



NMDC Limited



Laying a path of success
in Nation's Growth

53rd Annual Report 2010-11

MISSION AND OBJECTIVES

MISSION

To emerge as a global environment friendly mining organisation with International Standards of excellence, rendering optimum satisfaction to all its stake holders.

OBJECTIVES

Macro Objectives

- To expand the operations in the areas of mining and mineral processing to meet the growing demands from domestic and international Markets.
- Achieve international standards in per capita productivity, value addition and cost effectiveness.
- To increase the production of iron ore from the present level of around 24 Million Tonnes to 40 Million Tonnes by 2014-2015.

Micro Objectives

- **Achieve growth by:**
 - Expansion of existing mines.
 - Operating new mines fully owned by NMDC or in Joint Venture.
- Give thrust to exploration and exploitation of coal and gold.
- To maintain environment protection.
- To conserve mineral resources through scientific mining.
- To maintain high level of customer satisfaction.
- To improve the quality of life of people in general and socio economic environment in and around the mines in particular.

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STATUTORY AUDITORS

M/s. Ramamoorthy (N) & Co.
Hyderabad, Andhra Pradesh

BRANCH AUDITORS

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

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Achievements

◆ Turnover	–	Rs. 11,368.94	Crore
◆ Profit before Tax	–	Rs. 9,727.17	Crore
◆ Cash Profit	–	Rs. 9,763.98	Crore
◆ Net Profit	–	Rs. 6,499.22	Crore
◆ Total Assets	–	Rs. 21,083.67	Crore
◆ Net Worth	–	Rs. 19,200.07	Crore
◆ Book Value per Share	–	Rs. 48.43	
◆ Earnings per Share	–	Rs. 16.39	
◆ Return on Capital Employed	–	35%	
◆ Return on Net Worth	–	34%	
◆ Dividend :			
- Interim	–	115%	
- Final	–	215%	
◆ Value added per Employee	–	Rs. 159.04	Lakh
◆ Output per Manshift (Iron Ore)	–	27.73	Tonnes

Board of Directors



Rana Som
Chairman-cum-Managing Director



S. Machendranathan
Director



U.P. Singh
Director



Y.K. Sharma
Director



Abdul Kalam
Director



K.S. Raju
Director



Arvind Mahajan
Director



R.N. Aga
Director



Parminder Hira Mathur
Director



Dronadeb Rath
Director



N.K. Nanda
Director (Technical)



S. Thiagarajan
Director (Finance)



G.B. Joshi
Director (Personnel)



Subimal Bose
Director (Production)



Kumar Raghavan
Company Secretary & ED (CC)



Ms. Teresa Bhattacharya
Director
(Upto 23.12.2010)



S. Venkatesan
Director (Production)
(Upto 31.03.2011)



V.K. Sharma
Director (Commercial)
(Upto 30.07.2011)

As on 08.08.2011

Senior Management



Atul Bhatt
Executive Director (BD)
Head Office



Pradeep Gupta
Chief Vigilance Officer (CVO)
Head Office



Ganesh Vishwakarma
Executive Director (Steel)
Head Office



L.N. Mathur
General Manager
Donimalai



A.S. Ahluwalia
General Manager
Arki



N.P.B. Jagannath
General Manager (Engg)
Head Office



Y. Venkata Swamy
General Manager (Proj)
Head Office



V.K.S. Rathore
General Manager
Kirandul Complex



R.N. Choubey
General Manager
Regional Office, New Delhi

As on 08.08.2011

Directors' Report for the year 2010-11

Dear Members,

Your Directors are pleased to present the 53rd Annual Report on the performance of your Company, together with the Audit Report and Audited Accounts, for the year ended 31 March 2011 and the Report thereon by the Comptroller and Auditor General of India.

1.0 PERFORMANCE HIGHLIGHTS

The year under review has been a historic year in which the Company has established new landmarks in its performance in all parameters. For the first time in the history of the Company, turnover has breached the Rs.10,000 crores mark and Profit after Tax has crossed Rs.6,000 crores mark, the highest ever in its history. The sterling performance of the Company can primarily be attributed to increased offtake by domestic customers, improved rake supply by railways and increase in iron ore price.

The major performance highlights are summarized as under:

- Turnover for the year under review was Rs.11369 crores compared to Rs.6239 crores in the previous financial year 2009-10 recording an increase of 82%. The Company has for the first time in its history crossed the Rs.10,000 crores turnover mark.
- Profit before tax was Rs.9727 crores compared to Rs.5207 crores in the previous financial year 2009-10 recording an increase of 87%. Profit after tax was Rs.6499 crores compared to Rs.3447 crores in the previous financial year 2009-10 recording an increase of 89%.
- Net worth increased to Rs.19200 crores as on 31.03.2011, 35% higher than Rs.14256 crores in the previous financial year 2009-10.
- Interim Dividend @ 115% on the paid up equity share capital of the Company aggregating Rs.455.94 crores was paid by the Company.
- Pursuant to the Order of Ministry of Corporate Affairs, Government of India, Sponge Iron India Limited got merged with NMDC Limited. The acquisition of SIIL through the inorganic route of merger makes the Company's first foray into manufacturing area.
- As an MoU signing PSE with the Government of India, your Company's performance during the year qualifies for "Excellent" rating
- Supply of Iron Ore to domestic industries recorded 237.52 lakh tonnes as against the previous year supply of 206.53 lakhs tonnes, recording an increase of 15%. Total exports of Iron Ore during the year was 25.63 lakh tonnes against 34.32 lakh tonnes in the previous financial year 2009-10 recording a decrease of 25%.



*Statue of Corporate Governance
at Bailadila Complex, Kirandul*

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- Sponge Iron production during the year under review was 38962 tonnes.
- During the year 137.11 lakh Kwh Power has been generated by wind electricity generators as compared to 194.05 lakh Kwh of power in the previous financial year 2009-10.

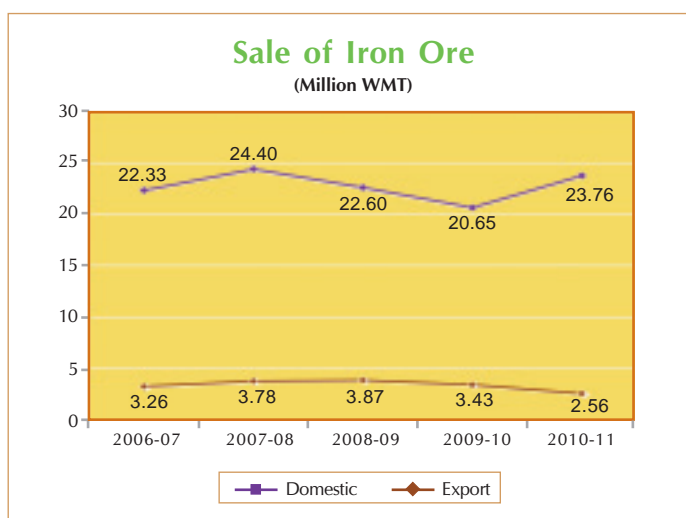
2.0 PHYSICAL PERFORMANCE

2.1 Production

Product	Achievement		Percentage change
	2009-10	2010-11	
Iron Ore (lakh tonnes)	238.03	251.55	6.0%
Diamond (Carats)	16529.21	10865.93	(-) 34%
Sponge Iron (Tonnes)	–	38962.00	I year of operation

Notes:

- The Hon'ble Supreme Court of India has granted permission for operation of Diamond Mining Project upto 13.12.2020. However, on 01.07.2010, supplementary lease has expired. Accordingly, application has been submitted for Forest Clearance. Stage-I approval was cleared on 04.01.2011 and final / stage-II approval is awaited.
- 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
	2009-10	2010-11	
Domestic	206.53	237.52	15%
Export through MMTC	34.32	25.63	(-) 25.3%
Total Sales	240.85	263.15	9.26%

NMDC Limited

Notes:

- a) Production and Sales of Iron Ore were partially affected in the year 2010-11 due to frequent bandhs called by Maoist in Bailadila sector and restricted night movements of rakes due to Maoist activities.
- b) Production and Sales were also affected during the year 2010-11 due to breakdown of Essar's slurry pipeline for the most part of the year.

2.3 Other Sales

Products	Achievement	
	2009-10	2010-11
a) Diamond Sales (carats)	7335.34	18421.22
Value (Rs. in crore)	6.94	12.88
b) Wind Power Sales (lakh KWh)	194.05	137.11
Value (Rs in crore)	6.57	4.48
c) Sponge Iron (tonnes)	–	39775.00
Value Rs. in crore	–	62.74

3.0 FINANCIAL PERFORMANCE

3.1 Operating Results

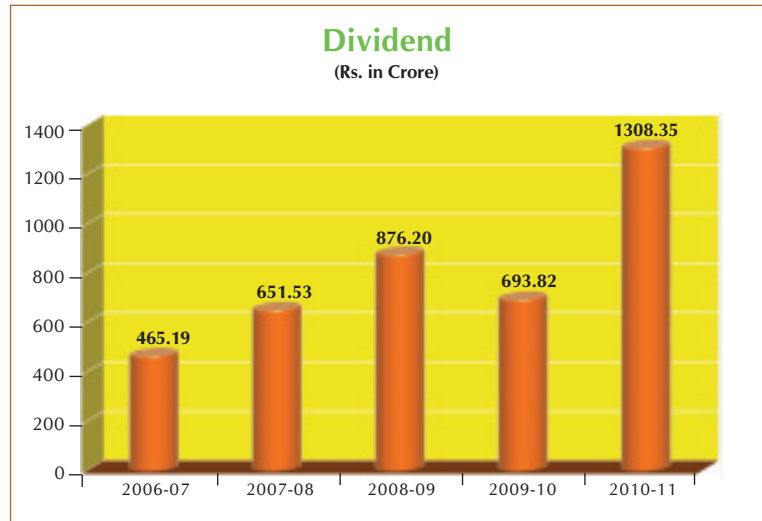
Parameter	Achievement		Percentage change
	2009-10	2010-11	
Profit Before Tax (Rs. in crore)	5207	9727	87%
Net Worth (Rs. in crore)	14256	19200	35%
Book value per share (Rs.)	35.96	48.43	35%
Earnings per Share (Rs.)	8.69	16.39	89%

3.2 Profit & Dividend

During the year under review, your Company has earned profit before tax of Rs.9727 crores on a turnover of Rs.11369 crores in comparison with those of previous year's achievement of Rs.5207 crores and Rs.6239 crores.

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The Company has paid interim dividend @ 115% on the equity shares of Re.1/- each aggregating Rs.455.94 crores in February 2011. The Board has recommended subject to shareholder's approval, payment of final dividend @ 215% on the paid up equity share capital of the Company aggregating Rs.852.41 crores. The total dividend payout for the year under review aggregates Rs.1308.35 crores.



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

As part of plan to enhance production, the construction of Deposit 11B mine at expanded capacity of 7.0 million tonnes of ROM per annum has been taken up. The estimated capital expenditure towards this is Rs.607 crores, out of which Rs.320 crores is for Plant and Rs.188 crores is for mining machineries. Expenditure incurred till 31st Mar'11 for the plant is Rs.262 crores. Naxal activities have seriously hindered the progress of the project work. The project is likely to be commissioned by December 2011. Project progress till 31st Mar'11 is 67%.

5.1.2 Uniflow System at Bachel

East Coast Railways is 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 East Cost Railways. This has since been revised by Railway due to adverse ground condition of the area.

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. The work is awarded on PDV-KVMR, Visakhapatnam. About 60% of the work is completed and the balance is likely to be completed by October 2011.

5.1.3 Slurry Beneficiation and Transportation system from Bailadila to Vizag

The Slurry Transportation system is intended for transportation of Pellet Feed Concentrate from Bailadila to Vizag via Jagdalpur along State / National Highways with a provision for partial take-off at Nagarnar for feeding to NMDC's proposed Steel Plant at Nagarnar. Techno-Economic Feasibility Report (TEFR) for the scheme prepared by MECON, New Delhi and IFCI is appointed as the agency for carrying out Due Diligence of the TEFR.

5.1.4 BHQ Beneficiation Plant at Donimalai

For treating low grade ore, Banded Hematite Quartzite (BHQ), a Beneficiation Plant is proposed to be set up at Donimalai Iron Ore Mine to treat 3.6 Lakh tonnes per annum of BHQ to produce 1.18 Lakh tonnes per annum of BF grade Pellet Feed Concentrate. Techno-Economic Feasibility Report (TEFR) for the scheme was prepared by MECON, Bangalore and Due Diligence Report of the TEFR was prepared by SBI Capital Markets Ltd. The project is scheduled to be commissioned by 2012-2013.

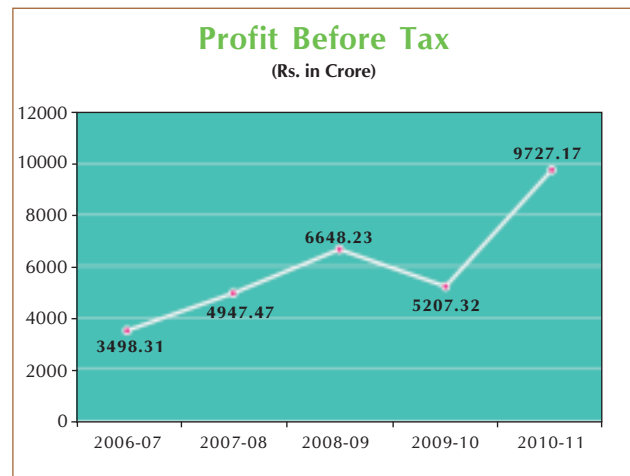
5.1.5 Slime-based Pig Iron Plant at Jagdalpur

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

5.1.6 Merger of Sponge Iron India Limited

Pursuant to the order of Ministry of Corporate Affairs, Government of India, the Company has filed certified copies of order of merger with the Registrar of Companies, Andhra Pradesh on 1st July, 2010. Consequent upon filing of the order of merger with the Registrar of Companies, Andhra Pradesh, Sponge Iron India Ltd stands merged with NMDC without being wound up. The appointed date of the Scheme is 30th June 2008 and the effective date is 1st July 2010 being the date on which the Order of Merger was filed with Registrar of Companies, Andhra Pradesh.

The erstwhile Sponge Iron India Limited is now functioning as Sponge Iron Unit of NMDC Limited.



5.1.7 Kumaraswamy Iron Ore Project

To compensate the depleting reserve of Donimalai Iron Ore Mine and augmenting NMDC's production capacity towards achieving the target of 50 MTPA, the construction of Kumaraswamy mine with capacity of 7.0 MTPA was envisaged. The Board has approved the revised capital outlay of Rs.898.55 crores for the project in its 427th meeting held on 26.11.2010. MECON is appointed as EPCM consultant. The entire project has been planned to be executed in six packages. Work orders are placed for all critical packages 1, 2 & 3 (Crushing Plant Package, Downhill Conveyor Package and Electrics & Substation Package). Orders for the minor packages will be placed in 2011. The project is expected to be completed by June 2013.

5.1.8 Windmill in Karnataka

9.0 MW Wind Power Project has been commissioned on 30th September 2008 and connected to KPTCL grid.

5.1.9 Low Silica Limestone Project, Arki (HP)

Mining Lease of the Arki Lime Stone Deposit is valid upto 7th August 2011. Mining lease renewal application was submitted on 23.04.2009 and the same is under consideration of Addl. Chief Secretary (Industries), Shimla. MOEF, New Delhi has accorded Environmental Clearance on 22.12.2010 subject to transportation of material by road for 1st five years and then by conveyor. An application has already been filed at State Govt. of H.P. on 3rd March 2011 for reconsideration as earlier State Govt. of H.P. has not agreed for transportation of limestone by road.

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As Forest Clearance of Arki lease is co-terminus with expiry of mining lease, the forest clearance proposal of NMDC has been forwarded to CCF, Shimla on 4th March 2011. On scrutiny of the proposal, the case will be considered by MOEF for diversion of 84.36 Ha of Forest Land.

For land acquisition, on 23.02.2011, Revenue Dept. of Govt. of H.P. has issued the notification for exemption in the 1851.03 Bigha Pvt. Land under sub-section (h) of section-5 of the Himachal Pradesh Ceiling on Land holding Act, 1972. Matter is being pursued for issuing the notification under section-4 of Land Acquisition Act.

A draft Mining Plan for 3MTPA mine has been prepared and submitted to IBM, Dehradun as a pre-submission for the purpose of Mining Lease renewal. Simultaneously, action has been initiated for preparing the Feasibility Report and M/s Tata Consulting Engineers Ltd. has been awarded the work of preparing the same.

5.1.10 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 revive the project. Subsequently Board of NMDC endorsed to revive the project by setting up a 30,000 TPA Dead Burnt Magnesite plant.

ML renewed for 10 years w.e.f. 11th January 2009 and registered on 21st May 2010. ML has been transferred to J&KMDC on 10.01.2011. It has been registered on 07.04.2011 at Hon'ble Court of Katra in favour of J&KMDC.

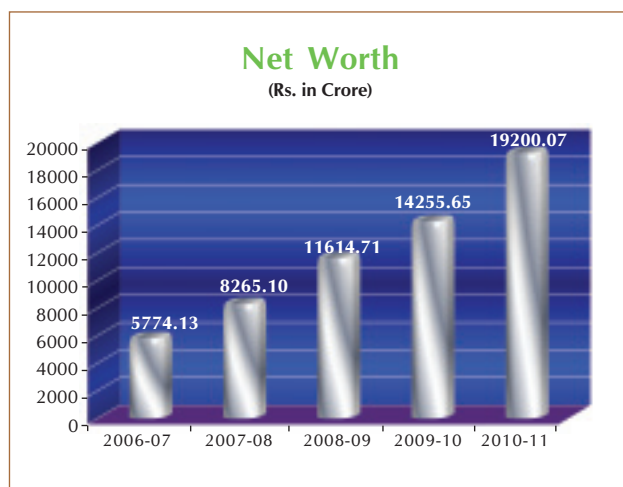
Public hearing for Environmental Clearance (EC)

was held successfully. Expert Appraisal Committee (EAC) meeting for environmental clearance was held on 23rd September 2010 and 23rd February 2011. MoEF asked NMDC to submit NOC from National Board of Wild Life (NBWL) with reference to Tricuta wild life sanctuary which is close to the mine area. Application has been submitted accordingly and a NOC from NBWL and EC from MoEF are awaited.

The Project is planned to be executed in four packages. M/s Dasturco is appointed as EPCM Consultant. Tender activity is in progress.

5.1.11 Screening Plant III at Kirandul Complex

To augment the production capacity of Kirandul Complex the construction of 12.0 MTPA screening plant with loading facilities is envisaged. The plant would cater to both Dep. 11-B & Dep.14 of Kirandul Complex. The estimated capital expenditure is Rs.951 crores. TATA Consulting Engineers (TCE) is appointed as EPCM Consultant. The entire project has been planned to be executed in seven packages. Tender activity is in progress. Environmental and Forest Clearances are awaited.



5.2 Other initiatives

5.2.1 Bailadila Iron Ore Deposit-13

NMDC formed a Subsidiary Company NMDC-CMDC Ltd. with 49% partnership of CMDC Limited. The JVC was incorporated under the Companies Act, 1956 on 19th June 2008 to develop Deposit-13 as standalone project of 10 MTPA. Due to change in Project Execution Philosophy of developing Deposit-13, Modified Mining Plan was prepared and got it approved by IBM, Nagpur in April 2010.

To know the techno-economic viability of the project, an in-house Techno-Economic Feasibility Report (TEFR) was prepared in June 2009 and found to be highly profitable. The subsidiary Company is seeking various statutory clearances of the project.

5.2.2 Bailadila Deposit-4

It is envisaged to develop Deposit 4 with CMDC Ltd. as a partner for supplying raw material to the steel plant at Nagarnar. Govt. of Chhattisgarh on 30.09.2010 has recommended the ML application of NMDC to Ministry of Mines, GOI for prior approval for grant of ML in favour of NMDC. Prior approval is expected shortly.

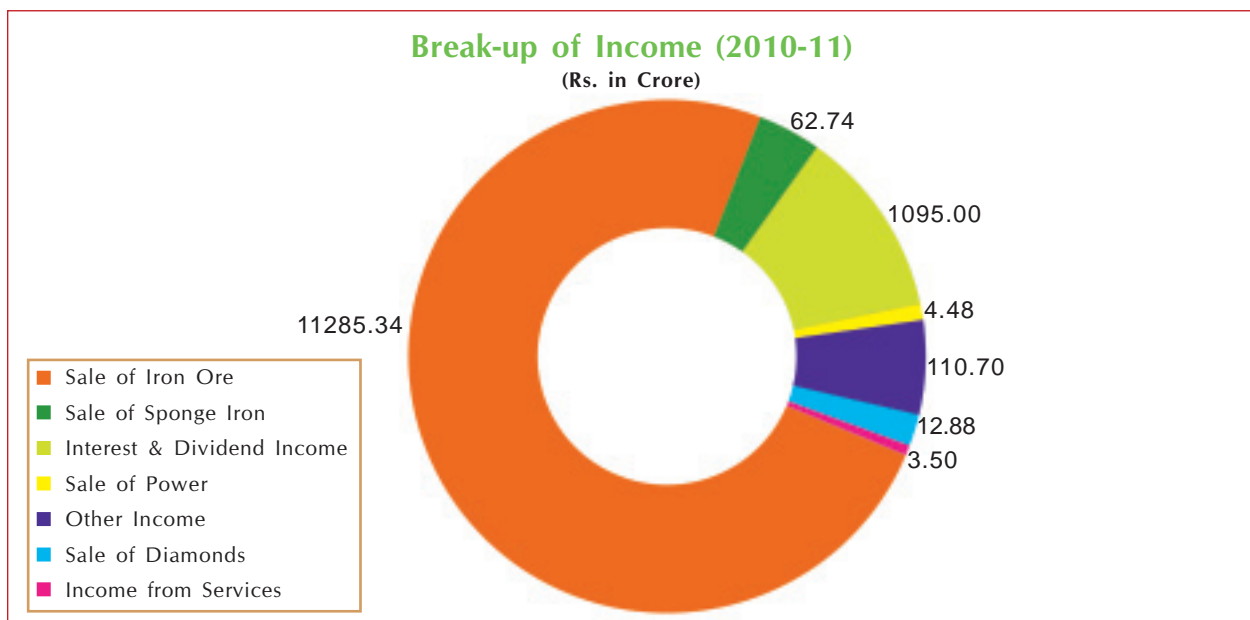
5.2.3 Rail Link between Dalli-Rajhara - Raoghat, Jagdalpur Railway Line Project

The work is under progress between Dalli-Rajhara - Raoghat (Phase-1). Levelling is under progress upto Bhanupratappur. Tree felling beyond Bhanupratappur is held up due to security concerns.

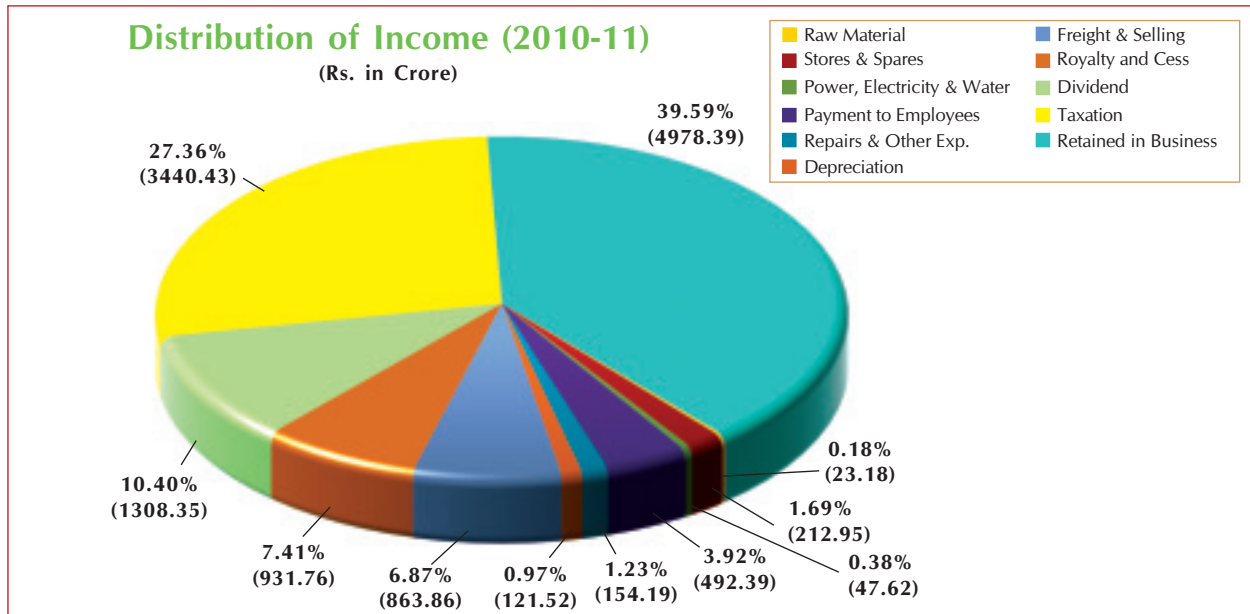
5.2.4 International Coal ventures (P) Limited (ICVL)

The Joint Venture Company International Coal Ventures (P) Limited (ICVL) has been incorporated between SAIL, NMDC, NTPC, Coal India and RINL.

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



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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 signed an MoU on 29th January, 2010 for joint exploration work for Iron ore in Kadapa, Kurnool, Chittoor and Karimnagar Districts and for Gold in Chittoor and Anantapur districts of A.P. Preliminary exploration for iron ore was carried out in Kadapa and Karimnagar districts. Further exploration work will continue.

5.2.6 NMDC Global

Your Company has formed its international global investment division - NMDC Global in order to focus expanding its geographical footprint around the world and augmenting its resource base. The vision of NMDC Global is to secure future supplies of critical raw materials for the country's steel and fertilizer production and energy security by acquisition of overseas mineral assets of iron ore, coking coal, Manganese ore and fertilizer raw materials i.e. rock phosphate and potash.

Strategic Alliances

- Your Company has signed a Memorandum of Understanding with OJSC Severstal, Russia, to jointly set up an Integrated steel plant with an initial capacity of 2 million TPA in Karnataka. A model of complete vertical integration of the steel making resources to product generation is being pursued.
- The joint venture agreement was signed and a JV Company is being incorporated with M/s Kopano Ke Matla Investment Company (Pty) in the Republic of South Africa for exploring and exploiting the mineral resources in South Africa.

Solar Power Plant

To develop solar power development projects under the Jawaharlal Nehru National Solar Mission (JNNSM), your Company had submitted bids to develop solar power plant at Paloncha. NMDC was not considered in view of net higher tariffs.

Renewable Energy Bio-Mass Plant

As part of its ongoing initiatives to contribute to the conservation of environment, your Company is currently evaluating the possibility of setting-up a 5 MW bio-mass based power plant at one of its mine locations.

ITMK3 Based Nugget Plant

Your Company is currently engaged in conducting feasibility studies in partnership with Kobe Steel to set-up a 500,000 tpa iron nugget plant based on iron ore fines and low rank coals.

Met Coke from Indian Thermal Coal

Your Company has initiated discussions with the technology supplier and potential JV partner in the USA for setting-up a plant in India to produce Coke equivalent from Indian thermal coals.

5.3 Foreign venture

5.3.1 Gold in 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. NMDC is also in the process of identifying a Joint Venture partner for developing a gold mine in Bulyang'Ombe.

5.3.2 Iron Ore

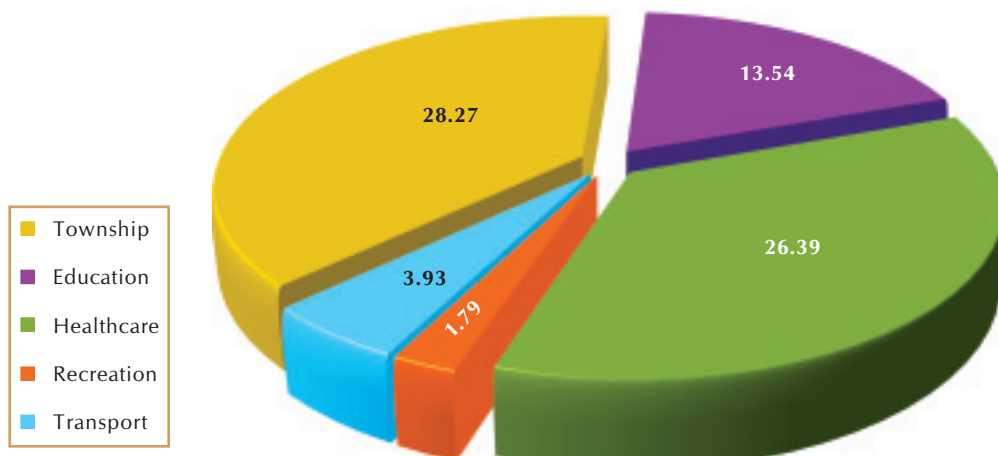
Being the largest iron ore producer of the country, NMDC has in-house expertise in exploring, developing, commissioning and operating iron ore mines. Your Company plans to leverage these core competencies to acquire early stage exploration projects across the world.

Australia

Your Company has identified two exploration tenements, one in Western Australia (early exploration) and the other in South Australia (scoping study completed with preliminary reserve estimates) and has entered into exclusive negotiations with the license holders of these exploration tenements for possible acquisition.

Break-up of Expenditure in Social Amenities (2010-11)

(Rs. in Crore)



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Brazil

Your Company is also considering acquisition of a magnetite iron ore resource in Brazil which has completed its pre-feasibility stage. The strategy involves developing this mineral asset in collaboration with the current owners with a targeted production of 6 million tonnes per annum of magnetite concentrate.

5.3.3 Coking Coal

Acquisition of operating coking coal assets overseas is a national priority as India is dependent on imports for most of its requirement. Hence, in order to reduce risk and dependence on mining and marketing of iron ore and also to secure against increasing need of the country, your Company proposes to diversify into production of coking coal. The strategy for coking coal is to participate in the operating mines which is already producing or near production. Investment at exploration stage although not a priority is being considered in addition to acquisition of operating mines.

Russia

Your Company is considering acquisition of an operating coking coal mine in Far East Russia. The independent technical due-diligence of the target asset has been completed and the appointment of financial consultant cum transaction advisor is being considered.



Shovel - Dumper operation

USA

Your Company is also actively pursuing the acquisition of a metallurgical coal producer located in Alabama operating an underground mine, a surface mine as well as a preparation plant. The Company's

mines are accessible by several truck routes and rail as well as direct barge to the port of export - providing a number of transportation alternatives to serve both domestic and international customers. The independent due diligence for financial and technical aspects have been initiated.

5.3.4 Phosphate and Potash

Your Company is also reviewing opportunities for acquisition of rock phosphate and potash mineral assets to meet the fertilizer requirement of India, one of the largest importers of these commodities in the world. The target regions for rock phosphate are in North Africa and Australia while for potash are in Canada and East Africa.

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



Crushing Plant and Silos of Deposit-10/11A, Bachel Complex, Chhattisgarh

5.4.1.2 The PLs being pursued in Chhattisgarh

Your Company has applied 12 PL's in Dantewada District (2006-2008). In addition to that, your Company has also applied 3 PLs in Kanker District in 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 & JSMDC).

Your Company has signed MOU with Dept. of Mines & Geology (DMG), Jharkhand for exploration of Iron ore and other minerals in the State of Jharkhand. Under the MoU signed, your Company is executing exploration for iron ore in Silpunji - Kantoria area in West Singhbhum Dist. Exploration work is in progress.

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 being heard in the Hon'ble Supreme Court of India.

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5.4.1.4 In Karnataka

Your Company is pursuing for ML for Ramandurg and Kumaraswamy deposit (contiguous to ML No.1111). Both the MLs are subjudice, pending in the Hon'ble Supreme Court of India and in Hon'ble High Court of Karnataka respectively. Your Company has applied for 7 ML application (Aug 2007) in Chitradurga, Bellary, Tumkur and Bagalkote Districts.

In addition, your Company has also applied for another 7 PL applications (Jul 2010 and Sep 2010) in Tumkur, Bellary and Chitradurga Districts and in Donimalai Range 3 ML applications (Dec 2010).

5.4.1.5 In Orissa

Your Company is pursuing for ML for Mankadnacha iron ore.

5.4.2 Gold

5.4.2.1 In Jharkahand

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 has carried out exploration work in 5 PLs (Revenue area) of Kalyandurg area, Anantapur Dist. and all these areas have proved non-prospective and surrendered to the State Govt. Your Company is pursuing forest permission for exploration in the other 3 granted PLs falling in the Forest area (Renewal application submitted in March 2010). Forest permission is expected shortly.

5.4.3.2 In Madhya Pradesh

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

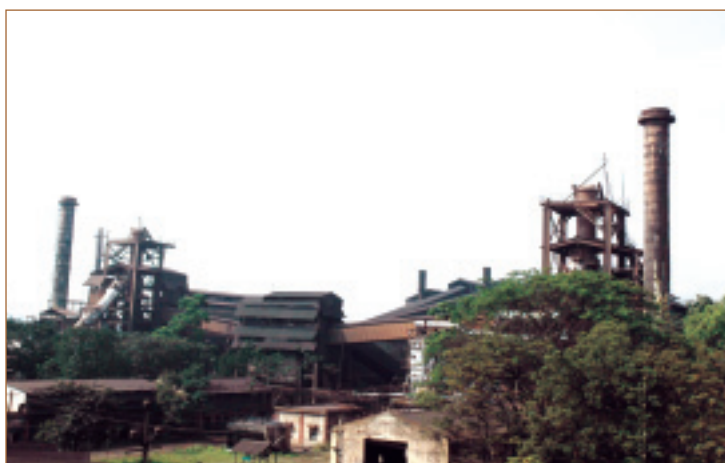
Tikamgarh RP

Your Company has been granted Reconnaissance Permit (RP) on 30.09.2009 in the Tikamgarh District of M.P. Exploration work is in progress.

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.



Sponge Iron Unit, Paloncha, Andhra Pradesh



Carbon-Sulphur and Oxygen-Nitrogen Analyzer at R&D Centre, Hyderabad

5.4.5 Coal

Your Company has applied for 10 coal blocks in Jharkhand, 3 coal blocks in West Bengal, one each in Maharashtra and Andhra Pradesh to MoC, New Delhi for allocation.

5.4.5.1 In Madhya Pradesh

Your Company was allotted 2 underground coal blocks viz. Shahapur East and Shahapur West coal in the Sahdol District by Ministry of Coal, GoI on 25.07.2007 for commercial mining under Govt. dispensation route. Your Company has carried out detailed geological exploration of both the coal blocks and submitted ML applications on 14.12.2009. Govt. of M.P. is in the process of forwarding the ML applications to MoC, GoI for prior approval. Mine plan for both the blocks were prepared and submitted to MoC on 07.06.2010 for approval. Approval is expected in June / July 2011. Action is on hand for obtaining all statutory clearances. Preparation of feasibility report, land acquisition survey are all under progress.

5.4.5.2 In Chhattisgarh

Your Company is in the process of signing a Draft Memorandum of Agreement with Goa Industrial Development Corporation (GIDC) for development of Gare Palma Sector-III coal blocks in Chhattisgarh allotted to GIDC.

5.4.6 Bauxite

5.4.6.1 In Jharkhand

Your Company is pursuing for PL / ML for Mahaudih village, Kujam village, Utani, Akasi and Putrang villages, Kotih village, Kujam and 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.



*Sponge Iron Powder Plant
at R&D Centre, Hyderabad*

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

Your Company is setting up a 3.0 MTPA Steel Plant at Nagarnar near Jagdalpur, Chhattisgarh where 995 acres of land was acquired in the 1st phase and 787.62 acres of private land was acquired in the 2nd Phase totaling to 1782.62 acres of land which is in possession of the Company at present. Formal allotment of additional 102.64 acres of Government Land is under process in the Government of Chhattisgarh. Besides, diversion of about 63.52 acres of forest land for utilization for setting up of the Steel Plant is also under process in the government. As such in total your Company will be in possession of about 1949 acres of land at Nagarnar for the Steel Plant. Techno Economic Feasibility Report and Investment of Rs.15,525 crores was approved by Board on 07.01.2010.

Environmental Clearance from MoEF was received on 15.09.2009 subject to the condition of obtaining prior approval from the Central / State Government for diversion of the 25.72 Hectares of Forest land under the Forest (Conservation) Act 1980 and subsequent amendments for utilization for setting up of the steel plant.

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1st stage approval of the MoEF for the 25.72 Hectares Forest Land was received on 04.08.2010. Action for obtaining 2nd stage approval has been initiated and the approval is expected shortly. Permission to establish, under "Water (prevention and control of pollution) Act 1974 and Air (prevention and control of pollution) Act 1981", has been received from Chhattisgarh Environment Conservation Board on 28.08.2010. Application in prescribed form has been submitted before the Chief Inspector of Factories on 27.01.2011 for approval of the site for the Steel Plant for commencing construction works as required under Rule-3 of Chhattisgarh Factories Rules.

Rail Transport Clearance was received on 17.02.2009. Railway consultant was appointed on 29.12.2009 and detailed site survey for the rail line connectivity was completed on 16.05.10 by the Consultant. East Coast Railway, Bhubaneswar cleared the feasibility report on 04.08.2010 for preparation of DPR. Accordingly, the DPR was submitted to East Coast Railway on 20.12.2010 for their approval.

State Govt. of Chhattisgarh has sanctioned water for construction and operation on 06.08.2009. Chhattisgarh State Power Transmission Company Limited has approved and agreed to construct power line from Jagdalpur to Nagarnar to make construction power line available for which necessary charges already paid.

EHT Power for operation is required to be drawn from Raipur to Nagarnar over a distance of about 300 kilometers at 400 KV level and 400/220 KV substation will be established at Jagdalpur. This line and sub-station will be constructed by CSPTCL on a 50% cost sharing basis with NMDC. Further power from Jagdalpur to Nagarnar will be drawn at 220KV level for which the entire cost will be borne by NMDC. Commitment charges and security deposit for the power were paid in this regard.

Out of the 9 Major Technological packages, package for Sinter Plant and Blast Furnace Complex have been awarded. Offers received for another 5 packages E.g. 1. Raw Material Handling System. 2. Coke Oven Plant 3. By Product Plant 4. Steel Melting Shop and 5. Thin Slab Caster and Hot Strip Mill are under various stages of evaluation for order placement. Remaining two Major Technological packages (Oxygen plant and Lime & Dolo plant) and auxiliary packages which are of less lead time are being processed for tendering shortly. Engineering Consultancy contract with MECON was signed on 17/01/11.

Enabling works packages like site levelling, Plant Entrance Road, Construction water, and Construction power were awarded and works are in progress at site.

5.5.2 2.0 MTPA Pellet Plant at Bachel

Project is kept on hold considering the proposed slurry pipeline from Bachel to Vizag. It is planned to relocate the project from Bachel, Dantewada to Nagarnar, Jagdalpur.

5.5.3 1.2 MTPA Pellet Plant at Donimalai

One of the main objectives of this project is to prolong the life of Tailing Dam at Donimalai by using slimes for making pellets. M N Dastur & Co. appointed as EPCM consultant. Execution of Project divided into Six Packages. The estimated capital expenditure is Rs.572 crores. Civil



Mine at Bachel Complex, Chhattisgarh

NMDC Limited

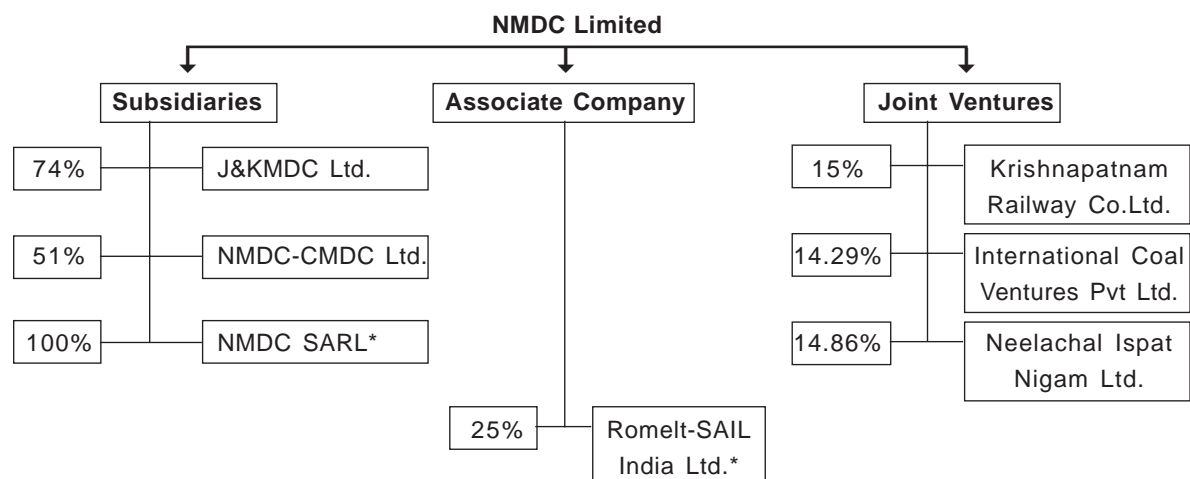
works are in progress at site. Orders placed for Site Leveling, Misc. Building, MRSS and Pelletization Packages. Beneficiation Package order is being finalized. Project is scheduled to be completed by March 2013.

6.0 R&D ACTIVITIES

Particulars required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are at Annexure-I.

7.0 SUBSIDIARY / JOINT VENTURE COMPANIES MONITORING FRAMEWORK

NMDC has three subsidiaries and stake in four Joint Venture / Associate Companies. The names of these Companies and percentage of NMDC stake in these companies are as follows:



* Under closure.

The subsidiaries of NMDC are Board managed with the primary interest to manage such Companies in the best interest of the shareholders. The framework for Subsidiary / Joint Venture are as under:

- i) All investments in these Companies are approved by the Board of Directors.
- ii) The Company nominates its representatives on the Board of these Companies.
- iii) The minutes of the meeting of the Board of Directors of Subsidiary Companies are reviewed by the Board of NMDC.

In terms of Listing Agreement/DPE Guidelines, the existing subsidiary Companies of NMDC are non-material, non-listed 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. The wholly owned subsidiary Company is under closure.

7.4 Statement pursuant to section 212 of the Companies Act, 1956

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

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8.0 ENVIRONMENT MANAGEMENT:

Your Company has been accredited with ISO 14001-2004 EMS by M/s DNV, Hyderabad in respect of four major production projects i.e. Bailadila Deposit-14 / 11C, Deposit-5, Donimalai and Diamond Project. The EMS certification is valid upto 13.06.2011.

Your Company has obtained Environmental Clearance from MoEF for Arki Limestone Project on 20.12.2010 and successfully completed EAC meetings at MoEF in respect of Panthal Magnesite cum DBM Plant and Bailadila Deposit-13 project, Kirandul for obtaining Environment clearance. The Environmental clearances are awaited from MoEF.

Your Company has also obtained consent for establishment from State Pollution Control Boards for capacity expansion of Donimalai iron ore mine and Pellet plant on 15.09.2010 and for Integrated Steel Plant at Nagarnar on 29.08.2010.

Your Company has also received final forest clearance for 10.763 ha forest land for railway siding for NISP and 1st stage forest clearance for Panna supplementary ML on 23.11.2010 and for change in land use pattern of Bailadila Deposit-14ML on 23.11.2010 from MoEF, Gol.

Your Company is organizing environmental monitoring studies at all production projects by engaging CPCB / MoEF approved laboratories and the results shows that all the environmental parameters are meeting the applicable standards prescribed by CPCB / MoEF.

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



Conveyor System, Bachel Complex, Chhattisgarh



Corporate Level Tripartite Safety Committee Meeting

Corporate Level Tripartite Safety Committee Meetings are being held regularly once in a year at Head Office. 22nd Corporate Level Tripartite Safety Committee Meeting of Donimalai Iron Ore Mine was conducted on 19.11.2010 and Bailadila Iron Ore Mines / Diamond Mining Project was conducted on 07.02.2011.

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 2010-11 is 5.87 and 3.01 for the year 2009-10.

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. One Surveillance Audit was conducted successfully at BIOM, Kirandul Complex and BIOM, Bachel Complex in the month of January 2011. Re-certification Audits were conducted successfully at Donimalai Iron Ore Mine and at R&D Center in the month of October 2010.



Signing of contract for Sinter Plant of NMDC's 3.0 MTPA Steel Plant, Nagarnar, Chhattisgarh

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. One Surveillance Audit was conducted at BIOM, Kirandul Complex and BIOM, Bachel Complex in the month of January 2011 and Donimalai Iron Ore Mine in the month of November 2010.

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

NMDC Limited made all efforts for implementation of the Official Language Policy and for use of Official Language in all its Units and Head Office during the year.

Hindi workshops were conducted for officers and employees to make them efficient to use Hindi in day-to-day official work. Eligible employees were imparted training in Hindi Computer. To bring awareness about the official language among the employees and their family members as well as the employees of other offices situated in the vicinity of its offices is various programmes such as Hindi Divas, Hindi Saptaha,

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Hindi Pakhwara, Rajbhasha Maah were conducted during the year. Various Hindi Competitions were also conducted and Winners were suitably awarded prizes. Incentive schemes were implemented for more and more usages of Hindi in the Offices of the Company and suitable prizes were awarded to the employees.

To encourage use of official language in technical fields also Rajbhasha technical seminars in Hindi were organized by the production units of the Company. Technical Seminar books and Rajbhasha souvenirs were also published.

Hindi House Journal viz. 'NMDC Patrika' and 'SHE Samachar' - bilingual quarterly

magazines, Baila Samachar, Bacheli Samachar and Hira Samachar, Monthly Hindi bulletins were published, Doni Samachar-a trilingual monthly bulletin was also published during the year.

NMDC Limited was awarded Steel Ministry's Rajbhasha Shield for 'C' Region for the excellent implementation of the official language policy and progressive use of Hindi during 2008-09. The award was presented by the Honorable Minister of Steel on 29th November, 2010.

NMDC was also selected for Rajbhasha Shield 1st Prize for the year 2009-10 by Town Official Language implementation committee (undertakings) Hyderabad-Secunderabad, for excellent implementation of the Official Language policy.



Shri G.B. Joshi, Director (Personnel) received Rajbhasha Shield (TOLIC) for the year 2009-10 for NMDC

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. The wages / salaries of employees have been revised w.e.f. 01.01.2007.

12.2 Scheduled Castes & Scheduled Tribes

24 persons belonging to Scheduled Castes and 115 persons belonging to Scheduled Tribes were appointed in the year 2010 against 312 posts filled in by direct recruitment.

12.3 Strength of SCs & STs as on 31st March 2011

1. Total number of employees	=	6128
2. Scheduled Castes amongst them	=	1102
3. Scheduled Tribes amongst them	=	1359
4. Total SCs and STs	=	2461
5. Physically challenged employees	=	38

12.4 Particulars of employees drawing Rs.5 lakhs per month or Rs.60 lakhs per annum under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011.

The Ministry of Corporate Affairs, Government of India vide GSR No.289 (E) dated 31.03.2011 has raised the limit of employee's salary to be disclosed in the Directors' Report from the existing limit of Rs.2 lakhs per month (Rs.24 lakhs per annum) to Rs.5 lakhs per month (Rs.60 lakhs per annum).

The Ministry of Corporate Affairs, Government of India vide its Circular No.2/29/1998-CL.V (General Circular No.23/2011) dated 3rd May 2011 has subsequently clarified that the said notification shall be applicable to all Directors' Report under Section 217 of the Companies Act, 1956 approved by the Board of Directors on or after 01.04.2011, irrespective of the accounting year of the Annual Account, being approved by the Board.

Accordingly, there was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 as amended in terms of Companies (Particulars of Employees) Amendment Rules, 2011.

12.5 Staff Welfare activities

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

13.0 HUMAN RESOURCES DEVELOPMENT

Employee development services are delivered through In-Company, External and Foreign Training modes. Training Coverage of all employees was 80%. Training index of JOs and Executives as average training mandays per employee per year was 3.9 and HRD index of all employees in training mandays as percentage of working mandays was 1.27 against a target of 1.1.

13.1 External Training Programmes & In-Company Training Programmes

130 Programmes were attended by 500 NMDC participants. This included about 375 Executives, 87 Workmen and 38 Junior Officers. 80% of participants filed feed back reports on return from training and 88% gave excellent rating.

13.2 Foreign Training Programmes

6 Foreign Programmes were attended by 9 NMDC employees.

13.3 Executive Trainees

48 Executive Trainees joined the training.



Shri Rana Som, CMD with the Members of NMDC QCs. NMDC received the best organization award of QCFI for consistently supporting QCs

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14.0 VIGILANCE

Activities of the Vigilance Department in the Company have been revitalized during the year giving special focus on "Preventive & Proactive Vigilance". Periodic Review Meetings with Vigilance Officers were held and during the meetings discussed about vigilance activities carried out during the year and also to draw-up future action plans in conformity with the directives of the Central Vigilance Commission and the Government from time to time. Based on the studies and inspections, the deviations from the existing procedures have been identified and appropriate remedial / preventive measures have been suggested. Further, Vigilance Department coordinated with the departments in the Company in improving upon the existing procedures to achieve the overall objectives of the Company.



Vigilance Awareness Week at NMDC

Special emphasis was made on thrust areas - "Study of Purchase, Procurement of major items (Plant, Mining, Electrical) etc., and Civil Works" and system improvements were suggested wherever needed.

Corporate Vigilance Department at Head Office is certified for compliance to ISO Certification 9001:2008 standards. Surveillance Audit was conducted on 18.10.2010 by M/s Integrated Quality Certification (P) Ltd. This has ensured continual improvement in Quality Management Systems.

Integrity Pact has been implemented in the Company in December 2007. Till date, 39 contracts valuing Rs. 9270.00 crores have been covered under Integrity Pact. During the period, new IEMs have been appointed as the tenure of the previous IEMs was completed.

Vigilance Awareness Period 2010 was observed from 25th October to 1st November. Various programmes were conducted including talks by eminent personalities on the topic - "Generation of Awareness and Publicity against Corruption".

The Company is moving towards Open Tender in more and more cases. The percentage of tenders during 2008-09 was 65% and it has gone up to 87.5% during 2010-11. Similarly, the contracts concluded on Single Tender and Nomination basis have come down from 7.3% and 1.7% during 2008-09 to 1.5% and 1% respectively during 2010-11.

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 ended 31st March 2011, 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 of the Company for the year under report;

NMDC Limited

- 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;
- iv) 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) Lt. Gen. (Retd.) Arvind Mahajan	01.04.2010
ii) Shri S. Machendranathan	24.05.2010
iii) Shri G.B. Joshi	13.08.2010
iv) Shri R.N. Aga	03.12.2010 (reappointed)
v) Mrs. Parminder Hira Mathur	03.12.2010
vi) Shri D. Rath	03.12.2010

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 R.N. Aga	03.06.2010
ii) Dr. (Mrs.) Indira Misra	03.06.2010
iii) Ms. Teresa Bhattacharya	24.12.2010

The Board places on record its deep appreciation for the valuable contribution made by Dr. (Mrs.) Indira Misra and Ms. Teresa Bhattacharya 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 2010-11:

Sl. No.	Name & address of Auditors	Units covered
1	M/s Ramamoorthy (N) & Co. 4-1-1229, Gulshan Manzil, Boggulakunta Abids, Hyderabad-500 001.	Head Office and R&D Centre; Consolidation, Sponge Iron Unit, Paloncha Silica Sand Project, Lalapur.
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.

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18.0 CORPORATE GOVERNANCE

The Board of Directors at their 427th meeting have approved the Policy on Corporate Governance. A separate section on Corporate Governance is enclosed at Annexure-III.

19.0 Report on Management Discussions and Analysis

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 Global Compact - Communication on Progress

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

21.0 Corporate Social Responsibility (CSR)

Being a responsible corporate citizen, NMDC views its business as maximization of value for all stakeholders and CSR is considered to be a vital source of Competitive advantage.

With 'People' at heart of its philosophy and approach to CSR, NMDC is striving to carryout meaningful work in the fields of Education, Health care, sustainable income generation and Agricultural development thus contributing to the Nation building.



Class in progress at NMDC residential school, Nagarnar, Bastar, Chhattisgarh

Education

Recognizing that education is an integral path of human development, NMDC has been contributing to empower Tribal, Scheduled Caste and Poor children to make it their instrument to fight against poverty, disease & injustice by setting up free residential schools of high quality for tribal children, scholarships to 10000 tribal and poor students in 330 schools in 5 districts of Bastar at an annual expenditure of Rs.4 crores, construction of schools and hostels for students including girl children, mid-day meal to 10000 rural children, setting up ITI's & Polytechnic for technical education, supporting the establishment of medical college & reservation of seats in management institute(IPE) for tribal & poor children.

A Quick Retrospective-Major Education related initiatives of 2010-11

Dantewada, South Bastar

Education Improvement Program in 84 Schools in Dantewada block of Bastar region in Chhattisgarh with a view to



NMDC supports sports activities

improve the quality of education through special coaching before/after school hours, reducing the drop-out rate and mainstreaming dropped out children back to the schools has been initiated.

A Polytechnic College with two trades (Mechanical & Electrical) has been established at Dantewada in South Bastar, Chhattisgarh. 112 students are pursuing their studies.

Nagarnar, Bastar

A residential school for tribal children of Bastar region has been established at Nagarnar, Bastar in Chhattisgarh.

194 children from remote villages have been brought into the school in classes I to III through visit of NMDC volunteers to naxal affected areas. The school will be expanded in up to class XII in a phased manner.

Established an ITI with two trades at Nagarnar, Bastar, Chhattisgarh. Further 'Trades' will be added gradually as part of its expansion programme.

Infrastructure Development

Infrastructure Development viz., Roads Bridges and Buildings is the most effective indicator of development process, particularly relevant in the Indian context where infrastructure alleviates poverty providing access to opportunities.

NMDC prioritizes its interventions to bridge the critical gap of poor connectivity by laying several kilometers of metalled & tarred roads and by building bridges and culverts to improve connectivity.

A Quick Retrospective - Major infrastructure related initiatives of 2010-11.

Construction of High-level bridge on Sankini river at Dantewada, South Bastar.

Establishment of 5 schools / Hostels in Bastar & South Bastar.

Establishment of Special Schools 'Prayas' at Bhilai & Raipur.

Construction of by-pass road for Jagdalpur.

Healthcare

Access to healthcare is a pre-requisite for societal prosperity. NMDC runs three hospitals at Project sites, in collaboration with M/s Apollo and M/s Yashoda Hospitals offering free medical treatment not only to staff but to the local communities as well



NMDC is associated with Mid-day meal scheme for schools around its Donimalai Project, Karnataka



Free medical treatment for local people at NMDC Project Hospital

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addressing the needs of an average 80000 out-patients & 8000 in-patients from local tribals every year.

NMDC operates 'Hospital on Wheels' (HoW) service in Bailadila benefitting about 20000 tribal villagers in 37 Villages by providing free medi-care facilities at their doorsteps.

NMDC has released the balance Rs.10 crores against the committed total financial assistance of Rs.50 crores to State Govt. Of Chhattisgarh for establishment of Medical College at Jagdalpur.



Students at Polytechnic established by NMDC at Dantewada, Chhattisgarh

Integrated Development

Initiated Integrated development work in 5 villages in South Bastar, Dantewada, Chhattisgarh in addition to the 8 villages where similar works are already in progress focusing on Literacy, Health & Hygiene, Agriculture, Infrastructure development & Income generation activities.

Promotion of Sports

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



1st batch of students at NMDC Residential School, Nagarnar

22.0 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.

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.



Skill development programme for tribal women

2. All the tenders for the contracts and civil works above threshold value of Rs.20.00 crores and procurements above threshold value of Rs.10.00 crores are the subject matters of Integrity Pact.



A park at Bachel Complex, Chhattisgarh

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3. After the implementation of said programme, Head of Safety Department 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.



A park at Kirandul Complex, Chhattisgarh

4. Shri S. Anwar, IAS (Retd.) and Dr. J.S. Juneja, Former Chairman, NSIC have been appointed as Independent External Monitors (IEMs) for overseeing the Integrity Pact programme.

5. Till date a total of 41 cases of tenders with a value of Rs.9810.55 crores were covered under the Integrity Pact.



NMDC scholarship recipients from Bastar performing at Head Office during their study tour to Hyderabad

24.0 LIST OF AWARDS RECEIVED BY THE COMPANY

1. NMDC received Dun & Bradstreet - Rolta Corporate Award 2009 under Mining category.

2. CMD, NMDC was awarded Mine Tech 10 Life Time Achievement Award for his contribution for the overall development of Indian non coal mining industry by Indian Mining and Engineering Journal on 07.05.2010.

3. NMDC was awarded Fe - EVI Green Business Leadership Award under Metals & Mining category for excellence in the area of environment and green business on 05.06.2010.

4. On 26th April 2010, NMDC received Greentech Safety Award 2010 (Silver Award) in Metal & Mining Sector for outstanding achievement in Safety Management for Bailadila Iron Ore Project Deposit-5, 10 / 11A from Hon'ble Minister for Power, Government of India.

5. On 1st December 2010, Director (Per) received PSU Excellence Award for Corporate Social Responsibility and Responsiveness from Hon'ble Minister for Heavy Industries, Government of India.

6. On 29th November 2010, NMDC received Steel Ministry's Rajbhasha Shield for Region 'C' for best implementation and use of Official Language for the year 2008-09 from Hon'ble Minister for Steel, Government of India.

7. On 15th February 2011, CMD, NMDC received "NIPM Ratna" Award from National Institute of Personnel Management, New Delhi Chapter.



Shri G.B. Joshi, Director (Personnel) received SCOPE Meritorious Award for Corporate Social Responsibility and Responsiveness for NMDC from Her Excellency Smt. Pratibha Patil, President of India



Shri Rana Som, CMD, NMDC received MineTech10 Life Time Achievement Award



Shri G.B. Joshi, Director (Personnel) received PSU Excellence Award for CSR and Responsiveness for NMDC from Shri Vilas Rao Deshmukh, Hon'ble Minister for Heavy Industries

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8. On 14th March 2011, NMDC received the best Supply Chain Management award in the mineral sector as per the survey conducted by the Centre for Monitoring of Indian Economy.

25.0 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.



(Rana Som)

Chairman-cum-Managing Director

Place : NEW DELHI

Date : 27.05.2011



Particulars required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988

TECHNOLOGY: EFFORTS MADE 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 performance for enhanced customer 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 of mine wastes.
- Development of Value Added products.

NMDC, being one of the MOU signing Companies, has set yearly targets for all units including R&D. In this direction R&D Centre has achieved rating of "Excellent" in the MOU performance indicator.

Achievements and improvements carried out in the development of new process, products, cost reduction, and quality improvement etc., of NMDC, R&D Centre during 1st April 2010 to 31st March 2011 are listed below.

1.0 TECHNOLOGY DEVELOPMENT PROJECTS:

1.1 UTILIZATION OF BLUE DUST

1.1.1 300 TPA Carbon Free Sponge Iron Powder Plant:

NMDC is having huge reserves of Blue Dust in its Iron ore Mines. This is soft powdery iron ore having a bluish tinge. Due to its fine granules, blue dust is conventionally not used in iron making.

In view of the above, R&D efforts were initiated to utilize the blue dust concentrate and hence create a value chain. Exhaustive R&D work done in the lab and Pilot scale. A 300 TPA sponge iron powder plant has been setup at R&D Centre for production of carbon free sponge iron powder from blue dust.

Hydrogen Reduced Iron powder finds its application in the related fields:

- i) Soft magnetic component (Micro-motors, magnetic relay, etc).
- ii) Friction material (brake pads for automobile, aircraft, heavy earth moving equipments).
- iii) Food fortification (iron is used as food supplements).
- iv) Melt addition (for production of special alloy and steel).
- v) Complex and special P/M parts.
- vi) Ordnance items (explosively formed projectile (EFP) liners).

Erection of all equipments has been completed and integrated trial operation is under progress. 20 MT of Carbon Free Sponge Iron Powder was produced. Samples are being sent to the prospective identified customers for evaluation.

1.1.2 Nano-Iron Powder from Grade-I Concentrate (Blue Dust):

NMDC entered in to agreement with MISA for joint research on production of Nano-Iron Powder from Grade-I Concentrate of Blue Dust.

As per project report submitted by MISA, R&D centre of NMDC, had setup facilities for production of Nano- Iron Powder from Grade-I Concentrate. The procurement of equipments has been completed, installed and commissioned.

Nano Iron powder has been prepared at Lab scale in the newly set up Nano lab and first batch product has been characterized Spectrum of Nano Iron Powder and XRD data had confirmed the presence of magnetic metallic iron crystalline structure and Scanning Electronic Microscope analysis indicates that the shape of the particles is spherical and Average particle size is 80.4 nanometers.

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.

- NMDC & CSMCRI had approached funding agencies & submitted proposals for the funds.
- NMDC has submitted proposal to New Millennium Indian Technology Leadership Initiative (NMITLI) for funding the project. This scheme has been selected for presentation. Letter has been received from CSIR, New Delhi for first meeting with Domain experts to discuss the proposal on 8th March 2011. In this connection project presentation has been prepared.
- Project presentation has been prepared and presented at CSIR, New Delhi and discussed with Domain experts' on 8th March 2011.

1.2.2 Utilization of Kimberlite in Agglomeration of Iron ore:

Project undertaken on utilization of kimberlite in iron ore Agglomeration:

- The study on use of kimberlite in iron ore pelletization has been completed. It is found that kimberlite can be used as binder in place of Bentonite. The pellets produced by using kimberlite as a binder have exhibited better physical and metallurgical properties than pellets produced using bentonite as binder.
- A series of tests have been conducted using Kimberlite as a partial replacement for dolomite in making Sinter. Encouraging results have been achieved in the form of better physical and metallurgical properties. Further confirmation tests are planned before submitting the report.

1.3 FLOWSHEET DEVELOPMENTAL WORKS ON BHJ&BHQ MINE WASTE:

- NMDC is India's single largest iron ore producer and exporter, presently producing about 30 million tons of iron ore from 3 fully mechanized mines viz., Bailadila Deposit-14/11C, Bailadila Deposit-5, 10/11A (Chhattisgarh State) and Donimalai Iron Ore Mines (Karnataka State) which are awarded ISO 9001-2000 certification.

- During the production of iron ore, Banded Hematite Jasper (BHJ) and Banded Hematite Quartzite (BHQ) are discarded as waste, which are low grade in nature. With a view to add value to the BHJ/BHQ hitherto mined as waste and also for mineral conservation, NMDC is contemplating to set up a Beneficiation plant for processing this low grade material to obtain BF grade concentrate suitable for pelletization.

- By taking into consideration of mineral conservation and fast depletion of high grade ores, NMDC's R&D Centre had carried out the beneficiation tests on lean grade BHJ/BHQ iron ore. The optimum process flow sheet and metallurgical balance flow sheet have been developed for BHQ ore of Donimalai Iron ore Mines (Karnataka) for commercial production setup. NMDC has started production of iron ore from the Donimalai Iron Ore Project from the year 1977. The mine is operating with a capacity of 7 million tons per annum. The mine has vast reserves of BHQ estimated at 18 million tons.

- Based on the R&D Centre process flow sheet, NMDC Ltd is setting up a 0.36 MTPA beneficiation plant to produce of 0.118 MTPA BF grade concentrate at Donimalai M/s MECON has submitted TEFR. Due Diligence Report by SBI Capital Markets is submitted.

- As the results obtained from the lean grade ores beneficiation of Donimalai Iron Ore mines are encouraging, R&D Centre has taken up the developmental studies on utilization of lean grade Iron ores (BHQ) from Bacheli complex and Kirandul complex. Preliminary beneficiation tests are yielding good results and confirmatory tests are under progress for developing the process flow sheets.

1.4 ISO - 9000 Certification

- Regular internal quality audits and management review meetings were carried out for effective implementation of Quality management system.
- R&D Centre had acquired ISO certification in compliance to the new version of ISO 9001-2008 Quality management system.

NMDC Limited

- R&D centre is first in NMDC to be certified as per the new version without hiring any external consultancy.

2.0 Development Support

- Recovery of iron values from the iron based residue / Chromite Overburden from Sukinda Mines, Orissa through Hydrometallurgy. Studies have been completed.
- During iron ore mining about 10-12% waste is being generated in the form of low iron value slime, which is lying in tailing dam and creating space and environment problems. Studies of possible utilization of Slime after beneficiation in sintering are under progress.

3.0 Production / Projects Support

- 39 no. of In-house project works were taken for testing of different iron samples.

4.0 Sponsored Projects

- 19 number of various sponsored Projects were taken up for variety of iron Ores, slimes and tailings for evaluation including beneficiation studies, Flowability studies, Magnetic separation testing, physical and Chemical Analysis etc.

5.0 COLLABORATIONS

Utilization of Kimberlite Tailings:

- MOU was signed 13th December, 2005 between Central Salt & Marine Chemicals 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.

6.0 Future Plans

- Upgradation 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.
- Automated Mineralogy Solution through IEM SCAN.
- Modernization and upgradation with advance following Equipments to R&D Centre.
 - Under bed air pulsated Jig (APIC JIG)
 - High Gradient Magnetic Separator HGMS
 - Automated RDI/RI Equipment
 - Reduction under load (RUL) Facilities
 - Scanning Electron Microscope
 - Coke making and testing facility
 - Translational Shear Tester
 - Atomic absorption spectrophotometer
 - XRF

7.0 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)
2008-2009	6.98	13.63	20.61	7564.80	0.27
2009-2010	11.04	2.78	13.82	6239.09	0.22
2010-2011	12.06	2.41	14.47	11368.94	0.13

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
1. The Financial year of the Subsidiary Companies ended on	31st March, 2011	31st March, 2011	30th June, 2010
2. a. Paid-up Capital of the Subsidiary Company	Rs.4.74 Crore	Rs.1.50 Crore	MGA 209.28 Crore
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.10/- each full paid up.	41,85,590 equity shares of the face value of MGA 500 each fully paid up.
c. Extent of interest of holding Company at the end of financial year	Rs.3.96 Crore (83.54%)	(51%)	MGA 209.28 Crore (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.0.48 Crore	Rs.(-) 0.02 Crore	-
ii) For the previous financial years of the Subsidiary Companies since they became the holding Company's Subsidiaries.	Rs.10.42 Crore	Rs.(-) 0.37	-
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

Report on Corporate Governance

1. A brief statement on Company's philosophy

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

The Board of Directors at their 427th meeting have approved the Policy on Corporate Governance.

2. Board of Directors

As on 31st March, 2011 the Board of NMDC comprises of a full time Chairman-Cum-Managing Director and five Functional Directors, two Government Nominee Director and seven Non-Executive (Independent) Directors.

a. Composition and category of Directors:

Whole-time Directors

- i) Shri Rana Som, Chairman-cum-Managing Director
- ii) Shri V.K. Sharma, Director (Commercial)
- iii) Shri S. Venkatesan, Director (Production)
- iv) Shri N.K. Nanda, Director (Technical)
- v) Shri S. Thiagarajan, Director (Finance)
- vi) Shri G.B. Joshi, Director (Personnel) (w.e.f. 13.08.2010)

Government of India nominee Directors

- i) Shri S. Machendranathan, Additional Secretary & Financial Adviser (AS&FA), Ministry of Steel (w.e.f. 24.05.2010)
- ii) Shri UP Singh, Joint Secretary, Ministry of Steel

Independent Directors

- i) Dr. (Mrs.) Indira Misra (upto 03.06.2010)
- ii) Ms. Teresa Bhattacharya (upto 23.12.2010)
- iii) Shri Abdul Kalam
- iv) Shri Y.K. Sharma
- v) Shri K.S. Raju
- vi) Lt. Gen. (Retd.) Arvind Mahajan (w.e.f. 01.04.2010)
- vii) Shri R.N. Aga (upto 03.06.2010)
(Reappointed w.e.f. 03.12.2010)
- viii) Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)
- ix) Shri D. Rath (w.e.f. 03.12.2010)

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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 the date of the Report, the composition of the Board of NMDC is in conformity with Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance.

b. BOARD MEETINGS

Board Meeting Procedure:

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

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

Information placed before the Board of Directors

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

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

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

Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM Attended
1	Shri Rana Som Chairman-cum-Managing Director	11	11	YES
2	Shri V.K. Sharma Director (Commercial)	11	11	YES
3	Shri S. Venkatesan Director (Production)	11	10	YES
4	Shri N.K. Nanda Director (Technical)	11	11	YES
5	Shri S. Thiagarajan Director (Finance)	11	11	YES
6	Shri G.B. Joshi Director (Personnel) (w.e.f. 13.08.2010)	07	07	NO
7	Shri Machendranathan (w.e.f. 24.05.2010)	09	09	NO
8	Shri U.P. Singh	11	11	NO
9	Dr. (Mrs.) Indira Misra (upto 03.06.2010)	02	02	NO
10	Ms. Teresa Bhattacharya (upto 23.12.2010)	07	04	NO
11	Shri Y.K. Sharma	11	07	YES
12	Shri Abdul Kalam	11	10	NO
13	Shri K.S. Raju	11	11	NO
14	Lt. Gen.(Retd.) Arvind Mahajan (w.e.f. 01.04.2010)	11	11	NO
15	Shri R.N. Aga (upto 03.06.2010) (reappointed w.e.f. 03.12.2010)	06	05	NO
16	Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)	04	04	NO
17	Shri D. Rath (w.e.f. 03.12.2010)	04	03	NO

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

Sl. No.	Name of the Director	No. of Directorship and Committee Membership / Chairmanship		
		Other Directorship	Committee Membership	Committee Chairmanship
1	Shri Rana Som Chairman-cum-Managing Director	3	1	1
2	Shri V.K. Sharma Director (Commercial)	1	1	–
3	Shri S. Venkatesan Director (Production)	1	3	–
4	Shri N.K. Nanda Director (Technical)	5	2	–
5	Shri S. Thiagarajan Director (Finance)	1	2	–
6	Shri G.B. Joshi Director (Personnel) (w.e.f. 13.08.2010)	1	–	–
7	Shri Machendranathan	4	–	–
8	Shri U.P. Singh	3	–	–
9	Dr. (Mrs.) Indira Misra (upto 03.06.2010)	–	1	–
10	Ms. Teresa Bhattacharya (upto 23.12.2010)	–	1	–
11	Shri Y.K. Sharma	1	3	2
12	Shri Abdul Kalam	1	1	–
13	Shri K.S. Raju	–	–	–
14	Lt. Gen.(Retd.) Arvind Mahajan (w.e.f. 01.04.2010)	3	3	–
15	Shri R.N. Aga (upto 03.06.2010) (reappointed w.e.f. 03.12.2010)	1	2	1
16	Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)	–	–	–
17	Shri D. Rath (w.e.f. 03.12.2010)	1	–	–

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 2010-2011, eleven (11) Board meetings were held, the details of which are given below:

S.No.	Date	Board Strength	No. of Directors Present
1	16.04.2010	13	11
2	22.05.2010	13	13
3	30.06.2010	12	10
4	02.08.2010	12	11
5	23.09.2010	13	13
6	28.10.2010	13	13
7	26.11.2010	13	11
8	30.12.2010	15	13
9	12.01.2011	15	15
10	01.02.2011	15	15
11	16.03.2011	15	13

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

3. Audit Committee

i. Brief description of terms of reference

The role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 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.

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- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue 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.
- 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.

NMDC Limited

- Consider and review the following with the management, internal auditor and the independent auditor:
 - ❑ Significant findings during the year, including the status of previous audit recommendations.
 - ❑ Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii. Composition, name of Members and Chairperson

The Audit Committee consists of the following Directors:

- Shri Y.K. Sharma, Independent Director and Chairman (w.e.f. 14.07.2010)
- Shri S. Venkatesan, Director (Production)
- Lt. Gen. (Retd.) Arvind Mahajan, Independent Director and Member (w.e.f. 14.07.2010)
- Shri R.N. Aga, Chairman (upto 03.06.2010)
- Dr (Mrs.) Indira Misra, Member (upto 03.06.2010)
- Ms Teresa Bhattacharya, Member (upto 23.12.2010)
- The Company Secretary acted as the Secretary to the Audit Committee as was laid down under the provisions of clause 49.
- Shri S. Thiagarajan, Director (Finance), Representatives of Statutory and Internal Auditors, Functional Directors, besides, Head of Audit 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	16.04.2010	4	3
2	22.05.2010	4	4
3	02.08.2010	4	3
4	23.09.2010	4	4
5	27.10.2010	4	4
6	01.02.2011	3	3

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iv. Attendance of each Director at the Audit Committee meetings

Sl.No.	Name of the Director	No. of meetings Held	No. of meetings attended
1	Shri R.N. Aga (upto 03.06.2010)	2	2
2	Shri Y.K. Sharma	4	4
3	Dr. (Mrs.) Indira Misra (upto 03.06.2010)	2	2
4	Ms. Teresa Bhattacharya (upto 23.12.2010)	5	4
5	Shri S. Venkatesan	5	4
6	Lt. Gen. (Retd.) Arvind Mahajan (w.e.f. 14.07.2010)	4	4

4. Remuneration Committee

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

Subsequently, keeping in view OM No.18(8)/2005-GM dated 14.05.2010 issued by DPE, the Board of Directors at its 430th meeting held on 01.02.2011 re-constituted the Remuneration Committee as under:

Sl.No.	Name
1	Shri R.N. Aga, Independent Director & Member
2	Shri Y.K. Sharma, Independent Director & Member
3	Shri K.S. Raju, Independent Director & Member
4	Director (Personnel), NMDC, Secretary, to attend as Special Invitee.

The scope, powers and terms of reference of the Remuneration Committee shall be as per the directives issued by DPE, Listing Agreement, the Companies Act, 1956 etc.

During the year under review, 1 meeting of the Remuneration Committee was held on 28th April, 2010. All the Directors attended the meeting of the Remuneration Committee.

NMDC being a Government Company, the terms and conditions of appointment and remuneration of Functional Directors are determined by Government through its administrative Ministry, Ministry of Steel. Non-executive Part-time Official Directors (Independent) do not draw any remuneration.

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

NMDC Limited

The details of remuneration paid to Functional Directors during the financial year 2010-11 are as follows:

(In Rs.)

Sl. No.	Name of the Director	Pay & Benefits	Contribution to PF & other funds	Other benefits	Total
1	Shri Rana Som Chairman-cum-Managing Director	26,91,548	2,12,865	21,76,400	50,80,813
2	Shri V.K. Sharma, Director (Commercial)	21,81,176	1,89,712	14,53,539	38,24,427
3	Shri S. Venkatesan, Director (Production)	22,39,491	1,85,189	14,18,320	38,43,000
4	Shri N.K. Nanda, Director (Technical)	23,08,177	1,83,699	14,04,420	38,96,296
5	Shri S. Thiagarajan, Director (Finance)	22,82,532	1,80,683	13,79,504	38,42,719
6	Shri G.B. Joshi, Director (Personnel) (w.e.f. 13.08.2010)	15,49,148	1,16,578	10,16,817	26,82,543
		1,32,52,071	10,68,726	88,49,000	2,31,69,797

As per existing pay scales

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

1. The Company has not introduced any stock option scheme.
2. The remuneration does not include the provision made on actuarial valuation of retirement benefit schemes and provision made for post retirement medical benefits as the same is not separately identifiable for individual directors.

During the year 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:

S.No.	Name of the Director	Sitting Fees (in Rs.)
1	Shri Y.K. Sharma	1,40,000
2	Shri Abdul Kalam	1,60,000
3	Shri K.S. Raju	2,40,000
4	Lt. Gen.(Retd.) Arvind Mahajan (w.e.f. 01.04.2010)	2,00,000
5	Shri R.N. Aga (upto 03.06.2010) (reappointed w.e.f. 03.12.2010)	1,00,000
6	Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)	40,000
7	Shri Dronadeb Rath (w.e.f. 03.12.2010)	40,000
8	Dr. (Mrs.) Indira Misra (upto 03.06.2010)	40,000
9	Ms. Teresa Bhattacharya (upto 23.12.2010)	80,000
10	Shri S. Venkatesan	-
	Total:	10,40,000

* Sitting Fees is not payable to Shri. S. Venkatesan, Director (Production)

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No. of Equity Shares of the Company held by Directors as on 31st March, 2011.

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 G.B. Joshi, Director (Personnel) (w.e.f. 13.08.2010)	100
7	Shri S. Machendranathan, Govt. Nominee Director	NIL
8	Shri U.P. Singh, Govt. Nominee Director	NIL
9	Shri R.N. Aga (re-appointed w.e.f. 03.12.2010)	NIL
10	Shri Y.K. Sharma	NIL
11	Shri Abdul Kalam	NIL
12	Shri K.S. Raju	NIL
13	Lt. Gen.(Retd.) Arvind Mahajan (w.e.f. 01.04.2010)	NIL
14	Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)	NIL
15	Shri Dronadeb Rath (w.e.f. 03.12.2010)	NIL

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

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

Sl.No.	Date	Strength of Share	No. of Members present Transfer Committee
1	19.04.2010	7	7
2	21.05.2010	7	7
3	15.07.2010	7	6
4	26.08.2010	7	7
5	21.09.2010	7	7
6	28.10.2010	7	7
7	25.11.2010	7	7
8	19.01.2011	7	7
9	05.02.2011	7	7
10	24.02.2011	7	7

Attendance of each Member at the Share Transfer Committee meetings

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

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

iii. Details in respect of shareholders' complaints:

- No. of shareholders complaints received so far - 3,280 (3,239 related to FPO).
- No. not solved to the satisfaction of the shareholders- Nil
- Number of pending complaints- Nil

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6. 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 3 meetings were held on 02.08.2010, 27.10.2010 and 12.01.2011.

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

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

Pursuant to an offer for sale, Government of India had 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.

This being an Offer for Sale, the Company has not received any proceeds of the offer and all the proceeds were received by Government of India. Accordingly, there are no projected utilization of funds and / or projected profitability statement in this regard.

7. General Body Meeting

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

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

AGM No.	Venue	Date & time	Special Resolutions passed
50th AGM	Regd. Office, Hyderabad	08.08.08 at 1530 hrs	Five
51st AGM	Regd. Office, Hyderabad	29.08.09 at 1530 hrs	Seven
52nd AGM	Ravindra Bharati, Saifabad Hyderabad	05.08.10 at 1430 hrs	One

- During the year 2010-11, there was no occasion to resort to Postal Ballot for consideration of the shareholders of the Company.

8. Disclosures

- There are no 'materially significant related party transactions' that may have a potential conflict with the interests of Company at large.
- 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. In respect of Whistle Blower Policy, no personnel of the Company has been denied access to the Audit Committee.
- iv. As on the date of Report, the Company has complied with the requirement of Clause 49 and DPE Guidelines on Corporate Governance.

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 / programmes / seminars 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 no pecuniary relationship or transactions with the Company during the year under report.
- vi. Details of Presidential Directives issued by Central Government and their compliances during the year and also in the last 3 years:

The Company is following the Presidential Directives and guidelines issued by the Government of India from time to time regarding reservation for SCs, STs and OBCs. As per the 'Presidential Directives' received from the Ministry of Steel vide letter No.12(65)/2008-RMI dated 01.05.2009, the revised pay scales and allowances of the Board level and below Board level have been implemented w.e.f. 01.01.2007.

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- vii. Items of expenditure debited in books of accounts, which are not for the purposes of the business.
Nil.
- viii. Expenses incurred which are personal in nature and incurred for the Boards of Directors and Top Management.
Nil
- ix. Details of Administrative and Office expenses as a percentage of total expenses - 3.43%.

9. Means of communication

(a) 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. 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.

(b) Website

As per the provisions of the Listing Agreement, the Company's website i.e. www.nmdc.co.in contains a separate section "Investors", where shareholders information is available.

10. General Shareholders Information

i. AGM date, time and venue

Date	Time	Venue
20.09.2011	1500 hrs	Grand Ball Room, Hotel Taj Krishna, Road No.1 Banjara Hills, Hyderabad - 500 034

ii. Financial Calendar for 2011-12

1st quarter results	(Unaudited)	on or before 14.08.2011
2nd quarter results	(Unaudited)	on or before 14.11.2011
3rd quarter results	(Unaudited)	on or before 14.02.2012
4th quarter results	(Audited)	on or before 30.05.2012

iii. Date of Book Closure : From 17.09.2011 to 20.09.2011 (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 2011-12 has been paid to all the Stock Exchanges.

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vi. Stock Code :

Sl.No.	Name of the Stock Exchange where Company's equity shares are listed	Scrip Code / Company Code
i)	Bombay Stock Exchange, Mumbai	526371
ii)	National Stock Exchange, Mumbai	NMDC
iii)	Delhi Stock Exchange, New Delhi	14090
iv)	Calcutta Stock Exchange, Kolkata	24131
v)	Madras Stock Exchange, Chennai	NATMINER
vi)	Bangalore Stock Exchange, Bangalore	NMN

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

(a) Market prices at Bombay Stock Exchange

Year	Month	Highest	Lowest
2010	April	313.00	298.40
2010	May	301.90	264.00
2010	June	283.50	254.00
2010	July	274.00	257.50
2010	August	272.80	240.00
2010	September	277.00	241.00
2010	October	298.80	263.95
2010	November	298.40	227.00
2010	December	280.90	241.10
2011	January	286.00	256.55
2011	February	277.80	255.55
2011	March	287.40	260.35

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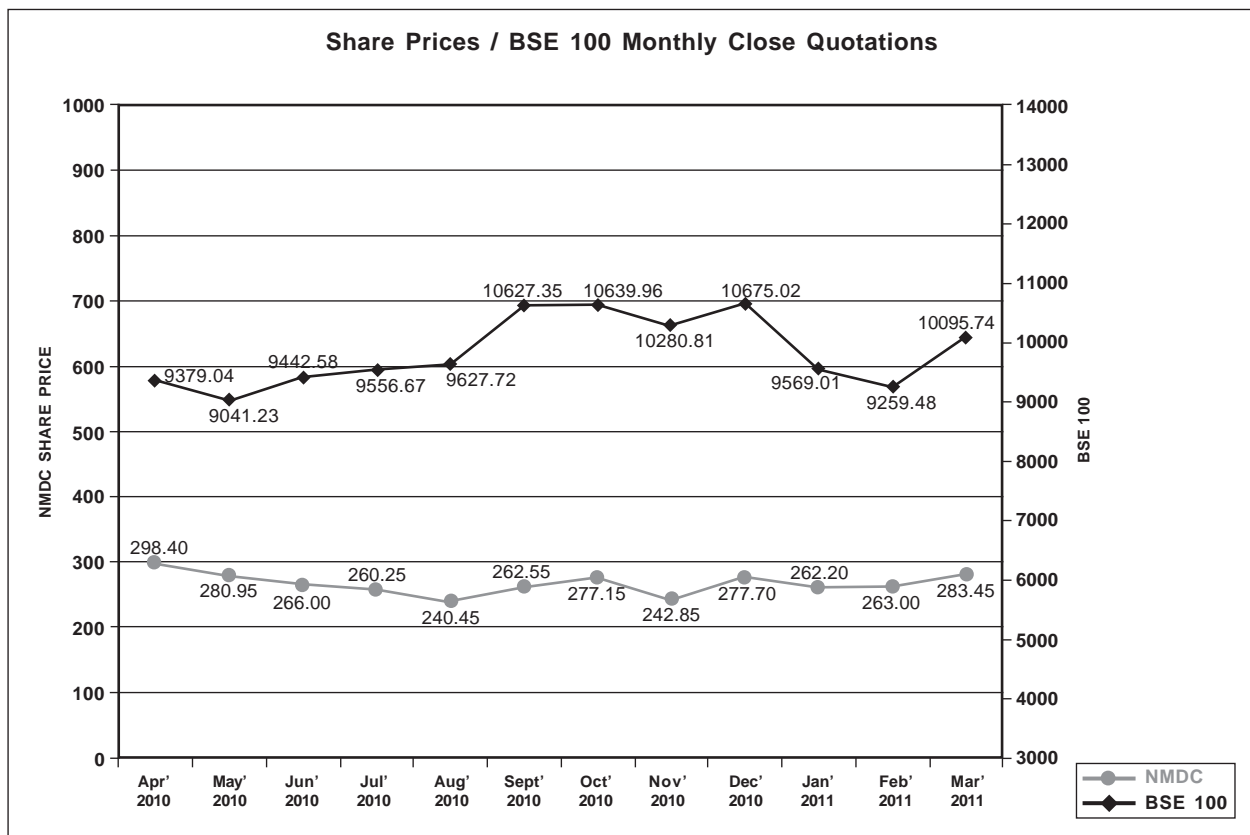
(b) Market prices at National Stock Exchange

Year	Month	Highest	Lowest
2010	April	312.75	288.00
2010	May	302.50	264.30
2010	June	283.80	254.90
2010	July	274.30	257.00
2010	August	273.00	240.05
2010	September	278.50	241.60
2010	October	299.00	263.75
2010	November	298.45	227.05
2010	December	280.50	234.10
2011	January	286.00	257.00
2011	February	277.40	255.50
2011	March	287.90	248.10

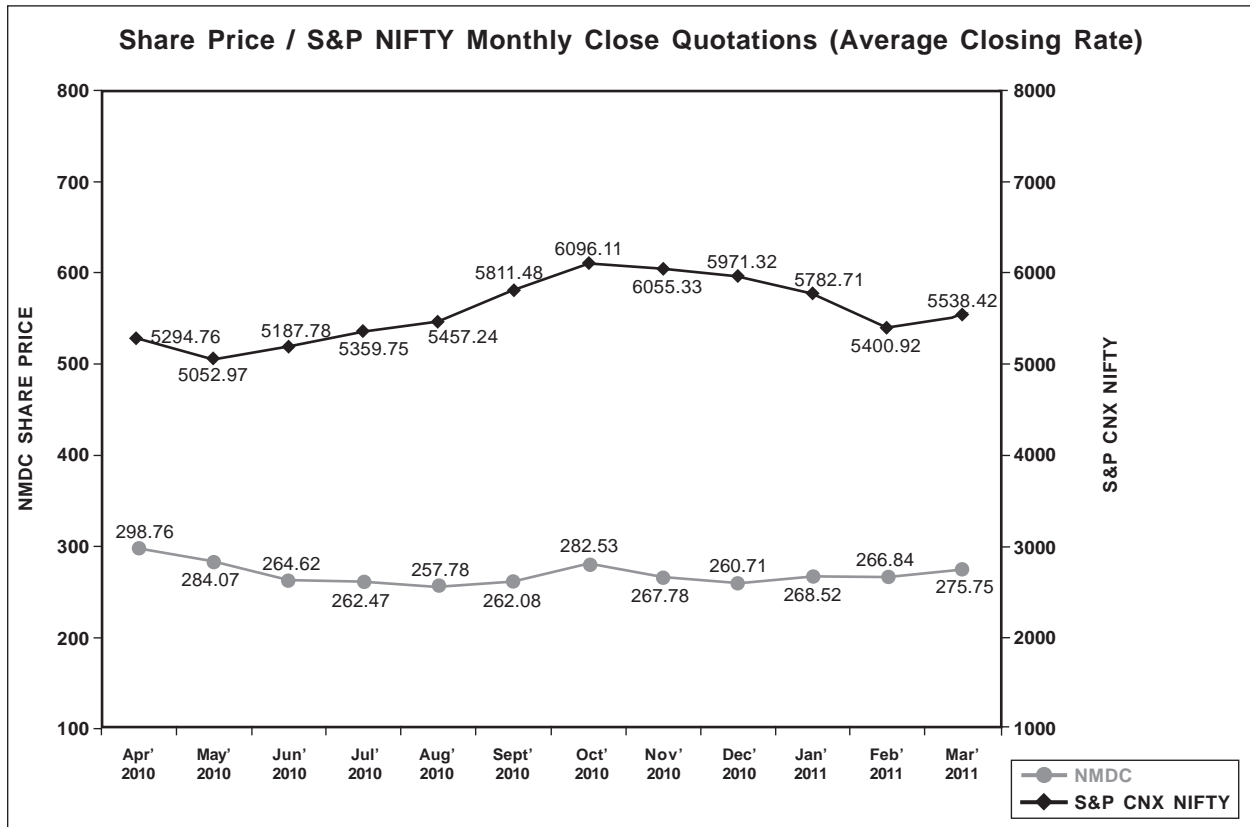
Note : The Company split the face value of the share to Re.1 per share from Rs.10 per share on 21st April, 2008.

The Company issued Bonus Shares @ two equity shares for every one share held on 22nd May 2008.

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



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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.

x. Share Transfer System

The Company has a Share Transfer Committee comprising of Chairman-cum-Managing Director, Director (Commercial), Director (Production), Director (Technical), Director (Finance), 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.

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xi. Distribution of Shareholding:

a. Shareholding Pattern as on 31st March, 2011 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) ¹	As a Percen-tage of (A+B+C)	Number of Shares	As a Perce-ntage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)x100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
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
	Sub Total (A)(1)	1	3568418180	0	90	90	0	0
2	Foreign							
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
	Sub Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
	(A)=(A)(1)+(A)(2)	1	3568418180	0	90	90	0	0
(B)	Public Shareholding							
1	Institutions							
a.	Mutual Funds/UTI	23	16988928	16988928	0.43	0.43	0	0
b.	Financial Institutions/Banks	38	100004993	100004993	2.52	2.52	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

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Category code	Category of Shareholder	Number of Share holders	Total Number of shares	Number of shares held in dematerialised form	Total share-holding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a Percentage of (A+B) ¹	As a Percentage of (A+B+C)	Number of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)x100
e.	Insurance Companies	7	218553515	218549515	5.51	5.51	0	0
f.	Foreign Institutional Investors	62	27024956	27024956	0.68	0.68	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 Shares A/c	1	4640	4640	0	0	0	0
	Sub Total (B)(1)	131	362577032	362573032	9.15	9.15	0	0
2	Non-Institutions							
a.	Bodies Corporate	1507	9807045	9786045	0.25	0.25	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
		169077	22721155	22548576	0.57	0.57	0	0
ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0
		3	427473	427473	0.01	0.01	0	0
c.	Any Others	0	0	0	0	0	0	0
i)	Non Resident Individuals	1684	569439	569439	0.01	0.01	0	0
ii)	Overseas Corporate Bodies	0	0	0	0	0	0	0
iii)	Trusts	22	28956	28956	0	0	0	0
iv)	Employees	68	82329	31479	0	0	0	0
v)	Clearing Members	167	84391	84391	0	0	0	0
vi)	Foreign Nationals	0	0	0	0	0	0	0
	Sub Total (B)(2)	172528	33720788	33476359	0.85	0.85	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	172659	396297820	396049391	10	10	0	0
	Total (A)+(B)	172660	3964716000	396049391	100	100	0	0
(C)	Shares held by Custodians and against Depository Receipts have been issued	0	0	0	0	0	0	0
1	Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
2	Public Shareholding	0	0	0	0	0	0	0
	Grand Total (A)+(B)+(C)	172660	3964716000	396049391	100	100	0	0

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(b) Distribution of Shareholding by size as on 31.03.2011

Sl.No.	Category	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Shares
1.	1 - 5000	172191	100	21936239	0.56
2.	5001 - 10000	184	0	1511225	0.03
3.	10001 - 20000	93	0	1414291	0.03
4.	20001 - 30000	38	0	1476491	0.02
5.	30001 - 40000	20	0	669466	0.02
6.	40001 - 50000	11	0	608293	0.01
7.	50001 - 100000	30	0	1964185	0.05
8.	100001 & above	93	0	3935135810	99.27
	Total	172660	100.00	3964716000	100.00

(c) Top ten shareholders as on 31.03.2011

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	26293685	0.66
4	LIC of India Money Plus	20214500	0.51
5	LIC of India Market Plus - 1	11788057	0.30
6	Canara Bank	10808905	0.27
7	Bank of Baroda	10293508	0.26
8	LIC of India - Profitplus	10173693	0.26
9	The New India Assurance Company Limited	7120749	0.18
10	Morgan Stanley Mauritius Company Limited	6213915	0.16
	Total:	3868183387	97.57

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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 Compound
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, 2011 are as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in CDSL	70,19,261	0.18
Held in dematerialized form in NSDL	38,90,30,130	9.81
Physical	356,86,66,609	90.01
Total:	396,47,16,000	100.00

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

xiv. Unclaimed Dividend

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, particulars of the dividends declared by the company, which remained unpaid or unclaimed are given below:

Sl.No.	Particulars of Dividend	Date of declaration of Dividend	Proposed date of transfer to IEPF*
1	Final Dividend for the year 2006-07	31.08.2007	30.09.2014
2	Interim Dividend for the year 2007-08	25.10.2007	24.11.2014
3	2nd Interim Dividend for the year 2007-08	30.01.2008	28.02.2015
4	Final Dividend for the year 2007-08	08.08.2008	07.09.2015
5	Interim Dividend for the year 2008-09	28.01.2009	27.02.2016
6	Final Dividend for the year 2008-09	29.08.2009	28.09.2016
7	Interim Dividend for the year 2009-10	23.01.2010	12.02.2017
8	Final Dividend for the year 2009-10	05.08.2010	04.09.2017
9	Interim Dividend for the year 2010-11	01.02.2011	01.03.2018

* Investor Education and Protection Fund (IEPF)

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xv. Unclaimed Shares Suspense Account

Pursuant to an offer for sale, Government of India has disinvested 8.38% of its holding in the Company aggregating 33,22,43,200 equity shares of Re.1/- each in the financial year 2009-10. During this period, two demat accounts were opened with NSDL & CDSL for crediting unclaimed / suspense equity shares. As per the provisions of Clause 5A of the Listing Agreement, the details of unclaimed equity shares lying in the unclaimed suspense account are given below:

Sl. No.	Particulars	NSDL		CSDL	
		Shareholders	Equity Shares	Shareholders	Equity Shares
1	Opening balance as on 01.04.2010	403	46,400	174	24,460
2	Requests received during the year	361	41,760	174	24,460
3	Requests resolved during the year	361	41,760	174	24,460
4	Closing balance as on 31.03.2011	42	4,640	Nil	Nil

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

xvi. Plant / Mine Locations:

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

- a. Bailadila Iron Ore Mine
Kirandul Complex
P.O. Kirandul
Distt: Dantewada (Chhattisgarh)
- b. Bailadila Iron Ore Mine
Bachel Complex
P.O. Bachel
Dist: Dantewada (Chhattisgarh)
- c. Donimalai Iron Ore Mine
Donimalai Township
Dist: Bellary - 583 118
Karnataka
- d. Diamond Mining Project
Majhgawan
Panna - 488 001 (MP)
- e. Sponge Iron Unit
NMDC Limited
SIIL Campus
Paloncha - 507 154
Dist. Khammam(A.P.)

xvi. 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

xvii. 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

1st Annual Report on the Working of the Audit Committee for the financial year ended 2010-11

In keeping with the recommendations of the Report of the Comptroller & Auditor General of India (C&AG) and as a matter of good corporate governance practice, the Company has prepared its 1st Annual Report on the working of its Audit Committee for the financial year ended 2010-11. The 1st Annual Report on the working of its Audit Committee was also approved by the Board of Directors at its 433rd meeting held on 27.05.2011.

Risk Management

The Board of Directors has approved the broad approach / procedure on the policy on Risk Management and had desired that assistance of external experts may be sought for upgrading the document. Accordingly, the company has appointed M/s Ernst & Young as Consultant for preparation of Risk Management Policy.

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 49(D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

In compliance with Clause 49(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, 2011.



(Rana Som)

Chairman cum Managing Director

Place : New Delhi

Date : 27.05.2011

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, 2011 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 : New Delhi

Date : 27.05.2011

Annexure - III(C)

MARTHI & CO
COMPANY SECRETARIES

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 31st March 2011. 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 as on date has complied with the conditions of the Corporate Governance as stipulated in the Listing Agreement.

Place : Hyderabad.
Dated : 27.05.2011

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 21 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.
- 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.
- Developing expertise in international acquisition space.

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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 completed the acquisition of Sponge Iron India Limited, a Company involved in the production of Sponge Iron. Through this acquisition the Company has ventured for the first time into the manufacturing area. 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 enhance 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.

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	2006-07	2007-08	2008-09	2009-10	2010-11
Sale of Iron Ore	4170.92	5705.32	7559.11	6222.60	11285.34
Sale of Diamonds	10.60	3.75	–	6.94	12.88
Sale of Wind Power	–	–	2.22	6.57	4.48
Sale of Sponge Iron *	–	–	–	–	62.74
Sales others	1.34	0.09	0.08	–	–
Income from Services	2.98	2.15	2.62	2.98	3.50
Turnover	4185.84	5711.31	7564.03	6239.09	11368.94
PBT	3498.31	4947.47	6648.23	5207.32	9727.17
PAT	2320.21	3250.98	4372.38	3447.26	6499.22
Dividend	465.19	651.53	876.20	693.82	1308.35

Physical Performance of NMDC

Details	2006-07	2007-08	2008-09	2009-10	2010-11
Production:					
Production of Iron Ore WMT (In million tonnes)	26.23	29.82	28.52	23.80	25.16
Production of Sponge Iron (tonnes)*	–	–	–	–	38962.00
Production of Diamonds (carats)	1703	–	–	16529.21	10865.93
Sales:					
Sale of Iron Ore (mt)	25.59	28.18	26.47	24.09	26.31
Sale of Diamonds (carats)	14588	2632	–	7335.34	18421.22
Sale of Sponge Iron (tonnes)*	–	–	–	–	39775.00

* Due to merger of SIIL w.e.f. 1st July 2010.

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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.

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 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 25.16 MT of Iron Ore. In respect of diamond, the Company achieved production of 10865.93 carats. The Company has also recorded sale of wind power of Rs.4.48 crores for the year under review. On the financial performance, the turnover of the Company for the year under review was Rs.11368.94 crores. PBT for the year under review was Rs.9727.17 crores. PAT for the year under review was Rs.6499.22 crores. Net worth of the Company was Rs.19200 crores. The Company achieved excellent rating by MOU for the financial year 2010-11.

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

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

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

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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 are as follows:

2006-07	:	5,582
2007-08	:	5,560
2008-09	:	5,652
2009-10	:	5,895
2010-11	:	6,128

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

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

10. Corporate Social Responsibility

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

Cautionary Statement

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

Annexure - V

Global Compact - Communication on Progress

ED/EPS/GC/03
23rd May 2011

Dear Stakeholders

As you are aware, the UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

The UN Global Compact Initiative is today the largest voluntary CSR initiative in the world with more than 8000 companies and other organizations from more than 130 countries committing themselves to internalize its 10 principles.

In India alone about 250 companies/ organisations are signatories to this initiative. NMDC has been one of the earliest signatories and has also played an active role in the formation and growth of the Global Compact Network in India.

In the 6th National Convention held on 4th February 2011 at Hyderabad, I reiterated NMDC's commitment to the cause of UN Global Compact and imbibe the ten universal principles - in the areas of human rights, labour, environment and anti-corruption - into our strategies, operations and culture. I take this opportunity to renew this commitment.

With warm regards,

Yours sincerely



Rana Som
Chairman-cum-Managing Director

Principle 1:

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

Commitment

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

Systems

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

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

Actions

Health

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

Safety

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

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

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

Housing

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

Education

- NMDC trains its employees regularly to update themselves, professionally, managerially and technically.
- NMDC encourages its employees to better their educational and professional qualification by giving suitable incentives, study leave, etc.

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- NMDC takes care of the school education of the employees' children in its projects and gives incentives and scholarships for their higher education. As its projects are located in remote areas, NMDC has arranged for quality schooling facilities at the projects itself.
 - The schooling facilities available at the project are extended to the children of the surrounding villages as well.
 - Basic education has been extended to 100% of the employees' children.
 - Recognizing the meritorious service rendered by the employees on the occasion of this year's Corporation Day, ie, 15 November 2010, NMDC has awarded suitable mementos to (a) 99 employees (cumulatively 6624) who have rendered 20 years' service; (b) 133 employees (cumulatively 5707) who have rendered 25 years' service; (c) 38 employees (cumulatively 4862) who have rendered 30 years' service (d) 89 employees (cumulatively 1013) who have rendered 35 years' service by organizing suitable function.
 - 277 employees (cumulatively 3564) who retired from service, service certificates and suitable mementos during farewell parties, specially arranged in their honour, in appreciation of their service to NMDC. 249 employees (cumulatively 841) who retired after putting in 30 years service in NMDC were awarded special mementos.
- Performance during the year 2010-11**
- NMDC is providing complete health care to its employees and the members of their families.
 - The injury frequency rate was 1.27. Mandays lost on account of accidents were 6967.
 - Housing has been extended to all its employees. In addition, house building advances were given to 14 employees (cumulatively to 2207 employees).
 - Training coverage is 80% of employees. Training mandays as % of working mandays is 1.27.

Principle 2:

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

Commitment

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

Systems

- NMDC, being a Government company, has come to inherit the Government regulations and, therefore, protecting human rights and ensuring that it is not complicit in human rights abuses, is a natural extension to all its policies and programmes.

- The security arrangement in the mines of the company is given to the Central Industrial Security Force (a Government arm), who owes equal allegiance to the Constitution of India and is duty bound to protect human rights.
- A Grievance Redressal procedure is in vogue.
- A separate Committee for redressal of grievances of women employees in particular has been constituted.
- NMDC has recognized Scheduled Caste/ Scheduled Tribe Associations in each of its units and corporate office.

Actions & Performance during the year 2010-11

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

Principle 3:

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

Commitment

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

Systems

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

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

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

- a. **Bailadila Iron Ore Mine, Kirandul Complex**
 - i. Samyuktha Khadan Mazdoor Sangh (SKMS) affiliated to All India Trade Union Congress (AITUC).
 - ii. Metal Mine Works Union (MMWU) affiliated to Indian National Trade Union Congress (INTUC).
- b. **Bailadila Iron Ore Mine, Bacheli Complex**
 - i. Samyuktha Khadan Mazdoor Sangh (SKMS) affiliated to AITUC.
 - ii. Metal Mine Workers Union (MMWU) affiliated to INTUC.
- c. **Donimalai Iron Ore Mine**
 - i. Donimalai Iron Ore Project Employees Association (DIOPEA) affiliated to AITUC.
 - ii. Metal Mine Workers Union (MMWU) affiliated to INTUC.

d. Diamond Mining Project

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

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

Actions

Decisions affecting each of the Union/Association are taken in consultation with them both at the unit level and at the corporate level giving the status of sole collective bargaining agent to the AINMDCWF. Decisions include wage settlement, incentives, bonus, line of promotions, working conditions, welfare measures, etc.

Performance during the year 2010-11

- All the workmen are subject to collective bargaining agreements and the supervisors and executives are governed by understanding/consultations.
- The collective bargaining has been so useful to the company that no mandays were lost during the year because of rift or strike by employees.
- The unanimous decisions taken at the Joint Committees are implemented and monitored.

Principle 4:

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

Commitment

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

Systems

- No employee is required to deposit any sum of money for employment in NMDC.
- A service bond is insisted upon from only such of those employees who have been specifically trained at the cost of the company for managerial positions. The bond period is for three years or a nominal amount of Rs.15,000/- (about US \$ 350/-).
- Any employee joining the company should declare that he or she is not an insolvent.

Actions

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

- Printed copies of Service Regulations and other rules are distributed to all Units for reference and use by every employee.
- The workmen in particular are given a copy of the certified Standing Orders precisely containing their general terms and conditions governing service conditions.
- An Executive Handbook containing the rules and regulations of the company has been prepared and distributed widely.
- Employees are given incentives for achieving higher levels of output.
- Workmen have the additional facility of over-time payment for working beyond the prescribed working hours.

Performance during the year 2010-11

No form of forced or compulsory labour was resorted to.

Principle 5:

Business should support the effective abolition of child labour

Commitment

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

Systems

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

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

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

Actions

- All contractors are forbidden to engage child labour.

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

Performance during the year 2010-11

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

Principle 6:

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

Commitment

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

Systems

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

- The grievance procedure in the company is designed in a very simple and easy to handle way for the employees to get grievances, if any, to be resolved quickly.
- Unions and Associations representing the various levels of employees have easy access to the management to discuss and resolve discriminations, if any, quickly and effectively.

Actions

- The Industrial Engineering Department of the company periodically assesses and evaluates job contents and job requirements.

Performance during 2010-11

- | | |
|-----------------------------|------|
| ● Total number of employees | 6128 |
| ● Scheduled Caste employees | 1102 |
| ● Scheduled Tribe employees | 1359 |
| ● Backward Class employees | 793 |
| ● Men : Women ratio | 19:1 |

Principle 7:

Business should support a pre-cautionary approach to environmental challenges

Commitment

As a responsible corporate citizen, NMDC Ltd believes in maintaining ecological balance and NMDC is committed to ensure that its environmental systems and practices are aligned with international best practices, such as the ISO 14001 standard. This standard enables NMDC to manage its environmental impacts while adhering to the requirements not only of the standard itself but also to those of national and international norms, legislation, and regulations. It also forms the foundation for continuous improvement in environmental performance. NMDC's four major production units at Bailadila Dep-5, Bailadila Dep-14/ 11C, Donimalai Iron Ore Project and Diamond Mining Project, Majhagawan, Panna are certified with ISO 14001:2004 Environmental Management Systems.

Corporate Environmental Policy states, We shall therefore endeavour to:

- Adopt safe, scientific and environment friendly methods of mining and allied activities and firmly committing ourselves for total compliance of all applicable environmental laws.
- Maintain the machineries in excellent condition to ensure minimum impact of their operation on environment.
- Install, operate, and monitor facilities for prevention & control of air, water, and land pollution.
- Conserve the natural resources by ensuring minimum wastage of our product "iron ore and diamond", optimum consumption of electricity, fuel oil, lubricant oil, water, and paper.
- Promote environmental awareness amongst employees, local community, and interested parties through pro-active communication and training.

- Remain prepared and respond effectively to all foreseeable emergency situations.

Systems

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

- Environmental norms as laid down by the Ministry of Environment and Forests, and the State and the Central Pollution Control Boards are meticulously followed.
- Regular physical monitoring for all environmental parameters, like micro-meteorology, ambient air quality, surface and ground water quality and ground water levels, work zone and ambient noise levels and soil quality.
- Detailed Bio diversity and Socio-Economic studies, Ecological studies duly supported by satellite data.
- Environment up gradation works like massive afforestation, reclamation of waste rock dumps and mined out areas.
- Disaster Management Plans for the tailing dams at the projects.
- Protection measures for explosives' magazines at the projects.

Actions

- A separate department for environment management, headed by a General Manager has been positioned to extensively monitor and effectively implement environment management programmes.
- Separate Cells for production projects have been set up with qualified and experienced Environment Scientists/Engineers.
- The Research & Development Centre of NMDC is actively engaged in adding value to the waste generated in mining.

- Expert organizations in the area have been engaged to measure and report periodically the various parameters.

Pollution control measures cover

- Judicious and scientific planning of direct excavation, waste rock dumping and siting infrastructure areas.
- Restricting use of forestlands to the barest minimum level.
- Constructing ameliorative measures like buttress walls, digging contour trenches, biological reclamation of mined out areas and waste rock dumps, etc. to minimize land erosion.
- Construction of check dams, Effluent Treatment Plant, Sewage Treatment Plant for treating effluents from service centers, Auto shops, etc to avoid water pollution.
- Regular water sprinkling and grading of haul roads, scientific and massive afforestation for abating air pollution.
- Create green belts; densify open scrublands, good arboriculture, and follow avenue plantation practices for improving the overall environment as well as aesthetic value.
- Importance of value index of the region is envisaged and also to eradicate effects of visual intrusion by proper land scaping.
- Regular maintenance of Heavy Earth Moving Machineries and OCSL Plant equipments and adopting good house keeping practices thereby reducing noise pollution.
- Monitor all environmental parameters such as PM_{2.5}, SO₂, NO_x, CO, dust fall rate in ambient air, water quality as per IS standards in respect of oxidation pond, discharge water from auto shops and service centers, tailing dam discharge water etc., on regular basis following the statutory acts and their amendments of the GOI viz.,
- Preparation and timely submission of six-monthly reports to MOEF, GOI Regional offices and annual environmental audit reports to respective state pollution control boards.

- Creating environment awareness amongst all the employees and their children and the local population through celebration of Mines Environment & Mineral Conservation (MEMC) week under the aegis of Indian Bureau of Mines & World Environment Day celebrations.
- Basic and refresher Training of employees for environmental consciousness by conducting regular classes under mines Vocational Training Rules.
- Undertake peripheral village community development works like improving roads, constructing school buildings, community halls, distributing books and stationery, extending schooling and medical facilities available in the project townships to the local people including adivasis as well.
- Providing safe drinking water to the township dwellers and extending drinking water supply to population of neighbouring villages.
- Obtaining consents for establishment and operation of mines / plants from the respective state pollution control boards.
- Obtaining environmental clearances for new / expansion projects from central Govt.
- Obtaining forestland clearances for renewal / fresh grant of mining leases.
- Massive afforestation drive through social forestry division of the local forest department.
- Stabilization of all the passive waste rock dumps and mined out areas.

Performance during the year 2010-11

- Environmental clearance for Capacity Augmentation of Screening Plant at BIOP Dep-14/11c Project Kirandul complex is pending due to Forest clearance.
- Environmental Appraisal Committee for Mining for issuance of Environmental Clearance meeting was held on 23rd March 2011 and members sought additional information which has been submitted on 30th April 2011 to Ministry of environment and Forest for re-consideration in May 2011 for issue of Environment Clearance.

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- Obtaining forest clearance for 74.018Ha for 2nd renewal of Supplementary ML over an area of 162.631 Ha (Govt. Land: 15.988Ha, Private Land: 88.613 Ha & Forest land: 74.018Ha) Lease valid upto 30th June 2010.
- Ministry of Environment and Forest, Bhopal vide letter dated 17th May 2010 accorded final Forest Clearance for setting up of 3 MTPA Integrated Steel plant at Nagarnar, Jagdalpur, Chhattisgarh.
- Environmental clearance for 3 MTPA of Arki Limestone Project was received on 20th December 2010.
- Environmental Appraisal Committee meeting in respect of Chippran Magnesite Mine, Panthal for production of 0.124 MTPA Magnesite and 0.03MTPA DBM Plant at Panthal was held on 23rd February 2011 at Ministry of Environment and Forest New Delhi. EAC recommended for Environmental Clearance subject to submission of permission copy from National Board for Wild Life.
- Environmental appraisal Committee meeting in respect of Bailadila Dep-13 project was held on 24th February 2011 and members recommended for grant of Environment Clearance which is awaited.
- Received 1st stage Forest clearance from Ministry of Environment and Forest on 23rd November 2010 for change in land use of Dep-14 ML for an area of 25.796 Ha for mining (Area to be mined from waste dump 3.30 Ha, from infrastructure facilities 7.231Ha & from afforested area 15.265`Ha).

Principle 8:

Business should undertake initiatives to promote greater environmental responsibility

Commitment

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

NMDC's Environmental Policy states, 'We shall therefore endeavour to:

- Conserve the natural resources by ensuring minimum wastage of our product 'Iron Ore', and 'Diamond', optimum consumption of electricity, fuel oil, lubricant oil and water.
- Promote environmental awareness amongst employees, local communities and interested parties through pro-active communication and training.
- Remain prepared and respond effectively to all foreseeable emergency situations.'

Systems

- Environmental aspects are carefully considered and appropriately incorporated at the planning stage of a project itself.

- Training programmes are arranged for employees on environmental awareness.

Actions

- NMDC is implementing ISO 14001:2004 environment systems management standard in its major production mines.
- The mines of NMDC participate in competitions on environment management.
- Water used for washing of ore is reclaimed for re-use.
- The electricity generated in the downhill conveyors is fed back into the grid, thereby reducing the draw of electricity from the main grid at its projects in Bailadila and Donimalai.
- Distributed/displayed printed copies of the Environmental Policy of the Company among its employees and local communities.

Performance during the year 2010-11

- As against the permissible limit of 120 microns per cu m of SO₂ and Nox in ambient air, the values actually encountered at NMDC's mines were less than 30 microns per cu.m and carbon monoxide was observed to be below the detectable limit of the approved instruments.
- About 25% of the annual consumption of different lubricants in NMDC mines was disposed of to agencies duly authorized for recycling as per HWM Rules and its amendments issued by the Ministry of Environment and Forests, Government of India.

Principle 9:

Business should encourage the development and diffusion of environmentally friendly technologies

Commitment

NMDC stands committed to encouraging the development and diffusion of environment-friendly technologies.

NMDC's Environmental Policy states, 'We shall therefore endeavor to:

- Adopt safe, scientific and environment-friendly methods of mining and allied activities and timely committing ourselves for total compliance of all applicable environmental laws.
- Maintain the machineries in excellent condition to ensure minimum impact of their operation on environment.

Systems/Actions

- Dust collectors are provided to the drills to control fugitive emissions at source.
- Wet drilling is adopted to mitigate the effect of dust on the work force.

- Main mine haul roads air regularly graded and water mixed with additives is sprinkled to suppress dust.
- Jet sprinklers are provided at all strategic and transverse points to control dust during crushing and transportation of ore at the plant.
- Closed conveyor belt system is provided to control dust generation and spreading during ore transportation.
- Rubber screens and rubber linings are provided at transfer points and along conveyor system to control noise and dust generation.

Performance during the year 2010-11

- The adoption of environment-friendly technologies is making NMDC more efficient in controlling various types of pollution well within the prescribed limits and improving the health of employees and the members of their families.

Principle 10:

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

Commitment

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

Systems

- A full-fledged Vigilance Department is at the Corporate Office headed by Chief Vigilance Officer and assisted by Vigilance Officers at the projects.

Annual Report 2010-11

- The Chief Vigilance Officer has the equal status of Functional Director of the Company. He is appointed by the Government of India on deputation.
- Vigilance cases are monitored by the Vigilance Officers under the guidance of CVO.
- Surprise, regular checks CTE type inspections and other major vigilance investigations are carried out based on the strength of complaint/ source information.
- The executives have to submit Annual Property Returns every year as on 1st January.
- Employees are required to furnish the information regarding acquisition / disposal of movable and immovable property. As per CDA Rules of the Company acquisition of movable property exceeding Rs.50,000/- in case of executive and Rs.35,000/- in case of workmen to be intimated to Vigilance Department within 30 days from the date of its acquisition. But in the case of Immovable property irrespective of its value, prior permission to be obtained before acquisition.
- Foreign travels by employees are also monitored.
- The Chief Vigilance Officer has been nominated as the 'Nodal Authority' to receive complaints.

Actions

- Action Plan for the year 2010-11 was finalized wherein various vigilance activities were carried out by the Vigilance Officers. The reports received were discussed in detail and improvements in systems/procedures were suggested.
- Surprise and regular checks were carried out every quarter in the year 2010-11 and the deficiencies and deviations from the procedures wherever noticed brought to the notice of Management for corrective action.
- Pending disciplinary/CTE/CBI cases were reviewed in the quarterly meetings of CVOs held at Head Office, and follow-up actions

were taken for timely completion of inquiries and awarding penalties.

- Many system improvements such as modification of proprietary certificate, banning of negotiations with L1 party, procurement and awarding of contracts on single tender / nomination basis, implementation of e-payment etc, are taken up as part of preventive vigilance.
- Vigilance Awareness Period was observed in the Corporate Office and all units of NMDC. Various competitions, seminars and lecture programmes were arranged to create awareness of Vigilance amongst the employees and their families.
- Various Training Programmes were conducted for employees/Executives Trainees as preventive Vigilance.
- The progress on vigilance activities and disciplinary cases were appraised through a Note to Board of Directors for review on half yearly basis.
- On-line system has been provided in the Company's website for lodging of complaints and submission of Annual Property Returns by all the executives.
- The Vigilance Department ensures the rotation of staff posted in sensitive posts in order to see that vested interests are developed.

Performance during the year 2010-11

- Vigilance Department in NMDC has laid lot of emphasis during the year 2010-11 on preventive vigilance. Accordingly, Vigilance Department is playing productive role of continuous improvement and simplification of systems and procedures to facilitate faster and effective decision making in a transparent manner. As part of this, the Vigilance Department took initiative to take up the following works.
- Various Manuals like Personnel, Works and Contracts Manuals are under finalisation and Materials Manual is updated at regular intervals.

NMDC Limited

- The vendors list is updated by inviting applications on a continuous basis.
- NMDC Recruitment and Promotion Rules have been revised in line with CVC circulars.
- The Vigilance Department studies various tenders on a continuous basis and has improved the tender procedures. The award of works on nomination basis has also been drastically reduced. The process of awarding rate contracts has been regularised.
- NMDC Limited is leveraging technology to bring in transparency in all its transactions. The following information is provided in the Company's website on continuous basis:
 - All the NITs and limited tender enquiries above Rs.30 lakhs.
 - Details of the Contracts concluded above Rs.10 lakhs.
 - Details of all works awarded on nomination basis.
 - Details of all the single tenders awarded where the value is more than Rs.1.0 lakhs.
 - The details of bill payments to contractors.
 - Provision for on line application for registration of vendors / contractors.
 - In addition, NMDC has already taken steps for e-procurement. In more than 90% of the cases, the payments are made through e-payments and all the auctions for sale of diamonds and scrap are done through electronic mode.
- NMDC has implemented Integrity Pact since November, 2007 in order to maintain transparency in all its dealings with contractors and vendors. Till date, the Integrity Pact has been adopted in 39 contracts with a value of Rs.9,270 crores. During the year 2010-11, 93% of the contracts have been brought under the ambit of Integrity Pact.
- Vigilance Department in NMDC is certified under ISO 9001:2008 conforming to the Quality Management System. It has been certified as per ISO standards since October, 2006 by Integrated Quality Certification Private Limited, Bangalore.
- During the year, the Vigilance Department conducted the following studies and inspections.

● Surprise Checks	176
● Regular Inspections	102
● CTE type Inspections	16
● File Studies	102
- The Vigilance Department also renders advice on various issues whenever it is approached.

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Ten Years Performance

(Rs. in Crore)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Operating Statistics:										
Production @										
1 Iron Ore (WMT) (in million tonnes)	25.16	23.80	28.52	29.82	26.23	22.92	20.74	17.96	16.97	15.63
2 Diamonds (Carats)	10865.93	16529.21	0	0	1703.00	43878	78217	71163	84348	81251
3 Sponge Iron (in tonnes)	38962									
Sales										
1 Iron Ore (WMT) (in million tonnes)	26.32	24.09	26.47	28.18	25.59	24.85	23.22	20.66	19.51	17.46
2 Diamonds (Carats)	18421.22	7335.34	0	2631.51	14588.00	48825	86257	84097	70787	76944
3 Sponge Iron (in tonnes)	39775									
Financial Statistics:										
Income										
1 Sales Iron Ore	11285.33	6222.60	7559.11	5705.32	4170.92	3669.47	2180.58	1411.39	1177.28	1092.98
2 Sales Sponge Iron	62.75									
3 Sales Diamonds	12.88	6.94	0	3.75	10.60	35.69	43.82	36.19	31.17	33.78
4 Sale of Power	4.48	6.57	2.22	0	0	0	0	0	0	0
5 Sales Others	0.00	0.00	0.08	0.09	1.34	2.22	2.15	1.27	1.13	0.32
6 Income from services	3.50	2.98	2.62	2.15	2.98	3.54	3.44	4.84	4.65	2.97
7 Other Income	1205.70	861.71	884.04	670.53	354.69	199.93	105.28	77.07	97.15	99.87
8 Stock Adjustments	113.17	-1.90	127.39	30.17	-6.49	4.42	-3.75	1.94	-17.95	38.19
	12687.81	7098.90	8575.46	6412.01	4534.04	3915.27	2331.52	1532.70	1293.43	1268.11
PROFIT										
1 Profit before depreciation, Interest & Taxes	9848.69	5280.48	6721.79	5007.47	3578.33	2883.82	1287.49	670.00	462.46	388.93
2 Depreciation	121.52	73.16	73.56	60	80.02	113.69	63.84	53.98	42.28	39.92
3 Interest					0.00	0	0	0.00	0	5.07
4 Profit before tax	9727.17	5207.32	6648.23	4947.47	3498.31	2770.13	1223.65	616.02	420.18	343.94
5 Taxes	3227.95	1760.06	2275.85	1696.49	1178.10	942.33	468.21	183.39	107.98	87.39
6 Profit/Loss after depreciation Interest & Taxes	6499.22	3447.26	4372.38	3250.98	2320.21	1827.80	755.44	432.63	312.20	256.55
7 Dividend	1308.35	693.82	876.20	651.53	465.19	365.57	151.32	46.25	39.65	33.04
FINANCIAL POSITION										
1 Equity (^)	396.47	396.47	396.47	132.16	132.16	132.16	132.16	132.16	132.16	132.16
2 Reserves & Surplus	18818.05	13875.96	11240.44	8157.49	5668.77	3882.32	2471.36	1893.20	1512.75	1245.27
3 Gross Fixed Assets	2272.82	1771.14	1669.17	1421.40	1304.15	1259.68	1176.78	1148.15	807.10	757.08
4 Net Fixed Assets	1099.26	787.15	746.63	568.06	504.90	530.16	537.44	574.27	285.16	272.64
5 Other Assets (intangible) \$	14.45	16.78	22.20	24.55	26.80	29.95	34.75	58.49	53.17	45.27
6 Capital Work-in-Progress	677.17	561.29	248.31	111.83	112.97	56.16	31.47	66.24	374.34	340.85
7 Current Assets	19171.56	14263.61	11771.02	8282.70	5525.84	4742.14	2804.78	1923.10	1457.96	1148.56
8 Current Liabilities	1780.72	1347.66	1164.75	774.76	417.36	1399.32	866.64	675.68	572.19	454.39
9 Deferred Tax Asset	-102.88	-84.88	-58.04	-6.01	-26.60	-18.46	-12.13	6.87	13.64	9.91
10 Capital Employed *	18490.10	13703.10	11352.90	8076.00	5613.38	3872.98	2475.58	1821.69	1170.93	966.81
11 Net Worth	19200.07	14255.65	11614.71	8265.10	5774.13	3984.53	2568.77	1966.87	1591.74	1332.16
12 Book value per share (Rs.) (^)	48.43	35.96	29.30	625.40	436.91	301.50	194.37	148.83	120.44	100.80
13 Earning per share (Rs.) (^)	16.39	8.69	11.03	245.99	175.56	138.30	57.16	32.74	23.62	19.41

@ 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 2010-11

(Rs. in crore)

	2010-2011	2009-2010
HOW VALUE IS GENERATED:		
Value of Production	11,482.11	6,237.19
Less : Direct Material, Power & Water charges, Royalty & Freight	1,689.86	809.73
Total Value Added	9,792.25	5,427.46
HOW VALUE IS DISTRIBUTED:		
A. Employees		
Payments & Benefits	491.50	418.35
B. Suppliers of Materials and Services		
Stores & Spares	135.90	140.63
Selling Expenses	242.01	131.12
Others (Net of Miscellaneous Income)	-971.07	-620.93
TOTAL	-593.16	-349.18
C. Society - Corporate Social Responsibility		
	37.33	71.20
D. Govt. Payments - Income Tax		
	3,440.43	1,877.98
E. Providers of Capital		
Shareholders - Dividend	1,308.35	693.82
TOTAL	1,308.35	693.82
F. Re-investment in the Business		
Depreciation	126.18	72.49
Operational Profit	4,981.62	2,642.80
TOTAL	5,107.80	2,715.29
Total Value Distributed	9,792.25	5,427.46
Average Number of Employees	6,157	5,800
Value added per employee (Rs. in lakh)	159.04	93.58

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Ramamoorthy (N) & Co.,
Chartered Accountants

Auditors' Report

To
The Members
NMDC Ltd

We have audited the attached Balance Sheet of NMDC LIMITED (The company) as at 31st March, 2011 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, Sponge Iron Unit 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 comply with the accounting standards

NMDC Limited

Ramamoorthy (N) & Co.,

Chartered Accountants

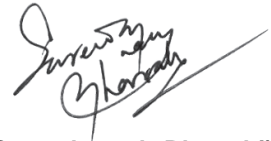
referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- (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) We invite the attention of members to the impact on the accounts, consequent to the change in accounting policies described in Schedule-24, Notes forming part of accounts.
- (h) 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.24 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 31.03.2011;
- (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
FRN No: 002899S

Place : New Delhi
Date : 27-May-2011



Ramamoorthy (N) & Co.,
Chartered Accountants

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 applying ABC system 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, 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.
- (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) According to the information and explanations given to us, 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 not applicable.
- (vi) 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.
- (vii) The Company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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.
- (ix) In respect of Statutory Dues:

NMDC Limited

Ramamoorthy (N) & Co.,

Chartered Accountants

(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 31.03.2011 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)
Nagar Palika, Kirandul	Export tax	1995-96 to 2003-04	High Court, Chhattisgarh	10.67
Nagar Palika, Kirandul	Conservancy tax	1997-98 to 2005-06	High Court, Chhattisgarh	0.47
MP Commercial Tax Act, 1994	Commercial Tax	1997-98 2001-02 2003-04	Dy.Commissioner of Commercial Tax (Appeal), Sagar	1.93
Nagarpalika, Bade Bachel	Export Tax	May 2001 to July 2002	High Court of Chhattisgarh	0.26
CG VAT Act, 2005	VAT	2006-07	Dy.Commissioner (Appeal) Commercial Tax, Raipur	0.19
CG VAT Act, 2005	CST	2006-07	Dy.Commissioner (Appeal) Commercial Tax, Raipur	0.17
The Chhattisgarh Sthaniya Kshetra Me Mal Ke. Pravesh Par Kar Adhinyam, 1976	Entry tax	2006-07	Dy.Commissioner (Appeal) Commercial Tax, Raipur	0.19
Karnataka Forest Tax Act, 1963	Forest Development Tax	August 2008 to March 2011	Dy.Conservator of Forests, Bellary	28.60
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
APGST	Sales tax	2004-05	ADC, Warangal	0.01
AP VAT	VAT	2006-07	ADC, Warangal	0.02

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Ramamoorthy (N) & Co.,

Chartered Accountants

- (x) In our opinion, the Company has no accumulated losses as at 31.03.2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) 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.
- (xii) 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.
- (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 guarantees 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 provisions 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 the no funds were raised by the Company. Accordingly, the provisions of clause (xvii) 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 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.
- (xix) 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.
- (xx) 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.
- (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 RAMAMOORTHY (N) & Co.,
Chartered Accountants



(CA Surendranath Bharathi)
Partner
Membership No.23837
FRN No: 002899S

Place : New Delhi
Date : 27-May-2011

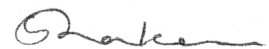
NMDC Limited

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 2011

The preparation of financial statements of NMDC Limited, Hyderabad for the year ended 31 March 2011 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 27th May 2011.

I, on 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 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and the company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 619(4) of the Companies Act, 1956.

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



**Y.N. Thakare
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board,
Hyderabad.**

Place : Hyderabad
Dated : 13 June 2011

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

NMDC Limited

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.

- 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** Raw materials : At cost on weighted average method.
- 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 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.

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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/waste products and scrap.

2. EMPLOYEES BENEFITS:

2.1 Payments under Employees' Family Benefit Scheme:

Under the NMDC Employees' family benefit scheme, monthly payments are made till the normal date of retirement to the family members of those employees who are discharged from service due to medical reasons or death, on deposit of the amount envisaged in the scheme and liability for the payments are accounted for on the basis of actuarial valuation and the amount is administered by a separate trust.

2.2 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 the amount is administered by a separate trust.

2.5 Other Benefits:

Liability towards Long service award, Settlement Allowance and Post Retirement Medical Facilities to employees as at the end of the year is recognized on the basis of actuarial valuation. Such amounts towards Settlement Allowance and Post retirement medical benefits are administered by a separate trust.

3. GENERAL:

3.1 Research & Development Expenditure:

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

NMDC Limited

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.

3.5 Insurance Claims:

Insurance claims are accounted as under:

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

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

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

Subject to our Report of even date

For and on behalf of the Board

For Ramamoorthy (N) & Co,
Chartered Accountants



(CA.SURENDRANATH BHARATHI)
Partner
Membership No. 23837
Firm Regn no: 002899S



(S.THIAGARAJAN)
Director (Finance)



(RANA SOM)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

Place : New Delhi
Date : 27-May-2011

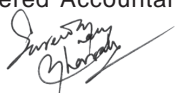
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Balance Sheet as at 31st March, 2011


(Rs. in Crore)

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	396.47	396.47
Reserves & Surplus	2	<u>18,818.05</u>	<u>13,875.96</u>
		19,214.52	14,272.43
Deferred Tax Liability		102.88	84.88
TOTAL		<u>19,317.40</u>	<u>14,357.31</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	3	2,272.82	1,771.14
Less : Depreciation		<u>1,173.56</u>	983.99
Net Block		1,099.26	787.15
Capital Work in Progress	4	<u>677.17</u>	561.29
		1,776.43	1,348.44
Investments	5	135.68	76.14
Current Assets, Loans & Advances :			
Inventories	6	415.42	298.75
Sundry Debtors	7	485.40	427.00
Cash & Bank Balances	8	17,228.06	12,854.94
Other Current Assets	9	396.06	163.88
Loans & Advances	10	<u>646.62</u>	519.04
		19,171.56	14,263.61
Less : Current Liabilities & Provisions :			
Current Liabilities	11	771.88	867.60
Provisions	12	<u>1,008.84</u>	480.06
		1,780.72	1,347.66
Net Current Assets		17,390.84	12,915.95
Miscellaneous Expenditure (to the extent not written off or adjusted)	13	14.45	16.78
TOTAL		<u>19,317.40</u>	<u>14,357.31</u>

Subject to our Report of even date Accounting Policies and Schedules 1 to 24 form part of accounts.
For RAMAMOORTHY (N) & Co., For and on behalf of the Board
 Chartered Accountants



(CA SURENDRANATH BHARATHI)
 Partner
 Membership No. 23837
 Firm Regn No. 002899S



(S. THIAGARAJAN)
 Director (Finance)



(RANA SOM)
 Chairman-cum-Managing Director

Place : New Delhi
 Date : 27-05-2011



(KUMAR RAGHAVAN)
 Company Secretary

NMDC Limited

Profit & Loss Account for the Year ended 31st March, 2011


(Rs. in Crore)

	Schedule	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
INCOME:			
Gross Sales		11,367.42	6229.54
Less : Excise duty		6.46	-
Net Sales		<u>11,360.96</u>	<u>6,229.54</u>
Income from Services		3.50	2.98
Income from sale of power		4.48	6.57
Other Income	14	1,205.70	861.71
Accretion / (Decretion) to stock	15	113.17	(1.90)
TOTAL		<u>12,687.81</u>	<u>7,098.90</u>
EXPENDITURE:			
Raising & Transportation charges		26.58	37.38
Consumption of raw materials	16	23.18	-
Consumption of Stores & Spares		212.95	209.45
Power, Electricity and Water	17	47.62	44.11
Payments & Benefits to employees	18	492.39	419.51
Repairs & Maintenance	19	53.39	66.06
Royalty & Cess		931.76	360.61
Selling Expenses - Freight Outwards		621.85	337.73
- Others		242.01	131.12
Other Expenses	20	863.86	468.85
Depreciation		268.87	221.17
Miscellaneous/Promotional/Deferred		121.52	73.16
Revenue Expenditure written off		3.46	3.46
Gross Expenditure		<u>3,045.58</u>	<u>1,903.76</u>
Less : Transfer to Capital Accounts	21	88.17	19.46
Net Expenditure		<u>2,957.41</u>	<u>1,884.30</u>
Profit before prior Year items		9,730.40	5,214.60
Add/(Less) prior Year items	22	(3.23)	(7.28)
Profit before taxes		<u>9,727.17</u>	<u>5,207.32</u>
Less : Provision - Taxation - Current Year		3,218.00	1,742.00
- Earlier Years(Net)		(4.41)	(8.70)
- Interest on Income Tax		1.51	(0.08)
- Deferred tax adjustment for the year		12.85	26.84
Profit after taxes		<u>3,227.95</u>	<u>1,760.06</u>
Profit brought forward from previous Year		6,499.22	3,447.26
Profit available for Appropriations		0.44	0.92
Less : Appropriations:		6,499.66	3,448.18
Interim Dividend		455.94	297.35
Tax on Interim Dividend		75.73	50.54
Proposed Final Dividend		852.41	396.47
Tax on Final Dividend		136.75	67.38
General Reserve		4,978.00	2,636.00
Balance carried over to Balance Sheet		6,498.83	3,447.74
Detailed Information	23	0.83	0.44
Notes forming part of Accounts	24		
Earnings per Share (Basic & Diluted) Rs. (Face value Rs.1/- each)		<u>16.39</u>	<u>8.69</u>

Subject to our Report of even date Accounting Policies and Schedules 1 to 24 form part of accounts.

For RAMAMOORTHY (N) & Co.,
Chartered Accountants

For and on behalf of the Board


(CA SURENDRANATH BHARATHI)
Partner
Membership No. 23837
Firm Regn No. 002899S


(S. THIAGARAJAN)
Director (Finance)


(RANA SOM)
Chairman-cum-Managing Director

Place : New Delhi
Date : 27-05-2011


(KUMAR RAGHAVAN)
Company Secretary

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Schedules

Schedule - 1 : Share Capital

	(Rs. in Crore)	
	As at 31st March, 2011	As at 31st March, 2010
Authorised:		
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>
Issued, Subscribed & Paid up:		
3,96,47,16,000 Equity Shares of Rs.1/- each fully paid up	396.47	396.47
The above includes :		
a) 2,55,00,000 Equity shares of Rs.1/- each allotted for consideration other than cash in earlier years.		
b) 2,64,31,44,000 Equity shares issued on fully paid up by way of bonus shares out of general reserve in earlier years.		
TOTAL	<u>396.47</u>	<u>396.47</u>

Schedule - 2 : Reserves and Surplus

	(Rs. in Crore)	
	As at 31st March, 2011	As at 31st March, 2010
a) General Reserve:		
As per last Balance Sheet	13,875.52	11,239.52
Less : Operating loss of erstwhile SILL from appointed date 30/06/08 to 31/03/10	(27.69)	-
Less : Amortisation of Goodwill from appointed date 30/06/08 to 31/03/10	(8.61)	-
Add : Additions during the Year	<u>4,978.00</u>	<u>2,636.00</u>
	18,817.22	13,875.52
b) Capital Grant - R&D (Corresponding nominal value of assets Rs. 881/-)	-	-
c) Profit & Loss Account - Surplus	0.83	0.44
TOTAL	<u>18,818.05</u>	<u>13,875.96</u>

NMDC Limited

Schedule - 3 : Fixed Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK					
	As at 1st April, 2010	Assets of SIIL pursuant to merger with NMDC Ltd	Additions during the year	Ded/Adj during the year	Internal Transfer	As at 31st March, 2011
A. Plant, Mines & Others						
Goodwill	–	14.09	–	–	–	14.09
Land - Free hold	11.94	14.96	88.34	–	–	115.24
Land - Lease hold	146.38	–	7.58	–	–	153.96
Roads, bridges etc.	15.85	0.73	22.22	–	–	38.80
Buildings	49.73	13.20	5.61	(0.04)	–	68.50
Dams, Wells & Pools	11.83	–	0.33	–	–	12.16
Adit & tunnel	3.71	–	–	–	–	3.71
Railway sidings	19.83	–	–	0.01	0.08	19.92
Plant & Machinery	699.87	53.67	21.48	(2.42)	(0.08)	772.52
Heavy Mobile Equipt.	557.93	0.66	235.58	(6.39)	–	787.78
Furniture & fittings	6.50	0.36	1.37	0.55	–	8.78
Vehicles	24.29	0.21	2.01	(1.00)	–	25.51
Locomotives	7.21	–	–	–	–	7.21
Electrical Installations	53.26	7.78	5.25	(0.01)	–	66.28
Sanitary & W. S. Installations	16.48	0.39	0.04	–	–	16.91
Other assets	32.28	1.22	4.10	(0.37)	–	37.23
Intangible Asset - Computer software	3.38	–	1.29	–	–	4.67
TOTAL 'A'	1,660.47	107.27	395.20	(9.67)	–	2,153.27
Figures for the previous year	1,559.22	–	110.70	(9.44)	–	1,660.47
B. Social Facilities						
Land - Free hold	0.28	–	–	0.01	–	0.29
Land - Lease hold	0.02	–	–	–	–	0.02
Roads, bridges etc.	6.86	0.28	–	–	–	7.14
Buildings	69.43	2.19	4.52	(0.03)	–	76.11
Cess fund quarters	12.57	–	–	–	–	12.57
Dams, Wells & Pools	0.23	–	–	–	–	0.23
Plant & Machinery	0.01	–	–	–	–	0.01
Furniture & fittings	1.58	0.05	0.24	(0.02)	–	1.85
Vehicles	4.03	–	0.19	(0.13)	–	4.09
Electrical Instaln.	2.24	0.10	0.07	–	–	2.41
Sanitary & W.S.Instlns.	6.39	0.12	0.47	–	–	6.98
Other assets	6.91	0.03	0.87	(0.06)	–	7.75
Cess fund other assets	0.10	–	–	–	–	0.10
TOTAL 'B'	110.66	2.77	6.36	(0.23)	–	119.55
Figures for the previous year	109.95	–	3.32	(2.62)	–	110.66
TOTAL 'A + B'	1,771.14	110.04	401.56	(9.90)	–	2,272.82
Figures for the previous year	1,669.17	–	114.02	(12.06)	–	1,771.14

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Schedule - 3 : Fixed Assets (Contd..)

(Rs. in Crore)

ASSETS	DEPRECIATION BLOCK								NET BLOCK	
	Upto 31st March 2010	Dep.Block of SIIL pursuant to merger with NMDC Ltd	For the year	Asset Impairment	Prior period adj.	Deductions/ adjustments	Internal transfers	Upto 31st March 2011	As at 31st March 2011	As at 31st March 2010
A. Plant, Mines & Others										
Goodwill	-	8.61	4.70	-	-	-	-	13.31	0.78	-
Land - Free hold	-	-	-	-	-	-	-	-	115.24	11.94
Land - Lease hold	52.12	-	10.22	-	-	-	-	62.34	91.62	94.26
Roads, bridges etc.	9.91	0.46	1.08	-	0.05	-	-	11.50	27.30	5.94
Buildings	19.42	8.44	4.59	-	-	(0.01)	-	32.44	36.06	30.31
Dams, Wells & Pools	11.47	-	0.03	-	-	-	-	11.50	0.66	0.36
Adit & tunnel	3.71	-	-	-	-	-	-	3.71	-	-
Railway sidings	10.77	-	0.77	-	-	0.01	0.08	11.63	8.29	9.06
Plant & Machinery	446.58	49.41	26.77	-	-	(2.42)	(0.08)	520.26	252.26	253.29
Heavy Mobile Equipt.	291.16	0.66	58.85	-	0.42	(6.39)	-	344.70	443.08	266.77
Furniture & fittings	4.81	0.35	0.57	-	-	-	-	5.73	3.05	1.69
Vehicles	13.28	0.09	2.84	-	-	(0.42)	-	15.79	9.72	11.01
Locomotives	7.21	-	-	-	-	-	-	7.21	-	-
Electrical Installations	34.85	6.92	3.19	-	-	(0.02)	-	44.94	21.34	18.41
Sanitary & W. S. Installations	9.64	0.33	0.68	-	-	-	-	10.65	6.26	6.84
Other assets	21.84	1.05	2.98	-	-	(0.36)	-	25.51	11.72	10.44
Intangible Asset - Computer software	2.82	-	0.53	-	-	-	-	3.35	1.32	0.56
TOTAL 'A'	939.59	76.32	117.80	-	0.47	(9.61)	-	1,124.57	1,028.70	720.88
Figures for the previous year	878.38	-	91.77	(19.13)	-	(11.43)	-	939.59	720.88	680.84
B. Social Facilities										
Land - Free hold	-	-	-	-	-	-	-	-	0.29	0.28
Land - Lease hold	0.02	-	-	-	-	-	-	0.02	-	0.00
Roads, bridges etc.	2.71	0.07	0.22	-	-	0.01	-	3.01	4.13	4.15
Buildings	23.07	0.71	1.76	-	-	(0.01)	-	25.53	50.58	46.36
Cess fund quarters	4.72	-	0.25	-	-	0.01	-	4.98	7.59	7.85
Dams, Wells & Pools	0.15	-	-	-	-	0.01	-	0.16	0.07	0.08
Plant & Machinery	0.01	-	-	-	-	-	-	0.01	-	-
Furniture & fittings	1.28	0.04	0.10	-	-	-	-	1.42	0.43	0.30
Vehicles	2.11	-	0.48	-	-	(0.14)	-	2.45	1.64	1.92
Electrical Instaln.	1.58	0.09	0.12	-	-	0.01	-	1.80	0.61	0.66
Sanitary & W.S.Instlns.	4.42	0.07	0.29	-	-	0.01	-	4.79	2.19	1.97
Other assets	4.23	0.02	0.50	-	-	(0.03)	-	4.72	3.03	2.69
Cess fund other assets	0.10	-	-	-	-	-	-	0.10	-	0.01
TOTAL 'B'	44.40	1.00	3.72	-	-	(0.13)	-	48.99	70.56	66.27
Figures for the previous year	44.16	-	3.76	(3.24)	-	(0.28)	-	44.40	66.27	65.79
TOTAL 'A + B'	983.99	77.32	121.52	-	0.47	(9.74)	-	1,173.56	1,099.26	787.15
Figures for the previous year	922.54	-	95.53	(22.37)	-	(11.71)	-	983.99	787.15	746.63

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. Assets valuing Rs. 5.09 crores (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
TOTAL	5.09

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

(Rs. in crore)

	Plant & Machinery
Cost as at 31.03.2011	0.66
	(0.66)
Less : Grant	0.17
	(0.17)
Amount Capitalised	0.49
	(0.49)

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3. The Company adopted the following rates of depreciation which are higher than Schedule-XIV rates to the Companies Act, 1956 except in case of 'Heavy mobile equipment' (Refer Accounting Policy on Depreciation No.B.2.2.1)

i) Buildings	1.72%,2.5%,3.45%,3.57%,5%,5.56%,100%
ii) Railway sidings	5.56%
iii) Plant and machinery	5.56%,8.33%,10%,14.29%,20%
iv) Heavy mobile equipment	11.31%
v) Furniture and Fittings	10%
vi) Vehicles (5% of original cost retained as residual value)	16.67%
vii) Locomotives	10%
viii) Electrical installations	5.56%,6.67%,10%,14.29%,20%,33.33%
ix) Sanitary and water supply installations	5.56%
x) Other assets	6.67%,8.33%,16.67%, 20%
xi) Intangible asset - Computer software	Amortized over 3 years

Items not exceeding Rs.5,000/- are depreciated fully in the year of addition

4. 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.
5. 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.
6. Particulars of assets relating to Cess Fund Assets/Grant:

(Rs. in crore)

	Quarters	Sanitary & Water Supply Installations	Other Assets
Cost as at 31.03.2011	15.90	2.18	0.58
	(15.90)	(2.18)	(0.58)
Less : Cess Fund Grant	3.33	0.27	0.01
	(3.33)	(0.27)	(0.01)
Amount Capitalised	12.57	1.91	0.57
	(12.57)	(1.91)	(0.57)

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7. The land on which Cess Fund Quarters were constructed prior to 1984-85 was leased out to Cess Fund Authorities.
8. 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.
9. The schedule does not include assets of Rs. 436.62 lakhs and services of Rs. 394.71 lakhs received as grant from United Nations Development Programme by the erstwhile SIIL towards first plant at Paloncha.
10. 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, Bachelu 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.
 - (f) Land purchased at Paloncha to the extent of 100.27 acres from the official liquidator of AP Steels Ltd attached to Hon'ble High court of Andhra Pradesh.
 - (g) Only Provisional allotment letters issued for the land to the extent of 13.43 acres purchased from M/s APIIL at Industrial park, Paloncha.
11. Details of Assets retired from active use and held for disposal as on 31.03.2011:

(Rs. in crore)

Assets	Gross Block	Accumulated Depreciation	Net Block
1. Heavy Mobile Equipments	42.26 (30.29)	42.26 (30.29)	– (–)
2. Plant and Machinery	0.12 (–)	0.12 (–)	– (–)
3. Vehicles	1.22 (0.96)	1.09 (0.91)	0.13 (0.05)
4. Other Assets	– (0.03)	– (0.03)	– (–)

Note: Figures in brackets pertain to previous year.

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Schedule - 4 : Capital Work in Progress

(Rs. in Crore)

	As at 31st March, 2011	As at 31st March, 2010
Construction work in progress	354.74	289.21
Add : Impairment reversed / (provided)	—	0.24
	354.74	289.45
Construction Stores	2.63	2.19
Capital Assets in stores awaiting installation or in transit	93.20	187.55
Advances to suppliers/contractors for Capital Expenditure	109.25	49.03
Expenditure incidental to construction awaiting allocation	117.35	33.07
TOTAL	677.17	561.29
Notes:		
Particulars of advances to suppliers/contractors for Capital Expenditure:		
Advances considered good in respect of which:		
i) the Company is fully secured	—	—
ii) the Company holds no security other than debtors personal security	109.25	49.03

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Schedule - 5 : Investments

(Rs. in Crore)

	As at 31st March, 2011	As at 31st March, 2010
In Shares:		
<i>Trade & Unquoted at cost:</i>		
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 SARL, Madagaskar	7.20	7.20
Less : Investment deration	7.20	7.20
	-	-
iii) 7,12,45,198 (previous year 4,90,00,000) equity shares of Rs.10 each fully paid up in NINL, Bhubaneswar	93.49	49.00
iv) 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
	-	-
v) 7,65,000 (Previous Year 7,65,000) Equity shares of Rs 10/- each fully paid up in NMDC CMDC Ltd.,	0.77	0.77
vi) 4,25,000 (Previous year 1,00,000) Equity shares of Rs.10/- each fully paid in International Coal Ventures (P) Ltd	0.43	0.10
<i>Non-trade & Unquoted at cost:</i>		
i) 150 Shares (previous year 150 Shares) of Rs 1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul Rs 1,50,000 (Previous year 1,50,000)	0.02	0.02
ii) 500 Shares (previous year 500 Shares) of fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli Rs.5,000 (previous year Rs 5,000)	-	-

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Schedule - 5 : Investments (Contd..)

(Rs. in Crore)		
	As at 31st March, 2011	As at 31st March, 2010
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
<i>Advance for Investment :</i>		
i) 4.00 crore equity shares of Rs 10/- each in Krishnapatnam Railway Co. Ltd., fully paid, pending allotment	40.00	26.25
ii) 9.75 lakh equity shares of Rs.10/- each in International Coal Ventures (P) Ltd. fully paid, pending allotment.	0.97	-
TOTAL	135.68	76.14

Notes:

1. Aggregate amount of Quoted Investments Nil (previous year Nil).
2. Aggregate amount of Unquoted Investments Gross Rs.146.95 crore and Net Rs.135.68 crore (Previous Year Gross Rs.87.41 crore and Net Rs.76.14 crore).
3. All the above are long term investments.

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Schedule - 6 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

	As at 31st March, 2011	As at 31st March, 2010	
Stores & Spares	78.92	79.75	
Loose tools and Implements	<u>0.28</u>	<u>0.21</u>	
	79.20		79.96
Raw materials	1.26		-
Finished Goods:			
Iron Ore	327.90	209.98	
Sponge Iron	0.08	-	
Ferrite Powder	-	0.06	
Ultra Pure Ferric Oxide Rs.57/- (Previous year Rs.57/-)	-	-	
Diamonds & Precious Stones	<u>4.67</u>	<u>8.72</u>	
	332.65		218.76
Work-in-Process :			
Diamonds	-	0.03	
Sponge Iron	<u>0.82</u>	<u>-</u>	
	0.82		0.03
Generated Iron ore fines at Sponge Iron unit	1.49		0.00
TOTAL	<u>415.42</u>		<u>298.75</u>

Notes:

1. Raw material-in-transit	0.07	-
2. Stores and Spares include:		
a) Stores-in-transit	7.67	10.70
b) Obsolete stores & spares valued at Rs1 per unit of their original value of Rs.2.45 crore (previous year Rs.1.90 crore)	0.05	0.03

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Schedule - 7 : Sundry Debtors

(Rs. in Crore)

	As at 31st March, 2011	As at 31st March, 2010
Debts outstanding for a period exceeding six months	36.54	73.44
Other debts	450.83	355.02
	<u>487.37</u>	<u>428.46</u>
Less : Provision for bad & doubtful debts	1.97	1.46
	<u>485.40</u>	427.00
TOTAL	<u><u>485.40</u></u>	<u><u>427.00</u></u>

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	485.40	427.00

b) Debts considered doubtful & provided for	1.97	1.46
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Schedule - 8 : Cash and Bank Balances

(Rs. in Crore)

	As at 31st March, 2011	As at 31st March, 2010
Cash and Cheques on hand	3.73	6.09
Balances with :		
(a) Scheduled Banks :		
On Current Accounts	63.87	72.87
On Deposit Accounts (Rs.80 crore offered as security for Bank Guarantees and Letters of Credit) (Previous Year Rs.60 crore)	17,160.37	12,775.70
	17,224.24	12,848.57
(b) Other Banks on Current Accounts:		
(i) Exim Bank (Tanzania) Ltd (Shillings Account) (Maximum balance during the year Rs.5,98,591/-) (Previous Year Rs.5,86,751/-)	0.01	-
(ii) National Micro Finance Bank (Shillings Account) (Maximum balance during the year Rs.4,90,169/-) (Previous Year Rs.4,71,998/-)	0.04	-
(iii) Exim Bank (Tanzania) Ltd. (US \$ account) (Maximum balance during the year Rs.33,79,437/-) (Previous Year Rs. 49,01,168/-)	0.04	0.28
	0.09	0.28
TOTAL	17,228.06	12,854.94

Schedule - 9 : Other Current Assets

(Rs. in Crore)

	As at 31st March, 2011	As at 31st March, 2010
Accrued interest on deposits with banks	396.06	163.88
TOTAL	396.06	163.88

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Schedule - 10 : Loans and Advances

(Rs. in Crore)

	As at 31st March, 2011	As at 31st March, 2010
Advances recoverable in cash or kind or for value to be received	212.54	151.08
Less : Provision for bad & doubtful advances	<u>0.23</u>	<u>0.35</u>
	212.31	150.73
Advance Income Tax & TDS	7,624.77	5980.16
Less : Provision	<u>7,244.78</u>	<u>5692.62</u>
	379.99	287.54
Advance Fringe benefit tax	2.56	2.54
Less : Provision	<u>0.04</u>	<u>0.03</u>
	2.52	2.51
Inter Corporate Loans to PSUs	4.50	4.50
Less : Loans deration	<u>4.50</u>	<u>4.50</u>
	-	-
Balance with Customs, Port Trust etc.	0.30	0.35
Deposit with Others	51.78	78.01
Less : Provision	<u>0.28</u>	<u>0.10</u>
	51.50	77.91
TOTAL	<u>646.62</u>	<u>519.04</u>

Notes:

Particulars of Loans and advances:

a) Considered good in respect of which:		
i) the Company is fully secured	19.03	17.68
ii) the Company holds no security other than the debtors personal security	627.59	501.36
b) Considered doubtful and provided for	5.01	4.95
c) Amount due by Directors/Officers:		
i) Amount due	0.01	0.02
ii) Maximum amount due at any time during year	0.01	0.02
d) Advances to Subsidiary Companies (b is wholly owned subsidiary):		
i) Amount outstanding:		
a) J&K MDC Limited, Jammu	1.87	-
b) NMDC SARL, Madagaskar	-	-
c) NMDC CMDC Ltd	0.19	0.18
ii) Maximum amount outstanding at any time during the year		
a) J&K MDC Limited, Jammu	1.87	0.31
b) NMDC SARL, Madagaskar	-	-
c) NMDC CMDC Ltd	0.19	0.18

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Schedule - 11 : Current Liabilities

(Rs. in Crore)

	As at 31st March, 2011	As at 31st March, 2010
Sundry Creditors :		
Outstanding dues of micro and small enterprises Other than micro & small enterprises including Rs.NIL (Previous year Rs.Nil) payable to Subsidiary Companies)	0.12	0.05
	<u>403.62</u>	<u>520.41</u>
	403.74	520.46
Advances from Customers	116.92	116.44
Mine closure Liability	184.53	159.07
Less : Fund with LIC	<u>179.79</u>	<u>155.88</u>
	4.74	3.19
Deposits from Suppliers, Contractors and Others	39.79	35.67
Less : Investments received as security Deposit	<u>0.03</u>	<u>0.05</u>
	39.76	35.62
Sales Tax on REP Licences	-	2.38
Less : Amount paid	<u>-</u>	<u>1.00</u>
	-	1.38
Investor Education & Protection Fund not due :		
Unclaimed Dividend	0.28	0.10
Other liabilities	206.44	190.41
TOTAL	<u>771.88</u>	<u>867.60</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.	0.12	0.05
(b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year.	NIL	NIL
ii) the amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

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Schedule - 12 : Provisions

	(Rs. in Crore)	
	As at 31st March, 2011	As at 31st March, 2010
Proposed Final dividend	852.41	396.47
Tax on Final dividend	<u>138.28</u>	<u>67.38</u>
	990.69	463.85
Employee Benefits :		
a. Leave Travel Concession	6.93	7.34
b. Long service award	<u>11.22</u>	<u>8.87</u>
	18.15	16.21
TOTAL	<u>1,008.84</u>	<u>480.06</u>

Details of Provisions (in compliance of AS-29)

	(Rs. in crore)			
	Opening Balance 1-Apr-10	Adjustment during year	Addition during year	Closing Balance 31-Mar-11
Proposed Dividend and Tax thereon	463.85 (547.35)	-993.99 (-895.24)	1,520.83 (811.74)	990.69 (463.85)
Leave Travel concession	7.34 (5.32)	0.19 -	-0.60 (2.02)	6.93 (7.34)
Long Service Awards	8.87 (7.53)	- -	2.35 (1.34)	11.22 (8.87)
TOTAL	480.06	-993.80	1,522.58	1,008.84
Previous year	(560.20)	(-895.24)	(815.10)	(480.06)

Note : Figures in bracket indicate previous year figures

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

	(Rs. in Crore)	
	As at 31st March, 2011	As at 31st March, 2010
Development Expenses	7.36	6.55
Others:		
Expenses on removal of overburden and preparation of Mining Benches	<u>7.09</u>	<u>10.23</u>
	<u>14.45</u>	<u>16.78</u>

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Schedule - 14 : Other Income

(Rs. in Crore)

	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Interest on :		
Deposits with Banks (Tax deducted at source Rs.108.50 crore, (Previous Year Rs. 120.47 crore)	1,095.00	831.73
Others (Tax deducted at source Rs.0.23 crore, (Previous year Rs. 0.03 crore)	14.15	2.84
	1,109.15	834.57
Profit on sale of assets	1.13	1.31
Gain in Foreign Exchange variation (net)	1.36	0.73
Miscellaneous Income	94.06	25.10
TOTAL	1,205.70	861.71

Schedule - 15 : Accretion / (Decretion) to Stock

(Rs. in Crore)

	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Work-in-process:		
Balance as at close of the Year	0.82	0.03
Less : Balance as at the beginning of the Year	0.03	0.02
Less : Balance as at the beginning of the Year at merged SIIL	0.19	-
	0.60	0.01
Finished Goods:		
Balance as at close of the Year	332.63	218.75
Less : Balance as at the beginning of the Year	218.75	220.66
Less : Balance as at the beginning of the Year at merged SIIL	1.20	-
	112.68	(1.91)
Less : Excise duty on accretion/decretion of stock (net)	(0.11)	-
	112.57	-1.91
TOTAL	113.17	-1.90

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Schedule - 16 : Consumption of Raw Materials

(Rs. in Crore)

	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
	Qty (in tonnes)		Qty (in tonnes)	
Iron ore	83,384	6.74	–	–
Coal	59,239	15.85	–	–
Lime Stone	2,708	0.18	–	–
Internal handling of raw materials		0.41		–
TOTAL		23.18		–

Note : Value of Iron ore consumed is after adjutment of inter unit transfers.

Schedule - 17 : Power, Electricity & Water

(Rs. in Crore)

	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
Power charges		37.77		35.55
Electricity charges		8.39		7.91
Water Charges		1.46		0.65
TOTAL		47.62		44.11

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	0.11	0.22
b) Consumption of Stores & spares	0.15	0.09
c) Repairs and Maintenance	0.01	0.00
	0.27	0.31

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Schedule - 18 : Payments & Benefits to Employees

(Rs. in Crore)

	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Salaries, Wages & Bonus	331.89	296.97
Contribution to Staff PF, EPS & DLI	27.52	22.44
Contribution to Group Gratuity Fund	27.16	36.07
Workmen and Staff Welfare Expenses	105.82	64.03
TOTAL	492.39	419.51

Schedule - 19 : Repairs & Maintenance

(Rs. in Crore)

DESCRIPTION	For the Year ended 31st March, 2011					For the Year ended 31st March, 2010
	Buildings	Plant & Machinery	Vehicles	Others	Total	
Gross Expenditure	29.16	185.32	11.11	25.22	250.81	238.90
Less:						
Expenditure under primary heads :						
Payments & Benefits to employees	14.34	81.69	9.44	-	105.47	72.63
Consumption of Stores	6.77	83.74	1.21	0.23	91.95	100.21
Sub total	21.11	165.43	10.65	0.23	197.42	172.84
Net Expenditure	8.05	19.89	0.46	24.99	53.39	66.06

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Schedule - 20 : Other Expenses

(Rs. in Crore)

	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Rent	3.31	3.36
Insurance	4.55	3.50
Rates & Taxes	6.52	4.60
Directors' Travelling expenses	1.91	1.92
Directors' Sitting fee	0.10	0.07
Payment to Auditors:		
As Auditors:		
Audit Fee	0.13	0.10
In other capacity	0.10	0.24
Out of pocket expenses	0.04	0.04
	<u>0.27</u>	<u>0.38</u>
Loss on sale/adjustment of Assets	0.06	0.03
Miscellaneous losses written off	1.01	0.61
Provision for doubtful debts/advances	0.40	0.04
Mine closure Obligation	10.55	12.13
Entertainment	0.59	0.88
Sundries:		
Travelling & Conveyance	15.90	17.52
Advertisement & Publicity	10.18	14.53
Postage, Telephone & Telex	2.53	2.18
Stationery & Printing	2.84	2.55
Consultancy charges	91.99	19.40
CISF/Security guards	49.37	39.51
Safety expenses	0.69	0.51
Corporate Social Responsibility	37.33	71.20
Environmental Development	9.37	8.39
Other expenses	19.40	17.86
	<u>239.60</u>	<u>193.65</u>
TOTAL	<u><u>268.87</u></u>	<u><u>221.17</u></u>

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Schedule - 21 : Expenditure Transferred to Capital Accounts

(Rs. in Crore)

	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
Amounts transferred to Capital Accounts as per details shown below (Net) :	88.17		19.46	
DESCRIPTION	Miscellaneous/ Promotional Expenditure		Incidental Expenditure During Construction	
	31st March, 2011	31st March, 2010	31st March, 2011	31st March, 2010
Raising & Transportation charges	-	-	-	-
Consumption of Stores & Spares	-	-	0.97	0.07
Power	-	-	0.19	0.19
Payments & Benefits to Employees	-	-	0.89	1.16
Repairs & Maintenance	-	-	0.26	0.32
Other Expenditure :				
Consultancy	-	0.03	87.00	15.86
Environment	-	-	0.03	0.23
Sample Analysis	-	-	-	0.01
Others	-	-	0.03	0.92
Depreciation	-	-	-1.20	0.67
TOTAL	-	0.03	88.17	19.43
Less : Income	-	-	-	-
Net Expenditure	-	0.03	88.17	19.43

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Schedule - 22 : Prior-Period Adjustments

(Rs. in Crore)

	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
	Income	Expenditure	Income	Expenditure
Sales	0.01	–	–	1.17
Consumption of stores & spares	–	–	0.76	–
Rates, Taxes & Insurance	–	0.12	–	–
Repairs & Maintenance	0.33	–	0.07	–
Payments & benefits to employees	–	2.48	–	–
Other Income	–	–	0.02	–
Selling Expenses	0.59	–	–	0.04
Depreciation	–	0.47	–	–
Welfare Expenses	0.06	–	–	–
Other Expenses	–	1.15	–	6.92
TOTAL	0.99	4.22	0.85	8.13
Net Income / (expenditure)	–	3.23	–	7.28
Less : Transfer to Expr. incidental to construction	–	–	–	–
Total transferred	–	–	–	–
Net Income / Expenditure	–	3.23	–	7.28

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Schedule - 23 : Detailed Information

1. Particulars of Licenced Capacity, Installed Capacity :

Details	Licenced Capacity	Installed Capacity (As certified by the Management)
Iron Ore	Not applicable	32 Million WMT of ROM (32 Million WMT of ROM)
Sponge Iron	60,000 tonnes	60,000 tonnes
* (Erst while SIIL Merged with effect from 01/07/2010)	(*)	(*)
Diamonds	Not applicable	1,00,000 carats (1,00,000 Carats)
Wind power	Not applicable	10.5 MW (10.5 MW)
Silica sand	Not applicable	3.00 lakh tonnes of products (3.00 lakh tonnes of products)
Ultra Pure Ferric Oxide	Not applicable	3,000 tonnes of products (3,000 tonnes of products)

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

Particulars	Iron Ore		Diamonds		Sponge Iron	
	Quantity (lakh WMT)	Value (Rs. Crore)	Quantity (Carats)	Value (Rs.Crore)	Quantity (tonnes)	Value (Rs. Crore)
1. Opening stock as on 01-04-2010	57.13 (60.25)	209.98 (220.60)	9,200.07 (6.20)	8.72 (-)		
2. Opening stock as on 01-04-2010 at merged SIIL					870 (-)	1.32 (-)
3. Opening stock of LG Fines as on 01-04-10	9.17 (-)					
4. Production	251.55 (238.03)		10,865.93 (16,529.21)		38,962 (-)	
5. Qty retrieved at Project	- (0.70)					
6. Qty retrieved at Port	0.17 -					
7. Qty available for sale : (A)	318.02 (298.98)		20,066.00 (16,535.41)		39,832 (-)	
8. Sales	263.15 (240.85)	11,285.33 (6,222.60)	18,421.22 (7,335.34)	12.88 (6.94)	39,775 (-)	62.74 (-)
9. Own use	0.83 (-)	42.77 (-)				
10. Transit / handling / other losses	2.68 (1.00)				11 (-)	
TOTAL - B	266.66 (241.85)		18,421.22 (7,335.34)		39,786 (-)	
11. Closing stock (A-B) as on 31-03-11	51.36 (57.13)	327.90 (209.98)	1,644.78 (9,200.07)	4.67 (8.72)	46 (-)	0.08 (-)

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Schedule - 23 : Detailed Information (Contd..)

The following details are further disclosed :

- There was no opening and closing stock of Silica Sand.
(Previous year : the opening stock was 50 WMT and the entire quantity was sold).
- There was an opening and closing stock of 57 wmt of Ultra pure ferric oxide, valuing Rs 57/-, with no production and sales during the year.
(Previous year : the opening and closing stock was 57 wmt valuing Rs 57/-)
- The Opening and Closing stock of 26.744 mt of ferrite powder, valuing Rs NIL 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).
- The power generated by Wind Electricity Generators during 01.04.10 to 30.09.10 is 1,37,11,153 (net) KWH units. The generation of power from windmills is stopped w.e.f.15th Oct 2010 due to fault in transmission line. Power generated from 01.10.10 to 14.10.10 will be known only after restoration of power. (Previous year 1,94,05,083 (net) KWH units).

The value of power generated by the wind electricity generators during the current year is Rs.4.48 crore (Previous year Rs.6.57 crore).
- The value of services rendered during the year is Rs. 3.5 crore. (Previous year Rs.2.98 crore).
- Iron ore fines generated at Sponge Iron Unit during the year are 14,446 (net) tons. The opening Iron ore fines at merged SILL as on 01/04/10 are 1,276 tons. Thus, the total generated iron ore fines at Sponge Iron plant as on 31/03/2011 are 15,722 tons valuing Rs.1.49 crore.

Details of Sales:(Iron Ore)

	Quantity (Lakh wmt)	Value (Rs.Crore)
Export through MMTC	25.63 (34.32)	1,531.48 (1,070.83)
Domestic Sales	237.52 (206.53)	9,753.85 (5,151.77)
TOTAL	263.15 (240.85)	11,285.33 (6,222.60)

Notes :

- Figures in brackets pertain to previous Year.
- 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) 0.19 lakh WMT, valuing Rs.1.42 crore lying with us taken from MMTC on returnable basis.)
- The stock of diamonds of 6.2 (previous year 6.2) carats is under judicial custody.
- The following quantity of iron ore is not considered in stock as per the policy of the Company :
 - Embedded Fine ore lying in dumps prior to 01/04/2007 : 7.69 lakh WMT (previous year 8.78 lakh WMT).
 - Desilted slimes stacked at various locations 26.38 lakh WMT (previous year 20.30 lakh WMT).

NMDC Limited

Schedule - 23 : Detailed Information (Contd..)

(Rs. in Crore)

	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010		
3. Particulars of Directors' Remuneration (including Chairman-cum-Managing Director)				
a) Salaries	1.13	0.78		
b) Contribution to PF, FPS & DLI	0.11	0.06		
c) Contribution to Gratuity	0.04	0.09		
d) Performance related pay	0.88	-		
e) Medical reimbursement	0.08	0.04		
f) House Rent	0.09	0.09		
g) LTC	-	0.05		
h) Others	0.06	0.01		
	2.39	1.12		
4. Value of imports calculated on CIF basis:				
i. Components & Spare parts	7.59	18.65		
ii. Capital Goods	81.21	38.76		
5. Expenditure in foreign currency:				
i. Consultancy charges	0.68	0.30		
ii. Others	1.34	1.54		
6. Particulars of consumption of raw material				
Raw material	Value	Percentage	Value	Percentage
a) Imported	-	-	Not applicable	
b) Indigenous	23.18	100.00		
	23.18	100.00		
7. Particulars of consumption of Stores & spares:				
Components & spare parts (including consumable stores)	Value	Percentage	Value	Percentage
a) Imported	16.12	7.57	14.43	6.89
b) Indigenous	196.83	92.43	195.02	93.11
	212.95	100.00	209.45	100.00
8. Foreign Exchange earnings: (on realisation basis)				
Consultancy	-	-	-	0.07

NMDC Limited

Schedule - 23 : Detailed Information (Contd..)

10. 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

The inter segment transfers are accounted for at market prices as charged to other customers and the same are offsetted in consolidation.

The Company has identified the primary and secondary segment reporting under AS-17 as under:

Information about Business Segments

Primary Business Segments

(Rs. in Crore)

	Iron Ore		Other Minerals & Services		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. REVENUE								
External Sales	11,285.34	6,222.60	83.60	16.49	–	–	11,368.94	6,239.09
Inter-Segment Sales	42.77	–	–	–	-42.77	–	–	–
Total Revenue	11,328.11	6,222.60	83.60	16.49	-42.77	–	11,368.94	6,239.09
2. RESULT								
Segment Result	8,743.70	4,496.01	-14.62	8.98	-224.81	-250.75	8,504.27	4,254.24
Unallocated Corporate Exps							113.75	118.51
Operating Profit							8,618.02	4,372.75
Interest Expense							–	–
Interest Income							1,109.15	834.57
Income Taxes							-3,227.95	-1,760.06
Net Profit	–	–	–	–	–	–	6,499.22	3,447.26
3. OTHER INFORMATION								
Segment Assets	2,331.76	2,040.16	146.26	111.96	18,605.65	13,530.87	21,083.67	15,682.99
Segment Liabilities	606.15	648.06	18.02	21.18	1,156.55	678.42	1,780.72	1,347.66
Additions to assets during the year :								
Fixed Assets	291.12	77.14	0.77	11.63	103.55	24.80	395.44	113.58
Intangible Assets	4.88	0.36	0.03	–	1.21	0.08	6.12	0.44
Depreciation expenses during the year	101.15	77.35	6.87	13.40	13.50	5.02	121.52	95.77
Impairment reversal / provided	–	–	–	-22.61	–	–	–	-22.61
Non-Cash expenses other than Depreciation & amortization	0.24	0.33	0.88	–	0.29	0.35	1.41	0.68

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Schedule - 23 : Detailed Information (Contd..)

Secondary Segments

Sales Revenue by location of Customers:

(Rs. in Crore)

Revenue from External customers	Curr. Year	Prev. Year
- Domestic	9,837.46	5,168.26
- Export : Through MMTC	1,531.48	1,070.83
TOTAL	11,368.94	6,239.09

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	2,301.41	1,785.08	343.70	53.15
Andhra Pradesh	18,221.98	13,451.71	5.28	24.85
Others	560.28	446.20	52.58	36.02
TOTAL	21,083.67	15,682.99	401.56	114.02

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

GENERAL DESCRIPTION OF DEFINED BENEFIT PLANS :

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

NMDC Limited

Schedule - 23 : Detailed Information (Contd..)

OTHER DISCLOSURES :

(Rs in crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	Family Benefit Scheme	Long Service Award
A. Changes in the present value of the Obligation as on 31st Mar 2011							
Present value of obligation at the beginning of the year	163.81	58.65	12.77	103.87	7.53	11.23	8.87
Interest cost	12.30	4.98	1.06	8.31	–	–	–
Current service cost	3.65	18.19	1.75	20.46	–	–	–
Past service cost	–	–	–	–	–	–	–
Benefits paid	(56.50)	(6.52)	(0.59)	(7.79)	–	–	–
Actuarial gain/loss on obligation	24.44	(11.66)	(2.67)	(2.59)	(0.60)	1.20	2.35
Present value of obligation at the end of the period	147.70	63.64	12.32	122.26	6.93	12.43	11.22
B. Changes in the fair value of the Plan Assets as on 31st Mar 2011							
Fair value of plan assets at the beginning of the year	160.56	58.65	12.50	–	–	–	–
Expected return on plan assets	13.22	9.50	1.23	0.06	–	0.01	–
Contributions	3.70	2.01	–	103.87	–	11.23	–
Benefits paid	(56.50)	(6.52)	(0.59)	–	–	–	–
Actuarial gain/loss on plan assets	–	–	(0.82)	–	–	–	–
Fair value of plan assets at the end of the period	120.98	63.64	12.32	103.93	–	11.24	–
C. Amounts recognised in the Balance sheet as on 31st Mar 2011							
Present value of the obligations at the end of the year	147.70	63.64	12.32	122.26	6.93	12.43	11.22
Fair value of plan assets at the end of the year	120.98	63.64	12.32	103.93	–	11.24	–
Liability/Asset recognised in the balance sheet	26.72	–	–	18.33	6.93	1.19	11.22

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Schedule - 23 : Detailed Information (Contd..)

(Rs in crore)							
	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	Family Benefit Scheme	Long Service Award
D. Amounts recognised in the P&L account for the period ended on 31st Mar 2011							
Current service cost	3.65	18.19	1.75	20.46	-	-	-
Past service cost	-	-	-	-	-	-	-
Interest cost	12.30	4.98	1.06	8.31	-	-	-
Expected return on plan assets	(13.22)	(9.50)	(1.23)	(0.06)	-	(0.01)	-
Net actuarial gain/loss recognised in the year	24.44	(11.66)	(2.67)	(2.59)	(0.60)	1.20	2.35
Expenses recognised in P&L a/c	27.17	2.01	(1.09)	26.12	(0.60)	1.19	2.35

Note : The opening obligations and plan assets of Gratuity, Accrued leave salary, Settlement allowance and LTC are including that of erstwhile SIIL.

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.2.07 cr	Rs.(1.76 cr)
ii. Increase/(Decrease) on present value of defined benefit obligations as at 31-03-2011	Rs.9.42 cr	Rs.(8.08 cr)

F. Principal Actuarial Assumptions:

DESCRIPTION	2010-11	2009-10
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% to 3%
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 - 24 : Notes Forming Part of Accounts

1. Contingent liabilities:

		Rs. in Crore	
	Particulars	As at 31-Mar-11	As at 31-Mar-10
1.1	Claims against the company not acknowledged as debts consists of:		
a	Disputed claims under Property tax, Export tax, Conservancy Tax, Sales tax etc.,	45.23	52.12
b	Claims by contractors under arbitration	6.06	1.25
c	Other claims on company not acknowledged as debts	34.77	26.12
1.2	Uncalled liability on Shares partly paid : in Krishnapatnam Railway Company Ltd.,	–	13.75
1.3	Estimated amount of contracts remaining to be executed on Capital account	2,347.18	395.08
1.4	Contingent liability on bills discounted under LCs/counter guarantees given for BGs	34.39	8.92

2. Changes in Accounting Policies :

- 2.1** During the year, the Company has revised the accounting policy on Inventory-Low grade Iron ore of Kumaraswamy. (Accounting policy no: B.5.8.1). Low grade Iron ore of Kumaraswamy mine is considered as part of production as against the earlier practice of not considering the same. Consequently, the earlier stocks are also considered as part of opening inventory. As a result, closing value of "inventories-finished goods-iron ore" has increased by Rs.10.79 crore. There is no impact on the profitability of the Company, as LG fines of previous year are valued during the year with royalty payable and an equal amount is provided for as royalty expenditure. Further, there is no production of LG fines of Kumaraswamy in current year.
- 2.2** Consequent to the merger of Sponge Iron India Ltd with the Company, the Company has included in its accounting policy 'raw materials' as part of Inventory (B.5.5.3) and accounting policy on 'waste products' under Revenue recognition (C.1.1.3).
- 2.3** During the year, the Company has modified its accounting policies on Payments under employees' family benefit scheme (C.2.2.1), Accrued leave salary (C.2.2.4) and other benefits (C.2.2.5) in view of transfer of its obligations towards non statutory employee benefits i.e. accrued leave salary, settlement allowance, post retirement medical facilities and family benefit scheme to NMDC employees' Superannuation Benefit fund Trust. This has no impact on the profitability of the Company.

Due to the above, the deposits with LIC towards accrued leave salary Rs. 107.21 crore and Settlement allowances Rs.13.80 crore are transferred in the name of the trust. In addition, the funds held by the Company, towards Post retirement medical Rs.103.87 crore and family benefit scheme Rs.11.23 crore are transferred to the above trust on 30/03/2011. Further, the amount due to the trust as on 31/03/2011, on account of shortfall in the Post retirement medical facilities Rs. 18.33 crore and Family benefit scheme Rs.1.20 crore shown under "Other liabilities."

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3. Significant accounting adjustments :

- a) During the year, the Company has implemented revised salaries and wages to its employees except at Sponge Iron Unit, with effect from 1st Jan 2007. As a result, after adjustment of arrears paid, the wage revision provision has been reviewed and the excess provision amounting to Rs.64.42 crore has been withdrawn and recognised as 'other income.'
- b) In line with NMDC Ltd's accounting policy, all the assets acquired after 01.04.1987 at Sponge Iron Unit are subjected to technical assessment against the practice of depreciating based on Schedule XIV rates followed by the erstwhile Sponge Iron India Ltd. The unamortised depreciable amount of these assets at the beginning of the year is being charged off over the remaining useful life of the assets. The depreciation as worked out on the revised life of the assets has resulted in higher depreciation of Rs.1.36 crore with a corresponding reduction in profit.

4. Disclosures under Accounting Standards:

4.1 Amalgamations : (AS 14)

Merger of erstwhile Sponge Iron India Ltd with the Company :

- a) During the year, the Sponge Iron India Ltd (SIIL) engaged primarily in the business of producing, manufacturing and Selling Sponge Iron has been merged with NMDC Ltd which is primarily engaged in mining of Iron ore.
- b) The scheme of Amalgamation of the erstwhile SIIL with NMDC Ltd was approved in the meetings of members & Un-Secured creditors and subsequently sanctioned by Ministry of Corporate affairs (MCA), Govt. of India vide its order dated 25/05/2010, which became effective on the date on which the order of merger as issued by MCA is filed with ROC by erstwhile SIIL and NMDC i.e. 01/07/2010. The scheme comes into operation from the appointed date i.e.30/06/2008 and the assets and liabilities of erstwhile SIIL stand transferred to NMDC Ltd with retrospective effect from the appointed date. As a result, the effective date for accounting purpose is 30th Jun 2008.
- c) The amalgamation has been accounted for under the "Purchase" method as prescribed by Accounting Standard 14 on "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India. In line with the standard, the assets and liabilities of the erstwhile SIIL are incorporated at their existing carrying values.
- d) The operating loss of the SIIL during the period 30th Jun 2008 (being appointed date) to 31/03/2010 amounting to Rs.27.69 crore has been adjusted against the General Reserve of the Company without opening the accounts of NMDC Ltd for the Previous year. The accounts of the unit have been incorporated into NMDC accounts from 01/04/2010.
- e) As per the Scheme, the Company has paid an amount of Rs.80.83 crore as consideration to the shareholders of erstwhile SIIL against the net assets of Rs.68.52 crore. The excess of consideration paid over net assets Rs.12.31 crore and expenses on stamp duty & legal charges Rs.1.78 crore, totalling to Rs.14.09 crore is recognised as "Goodwill" as on 30/06/2008. The same is amortised over a period of 3 years from the appointed date. Accordingly, amortised goodwill between the appointed date to 31/03/2010 amounting to Rs.8.61 crore has been adjusted against the General Reserve.

Due to the incorporation of Sponge Iron Unit into current year accounts of NMDC Ltd, current year figures are not strictly comparable to those of the previous year.

- 4.2 **Employee Benefits (AS-15 - Rev):** Necessary details have been disclosed in Schedule 23-Detailed information.

NMDC Limited

4.3 Segment Reporting (AS-17): Necessary details have been disclosed in Schedule 23-Detailed information.

4.4 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. NMDC-CMDC Ltd., Raipur

B. Associate Companies:

Romelt- Sail (India) Limited, New Delhi (in the process of liquidation)

C. Key Management Personnel: (Directors)

1. Sri Rana Som
2. Sri VK Sharma
3. Sri S.Venkatesan
4. Sri N K Nanda
5. Sri. S.Thiagarajan
6. Sri G.B.Joshi (w.e.f. 13/08/2010)

(ii) Transactions during the year with Related parties:

Rs. crore

SI No	Particulars	Year ended	
		31-MAR-11	31-MAR-10
1.	Subsidiary Companies:		
	a) Investments:		
	Opening balance	11.93	11.93
	Investment made during the year	–	–
	Closing balance	11.93	11.93
	Investment deration / Provision	11.16	11.16
	b) Loans and Advances:		
	Opening balance	0.18	0.04
	Advances given during the year	1.88	0.46
	Adjusted against amounts payable	–	–
	Advance written off during the year	–	0.32
	Closing balance	2.06	0.18
2.	Associate Companies:		
	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
3.	Key Management Personnel:		
	Managerial Remuneration	2.39	1.12

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

Particulars	Year ended	
	31-MAR-11	31-MAR-10
1. Profit after Tax (Rs Crore)	6,499.22	3,447.26
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)	16.39	8.69

4.6 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 above subsidiary suffers from significant impairment in it's ability to transfer funds to the parent Company in terms of para 11 of AS 21.

The transactions during the period ended 31st MAR 2011 of J&K Mineral development corporation Ltd, Jammu and NMDC-CMDC Ltd., Raipur, another 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 aforesaid reasons, consolidated financial statements of NMDC Ltd and its above subsidiaries have not been drawn up for the period ended 31-MARCH-2011 also, as per the practice followed in earlier years.

4.7 Accounting for Taxes on Income (AS-22): The details of deferred tax liability as at 31st MARCH 2011 are as follows:

(Rs. in crore)

Particulars	AS AT	
	31-MAR-11	31-MAR-10
A. Deferred Tax Liability:		
Related to Fixed Assets	109.04	91.36
B. Deferred Tax assets:		
1. Provision for bad & doubtful debts and advances	0.82	0.65
2. Provision for post retirement medical benefits	4.58	4.68
3. Accrued Expenses	0.76	0.59
4. Other provisions	–	0.56
TOTAL (B)	6.16	6.48
C. Net Deferred Tax Liability (A-B)	102.88	84.88

4.8 Discontinuing Operations (AS-24):

It has been decided to sell the plant and machinery of Silica Sand Project, Lalapur and UPFO Plant, Vizag. Pending the above and as the transactions of the units are not material, no further disclosure under the standard is considered necessary.

4.9 Intangible Assets (AS-26) : R&D

The Research & Development expenditure, charged to Profit & Loss account during the year is Rs.14.18 crore (previous year Rs.13.25 crore), including expenditure of Rs. 2.12 crore (previous year Rs.2.21 crore) on feasibility studies.

NMDC Limited

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

Head of account	Rs. in crore	
	2010-11	2009-10
Consumption of Stores and Spares	0.35	0.25
Power, Electricity, Water	0.34	0.21
Payments and Benefits to employees	7.65	7.06
Repairs and Maintenance	0.09	0.29
Other expenditure	1.87	2.88
Depreciation	3.10	1.60
Total expenditure	13.40	12.29
Less : Other income	1.34	1.25
Total net R&D expenditure	12.06	11.04

During the year, at R&D unit, the additions to fixed assets (except land and buildings) are Rs.0.30 crore.

4.10 Impairment of Assets (AS - 28):

Action has been initiated to sell the plant and machinery of Silica Sand Project, Lalapur and UPFO plant at Vizag.

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 on such review, no further adjustments are required to be made. The details of impairment made in earlier years are as detailed below.

Unit	Year of impairment	Impaired Amount as on 01-04-10	Adjustments during 2010-11		Impaired Amount as on 31-03-11
			Reversal	Addition	
			Rs in crore		
UPFO, Vizag	2005-06	37.46	–	–	37.46
SSP, Lalapur	2005-06	12.54	–	–	12.54
SAF Plant at Sponge Iron Unit	2004-05	15.48	–	–	15.48

The Recoverable amount of the assets of the UPFO, Vizag and SSP, Lalapur units have 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. In the case of SAF plant at the Sponge Iron Unit, the impairment is based on net selling price as assessed by the approved valuer.

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

5. Disclosure as required by clause 32 of listing agreements:

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5.1 Loans and advances in the nature of loans to Subsidiary companies where there is no repayment schedule or no interest:

Rs. in crore

Name of the Company	Outstanding balance		Maximum Balance outstanding	
	As at 31/03/2011	As at 31/03/2010	As at 31/03/2011	As at 31/03/2010
JK Mineral Development Corporation Limited, Jammu	1.87	–	1.87	0.31
NMDC SARL, Madagaskar	–	–	–	–
NMDC-CMDC Ltd., Raipur	0.19	0.18	0.19	0.18

5.2 There is no Investments by the loanees as mentioned in 5.1 in the shares of NMDC Ltd.

5.3 No loans and advances have been given to the Associate Company M/s Romelt- Sail (India) Limited, New Delhi.

5.4 There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested.

6. Others:

6.1 The processing plant at Panna stopped with effect from 01-07-2010 for want of final forest clearance for supplementary mining lease. However, mining activities are continuing.

6.2 The undistributed golden jubilee gifts pertaining to the eligible employees are kept in the custody of the Company.

6.3 A liability of Rs 0.57 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 2.12 crore (Previous year Rs. 1.55 crore)) and the same is not remitted to Central Govt., in the absence of any notification issued by the Central Govt. in this regard.

6.4 Replies to some of the letters seeking confirmation of balances with regard to Sundry Debtors, Advances and Deposits are awaited.

6.5 Figures for the previous year 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

Firm Regn No. 002899S

Place : New Delhi

Date : 27-05-2011



(S. THIAGARAJAN)
Director (Finance)



(RANA SOM)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

NMDC Limited

Schedule - 25 : Expenditure on Social Amenities

(Rs. in Crore)

Description	For the Year ended 31st March, 2011						For the Year ended 31st March, 2010
	Township	School & Educational Facilities	Medical Facilities	Social & Cultural Activities	Transport	Total	
Consumption of Stores & Spares	0.33	–	0.17	–	0.06	0.56	0.75
Power	5.29	0.62	1.00	1.16	–	8.07	7.58
Salaries, Wages & Bonus	9.82	2.17	7.08	–	1.08	20.15	21.37
Contribution to Provident Fund	1.05	0.22	0.82	–	0.13	2.22	1.63
Group Gratuity	0.87	0.17	0.61	0.01	0.09	1.75	2.52
Welfare Expenses	1.21	8.50	13.79	0.51	1.27	25.28	19.21
Repairs & Maintenance	6.68	1.66	3.46	0.08	0.90	12.78	13.66
Rates, Taxes & Insurance	0.03	–	–	–	–	0.03	0.02
Other Expenses	0.94	0.08	0.09	–	0.22	1.33	1.78
Depreciation	3.11	0.16	0.20	0.03	0.19	3.69	0.49
Total Expenditure	29.33	13.58	27.22	1.79	3.94	75.86	69.01
Less: Receipts	1.06	0.04	0.83	–	0.01	1.94	1.62
Net Expenditure	28.27	13.54	26.39	1.79	3.93	73.92	67.39

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Schedule - 26 : Additional Information on Expenditure on Foreign Travel & Public Relations/Publicity

(Rs. in Crore)

Details	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
1. Expenditure on Foreign Travel :		
1.1 Number of Foreign Tours undertaken (No)	44	50
1.2 Expenditure incurred	1.48	1.82
2. Details of expenditure on Public Relations/Publicity :		
2.1 Expenditure on Public Relations/Publicity	4.09	8.90
2.2 Expenditure on staff engaged on Public Relations/Publicity works :		
2.2.1 Salaries & Allowances	0.38	0.13
2.2.2 Welfare Expenses	-	-
2.2.3 Other Expenses	-	-
	<u>0.38</u>	<u>0.13</u>
2.3 Ratio of Annual expenditure on Advertisement/Publicity to Annual Income	1 : 3074	1 : 798

NMDC Limited

Cash Flow Statement for the Year ended 31st March, 2011

(Rs. in Crore)

	Year ended 31-Mar-11	Year ended 31-Mar-10
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes and Extraordinary items	9,727.17	5,207.32
Operating loss of SILL from appointed date to 31-Mar-2010 (net of deferred tax adj of Rs.1.66 cr)	(37.96)	–
<i>Adjustments for :</i>		
Depreciation & Amortisation of goodwill	121.99	73.16
Interest on deposits with banks	(1,095.00)	(831.73)
Other Interest	(14.15)	(2.84)
Prov for bad & doubtful advances & Misc. losses written off	1.41	0.65
Profit/loss on sale of fixed assets (net)	(1.13)	(1.28)
Deferred revenue expenditure written off	3.46	3.46
Operating profit before working capital adjustments	8,705.79	4,448.74
Increase(-)/Decrease(+) in Inventories	(111.68)	3.71
Increase(-)/Decrease(+) in Receivables	(53.89)	600.24
Increase(-)/Decrease(+) in Loans & Advances	(19.14)	(79.13)
Increase(-)/Decrease(+) in other current assets	(229.47)	134.47
Increase(+)/Decrease(-) in current Liabilities & Provisions	(110.73)	266.44
Cash Generated from Operations	8,180.88	5,374.47
Interest paid	–	–
Direct taxes (Net)	(3,319.46)	(1,770.46)
Net Cash Flow from Operating Activities	4,861.42	3,604.01
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(400.63)	(114.02)
Purchase consideration paid to the Shareholders of SILL & legal charges	(82.62)	–
Increase(-)/Decrease(+) in Capital work in progress	(115.88)	(307.78)
Purchase of Investments	(59.54)	(4.60)
Interest on deposits with Banks	1,095.00	831.73
Other interest	14.15	2.84
Sale/Deletion of Fixed Assets	1.31	1.62
Increase(-)/Decrease(+) in Deferred Revenue Expenditure	(1.13)	(3.24)
Net Cash flow from Investing Activities	450.66	406.55

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	(Rs. in Crore)	
	Year ended 31-Mar-11	Year ended 31-Mar-10
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of dividends	(852.59)	(765.22)
Tax on dividend	(141.58)	(130.05)
Net cash used in Financing Activities	<u>(994.17)</u>	<u>(895.27)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	<u>4,317.91</u>	<u>3,115.29</u>
Cash & Cash equivalents at the beginning of the year	12,854.94	9,739.65
Add : Transferred consequent to merger of SIIL at the appointed date	55.21	-
	<u>12,910.15</u>	<u>9,739.65</u>
Cash & Cash equivalents at the end of the year	<u>17,228.06</u>	<u>12,854.94</u>
	<u>4,317.91</u>	<u>3,115.29</u>
Components of Cash & Cash equivalents:		
Cash & cheques on hand	3.73	6.09
Balances with Scheduled banks		
in current account	63.87	72.87
in Term deposits	17,160.37	12,775.70
Balances with other banks	0.09	0.28
	<u>17,228.06</u>	<u>12,854.94</u>

1. Out of the term deposits, Rs.80 crore (Previous Year Rs.60 crore) is offered as Security for Bank Guarantees and Letter of credit.
2. The cash and cash equivalents includes Rs. 0.28 crore. (Previous year Rs.0.10 crore) lying in designated Bank accounts towards Unclaimed dividend. It is not available for operations of the Company.

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
Firm Regn No. 002899S

Place : New Delhi
Date : 27-05-2011



(S. THIAGARAJAN)
Director (Finance)



(RANA SOM)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

J&KMDC Limited

Twenty Second Annual Report 2010-2011

BOARD OF DIRECTORS

As on 13.05.2011

Shri Rana Som	Chairman
Shri Manzoor Ahmad Shah	Director
Shri V.K. Sharma	Director
Shri N.K. Nanda	Director
Shri S. Thiagarajan	Director
Shri V.C. Sharma	Director
Shri G.B. Joshi	Director
Shri Mohd. Imam	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

C O N T E N T S

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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

Email : jkmdc@nmdc.co.in

Annual Report 2010-11

Directors' Report for the year 2010 - 2011

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

We have pleasure in presenting to you on behalf of the Board of Directors of the Company, the Twenty Second Annual Report of your Company for the year ended 31 March, 2011.

1. Present Status:

Demand of Dead Burnt Magnesia (DBM) in India has increased with the rise in production of steel in the country. Added to this, reduction in the export of DBM from China to various countries has resulted in the increase in price of various grades of DBM products. In view of this changed scenario action to set up the Panthal Magnesite Project has been revived.

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 of expiry of the present lease i.e. 11.01.2009 for a period of ten years and the Mining Lease has been transferred to J&KMDC on 10.01.2011 as per Mining Lease renewal order.

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 Rs.122.89 crores completed by M/s IFCI, Hyderabad in August 2009. The DPR and DDR with Capex of Rs.122.89 crores for the Panthal Magnesite Project were approved by J&KMDC Board. Further the Capex was revised to Rs.143.00 crores after including the cost of water scheme, road from mine to Plant

which was earlier not included in Project Capex.

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 State Pollution Control Board (J&K SPCB) to Ministry of Environment & Forest (MOEF), Govt. of India for environment clearance. NMDC which has been entrusted the work of setting up the Project prepared EIA / EMP report and submitted to MOEF for environment clearance on 23.09.2010. MOEF sought clarifications on certain issues including the Status of forest clearance under forest conservation act, an authentic map of the proposed site from chief wild life warden and his comments, Wild life conservation plan, Land Slide hazards, Earth quake Management plan etc. NMDC submitted clarifications and further presented the case in the MOEF on 23.02.2011. MOEF advised during the meeting (1) to obtain permission / NOC from National Wild Life Board and (2) to submit a comprehensive plan for Land slide hazard and Earth quake Management Plan since the proposed site comes under seismic zone-IV. Accordingly NMDC has applied for NOC from National Wild Life Board on 24.02.2011 and further as advised by DIG (Wild Life), MOEF, NMDC submitted duly completed application to the Commissioner / Secretary to Government, Forest Department, Civil Secretariat, Jammu, on 01.04.2011. NMDC has taken action for preparing the comprehensive plan for Land Slide Hazard and Earth Quake Management Plan by engaging experts in the field.

NMDC has appointed M/s M N Dastur as EPCM Consultant for execution of the Project. The project is envisaged to be executed in four packages.

Pkg-1 : Kilns, Material processing and handling equipments.

Pkg-2 : Electrical system

Pkg-3 : Soil Investigation

Pkg-4 : balance Civil and Structural works.

Out of these four packages Pkg-3 (Soil Investigation) has already been awarded and the work has been completed. Tendering process of Pkg-4 (Balance Civil and Structural Works) has been concluded and the work can be awarded after obtaining Environment clearance, Consent for establishment and mode of payment from Shrine Board. Pkg-1 has also been tendered. Draft tender document of pkg-2 has been prepared and is under scrutiny by NMDC.

Public Health Engineering Dept., Reasi submitted the final scheme of water which has been accepted by NMDC. Work order will be placed as deposit work after obtaining all statutory clearances. Power availability Certificate for 1428 KVA has been issued by Superintending Engineer, System and Operation Circle-I, Jammu. Draft scheme has been prepared. Final scheme is awaited.

The Company has not produced sized raw Magnesite during the year 2010-2011. The total loss incurred during 2010-11 is Rs.55.97 lakh. The net loss after writing back of excess provision for taxation is Rs.47.73 lakh.

2. Share Capital:

During the year, the Authorized Share Capital of the Company was increased to Rs.70.00 crores from Rs.10.00 crores to meet the funds requirement of the DBM Plant. The same was divided into 70,00,000 Equity Shares of Rs.100/- each.

Your Company till 31st March, 2011, has issued 3,96,002 Equity Shares of Rs.100/- each fully paid to NMDC 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, 2011 stands at Rs.4.74 crore against the issued capital of Rs. 6.00 crore.

NMDC Limited is advancing the funds required to meet Project capex and the day-to-day expenditure of the Company in the absence of Equity subscription and further funding from J&KML. The amount advanced by NMDC is Rs.740.56 lakh up to 31.3.2011.

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 Vijay Gupta & Co., Chartered Accountants, Jammu, have been appointed on the advice of the Office of the Comptroller & Auditor General of India as the statutory auditors of your Company for the year 2010-2011. The Statutory Auditors' comments on the Accounts of the Company for the year 2010-2011 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 are at 2010-2011 Annexure-II, which forms part of this Report.

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5. Board of Directors:

During the year Shri S. Venkatesan, Director nominated by NMDC Ltd., on the Board of the Company retired on 31st March, 2011.

Board placed on record its appreciation for the services rendered by Shri S. Venkatesan during his tenure as Director of the Company.

Shri G.B. Joshi was appointed as nominee Director of NMDC Limited with effect from 13th May, 2011.

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, 2011, 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 31st March, 2011 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.

(b) Audit Committee

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

8. Corporate Governance

The guidelines on Corporate Governance for Central Public Sector Enterprises 2010 issued by the Government of India, Department of Public Enterprises under explanation after clause 6.3 states: 'For the purpose of these guidelines, only those subsidiaries whose turnover or net worth is not less than 20% of the turnover or net worth respectively of the Holding Company in the immediate preceding accounting year 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 Ltd.

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



Rana Som
Chairman

Place : Hyderabad
Date : 02.07.2011

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, JAMMU FOR THE YEAR ENDED 31 MARCH 2011

The preparation of financial statements of **J&K Mineral Development Corporation Limited, Jammu** for the year ended 31 March 2011 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 16th May 2011.

I, on 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 **J&K Mineral Development Corporation Limited, Jammu** for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

Comment on Financial Position

Balance Sheet

Application of Funds

Miscellaneous Expenditure : Rs.0.30 crore

(To the extent not written off or adjusted)

The above expenditure represents prescribed fee paid to Registrar of Companies towards increase in Authorised Share Capital of the Company. The amount being of revenue nature should have been charged to Profit and Loss account in the same year. Non-charging of the amount has led to overstatement of 'Miscellaneous Expenditure' by Rs.0.30 crore and understatement of Loss for the year to the same extent.

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



(Ila Singh)

**Principal Director of Commercial Audit
& ex-officio Member, Audit Board-I,
New Delhi.**

Place : New Delhi
Dated : 28 June, 2011

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REPLY TO COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011.

Auditors' Comments	Management's Reply
<p>Balance Sheet Application of Funds Miscellaneous Expenditure : Rs.0.30 Crore (To the extent not written off or adjusted)</p> <p>The above expenditure represents prescribed fee paid to Registrar of Companies towards increase in Authorised Share Capital of the Company. The amount being of revenue nature should have been charged to Profit and Loss account in the same year. Non-charging of the amount has led to overstatement of 'Miscellaneous Expenditure' by Rs.0.30 crore and understatement of Loss for the year to the same extent.</p>	<p>The Authorised Capital has been increased by paying filing fee of Rs.0.30 crore to enable the Company to issue shares in future to meet the fund requirement for implementation of DBM plant. This is similar to the nature of expenses covered under schedule VI (part I) of Companies Act, 1956 under the head "Miscellaneous Expenditure", which includes commission or brokerage on underwriting or subscription of shares or debentures. Hence the same has been classified as 'Miscellaneous Expenditure'.</p>

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 2011 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 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, 2011; 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)

Proprietor

Memb.No.-080034

Place : Jammu
Date : 16-05-2011

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 NMDC Ltd. during the year and the maximum balance involved during the year was Rs.187.48 lakhs and the year end balance of such loan stands at Rs.740.56 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) There is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- 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 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

J&KMDC Limited

- 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 2011 which were outstanding for a period of more than 6 months from the date of they became payable.
- 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-2010-2011, 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 during 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)

Proprietor

Memb.No.-080034

Place : Jammu
Date : 16-05-2011

Annual Report 2010-11

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 **VIJAYA GUPTA & CO.**
Chartered Accountants



(VIJAY GUPTA)
Proprietor
Memb. No.-080034

Place : Jammu
Date : 16.05.2011

For and on behalf of Board


(S. THIAGARAJAN)
Director


(N.K. NANDA)
Director


(MOHD. IMAM)
Secretary


(RANA SOM)
Chairman

New Delhi
13.05.2011

J&KMDC Limited

Balance Sheet as at 31st March, 2011


		(Rupees)	
Description	Schedule No.	As at 31st March, 2011	As at 31st March, 2010
Sources of Funds			
Share Capital	1	4,74,00,300	4,74,00,300
Loans		Nil	Nil
TOTAL		4,74,00,300	4,74,00,300
Application of Funds			
Fixed Assets:			
Gross Block	2	7,30,85,056	7,30,85,056
Less: Depreciation		4,76,57,068	4,52,20,957
Net Block		2,54,27,988	2,78,64,099
Capital Work In Progress	3	1,00,76,541	Nil
		3,55,04,529	2,78,64,099
Current Assets, Loans & Advances:			
Inventories	4	36,839	36,839
Cash & Bank Balances	5	75,827	66,220
Loans and Advances	6	2,19,946	2,21,572
		3,32,612	3,24,631
Less : Current Liabilities & Provisions:			
Current Liabilities	7	9,99,87,398	8,12,71,798
Provisions	8	4,16,454	37,10,709
		10,04,03,852	8,49,82,507
Net Current Assets		-10,00,71,240	-8,46,57,876
Miscellaneous Expenditure: (to the extent not written off or adjusted)	9	30,00,000	Nil
Profit & Loss Account (Debit Balance)		10,89,67,011	10,41,94,077
TOTAL		4,74,00,300	4,74,00,300

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)
Secretary

Place : Jammu
Date : 16.05.2011

New Delhi
13.05.2011

Annual Report 2010-11

Profit & Loss Account for the year ended 31st March, 2011

(Rupees)

Description	Schedule No.	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Income:			
Sales		Nil	Nil
Other Income		Nil	Nil
Accretion / (Decretion) to stock	10	Nil	Nil
TOTAL		Nil	Nil
Expenditure:			
Sizing, sorting & transportation		Nil	Nil
Consumption of Stores & Spares		Nil	Nil
Electricity charges		36,189	22,418
Payments & Benefits to employees	11	6,06,588	9,59,149
Repairs & Maintenance	12	51,181	19,756
Royalty & Cess		9,70,600	7,55,049
Selling Expenses		Nil	Nil
Other Expenses	13	14,96,045	16,33,714
Depreciation		24,36,111	24,34,634
Miscellaneous Expenditure written off	14	Nil	Nil
TOTAL		55,96,714	58,24,720
Profit/(Loss) before prior Year items		(55,96,714)	(58,24,720)
Add/(Less) prior Year items		Nil	Nil
Profit/(Loss) before Taxes		(55,96,714)	(58,24,720)
Provision for Taxation - Earlier Years Tax		-8,23,780	1,31,541
- Fringe Benefits Tax		Nil	Nil
Profit/(Loss) after tax		(47,72,934)	(59,56,261)
Loss brought forward from previous Year		(10,41,94,077)	(9,82,37,816)
Loss carried over to Balance Sheet		(10,89,67,011)	(104194077)
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


(MOHD. IMAM)
Secretary

Place : Jammu
Date : 16.05.2011

New Delhi
13.05.2011

J&KMDC Limited

Schedules

Schedule - 1 : Share Capital

Description	(Rupees)	
	As at 31st March, 2011	As at 31st March, 2010
Share Capital:		
Authorised:		
70,00,000 Equity Shares of Rs.100 each	<u>70,00,00,000</u>	<u>10,00,00,000</u>
Issued:		
6,00,003 Equity shares of Rs.100 each	<u>6,00,00,300</u>	<u>6,00,00,300</u>
Subscribed & paid up:		
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 National Mineral Development Corporation Ltd)		
TOTAL	<u><u>4,74,00,300</u></u>	<u>4,74,00,300</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/-).

Annual Report 2010-11

Schedule - 2 : Fixed Assets

(Rupees)

Description	G R O S S B L O C K				
	Life (Yrs)	As at 31st March, 2010	Additions/ Adjustments	Deduction/ Adjustments	As at 31st March, 2011
Freehold Land	-	66,43,544			66,43,544
Lease hold Land	10	2,35,69,144			2,35,69,144
Roads & Bridges	28	3,90,21,484			3,90,21,484
Building-Non Factory	29	9,15,501			9,15,501
Building-Factory	28	9,67,284			9,67,284
Plant & Machinery	7	Nil			Nil
Heavy Mobile Equipment	7	Nil			Nil
Electrical Installation	10	63,800			63,800
Vehicles	6	1,78,539			1,78,539
Furniture	10	2,36,673			2,36,673
Internal Communications	18	36,643			36,643
Other Assets	12	14,52,444			14,52,444
TOTAL		7,30,85,056	Nil	Nil	7,30,85,056
Figures for previous year		4,95,08,312	23576744	Nil	7,30,85,056

Description	D E P R E C I A T I O N						N E T B L O C K	
	Upto 31st March, 2010	For the period	Asset impairment	Prior Period Adjustments	Deduct- ion/Adjust- ments	Upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Freehold Land	Nil	Nil	Nil			Nil	66,43,544	66,43,544
Lease hold Land	24,17,348	24,17,348	Nil			48,34,696	1,87,34,448	2,11,51,796
Roads & Bridges	3,90,21,484	Nil	Nil			3,90,21,484	Nil	Nil
Building-Non Factory	9,15,501	Nil	Nil			9,15,501	Nil	Nil
Building-Factory	9,67,284	Nil	Nil			9,67,284	Nil	Nil
Plant & Machinery	Nil	Nil	Nil			Nil	Nil	Nil
Heavy Mobile Equipment	Nil	Nil	Nil			Nil	Nil	Nil
Electrical installation	63,800	Nil	Nil			63,800	Nil	Nil
Vehicles	1,78,539	Nil	Nil			1,78,539	Nil	Nil
Furniture	2,36,673	Nil	Nil			2,36,673	Nil	Nil
Internal Communications	36,643	Nil	Nil			36,643	Nil	Nil
Other Assets	13,83,685	18,763	Nil			14,02,448	49,996	68,759
TOTAL	4,52,20,957	24,36,111	Nil	Nil	Nil	4,76,57,068	2,54,27,988	2,78,64,099
Figures for previous year	4,27,86,323	24,34,634	Nil	Nil	Nil	4,52,20,957	2,78,64,099	67,21,989

J&KMDC Limited

Schedule - 3 : Capital Work in Progress

(Rupees)

Description	As at 31st March, 2011	As at 31st March, 2010
Construction Work in Progress	1,15,68,655	14,92,114
Capital Assets in Stores awaiting/under installation or in transit	Nil	Nil
	<u>1,15,68,655</u>	<u>14,92,114</u>
Less : Provision	14,92,114	14,92,114
	Nil	Nil
TOTAL	<u><u>1,00,76,541</u></u>	<u><u>Nil</u></u>

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

(Rupees)

Description	As at 31st March, 2011	As at 31st March, 2010
Stores & Spares	Nil	Nil
Finished goods	36,839	36,839
TOTAL	<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, 2011	As at 31st March, 2010
Cash and Cheques on hand	1,506	1,216
Balance with Scheduled Banks		
In Current Account :		
State Bank of India, Jammu	74,321	65,004
Canara Bank, Jammu	Nil	Nil
Canara Bank, Hyderabad	Nil	Nil
TOTAL	<u><u>75,827</u></u>	<u><u>66,220</u></u>

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Schedule - 6 : Loans and Advances

	(Rupees)	
Description	As at 31st March, 2011	As at 31st March, 2010
Advances recoverable in cash or kind or for value to be received	2,15,596	2,17,222
Less : Provision for Bad & Doubtful Advances	Nil	Nil
Advance Tax - Fringe Benefits Tax	1,800	1,800
Less : Provision for Fringe Benefits Tax	Nil	Nil
Deposits with others	2,550	2,550
TOTAL	2,19,946	2,21,572
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	2,19,946	2,21,572
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)	
Description	As at 31st March, 2011	As at 31st March, 2010
Sundry Creditors		
Outstanding dues - micro enterprises & small enterprises	Nil	Nil
Outstanding dues -Other than micro enterprises & small enterprises	2,56,89,862	2,57,19,048
Advance from Customers	Nil	Nil
Deposits from Suppliers, Contractors and Others	5,000	5,000
Other Liabilities (*)	7,42,92,536	5,55,47,750
TOTAL	9,99,87,398	8,12,71,798
(*) Includes amount due to Holding Company (M/s.NMDC Limited)	7,40,55,869	5,53,07,370

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, 2011	As at 31st March, 2010
Gratuity	2,13,603	1,75,611
Accrued Leave	2,02,851	1,65,061
Provision for taxation	Nil	27,41,743
Expenses	Nil	6,28,294
TOTAL	4,16,454	37,10,709

	(Rupees)			
	Opening Balance	Adjustment during year	Addition during year	Closing Balance
Gratuity	1,75,611 (1,75,385)	– –	37,992 (226)	2,13,603 (1,75,611)
Accrued Leave	1,65,061 (1,64,169)	– –	37,790 (892)	2,02,851 (1,65,061)
Provision for taxation	27,41,743 (26,10,202)	27,41,743 –	– (1,31,541)	– (27,41,743)
Expenses	6,28,294 (3,97,367)	6,28,294 –	– (2,30,927)	– (6,28,294)
TOTAL	37,10,709	33,70,037	75,782	4,16,454

Note: Figures in brackets indicates previous year figures.

Annual Report 2010-11

Schedule - 9 : Miscellaneous Expenditure

(to the extent not written off or adjusted)

Description	(Rupees)	
	As at 31st March, 2011	As at 31st March, 2010
Preliminary Expenses	30,00,000	Nil
Feasibility Expenditure	Nil	Nil
Mine Development Expenditure	Nil	Nil
TOTAL	30,00,000	Nil

Schedule - 10 : Accretion / (Decretion) to Stock

Description	(Rupees)	
	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
FINISHED GOODS:		
Balance as at close of the Year	36,839	36,839
Less : Balance as at the beginning of the Year	36,839	36,839
TOTAL	Nil	Nil

J&KMDC Limited

Schedule - 11 : Payments and Benefits to Employees

(Rupees)

Description	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Salaries, Wages & Bonus	5,13,295	8,53,204
Contribution to PF, FPS & EDLI	31,301	55,835
Gratuity	37,992	14,110
Workmen and Staff welfare expenses	24,000	36,000
TOTAL	6,06,588	9,59,149

Schedule - 12 : Repairs and Maintenance

(Rupees)

Description	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Plant & Machinery	Nil	Nil
Buildings	Nil	Nil
Vehicles	14,017	13,937
Others	37,164	5,819
TOTAL	51,181	19,756

Annual Report 2010-11

Schedule - 13 : Other Expenses

	(Rupees)	
Description	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Rent	2,40,000	2,28,000
Insurance	5,176	4,910
Rates & Taxes	53,863	11,356
Payment to Auditors		
As auditors:		
Audit Fee	15,000	15,000
In other capacity	Nil	30,000
Out of Pocket Expenses	Nil	Nil
	15,000	45,000
Miscellaneous Losses written off	Nil	Nil
Provision for other losses (reduction in value of Sub Station- Schedule-3)	Nil	Nil
Miscellaneous Expenses		
Travelling & Conveyance	58,435	73,918
Postage, Telephone & Telex	60,658	45,929
Stationery & Printing	44,069	20,411
Consultancy Charges	Nil	Nil
Security Charges	3,46,500	3,32,871
P.O.L. for Personal Transport	74,082	37,220
Equipment/vehicle Running Exp.(Labour)	Nil	Nil
Environmental Development	Nil	4,09,766
Others	5,98,262	4,24,333
	11,82,006	13,44,448
TOTAL	14,96,045	16,33,714

J&KMDC Limited

Schedule - 14 : Miscellaneous Expenditure Written Off

(Rupees)

Description	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Preliminary Expenses	Nil	Nil
Feasibility Expenditure	Nil	Nil
Mine Development Expenditure	Nil	Nil
TOTAL	Nil	Nil

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, 2011 (Rs.)	For the Year ended 31st March, 2010 (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
TOTAL	Nil	Nil	Nil	Nil

5. Foreign Exchange earnings:

Nil

Annual Report 2010-11

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	31-03-2011	

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
	14,78,04,152	14,78,04,152
Sources of Funds	Paid-up Capital	Reserve & Surplus
	4,74,00,300	Nil
	Secured Loan	Unsecured Loan
	Nil	Nil
Application of Funds	Net Fixed Assets	Investments
	3,55,04,529	Nil
	Net Current Assets	Misc. Expenditure
	-10,00,71,240	30,00,000
	Accumulated losses	
	10,89,67,011	

IV. Performance of Company:

Turnover	Nil	Total Expenditure	55,96,714
Profit Before Tax	-55,96,714	Profit After Tax	-47,72,934
Earnings per Share	Nil		

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

Product Description	Raw Magnesite Ore (Sized)
---------------------	---------------------------

Schedule - 16 : Notes Forming Part of Accounts


1. Contingent liabilities

- 1.1 Claims against the Company not acknowledged as debts Rs.138.19 Lakhs (previous Year Rs.134.04 Lakhs).
- 1.2 Estimated amount of Contracts remaining to be executed on capital account & not provided for Rs. 362.19 Lakhs (Previous year Rs. Nil).
2. The Board of Directors in 57th meeting held on 23.05.2002 had taken a decision to wind up the Company subject to approval of Govt. of India and State Govt. of Jammu & Kashmir. Subsequently, based on DPR & Due Diligence Report, Board in its 95th meeting held on 19.02.2010 has approved the Capex of Rs.131.89 Crores for setting up of 100TPD DBM Plant, which was further revised to Rs.143 crores in its 96th meeting held on 01.05.2010. Accordingly, appointment of EPCM consultant has been made and further actions are being taken for environmental clearance & other statutory clearances and also for awarding the contract for plant construction work etc. In view of the above developments towards revival of the project, the accounts are prepared on "going concern" basis.
3. 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.
4. 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.
5. 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.
6. Schedule and significant accounting policies form an integral part of these accounts.
7. Previous Year figures have been regrouped and rearranged where ever necessary, to make them comparable with current Year figures.
8. 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

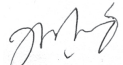

(VIJAY GUPTA)
Proprietor
Memb. No.-080034


(S.THIAGARAJAN)
Director


(N.K. NANDA)
Director


(RANA SOM)
Chairman

Place : Jammu
Date : 16.05.2011


(MOHD. IMAM)
Secretary

New Delhi
13.05.2011

NMDC-CMDC Limited

Third Annual Report 2010-2011

BOARD OF DIRECTORS

As on 04.07.2011

Shri Rana Som	Chairman
Shri Gauri Shankar Agrawal	Director
Shri N.K. Nanda	Director
Shri Ajay Singh	Director
Shri R.K. Goverdhan	Director

Auditors

M/S. DHODY & ASSOCIATES
Chartered Accountants
Raipur

Bankers

Axis Bank
Tagore Nagar Branch, Raipur

Bank of Baroda
Vivekananda Nagar Branch, Raipur

C O N T E N T S

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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

Directors' Report for the year 2010 - 2011

The Members

NMDC-CMDC Ltd (NCL)

Raipur.

1. On behalf of the Board of Directors, I take pleasure in presenting the Third Director's Report of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March 2011 and the Report thereon by the Comptroller and Auditor General of India.

2. Performance status

The year 2010-11 was a remarkable period in which Company has achieved considerable advance in obtaining statutory clearances.

The Forest clearance proposal for seeking forest clearance for diversion of 413.745 ha of forest land was duly forwarded by the Govt. of Chhattisgarh, Forest Department, Raipur to MoEF, New Delhi on 19.11.2010. As directed by MoEF, New Delhi, MoEF, Regional Office, Bhopal inspected the site on 08.03.2011. We expect that the proposal will be listed in the agenda for Forest Advisory Committee meeting scheduled in the month of June 2011 for consideration and issue of 1st stage Forest clearance by MoEF. As per TEFR prepared by NMDC, additional 108 ha of forest area is also required outside the Mining Lease boundary for laying infrastructures such as secondary and tertiary crusher, conveying system, screening plant etc. The Forest clearance application has already been submitted on 06.05.2010. Due to prevailing disturbance in the area, Forest Department is not taking up tree enumeration work.

On the basis of Public hearing held on 05.05.2010 at Collectorate, Dantewada, the final EIA report was submitted to MoEF on 08.09.2010 and the Expert Appraisal Committee (Mining) has considered the proposal on 24.11.2010 and 24.02.2011 and the EAC members recommended for grant of Environmental Clearance, the same is awaited from MoEF.

Bailadila Deposit 13 has been conceptualized to be developed as an Independent mining project having production of 10 MTPA of iron ore. The modified mining plan submitted to IBM has been approved and mine development activities would be taken up as per approved mining plan on obtaining the statutory clearances.

Detailed Project Report is being prepared to take investment decisions.

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, 2011)

As on 31st March, 2011, Shri Rana Som, Shri Gauri Shankar Agrawal, Shri N. K. Nanda, Shri Ajay Singh, Shri S. K. Behar and Shri Rajesh Kumar Goverdhan are the Directors of the Company.

5. Statutory Auditors

Comptroller & Auditor General of India (C&AG) vide their letter dated 27-07-2010 has communicated the appointment of M/s Dhodi & Associates, Bhilai (CG) as the Statutory Auditors of the Company for the financial year 2010-2011.

The Statutory Auditors' Report on the accounts of the Company for the year 2010-11 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 2010-2011 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 2011, 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 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 2011 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, as amended, 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 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 net worth 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. Compliance Certificate

Compliance Certificate issued by Company Secretary in whole time practice is at Annexure-III.

12. 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.

Sd/-

Place : Raipur
Date : 09.05.2011

(Rana Som)
Chairman

Auditors' Report

To
The Members
NMDC-CMDC LIMITED

We have audited the Balance Sheet of M/s NMDC-CMDC LIMITED as at 31st March, 2011 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 purposes 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 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) 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 31st March, 2011, 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 : 09.05.2011

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 2011, 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 2011, 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 2011, 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.
- (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 2011, 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

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- 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 2011, hence no comment on this point.
- (viii) The Central Govt. has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956. As there were no manufacturing activities during the year ended on 31st March 2011, 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 2011.
- (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

NMDC-CMDC Limited

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 : 09.05.2011


FRN : 003837C
M.No.405305

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 ON 31 MARCH 2011.

The preparation of financial statements of NMDC-CMDC Limited, Raipur for the year ended on 31 March 2011 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 09 May 2011.

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 2011 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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



Y. N. Thakare
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad.

Place : Hyderabad
Dated : 7 June 2011

NMDC-CMDC Limited

Annexure - III

CS Brajesh R. Agrawal
Company Secretary
B.Com, F.C.S.

T-305, Dolphin Chambers, Opp. Bank of Baroda,
Cloth Market, Pandri, Raipur (C.G.) - 492 001
Phone : 0771-4061914 (O), 2884390 (R)
Mobile : 98264-26263
E-mail : a_brajeshk@rediffmail.com

CIN - U13100CT2008GOI020711
Authorized Capital - Rs. 40,000,000/-
Paid-Up Capital - Rs. 15,000,000/-

FORM
[SEE RULE 3]

Compliance Certificate

To
The Members
NMDC-CMDC Limited
Raipur, CG

We have examined the registers, records, books and papers of **NMDC-CMDC Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the memorandum and articles of association of the Company for the financial year ended on **31st March 2011** (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being private limited company has the minimum prescribed paid-up capital and their maximum numbers of members during the said financial year, excluding its present and past employees was not more than the maximum number as provided under section 3 of the Companies Act, 1956 and the Company during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.



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4. The Board of Directors duly met **5 (five)** times on the following dates:

- | | |
|----------------------------------|------------------------------------|
| 1. 20 th May 2010 | 4. 28 th December, 2010 |
| 2. 20 th May 2010 | 5. 29 th March, 2011 |
| 3. 10 th August, 2010 | |

in respect of which proper notices were given and the proceedings were properly recorded and signed in the minute book maintained for the purpose.

5. The Company has not closed its Register of Members or Debenture holders during the year.
6. The Annual General Meeting for the financial year ended **31st March 2010** was held on **03rd July, 2010** after giving shorter notice to the shareholders and other concerned persons. The resolutions passed in the meeting have been duly recorded in the Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year under scrutiny.
8. The Company being a private limited company the provisions of section 295 of the Act are not applicable to the Company.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. As informed to us the Company was not required to make any entries in the register in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, members or previous approval of the Central Government.
12. The Board of Directors has not issued any duplicate share certificate as there were no incidences requiring the issue of duplicate Share Certificate during the year.
13. The Company :
- (i) has delivered all the certificates on lodgment thereof for transfer of security and there was no allotment during the financial year under scrutiny.
 - (ii) was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) was not required to transfer any amount to the Investor Education and Protection Fund.
 - (v) has duly complied with the requirements of section 217 of the Act.



NMDC-CMDC Limited



14. The Board of Directors of the company is duly constituted and the appointments of additional directors have been duly made.
15. Being a private company the provisions of section 269 and those of Schedule XIII of the act regarding appointment of Managing Director/Whole Time Director are not applicable to the Company.
16. The Company has not appointed any sole-selling agent during the financial year.
17. As explained and information provided to us, there were no instances requiring the approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares during the financial year under scrutiny.
20. The Company has not bought back any shares during the financial year under scrutiny.
21. The Company's share capital consists of only equity shares and the Company has not issued debentures; therefore the clause relating to redemption of preference shares / debentures is not applicable to the Company.
22. The Company has not kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As explained and information provided to us the Company has not invited / accepted any deposits from public within the meaning of section 58A and Rules framed there under.
24. The Company being a private limited company, the provisions of section 293 (1) (d) of the Act are not applicable to it.
25. The Company being a private limited company, the provisions of section 372A of the Act, are not applicable to it.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.



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28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered the provisions of the articles of association during the financial year under scrutiny.
31. As explained and information provided to us, no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. As explained and information provided to us, the Company has not received any money as security from its employees during the financial year.
33. As explained and information provided to us, the Company was not required to constitute a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

DATE: 09-05-2011
PLACE: RAIPUR



(BRAJESH R. AGRAWAL)
Practicing Company Secretary
C.P. No. : 05649

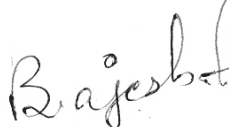
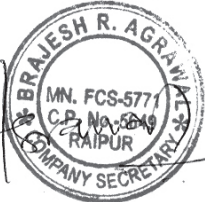
NMDC-CMDC Limited

Annexure 'A'

Registers as maintained by the NMDC-CMDC Limited:

Sr. No	Name of the Register	Section Reference
1.	Register of Members	Section 150
2.	Register of contracts, companies and firms in which directors are interested	Section 301
3.	Register of director, managing director etc.	Section 303
4.	Register of directors' share and debenture holdings	Section 307
5.	Books of Accounts	Section 209
6.	Minutes Books for Board Meetings and General Meeting	Section 193
7.	Index of Members	Section 151
8.	Register of Charges	Section 143
9.	Application and Allotment register	-
10.	Register of Directors and Shareholder's Attendance	-
10.	Share Transfer Register	-

DATE: 09.05.2011
PLACE: RAIPUR



(BRAJESH R. AGRAWAL)
Practicing Company Secretary
C.P. No. : 05649

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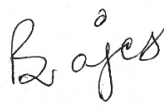

Annexure B

Forms and Returns as filed by the **NMDC-CMDC Limited** with the Registrar of Companies (ROC) during the financial year ending on 31st March 2011.

Sr. No	Form No.	Filed u/s	For	Remark
1	32	303 (2)	Appointment and cessation of Director.	Filed with ROC on 16.06.2010 vide SRN A87154886 with Normal fees.
2	20B	159	Annual Return as on 03 rd Julv. 2010.	Filed with ROC within time on 30.07.2010 vide SRN P49118003.
3	66	383A	Secretarial Compliance Certificate for 2010	Filed with ROC within time on 30.07.2010 vide SRN P49117583.
4	23AC & 23ACA	220	Balance Sheet as on 31 st March, 2010.(CLSS)	Filed with ROC along with additional fee under CLSS2010 on 16.08.2010 vide SRN P49650278.
5	32	303 (2)	Appointment and cessation of Director.	Filed with ROC along with additional fee on 02.09.2010 vide SRN A93076792.
6	32	303 (2)	Appointment and cessation of Director.	Filed with ROC along with additional fee on 06.10.2010 vide SRN A95456398.
7	32	303 (2)	Appointment and cessation of Director.	Filed with ROC within time on 21.01.2011 vide SRN B03677423.

Forms and Returns as filed by the **NMDC-CMDC Limited** with the other authorities under the Act during the financial year ending on 31st March 2011. **NIL**

DATE: 09.05.2011
PLACE: RAIPUR



(BRAJESH R. AGRAWAL)
Practicing Company Secretary
C.P. No. : 05649

NMDC-CMDC Limited

Balance Sheet as at 31st March, 2011

(Figures in Rupees)

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	1,50,00,000	1,50,00,000
Reserves & Surplus	2	(39,47,077)	(37,07,098)
		<u>1,10,52,923</u>	<u>1,12,92,902</u>
TOTAL		<u>1,10,52,923</u>	<u>1,12,92,902</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	3	2,46,615	2,46,615
Less : Depreciation		47,669	24,788
Net Block		<u>1,98,946</u>	<u>2,21,827</u>
		1,98,946	2,21,827
Capital Work In Progress	4	6,57,193	6,57,193
Current Assets, Loans & Advances :			
Cash & Bank Balances	5	1,24,52,101	1,16,23,799
Other Current Assets	6	5,19,369	6,10,022
Loans & Advances	7	1,34,846	68,782
		<u>1,31,06,316</u>	<u>1,23,02,603</u>
Less : Current Liabilities & Provisions :			
Current Liabilities	8	29,09,532	18,88,721
Provisions		-	-
		<u>29,09,532</u>	<u>18,88,721</u>
Net Current Assets		1,01,96,784	1,04,13,882
Miscellaneous Expenditure	9	-	-
(to the extent not written off or adjusted)			
TOTAL		<u>1,10,52,923</u>	<u>1,12,92,902</u>

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/-
Piyush Jain
Partner
M. No. 405305
FRN No.003837C

Sd/-
(Rana Som)
Chairman

Sd/-
(R.K. Goverdhan)
Director

Sd/-
(N.K. Nanda)
Director

Sd/-
(N.K. Dhawan)
CEO

Place : Raipur
Date : 09-05-2011

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Profit & Loss Account for the period ended 31st March 2011

(Figures in Rupees)

	Schedule	As at 31st March, 2011	As at 31st March, 2010
INCOME:			
Sales		-	-
Income from Services		-	-
Income from Sale of Power		-	-
Other Income	10	6,70,631	6,77,804
Accretion to stock	11	-	-
TOTAL		6,70,631	6,77,804
EXPENDITURE:			
Raising & Transportation charges		-	-
Consumption of Stores & Spares		-	-
Power, Electricity & Water	12	-	-
Payments & Benefits to employees	13	-	9,37,792
Repairs & Maintenance	14	4,057	10,601
Royalty & Cess		-	-
Interest		-	-
Selling expenses :			
Freight Outwards		-	-
Others		-	-
Other Expenses	15	8,83,672	27,87,415
Depreciation		22,881	21,942
Miscellaneous/Promotional/Deferred		-	-
Revenue Expenditure written off		-	-
Gross Expenditure		9,10,610	37,57,750
Less : Transfer to Capital Accounts	16	-	6,57,193
Net Expenditure		9,10,610	31,00,557
Profit before Previous Year items		(2,39,979)	(24,22,753)
Add Previous Year items		-	-
Profit before taxes		(2,39,979)	(24,22,753)
Provision: Taxation-Current Year			
- Earlier Years(Net)			
- Interest on Income Tax			
Provision: F B T-Current Year			
- Earlier Years(Net)			
- Interest on Income Tax			
Add : Deferred Tax Asset for the year			
Profit/Loss after taxes		(2,39,979)	(24,22,753)
Profit/Loss after taxes		(2,39,979)	(24,22,753)
Profit/Loss brought forward from pr.year		(37,07,098)	(12,84,345)
Balance carried over to Balance Sheet		(39,47,077)	(37,07,098)

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/-
Piyush Jain
Partner

Sd/-
(Rana Som)
Chairman

Sd/-
(R.K. Goverdhan)
Director

Sd/-
(N.K. Nanda)
Director

Sd/-
(N.K. Dhawan)
CEO

M. No. 405305
FRN No.003837C

Place : Raipur
Date : 09-05-2011

NMDC-CMDC Limited

Schedules

Schedule - 1 : Share Capital

	(Rupees)	
	As at 31st March 2011	As at 31st March 2010
Authorised:		
4,00,00,000 Equity Shares of Rs.10/- each	<u>4,00,00,000</u>	<u>4,00,00,000</u>
Subscribed:		
15,00,000 Equity Shares of Rs.10/- each	<u>1,50,00,000</u>	<u>1,50,00,000</u>
Issued, Subscribed & Paid up:		
15,00,000 Equity Shares of Rs.10/- each		
NMDC Share - 764,999 Shares of Rs.10 each (51%)	76,49,990	76,49,990
CMDC Share-734,997 Shares of Rs.10 each(49%)	73,49,970	73,49,970
Others- 4 shares of Rs.10 each	<u>40</u>	<u>40</u>
	<u>1,50,00,000</u>	<u>1,50,00,000</u>
TOTAL	<u>1,50,00,000</u>	<u>1,50,00,000</u>

Schedule - 2 : Reserves & Surplus

	(Rupees)	
	As at 31st March 2011	As at 31st March 2010
a) General Reserve:		
As per last Balance Sheet	-	-
Less : Utilised for Bonus issue	-	-
Additions during the Year	-	-
	-	-
b) Profit & Loss Account - Surplus		
Opening Balance	(37,07,098)	(12,84,345)
Current Year	<u>(2,39,979)</u>	<u>(24,22,753)</u>
	<u>(39,47,077)</u>	<u>(37,07,098)</u>
TOTAL	<u>(39,47,077)</u>	<u>(37,07,098)</u>

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Schedule - 3 : Fixed Assets

(Rupees)

Particulars	G R O S S B L O C K			
	As on 01.04.2010	Additions	Deductions	As on 31.03.2011
1. Office Equipments	1,06,265	-	-	1,06,265
2. Computer	90,380	-	-	90,380
3. Furniture & Fixtures	47,270	-	-	47,270
4. Bicycle	2,700	-	-	2,700
TOTAL	2,46,615	-	-	2,46,615
Previous Year	2,46,615	-	-	2,46,615

(Rupees)

Particulars	D E P R E C I A T I O N				N E T B L O C K	
	As on 01.04.2010	For the Year	Deductions	Up to 31.03.2011	W.D.V 31.03.2011	W.D.V. 31.03.2010
1. Office Equipments	6,705	5,048	-	11,753	94,512	99,560
2. Computer	14,733	14,651	-	29,384	60,996	75,647
3. Furniture & Fixtures	3,255	2,992	-	6,247	41,023	44,015
4. Bicycle	95	191	-	286	2,414	2,605
TOTAL	24,788	22,881	-	47,669	198,946	2,21,827
Previous Year	2,846	21,942	-	24,788	221827	1,86,286

NMDC-CMDC Limited

Schedule - 4 : Capital Work in Progress

	As at 31st March 2011	As at 31st March 2010
		(Rupees)
Consultancy Charges (Expenditure incidental to construction awaiting allocation)	6,57,193	6,57,193
	<u>6,57,193</u>	<u>6,57,193</u>

Schedule - 5 : Cash & Bank Balances

	As at 31st March 2011	As at 31st March 2010
		(Rupees)
Cash and Cheques on hand	-	-
Balances with :		
(a) Scheduled Banks :		
On Current Accounts	17,57,881	16,23,799
On Deposit Accounts	1,06,94,220	1,00,00,000
	<u>1,24,52,101</u>	<u>1,16,23,799</u>
(b) Others on Current Accounts :		
TOTAL	<u>1,24,52,101</u>	<u>1,16,23,799</u>

Schedule - 6 : Other Current Assets

	As at 31st March 2011	As at 31st March 2010
		(Rupees)
Accrued Interest on deposits with Banks	5,19,369	6,10,022
TOTAL	<u>5,19,369</u>	<u>6,10,022</u>

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Schedule - 7 : Loans and Advances

	(Rupees)	
	As at 31st March 2011	As at 31st March 2010
Advances recoverable in cash or kind or for value to be received	-	1,000
Less : Provision for bad & doubtful advances	-	-
	-	1,000
Advance Income Tax & TDS	1,34,846	67,782
Less : Provision	-	-
	1,34,846	67,782
TOTAL	1,34,846	68,782

Schedule - 8 : Current Liabilities

	(Rupees)	
	As at 31st March 2011	As at 31st March 2010
Sundry Creditors :		
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	37,796	58,622
Amount due to CMDC	10,52,221	-
Amount due to NMDC	18,19,515	18,30,099
TOTAL	29,09,532	18,88,721

NMDC-CMDC Limited

Schedule - 9 : Miscellaneous/Promotional & Deferred Revenue Expenditure (to the extent not written off or adjusted)

	As at 31st March 2011	As at 31st March 2010
Development Expenses	-	-
Add : Previous Year	-	-
Others:		
Expenses on removal of overburden and preparation of Mining Benches	-	-
	-	-
	-	-

Schedule - 10 : Other Income

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
Interest on:		
Deposits with Banks (Tax deducted at source Rs.67064, (Previous Period Rs. 67782)	6,70,631	6,77,804
TOTAL	6,70,631	6,77,804

Schedule - 11 : Accretion / (Decretion) to Stock

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
Work-in-process:		
Balance as at close of the Year	-	-
Less : Balance as at the beginning of the Year	-	-
	-	-
Finished Goods:		
Balance as at close of the Year	-	-
Less : Balance as at the beginning of the Year	-	-
	-	-
TOTAL	-	-

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Schedule - 12 : Power, Electricity & Water

(Rupees)

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
Power charges	–	–
Electricity charges	–	–
Water Charges	–	–
TOTAL	–	–

Schedule - 13 : Payments & Benefits to Employees

(Rupees)

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
Reimbursement of CEO's salary	–	7,97,117
Contribution to Group Gratuity Fund	–	–
Workmen and Staff Welfare Expenses	–	1,40,675
TOTAL	–	9,37,792

Schedule - 14 : Repairs & Maintenance

(Rupees)

DESCRIPTION	For the Period ended 31st March 2011					For the Year ended 31st March 2010
	Buildings	Plant & Machinery	Vehicles	Others	Total	
Gross Expenditure	–	–	–	4,057	4,057	10,601
Less : Expenditure under primary heads :						
Payments & Benefits to employees	–	–	–	–	–	–
Consumption of Stores	–	–	–	–	–	–
Sub total	–	–	–	–	–	–
Net Expenditure	–	–	–	4,057	4,057	10,601

NMDC-CMDC Limited

Schedule - 15 : Other Expenses

(Rupees)

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
Payment to Auditors:		
As Auditors:		
Audit Fee-Final Accounts	11,030	11,030
For other services	–	22,075
Out of pocket expenses	–	–
	11,030	33,105
Sundries:		
Bank charges and Interest	550	2,069
Fees of Internal Auditors	13,236	22,000
Postage, Telephone & Telex	38,745	96,045
Vehicle Hire charges	–	3,07,548
Stationery & Printing	14,593	19,932
Consultancy charges	13,296	6,57,193
BOD Meeting expenses	14,401	68,410
Membership & Subscription	–	3,660
Books & Periodical	654	4,484
Legal Expenses	6,710	3,500
Transfer TA of CEO	–	3,40,992
Misc & Other Expenses	7,70,457	9,64,477
Guest House Rent	–	2,64,000
Mining Lease Application Fees	–	–
	8,72,642	27,54,310
TOTAL	8,83,672	27,87,415

Schedule - 16 : Expenditure Transferred to Capital Accounts

(Rupees)

	For the Year ended 31st March 2011		For the Year ended 31st March 2010	
DESCRIPTION	Mar-11	Mar-10	Mar-11	Mar-10
Amounts transferred to Capital Accounts as per details shown below (Net) :	Nil		657,193	
	Miscellaneous/Promotional Expenditure		Incidental expenditure during construction	
Consultancy charges	–	–	–	6,57,193
TOTAL	–	–	–	6,57,193
Less : Income	–	–	–	–
Net Expenditure	–	–	–	–

Schedule - 17 : Notes to Accounts

(SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011)

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 periods which are directly or indirectly attributable to the acquisition/construction of fixed assets, will be capitalised at the time of commissioning of such assets.

(iv) Depreciation

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.

(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.

NMDC-CMDC Limited

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)
Shri N.K.Dhawan (CEO 09/02/10 onwards)
 - (c) Details of Material Transactions with Related Party: NIL
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.5,00,000/- P.M or Rs.60,00,000 P.A during the period.
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. Refer Annexure for additional information to Part IV of Schedule VI to the Act.
10. Prior year comparatives have been reclassified to conform with the current year's presentation, wherever applicable.
11. Financial figures have been rounded off to nearest rupee.

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/-
Piyush Jain
Partner
M. No. 405305
FRN No.003837C

Sd/-
(Rana Som)
Chairman

Sd/-
(R.K. Goverdhan)
Director

Sd/-
(N.K. Nanda)
Director

Sd/-
(N.K. Dhawan)
CEO

Place : Raipur
Date : 09-05-2011

Annual Report 2010-11

Part - IV

Balance Sheet Abstract and Company's General Business Profile :

I. Registration details :

Registration No. 2 0 7 1 1 State Code 1 0

Balance Sheet Date 3 1 0 3 1 1

II. Capital raised during the Year (Amount in Rs.)

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

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

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

IV. Performance of Company (Amount in Rs.)

Turnover <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Total Expenditure <input type="text"/> <input type="text"/> <input type="text"/> 9 1 0 6 1 0
Profit before tax <input type="text"/> <input type="text"/> - 2 3 9 9 7 9	Profit after tax <input type="text"/> <input type="text"/> - 2 3 9 9 7 9
Earnings per share in Rs. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Dividend Rate % <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I 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/-
Piyush Jain

Partner

M. No. 405305

FRN No.003837C

Place : Raipur
Date : 09-05-2011

NMDC - SARL

Annual Report 2009-2010

C O N T E N T S

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NMDC SARL

(A wholly owned Subsidiary of NMDC)
Villa No.2, Cite Sarda Les Peches, Antanimora
BP 3791, Antananarivo 101, Madagascar

Annual Report 2010-11

Directors' Report on the Annual Accounts for the Financial Year ended 30th June 2010

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 1,000,000 MGA (One million Malagasy ariary). 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.

On 1st January 2005, the Malagasy ariary (MGA) replaced the previous current i.e. Malagasy franc (FMG) and one Malagasy franc was valued at 0.2 ariarys and accordingly the FMG monetary value are converted into MGA.

No transactions pertaining to the company have occurred during the financial year ended on 30th June 2010. Hence only the Balance Sheet has been reproduced without any change from the previous year's figures.

Sd/-
N.K. Nanda
Director - Manager

NMDC - SARL

Balance Sheet as at 30th June, 2010

	Amount in MGA	
ASSETS	F.Y. 2009-2010	F.Y. 2008-2009
I. <u>FIXED ASSETS</u>		
Establishment expenses	147,798,443	147,798,443
Gold Research Expenses	616,273,823	616,273,823
	764,072,266	764,072,266
<u>CORPOREAL ASSETS</u>		
Equipment & Tools	-	-
Vehicles	-	-
Office Equipment & Office Furniture	-	-
Computer Equipment	-	-
Office & Accommodation Furniture	-	-
	-	-
TOTAL OF FIXED ASSETS	764,072,266	764,072,266
II. <u>RUNNING ASSETS</u>		
DEBTS		
VAT Credit	-	-
Prepaid advance for company tax profit (IBS)	-	-
Other Debts	-	-
LIQUID ASSETS		
Bank	-	-
Cash	-	-
TOTAL OF RUNNING ASSETS	-	-
III. <u>EARLY NOTED CHARGES</u>		
Advances	-	-
TOTAL GENERAL (I + II + III)	764,072,266	764,072,266

Annual Report 2010-11

Balance Sheet as at 30th June, 2010

LIABILITIES	Amount in MGA	
	F.Y. 2009-2010	F.Y. 2008-2009
I. EQUITY CAPITAL		
ISSUED CAPITAL:		
2,000 shares of stock 500 MGA each	1,000,000	1,000,000
Result pending for affectation	(1,597,284,704)	(1,597,284,704)
Net situation	(1,596,284,704)	(1,596,284,704)
II. DEBTS		
Suppliers and related accounts	–	–
OTHER DEBTS		
Shareholders - operations on the capital	2,360,356,970	2,360,356,970
TOTAL OF DEBTS	2,360,356,970	2,360,356,970
GRAND TOTAL (I + II)	764,072,266	764,072,266

Sd/-
(N.K. Nanda)
Director - Manager

NOTICE

53rd Annual General Meeting

Date : 20th September, 2011
Day : Tuesday
Time : 1500 hrs
Venue : Grand Ball Room, Hotel Taj Krishna
Road No.1, Banjara Hills
Hyderabad - 500 034

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53rd AGM Notice

No.CS/53-AGM/2011

Dated: 08.08.2011

Notice

Notice is hereby given that the 53rd Annual General Meeting of NMDC Limited (AGM) will be held at 1500 hours on Tuesday, the 20th September, 2011 at Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034 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, 2011, 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 N.K. Nanda, as Director (Technical), who retires by rotation and is eligible for re-appointment.
- iii) To appoint Shri S. Thiagarajan, as Director (Finance), who retires by rotation and is eligible for re-appointment.
- iv) To appoint Shri S. Machendranathan, as Director, who retires by rotation and is eligible for re-appointment.
- v) To appoint Shri U.P. Singh, as Director, who retires by rotation and is eligible for re-appointment.
- vi) To appoint Shri Y.K. Sharma, as Director, who retires by rotation and is eligible for re-appointment.

vii) To appoint Shri Abdul Kalam, as Director, who retires by rotation and is eligible for re-appointment.

viii) To appoint Shri K. S. Raju, as Director, who retires by rotation and is eligible for re-appointment.

ix) To appoint Lt. Gen. (Retd.) Arvind Mahajan, 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 2011-12, as may be deemed fit.

B. SPECIAL BUSINESS:

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

“RESOLVED THAT

Shri G.B. Joshi be and is hereby appointed as Director (Personnel) of the Company on the existing terms of his appointment, who is liable to retire by rotation.”

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

“RESOLVED THAT

Shri R.N. Aga be and is hereby appointed as Director of the Company on the existing terms of his appointment, who is liable to retire by rotation.”

NMDC Limited

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

“RESOLVED THAT

Mrs. Parminder Hira Mathur be and is hereby appointed as Director of the Company on the existing terms of her appointment, who is liable to retire by rotation.”

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

“RESOLVED THAT

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

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

“RESOLVED THAT

Shri S. Bose be and is hereby appointed as Director (Production) 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 (CC)

Place : Hyderabad

Date : 08.08.2011

Copy to:

1. All Members
2. Statutory Auditors

Enclosures:

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
4. Attendance Slip.
5. ECS Form
6. A copy of the 53rd Annual Report of the Company for the year 2010-11.

53rd AGM Notice

Notes to the 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 @ Rs.1.15 per share totaling to Rs.455.94 crore on the nominal value of the paid-up equity shares of the Company to the Members.
6. Final Dividend @ Rs.2.15/- per share as recommended by Board, if declared by the members at the meeting, will be paid / dividend warrants despatched with effect from 14.10.2011 by the Company to those Members, whose names appear in the Register of Members of the Company as on 17.09.2011, being the book closure commencement 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 17.09.2011 to 20.09.2011 (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 Agent (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,
info@aarathiconsultants.com
Web site : www.aarathiconsultants.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

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 : nmdc.ipo@karvy.com /
einward.ris@ karvy.com
Website : www.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 (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@nmdc.co.in
Web site: www.nmdc.co.in
- (ii) The General Manager
M/s Aarthi Consultants Pvt Ltd
D.No. 1-2-285, Domalguda
Hyderabad - 500 029.
Phone Nos. 040-27638111/27634445
Fax No. 040-27632184
Email: info@aarthiconsultants.com
ims@nmdc.co.in

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) for effecting ECS payment.
 - (ii) Shareholders holding shares in Dematerialized Form are requested to provide the Bank details in the attached ECS form to this annual report to their Depository Participants (DP) for incorporation in their records for effecting ECS payment.
- 13.** Members are requested to register their e-mail address and changes therein from time to time with the Depository Participants in case shares are in dematerialized form and with the Share Transfer Agent of the Company in case shares are in Physical Form for service of documents, notices, annual reports etc. through e-mail as per the Green Initiatives in the Corporate Governance issued by Ministry of Corporate Affairs, Government of India vide Circular No.17/2011 which is available at www.mca.gov.in.

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14. Brief Resume of the Directors

Name	Shri RANA SOM	Shri N.K. NANDA	Shri S. THIAGARAJAN
Date of Birth & Age	01.01.1952 & 59 years	28.07.1960 & 50 years	30.12.1954 & 56 years
Date of Appointment	02.11.2007	01.12.2008	09.07.2009
No. of shares held in NMDC	Nil	320	Nil
Qualifications	MA (Economics) PG Diploma in Personnel Management	i) B.Tech.(Mining) from ISM, Dhanbad. ii) M.Tech. (By Research) from ISM, Dhanbad in Mining Engg.	Bachelor of Science, Chartered Accountant
Expertise in specific functional area	Shri Rana Som has specific expertise and vast experience in the area of Human Resource Management. He has been known to be an expert in Corporate Management involving corporate restructuring, turnaround development of core strength, expansion and diversification through horizontal and vertical integration. He is known for being a successful turnaround strategist for Hindustan Copper Ltd., a large public sector enterprise, which was successfully turned around under his leadership. He also a recognized expert in the field of mergers and acquisitions specially relating to mineral assets. He has exemplary leadership skills and known to have acquired a high degree of success in this area. His meticulous planning, aggressive marketing strategy and re-engineering skills impacted every Company he has worked in.	1. Qualified Engineer for mine plan preparation. 2. Expert in the field of blasting and slope stability in large opencast mines. 3. Qualified System Analyst for opencast mines and project monitoring. 4. Expert in the field of mineral processing, particularly beneficiation of low grade iron ore. 5. Expert in merger and acquisition activities. Can lead team to successful acquisition and diversification. 6. Expert in Long-term Strategic Planning and Project Implementation.	As Finance Director of NMDC, statutorily responsible for timely submission of financial statements of the company to the statutory authorities / shareholders. Expertise in i) corporate tax management ii) project appraisal and financing iii) financial concurrence to proposals for revenue and capital items for existing and new projects as per the special requirements of a PSU iv) optimum deployment of company's cash resources in various investment opportunities/ CAPEX avenues v) formulation of strategies with regard to critical issues such as product pricing, evacuation, M&A etc.
Directorship held in other Companies	i) Chairman, J&K Mineral Development Corporation Ltd ii) Chairman, NMDC-CMDC Limited iii) Director, International Coal Ventures Pvt. Ltd.	i) J&K Mineral Development Corporation Limited. ii) NMDC-CMDC Limited. iii) Neelachal Ispat Nigam Ltd iv) Krishnapatnam Railway Co. Ltd v) NMDC-SARL.	J&K Mineral Development Corporation Ltd.
Memberships / Chairmanships of Committees across all Public Companies	Chairman Share Transfer Committee NMDC Limited	1. Member, Audit Committee, NMDC Limited 2. Member, Share Transfer Committee, NMDC Limited	i) Member, Share Transfer Committee, NMDC Limited ii) Member, Shareholders' / Investors Grievance Committee, NMDC Ltd.

NMDC Limited

Name	Shri S. MACHENDRANATHAN	Shri U.P. SINGH	Shri Y.K. SHARMA
Date of Birth & Age	07.03.1954 & 57 years	01.10.1958 & 52 years	01.05.1944 & 67 years
Date of Appointment	24.05.2010	11.12.2007	19.06.2009 (Re-appointed)
No. of shares held in NMDC	Nil	Nil	Nil
Qualifications	Master in Business Administration	M.A. (Political Science), PhD	B.Com., F.C.A.
Expertise in specific functional area	Shri S. Machendranathan is a Senior IAS Officer of 1979 Batch - Tamilnadu Cadre. He has more than 32 years of experience in administration and he has held various senior positions in the Government of Tamil Nadu as well as in the Central Government. Presently, he is Additional Secretary and Financial Adviser in the Ministry of Steel and Government Director in SAIL, RINL, KIOCL Ltd. and MECON Ltd. He is also the Chairman of the Committee looking into the iron ore pricing related issue of NMDC Ltd.	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 27 years. Prior to this he served in various capacities / positions in the Government.	Shri Sharma has about 42 years experience in practice as Chartered Accountant and expert in Income Tax and Wealth Tax.
Directorship held in other Companies	<ul style="list-style-type: none"> i) Steel Authority of India Limited. ii) Rashtriya Ispat Nigam Limited. iii) KIOCL Limited. iv) MECON Limited. 	<ul style="list-style-type: none"> i) MECON Ltd. ii) BIRD Group of Companies iii) Neelachal Ispat Nigam Ltd. 	The Urban Cooperative Bank Ltd., Jaipur, Rajasthan.
Memberships / Chairmanship of Committees across all Public Companies	Nil	Nil	<ul style="list-style-type: none"> i) Chairman, Audit Committee, NMDC Ltd. ii) Chairman, Shareholders' / Investors' Grievance Committee, NMDC Limited iii) Member, Audit Committee The Urban Cooperative Bank Ltd., Jaipur, Rajasthan.

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Name	Shri ABDUL KALAM	Shri K.S. RAJU	LT. GEN. (RETD.) ARVIND MAHAJAN
Date of Birth & Age	09.01.1945 & 66 years	27.06.1944 & 67 years	24.12.1947 & 63 years
Date of Appointment	19.06.2009	19.06.2009	01.04.2010
No. of shares held in NMDC	Nil	Nil	Nil
Qualifications	B.Sc.(Mining Engineering) from Benaras Hindu University, Varanasi. Senior Manager Mechanization from UK.	M.Sc. Applied Geology	PG Diploma in Business Management, PG Dip. in Industrial Management PG Degree in Mech. Engg. (Automobiles) AMIE (Mech.), MIE (Mech.) & FIE, M.Phil, (Defence Studies)
Expertise in specific functional area	1. Cutting edge mining technology. 2. Change Management. 3. Continuous process improvement. 4. Networking with policy makers. 5. Operation management. 6. Team building and leadership. 7. Upgradation of technology knowhow strategic planning. 8. Workforce relations / employee involvement.	1. Mining. 2. Mineral Beneficiation. 3. Mineral Economics. i) To conduct techno-economic studies of Mineral deposits (both metalliferous and coal mines) ii) To guide and advise on the regulatory compliance in the field of mining, environment and forestry. iii) To advise on the establishment of mineral based industries and selection of mining and process equipment. iv) To develop economic process flow-sheet for beneficiation of ores and coal washing. v) Technical audit of mining projects and beneficiation plants in operation. vi) Cost evaluation of operating mines for transfer of leases or raising contract.	Has a rich and varied experience in the fields of Operational Logistics and Chain Supply Management, Equipment Management & its Technical Repairs and Maintenance, 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.
Directorship held in other Companies	Mahanadi Coalfields Limited (Coal India Limited)	Nil	i) Life Insurance Corporation of India. ii) Container Corporation of India (Concor) iii) Fresh & Healthy Enterprises Ltd.
Memberships / Chairmanships of Committees across all Public Companies	Member, Audit Committee, Mahanadi Coalfields Limited	Nil	i) Member, Audit & Ethics Committee - Concor. ii) Member, Audit Committee, Fresh & Healthy Enterprise Limited iii) Member, Audit Committee, NMDC Limited

NMDC Limited

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

SPECIAL BUSINESS

Item No.5, 6, 7, 8 and 9 : Appointment of Directors

In line with the Government of India orders, Shri G.B. Joshi, Director (Personnel), Shri R.N. Aga, Director, Mrs. P.H. Mathur, Director, Shri D. Rath, Director and Shri S. Bose, Director (Production) were appointed as Additional Directors by the Board of Directors of NMDC Ltd., after the last AGM. In terms of the provisions of the Companies Act, 1956 as Additional Directors they hold office up to the date of AGM only, therefore, it is proposed to appoint them as Directors of the Company at this Annual General Meeting.

The brief bio-data of the above Director is given below:

Name	Shri G.B. JOSHI	Shri R.N. AGA
Date of Birth & Age	29.09.1951 & 59 years	09.07.1945 & 65 years
Date of Appointment	13.08.2010	03.12.2010 (Re-appointed)
No. of shares held in NMDC	100	Nil
Qualifications	M.Sc.(OR); M.A. (Sociology); P.G. Diploma in P.M, IR & LW; Diploma in PM & IR.	M.Sc. (Physics)
Expertise in specific functional area	Personnel, Industrial Relations, CSR, HRD.	Shri R.N. Aga joined Indian Railways Traffic Service in November 1968. After serving in Indian Railways for over 37 years in various capacities including Divisional Railway Manager, General Manager and Member (Traffic) Railway Board and Ex-officio Secretary to the Government of India, he retired from service in July 2005. As Member Traffic, Railway Board he also functioned as Chairman of Container Corporation of India (CONCOR), Indian Railway Catering and Tourism Corporation (IRCTC) and Pipavav Rail Corporation Limited (PRCL). After retirement, he has been associated with Asian Institute of Transport Development (AITD) as Secretary and Senior Fellow. AITD is a non-profit non-commercial organization and is recognized by UN as a centre of excellence and has a MoU with UNESCAP.
Directorship held in other Companies	J&K Mineral Development Corporation Ltd.	Rail Vikas Nigam Limited.
Memberships / Chairmanship of Committees across all Public Companies	Nil	1. Member, Audit Committee, NMDC Limited 2. Chairman, Audit Committee, Rail Vikas Nigam Limited.

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Name	Mrs. P.H.MATHUR	Shri D. RATH	Shri S. BOSE
Date of Birth & Age	17.08.1949 & 61 years	11.02.1950 & 61 years	20.10.1954 & 56 years
Date of Appointment	03.12.2010	03.12.2010	17.06.2011
No. of shares held in NMDC	Nil	Nil	320
Qualifications	M.A. (Political Science) M.B.A., Leeds University (U.K.)	B.Sc. Engg. (Mechanical)	B. Tech. (Hons.) (Mining)- Year 1978. IIT, Kharagpur 1st Class Mines Manager Certificate of Competency (Restricted)
Expertise in specific functional area	Mrs. Parminder Mathur joined the Indian Administrative Service (H.P.Cadre) and has served in various capacities till her retirement from the post of Additional Chief Secretary in August 2009. During her career spanning over 35 yrs she has served as a Secretary to the Government of Himachal Pradesh in a range of key sectors like Industries Labour & Employment, Social Justice and Empowerment, Rural Development, Food & Civil Supplies, Consumer Affairs, Women & Child Development, Land Revenue Management, Disaster Management etc.	Shri D. Rath was the Chairman-cum-Managing Director of MECON since September 2005. Shri Rath holds B.Sc. Engg. (Mechanical). He joined MECON in March 1972 and has served in various capacities in the commercial / project management / marketing / contracts disciplines. He has approximately 39 years of experience in the fields Project Management & Execution, Quality Control, Design & Engineering.	<ol style="list-style-type: none"> 1. Prior to joining NMDC, held various positions in Mining Departments of M/s Cement Corporation of India Ltd. 2. After joining NMDC, worked as Dy. General Manager (Mining) at Bachel Complex in Chhattisgarh. Worked in all Iron Ore Projects of NMDC as Head of the Project. 3. As a General Manager of Projects, was responsible for overall operation, production, execution, direction and control of the Projects.
Directorship held in other Companies	Nil	ECC (Internal Company of L&T)	Nil
Memberships / Chairmanship of Committees across all Public Companies	Nil	Nil	Nil

The Board of Directors recommended the above said proposals for approval of 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 (CC)

Place : Hyderabad
Date : 08.08.2011

NMDC Limited

PROFILE OF SHRI RANA SOM CHAIRMAN-CUM-MANAGING DIRECTOR, NMDC LIMITED



Shri Rana Som is the Chairman-cum-Managing Director of NMDC Limited, a premier Government of India Enterprise under the Ministry of Steel. It is conferred with the coveted Navratna status by the Govt. of India. NMDC is the largest producer of iron ore in India and has a glorious history spanning over 50 years.

Shri Rana Som has started his illustrious career way back in 1972 as a Probationary Officer in Calcutta Port Trust. With a brilliant academic career in Economics and Personnel Management, he has over the years grown as a full-fledged HR professional. During his association with several industries, he has amassed great strength with resilience to be a practical and visionary leader. In the process, he has displayed exemplary leadership skills in the areas of organizational restructuring and survival. His innate passion to excel through performance has brought him wide accolades from one and all.

In his professional journey, Shri Som has been a functional Director and the Chairman and Managing Director of Hindustan Copper Limited and also the Director (HR) in State Trading Corporation of India Ltd., prior to his joining NMDC in November, 2007. Shri Som is widely known as the chief architect of Hindustan Copper Limited's revival. His tenacious efforts coupled with meticulous planning, aggressive marketing strategies and re-engineering skills made the revival successful and also paved way for its path towards prosperity.

Ever since his joining NMDC, Shri Som has spared no efforts in strengthening the foundation of the Company. He has also been instrumental in securing the coveted Navratna status for the Company. He has envisaged a number of growth strategies and put them under implementation with appropriate initiatives, both horizontally and vertically.

Under his transformational leadership, NMDC is venturing into a host of growth initiatives, albeit retaining its core competence in the field of exploration and mining of iron ore, in the field of other minerals and also participate in value addition projects which include the setting up of an Integrated Steel Plant of 3 MT capacity in the near future. Even though NMDC has been bestowed with iron ore reserves of good quality, the process of mining does generate low grade slimes, under his guidance in-house R&D initiatives were taken for their up-gradation which is very soon going to result in a Slime - based pellet plant.

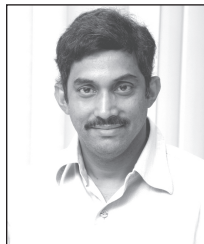
Under his guidance, a full fledged department dedicated for Corporate Social Responsibility Activities was brought into existence for implementing various CSR activities for upliftment of the poor and needy tribals in and around NMDC Project areas. NMDC's CSR activities focusing on education, health, basic amenities and infrastructure have been recognised as being the best in the industry and it was conferred with India Pride Award for CSR excellence for the year 2008-09.

Shri Som was recently awarded the Life Time Achievement Award for his outstanding contribution for the "Overall Development of Indian Non-Coal Mining Industry through Effective Leadership & Innovation". This was conferred on him during MineTech'10 - a conference organized for the elite of mining & metallurgical fraternity at Bhubaneswar.

NMDC has achieved the highest turnover and also the highest profit under the leadership of Shri Som. It is now in a position to finance most of its diversification activities from its internal resources.

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PROFILE OF SHRI N.K. NANDA DIRECTOR (TECHNICAL), NMDC LIMITED



Shri N.K. Nanda, presently Director (Technical) in NMDC Limited, a Government of India undertaking, under the Ministry of Steel, was born in the year 1960. After having early education in Orissa, he graduated - B.Tech. (Mining) - from prestigious Indian School of Mining, Dhanbad in the year 1982 and further he post-graduated - M.Tech. - from ISM, Dhanbad during 2000. He submitted a thesis on "**Reliability of Mine Operation**".

Shri Nanda initially joined in Hindustan Copper Ltd., Malanjkhand as Asst. Mines Engineer in the year 1982. During 1984, he joined ACC Ltd., Bombay as Sr. Engineer (Mines). Afterwards, he joined NMDC Ltd. as Asst. Manager during 1989, at Bailadila-14 deposit and in the capacity of DGM he has been transferred to Donimalai Iron Ore Mine of NMDC and was there till 2004. He worked as Addl. G.M.(Prodn.) in Bailadila-5 deposit of NMDC till 2006. He contributed in preparation of mine plan for Deposit-5 and also improved productivity of the mine by opening new haul roads. He also took over the charge of Deposit-5 for 3 months and during that period, he was awarded '**Eminent Engineer**' award by Institution of Engineers, Bhilai in the year 2006.

He has been posted as Project Manager, Donimalai during 2006 and has been promoted as General Manager during 2007. During this period he implemented new technology like high rate thickener and Distribution Control System (DCS) in process plant.

He registered himself for Doctoral study at Gulbarga University in mineral processing. Under his guidance NMDC is now going ahead to set up a 3 MTPA Beneficiation Plant for BHJ (Bandend Heamatite Jasper), so far treated as a waste rock in Iron ore mining. This may open up a new space for low grade mineral utilization.

After enriching experience to his credit, in various capacities, in various projects of NMDC, he has been elevated on the Board of NMDC as Director (Technical) in 2008.

Presently he is working as Director (Technical), NMDC, looking after, Research & Development, Investigation, Engineering, New Project Execution, apart from Joint Ventures, mergers and acquisitions.

Shri Nanda specializes in mine operation and mine development. He has proficiency in project planning and execution, development and has special interest in diversification activities. He has published and presented a number of technical papers during various seminars in India as well abroad.

PROFILE OF SHRI S. THIAGARAJAN DIRECTOR (FINANCE), NMDC LIMITED



Shri S. Thiagarajan has been appointed as Director (Finance) of the Company with effect from 09 July 2009. He has been with the company for about 32 years. Over the years, he has held various positions in the discipline of Finance in various projects of the company to reach the helm as Head of Finance Department at the Corporate office in the year 2004 and subsequently as Director (Finance) of the Company in 2009.

He holds a Bachelor's of Science degree and is a Chartered Accountant. In addition to his core profession, his long tenure and experience in various production projects of the company has added to his abilities to have an integrated and holistic view on various financial, non financial and technical issues.

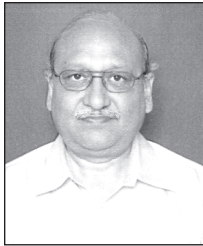
In addition to his responsibilities as Finance Director, he has been actively involved in all the expansion and diversification activities of the Company, both India and abroad. Currently, he is also handling

NMDC Limited

investor / analyst relations post-divestment of 10% of equity of GOI to public. As a member of various committees, he has extensively contributed to issues such as product pricing, negotiation with contractors etc.

He is also on the Board of JKMDL Ltd, a subsidiary of NMDC Ltd.

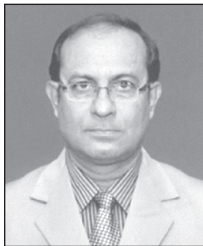
PROFILE OF SHRI G.B. JOSHI DIRECTOR (PERSONNEL), NMDC LIMITED



Shri G.B. Joshi, is holding Master Degree in Science (Operational Research), Master of Arts (Sociology), PG Diploma in Personnel Management, Industrial Relations and Labour Welfare and Diploma in Personnel Management and Industrial Relations.

He served in various capacities for more than three decades in Management cadre in various Projects/Units of NMDC Ltd. He has more than 34 years of experience in the fields of Personnel Management, Strategic Management, Corporate Social Responsibility, Creativity & Innovation and Values.

PROFILE OF SHRI S. BOSE DIRECTOR (PRODUCTION), NMDC LIMITED



Shri S. Bose, aged 56 years, is the Director (Production) of the Company with effect from 17.06.2011. He holds B.Tech. (Hons) Degree in Mining Engineering from I.I.T., Kharagpur and I Class Mines Manager Certificate of Competency (Restricted).

He has about 30 years of experience in the field of mining. He joined the Company as Deputy General Manager (Mining) in the year 2001. He has served in various positions such as Additional General Manager, Joint General Manager and General Manager-Head of the project until the Government of India appointed him as Director (Production) on the Board of the Company with effect from June 17, 2011. Prior to joining the Company, Shri Bose, was associated with Cement Corporation of India Limited from 30.12.1981 to 12.11.2001.

PROFILE OF SHRI S. MACHENDRANATHAN GOVERNMENT NOMINEE DIRECTOR, NMDC LIMITED



Shri Machendranathan is a Senior IAS Officer of 1979 Batch - Tamilnadu Cadre. He has more than 32 years of experience in administration and he has held various senior positions in the Government of Tamil Nadu as well as in the Central Government. Presently, he is Additional Secretary and Financial Adviser in the Ministry of Steel and Government Director in SAIL, RINL, KIOCL Ltd., and MECON Ltd. He is also the Chairman of the Committee looking into the iron ore pricing related issues of NMDC Ltd.

PROFILE OF SHRI U.P. SINGH GOVERNMENT NOMINEE DIRECTOR, NMDC LIMITED



Shri Singh is an officer with the Indian Administrative Services (IAS) since 1984 and is presently serving as the Joint Secretary, Ministry of Steel, Government of India. He has a professional experience of about 27 years. Prior to this he served in various capacities / positions in the Government.

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PROFILE OF SHRI Y.K. SHARMA INDEPENDENT DIRECTOR, NMDC LIMITED



Shri Y. K. Sharma is an Independent Director of the Company and was re-appointed as a Director on June 19, 2009, after completion of earlier three years tenure. 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 42 years experience in practice as a Chartered Accountant and expert in Income Tax and Wealth Tax.

PROFILE OF SHRI ABDUL KALAM INDEPENDENT DIRECTOR, NMDC LIMITED



Shri Abdul Kalam graduated in Mining Engineering from Banaras Hindu University in the year of 1966. He was trained in High Technology Mining (open cast and underground mining) in United Kingdom. He is one of the few mining engineers who have the experience in handling largest and most difficult open cast and underground mines in India. His experience in fiery mines related to hot hole blasting is widely recognized in the industry. Beside his stint as the Director (Technical) with Coal India Limited, Shri Abdul Kalam was also the Chairman and Managing Director of Bharat Coal Limited and Eastern Coalfields Limited. Currently Shri Kalam is on the Board of Mahanadi Coalfields Limited (A subsidiary of Coal India Limited) and National Mineral Development Corporation, a leading mineral mining company of India, his contributions as a visionary executive leader and a proven change agent has been recently been recognized by Government of India whereby he has been appointed by Ministry of Railways in the Expert Committee responsible for developing business models and innovative funding through public private partnership (PPP) route.

Shri Kalam has received two National Awards from the President of India for improving safety standards in Bharat Coking Coal Limited. He is also a proud recipient of best Alumni award in 2002 from the Mining Department of Banaras Hindu University. He is widely travelled across the globe (UK, USA, France, Germany and Australia) and has represented Coal Industry through a number of foreign delegations and expert bodies.

He is president of World Confederation of Productivity Science (India). Shri Kalam serves as a Board member of the World Confederation of Productivity Science (India) and is a member of the editorial board of "WAPS (International) News". He has authored numerous papers published in National and International magazines which have been widely acclaimed.

PROFILE OF SHRI K.S. RAJU INDEPENDENT DIRECTOR, NMDC LIMITED



Shri Kanumuri Satyanarayana Raju, Independent Director of the Company was appointed as a Director on June 19, 2009. Shri Raju holds a Master's degree in Applied Geology from M. S. University, Baroda. He has an experience of 37 years in the field of mining, mineral beneficiation and mineral testing. Shri Raju retired as Controller General of the Indian Bureau of Mines, Government of India in June 2004. Shri Raju has also been the Director of Jawaharlal Nehru Aluminium Research and Development Center from January

1, 2003 until June 30, 2004. Shri Raju was on the Board of National Aluminium Company Limited as a Part-Time Non-Official Director from September 27, 2007 till October 2010. 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.

PROFILE OF LT. GEN. (RETD.) ARVIND MAHAJAN INDEPENDENT DIRECTOR, NMDC LIMITED



Lt. Gen. (Retd.) Arvind Mahajan is a multi-faceted professional with Domain expertise in the fields of Operational Logistics and Chain Supply Management, Equipment Management & its Technical Repairs and Maintenance Environment and Infrastructure Management, Sanctioning of Environmental Clearances for Infrastructure and Coastal Regulation Zone (CRZ) Projects, Power, Steel, Mining Management and Disaster Management. He has a rich & vast Experience in Security Advising, Equipment Management, Repair & Maintenance and Overhauling of all Equipments in the Indian Army. He has also been involved in technical trials and evaluation of arms for induction in the Indian Army. The General has

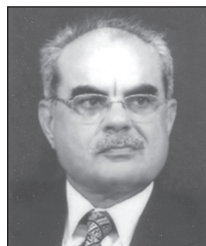
also got expertise in Environmental Planning & Management, Risk Analysis and Assessment, Project Management and Execution of Turnkey Projects, Strategic Planning, Administration of Establishments, HRD / HRM, Training, Security, Cost Optimization, Resource Deployment, etc. He is a keen administrator with expertise in devising policies & directives, managing operations with focus on achieving the organisation's mission and strategic direction.

He played an active role in the Change Management process during Army's Base Workshop's, Technical modernisation, acquisition & expansion process. He has experience in Macro level policy formulation, strategic planning; building key strategic alliances & partnerships & ensuring resource management. He has demonstrating abilities in addressing operational issues, resolving performance bottlenecks and achieving desired objectives. Deft in developing procedures, service standards and operational policies, planning & implementing effective control measures. He is an individual with a proactive & positive attitude, capable of thinking out of the box, generating new design solutions and ideas. He has solid experience in contributing to bottom-line objectives through enhanced efficiency. He has at his credit the distinction of having discharged Technical pivotal responsibility in the Kargil Conflict of 1999. He successfully integrated disaster management, engineering support, repair/maintenance cover to all equipment of Indian Army, coupled with equipment management, operation logistics and chain supply management during the Kargil War. He led numerous military delegations abroad. He has expertise in executing projects from Concept-to-Launch with focus on Project Scope and rendering end-to-end solutions. He has proven abilities in managing technically advanced, state-of-the-art systems and processes. He is a valued contributor to key strategic initiatives right from conceptualisation to facilitating implementation in real time environments. He has conceptualised and implemented several projects in Infrastructure, Technological, HRM, Academic and Administrative Fields. He has exceptionally well organised with a track record that demonstrates Integrity, sincerity, self motivation, creativity, and initiative to achieve both personal & corporate goals.

He has been awarded with the Highest Military and National Awards. Honoured four times by the President of India with Param Vishisht Seva Medal, Ati Vishisht Seva Medal, Vishisht Seva Medal (twice), and Commendation Cards awarded twice by the Chief of Army Staff and once by the Chief of Naval Staff for distinguished services. He was awarded with "Eminent Engineer" by the Institution of Engineers (India) in the year 2007.

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PROFILE OF SHRI R.N. AGA INDEPENDENT DIRECTOR, NMDC LIMITED



Shri R.N. Aga joined Indian Railways Traffic Service in November 1968. After serving in Indian Railways for over 37 years in various capacities including Divisional Railway Manager, General Manager and Member (Traffic) Railway Board and Ex-officio Secretary to the Government of India, he retired from service in July 2005. As Member Traffic, Railway Board he also functioned as Chairman of Container Corporation of India (CONCOR), Indian Railway Catering and Tourism Corporation (IRCTC) and Pipavav Rail Corporation Limited (PRCL). After retirement, he has been associated with Asian Institute of Transport Development (AITD) as Secretary and Senior Fellow. AITD is a non-profit non-commercial organization and is recognized by UN as a centre of excellence and has an MoU with UNESCAP.

PROFILE OF MRS. PARMINDER HIRA MATHUR INDEPENDENT DIRECTOR, NMDC LIMITED



Mrs. Parminder Hira Mathur is a postgraduate in Political Science and has a degree in MBA from Leeds University (UK). She joined the Indian Administrative Service (HP) cadre in 1974 and after serving for 35 years retired as Additional Chief Secretary equivalent in rank to Chief Secretary in August 2009. Though empanelled as Secretary to Government of India she continued to serve the State Government till her superannuation. As Secretary to the Government of Himachal Pradesh she has worked in several key sectors like Industries, Labour & Employment, Transport, Women & Child Development, Social Justice & Empowerment, Land Revenue Management, Relief and Rehabilitation, Food & Civil Supplies, Consumer Affairs, Disaster Management, Rural Development, etc.

She has extensive experience in a wide range of fields like Human Resource Development, Personnel Management, Financial Management, Vigilance Management, Training & Capacity Building, etc. As ACS (Industries) she was Chairperson of the High Powered Committee constituted by the HP High Court to regulate mining activities and prevent mining related environmental degradation in the state. In Labour & Employment, she addressed herself to the adherence and compliance of Labour Laws, with special emphasis on the welfare of workers, equality in wages for women and prevention of child labour.

Mrs. Mathur has been associated with Public Sector Undertakings in her capacity as Managing Director of the HP State Small Industries & Export Corporation and as Director in HP Financial Corporation, HP State Industrial Development Corporation. She has also held Director level appointments in two navratna Central PSUs viz. Hindustan Petroleum Corporation Limited and Videsh Sanchar Nigam Limited as Chief Vigilance Officer.

PROFILE OF SHRI DRONADEB RATH, INDEPENDENT DIRECTOR, NMDC Limited



Shri Dronadeb Rath was the Chairman-cum-Managing Director of MECON from September 2005 till his retirement in February 2010. Shri D.Rath holds a Bachelor of Science Degree in Engineering (Mechanical). He joined MECON in March 1972 and has served in various capacities in the commercial / project management / marketing / contracts disciplines. He has approximately 39 years of experience in the fields of Project Management & Execution, Quality Control, Design & Engineering.



NMDC Limited

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

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 53rd Annual
General Meeting of the Company to be held on Tuesday, the 20th September, 2011 at 1500 hrs at Grand
Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

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 - 500 028.

ATTENDANCE SLIP 53rd 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 53rd Annual General Meeting of Shareholders of NMDC Ltd at Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034 on Tuesday, the 20th day of September, 2011 at 1500 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 - 500 028.

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM FOR PAYMENT OF DIVIDEND

All Demat Shareholders to forward:

To
The Depository Participant

Only Physical Shareholders to forward:

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.



Shri Beni Prasad Verma, Hon'ble Union Minister of Steel reviewing the performance of NMDC for the year 2010-11.



NMDC signed the contract for setting up the country's largest blast furnace of 4506 cubic metre for its 3.0 MTPA steel plant at Nagarnar, Chhattisgarh.



Chitrakoot Water Fall, Jagdalpur, Chhattisgarh



NMDC Limited

(A Government of India Enterprise)

Regd. Office: Khanij Bhavan, 10-3-311/A, Castle Hills
Masab Tank, Hyderabad - 500 173

Website : www.nmdc.co.in