted in the Profit & Loss Account.



# NMDC Limited

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## 7. GRANT-IN-AID:

7.1 The grant-in-aid received from Government of India for feasibility studies and the expenditure incurred thereon are shown separately until the feasibility expenditure is adjusted against the grant on fruition or abandonment of the feasibility study.

7.2 The grant-in-aid received from Government of India in respect of Research & Development is shown after adjusting the amounts utilised.

## C. PROFIT & LOSS ACCOUNT

### 1. REVENUE RECOGNITION:

1.1 **Export sales:** Export sales are recognized on the date of Bill of Lading. However, final adjustments are made in the year of receipt of discharge port analysis.

1.2 **Domestic sales:** Domestic sales are accounted on the date of Railway receipt / Lorry receipt / Delivery challan.

1.3 **Obsolete Stores & Scrap:** Income is accounted on realization basis in respect of Used / surplus/obsolete/unserviceable materials and scrap.

### 2. EMPLOYEES BENEFITS:

2.1 **Payments under Employees' Family Benefit Scheme:** Under the NMDC Employees' family benefit scheme, monthly payments are made till the normal date of retirement to the family members of those employees who are discharged from service due to medical reasons or death, on deposit of the amount envisaged in the scheme and liability for the payments are accounted for on the basis of actuarial valuation.

2.2 **Leave Travel Concession: (Encashment / Availment):** Liability towards encashment / availment of Leave Travel Concession is accounted for on the basis of actuarial valuation.

2.3 **Gratuity:** Gratuity payable to eligible employees is administered by a separate Trust, which has taken a Group gratuity policy

with LIC. Demands made by the Trust including the annual contribution and risk premium for the future service gratuity of the LIC policy are charged to Profit & Loss Account.

2.4 **Accrued Leave Salary:** Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation and remitted to a fund maintained by LIC.

2.5 **Other Benefits:** Liability towards Long service award, Settlement Allowance and Post Retirement Medical Facilities to employees as at the end of the year is recognized on the basis of actuarial valuation. The liability towards Settlement Allowance is remitted to a fund maintained by LIC.

### 3. GENERAL:

3.1 **Research & Development Expenditure:** The expenditure on Fixed Assets relating to Research & Development is capitalized and depreciated in the same method as any other assets of the Company. Other Research & Development expenditure of revenue nature incurred during the year is charged off to Profit & Loss Account.

3.2 **Mine Closure Obligation:** The liability to meet the obligation of mine closure and restoration of environment as per Mines & Minerals (Development and Regulation) Act 1957 (MMDR 1957) at the time of closure of the mine has been estimated on the basis of technical assessment and charged to Profit & Loss account on the basis of Run of Mine ore production of the mine. The liability is remitted to a Fund maintained by LIC.

3.3 **Pre-paid Expenses:** Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed Rs.2,00,000/- in each case.

3.4 **Prior period adjustments:** Income/ Expenditure relating to prior period of over Rs 2,00,000/- in each case arising out of errors and omissions are accounted as prior period adjustments.

# NMDC Limited

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**3.5 Insurance Claims:** Insurance claims are accounted as under:

In case of transit insurance-on the basis of claim lodged with the Insurance Company.

In case of other Insurance - on the basis of Survey reports received.

Differences between insurance claims accounted for and actual receipt are accounted as Miscellaneous Expenditure / Income in the year of settlement.

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Subject to our Report of even date

For and on behalf of the Board

**For Ramamoorthy (N) & Co,**  
Chartered Accountants




**(CA.SURENDRANATH BHARATHI)**  
Partner  
Membership No. 23837



**(S.THAGARAJAN)**  
Director (Finance)



**(RANA SOM)**  
Chairman-cum-Managing Director



**(KUMAR RAGHAVAN)**  
Company Secretary

Place : New Delhi  
Date : 22-May-2010

# NMDC Limited

## Balance Sheet as at 31<sup>st</sup> March, 2010


(Rs. in Crore)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds:</b>			
Share Capital	1	396.47	396.47
Reserves & Surplus	2	<u>13,875.96</u>	<u>11,240.44</u>
		<b>14,272.43</b>	11,636.91
<b>Deferred Tax Liability</b>		<b>84.88</b>	58.04
<b>TOTAL</b>		<u><b>14,357.31</b></u>	<u>11,694.95</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets:</b>			
Gross Block	3	1,771.14	1,669.17
Less : Depreciation		<u>983.99</u>	<u>922.54</u>
Net Block		<b>787.15</b>	746.63
Capital Work in Progress	4	<u>556.09</u>	<u>248.31</u>
		<b>1,343.24</b>	994.94
<b>Investments</b>	5	<b>76.14</b>	71.54
<b>Current Assets, Loans &amp; Advances :</b>			
Inventories	6	298.75	302.46
Sundry Debtors	7	427.00	1,027.24
Cash & Bank Balances	8	12,854.94	9,739.65
Other Current Assets	9	163.88	298.35
Loans & Advances	10	<u>519.04</u>	<u>403.32</u>
		<b>14,263.61</b>	11,771.02
<b>Less : Current Liabilities &amp; Provisions :</b>			
Current Liabilities	11	752.50	484.58
Provisions	12	<u>595.16</u>	<u>680.17</u>
		<b>1,347.66</b>	1,164.75
<b>Net Current Assets</b>		<b>12,915.95</b>	10,606.27
Miscellaneous Expenditure (to the extent not written off or adjusted)	13	<b>21.98</b>	22.20
<b>TOTAL</b>		<u><b>14,357.31</b></u>	<u>11,694.95</u>


Subject to our Report of even date Accounting Policies and Schedules 1 to 23 form part of accounts.

**For RAMAMOORTHY (N) & Co.,**  
Chartered Accountants

For and on behalf of the Board

  
**(CA SURENDRANATH BHARATHI)**  
Partner  
Membership No. 23837

  
**(S. THIAGARAJAN)**  
Director (Finance)

  
**(RANA SOM)**  
Chairman-cum-Managing Director

  
**(KUMAR RAGHAVAN)**  
Company Secretary

Place : New Delhi  
Date : 22-05-2010

# NMDC Limited

## Profit & Loss Account for the Period ended 31<sup>st</sup> March, 2010


(Rs. in Crore)

	Schedule	For the Period ended 31st March, 2010	For the Period ended 31st March, 2009
<b>INCOME:</b>			
Sales		6,229.54	7,559.19
Income from Services		2.98	2.62
Income from sale of power		6.57	2.22
Other Income	14	861.71	884.04
Accretion / (Decretion) to stock	15	-1.90	127.39
<b>TOTAL</b>		<b>7,098.90</b>	<b>8,575.46</b>
<b>EXPENDITURE:</b>			
Raising & Transportation charges		37.38	44.33
Consumption of Stores & Spares		209.45	213.52
Power, Electricity and Water	16	44.11	42.21
Payments & Benefits to employees	17	419.51	421.10
Repairs & Maintenance	18	66.06	51.64
Royalty & Cess		360.61	62.79
Selling Expenses - Freight Outwards			650.23
- Others		131.12	203.95
Other Expenses	19	468.85	854.18
Depreciation		221.17	166.55
Miscellaneous/Promotional/Deferred		73.16	73.56
Revenue Expenditure written off		3.46	3.46
Gross Expenditure		1,903.76	1,933.34
Less: Transfer to Capital Accounts	20	19.46	5.59
Net Expenditure		1,884.30	1,927.75
Profit before prior Year items		5,214.60	6,647.71
Add/(Less) prior Year items	21	-7.28	0.52
Profit before taxes		5,207.32	6,648.23
Less : Provision -Taxation - Current Year		1,742.00	2238.00
- Earlier Years(Net)		(8.70)	(18.70)
- Interest on Income Tax		(0.08)	(6.65)
<b>TOTAL (a)</b>		<b>1,733.22</b>	<b>2,212.65</b>
Fringe Benefit Tax - Current Year		-	6.25
- Earlier Years(Net of interest)		-	4.92
<b>TOTAL (b)</b>		<b>-</b>	<b>11.17</b>
Total (a+b)		1,733.22	2,223.82
Less : Deferred Tax adjustment for the year		26.84	52.03
Profit after taxes		3,447.26	4,372.38
Profit brought forward from previous Year		0.92	1.65
Profit available for Appropriations		3,448.18	4,374.03
Less : Appropriations:			
Interim Dividend		297.35	408.36
Tax on Interim Dividend		50.54	69.40
Proposed Dividend (Final)		396.47	467.84
Tax on final Dividend		67.38	79.51
General Reserve		2,636.00	3,348.00
		3,447.74	4,373.11
Balance carried over to Balance Sheet		0.44	0.92
Detailed Information	22		
Notes forming part of Accounts	23		
<b>Earnings per Share (Basic &amp; Diluted) Rs. (Face value Rs.1/- each)</b>		<b>8.69</b>	<b>11.03</b>

Subject to our Report of even date Accounting Policies and Schedules 1 to 23 form part of accounts.

**For RAMAMOORTHY (N) & Co.,**  
Chartered Accountants

For and on behalf of the Board

  
**(CA SURENDRANATH BHARATHI)**  
Partner  
Membership No. 23837

  
**(S. THIAGARAJAN)**  
Director (Finance)

  
**(RANA SOM)**  
Chairman-cum-Managing Director

  
**(KUMAR RAGHAVAN)**  
Company Secretary

Place : New Delhi  
Date : 22-05-2010

# NMDC Limited

## Schedules

### Schedule - 1 : Share Capital

	(Rs. in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
<b>Authorised:</b>		
4,00,00,00,000 Equity Shares (Previous year 400,00,00,000) of Rs.1 each (Previous year Rs.1/- each)	<u>400.00</u>	<u>400.00</u>
<b>Issued,Subscribed &amp; Paid up:</b>		
3,96,47,16,000 Equity Shares of Rs.1/- each fully paid up (Previous year 3,96,47,16,000 of Rs.1/- each fully paid) includes 2,55,00,000 shares of Rs.1/ each allotted for consideration other than cash (previous year 2,55,00,000 shares of Rs.1/- each) and NIL shares of Rs.1/- each (Previous year 2,64,31,44,000 shares of Rs.1/- each) allotted as bonus shares out of general reserve.	<u>396.47</u>	<u>396.47</u>
<b>TOTAL</b>	<u><u>396.47</u></u>	<u><u>396.47</u></u>

### Schedule - 2 : Reserves and Surplus

	(Rs. in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
<b>a) General Reserve:</b>		
As per last Balance Sheet	11,239.52	8,155.84
Less : Utilised for Bonus issue	-	-264.32
Add : Additions during the Year	<u>2,636.00</u>	<u>3,348.00</u>
	<b>13,875.52</b>	11,239.52
<b>b) Capital Grant- R&amp;D</b>	-	-
(Corresponding nominal value of assets Rs. 881/-)		
<b>c) Profit &amp; Loss Account - Surplus</b>	<u>0.44</u>	<u>0.92</u>
<b>TOTAL</b>	<u><u>13,875.96</u></u>	<u><u>11,240.44</u></u>

# NMDC Limited

## Schedule - 3 : Fixed Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK			
	As at 1st April, 2009	Additions during the year	Ded/Adj. during the year	As at 31st March, 2010
<b>A. Plant, Mines &amp; Others</b>				
Land - Free hold	9.59	0.01	2.34	<b>11.94</b>
Land - Lease hold	133.55	12.85	(0.02)	<b>146.38</b>
Roads, bridges etc.	14.86	1.00	(0.01)	<b>15.85</b>
Buildings	47.75	2.19	(0.21)	<b>49.73</b>
Dams, Wells & Pools	11.83	—	—	<b>11.83</b>
Adit & tunnel	3.71	—	—	<b>3.71</b>
Railway sidings	19.17	0.66	—	<b>19.83</b>
Plant & Machinery	674.76	25.65	(0.53)	<b>699.87</b>
Heavy Mobile Equipment	510.34	55.49	(7.90)	<b>557.93</b>
Furniture & fittings	6.06	1.00	(0.56)	<b>6.50</b>
Vehicles	22.88	3.36	(1.95)	<b>24.29</b>
Locomotives	7.21	—	—	<b>7.21</b>
Electrical Installations	50.12	3.54	(0.40)	<b>53.26</b>
Sanitary & W.S. Installations	14.48	2.00	—	<b>16.48</b>
Other assets	29.97	2.51	(0.20)	<b>32.28</b>
Intangible Asset - Computer software	2.94	0.44	—	<b>3.38</b>
<b>TOTAL 'A'</b>	<b>1,559.22</b>	<b>110.70</b>	<b>(9.44)</b>	<b>1,660.47</b>
Figures for the previous year	1,319.50	244.29	(4.57)	1,559.22
<b>B. Social Facilities</b>				
Land - Free hold	2.62	—	(2.34)	<b>0.28</b>
Land - Lease hold	0.02	—	—	<b>0.02</b>
Roads, bridges etc.	6.86	—	—	<b>6.86</b>
Buildings	67.00	2.45	(0.02)	<b>69.43</b>
Cess fund quarters	12.57	—	—	<b>12.57</b>
Dams, Wells & Pools	0.23	—	—	<b>0.23</b>
Plant & Machinery	0.01	—	—	<b>0.01</b>
Furniture & fittings	1.42	0.15	0.01	<b>1.58</b>
Vehicles	4.05	0.22	(0.24)	<b>4.03</b>
Cess Fund Vehicles	—	—	—	<b>—</b>
Electrical Installations	2.16	0.08	—	<b>2.24</b>
Sanitary & W.S. Installations	6.39	—	—	<b>6.39</b>
Other assets	6.52	0.42	(0.03)	<b>6.91</b>
Cess fund other assets	0.10	—	—	<b>0.10</b>
<b>TOTAL 'B'</b>	<b>109.95</b>	<b>3.32</b>	<b>(2.62)</b>	<b>110.66</b>
Figures for the previous year	101.90	8.04	0.01	109.95
<b>TOTAL 'A + B'</b>	<b>1,669.17</b>	<b>114.02</b>	<b>(12.06)</b>	<b>1,771.14</b>
Figures for the previous year	1,421.40	252.33	(4.56)	1,669.17

# NMDC Limited

## Schedule - 3 : Fixed Assets (Contd..)

(Rs. in Crore)

ASSETS	DEPRECIATION						NET BLOCK	
	Upto 31st March, 2009	For the year	Asset impair- ment	Prior period adjust- ments	Dedu- ctions/ adjust- ments	Upto 31st March, 2010	As at 31st March, 2010	As at 31st March 2009
<b>A. Plant, Mines &amp; Others</b>								
Land - Free hold	-	-	-	-	-	-	11.94	9.59
Land - Lease hold	44.44	9.14	(1.45)	-	(0.01)	52.12	94.26	89.11
Roads, bridges etc.	10.20	0.38	(0.67)	-	-	9.91	5.94	4.66
Buildings	18.68	1.29	(0.38)	-	(0.17)	19.42	30.31	29.07
Dams, Wells & Pools	11.45	0.02	-	-	-	11.47	0.36	0.38
Adit & tunnel	3.71	-	-	-	-	3.71	-	-
Railway sidings	9.32	1.45	-	-	-	10.77	9.06	9.85
Plant & Machinery	430.34	27.38	(10.66)	-	(0.48)	446.58	253.29	244.42
Heavy Mobile Equipment	262.32	41.05	(4.31)	-	(7.90)	291.16	266.77	248.02
Furniture & fittings	4.36	0.52	(0.07)	-	-	4.81	1.69	1.70
Vehicles	13.24	2.84	(0.48)	-	(2.32)	13.28	11.01	9.64
Locomotives	7.21	-	-	-	-	7.21	-	-
Electrical Installations	32.08	3.63	(0.47)	-	(0.39)	34.85	18.41	18.04
Sanitary & W.S. Installations	9.15	0.62	(0.13)	-	-	9.64	6.84	5.33
Other assets	19.55	2.95	(0.50)	-	(0.16)	21.84	10.44	10.42
Intangible Asset - Computer software	2.33	0.50	(0.01)	-	-	2.82	0.56	0.61
<b>TOTAL 'A'</b>	<b>878.38</b>	<b>91.77</b>	<b>(19.13)</b>	<b>-</b>	<b>(11.43)</b>	<b>939.59</b>	<b>720.88</b>	<b>680.84</b>
Figures for the previous year	812.55	69.01	1.17	-	(4.35)	878.38	680.84	506.95
<b>B. Social Facilities</b>								
Land - Free hold	-	-	-	-	-	-	0.28	2.62
Land - Lease hold	0.02	-	-	-	-	0.02	-	-
Roads, bridges etc.	2.56	0.22	(0.07)	-	-	2.71	4.15	4.30
Buildings	24.14	1.82	(2.87)	-	(0.02)	23.07	46.36	42.86
Cess fund quarters	4.46	0.25	-	-	0.01	4.72	7.85	8.10
Dams, Wells & Pools	0.15	0.01	(0.01)	-	-	0.15	0.08	0.08
Plant & Machinery	0.01	-	-	-	-	0.01	-	-
Furniture & fittings	1.22	0.08	(0.01)	-	(0.01)	1.28	0.30	0.20
Vehicles	1.88	0.48	(0.03)	-	(0.22)	2.11	1.92	2.17
Cess Fund Vehicles	-	-	-	-	-	-	-	-
Electrical Installations	1.48	0.11	-	-	(0.01)	1.58	0.66	0.68
Sanitary & W.S. Installations	4.28	0.30	(0.16)	-	-	4.42	1.97	2.11
Other assets	3.86	0.49	(0.09)	-	(0.03)	4.23	2.69	2.67
Cess fund other assets	0.10	-	-	-	-	0.10	0.01	(0.00)
<b>TOTAL 'B'</b>	<b>44.16</b>	<b>3.76</b>	<b>(3.24)</b>	<b>-</b>	<b>(0.28)</b>	<b>44.40</b>	<b>66.27</b>	<b>65.79</b>
Figures for the previous year	40.79	3.38	-	-	(0.01)	44.16	65.79	61.11
<b>TOTAL 'A + B'</b>	<b>922.54</b>	<b>95.53</b>	<b>(22.37)</b>	<b>-</b>	<b>(11.71)</b>	<b>983.99</b>	<b>787.15</b>	<b>746.63</b>
Figures for the previous year	853.34	72.39	1.17	-	(4.36)	922.54	746.63	568.06



# NMDC Limited

## Schedule - 3 : Fixed Assets (Contd..)

**Notes:**

1. Roads, Bridges etc., constructed by the Company and handed over to Chhattisgarh State Government for maintenance are discontinued to be shown in the books of account on being fully depreciated.
2. Capital Expenditure not represented by assets and written off over a period of five years:

(Rupees in crore)

	Unit	Gross Block	Depreciation	Net Block
Vehicles	Bld-5	0.16 (0.16)	0.14 (0.11)	0.02 (0.05)

3. Assets valuing Rs. 5.09 crore (previous year Rs.5.09 crore) acquired wholly out of Grant-in-aid from Government of India are included in the Schedule as per Accounting Policy No. B.1.3. The details of original value of such assets are as under.

(Rupees in Crore)

Category	Original value
Land	0.02
Roads & Bridges	0.01
Buildings	0.57
Sanitary & water supply	0.05
Plant & Machinery	4.04
Furniture	0.02
Electrical Installations	0.27
Other Assets	0.11
<b>TOTAL</b>	<b>5.09</b>

Particulars of assets relating to Steel Development Fund / Govt. Grant:

(Rs. in crore)

Plant & Machinery	
Cost as at 31.03.2010	0.66 (0.66)
Less : Grant	0.17 (0.17)
Amount Capitalised	0.49 (0.49)

# NMDC Limited

4. Intangible assets: Computer software is capitalized and amortised over a period three years.
5. Rates of Depreciation could not be specified in view of Accounting Policy No.B.2.1.
6. The value of lease hold land measuring 3021.35 Sq. Mts and 24719.49 Sq. Mts. (previous year 3021.35 Sq. Mts. and 24719.49 Sq. Mts.) taken from Vizag Port Trust Authorities for construction of Regional office buildings and Screening Plant respectively has not been brought into books as the exact amount payable to the lessor during the lease period of land is not ascertainable under the terms of lease agreement. However, the yearly rent payable in this regard is charged off in the accounts.

Depreciation in respect of Roads, Buildings, Culverts, Bridges, Plant & Machinery and Electrical Installations constructed on the land referred to above has been provided, restricting the life to the lease period.

7. The value of land of 114.01 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.
8. Particulars of assets relating to Cess Fund Assets/Grant:

(Rs. in crore)

	Quarters	Vehicles	Sanitary & Water Supply Installations	Other Assets
Cost as at 31.03.2010	15.90 (15.90)	0 (0.00)	2.18 (2.18)	0.58 (0.58)
Less : Cess Fund Grant	3.33 (3.33)	0 (0.00)	0.27 (0.27)	0.01 (0.01)
Amount Capitalised	12.57 (12.57)	0 (0.00)	1.91 (1.91)	0.57 (0.57)

9. The land on which Cess Fund Quarters were constructed prior to 1984-85 was leased out to Cess Fund Authorities.
10. The ownership of Cess Fund assets constructed prior to 1984-85 vests with the Cess Fund Authorities. However, as per agreement with Cess Fund Authorities, the quarters constructed after 1984-85 shall remain charged in their favour.
11. Formal agreements / Transfer deeds remain to be executed in respect of the following:
  - (a) Renewal of Mining Leases at Deposit 10 (Float Ore) & Panna.& Donimalai.
  - (b) Lease deeds in respect of parts of land for township at Bailadila-5, Bacheli and Bailadila-14. Kirandul.
  - (c) Lease deeds in respect of land for Screening Plant at Visakhapatnam.
  - (d) Mining lease to the extent of 22.00 hectares of Silica Sand Plant near Lalapur (Allahabad).
  - (e) Lease in respect of a portion of the total land at R&D Center measuring 10.96 acres has expired during Feb 07 (7.0 acres) and the balance in Feb 2010 (3.96 acres). The process of renewal of the lease is under progress.

# NMDC Limited

12. Details of Assets retired from active use and held for disposal as on 31.03.2010:

(Rs. in crore)

<b>Assets</b>	<b>Gross Block</b>	<b>Accumulated Depreciation</b>	<b>Net Block</b>
1. Heavy Mobile Equipments	30.29 (22.62)	30.29 (22.62)	– (–)
2. Vehicles	0.96 (1.09)	0.91 (1.02)	0.05 (0.07)
3. Other Assets	0.03 (0.02)	0.03 (0.02)	– (–)

Note : Figures in brackets pertain to previous year.

# NMDC Limited

## Schedule - 4 : Capital Work in Progress

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
Construction work in progress	289.21	204.26
Add : Impairment reversed / (provided)	0.24	(0.24)
	289.45	204.02
Construction Stores	2.19	2.60
Capital Assets in stores awaiting installation or in transit	187.55	12.69
Less : Impairment	—	0.04
Advances to suppliers / contractors for Capital Expenditure	49.03	17.19
Expenditure incidental to construction awaiting allocation	27.87	11.85
<b>TOTAL</b>	<b>556.09</b>	<b>248.31</b>
<b>Notes:</b>		
Particulars of advances to suppliers / contractors for Capital Expenditure:		
Advances considered good in respect of which:		
i) the Company is fully secured	0.00	0.00
ii) the Company holds no security other than debtors personal security	49.03	17.19

# NMDC Limited

## Schedule - 5 : Investments

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
<b>In Shares:</b>		
<b><i>Trade &amp; Unquoted at cost:</i></b>		
i) 3,96,002 (previous Year 3,96,002) Equity shares) of Rs.100 each fully paid up in Subsidiary Company J&KMDC Ltd, Jammu	3.96	3.96
Less : Investment deration	3.96	3.96
	-	-
ii) 41,85,590 (previous Year 41,85,590) Equity shares) of FMG 2500/- each fully paid up in wholly owned subsidiary Company NMDC SARM, Madagaskar	7.20	7.20
Less : Investment deration	7.20	7.20
	-	-
iii) 3,967 (previous year 3,967) Equity shares of N\$ 1 each fully paid up in wholly owned Subsidiary Company NIMDC (Pty) Ltd., Namibia Rs 24,311 (previous year Rs. 24,311)	0.00	0.00
Less : Investment deration Rs.24310 (previous year Rs. 24,310)	0.00	0.00
	-	-
iv) 4,90,00,000 (previous year 4,90,00,000) equity shares of Rs.10 each fully paid up in NINL, Bhubaneswar	49.00	49.00
v) 105,000 (previous year 105,000) Equity shares) of Rs 10/- each fully paid up in Romelt SAIL India Ltd., New Delhi	0.11	0.11
Less : Deration	0.11	0.11
	-	-
vi) 7,65,000 (Previous Year NIL) Equity shares of Rs 10/- each fully paid up in NMDC CMDC Ltd.,	0.77	0.77
vii) 1,00,000 (Previous year NIL) Equity shares of Rs.10/- each fully paid in International Coal Ventures (P) Ltd	0.10	-

# NMDC Limited

## Schedule - 5 : Investments (Contd..)

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
<b><i>Non-trade &amp; Unquoted at cost:</i></b>		
i) 150 Shares (previous year 150 Shares) of Rs 1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul Rs 1,50,000 (Previous year 1,50,000)	0.02	0.02
ii) 500 Shares (previous year 500 Shares) of Rs 10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli Rs.5,000 (previous year Rs 5,000)	-	-
iii) 25 Shares (previous year 25 Shares) of Rs 100 each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai Rs.2,500 (previous year Rs 2,500)	-	-
iv) 500 Shares (previous year 500 shares) of Rs 100 each fully paid up in NMDC Employees Co-operative Society Ltd., Panna Rs. 50,000 (previous year Rs 50,000)	-	-
	0.02	0.02
<b><i>Advance for Investment :</i></b>		
4.00 crore equity shares of Rs 10/- each in Krishnapatnam Railway Co. Ltd., partly paid, pending allotment	26.25	21.75
<b>TOTAL</b>	<b>76.14</b>	<b>71.54</b>

**Notes:**

1. Aggregate amount of Quoted Investments Nil (previous year Nil).
2. Aggregate amount of Unquoted Investments Gross Rs.87.41 crore and Net Rs.76.14 crore (Previous Year Gross Rs.82.81 crore and Net Rs.71.54 crore).
3. During the year, Nam India Mineral Dev Corporation Pty Ltd, Namibia has been wound up w.e.f 28<sup>th</sup> August 2009.
4. All the above are long term investments.

# NMDC Limited

## Schedule - 6 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
<b>Stores &amp; Spares</b>	<b>79.75</b>	81.53
Loose tools and Implements	<u>0.21</u>	<u>0.25</u>
	<b>79.96</b>	81.78
<b>Finished Goods:</b>		
Iron Ore	<b>209.98</b>	220.60
Silica sand	-	-
Ferric Oxide & Ferrite Powder	<b>0.06</b>	0.06
Ultra Pure Ferric Oxide Rs.57/- (previous year Rs 57/-)	-	-
Diamonds & Precious Stones	<u>8.72</u>	<u>-</u>
	<b>218.76</b>	220.66
<b>Work-in-Process :</b>		
Diamonds	<b>0.03</b>	0.02
<b>TOTAL</b>	<b><u>298.75</u></b>	<b><u>302.46</u></b>

**Notes:**

1. Stores and Spares include:

a) Stores-in-transit	<b>10.70</b>	16.81
b) Non moving stores & spares valued at 15% of their original value of Rs NIL crore (previous year Rs.0.53 crore)	-	0.08
c) Obsolete stores & spares valued at Rs 1 per unit of their original value of Rs.1.90 crore (previous year Rs.1.70 crore)	<b>0.03</b>	0.02

# NMDC Limited

## Schedule - 7 : Sundry Debtors

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
Debts outstanding for a period exceeding six months	73.44	4.14
Other debts	355.02	1,024.55
	428.46	1,028.69
Less : Provision for bad & doubtful debts	1.46	1.45
	427.00	1,027.24
<b>TOTAL</b>	<b>427.00</b>	<b>1,027.24</b>

**Notes:**

1. Particulars of Sundry Debtors:

a) Debts considered good in respect of which:

i) the Company is fully secured	-	-
ii) the Company holds no security other than the debtors' personal security	427.00	1,027.24

b) Debts considered doubtful & provided for	1.46	1.45
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# NMDC Limited

## Schedule - 8 : Cash and Bank Balances

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
Cash and Cheques on hand	6.09	1.23
Balances with :		
<b>(a) Scheduled Banks :</b>		
On Current Accounts	72.87	36.79
On Deposit Accounts (Rs.60 crore offered as security for Bank Guarantees and Letters of Credit) (Previous Year Rs.71 crore)	12,775.70	9701.40
	<b>12,848.57</b>	9,738.19
<b>(b) Other Banks on Current Accounts:</b>		
(i) Exim Bank (Tanzania) Ltd (Shillings Account) (Balance outstanding as on 31/03/2010 : Rs.24,595/-) (Maximum balance during the year Rs.5,86,751/-) (Previous Year Rs.8,94,454/-)	-	0.01
(ii) National Micro Finance Bank (Shillings Account) (Balance outstanding as on 31/03/2010 : Rs.29,534/-) (Maximum balance during the year Rs.4,71,998/-) (Previous Year Rs.9,51,418/-)	-	0.02
(iii) Exim Bank (Tanzania) Ltd. (US \$ account) (Maximum balance during the year Rs.49,01,168/-) (Previous Year Rs. 30,26,667/-)	0.28	0.20
	<b>0.28</b>	0.23
<b>TOTAL</b>	<b>12,854.94</b>	<b>9,739.65</b>

## Schedule - 9 : Other Current Assets

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
Accrued interest on deposits with banks	163.88	298.35
<b>TOTAL</b>	<b>163.88</b>	<b>298.35</b>

# NMDC Limited

## Schedule - 10 : Loans and Advances

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
Advances recoverable in cash or kind or for value to be received	151.08	145.99
Less : Provision for bad & doubtful advances	0.35	0.29
	<b>150.73</b>	145.70
Advance Income Tax & TDS	5,980.16	4136.22
Less : Provision	5,692.62	3959.39
	<b>287.54</b>	176.83
Advance Fringe benefit tax	2.54	8.79
Less : Provision	0.03	6.29
	<b>2.51</b>	2.50
Inter Corporate Loans to PSUs	4.50	4.50
Less : Loans deration	4.50	4.50
	-	-
Balance with Customs, Port Trust etc.	0.35	5.84
Deposit with Others	78.01	72.55
Less : Provision	0.10	0.10
	<b>77.91</b>	72.45
<b>TOTAL</b>	<b>519.04</b>	<b>403.32</b>

**Notes:**

**Particulars of Loans and advances:**

a) Considered good in respect of which:		
i) the Company is fully secured	17.68	19.73
ii) the Company holds no security other than the debtors personal security	501.36	383.59
b) Considered doubtful and provided for	4.95	4.89
c) Amount due by Directors/Officers:		
i) Amount due	0.02	0.02
ii) Maximum amount due at any time during year	0.02	0.03
d) Advances to Subsidiary Companies (b&c are wholly owned subsidiaries):		
i) Amount outstanding:		
a) J&K MDC Limited, Jammu	-	-
b) NMDC SARL, Madagascar	-	-
c) NAM India MDC, Namibia	-	-
d) NMDC CMDC Ltd	0.18	0.04
ii) Maximum amount outstanding at any time during the year		
a) J&K MDC Limited, Jammu	0.31	0.27
b) NMDC SARL, Madagascar	-	-
c) NAM India MDC, Namibia	0.01	0.01
d) NMDC CMDC Ltd	0.18	0.04

# NMDC Limited

## Schedule - 11 : Current Liabilities

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
<b>Sundry Creditors :</b>		
Outstanding dues of micro and small enterprises	0.05	0.11
Other than micro & small enterprises including Rs.NIL (Previous year Rs.Nil) payable to Subsidiary Companies)	<u>520.41</u>	<u>383.17</u>
	<b>520.46</b>	383.28
<b>Advances from Customers</b>	<b>116.44</b>	31.39
<b>Mine closure Liability</b>	<b>159.07</b>	134.58
Less : Fund with LIC	<u>155.88</u>	<u>128.51</u>
	<b>3.19</b>	6.07
<b>Deposits from Suppliers, Contractors and Others</b>	<b>35.67</b>	31.77
Less : Investments received as security Deposit	<u>0.05</u>	<u>0.05</u>
	<b>35.62</b>	31.72
<b>Sales Tax on REP Licences</b>	<b>2.38</b>	2.38
Less : Amount paid	<u>1.00</u>	<u>1.00</u>
	<b>1.38</b>	1.38
<b>Investor Education &amp; Protection Fund not due :</b>		
Unclaimed Dividend	<b>0.10</b>	0.07
<b>Other liabilities</b>	<u>75.31</u>	<u>30.67</u>
<b>TOTAL</b>	<u><b>752.50</b></u>	<u><b>484.58</b></u>

### Disclosure relating to Micro and Small Enterprises :

i) (a) The principal amount remaining unpaid to the supplier as at the end of the year.	<b>0.05</b>	0.11
(b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year.	<b>NIL</b>	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;	<b>NIL</b>	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;	<b>NIL</b>	NIL
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	<b>NIL</b>	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.	<b>NIL</b>	NIL

# NMDC Limited

## Schedule - 12 : Provisions

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
Proposed dividend	396.47	467.84
Tax on Proposed Dividend	67.38	79.51
	<b>463.85</b>	547.35
<b>Employee Benefits :</b>		
a. Gratuity	-	-
b. Accrued leave salary	56.34	49.03
Less : Fund with LIC	56.34	45.49
	-	3.54
c. Settlement allowance	12.50	11.66
Less : Fund with LIC	12.50	11.66
	-	-
d. Post Retirement Medical Benefits	103.87	105.50
e. Leave Travel Concession	7.34	5.32
f. Long service award	8.87	7.53
g. Employees Family Benefit Scheme	11.23	10.93
	<b>131.31</b>	132.82
<b>TOTAL</b>	<b>595.16</b>	<b>680.17</b>

## Details of Provisions (in compliance of AS-29)

(Rs. in crore)

	Opening Balance 1-Apr-09	Adjustment during year	Addition during year	Closing Balance 31-Mar-10
Proposed Dividend and Tax thereon	547.35	-895.24	811.74	463.85
	(250.48)	(-728.25)	(1,025.12)	(547.35)
Gratuity	-	-	-	-
	(0.95)	(-0.95)	-	-
Accrued Leave salary	49.03	-11.49	18.80	56.34
	(38.71)	(-2.28)	(12.60)	(49.03)
Settlement Allowance	11.66	-0.09	0.93	12.50
	(10.90)	(-0.17)	(0.93)	(11.66)
Post Retirement Medical benefits	105.50	-20.81	19.18	103.87
	(74.96)	(-14.33)	(44.87)	(105.50)
Leave Travel concession	5.32	0.00	2.02	7.34
	(10.69)	(-5.37)	(-)	(5.32)
Long Service Awards	7.53	0.00	1.34	8.87
	(7.55)	(-0.02)	(-)	(7.53)
Family Benefit scheme	10.93	0.00	0.30	11.23
	(11.69)	(-0.76)	(-)	(10.93)
<b>TOTAL</b>	<b>737.32</b>	<b>(927.63)</b>	<b>854.31</b>	<b>664.00</b>
Previous year	(405.94)	(-752.13)	(1,083.52)	(737.33)

Note : Figures in bracket indicate previous year figures

## NMDC Limited

### Schedule - 13 : Miscellaneous/Promotional & Deferred Revenue Expenditure (to the extent not written off or adjusted)

(Rs. in Crore)

	As at 31st March, 2010	As at 31st March, 2009
Development Expenses	11.75	8.82
Others:		
Expenses on removal of overburden and preparation of Mining Benches	10.23	13.38
	<b>21.98</b>	<b>22.20</b>

### Schedule - 14 : Other Income

(Rs. in Crore)

	For the Period ended 31st March, 2010	For the Period ended 31st March, 2009
Income on investments :		
6.75% US 64	-	0.26
Interest on :		
Deposits with Banks (Tax deducted at source Rs.120.47 crore, (Previous Year Rs. 197.50 crore)	831.73	866.96
Others (Tax deducted at source Rs.0.03 crore, (Previous year Rs. 0.02 crore)	2.84	1.83
	<b>834.57</b>	868.79
Profit on sale of assets	1.31	0.01
Gain in Foreign Exchange variation (net)	0.73	-
Miscellaneous Income	25.10	14.98
<b>TOTAL</b>	<b>861.71</b>	<b>884.04</b>

# NMDC Limited

## Schedule - 15 : Accretion / (Decretion) to Stock

(Rs. in Crore)

	For the Period ended 31st March, 2010	For the Period ended 31st March, 2009
<b>Work-in-process:</b>		
Balance as at close of the Year	0.03	0.02
Less : Balance as at the beginning of the Year	<u>0.02</u>	<u>0.02</u>
	0.01	-
<b>Finished Goods:</b>		
Balance as at close of the Year	218.75	220.66
Less : Balance as at the beginning of the Year	<u>220.66</u>	<u>93.27</u>
	-1.91	127.39
<b>TOTAL</b>	<u><u>-1.90</u></u>	<u><u>127.39</u></u>

## Schedule - 16 : Power, Electricity & Water

(Rs. in Crore)

	For the Period ended 31st March, 2010	For the Period ended 31st March, 2009
Power charges	35.55	33.83
Electricity charges	7.91	7.66
Water Charges	0.65	0.72
<b>TOTAL</b>	<u><u>44.11</u></u>	<u><u>42.21</u></u>

**Note:**

The Power charges exclude the expenditure on internal generation of power accounted under following primary heads of accounts:

a) Payments and benefits to employees	0.22	0.13
b) Consumption of Stores & spares	<u>0.09</u>	<u>0.17</u>
	<u><u>0.31</u></u>	<u><u>0.30</u></u>

# NMDC Limited

## Schedule - 17 : Payments & Benefits to Employees

(Rs. in Crore)

	For the Period ended 31st March, 2010	For the Period ended 31st March, 2009
Salaries, Wages & Bonus	296.97	265.62
Contribution to Staff PF, EPS & DLI	22.44	20.28
Contribution to Group Gratuity Fund	36.07	53.15
Workmen and Staff Welfare Expenses	64.03	82.05
<b>TOTAL</b>	<b>419.51</b>	<b>421.10</b>

## Schedule - 18 : Repairs & Maintenance

(Rs. in Crore)

DESCRIPTION	For the Year ended 31st March, 2010					For the Period ended 31st March, 2009
	Buildings	Plant & Machinery	Vehicles	Others	Total	
Gross Expenditure	26.57	176.93	8.58	26.82	238.90	208.49
Less:						
Expenditure under primary heads :						
Payments & Benefits to employees	8.51	56.65	7.42	0.05	72.63	51.82
Consumption of Stores	7.87	91.51	0.72	0.11	100.21	105.03
Sub total	16.38	148.16	8.14	0.16	172.84	156.85
Net Expenditure	10.19	28.77	0.44	26.66	66.06	51.64

# NMDC Limited

## Schedule - 19 : Other Expenses

(Rs. in Crore)

	For the Period ended 31st March, 2010	For the Period ended 31st March, 2009
Rent	3.36	1.13
Insurance	3.50	2.47
Rates & Taxes	4.60	4.74
Directors' Travelling expenses	1.92	1.48
Directors' Sitting fee	0.07	0.08
Payment to Auditors:		
As Auditors:		
Audit Fee	0.10	0.09
In other capacity	0.24	0.04
Out of pocket expenses	<u>0.04</u>	<u>0.02</u>
	<b>0.38</b>	0.15
Loss on sale / adjustment of assets	0.03	0.06
Miscellaneous losses written off	0.61	0.58
Provision for doubtful debts/advances	0.04	0.13
Mine closure Obligation	12.13	15.38
Entertainment	0.88	1.29
Donations	-	-
<b>Sundries:</b>		
Travelling & Conveyance	17.52	17.63
Advertisement & Publicity	14.53	15.44
Postage, Telephone & Telex	2.18	2.11
Stationery & Printing	2.55	2.20
Consultancy charges	19.40	4.91
CISF/Security guards	39.51	30.33
Safety expenses	0.51	0.47
Corporate Social Responsibility	71.20	33.30
Loss in Exchange variation (net)	0.00	0.97
Environmental Development	8.39	9.39
Other expenses	<u>17.86</u>	<u>22.31</u>
	<b>193.65</b>	139.06
<b>TOTAL</b>	<b><u>221.17</u></b>	<b><u>166.55</u></b>



# NMDC Limited

## Schedule - 20 : Expenditure Transferred to Capital Accounts

(Rs. in Crore)

	For the Period ended 31st March, 2010		For the Period ended 31st March, 2009	
Amounts transferred to Capital Accounts as per details shown below (Net) :	<b>19.46</b>		5.59	
DESCRIPTION	Miscellaneous/ Promotional Expenditure		Incidental Expenditure During Construction	
	31st March, 2010	31st March, 2009	31st March, 2010	31st March, 2009
Raising & Transportation charges	-	-	-	-
Consumption of Stores & Spares	-	-	<b>0.07</b>	0.03
Power	-	-	<b>0.19</b>	0.39
Payments & Benefits to Employees	-	-	<b>1.16</b>	0.91
Repairs & Maintenance	-	-	<b>0.32</b>	0.16
Other Expenditure :				
Consultancy	<b>3.24</b>	1.46	<b>12.65</b>	0.88
Environment	-	-	<b>0.23</b>	0.01
Sample Analysis	-	-	<b>0.01</b>	0.01
Others	-	-	<b>0.92</b>	0.84
Depreciation	-	-	<b>0.67</b>	0.90
<b>TOTAL</b>	<b>3.24</b>	1.46	<b>16.22</b>	4.13
Less : Income	-	-	-	-
Net Expenditure	<b>3.24</b>	1.46	<b>16.22</b>	4.13

# NMDC Limited

## Schedule - 21 : Prior-Period Adjustments

(Rs. in Crore)

	For the Period ended 31st March, 2010		For the Period ended 31st March, 2009	
	Income	Expenditure	Income	Expenditure
Sales		1.17		
Consumption of stores & spares		(0.76)	0.13	
Repairs & Maintenance		(0.07)	0.59	
Other Income		(0.02)		
Selling Expenses		0.04		
Other Expenses		6.92	0.04	
<b>TOTAL</b>	-	<b>7.28</b>	0.76	-
Net Income / (expenditure)		<b>7.28</b>	0.76	
Less : Transfer to Expr. incidental to construction		-	0.24	
<b>Total transferred</b>	-	-	0.24	-
<b>Net Income / Expenditure</b>		<b>7.28</b>	0.52	

# NMDC Limited

## Schedule - 22 : Detailed Information

### 1. Particulars of Licenced Capacity, Installed Capacity :

Details	Licenced Capacity	Installed Capacity (As certified by the Management)
Iron Ore	Not applicable	<b>34 Million WMT of ROM</b> (31 Million WMT of ROM)
Diamonds	Not applicable	<b>1,00,000 carats</b> (84,000 Carats)
Wind power	Not applicable	<b>10.5 MW</b> (10.5 MW)
Silica sand	Not applicable	<b>3.00 lakh tonnes of products</b> (3.00 lakh tonnes of products)
Ultra Pure Ferric Oxide	Not applicable	<b>3,000 tonnes of products</b> (3,000 tonnes of products)

### 2. Particulars of Opening Stock, Actual Production, Sales and Closing Stock :

Particulars	Iron Ore		Diamonds		Silica Sand		Wind Power
	Quantity (lakh WMT)	Value (Rs. Crore)	Quantity (Carats)	Value (Rs. Crore)	Quantity (WMT)	Value (Rs. Crore)	Value (Rs. Crore)
1. Opening stock as on 01-04-2009	<b>60.25</b> (39.18)	<b>220.60</b> (93.13)	<b>6.20</b> (6.20)	- -	<b>50</b> (2,209)	- (0.08)	- (-)
2. Production	<b>238.03</b> (285.15)	- (-)	<b>16,529.21</b> (-)	- (-)	- (-)	- (-)	- (-)
3. Qty retrieved at Project	<b>0.70</b> (2.48)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
4. Qty retrieved at Port	- (0.38)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
5. Qty available for sale : (A)	<b>298.98</b> (327.19)	- (-)	<b>16,535.41</b> (6.20)	- (-)	<b>50</b> (2,209)	- (-)	- (-)
6. Sales	<b>240.85</b> (264.72)	<b>6,222.60</b> (7,559.11)	<b>7,335.34</b> (-)	<b>6.94</b> (-)	<b>50</b> (1,966)	- (0.08)	<b>6.57</b> (2.22)
7. Loss in transit/handling	<b>1.00</b> (2.22)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>TOTAL - B</b>	<b>241.85</b> (266.94)		<b>7,335.34</b> -		<b>50</b> (2,159)		
8. Closing stock (A-B) as on 31-03-10	<b>57.13</b> (60.25)	<b>209.98</b> (220.60)	<b>9,200.07</b> (6.20)	<b>8.72</b> -	- (50)	- -	- (-)

## Schedule - 22 : Detailed Information (Contd..)

The following details are further disclosed :

1. There was an opening and closing stock of 57 wmt of Ultra pure ferric oxide, valuing Rs NIL, with no production and sales during the year.  
(Previous year : the opening and closing stock was 57 wmt valuing Rs Nil)
2. The Opening and Closing stock of 26.744 mt of ferrite powder, valuing Rs 0.06 crore with no production and sales during the year).  
(Previous year : the opening and closing stock of ferrite powder - 26.744 mt, valuing Rs 0.06 crore)
3. The power generated by Wind Electricity Generators during the year is 1,94,05,083 KWH units (Previous year 65,45,990 KWH units).
4. The value of services rendered during the year Rs. 2.98 crore.(Previous year Rs.2.62 crore).

### Details of Sales: (Iron Ore)

	Quantity (Lakh wmt)	Value (Rs.Crore)
Export through MMTC	<b>34.32</b> (38.74)	<b>1,070.83</b> (1,710.01)
Domestic Sales	<b>206.53</b> (225.98)	<b>5,151.77</b> (5,849.10)
<b>TOTAL</b>	<b>240.85</b> (264.72)	<b>6,222.60</b> (7,559.11)

### Notes :

1. Figures in brackets pertain to previous Year.
2. Iron ore production at SI No 2 above excludes Low grade fine ore at Kumaraswamy mine 0.54 lakh wmt. (Previous year 3.32 lakh WMT).
3. The closing stock of iron ore is after considering (net) 0.19 lakh WMT valuing Rs. 1.42 crore lying with us taken from MMTC on returnable basis. (Previous year stock is exclusive of (net) 0.06 lakh WMT, valuing Rs.0.25 crore taken from MMTC on loan account).
4. The stock of diamonds of 6.20 (previous year 6.20) carats is under judicial custody.
5. The following quantity of iron ore is not considered in stock as per the policy of the Company :
  - a. Embedded Fine ore lying in dumps prior to 01/04/2007 : 8.78 lakh WMT (previous year 8.78 lakh WMT).
  - b. Desilted slimes stacked at various locations 20.30 lakh WMT (previous year 16.46 lakh WMT).
  - c. Surveyed stocks of LG Fines at Kumaraswamy 9.17 lakh WMT (previous year 9.16 lakh WMT).

# NMDC Limited

## Schedule - 22 : Detailed Information (Contd..)

(Rs. in Crore)

	For the Period ended 31st March, 2010	For the Period ended 31st March, 2009		
<b>3. Particulars of Directors' Remuneration</b> (including Chairman & Managing Director)				
a) Salaries	<b>0.78</b>	0.70		
b) Contribution to PF, FPS & DLI	<b>0.06</b>	0.05		
c) Contribution to Gratuity	<b>0.09</b>	0.20		
d) Medical reimbursement	<b>0.04</b>	0.03		
e) House Rent	<b>0.09</b>	0.11		
f) LTC	<b>0.05</b>	0.03		
g) Others	<b>0.01</b>	0.01		
	<b>1.12</b>	1.13		
<b>4. Value of imports calculated on CIF basis:</b>				
i. Components & Spare parts	<b>18.65</b>	23.21		
ii. Capital Goods	<b>38.76</b>	0.81		
<b>5. Expenditure in foreign currency:</b>				
i. Consultancy charges	<b>0.30</b>	0.21		
ii. Others	<b>1.54</b>	1.74		
<b>6. Particulars of consumption of raw material &amp; Stores &amp; spares:</b>				
Components & spare parts (including consumable stores)	<b>Value</b>	<b>Percentage</b>	Value	Percentage
a) Imported	<b>14.43</b>	<b>6.89</b>	11.86	5.55
b) Indigenous	<b>195.02</b>	<b>93.11</b>	201.66	94.45
	<b>209.45</b>	<b>100.00</b>	213.52	100.00
<b>7. Foreign Exchange earnings :</b> (on realisation basis)				
Consultancy	<b>0.07</b>		0.08	

# NMDC Limited

## Schedule - 22 : Detailed Information (Contd..)

### 8. Balance Sheet Abstract and Company's General Business Profile :

#### I. Registration details :

Registration No.   -      State Code

Balance Sheet Date

#### II. Capital raised during the Year (Rs. in Crore)

Public Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

#### III. Position of mobilization and deployment of funds (Rs. in Crore)

Total Liabilities <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="4"/> . <input type="text" value="9"/> <input type="text" value="7"/>	Total Assets <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="4"/> . <input type="text" value="9"/> <input type="text" value="7"/>
<b>Source of funds :</b>	
Paid-up Capital <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="6"/> . <input type="text" value="4"/> <input type="text" value="7"/>	Reserves & Surplus <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="5"/> . <input type="text" value="9"/> <input type="text" value="6"/>
Secured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Unsecured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
<b>Application of funds :</b>	
Net Fixed Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="3"/> . <input type="text" value="2"/> <input type="text" value="4"/>	Investments <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="6"/> . <input type="text" value="1"/> <input type="text" value="4"/>
Net Current Assets <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="5"/> . <input type="text" value="9"/> <input type="text" value="5"/>	Misc. Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="1"/> . <input type="text" value="9"/> <input type="text" value="8"/>
Accumulated Losses <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

#### IV. Performance of Company (Rs. in Crore)

Turnover <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="9"/> . <input type="text" value="0"/> <input type="text" value="9"/>	Total Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="1"/> . <input type="text" value="5"/> <input type="text" value="8"/>
Profit before tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="7"/> . <input type="text" value="3"/> <input type="text" value="2"/>	Profit after tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="7"/> . <input type="text" value="2"/> <input type="text" value="6"/>
Earnings per share in Rs. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> . <input type="text" value="6"/> <input type="text" value="9"/>	Dividend Rate % <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="5"/>

#### V. Generic name of the principal products/services of company : (as per monetary terms)

Item Code No (ITC Code)	<input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/>
Product Description	Iron Ore Lumps (60% Fe and above)
Item Code No (ITC Code)	<input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/>
Product Description	Iron Ore Fines (62% Fe and above)
Item Code No (ITC Code)	<input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="0"/>
Product Description	Iron Ore Fines (Below 62% Fe)

# NMDC Limited

## Schedule - 22 : Detailed Information (Contd..)

### 9. Segment Reporting

The Management evaluates the Company's performance and allocates the resources based on analysis of various performance indicators by business / product segments i.e.,

- i) Iron Ore
- ii) Other minerals & services

There are no inter-segment transfers for the Company. The Company has identified the primary and secondary segment reporting under AS-17 as under:

### Information about Business Segments

#### Primary Business Segments

(Rs. in Crore)

	Iron Ore		Other Minerals & Services		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>1. REVENUE</b>								
External Sales	6,222.60	7,559.11	16.49	4.92	–	–	6,239.09	7,564.03
Inter-Segment Sales	–	–	–	–	–	–	–	–
Total Revenue	6,222.60	7,559.11	16.49	4.92	–	–	6,239.09	7,564.03
<b>2. RESULT</b>								
Segment Result	4,496.01	5,941.27	8.98	-22.13	-250.75	-222.18	4,254.24	5,696.96
Unallocated Corporate Exps							118.51	82.22
Operating Profit							4,372.75	5,779.18
Interest Expense							–	–
Interest Income							834.57	869.05
Income Taxes							-1,760.06	-2,275.85
Net Profit							3,447.26	4,372.38
<b>3. OTHER INFORMATION</b>								
Segment Assets	2,040.16	2,380.92	111.96	73.46	13,530.87	10,383.12	15,682.99	12,837.50
Segment Liabilities	648.06	393.21	21.18	14.94	678.42	756.60	1,347.66	1,164.75
Additions to assets during the year :								
Fixed Assets	77.14	248.33	11.63	0.02	24.80	3.62	113.58	251.97
Intangible Assets	0.36	0.04	–	–	0.08	0.32	0.44	0.36
Depreciation & Amortization expenses during the year	77.35	67.70	13.16	0.60	5.02	4.09	95.53	72.39
Impairment reversal/provided			-22.61	1.17			-22.61	1.17
Non-Cash expenses other than Depreciation & amortization	0.33	0.26		0.06	0.35	0.45	0.68	0.77

# NMDC Limited

## Schedule - 22 : Detailed Information (Contd..)

### Secondary Segments

#### Sales Revenue by location of Customers:

(Rs. in Crore)

Revenue from External customers	Curr. Year	Prev. Year
– Domestic	5,168.26	5,854.02
– Export : Through MMTC	1,070.83	1,710.01
<b>TOTAL</b>	<b>6,239.09</b>	<b>7,564.03</b>

#### Assets by Geographical Location:

(Rs. in crore)

Location	Carrying amount of Segment Assets		Additions to Fixed and Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chattisgarh	1,785.08	1,978.33	53.15	102.36
Andhra Pradesh	13,451.71	10,359.76	24.85	3.39
Others	446.20	499.41	36.01	146.58
<b>TOTAL</b>	<b>15,682.99</b>	<b>12,837.50</b>	<b>114.02</b>	<b>252.33</b>

### 10. DISCLOSURE OF EMPLOYEE BENEFITS AS PER AS-15(REV)

#### GENERAL DESCRIPTION OF DEFINED BENEFIT PLANS :

PLAN	DESCRIPTION
1. <b>Gratuity</b>	Eligible amount is paid to the employees on separation by NMDC Group Gratuity Trust.
2. <b>Accrued Leave Salary</b>	Encashment of accumulated leave is payable as per the rules of the Company to the employees during the service/on separation.
3. <b>Settlement Allowance</b>	Employees are paid eligible amount at the time of retirement for their settlement.
4. <b>Post Retirement Medical Facilities</b>	Retired employees opting for the Post Retirement Benefit Scheme on contribution of prescribed amount can avail medical benefits as per the Scheme.
5. <b>Leave Travel Concession</b>	Payable to the eligible employees on availment/encashment of Home Town LTC/All India LTC.
6. <b>Family Benefit Scheme</b>	Monthly payments to disabled separated employees/legal heirs of deceased employees on deposit of prescribed amount, till the notional date of superannuation.
7. <b>Long Service Award</b>	Employees are presented with an award in kind on rendering prescribed service.



# NMDC Limited

## Schedule - 22 : Detailed Information (Contd..)

**OTHER DISCLOSURES :**

(Rs in crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	FBS	Long Service Award
<b>A. Changes in the present value of the Obligation as on 31st Mar 2010</b>							
Present value of obligation at the beginning of the year	111.01	49.03	11.66	105.50	5.32	10.93	7.53
Interest cost	8.88	3.92	0.93	8.44	–	–	–
Current service cost	2.75	14.88	–	13.83	–	–	–
Past service cost	–	–	–	(3.09)	–	–	–
Benefits paid	(9.34)	(4.57)	(0.48)	(6.18)	–	–	–
Actuarial gain/loss on obligation	22.64	(6.92)	0.39	(14.63)	2.02	0.30	1.34
Present value of obligation at the end of the period	<b>135.94</b>	<b>56.34</b>	<b>12.50</b>	<b>103.87</b>	<b>7.34</b>	<b>11.23</b>	<b>8.87</b>
<b>B. Changes in the fair value of the Plan Assets as on 31st Mar 2010</b>							
Fair value of plan assets at the beginning of the year	75.19	45.49	11.66	–	–	–	–
Expected return on plan assets	9.41	5.65	1.15	–	–	–	–
Contributions	60.68	9.77	0.17	–	–	–	–
Benefits paid	(9.34)	(4.57)	(0.48)	–	–	–	–
Actuarial gain/loss on plan assets	–	–	–	–	–	–	–
Fair value of plan assets at the end of the period	<b>135.94</b>	<b>56.34</b>	<b>12.50</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>C. Amounts recognised in the Balance sheet as on 31st Mar 2010</b>							
Present value of the obligations at the end of the year	135.94	56.34	12.50	103.87	7.34	11.23	8.87
Fair value of plan assets at the end of the year	135.94	56.34	12.50	–	–	–	–
Liability/Asset recognised in the balance sheet	<b>–</b>	<b>–</b>	<b>–</b>	<b>103.87</b>	<b>7.34</b>	<b>11.23</b>	<b>8.87</b>

# NMDC Limited

## Schedule - 22 : Detailed Information (Contd..)

(Rs in crore)							
	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	FBS	Long Service Award
<b>D. Amounts recognised in the P&amp;L account for the period ended on 31st Mar 2010</b>							
Current service cost	2.75	14.88	–	13.83	–	–	–
Past service cost	–	–	–	(3.09)	–	–	–
Interest cost	8.88	3.92	0.93	8.44	–	–	–
Expected return on plan assets	-9.41	-5.65	-1.15	–	–	–	–
Net actuarial gain/loss recognised in the year	22.64	(6.92)	0.39	(14.63)	2.02	0.30	1.34
Expenses recognised in P&L a/c	<b>24.86</b>	<b>6.23</b>	<b>0.17</b>	<b>4.55</b>	<b>2.02</b>	<b>0.30</b>	<b>1.34</b>

**E. Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post-retirement medical benefit scheme :**

	one percentage point increase in medical inflation rate	one percentage point decrease in medical inflation rate
i. Increase/Decrease on aggregate service and interest cost of post retirement medical benefits	Rs 1.37 cr	(Rs 1.09 cr)
ii. Increase/(Decrease) on present value of defined benefit obligations as at 31-03-2010	Rs.8.35 cr	(Rs.7.13 cr)

**F. PRINCIPAL ACTUARIAL ASSUMPTIONS :**

DESCRIPTION	2009-10	2008-09
i. Discount Rate	8%	8%
ii. Mortality Rate	LIC 1994-96 ultimate	LIC 1994-96 ultimate
iii. Medical Cost Trend rates	4%	4%
iv. Withdrawal rate	1% to 3%	1%
v. Future salary increase	5%	5%

**G** The Actuarial gains or losses arising during the year are taken to Profit and Loss account.

# NMDC Limited

## Schedule - 23 : Notes Forming Part of Accounts

### 1. Contingent liabilities:

		Rs. in Crore	
	Particulars	Period ended 31-Mar-10	Period ended 31-Mar-09
<b>1.1</b>	<b>Claims against the company not acknowledged as debts consists of:</b>		
a	Appeal pending in respect of levy of TDS	-	0.36
b	Disputed claims under Property tax, Export tax, Conservancy Tax, Sales tax etc.	<b>52.12</b>	34.97
c	Claims by contractors under arbitration	<b>1.09</b>	20.07
d	Other claims on company not acknowledged as debts	<b>26.28</b>	4.08
<b>1.2</b>	<b>Uncalled liability on Shares partly paid : in Krishnapatnam Railway Company Ltd.</b>	<b>13.75</b>	18.25
<b>1.3</b>	<b>Estimated amount of contracts remaining to be executed on Capital account</b>	<b>395.08</b>	373.22
<b>1.4</b>	<b>Contingent liability on bills discounted under LCs/ counter guarantees given for BGs</b>	<b>8.92</b>	15.54

### 2. Disclosures under Accounting Standards:

**2.1 Employee Benefits (AS-15 - Rev):** Necessary details have been disclosed in Schedule 22-Detailed information.

**2.2 Segment Reporting (AS-17):** Necessary details have been disclosed in Schedule 22-Detailed information.

### 2.3 Related Party Disclosures (AS-18):

(i) List of Related parties with whom transactions have taken place and their relationships:

#### A. Subsidiary Companies:

1. JK Mineral Development Corporation Limited, Jammu
2. NMDC SARL, Madagaskar
3. NIMDC (Pty) Ltd., Namibia (upto 28-08-2009)
4. NMDC-CMDC Ltd., Raipur

Consequent to decision of the Board of Directors and the approval of the Government of India, the wholly owned subsidiary Company at Namibia namely, Nam-India Mineral Development Corporation Limited (Registration No. 2001/039) has been deregistered in terms of Section 73(5) of the Companies Act, 1973 of the Republic of Namibia as notified in the Government Gazette No 4329, dated 28th August 2009 (Notification No 169). The entire amount of interest free loan accorded to the Subsidiary Company has already been written off in the books of parent Company as irrecoverable loss. Hence NIMDC (Pty) Ltd., ceased to exist w.e.f. 28<sup>th</sup> Aug 2009.

#### B. Associate Companies:

Romelt-Sail (India) Limited, New Delhi

# NMDC Limited

**C. Key Management Personnel: (Directors)**

1. Sri Rana Som
2. Sri VK Sharma
3. Sri K. R. Venkateswarlu (till 30/06/09)
4. Sri S.Venkatesan
5. Sri N K Nanda
6. Sri. S.Thiagarajan (from 09/07/09)

(ii) Transactions during the year with Related parties:

Rs. crore

SI No	Particulars	Period ended	
		31-MAR-10	31-MAR-09
<b>1. Subsidiary Companies:</b>			
<b>a) Investments:</b>			
	Opening balance	11.93	11.16
	Investment made during the year	–	0.77
	Closing balance	11.93	11.93
	Investment deration/ Provision	11.16	11.16
<b>b) Loans and Advances:</b>			
	Opening balance	0.04	–
	Advances given during the year	0.46	0.33
	Adjusted against amounts payable	–	–
	Advance written off during the year	0.32	0.29
	Closing balance	0.18	0.04
<b>2. Associate Companies:</b>			
	Investments:		
	Opening balance	0.11	0.11
	Paid during the year towards equity	–	–
	Closing balance	0.11	0.11
	Deration against diminution in value of investment	0.11	0.11
<b>3. Key Management Personnel:</b>			
	Managerial Remuneration	1.12	1.13
	Assets sold at concessional values	–	0.01

**2.4 Earnings per share (AS-20)-: The details are as under:**

Particulars	Period ended	
	31-MAR-10	31-MAR-09
1. Profit after Tax (Rs Crore)	3447.26	4372.38
2. No of Equity shares	3,96,47,16,000	3,96,47,16,000
3. Nominal value per Equity share (Rs)	1	1
4. Basic and Diluted Earnings per share (Rs)	8.69	11.03

# NMDC Limited

**2.5 Consolidated Financial Statements (AS-21):** The subsidiary of the Company Viz., NMDC SARL, Madagascar is under closure and in the process of winding up. The other subsidiary, NIMDC (Pty) Ltd., Namibia has been wound up during the year. There are no significant transactions in respect of another subsidiary, J&K Mineral Development Corporation Ltd., Jammu.

All the above subsidiaries suffer from significant impairment in their ability to transfer funds to the parent company in terms of para 11 of AS 21. The Company has been writing off the loan advanced to these subsidiaries and de-rated the equity investment of these subsidiaries accordingly.

The transactions during the period ended 31st MAR 2010 of NMDC-CMDC Ltd., Raipur, a subsidiary incorporated during 2008-09, are not material in terms of para 4.3 of Preface to the statements of Accounting Standards issued by ICAI.

For the above said reasons, consolidated financial statements of NMDC Ltd and its above subsidiaries have not been drawn up for the period ended 31-MARCH-2010 also, as per the practice followed in earlier years.

**2.6 Accounting for Taxes on Income (AS-22):** The details of deferred tax liability as at 31st MARCH 2010 is as follows:

(Rs. in crore)

Particulars	Period ended	
	31-03-10	31-03-09
<b>A. Deferred Tax Liability :</b>		
Related to Fixed Assets	<b>91.36</b>	67.96
<b>B. Deferred Tax assets:</b>		
1. Provision for bad & doubtful debts and advances	<b>0.65</b>	0.63
2. Provision for post retirement medical benefits	<b>4.68</b>	4.68
3. Provision for other employee benefits	-	-
4. Accrued Expenses	<b>0.59</b>	4.06
5. Other provisions	<b>0.56</b>	0.55
<b>TOTAL (B)</b>	<b>6.48</b>	9.92
<b>C. Net Deferred Tax Liability (A-B)</b>	<b>84.88</b>	58.04

**3.0 Discontinuing Operations (AS-24) :**

It has been decided to lease / sell the plant and machinery of Silica Sand Project, Lalapur and action has been initiated accordingly. Pending the above and as the transactions of the unit are not material, no further disclosure under the standard is considered necessary.

**4.0 Intangible Assets (AS-26) : R&D**

The Research & Development expenditure, charged to Profit & Loss account is Rs. 13.25 crore (previous year Rs.17.36 crore), including expenditure of Rs. 2.21 crore (previous year Rs.10.38 crore) on feasibility studies.

**5. Impairment of Assets (AS - 28) :**

During the year, the Hon'ble Supreme Court has revoked the suspension of the activities of Panna Diamond Project, subject to certain conditions. After complying with the conditions, the unit has restarted its regular operations with effect from 19 June 2009 and accordingly, the impairment loss provided during earlier years has been reversed.

There is no change during the year in the status of impaired UPFO plant, which is under 'care & maintenance'.

# NMDC Limited

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 necessary adjustments have been carried out as detailed below :

Unit	Year of impairment	Impaired Amount as on 01-04-09	Adjustments during 2009-10		Impaired Amount as on 31-03-10
			Reversal	Addition	
UPFO, Vizag	2005-06	37.46	-	-	37.46
SSP, Lalapur	2005-06	12.54	-	-	12.54
DMP, Panna	2006-07	22.61	22.61	-	-

The Recoverable amount of the assets of the above units 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.

**6. Provisions, Contingent Liabilities and Contingent Assets (AS-29) :** Necessary details in regard to provisions have been disclosed in Schedule 12-Provisions.


**7. Others :**


- 7.1** Govt. of India, Ministry of Corporate Affairs through letter dated 18th Jan 2010 has approved the merger of M/s Sponge Iron India Ltd (SIIL) with NMDC Ltd. Legal formalities for merger of M/s SIIL with the Company are under progress. Pending merger of M/s SIIL with the Company, no accounting adjustments have been made.
- 7.2** The undistributed golden jubilee gifts pertaining to the eligible employees are kept in the custody of the Company.
- 7.3** A liability of Rs 0.31 crore has been made during the current year, towards Rehabilitation Cess u/s 441A of the Companies Act, 1956 at the minimum rate of 0.005% on the turnover (cumulative provision Rs 1.55 crore (Previous year Rs. 1.24 crore)) and the same is not remitted to Central Govt., in the absence of any notification issued by the Central Govt. in this regard.
- 7.4** The rate of royalty on iron ore has been revised from fixed rate per tonne to Advalorem basis @ 10% on the sale price with effect from 13th August 2009. Consequently, the increased charge of royalty to the P&L account for the year is Rs 313.51 cr.
- 7.5** During the year, the Government has disinvested its holding to the tune of 8.38% of Company's equity share capital resulting in reduction in Government's holding to 90% from 98.38% as on 31/03/2009.
- 7.6** Replies to some of the letters seeking confirmation of balances with regard to Sundry Debtors, Advances and Deposits are awaited.
- 7.7** Figures for the previous period have been regrouped wherever considered necessary so as to conform to the classification of the current period.

Subject to our Report of even date

For and on behalf of the Board

**For RAMAMOORTHY (N) & Co.,**  
Chartered Accountants

  
**(CA SURENDRANATH BHARATHI)**  
Partner  
Membership No. 23837

  
**(S. THIAGARAJAN)**  
Director (Finance)

  
**(RANA SOM)**  
Chairman-cum-Managing Director

  
**(KUMAR RAGHAVAN)**  
Company Secretary

Place : New Delhi  
Date : 22-05-2010

# NMDC Limited

## Schedule - 24 : Expenditure on Social Amenities

(Rs. in Crore)

Description	For the Period ended 31st March, 2010						For the Period ended 31st March, 2009
	Township	School & Educational Facilities	Medical Facilities	Social & Cultural Activities	Transport	Total	
Consumption of Stores & Spares	0.48	–	0.12	–	0.15	0.75	0.81
Power	4.93	0.60	0.96	1.09	–	7.58	7.36
Salaries, Wages & Bonus	10.51	2.14	7.57	–	1.15	21.37	20.40
Contribution to Provident Fund	0.77	0.15	0.61	–	0.10	1.63	1.82
Group Gratuity	1.25	0.25	0.88	–	0.14	2.52	2.76
Welfare Expenses	0.83	6.33	10.74	0.35	0.96	19.21	18.59
Repairs & Maintenance	6.72	1.85	4.01	0.09	0.99	13.66	9.24
Rates, Taxes & Insurance	0.02	–	–	–	–	0.02	0.18
Other Expenses	0.95	0.24	0.24	–	0.35	1.78	2.04
Depreciation	(0.06)	0.16	0.19	0.02	0.18	0.49	3.37
<b>Total Expenditure</b>	<b>26.40</b>	<b>11.72</b>	<b>25.32</b>	<b>1.55</b>	<b>4.02</b>	<b>69.01</b>	66.57
Less: Receipts	0.79	0.04	0.78	–	0.01	1.62	1.54
<b>Net Expenditure</b>	<b>25.61</b>	<b>11.68</b>	<b>24.54</b>	<b>1.55</b>	<b>4.01</b>	<b>67.39</b>	65.03

# NMDC Limited

## Schedule - 25 : Additional Information on Expenditure on Foreign Travel & Public Relations/Publicity

(Rs. in Crore)

Details	For the Period ended 31st March, 2010	For the Period ended 31st March, 2009
1. Expenditure on Foreign Travel :		
1.1 Number of Foreign Tours undertaken (No)	<b>50</b>	56
1.2 Expenditure incurred	<b>1.82</b>	1.41
2. Details of expenditure on Public Relations/Publicity :		
2.1 Expenditure on Public Relations/Publicity	<b>8.90</b>	11.95
2.2 Expenditure on staff engaged on Public Relations/Publicity works :		
2.2.1 Salaries & Allowances	<b>0.13</b>	0.14
2.2.2 Welfare Expenses	-	-
2.2.3 Other Expenses	-	-
	<u><b>0.13</b></u>	<u>0.14</u>
2.3 Ratio of Annual expenditure on Advertisement/Publicity to Annual Income	<b>1 : 797</b>	1 : 707



# NMDC Limited

## Cash Flow Statement for the Period ended 31st March, 2010

(Rs. in Crore)

	Period ended 31-Mar-10	Period ended 31-Mar-09
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxes and Extraordinary items	5,207.32	6,648.23
<i>Adjustments for :</i>		
Depreciation	73.16	73.56
Interest on deposits with banks	-831.73	-866.96
Interest - Others	-2.84	-1.83
Prov for bad & doubtful advances & Misc.losses written off	0.65	0.70
Profit/loss on sale of fixed assets	-1.28	0.05
Deferred revenue expenditure written off	3.46	3.46
Operating profit before working capital	4,448.74	5,857.21
<i>Adjustments for :</i>		
Increase(-)/Decrease(+) in Inventories	3.71	-136.32
Increase(-)/Decrease(+) in Receivables	600.24	-539.53
Increase(-)/Decrease(+) in Loans & Advances	-79.13	-91.61
Increase(-)/Decrease(+) in other current assets	134.47	-112.09
Increase(+)/Decrease(-) in current Liabilities & Provisions	266.44	93.13
Cash Generated from Operations	5,374.47	5,070.79
Interest paid	-	-
Direct taxes	-1,770.46	-2,292.45
<b>Net Cash Flow from Operating Activities</b>	3,604.01	2,778.34
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-114.02	-252.33
Increase(-)/Decrease(+) in Capital work in progress	-307.78	-136.48
Purchase of Investments	-4.60	-11.27
Interest on deposits with Banks	831.73	866.96
Interest-others	2.84	1.83
Sale of Investments	-	23.01
Sale/Deletion of Fixed Assets	1.62	0.15
Increase(-)/Decrease(+) in Deferred Revenue Expenditure	-3.24	-1.11
<b>Net Cash from Investing Activities</b>	406.55	490.76

# NMDC Limited


	Period ended 31-Mar-10	Period ended 31-Mar-09
(Rs. in Crore)		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Payment of dividends	-765.22	-622.46
Tax on dividend	-130.05	-105.79
Net cash used in Financing Activities	-895.27	-728.25
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	<u>3,115.29</u>	<u>2,540.85</u>
Cash & Cash equivalents at the beginning of the year	9,739.65	7,198.80
Cash & Cash equivalents at the end of the year	<u>12,854.94</u>	<u>9,739.65</u>
	<u>3,115.29</u>	<u>2,540.85</u>
<u>Components of Cash &amp; Cash equivalents:</u>		
Cash & Cheques on hand	6.09	1.23
Balances with Scheduled banks		
in Current account	72.87	36.79
in Term deposit account	12,775.70	9,701.40
Balances with other banks	0.28	0.23
	<u>12,854.94</u>	<u>9,739.65</u>

Out of the term deposit account, Rs.60 crore (Previous Year Rs.71 Crore) offered as Security for Bank Guarantees and Letter of credit.

Subject to our Report of even date

For and on behalf of the Board

**For RAMAMOORTHY (N) & Co.,**  
Chartered Accountants

  
**(CA SURENDRANATH BHARATHI)**  
Partner  
Membership No. 23837

  
**(S. THIAGARAJAN)**  
Director (Finance)

  
**(RANA SOM)**  
Chairman-cum-Managing Director

  
**(KUMAR RAGHAVAN)**  
Company Secretary

Place : New Delhi  
Date : 22-05-2010

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# NMDC - SARL

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## Annual Report 2008-2009

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## NMDC SARL

Villa No.2, Cite Sarda Les Peches, Antanimora  
BP 3791, Antananarivo 101, Madagascar

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# NMDC - SARL

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## Directors' Report on the Annual Accounts for the Financial Year ended 30th June 2009

To  
Shareholders,  
NMDC SARL

Dear Shareholders

The NMDC SARL (a Wholly Owned Subsidiary of NMDC) is a Company registered under Malagasy right having a registered capital of 5,000,000 FMG (Five million Malagasy Francs). Its main activity is prospecting, exploration and exploitation of high value mineral deposits in Madagascar. The Company had suspended its operation from March 2002 due to disturbed political situation in the country and also due to poor exploration results.

In view of the above, NMDC took a decision to wind up NMDC SARL. The process of winding up is on hand. There have been no transactions after March 2002.

No transactions pertaining to the company have occurred during the financial year ended on 30th June 2009. Hence only the Balance Sheet has been reproduced without any change from the previous year's figures.

Sd/  
**S Venkatesan**  
Director - Manager

# NMDC - SARL

## Balance Sheet as at 30th June, 2009

	Amount in FMG	
ASSETS	F.Y. 2008-2009	F.Y. 2007-2008
<b>I. <u>FIXED ASSETS</u></b>		
Establishment expenses	738,992,217	738,992,217
Gold Research Expenses	3,081,369,115	3,081,369,115
	3,820,361,332	3,820,361,332
<b><u>CORPOREAL ASSETS</u></b>		
Equipment & Tools	0	0
Vehicles	0	0
Office Equipment & Office furniture	0	0
Computer Equipment	0	0
Office & Accommodation Furniture	0	0
	0	0
<b>TOTAL OF FIXED ASSETS</b>	<b>3,820,361,332</b>	<b>3,820,361,332</b>
<b>II. <u>RUNNING ASSETS</u></b>		
<b>DEBTS</b>		
* VAT Credit	0	0
* Prepaid advance for company tax profit (IBS)	0	0
* Other Debts	0	0
<b>LIQUID ASSETS</b>		
* Bank	0	0
* Cash	0	0
	0	0
<b>TOTAL OF RUNNING ASSETS</b>	<b>0</b>	<b>0</b>
<b>III. <u>EARLY NOTED CHARGES</u></b>		
* Advances	0	0
<b>TOTAL GENERAL (I + II + III)</b>	<b>3,820,361,332</b>	<b>3,820,361,332</b>

# NMDC - SARL

## Balance Sheet as at 30th June, 2009

LIABILITIES	Amount in FMG	
	F.Y. 2008-2009	F.Y. 2007-2008
<b>I. EQUITY CAPITAL</b>		
Issued Capital:		
2,000 shares of stock 2500 FMG each	5,000,000	5,000,000
<b>Result pending for affectation</b>	<b>(5,584,099,270)</b>	<b>(5,584,099,270)</b>
<b>Result of the F.Y.: Net Loss</b>	<b>(2,402,324,250)</b>	<b>(2,402,324,250)</b>
<b>Net situation</b>	<b>(7,981,423,520)</b>	<b>(7,981,423,520)</b>
<b>II. DEBTS</b>		
Suppliers and related accounts	0	0
<b>OTHER DEBTS</b>		
Shareholders - operations on the capital	11,801,784,852	11,801,784,852
<b>TOTAL OF DEBTS</b>	<b>11,801,784,852</b>	<b>11,801,784,852</b>
<b>GRAND TOTAL (I + II)</b>	<b>3,820,361,332</b>	<b>3,820,361,332</b>

Sd/-  
**(S Venkatesan)**  
Director - Manager

# J&KMDC Limited

## Twenty First Annual Report 2009-2010

### BOARD OF DIRECTORS

As on 01.05.2010

<b>Shri Rana Som</b>	Chairman
<b>Shri Manzoor Ahmad Shah</b>	Director
<b>Shri R.N. Aga</b>	Director
<b>Shri V.K. Sharma</b>	Director
<b>Shri S. Venkatesan</b>	Director
<b>Shri N.K. Nanda</b>	Director
<b>Shri S. Thiagarajan</b>	Director
<b>Shri V.C. Sharma</b>	Director
<b>Shri Mohd. Imam</b>	Company Secretary

#### Bankers

State Bank of India  
Gandhi Nagar  
Jammu - 180 004

#### Auditors

**M/S. VIJAYA GUPTA & CO.**  
Chartered Accountants  
233-A, UCO Bank Lane  
Gandhi Nagar  
Jammu - 180 004

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## J&K Mineral Development Corporation Limited

(A Subsidiary of NMDC Limited)

Regd. Office : 143-A, Gandhi Nagar, Jammu - 180 004

Phone : 0191-2431396, Fax No.0191-2436950

jkmdc@nmdc.co.in

## Directors' Report for the year 2009 - 2010

To  
The Members  
**J&K Mineral Development Corporation Ltd.**  
Jammu.

I have pleasure in presenting to you on behalf of the Board of Directors, the Twenty First Annual Report of your Company for the year ended 31 March 2010.

### 1. Present Status

After an initial phase of uncertainty regarding the future of the Project due to inadequate demand in the market which took the Company almost on the verge of closure, JKML Board in its 157th meeting held on 30.11.2004 decided to review the matter and desired to ascertain the demand for raw Magnesite ore by market survey from within and outside the state of J&K and to work out its competitiveness for sale in the market vis-a vis imported material considering the change in present market scenario.

Keeping in line with the requirement of JKML, the Board of J&KMDC Ltd decided to conduct various market surveys. For incurring the expenditure, the Board of NMDC Ltd. decided to take up the above studies and in its 396th Meeting held on 30.05.2007, it was decided to continue support for a further period of two years.

Further, NMDC Ltd., in its 409th Board Meeting held on 28.01.2009, decided to provide additional support of Rs. 12 lakh (approx) during the financial year 2008-09 and continue to support the set-up for further two years from 01.04.2009 to 31.03.2011 by contributing Rs. 20 lakh per annum. NMDC in its 419th Board meeting approved additional fund of Rs 10.00 lakh for FY 2009-10.

NMDC Ltd submitted lease renewal application with Government of Jammu & Kashmir for Panthal Magnesite deposit for a further period of 20 years with effect from 02.01.2009 and also furnished an Undertaking in the shape of Board Resolution for transfer of the same to J&KMDC Ltd., after its renewal. The lease has been renewed in favour of NMDC with effect from the date the present

lease expired i.e. 11.01.2009 for a period of ten years subject to some major conditions like transfer of mining lease in favour of J&KMDC within a period of one year, that NMDC shall pay to Shri Mata Vaishno Devi Shrine Board (SMVDSB) the requisite fund as per the demand raised by the Shrine Board towards cost of felled trees, compensatory afforestation and net present value of land of 26.42 hectare.

The Detailed Project Report (DPR) of Panthal Magnesite Project has been prepared by M/s MECON, Ranchi in May 2009 and Due-diligence (DDR) of the same with a Capex of 122.89 crore completed by M/s IFCI, Hyderabad in August 2009. The DPR and DDR with Capex of Rs 122.89 crore for the Panthal Magnesite Project were approved by J&KMDC Board. Public Hearing (P.H) for the Project was conducted successfully on 04.03.2010. Proceedings of the P.H are being submitted by J&K SPCB to Ministry of Environment & Forest, Govt. of India for environment clearance. Appointment of EPCM Consultant for construction of the Project is in the final stage. Demand Note of Rs 2.36 crore has been raised by SMVDSB towards cost of felled trees, compensatory afforestation and net present value of land of 26.42 hectare. The amount is being deposited. Preliminary scheme for water for the Plant has been submitted by Public Health and Engineering Division, Reasi. Power availability Certificate for 1428 KVA has been issued by Superintending Engineer, System and Operation Circle-I, Jammu.

The Company has not produced sized raw Magnesite during the year 2009-2010. The total expenditure incurred during 2009-10 including provision for taxation is Rs. 59.56 lakh.

### 2. Share Capital

The Authorized Share Capital of the Company is Rs.10.00 crore divided into 10,00,000 Equity Shares of Rs. 100/- each. Your Company has issued till 31st March, 2010, 3,96,002 Equity Shares of Rs.100/- each fully paid to NMDC



# J&KMDC Limited

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Limited (including 1,07,937 shares of Rs.100/- each other than cash) and 78,001 Equity Shares of Rs.100/- each fully paid to J&K Minerals Ltd, against cash received. The total paid up share capital of the Company as on 31st March, 2010 stands at Rs.4.74 crore against the subscribed capital of Rs. 6.00 crore.

NMDC Limited is advancing the loan to meet the day-to-day expenditure of the Company in the absence of Equity subscription and further funding from J&KML. The loan amount advanced by NMDC is Rs. 553.07 lakh up to 31.3.2010.

### 3. Statutory Information

- (i) Under the provisions of Section 217(2-A) of the Companies Act, 1956 read with the Companies (particulars of the employees) Rules 1975, no employee of your Company was in receipt of remuneration as prescribed under the said rules.
- (ii) Further, under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the information regarding conservation of energy, technology absorption, foreign exchange earnings and out go concerning your Company is 'NIL'.

### 4. Audit

M/s Vijaya Gupta & Co., Chartered Accountants, Jammu, have been appointed on the advice of the Office of the Comptroller and Auditor General of India as the statutory auditors of your Company for the year 2009-2010. The Statutory Auditors' comments on the Accounts of the Company for the year 2009-2010 and the Management's reply thereon are at Annexure-I, which forms part of this Report.

The Comments of Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the year 2009-2010 are at Annexure-II, which forms part of this Report.

### 5. Board of Directors: (as on 31st March, 2010)

During the year Shri S. Thiagarajan was nominated by NMDC Limited in place of Shri K.R. Venkateswarlu and he was appointed as Additional Director on the Board of the Company.

Board placed on record its appreciation for the valuable services rendered and contribution made by Shri K.R. Venkateswarlu during his tenure on the Board of the Company.

### 6. Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31 March 2010 on a 'going concern' basis.

### 7. (a) Board Meetings

During the year under review five (5) Board meetings were held as required under the provisions of the Companies Act, 1956.

# J&KMDC Limited

**(b) Audit Committee**

The provisions under Section 292-A of the Companies Act, 1956, for constitution of Audit Committee of Directors is not applicable to the Company.

**8. Corporate Governance**

The guidelines on Corporate Governance for Central Public Sector Enterprises 2007 issued by the Government of India, Department of Public Enterprises under explanation to clause 5.3 states: 'For the purpose of these guidelines, only those subsidiaries whose turnover or net worth is not less than 20% of the turnover or networth of the Holding Company may be treated as subsidiary companies.'

Since the turnover and net worth of J&KMDC is much less than 20% of the turnover and net worth of NMDC, the provisions of the

Corporate Governance on subsidiary companies have been regarded as not applicable to J&KMDC.

**9. Acknowledgement**

Your Directors appreciate the efforts put in by the employees of your Company and the employees of NMDC Ltd., who have been closely associated with the project. The Directors gratefully acknowledge the assistance, support and valuable guidance given to your Company by the Government of India (Ministry of Steel), NMDC Ltd., J&K Minerals Limited and the Government of Jammu and Kashmir.

For and on behalf of Board



Place : Hyderabad  
Date : 18.05.2010

**Rana Som**  
Chairman

## Annexure - I

### REPLIES OF THE MANAGEMENT ON COMMENTS OF THE STATUTORY AUDITORS' REPORT-2009-10

Auditors' Comments	Management's Reply
<p><b>Point No.9 to Annexure to Auditors' Report</b></p> <p>According to the information and explanations given to us the internal control for purchase of inventory and fixed assets and for sale of goods during the year has been exercised by employees of the holding Company (NMDC Limited), who are neither the employees of the Company nor are they bound by any contract between the Company and them for providing such service (of internal control) to the Company and such system of control lacks the essential principle of accountability in any internal control mechanism. As such the internal control procedure commensurate with the size of the Company and nature of its business for purchase of stores, equipments, etc. can not be termed as adequate.</p>	<p>As the scale of operations in the project was at a very low level and did not warrant recruitment and posting of employees by the Company, the services of experienced personnel of NMDC were utilized for assistance to examine and process the proposals of the Company. These proposals were approved by Director-in-Charge of the Company as per the delegation. As and when the scale of operations goes up, required manpower will be recruited to take care of the operations and to implement the internal control procedures.</p>

# J&KMDC Limited

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## Annexure - II

**Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of J&K Mineral Development Corporation Limited for the year ended 31 March 2010.**

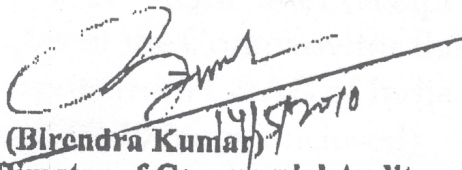
The preparation of financial statements of J&K Mineral Development Corporation Limited for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 01 May 2010.

I on behalf of the Comptroller and Auditor General of India have decided not to review the report of the Statutory Auditors' on the accounts of J&K Mineral Development Corporation Limited for the year ended 31 March 2010 and as such have no comments to make under Section 619(4) of the Companies Act 1956.

**For and on behalf of the  
Comptroller and Auditor General of India**

**Place: New Delhi**

**Dated: 14 May 2010**

  
**(Birendra Kumar)**  
**Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-I,  
New Delhi.**

## Auditors' Report

To  
The Members  
**J&K Mineral Development Corporation Ltd.**  
Jammu

We have audited the attached Balance Sheet of J&K Mineral Development Corporation Limited, as at 31st March 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

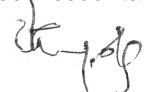
Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the

Company so far as appears from our examination of those books;

- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) As per information and explanations given to us, the clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not applicable to this Company;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to para 9 of our report hereto as required by the Companies (Auditors Report) Order, 2003, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
  - b) In the case of Profit & Loss Account, of the loss for the year ended on that date.

For **VIJAYA GUPTA & CO.**  
Chartered Accountants

  
**(VIJAY GUPTA)**

Place : Hyderabad  
Date : 01-05-2010

Proprietor  
Memb.No.080034



## Annexure to the Auditors' Report

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and in terms of information and explanations given to us and on the basis of such checks as we considered appropriate, we report that:

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 2) Fixed assets are stated to have been physically verified by the management at the end of the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies are reported to have been noticed on such verification.
- 3) The Company, during the past period, has transferred a few of the assets to its Holding Company on book value basis.
- 4) Physical verification has been conducted by the management at the end of the year in respect of inventory and in our opinion such frequency of verification is reasonable.
- 5) According to the information and explanations given to us, in our opinion, the procedure of physical verification in respect of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- 6) The Company is maintaining proper records of inventory and no discrepancies are reported to have been noticed on physical verification.
- 7) The Company has not granted any loan, secured or unsecured, to the Companies, firms or other parties falling within the purview of Section 301 of the Companies Act 1956 and hence no such registers are reported to have been maintained. The Company has taken certain amounts from its holding Company N.M.D.C. Ltd. during the year and the maximum balance involved during the year was Rs.31.46 lakhs and the year end balance of such loan stands at Rs.553.07 lakhs.
- 8) The Company has taken interest free amounts from its Holding Company NMDC Ltd during the year. The terms and conditions of such advance are prima facie not prejudicial to the interest of the Company.
- 9) **According to the information and explanations given to us the internal control for purchase of inventory and fixed assets and for sale of goods during the year has been exercised by employees of the holding Company (N.M.D.C.Ltd.), who are neither the employees of the Company nor are they bound by any contract between the Company and them for providing such service (of internal control) to the Company and such system of control lacks the essential principle of accountability in any internal control mechanism. As such the internal control procedure commensurate with the size of the Company and nature of its business for purchase of stores, equipments, etc. can not be termed as adequate.**
- 10) In our opinion according to the information and explanations given to us no purchase of goods and material & for sale of goods have been made in pursuance of contracts or arrangements under section 301 of the Companies Act 1956 as aggregate to Rs. 5,00,000 or more in respect of each party and no such registers are reported to have been maintained.
- 11) The Company has not accepted any deposits from the public as defined under Section 58 A of the Companies Act 1956.
- 12) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 13) Maintenance of cost records has not been prescribed by the Central Government under

# J&KMDC Limited

- Section 209 (1) (d) of the Companies Act 1956 for this Company.
- 14) i) According to the information and explanations given to us and the records examined by us, the Company has been generally regular in depositing with appropriate Authorities, undisputed Statutory dues including P.F., investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- ii) According to the information and explanations given to us and the records examined by us, there were no undisputed amounts payable in respect of Income Tax, Sales Tax, Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues wherever applicable etc. as at 31st March 2010 which were outstanding for a period of more than 6 months from the date of they became payable, except for a sum of Rs.27.42 lakhs based on the decision of Income Tax Tribunal for which, as explained, demand from Income Tax Department has not yet been received.
- 15) There were no pending dispute for dues of sales tax/Income Tax/custom Duty/wealth Tax, Service Tax, excise duty/cess.
- 16) Accumulated losses of the Company at the end of the financial year-2009-2010, are more than its net worth and the Company has suffered cash losses in current as well as in the immediately preceding financial year.
- 17) The Company has not taken any loan from Financial Institution or bank or debenture holder for the year.
- 18) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 19) The provisions of any special statute applicable to chit fund are not applicable to this Company.
- 20) The Company is not dealing or trading in shares, securities, debentures and other investments.
- 21) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from the Bank or Financial Institutions during the year.
- 22) The Company has not taken any term loans during the year.
- 23) No funds raised during the year on short term basis have been used for long term investment.
- 24) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.
- 25) The Company has not issued any debentures and hence no creation of securities was required.
- 26) The Company has not made any public issue during the year.
- 27) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **VIJAYA GUPTA & CO.**  
Chartered Accountants



**(VIJAY GUPTA)**

Place : Hyderabad  
Date : 01-05-2010

Proprietor  
Memb.No.080034

## Significant Accounting Policies

### 1. Incidental expenditure during construction period:

Expenditure incurred by the Company during the construction / trial runs of the project (including interest on borrowed capital, if any) are capitalized.

### 2. Depreciation:

2.1 Depreciation is charged on straight line method based on the life of the asset determined on technical assessment. The rates are equal to or higher than those prescribed under schedule XIV of the Companies Act, 1956. The depreciation is charged on pro rata monthly basis on additions/disposal of assets during the year taking the first day of the month for acquisition and the last day of the month for disposal.

2.2 Plant & Machinery, electrical installations, sanitary and water supply installations, office installations, office appliances and other equipments and those assets grouped under the category of "other assets" individually costing Rs.5,000/- and below are depreciated fully in the year of use till 15th December 1993. From 16th December 1993 onwards assets of all description valuing Rs. 5,000/- or below are depreciated fully during the year of use.

### 3. Miscellaneous Expenditure:

Development expenses (pre-construction expenses), expenditure on removal of over burden and preparation of Mining benches and preliminary expenses are amortised in five annual installments from the year of commencement of commercial production.

### 4. Inventories:

4.1 Items of inventory as certified by the management are valued on the basis mentioned below:

4.1.1 Finished Goods are valued at cost or Net Realisable Value, whichever is lower.

4.1.2 Stores and Spares (excluding stationery, which is charged off to revenue on procurement) at cost on weighted average method.

4.1.3 Loose tools and implements on stock (items issued during the year are charged off in that year) at cost.

4.2 No credit is taken in the accounts in respect of the following:

4.2.1 Stock of run of mine ore and dumped fines.

4.2.2 Stock of run of mine ore generated during construction period pending assessment of quality and saleability.

4.2.3 Partly used stores and spares kept in stores.

### 5. Employees benefits:


5.1 Provident fund contributions are made as per the provisions of the J&K Employees Provident Fund Act, 1961 and deposited with Regional Provident Fund Authorities, Jammu.

5.2 Provision for Gratuity and Leave Encashment are made based on accrued liability at the end of each financial year.

In terms of our report of even date

For and on behalf of Board

For **VIJAYA GUPTA & CO.**  
Chartered Accountants


  
**(VIJAY GUPTA)**  
Proprietor  
Memb. No.-080034

  
**(S.THIAGARAJAN)**  
Director

  
**(N.K. NANDA)**  
Director

  
**(RANA SOM)**  
Chairman

Place : Hyderabad  
Date : 01.05.2010

  
**(MOHD. IMAM)**  
Company Secretary

Hyderabad  
01.05.2010

# J&KMDC Limited

## Balance Sheet as at 31st March, 2010


		(Rupees)	
Description	Schedule No.	As at 31st March, 2010	As at 31st March, 2009
<b>Sources of Funds</b>			
Share Capital	1	4,74,00,300	4,74,00,300
Loans		Nil	Nil
<b>TOTAL</b>		<b>4,74,00,300</b>	<b>4,74,00,300</b>
<b>Application of Funds</b>			
Fixed Assets:			
Gross Block	2	7,30,85,056	4,95,08,312
Less : Depreciation		4,52,20,957	4,27,86,323
Net Block		2,78,64,099	67,21,989
Capital Work In Progress	3	Nil	Nil
		<b>2,78,64,099</b>	<b>67,21,989</b>
Current Assets, Loans & Advances:			
Inventories	4	36,839	36,839
Cash & Bank Balances	5	66,220	1,37,989
Loans and Advances	6	2,21,572	5,309
		<b>3,24,631</b>	<b>1,80,137</b>
Less : Current Liabilities & Provisions:			
Current Liabilities	7	8,12,71,798	5,43,92,519
Provisions	8	37,10,709	33,47,123
		<b>8,49,82,507</b>	<b>5,77,39,642</b>
Net Current Assets		<b>-8,46,57,876</b>	<b>-5,75,59,505</b>
Miscellaneous Expenditure: (to the extent not written off or adjusted)	9	Nil	Nil
Profit & Loss Account(Debit Balance)		<b>10,41,94,077</b>	<b>9,82,37,816</b>
<b>TOTAL</b>		<b>4,74,00,300</b>	<b>4,74,00,300</b>

Accounting Policies & Schedules 1 to 16 form part of Accounts.

In terms of our report of even date

For and on behalf of Board


For **VIJAYA GUPTA & CO.**  
Chartered Accountants

  
**(VIJAY GUPTA)**  
Proprietor  
Memb. No.-080034

  
**(S. THIAGARAJAN)**  
Director

  
**(N.K. NANDA)**  
Director

  
**(RANA SOM)**  
Chairman

  
**(MOHD. IMAM)**  
Company Secretary

Place : Hyderabad  
Date : 01.05.2010

Hyderabad  
01.05.2010



# J&KMDC Limited

## Profit & Loss Account for the year ended 31st March, 2010

(Rupees)

Description	Schedule No.	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
<b>Income:</b>			
Sales		Nil	Nil
Other Income		Nil	Nil
Accretion / (Decretion) to stock	10	Nil	Nil
<b>TOTAL</b>		<b>Nil</b>	<b>Nil</b>
<b>Expenditure:</b>			
Sizing, sorting & transportation		Nil	Nil
Consumption of Stores & Spares		Nil	Nil
Electricity charges		22,418	20,232
Payments & Benefits to employees	11	9,59,149	13,64,423
Repairs & Maintenance	12	19,756	14,080
Royalty & Cess		7,55,049	8,63,823
Selling Expenses		Nil	Nil
Other Expenses	13	16,33,714	6,35,143
Depreciation		24,34,634	2,705
Miscellaneous Expenditure written off	14	Nil	Nil
<b>TOTAL</b>		<b>58,24,720</b>	<b>29,00,406</b>
Profit/(Loss) before prior Year items		(58,24,720)	(29,00,406)
Add/(Less) prior Year items		Nil	Nil
Profit/(Loss) before Taxes		(58,24,720)	(29,00,406)
Provision for Taxation - Earlier Years Tax		1,31,541	1,31,541
- Fringe Benefits Tax		Nil	10,908
Profit/(Loss) after tax		(59,56,261)	(30,42,855)
Loss brought forward from previous Year		(9,82,37,816)	(9,51,94,961)
Loss carried over to Balance Sheet		(10,41,94,077)	(9,82,37,816)
Detailed Information	15		
Notes Forming Part of Accounts	16		

Accounting Policies & Schedules 1 to 16 form part of Accounts.

In terms of our report of even date

For and on behalf of Board

For **VIJAYA GUPTA & CO.**  
Chartered Accountants

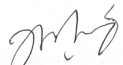
  
**(VIJAY GUPTA)**  
Proprietor  
Memb. No.-080034

  
**(S. THIAGARAJAN)**  
Director

  
**(N.K. NANDA)**  
Director

  
**(RANA SOM)**  
Chairman

Place : Hyderabad  
Date : 01.05.2010

  
**(MOHD. IMAM)**  
Company Secretary

Hyderabad  
01.05.2010

# J&KMDC Limited

## Schedules

### Schedule - 1 : Share Capital

	(Rupees)	
Description	As at 31st March, 2010	As at 31st March, 2009
<b>Share Capital :</b>		
<b>Authorised:</b>		
10,00,000 Equity Shares of Rs.100 each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
<b>Issued:</b>		
6,00,003 Equity shares of Rs.100 each	<u>6,00,00,300</u>	<u>6,00,00,300</u>
<b>Subscribed &amp; paid up:</b>		
4,74,003 Equity shares of Rs.100 each	<u>4,74,00,300</u>	4,74,00,300
(includes 1,07,937 Shares for consideration other than cash) (out of above shares issued 3,96,002 shares (previous year 3,96,002 shares) are held by Holding company i.e. M/s NMDC Ltd)		
<b>TOTAL</b>	<u><u>4,74,00,300</u></u>	<u><u>4,74,00,300</u></u>

Shares yet to be subscribed and paid up by the Holding company(NMDC) is 48,000 shares of Rs.100 each (previous year 48,000 shares of Rs.100 each) amounting to Rs.48,00,000/- (previous year Rs.48,00,000/-) and other promoter M/S.JKML is 78,000 shares of Rs.100 each (previous year 78,000 shares of Rs.100 each) amounting to Rs.78,00,000/- (previous year Rs.78,00,000/-).

# J&KMDC Limited

## Schedule - 2 : Fixed Assets

(Rupees)

Description	G R O S S B L O C K				
	Life (Yrs)	As at 31st March, 2009	Additions/ Adjustments	Deduction/ Adjustments	As at 31st March, 2010
Freehold Land	–	66,43,544			<b>66,43,544</b>
Lease hold Land	10	Nil	2,35,69,144		<b>2,35,69,144</b>
Roads & Bridges	28	3,90,21,484			<b>3,90,21,484</b>
Building-Non Factory	29	9,15,501			<b>9,15,501</b>
Building-Factory	28	9,67,284			<b>9,67,284</b>
Plant & Machinery	7	Nil			<b>Nil</b>
Heavy Mobile Equipment	7	Nil			<b>Nil</b>
Electrical Installation	10	63,800			<b>63,800</b>
Vehicles	6	1,78,539			<b>1,78,539</b>
Furniture	10	2,36,673			<b>2,36,673</b>
Internal Communications	18	36,643			<b>36,643</b>
Other Assets	12	14,44,844	7600		<b>14,52,444</b>
<b>TOTAL</b>		4,95,08,312	23576744	Nil	<b>7,30,85,056</b>
Figures for previous year		4,94,27,162	81150	Nil	4,95,08,312

Description	D E P R E C I A T I O N						N E T B L O C K	
	Upto 31st March, 2009	For the period	Asset impairment	Prior Period Adjustments	Deduct- ion/Adjust- ments	Upto 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
Freehold Land	Nil	Nil	Nil			<b>Nil</b>	<b>66,43,544</b>	66,43,544
Lease hold Land	Nil	24,17,348	Nil			<b>24,17,348</b>	<b>2,11,51,796</b>	Nil
Roads & Bridges	3,90,21,484	Nil	Nil			<b>3,90,21,484</b>	<b>Nil</b>	Nil
Building-Non Factory	9,15,501	Nil	Nil			<b>9,15,501</b>	<b>Nil</b>	Nil
Building-Factory	9,67,284	Nil	Nil			<b>9,67,284</b>	<b>Nil</b>	Nil
Plant & Machinery	Nil	Nil	Nil			<b>Nil</b>	<b>Nil</b>	Nil
Heavy Mobile Equipment	Nil	Nil	Nil			<b>Nil</b>	<b>Nil</b>	Nil
Electrical installation	63,800	Nil	Nil			<b>63,800</b>	<b>Nil</b>	Nil
Vehicles	1,78,539	Nil	Nil			<b>1,78,539</b>	<b>Nil</b>	Nil
Furniture	2,36,673	Nil	Nil			<b>2,36,673</b>	<b>Nil</b>	Nil
Internal Communications	36,643	Nil	Nil			<b>36,643</b>	<b>Nil</b>	Nil
Other Assets	13,66,399	17,286	Nil			<b>13,83,685</b>	<b>68,759</b>	78,445
<b>TOTAL</b>	4,27,86,323	24,34,634	Nil	Nil	Nil	<b>4,52,20,957</b>	<b>2,78,64,099</b>	67,21,989
Figures for previous year	4,27,83,618	2,705	Nil	Nil	Nil	4,27,86,323	67,21,989	66,43,544

## J&KMDC Limited

### Schedule - 3 : Capital Work in Progress

(Rupees)

Description	As at 31st March, 2010	As at 31st March, 2009
Construction Work in Progress	14,92,114	14,92,114
Capital Assets in Stores awaiting /under installation or in transit	Nil	Nil
	<u>14,92,114</u>	<u>14,92,114</u>
Less : Provision	14,92,114 Nil	14,92,114 Nil
<b>TOTAL</b>	<u><u>Nil</u></u>	<u><u>Nil</u></u>

### Schedule - 4 : Inventories (As valued and certified by the management)

(Rupees)

Description	As at 31st March, 2010	As at 31st March, 2009
Stores & Spares	Nil	Nil
Finished goods	36,839	36,839
<b>TOTAL</b>	<u><u>36,839</u></u>	<u><u>36,839</u></u>

1. Basis of valuation of various items of Inventory is given in accounting policy.

### Schedule - 5 : Cash and Bank Balances

(Rupees)

Description	As at 31st March, 2010	As at 31st March, 2009
Cash and Cheques on hand	1,216	15,444
Balance with Scheduled Banks		
In Current Account :		
State Bank of India, Jammu	65,004	1,22,545
Canara Bank, Jammu	Nil	Nil
Canara Bank, Hyderabad	Nil	Nil
<b>TOTAL</b>	<u><u>66,220</u></u>	<u><u>1,37,989</u></u>

# J&KMDC Limited

## Schedule - 6 : Loans and Advances

	(Rupees)	
	As at	As at
Description	31st March, 2010	31st March, 2009
Advances recoverable in cash or kind or for value to be received	2,17,222	3,759
Less : Provision for Bad & Doubtful Advances	Nil	Nil
Advance Tax-Fringe Benefits Tax	1,800	10,168
Less : Provision for Fringe Benefits Tax	Nil	10,168
Deposits with others	2,550	1,550
<b>TOTAL</b>	<b>2,21,572</b>	<b>5,309</b>
Notes :		
Particulars of Loans & Advances :		
a) Loans considered good in respect of which :		
i) The company is fully secured	Nil	Nil
ii) The company holds no security other than the debtors' personal security	2,21,572	5,309
b) Loans & advances considered doubtful and provided for	Nil	Nil
c) Amount due by Directors/ Officers:		
i) Amount Due	Nil	Nil
ii) Maximum Amount Due at any time during the year	Nil	Nil

## Schedule - 7 : Current Liabilities

	(Rupees)	
	As at	As at
Description	31st March, 2010	31st March, 2009
<b>Sundry Creditors</b>		
Outstanding dues - micro enterprises & small enterprises	Nil	Nil
Outstanding dues - Other than micro enterprises & small enterprises	2,57,19,048	21,02,847
Advance from Customers	Nil	29,085
Deposits from Suppliers, Contractors and Others	5,000	5,000
Other Liabilities (*)	5,55,47,750	5,22,55,587
<b>TOTAL</b>	<b>8,12,71,798</b>	<b>5,43,92,519</b>
(*) Includes amount due to Holding Company (M/s.NMDC Limited)	5,53,07,370	5,21,60,881

Note: There are no transactions and outstandings in respect of micro enterprises & small enterprises.

# J&KMDC Limited

## Schedule - 8 : Provisions

(Rupees)

Description	As at 31st March, 2010	As at 31st March, 2009
Gratuity	1,75,611	1,75,385
Accrued Leave	1,65,061	1,64,169
Provision for taxation	27,41,743	26,10,202
Expenses	6,28,294	3,97,367
<b>TOTAL</b>	<b>37,10,709</b>	<b>33,47,123</b>

(Rupees)

	Opening Balance	Adjustment during year	Addition during year	Closing Balance
Gratuity	1,75,385 (1,77,394)	- (33,023)	226 (31,014)	1,75,611 (1,75,385)
Accrued Leave	1,64,169 (1,67,167)	- (31,555)	892 (28,557)	1,65,061 (1,64,169)
Provision for taxation	26,10,202 (24,78,661)	- -	1,31,541 (1,31,541)	27,41,743 (26,10,202)
Expenses	3,97,367 (1,85,037)	- (1,44,314)	2,30,927 (3,56,644)	6,28,294 (3,97,367)
<b>TOTAL</b>	<b>33,47,123</b>	<b>-</b>	<b>3,63,586</b>	<b>37,10,709</b>

Note : Figures in brackets indicates previous year figures.

## J&KMDC Limited

### Schedule - 9 : Miscellaneous Expenditure

(to the extent not written off or adjusted)

	(Rupees)	
Description	As at 31st March, 2010	As at 31st March, 2009
Preliminary Expenses	Nil	Nil
Feasibility Expenditure	Nil	Nil
Mine Development Expenditure	Nil	Nil
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>

### Schedule - 10 : Accretion / (Decretion) to Stock

	(Rupees)	
Description	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
<b>FINISHED GOODS:</b>		
Balance as at close of the Year	36,839	36,839
Less : Balance as at the beginning of the Year	36,839	36,839
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>

## J&KMDC Limited

### Schedule - 11 : Payments and Benefits to Employees

(Rupees)

Description	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
Salaries, Wages & Bonus	8,53,204	11,91,562
Contribution to PF, FPS & EDLI	55,835	81,354
Gratuity	14,110	52,457
Workmen and Staff welfare expenses	36,000	39,050
<b>TOTAL</b>	<b>9,59,149</b>	<b>13,64,423</b>

### Schedule - 12 : Repairs and Maintenance

(Rupees)

Description	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
Plant & Machinery	Nil	Nil
Buildings	Nil	Nil
Vehicles	13,937	10,043
Others	5,819	4,037
<b>TOTAL</b>	<b>19,756</b>	<b>14,080</b>



# J&KMDC Limited

## Schedule - 13 : Other Expenses

	(Rupees)	
Description	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
Rent	2,28,000	1,68,000
Insurance	4,910	4,177
Rates & Taxes	11,356	11,363
Payment to Auditors		
As auditors:		
Audit Fee	15,000	15,000
In other capacity	30,000	Nil
Out Of Pocket Expenses	<u>Nil</u> <b>45,000</b>	<u>Nil</u> 15,000
Miscellaneous Losses written off	<b>Nil</b>	Nil
Provision for other losses (reduction in value of Sub Station- Schedule-3)	<b>Nil</b>	Nil
Miscellaneous Expenses		
Travelling & Conveyance	73,918	52,509
Postage, Telephone & Telex	45,929	36,721
Stationery & Printing	20,411	9,726
Consultancy Charges	Nil	Nil
Security Charges	3,32,871	2,17,383
P.O.L. for Personal Transport	37,220	22,906
Equipment/vehicle Running Exp.(Labour)	Nil	Nil
Environmental Development	4,09,766	Nil
Others	<u>4,24,333</u>	<u>97,358</u>
	<b>13,44,448</b>	4,36,603
<b>TOTAL</b>	<u><b>16,33,714</b></u>	<u><b>6,35,143</b></u>

# J&KMDC Limited

## Schedule - 14 : Miscellaneous Expenditure Written Off

(Rupees)

Description	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
Preliminary Expenses	Nil	Nil
Feasibility Expenditure	Nil	Nil
Mine Development Expenditure	Nil	Nil
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>

## Schedule - 15 : Detailed Information

### 1. Particulars of Licensed capacity, Installed capacity:

Details	Licensed Capacity	Installed Capacity
Raw Magnesite Ore (Sized)	Not applicable	25,000 MT

### 2. Particulars of opening stock, actual production, sales & closing stock:

Description	(Qty. in Metric Ton)			(Value in Rs.)			
	Opening Stock		Actual Production	S a l e s		Closing Stock	
	Qty	Value		Qty	Value	Qty	Value
Raw Magnesite Ore (Sized)	51 (51)	36,839 (36,839)	Nil (Nil)	Nil (Nil)	Nil (Nil)	51 (51)	36,839 (36,839)

Notes: : Figures in brackets pertain to Previous Year.

### 3. Expenditure in foreign currency:

	For the Year ended 31st March, 2010 (Rs.)	For the Year ended 31st March, 2009 (Rs.)
a. Consultancy charges	Nil	Nil
b. Others	Nil	Nil

### 4. Particulars of Consumption of Materials:

	Value (Rs.)	Percentage	Value (Rs.)	Percentage
Components & Spare Parts (including consumable stores)				
a) Imported	Nil	Nil	Nil	Nil
b) Indigenous	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

### 5. Foreign Exchange earnings:

	Nil	Nil
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# J&KMDC Limited

## Schedule - 15 : Detailed Information (Contd..)

### 6. Balance Sheet Abstract and Company's General Business Profile:

#### I. Registration Details:

Registration No.	07-01110 of 1989	State Code-07
Balance Sheet Date	31-03-2010	

#### II. Capital raised during the year:

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

#### III. Position of Mobilisation and Deployment of Funds:

	Total Liabilities	Total Assets
	13,23,82,807	13,23,82,807
<b>Sources of Funds</b>	Paid-up Capital	Reserve & Surplus
	4,74,00,300	Nil
	Secured Loan	Unsecured Loan
	Nil	Nil
<b>Application of Funds</b>	Net Fixed Assets	Investments
	2,78,64,099	Nil
	Net Current Assets	Misc. Expenditure
	-8,46,57,876	Nil
	Accumulated losses	
	10,41,94,077	

#### IV. Performance of Company:

Turnover	Nil	Total Expenditure	58,24,720
Profit Before Tax	-58,24,720	Profit After Tax	-59,56,261
Earnings per Share	Nil		

#### V. Generic Name of Principal Products of the Company (as per monetary terms):

Product Description	Raw Magnesite Ore (Sized)
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## Schedule - 16 : Notes Forming Part of Accounts

### 1. Contingent liabilities


- 1.1 Claims against the Company not acknowledged as debts Rs.134.04 Lakhs (previous Year Rs.129.88 Lakhs).
- 1.2 Estimated amount of Contracts remaining to be executed on capital account & not provided for Rs. Nil (Previous year Rs. Nil).
2. Since the original mining lease for Panthal Magnesite deposit was executed in the name of NMDC Ltd prior to the incorporation of the Company, the same has been renewed in the name of NMDC Ltd. Necessary action to get the lease transferred in the name of the Company will be taken in due course.
3. In pursuance of order of Income Tax Appellate Tribunal, Amritsar, the Company has made a provision for income Tax & interest thereon amounting to Rs.27,41,743/- for the Assessment year -1991-92, 1992-93 and 1993-94 including Rs.1,31,541/- provided for during the current Year.
4. The Board of Directors in 57th meeting held on 23.05.2002 have taken a decision to wind up the Company subject to approval of Govt. of India and State Govt. of Jammu & Kashmir. Subsequently, based on DPR & Due Diligence Report, Board in its 95th meeting held on 19.02.2010 has approved the Capex of Rs.131.89 Crores for setting up of 100TPD DBM Plant. Accordingly, further actions are being taken for appointment of EPCM consultant, environmental clearance, forest clearance, power, water arrangement etc. In view of the above developments towards revival of the project, the accounts are prepared on "going concern" basis.
5. In compliance with AS-28, the Company provided for an impairment loss of Rs. 286.08 lakhs during the year 2005-06, to the extent of 100% of the book value of all assets except for the freehold land. No adjustment is considered necessary for the impairment loss keeping in view the present status of the implementation of expansion activity for revival.
6. An amount of Rs.1,84,865/- was provided during 2000-01 towards amount payable to State Power Development Department of Jammu & Kashmir for construction of sub-station work at mine site, Panthal. No demand from the concerned authorities have, so far, been received in this regard.
7. Considering the past trend of continuous losses and future projections, no provision for the Deferred Tax assets is being made as the same can not be realised as such in the foreseeable future.
8. Schedule and significant accounting policies form an integral part of these accounts.
9. Previous Year figures have been regrouped and rearranged where ever necessary, to make them comparable with current Year figures.
10. Financial figures have been rounded off to nearest rupee.

In terms of our report of even date

For and on behalf of Board

For **VIJAYA GUPTA & CO.**

Chartered Accountants

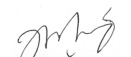
  
**(VIJAY GUPTA)**  
Proprietor  
Memb. No.-080034

  
**(S. THIAGARAJAN)**  
Director

  
**(N.K. NANDA)**  
Director

  
**(RANA SOM)**  
Chairman

Place : Hyderabad  
Date : 01.05.2010

  
**(MOHD. IMAM)**  
Company Secretary

Hyderabad  
01.05.2010

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# NMDC-CMDC Limited

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## Second Annual Report 2009-2010

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## NMDC-CMDC Limited

(A subsidiary of NMDC Limited)  
Regd. Office : "Angela Cottage", H.No.3/883  
Civil Lines, Raipur, Chhattisgarh-492001

# NMDC-CMDC Limited

## Directors' Report for the year 2009 - 2010

The Members,  
**NMDC-CMDC Ltd, (NCL)**  
Raipur.

1. On behalf of the Board of Directors, I take pleasure in presenting the Second Director's Report of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March 2010 and the Report thereon by the Comptroller and Auditor General of India.

### 2. Performance status

Forest application has been filed on 15th October 2008. CF, Jagadapur has forwarded the proposal to CCF, Raipur on 06.10.2009. Wild Life conservation plan report as desired by CCF (Land Management), Raipur was submitted to DFO, Dantewada on 10.01.2010 and the same is forwarded to CCF, Raipur on 19.04.2010. Forest Clearance application has to be processed and forwarded to MoEF, New Delhi by State Forest Department for first stage clearance.

After the consent of NMDC and CMDC Ltd, Environment Clearance application has been submitted to MoEF on 6th Aug 09. Draft EIA/EMP report submitted to CECSB, Raipur on 19.02.2010. Public Hearing is fixed on 05.05.2010 at district headquarters at Dantewada.

TEFR was prepared in July, 2009. Based on TEFR, DPR will be prepared by appointing an outside agency. An independent financial institution will be appointed for due diligence of DPR. Investment decision will be taken by the Board. Persistent Maoist activities is not permitting survey of the area, affecting the Project execution.

Modified mining plan for 10 MTPA has been submitted to IBM on August '09. Final approval expected by May, 2010.

After obtaining the statutory clearances, small scale mining operations to develop road and mine benches shall be initiated.

### 3. Share Capital

The authorized and paid up Equity share capital of the Company is Rs.4.00 crores and Rs. 1.5 crores respectively. The paid up Equity share Capital has been subscribed fully by NMDC Limited, CMDC Ltd and their nominees in the respective ratios. There has been no change in share capital status for the year under review.

### 4. Board of Directors: (as on 31st March, 2010)

As on 31st March, 2010, Shri. Rana Som, Shri. P. Joy Oommen, Shri. Ajay Singh, Shri. R.S. Vishwakarma, Shri N. K. Nanda and Shri. S. K. Trivedi are the directors of the Company.

### 5. Statutory Auditors

Comptroller & Auditor General of India (C&AG) vide their letter dated 31-08-2009 has communicated the appointment of M/s. Dhodi & Associates, Bhilai (CG) in place of M/s. DL Goenka & Co., Raipur as the Statutory Auditors of the Company for the financial year 2009-2010.

The Statutory Auditors' Report on the accounts of the Company for the year 2009-10 is at Annexure-I, which forms part of this Report. The Report of C&AG of India under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the year 2009-2010 are at Annexure-II, which forms part of this Report.

### 6. Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable Accounting Standards have been followed along with

# NMDC-CMDC Limited

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proper explanation relating to material departures;

- (ii) That the Directors have 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 or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31 March 2010 on a 'going concern' basis.

## **7. Particulars of Employees under Section 217(2-A) of the Companies Act, 1956**

Under the provisions of Section 217(2-A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975, no employee of your Company was in receipt of remuneration as prescribed under the said rules.

## **8. Conservation of energy, technology absorption, foreign exchange earnings and outgo under Section 217(1)(e) of the Companies Act, 1956.**

Under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the

information regarding conservation of energy, technology absorption, foreign exchange earnings and out go concerning your Company is 'NIL'.

## **9. Audit Committee**

The provisions under Section 292A of the Companies Act, 1956 regarding constitution of the Audit Committee of the Directors are presently not applicable to the Company.

## **10. Corporate Governance**

The guidelines on Corporate Governance for Central Public Sector Enterprises 2007 issued by the Government of India, Department of Public Enterprises under exemption to clause 5.3 states: 'For the purpose of these guidelines, only those subsidiaries whose turnover or net worth is not less than 20% of the turnover or networth of the holding company may be treated as subsidiary companies.'

The Company is yet to commence commercial operations and as such, the provisions of the Corporate Governance on subsidiary Companies are presently not applicable to NCL.

## **11. Acknowledgement**

The Directors gratefully acknowledge the assistance, support and valuable guidance given to your Company by Ministry of Steel, Government of India, Government of Chhattisgarh, NMDC Ltd, and Chhattisgarh Mineral Development Corporation Ltd.

Place : Hyderabad  
Date : 03.06.2010

Sd/-  
**(Rana Som)**  
Chairman

# NMDC-CMDC Limited

## Auditors' Report

To,  
The Members,  
**NMDC-CMDC LIMITED**

We have audited the Balance Sheet of M/S NMDC-CMDC LIMITED as at 31<sup>st</sup> March, 2010 and Profit & Loss Account for the year ended on that date annexed and report that:

These financial statements are the responsibility of the Company management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclosed in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Branch

Auditors Report(s) have been forwarded to us and have been appropriately dealt with);

- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) The Company has informed us that department of company affairs vide notification no. GSR829 (E) dated 21.10.2003 notified that section 274(1)(g) is not applicable to the government companies. Hence clause regarding disqualification of directors is not applicable;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (1) insofar as it relates to the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010, and
  - (2) insofar as it relates to the Profit & Loss Account, of the Profit/(Loss) of the Company for the Year ended on that date.

For **Dhody & Associates**  
Chartered Accountants

Sd/-  
**(Piyush Jain)**  
Partner

Place : Raipur  
Dated : 20.05.2010

FRN : 003837C  
M.No.405305



## Annexure to the Auditors' Report

(Referred to in paragraph 4 of our report of even date)

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and in terms of information and explanations given to us and on the basis of such checks as we considered appropriate, we report that :

### (i) In respect of Fixed Assets:

- (a) The Company was not required to maintain proper records showing full particulars including quantitative, as there was no manufacturing or trading activity during the year but the Company has maintained proper records showing full particulars of fixed assets.
- (b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) That no fixed assets have been disposed off during the period, therefore, the provisions of clause 4(i) (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

### (ii) In respect of Inventories:

- (a) As explained to us by the management that there was no inventory, as there was no manufacturing or trading activities during the year ended on 31st March 2010 hence no comment on this point.
- (b) In our opinion and according to the information and explanations given to us, no procedure of physical verification of inventory was followed by the management, as there was no manufacturing or trading activities during the year ended on 31st March 2010, hence no comment on this point.
- (c) In our opinion and according to the information and explanation given to us, the Company was not required to maintain proper records of its inventories as there was no manufacturing or trading

activities during the year ended on 31st March 2010 hence no comment on this point.

- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, and hence no such registers are reported to have been maintained. The Company has taken certain amounts from its holding Company N.M.D.C. Ltd. viz. payments made to CEO and other consultants directly by the holding Company during the year and the maximum balance involved during the year was Rs.14.53 lakhs and the year end balance of such loan stands at Rs.18.30 lakhs.
- (iv) In our opinion and according to the information and explanations given to us, no adequate internal control procedures commensurate with the size of the Company and the nature of its business was required, as there was no manufacturing and trading activities during the year ended on 31st March 2010, hence no comment on this point.
- (v) According to the information and explanations given to us, the Company has not entered into any transactions with any of the parties as listed in the register maintained under section 301 of the Companies Act, 1956, therefore, the provisions of clause 4(v)(a) & 4(v)(b) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public during the period, therefore, the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
- (vii) In our opinion, the Company was not required an internal audit system, as there was no manufacturing or trading activities during the year ended on 31st March 2010 hence no comment on this point.
- (viii) The Central Govt. has not prescribed maintenance of cost records under section

# NMDC-CMDC Limited

209(1) (d) of the Companies Act, 1956. As there were no manufacturing activities during the year ended on 31st March 2010, therefore, the provisions of clause 4(viii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

**(ix) In respect of statutory dues:**

- (a) According to the information and explanations given to us and the records of the Company examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues i.e. income tax (TDS) and other statutory dues applicable to it. Employees' state insurance, sales tax, wealth tax, custom duty, excise duty, cess etc. are not applicable.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March 2010.
- (x)** As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable to the Company for the current year.
- (xi)** In our opinion and according to the information and explanations given to us, the Company has not taken any loan from the financial institution, bank and has not issued any debentures. Therefore the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xii)** In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii)** In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- (xiv)** In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv)** According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi)** According to the information and explanations given to us, the Company has not obtained any term loans. Therefore, the provision of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvii)** According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds were raised on short-term basis, hence no comment.
- (xviii)** According to the information and explanations given to us, the Company has not made preferential allotment of shares to the parties and Companies covered in the register maintained u/s. 301 of The Act. Accordingly, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xix)** According to the information and explanations given to us, the Company has not issued any debentures, therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xx)** According to the information and explanations given to us, the Company has not raised any money by public issue during the period. Accordingly the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xxi)** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Dhody & Associates**  
Chartered Accountants

Sd/-  
**(Piyush Jain)**  
Partner

Place : Raipur  
Dated : 20.05.2010

FRN : 003837C  
M.No.405305

# NMDC-CMDC Limited

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## Annexure - II

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NMDC-CMDC LIMITED, RAIPUR FOR THE YEAR ENDED 31 MARCH 2010.

The preparation of financial statements of NMDC-CMDC Limited, Raipur for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20 May 2010.

I, on behalf of Comptroller and Auditor General of India, have decided not to review the Report of Statutory Auditor on the accounts of NMDC-CMDC Limited, Raipur for the year ended on 31 March 2010 and as such have no comments to make under 619(4) of the Companies Act, 1956.

For and on the behalf of the  
Comptroller and Auditor General of India.



**Dolly Chakrabarti**  
Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board,  
Hyderabad.

Place : Hyderabad  
Date : 03 June 2010

# NMDC-CMDC Limited

## Balance Sheet as at 31st March, 2010

(Figures in Rupees)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds:</b>			
Share Capital	1	15,000,000	15,000,000
Reserves & Surplus	2	<u>(3,707,098)</u>	<u>(1,284,345)</u>
		<b>11,292,902</b>	13,715,655
<b>Deferred Tax Liability</b>			
<b>TOTAL</b>		<b><u>11,292,902</u></b>	<b><u>13,715,655</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets:</b>			
Gross Block	3	246,615	189,132
Less: Depreciation		<u>24,788</u>	<u>2,846</u>
Net Block		<b>221,827</b>	186,286
		<b>221,827</b>	186,286
<b>Capital Work In Progress</b>			
	4	<b>657,193</b>	-
<b>Current Assets, Loans &amp; Advances :</b>			
Cash & Bank Balances	5	11,623,799	13,855,097
Other Current Assets	6	610,022	-
Loans & Advances	7	<u>68,782</u>	<u>73,271</u>
		<b>12,302,603</b>	13,928,368
<b>Less : Current Liabilities &amp; Provisions :</b>			
Current Liabilities	8	<u>1,888,721</u>	<u>398,999</u>
		<b>1,888,721</b>	398,999
Net Current Assets		<b>10,413,882</b>	13,529,369
<b>Deferred Tax Asset</b>			
<b>Miscellaneous Expenditure</b> (to the extent not written off or adjusted)	9	-	-
<b>TOTAL</b>		<b><u>11,292,902</u></b>	<b><u>13,715,655</u></b>

Accounting policies & Notes to Accounts form part of Accounts

Auditors Report: As per our Separate report of even date attached subject to Notes on Accounts attached

For **Dhody & Associates**  
Chartered Accountants

For **NMDC-CMDC LIMITED**

Sd/-  
**CA Piyush Jain**  
Partner  
M. No. 405305  
FRN No.03837C

Sd/-  
**(Rana Som)**  
Chairman

Sd/-  
**(S.K. Trivedi)**  
Director

Sd/-  
**(N.K. Nanda)**  
Director

Sd/-  
**(N.K. Dhawan)**  
CEO

Place : Raipur  
Date : 20-05-2010

# NMDC-CMDC Limited

## Profit & Loss Account for the period ended 31st March 2010

(Figures in Rupees)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
<b>INCOME:</b>			
Sales		-	-
Income from Services		-	-
Income from Sale of Power		-	-
Other Income	10	677,804	-
Accretion to stock	11	-	-
<b>TOTAL</b>		<b>677,804</b>	<b>-</b>
<b>EXPENDITURE:</b>			
Raising & Transportation charges		-	-
Consumption of Stores & Spares		-	-
Power, Electricity & Water	12	-	-
Payments & Benefits to employees	13	937,792	367,923
Repairs & Maintenance	14	10,601	3,794
Royalty & Cess		-	-
Interest		-	-
Selling expenses :		-	-
Freight Outwards		-	-
Others		-	-
Other Expenses	15	2,787,415	904,222
Depreciation		21,942	2,846
Miscellaneous/Promotional/Deferred		-	-
Revenue Expenditure written off		-	-
Gross Expenditure		3,757,750	1,278,785
Less: Transfer to Capital Accounts	16	657,193	-
Net Expenditure		3,100,557	1,278,785
Profit before Previous Year items		(2,422,753)	(1,278,785)
Add Previous Year items		-	-
<b>Profit before taxes</b>		<b>(2,422,753)</b>	<b>(1,278,785)</b>
Provision: Taxation-Current Year		-	-
- Earlier Years(Net)		-	-
- Interest on Income Tax		-	-
Provision: F B T-Current Year		-	-
- Earlier Years(Net)		-	5,560
- Interest on Income Tax		-	-
Add: Deferred Tax Asset for the year		-	5,560
Profit/Loss after taxes		(2,422,753)	(1,284,345)
Profit/Loss after taxes		(2,422,753)	(1,284,345)
Profit/Loss brought forward from pr.year		(1,284,345)	-
Balance carried over to Balance Sheet		(3,707,098)	(1,284,345)

Accounting policies & Notes to Accounts form part of Accounts

Auditors Report: As per our Separate report of even date attached subject to Notes on Accounts attached

For **Dhody & Associates**  
Chartered Accountants

For **NMDC-CMDC LIMITED**

Sd/-  
**CA Piyush Jain**  
Partner  
M. No. 405305  
FRN No.03837C

Sd/-  
**(Rana Som)**  
Chairman

Sd/-  
**(S.K. Trivedi)**  
Director

Sd/-  
**(N.K. Nanda)**  
Director

Sd/-  
**(N.K. Dhawan)**  
CEO

Place : Raipur  
Date : 20-05-2010

# NMDC-CMDC Limited

## Schedules

### Schedule - 1 : Share Capital

	As at 31st March 2010	As at 31st March 2009
(Rupees)		
<b>Authorised:</b>		
4,00,00,000 Equity Shares of Rs.10/- each	<u>40,000,000</u>	<u>40,000,000</u>
<b>Subscribed:</b>		
15,00,000 Equity Shares of Rs.10/- each	<u>15,000,000</u>	<u>15,000,000</u>
<b>Issued, Subscribed &amp; Paid up:</b>		
15,00,000 Equity Shares of Rs.10/- each		
NMDC Share-764,999 Shares of Rs.10 each(51%)	7,649,990	7,649,990
CMDC Share-734,997 Shares of Rs.10 each(49%)	7,349,970	7,349,970
Others- 4 shares of Rs.10 each	<u>40</u>	<u>40</u>
	<u>15,000,000</u>	<u>15,000,000</u>
<b>TOTAL</b>	<u><u>15,000,000</u></u>	<u><u>15,000,000</u></u>

### Schedule - 2 : Reserves & Surplus

	As at 31st March 2010	As at 31st March 2009
(Rupees)		
<b>a) General Reserve:</b>		
As per last Balance Sheet	-	-
Less: Utilised for Bonus issue	-	-
Additions during the Year	<u>-</u>	<u>-</u>
	-	-
<b>b) Profit &amp; Loss Account - Surplus</b>		
Opening Balance	(1,284,345)	-
Current Year	<u>(2,422,753)</u>	<u>(1,284,345)</u>
	<u>(3,707,098)</u>	<u>(1,284,345)</u>
<b>TOTAL</b>	<u><u>(3,707,098)</u></u>	<u><u>(1,284,345)</u></u>

# NMDC-CMDC Limited

## Schedule - 3 : Fixed Assets

(Rupees)

Particulars	G R O S S B L O C K			
	As on 01.04.2009	Additions	Deductions	As on 31.03.2010
Office Equipments	106,265	-	-	<b>106,265</b>
Computer	39,150	51,230	-	<b>90,380</b>
Furniture & Fixtures	43,717	3,553	-	<b>47,270</b>
Bicycle	-	2,700	-	<b>2,700</b>
<b>TOTAL</b>	189,132	57,483	-	<b>246,615</b>
Previous Year	-	189,132	-	189,132

(Rupees)

Particulars	D E P R E C I A T I O N				N E T B L O C K	
	As on 01.04.2009	For the Year	Deductions	Up to 31.03.2010	W.D.V 31.03.2010	W.D.V. 31.03.2009
Office Equipments	1,658	5,047	-	<b>6,705</b>	<b>99,560</b>	104,607
Computer	775	13,958	-	<b>14,733</b>	<b>75,647</b>	38,375
Furniture & Fixtures	413	2,842	-	<b>3,255</b>	<b>44,015</b>	43,304
Bicycle	-	95	-	<b>95</b>	<b>2,605</b>	-
<b>TOTAL</b>	2,846	21,942	-	<b>24,788</b>	<b>221,827</b>	186,286
Previous Year	-	2,846	-	<b>2,846</b>	<b>186,286</b>	-

# NMDC-CMDC Limited

## Schedule - 4 : Capital Work in Progress

	As at 31st March 2010	As at 31st March 2009
<b>Consultancy Charges</b>	657,193	-
(Expenditure incidental to construction awaiting allocation)	-	-
	<b>657,193</b>	<b>-</b>
	<b>657,193</b>	<b>-</b>

## Schedule - 5 : Cash & Bank Balances

	As at 31st March 2010	As at 31st March 2009
Cash and Cheques on hand	-	-
Balances with :		
<b>(a) Scheduled Banks :</b>		
On Current Accounts	1,623,799	13,855,097
On deposit accounts	10,000,000	-
	<b>11,623,799</b>	<b>13,855,097</b>
<b>(b) Others on Current Accounts:</b>		
<b>TOTAL</b>	<b>11,623,799</b>	<b>13,855,097</b>

## Schedule - 6 : Other Current Assets

	As at 31st March 2010	As at 31st March 2009
Interest accrued on Investments	-	-
Accrued Interest on deposits with Banks	610,022	-
<b>TOTAL</b>	<b>610,022</b>	<b>-</b>



# NMDC-CMDC Limited

## Schedule - 7 : Loans and Advances

	As at 31st March 2010	As at 31st March 2009
Advances recoverable in cash or kind or for value to be received	1,000	73,271
Less: Provision for bad & doubtful advances	-	-
	1,000	73,271
Advance Income Tax & TDS	67,782	
Less: Provision	-	
	67,782	-
Advance Fringe Benefit Tax	-	-
Less: Provision		
Inter-corporate to PSUs	-	-
Less: Provision		
Balance with Customs, Port Trust etc.	-	-
Deposit with Others		
Less: Provision		
<b>TOTAL</b>	<b>68,782</b>	<b>73,271</b>

## Schedule - 8 : Current Liabilities

	As at 31st March 2010	As at 31st March 2009
<b>Sundry Creditors :</b>		
Outstanding dues to SSIUs		
Other than SSIUs		
Advances from Customers		
Mine Closure Liability		
Less: Fund with LIC		
Deposits from Suppliers, Contractors & Others		
Less: Investments received as security Deposit		
Other liabilities	58,622	22,386
Loans From NMDC	1,830,099	376,613
<b>TOTAL</b>	<b>1,888,721</b>	<b>398,999</b>

## NMDC-CMDC Limited

### Schedule - 9 : Miscellaneous/Promotional & Deferred Revenue Expenditure (to the extent not written off or adjusted)

(Rupees)

	As at 31st March 2010	As at 31st March 2009
Development Expenses	-	-
Add : Previous Year	-	
Others:		
Expenses on removal of overburden and preparation of Mining Benches	-	-
	-	-

### Schedule - 10 : Other Income

(Rupees)

	For the Period ended 31st March 2010	For the Period ended 31st March 2009
<b>Interest on :</b>		
Deposits with Banks (Tax deducted at source Rs.67782, (Previous Period Rs. Nil)	677,804	-
<b>TOTAL</b>	677,804	-

### Schedule - 11 : Accretion / (Decretion) to Stock

(Rupees)

	For the Period ended 31st March 2010	For the Period ended 31st March 2009
<b>Work-in-process:</b>		
Balance as at close of the Year	-	-
Less: Balance as at the beginning of the Year	-	-
	-	-
<b>Finished Goods:</b>		
Balance as at close of the Year	-	-
Less: Balance as at the beginning of the Year	-	-
	-	-
<b>TOTAL</b>	-	-

# NMDC-CMDC Limited

## Schedule - 12 : Power, Electricity & Water

(Rupees)

	For the Period ended 31st March 2010	For the Period ended 31st March 2009
Power charges	-	-
Electricity charges	-	-
Water Charges	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## Schedule - 13 : Payments & Benefits to Employees

(Rupees)

	For the Period ended 31st March 2010	For the Period ended 31st March 2009
Reimbursement of CEO's salary	797,117	367,923
Contribution to Group Gratuity Fund	-	-
Workmen and Staff Welfare Expenses	140,675	-
<b>TOTAL</b>	<b>937,792</b>	<b>367,923</b>

## Schedule - 14 : Repairs & Maintenance

(Rupees)

DESCRIPTION	For the Period ended 31-Mar-10					For the Period ended 31-Mar-09
	Buildings	Plant & Machinery	Vehicles	Others	Total	
Gross Expenditure	-	-	-	10,601	10,601	3,794
Less: Expenditure under primary heads :						
Payments & Benefits to employees	-	-	-	-	-	-
Consumption of Stores	-	-	-	-	-	-
Sub total	-	-	-	-	-	-
Net Expenditure	-	-	-	10,601	10,601	3,794

# NMDC-CMDC Limited

## Schedule - 15 : Other Expenses

(Rupees)

	For the Period ended 31st March 2010	For the Period ended 31st March 2009
<b>Payment to Auditors:</b>		
As Auditors:		
Audit Fee-Final Accounts	11,030	10,000
For other services	22,075	-
Out of pocket expenses	-	-
	<b>33,105</b>	10,000
<b>Sundries:</b>		
Bank charges and Interest	2,069	-
Fees of Internal Auditors	22,000	-
Postage, Telephone & Telex	96,045	30,153
Vehicle Hire charges	307,548	158,151
Stationery & Printing	19,932	21,526
Consultancy charges	657,193	-
BOD Meeting expenses	68,410	8,690
Membership & Subscription	3,660	-
Books & Periodical	4,484	2,434
Legal Expenses	3,500	3,870
Transfer TA of CEO	340,992	208,056
Misc & Other Expenses	964,477	325,842
Guest House Rent	264,000	132,000
Mining Lease Application Fees	-	3,500
	<b>2,754,310</b>	894,222
<b>TOTAL</b>	<b>2,787,415</b>	904,222

## Schedule - 16 : Expenditure Transferred to Capital Accounts

(Rupees)

	For the Period ended 31st March 2010		For the Period ended 31st March 2009	
Amounts transferred to Capital Accounts as per details shown below (Net) :	<b>657,193</b>		-	
<b>DESCRIPTION</b>	<b>Miscellaneous/Promotional Expenditure</b>		<b>Incidental expenditure during construction</b>	
	<b>Mar-10</b>	<b>Mar-09</b>	<b>Mar-10</b>	<b>Mar-09</b>
Consultancy charges	-	-	<b>657,193</b>	-
<b>TOTAL</b>	-	-	<b>657,193</b>	-
Less: Income	-	-	-	-
Net Expenditure	-	-	-	-

## Schedule - 17 : Notes to Accounts

(SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010)

### 1. Significant Accounting Policies

#### (i) Accounting Convention

The financial statements are prepared under historical cost convention from the books of account maintained on accrual basis, in conformity with the accounting principles generally accepted in India, and comply with the accounting standards issued by the Council of the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956, of India (the Act).

#### (ii) Fixed Assets

Fixed Assets are stated at cost (net of cenvat credit, wherever applicable) less depreciation. The cost includes cost of acquisition, construction, erection, installation etc., preoperative expenses (including trial run) and borrowing costs incurred during pre-operational period.

#### (iii) Expenditure Incurred During Construction Period

- (a) Expenditure incurred on administration and supervision during the construction period in respect of creation of new facilities are treated as period costs and charged to revenue.
- (b) Development expenses (pre-construction period expenses) will be amortised in ten annual installments from the date of commencement of production.
- (c) All revenue expenditure incurred during the construction period which are directly or indirectly attributable to the acquisition/ construction of fixed assets, will be capitalized at the time of commissioning of such assets.

#### (iv) Depreciation

- (a) Depreciation on Fixed Assets is provided on the straight-line method at the rates and in the manner prescribed under Schedule XIV to the Act. Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ upto the date of such additions/deletions.

#### (v) Investments

The investments are NIL as on date of balance sheet date.

#### (vi) Accounting for Taxes on Income

Deferred Tax on timing differences between taxable income and accounting income is accounted for, using tax rates and tax laws enacted or substantially enacted as on balance sheet date. Deferred Tax assets are recognized only to the extent that there is a reasonable certainty of realization. No provision of deferred tax has been made as the company is yet to start its commercial operation.

#### (vii) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

# NMDC-CMDC Limited

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## (viii) Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. (a) In the opinion of the Board Current Assets, loans and advances are approximately of the value stated if realised in ordinary course of business. Provision for depreciation and all known liabilities are adequate on excess of accounts considered necessary. No personal expenses have been charged in the accounts.
- (b) There was no major event occurring after the balance sheet date.
- (c) There was no extra ordinary item during the year which requires to be reported.
- (d) The company has not formulated any policy on the retirement benefits payable to its employee. Further the provisions of Provident Fund Act are not applicable to the Company for the period under review.
- (e) Research and Development Expenditure: Nil.

## 3. Related Party Disclosures

### (i) Relationship

- |                              |  |
|------------------------------|--|
| (a) Control                  |  |
| Holding Company              | NMDC Limited (Holding - 51%)   |
| (b) Key Management Personnel | Shri Rana Som (Chairman)<br>Shri A.K. Shukla (CEO till 09/02/10)<br>Shri N.K.Dhawan (CEO 09/02/10 onwards) |

- (c) Details of Material Transactions with Related Party:

NMDC limited has incurred various project related expenses on behalf of the company viz. appointment of CEO, consultants for getting necessary approvals etc. raised debit notes amounting to Rs. 14,53,486 in the year 2009-10 (PY Rs. 3,76,613).

4. The company has no dealing with small scale industrial undertaking. Hence the information as required by schedule VI of the Companies Act, 1956 is not detailed.
5. No remuneration to any directors has been paid during the period.
6. There is no employee drawing the salary exceeding Rs.2,00,000/-P.M or Rs.24,00,000 P.A during the period.

# NMDC-CMDC Limited

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**7. Contingent Liability not provided for:**

- a) Claim against the company not acknowledged as debts: Nil
- b) Estimated amount of contract remaining to be executed on capital account and not provided for- NIL
- c) Uncalled Liability on equity shares- NIL
- d) Other money for which the Company is contingently liable- NIL

**8.** Balances of Loans & Advances are subject to confirmation.

**9.** Reimbursement of CEO salary, TA & Transfer TA, Welfare expenses includes the debit notes raised by NMDC Ltd. for the payments made to the CEO on behalf of the Company.

**10.** Refer Annexure for additional information to Part IV of Schedule VI to the Act.

**11.** Prior year comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

**12.** Financial figures have been rounded off to nearest rupee.

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Signatures to Schedules 1 to 17 forming part of the Accounts

For and on behalf of the Board of Directors

For **Dhody & Associates**  
Chartered Accountants

Sd/-  
**CA Piyush Jain**  
Partner  
M. No. 405305  
FRN No.03837C

Sd/-  
**(Rana Som)**  
Chairman

Sd/-  
**(S.K. Trivedi)**  
Director

Sd/-  
**(N.K. Nanda)**  
Director

Sd/-  
**(N.K. Dhawan)**  
CEO

Place : Raipur  
Date : 20-05-2010

# NMDC-CMDC Limited

## Part - IV

### Balance Sheet Abstract and Company's General Business Profile :

**I. Registration details :**

Registration No.   
 State Code   
 Balance Sheet Date

**II. Capital raised during the Year (Amount in Rs.)**

Public Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placements <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

**III. Position of mobilization and deployment of funds (Amount in Rs.)**

Total Liabilities <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="3"/>	Total Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="3"/>
<b>Source of funds :</b>	
Paid-up Capital <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Reserves & Surplus <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="-"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="8"/>
Secured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Unsecured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
<b>Application of funds :</b>	
Net Fixed Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="7"/>	Investments <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net Current Assets <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="2"/>	Misc. Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Losses <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="5"/>	

**IV. Performance of Company (Amount in Rs.)**

Turnover <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Total Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="7"/>
Profit before tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="3"/>	Profit after tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="3"/>
Earnings per share in Rs. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Dividend Rate % <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

**V. Generic name of the principal products/services of company :**

(as per monetary terms) (Not Applicable)

Item Code No (ITC Code)  
 Product Description  
 Item Code No (ITC Code)  
 Product Description  
 Item Code No (ITC Code)  
 Product Description

For **Dhody & Associates**  
Chartered Accountants

Sd/-  
**CA Piyush Jain**  
Partner  
M. No. 405305  
FRN No.03837C

Place : Raipur  
Date : 20-05-2010



# Annual Report 2009-10

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## **Nam-India Mineral Development Corporation (Pty) Limited**

**Windhoek, Namibia-9000**

A Wholly Owned Subsidiary of

**N M D C Limited**

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

Tel: +91-040-23538701 Fax: +91-040-23538711

## Director's Report for the period ended 28 August 2009

The Director presents his report which forms part of the financial statements of the company for the period ended 28 August 2009.

### General Review

The company is a wholly owned subsidiary of NMDC Limited, having its registered office at Hyderabad, India. In view of the economic un-viability of operations at Namibia after exploratory works, the Board of Directors of the holding company, in its 383rd meeting held on 26-May-2005 had decided to wind up the subsidiary company at Namibia. The parent company also received the approval of the Ministry of Steel, Govt. of India and Reserve Bank of India for closure of the subsidiary company. Consequently, the bank accounts at Namibia as also the books of accounts were closed setting off all Assets and Liabilities on 31st March 2009 on the advice of the auditors. There have been no financial transactions/ activities after 31-March-2009.

M/s. Pricewaterhousecoopers (PWC), Namibia who were engaged for secretarial administration, audit

of accounts & tax matters were requested to file necessary application for voluntary winding up of the WOS under local laws. They have acted accordingly with all documentations of Statement by Director, Audited Financial Statements, Tax returns etc required in this regard.

Registrar of Companies, Govt of Namibia has accepted the application for 'voluntary winding up' under Section 73(5) of Namibian Companies Act 1973 and, after verifying all relevant documents filed on this behalf by PWC, has notified the deregistration of company in the official Gazette of the Republic of Namibia (No. 4329, dt 28 August 2009 - copy published). Accordingly, the subsidiary company ceases to exist from the date of notification. To complete the corporate fiction, the Statement of Accounts for the period ended 28th August 2009 showing previous year's figures without Accounting policies and Note to Accounts have been published.

Place : Hyderabad  
Date : 28-August-2009

Sd/-  
**(Kumar Raghavan)**  
Director

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Consequent to winding up and deregistration of the company from 28th August 2009, figures for the current period and last year have been reproduced to complete the Corporate fiction

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**GOVERNMENT GAZETTE**  
**OF THE**  
**REPUBLIC OF NAMIBIA**

N\$2.00

WINDHOEK - 28 August 2009

No. 4329

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**Government Notices**

**MINISTRY OF TRADE AND INDUSTRY**

No. 168

2009

**NOTICE IN TERMS OF THE CLOSE CORPORATIONS ACT, 1988:  
FINAL DEREGISTRATION OF CLOSE CORPORATIONS**

It is hereby made known in terms of subsection (3) of section 26 of the Close Corporations Act, 1988 (Act No. 26 of 1988) that the close corporations mentioned in the Schedule shall as from the date of publication of this notice be deregistered under subsection (2) of that section for the reason that the close corporations have submitted written statements in terms of that subsection to the effect that such close corporations have ceased to carry on business and have no assets or liabilities, and that no good cause to the contrary has been shown.

**T.S. ANDIMA**  
**REGISTRAR OF CLOSE CORPORATIONS**

**NOTE:** No guarantee is given in respect of the accuracy of the particulars furnished and no responsibility is accepted for errors or omissions or the consequences thereof.

CK/89/29765/23 IMP SYSTEMS CC, P.O. BOX 9851, WINDHOEK, N\$ 100 (10)

CC/94/0150 DEUTSCH-AFRIKANISCHEN SANDSTEINWERKE CC, P.O. BOX 40330,  
AUSSPANNPLATZ, WINDHOEK, N\$ 100 (9)

# NAM-India MDC (PTY) Ltd

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Government Gazette 28 August 2009

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CC/2008/1776	SHETU FUNERAL MATERIAL SUPPLY CC, P.O. BOX 9851, WINDHOEK, N\$ 100 (3)
CC/2008/0290	UTEMAR INVESTMENTS CC, P.O. BOX 3119, WINDHOEK, N\$ 600 (6)
CC/2008/2464	FELD INVESTMENTS TWENTY THREE CC, P.O. BOX 30, WINDHOEK, N\$ 100 (6)
CC/2008/1051	FISCON INVESTMENTS THIRTY SEVEN CC, P.O. BOX 130, SWAKOPMUND, N\$ 100 (6)
CC/2008/0977	FISCON INVESTMENTS THIRTY NINE CC, P.O. BOX 4440, WALVIS BAY, N\$ 100 (6)
CC/2008/1522	SHUN FENG CLEARING AND FORWARDING CC, P.O. BOX 6002, WINDHOEK, N\$ 100 (7)
CC/2008/0708	VAN TONDER FLEET CC, P.O. BOX 9740, MAERUA MALL, WINDHOEK, N\$ 100 (6)
CC/2008/1818	KONAM TRADING CC, P.O. BOX 156, WINDHOEK, N\$ 100 (10)
CC/2009/4722	OTO JOSEPH CONSULTANCY CC, P.O. BOX 24305, WINDHOEK, N\$ 1000 (10)
CC/2009/1538	ARLYN HEIGHTS CC, P.O. BOX 9851, WINDHOEK, N\$ 100 (8)

## MINISTRY OF TRADE AND INDUSTRY

No. 169

2009

### NOTICE IN TERMS OF THE COMPANIES ACT, 1973: FINAL DEREGISTRATION OF COMPANIES

In terms of section 73(5) of the Companies Act, 1973 (Act No. 61 of 1973), I hereby give notice that a written statement to the effect that the company has ceased to carry on business and has no assets or liabilities, has been received from every company mentioned in the Schedule and that I have deregistered every such company under that section.

#### T.S. ANDIMA REGISTRAR OF COMPANIES

78/3843	METSO MINERALS (NAMIBIA) (PTY) LTD, PRIVATE BAG X2006, ISANDO 1600, SOUTH AFRICA, N\$ 4000 (3)
87/190	FRAME OPTICS (PTY) LTD, P.O. BOX 2558, WINDHOEK, N\$ 4000 (10)
88/259	MAX UND MORITZ (PTY) LTD, P.O. BOX 12, WALVIS BAY, N\$ 4000 (6)
88/122	PERBGRINE INVESTMENTS (PTY) LTD, P.O. BOX 2558, WINDHOEK, N\$ 4000 (6)
90/268	REAL COMPUTER SERVICES (PTY) LTD, P.O. BOX 2170, WINDHOEK, N\$ 4000 (6)

# NAM-India MDC (PTY) Ltd

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91/031	CAROTRADE FISHERIES NAMIBIA (PTY) LTD, P.O. BOX 6302, AUSS-PANNPLATZ, WINDHOEK, N\$ 20000(1)
93/363	MONARCH MARETING (PTY) LTD, P.O. BOX 1857, WINDHOEK, N\$ 4000 (10)
93/183	BORDELAIS DISTRIBUTORS (NAMIBIA) (PTY) LTD, P.O. BOX 30, WINDHOEK, N\$ 4000 (6)
93/280	LAMNALCO NAMIBIA (PTY) LTD, P.O. BOX 1857, WINDHOEK, N\$ 4000 (6)
94/346	MARINE TECHNOLOGY (PTY) LTD, P.O. BOX 11643, WINDHOEK, N\$ 4000 (10)
95/150	PROGRESSIVE TYPESETTERS (PTY) LTD, P.O. BOX 2558, WINDHOEK, N\$ 4000 (10)
97/426	SEA TRAFFIC NAMIBIA (PTY) LTD, P.O. BOX 12, WALVIS BAY, N\$ 4000 (10)
98/525	FUNERARY MANAGEMENT SERVICES NAMIBIA (PTY) LTD, P.O. BOX 30, WINDHOEK, N\$ 4000 (10)
99/266	TANGI INVESTMENTS (PTY) LTD, P.O. BOX 1857, WINDHOEK, N\$ 4000 (6)
2001/177	PROTOURS NAMIBIA (PTY) LTD, P.O. BOX 1571, WINDHOEK, N\$ 4000 (7)
<del>2001/039</del>	<del>NAM-INDIA MINERALS DEVELOPMENT CORPORATION (PTY) LTD, P.O. BOX 1571, WINDHOEK, N\$ 4000 (2)</del>
2002/560	PROSPERITY ADMINISTRATORS (PTY) LTD, P.O. BOX 1571, WINDHOEK, N\$ 4000 (8)
2002/593	SHELFCO TWENTY (PTY) LTD, P.O. BOX 1571, WINDHOEK, N\$ 4000 (8)
2003/557	PCN PROJECT'S (NAMIBIA) (PTY) LTD, P.O. BOX 27026, WINDHOEK, N\$ 4000 (10)
2003/634	CAPESPAN GRAPES (NAMIBIA) (PTY) LTD, P.O. BOX 1571, WINDHOEK, N\$ 4000 (6)
2004/550	MADALA INVESTMENTS (PTY) LTD, PRIVATE BAG 12012, AUSS-PANNPLATZ, WINDHOEK, N\$ 4000 (8)
2005/703	SPES BONA FIAT & ALFA MOTORS (PTY) LTD, P.O. BOX 1571, WINDHOEK, N\$ 4000 (6)
2005/062	NAMIBIA CATERING SERVICES (PTY) LTD, P.O. BOX 21683, WINDHOEK, N\$ 4000 (6)
2006/372	ORBAN INVESTMENTS 276 (PTY) LTD, P.O. BOX 14, WALVIS BAY, N\$ 4000 (6)

# NAM-India MDC (PTY) Ltd

## Balance Sheet (on Winding up) as at 28th August, 2009

(Nam Dollars)

	Schedule	As at 28th August 2009	As at 31st March 2009
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Gross Block	1	-	-
Less : Accumulated Depreciation		-	-
Net Block		-	-
<b>Current Assets</b>			
Cash & Cash Equivalents	2	-	-
Receivables & advances		-	-
		-	-
<b>Total Assets</b>		<u>-</u>	<u>-</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share Capital		-	3,967
Less : Accumulated losses		-	(3,967)
		-	-
<b>Non-current Liabilities</b>			
Long term loans		-	-
<b>Current Liabilities</b>			
Interest-free Unsecured Loan from Parent Company	3	-	-
Outstanding Expenses		-	-
<b>Total equity and liabilities</b>		<u>-</u>	<u>-</u>

Sd/-  
**(B. Govinda Rao)**  
Asst. General Manager (Finance)

Sd/-  
**(Kumar Raghavan)**  
Director

Place : Hyderabad  
Date : 28-August-2009

Consequent to winding up and deregistration of the company from 28th August 2009,  
figures for the current period and last year have been reproduced to complete the Corporate fiction

# NAM-India MDC (PTY) Ltd

## Income Statement for the period ended 28th August, 2009

(Nam Dollars)

	Notes	For the period ended 28th August 2009	For the year ended 31st March 2008
<b>REVENUE</b>			
Unsecured interest-free Loan from Parent Company written up as not payable		-	2,514,672
<b>EXPENDITURE</b>			
Consumption of stores & spares		-	-
Power		-	-
Payments & Benefits to employees		-	-
Repairs & Maintenance		-	-
Exploratory works		-	-
Other expenses	5	-	384,402
Depreciation	1	-	158
<b>TOTAL</b>		-	384,560
Operating Income/(Loss) before finance items		-	2,130,112
Finance Items	4	-	2,189
<b>Net Income/(Loss)</b>		-	2,132,301

Sd/-  
**(B. Govinda Rao)**  
Asst. General Manager (Finance)

Sd/-  
**(Kumar Raghavan)**  
Director

Place : Hyderabad  
Date : 28-August-2009

Consequent to winding up and deregistration of the company from 28th August 2009,  
figures for the current period and last year have been reproduced to complete the Corporate fiction



NAM-India MDC (PTY) Ltd

**Statement of Changes in Equity  
for the period ended 28th August, 2009**

(Nam Dollars)

	Share Capital	Accumulated Losses	Total
<b>At 28 August 2009</b>			
<b>Authorised:</b>			
4,000 Ordinary Shares of N\$.1/- each	-		-
<b>Issued:</b>			
Balance as at 1st April 2009: 3967 Ordinary Shares of N\$ 1/- each	-	-	-
Accumulated Losses as at 1st April 2009	-	-	-
Income/(Loss) during the period	-	-	-
Balance as at 28th August 2009: 3967 Ordinary shares of N\$ 1/- each	-	-	-
<b>At 31 March 2009</b>			
<b>Authorised:</b>			
4,000 Ordinary Shares of N\$.1/- each	4,000		4,000
<b>Issued:</b>			
Balance as at 1st April 2008: 3967 Ordinary Shares of N\$ 1/- each	3,967	-	3,967
Accumulated losses as at 1st April 2008	-	(2,136,268)	(2,136,268)
Income/(Loss) during the year	-	2,132,301	2,132,301
Balance as at 31st March 2009: 967 Ordinary shares of N\$ 1/- each	3,967	(3,967)	-

Sd/-  
**(B. Govinda Rao)**  
Asst. General Manager (Finance)

Sd/-  
**(Kumar Raghavan)**  
Director

Place : Hyderabad  
Date : 28-August-2009

Consequent to winding up and deregistration of the company from 28th August 2009,  
figures for the current period and last year have been reproduced to complete the Corporate fiction



NAM-India MDC (PTY) Ltd

## Cash Flow Statement for the period ended 28th August, 2009

(Nam Dollars)

	For the period ended 28th August 2009	For the year ended 31st March 2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income/(Loss) as per Income statement	-	2,132,301
<i>Adjustments for :</i>		
Finance items - Interest & Gains in foreign exchange	-	2,189
Non-cash items - Depreciation	-	(158)
Operating Income/(Loss) before Finance items	-	2,130,270
<i>Adjustments for :</i>		
Increase(-)/Decrease(+) in Receivables	-	-
Increase(+)/Decrease(-) in current Liabilities	-	2,143,289
<b>Net Cash Flow from Operating Activities</b>	-	(13,019)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	-
Deletion on disposal of Fixed Assets	-	712
<b>Net Cash flow from Investing Activities</b>	-	712
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Long term loans	-	-
Finance Items - interest & Gains in foreign exchange	-	2,189
Increase in Share capital	-	-
<b>Net cash flow from Financing Activities</b>	-	2,189
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	-	(10,118)
Cash & Cash equivalents at the beginning of the year	-	10,118
Cash & Cash equivalents at the end of the year	-	(10,118)

Sd/-  
**(B. Govinda Rao)**  
Asst. General Manager (Finance)

Sd/-  
**(Kumar Raghavan)**  
Director

Place : Hyderabad  
Date : 28-August-2009

Consequent to winding up and deregistration of the company from 28th August 2009,  
figures for the current period and last year have been reproduced to complete the Corporate fiction

# NAM-India MDC (PTY) Ltd

## Notes to Financial Statements 1. Schedules to Financial Statements

### SCHEDULE - 1 : FIXED ASSETS

(Nam Dollars)

Assets	Vehicles	Office Equipments other Assets	Communi- cation instruments	Total
<b>At 28 August 2009</b>				
<b>Gross Block:</b>				
Opening Balance on 01-04-2009	-	-	-	-
Additions during the period	-	-	-	-
<b>TOTAL</b>	-	-	-	-
Deductions/Adjustments	-	-	-	-
Closing Balance on 01-04-2009	-	-	-	-
Depreciation for the period	-	-	-	-
<b>TOTAL</b>	-	-	-	-
Deductions/Adjustments	-	-	-	-
Closing Balance on 28-08-2009	-	-	-	-
<b>Net book amount:</b>	-	-	-	-
<b>At 31 March 2009</b>				
<b>Gross Block:</b>				
Opening Balance on 01-04-2008	-	2,323	867	3,190
Additions during the year	-	-	-	-
<b>TOTAL</b>	-	2,323	867	3,190
Deductions/Adjustments	-	2,323	867	3,190
Closing Balance on 31-03-2009	-	-	-	-
<b>Depreciation :</b>				
Opening Balance on 01-04-2008	-	1,454	866	2,320
Depreciation for the year	-	158	-	158
<b>TOTAL</b>	-	1,612	866	2,478
Deductions/Adjustments	-	1,612	866	2,478
Closing Balance on 31-03-2008	-	-	-	-
<b>Net book amount:</b>	-	-	-	-

Minor value Assets costing less than N\$ 1,000/- each depreciated fully during the year amount to Nil (Previous year Nil)

Consequent to winding up and deregistration of the company from 28th August 2009, figures for the current period and last year have been reproduced to complete the Corporate fiction

# NAM-India MDC (PTY) Ltd

## SCHEDULE - 2 : CASH AND CASH EQUIVALENTS

	(Nam Dollars)	
	As at 28th August, 2009	As at 31st March, 2009
Cash and cheques on hand	-	-
Bank balances :		
(a) with NEDBANK Namibia, Windhoek :		
On current accounts - US Dollar Account	-	3,781
- Nam Dollar Account	-	1,041
<b>TOTAL</b>	-	4,822
Less : Amount transferred to Parent Company towards Loan Account	-	4,822
<b>TOTAL</b>	-	-

## SCHEDULE - 3 : CURRENT LIABILITIES

	(Nam Dollars)	
	As at 28th August, 2009	As at 31st March, 2009
Interest free Unsecured Loan from parent company NMDC Limited, India	-	2,133,522
Additions during the year	-	385,972
	-	2,519,494
Less : Bank Balance transferred USD A/c to Parent Co towards Loan A/c NAD A/c on winding up	-	3,781
	-	1,041
<b>TOTAL</b>	-	4,822
Net Loan amount due	-	2,514,672
Less : Interest free Unsecured Loan Amount written up as not payable	-	2,514,672
	-	-
Outstanding Expenses:		
- Creditors for Misc.expenses	-	-
- Courier charges	-	-
<b>TOTAL</b>	-	-

Consequent to winding up and deregistration of the company from 28th August 2009,  
figures for the current period and last year have been reproduced to complete the Corporate fiction

# NAM-India MDC (PTY) Ltd

## SCHEDULE - 4 : FINANCE ITEMS

	(Nam Dollars)	
	For the period ended 28th August, 2009	For the year ended 31st March, 2009
Interest on :		
Current account - USD account	-	44
	-	44
Others:		
Gain in Exchange variation	-	2,145
<b>TOTAL</b>	<b>-</b>	<b>2,189</b>

## SCHEDULE - 5 : OTHER EXPENSES

	(Nam Dollars)	
	For the period ended 28th August, 2009	For the year ended 31st March, 2009
Rent, Insurance, Rates & Taxes	-	-
<b>Payment to Auditors:</b>		
Taxation matters	-	11,409
Audit Fee 08-09	-	3,450
Audit Fee 07-08	-	-
Audit Fee 06-07	-	-
Deregistration charges	-	4,140
Secttl Admn Fee	-	-
	-	18,999
Loss on Adjustment of Assets on Winding up	-	712
<i>Sundries:</i>		
Travelling & Conveyance	-	-
Postage, Telephone & Courier service etc.	-	-
Loss in Foreign Exchange	-	361,071
Misc Expenses	-	21
Bank charges	-	3,599
<b>TOTAL</b>	<b>-</b>	<b>384,402</b>

## : DETAILED INFORMATION :

### 1. Particulars of Directors' Remuneration:

	(Nam Dollars)	
	For the period ended 28th August, 2009	For the year ended 31st March, 2009
Foreign Allowances paid to Director	Nil	Nil
	-	-

Consequent to winding up and deregistration of the company from 28th August 2009, figures for the current period and last year have been reproduced to complete the Corporate fiction



# NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 173.

## PROXY FORM

I/We \_\_\_\_\_ being a Member / Members of the  
above named Company, hereby appoint Mr./Mrs./Miss \_\_\_\_\_ in the district  
of \_\_\_\_\_ or failing him/her,  
Mr./Mrs./Miss. \_\_\_\_\_ of \_\_\_\_\_ in the district of  
\_\_\_\_\_ as my/our Proxy to vote for me/us on my/our behalf at the Annual  
General Meeting of the Company to be held on Thursday, the 5th August, 2010 at 1430 hrs at Ravindra Bharathi,  
Saifabad, Hyderabad - 500 004 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Ledger Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Affix  
Re.1  
Revenue  
Stamp

(Signature of Member(s) as per specimen signature on Company's record)

Note: Proxies in order to be valid must be duly filled in, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the time of commencement of the Meeting.





# NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 173.

## ATTENDANCE SLIP 52<sup>nd</sup> ANNUAL GENERAL MEETING

L.F./Demat A/c No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Names(s) in Full	Name & Address as Regd. with the Company
1. _____	_____
2. _____	_____
3. _____	_____

I hereby record my presence at the meeting of the 52<sup>nd</sup> Annual General Meeting of Shareholders of NMDC Ltd at Ravindra Bharathi, Saifabad, Hyderabad - 500 004 on Thursday, the 5th day of August, 2010 at 1430 hours.

Please tick  in the Box

Equity Shareholder

Proxy

\_\_\_\_\_  
Equity Shareholder's Signature

\_\_\_\_\_  
Proxy's Signature

### Notes:

1. Equity Shareholders/ Proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue of the meeting.
2. Equity Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting place.







# NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 173.

## ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM FOR PAYMENT OF DIVIDEND

To,  
M/s. Aarthi Consultants Private Limited  
(Unit: NMDC Limited)  
D.No.1-2-285, Domalguda  
Hyderabad - 500 029

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism.

Registered Folio No.	ECS Ref. No.: (for Office use only)
Name of the first/sole shareholder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank. (Please attach a blank cancelled cheque, or a photocopy (xerox copy) of a cheque issued to you by your Bank, for verification of the above particulars)	
Account Type (Please tick the option)	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Cash Credit
Bank Account Ledger Folio No. (If any)	
Effective date of this mandate	

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. NMDC Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place : \_\_\_\_\_ Name of First Holder : \_\_\_\_\_

Date : \_\_\_\_\_ Signature of First Holder : \_\_\_\_\_

**Note:**

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to their respective Depository participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.

