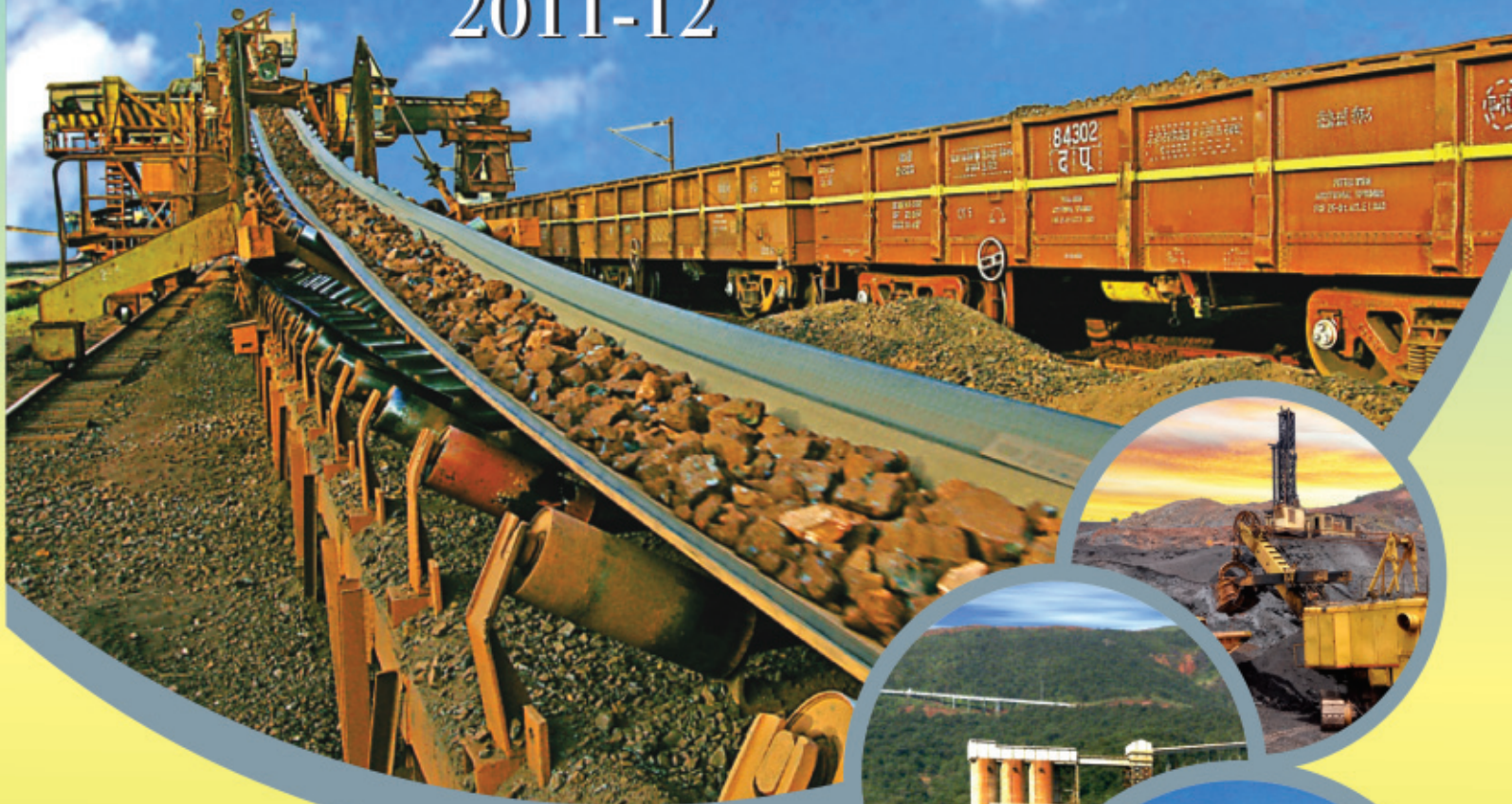


# 54<sup>th</sup> Annual Report 2011-12



**Making India  
a Resource Rich Nation**



**NMDC LIMITED**  
(A Government of India Enterprise)

[www.nmdc.co.in](http://www.nmdc.co.in)





Shri Beni Prasad Verma, Hon'ble Union Minister of Steel along with Shri D.R.S. Chaudhary, Secretary (Steel) and Shri C.S. Verma, CMD, NMDC at the release of A Road Map for Research & Development and Technology



Shri C.S. Verma, CMD, SAIL took over the additional charge of CMD of NMDC on 25th May 2012. On his maiden visit to Head Office, Hyderabad on 16th June 2012, he had deliberations with all the Functional Directors and CVO.

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#### **STATUTORY AUDITORS**

**M/s. Venugopal & Chenoy**  
Hyderabad, Andhra Pradesh

#### **BRANCH AUDITORS**

**M/s. Brahmayya & Co.**  
Visakhapatnam, Andhra Pradesh

**M/s. P.K. Subramaniam & Co.**  
Bellary, Karnataka

**M/s. Hari Gupta & Co.**  
Allahabad, Uttar Pradesh

#### **COST AUDITORS**

**Shri P.V. Prasad**  
Hyderabad, Andhra 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 - 500 028

## *Achievements*

◆ Turnover	–	Rs.	11,262	Crore
◆ Profit before Tax (including discontinued operations)	–	Rs.	10,759	Crore
◆ Cash Profit	–	Rs.	10,945	Crore
◆ Net Profit	–	Rs.	7,265	Crore
◆ Total Assets	–	Rs.	26,648	Crore
◆ Net Worth	–	Rs.	24,396	Crore
◆ Book Value per Share	–	Rs.	61.53	
◆ Earnings per Share	–	Rs.	18.33	
◆ Return on Capital Employed	–		33%	
◆ Return on Net Worth	–		30%	
◆ Dividend :				
- Interim	–		200%	
- Final	–		250%	
◆ Value added per Employee	–	Rs.	167.10	Lakh
◆ Output per Manshift (Iron Ore)	–		29.91	Tonnes

## Board of Directors



**C.S. Verma**  
Chairman-cum-Managing Director



**E.K. Bharat Bhushan**  
Director



**J.P. Shukla**  
Director



**Arvind Mahajan**  
Director



**R.N. Aga**  
Director



**Smt. Parminder Hira Mathur**  
Director



**Dronadeb Rath**  
Director



**S.J. Sibal**  
Director



**N.K. Nanda**  
Director (Technical)



**S. Thiagarajan**  
Director (Finance)



**Subimal Bose**  
Director (Production)



**S.K. Das**  
Director (Commercial)



**Rabindra Singh**  
Director (Personnel)



**Kumar Raghavan**  
Company Secretary & ED (L&CC)



**G.B. Joshi**  
Director (Personnel)  
(Upto 30.09.2011)



**Rana Som**  
Chairman-cum-  
Managing Director  
(Upto 31.12.2011)



**Y.K. Sharma**  
Director  
(Upto 18.06.2012)



**Abdul Kalam**  
Director  
(Upto 18.06.2012)



**K.S. Raju**  
Director  
(Upto 18.06.2012)



**S. Machendranathan**  
Director  
(Upto 16.07.2012)



**U.P. Singh**  
Director  
(Upto 30.07.2012)

As on 16.08.2012 (date of Printing)



## Senior Management



**Usha Chandrashekar**  
Chief Vigilance Officer (CVO)  
Head Office



**Atul Bhatt**  
Executive Director (BD)  
Head Office



**Ganesh Vishwakarma**  
Executive Director (Steel)  
NISP



**L.N. Mathur**  
Executive Director  
Donimalai



**V.K.S. Rathore**  
Executive Director  
Kirandul Complex



**Y. Venkata Swamy**  
Executive Director (Proj)  
Head Office



**L.B. Singh**  
General Manager  
Bacheli Complex



**K.M. Satish Kumar**  
General Manager (Engg.)  
Head Office



**N. Srinivasan**  
General Manager (Materials)  
Head Office



**D. Subba Rayudu**  
General Manager (Finance)  
Head Office



**C.E. Kindo**  
General Manager  
Panna



**G.S.S. Yadav**  
General Manager (PC)  
Head Office



**Alok Kumar Mehta**  
General Manager  
NISP



**S.K. Verma**  
General Manager  
Donimalai



**K. Harinarayana**  
General Manager (CSR & HRD)  
Head Office



**C.S. Joshi**  
General Manager (P&A)  
Head Office



**S.K. Pal**  
General Manager (IE & IS)  
Head Office



**Prashant Das**  
General Manager  
NISP

As on 16.08.2012 (date of Printing)

## Directors' Report for the year 2011-12

Dear Members,

Your Directors are pleased to present the 54th Annual Report on the performance of your Company, together with the Audit Report and Audited Accounts, for the year ended 31 March 2012 and the Report thereon by the Comptroller and Auditor General of India.

### 1.0 PERFORMANCE HIGHLIGHTS

The year under review has been a milestone year in which the Company has established yet again, new landmarks in its performance in various parameters. The Company has recorded turnover of Rs.11,261.89 crores mark and achieved Profit after Tax (PAT) of Rs.7,256.39 crores, which was the highest ever in its history.

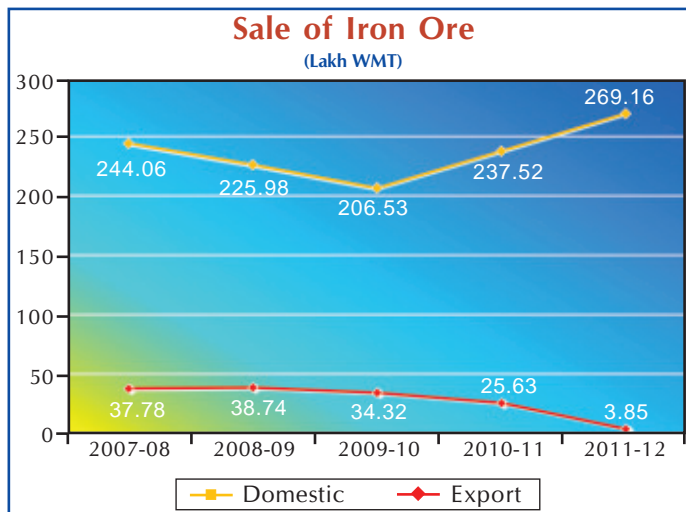
The major performance highlights are summarized as under:

- Turnover for the year under review was Rs.11262 crores compared to Rs.11369 crores in the previous financial year 2010-11 recording a decrease of 0.94%.
- Profit before tax from continuing operations was Rs.10,760 crores compared to Rs.9726 crores in the previous financial year 2010-11 recording an increase of 11%.
- Profit after tax was Rs.7,265 crores compared to Rs.6499 crores in the previous financial year 2010-11 recording an increase of 12%.
- Net worth increased to Rs.24,396 crores as on 31.03.2012, 27% higher than Rs.19200 crores in the previous financial year 2010-11.



Bailadila Iron Ore Mine, Kirandul Complex

- 1st Interim Dividend @ 100% on the paid up equity share capital of the Company aggregating Rs.396.47 crores was paid by the Company. 2nd Interim Dividend @ 100% on the paid up equity share capital of the Company aggregating Rs.396.47 crores was also paid by the Company. The total interim dividends paid by the Company aggregates Rs.792.94 crores.
- 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 269.16 lakh tonnes as against the previous year supply of 237.52 lakhs tonnes, recording an increase of 13.32%. Total exports of Iron Ore during the year was 3.85 lakh tonnes against 25.63 lakh tonnes in the previous financial year 2010-11 recording a decrease of 84.98%.
- Sponge Iron production during the year under review was 37,260 tonnes as against previous year 38,962 tonnes.
- Diamond production for the year under review was 18043.44 carats as against previous year 10,866 carats.
- The Company has completed acquisition of 50% stake in Legacy Iron Ore Ltd., a listed Australian Company engaged in exploration of iron ore and other minerals in Australia. Acquisition of 50% stake in Legacy marks the Company's first foray in international arena and shall serve as the platform for other international acquisitions.
- A wholly owned subsidiary Company by the name of NMDC Power Ltd. has been incorporated on 12.12.2011 for the purpose of setting up of a Power Plant for supply of power to 3 MTPA Integrated Steel Plant being constructed at Nagarnar.

## 2.0 PHYSICAL PERFORMANCE

### 2.1 Production

Product	Achievement		Percentage change
	2010-11	2011-12	
Iron Ore (lakh tonnes)	251.55	<b>272.60</b>	8%
Diamond (Carats)	10865.93	<b>18043.44</b>	66%
Sponge Iron (Tonnes)	38962.00	<b>37260.00</b>	(-) 4%



**Notes:**

- a) 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.
- b) Silica sand mining operations are suspended since November, 2007 due to commercial reasons and the Lalapur Silica sand mines are kept under care and maintenance.



Diamond Mining Project, Panna

**2.2 Sales of Iron Ore**

Particulars	Physical (in lakh tonnes)			Value (Rs. in crore)		
	Achievement		% of change	Achievement		% of change
	2010-11	2011-12		2010-11	2011-12	
Domestic	237.52	<b>269.16</b>	13.32	9753.85	<b>10894.63</b>	12.00
Export through MMTC	25.63	<b>3.85</b>	(-)84.98	1531.48	<b>272.93</b>	(-)82.00
<b>Total Sales</b>	263.15	<b>273.01</b>	3.75	11285.33	<b>11167.56</b>	(-)1.00

**2.3 Other Sales**

Products	Achievement	
	2010-11	2011-12
a) <b>Diamond</b>		
Sales (carats)	18421.22	<b>8085.00</b>
Value (Rs. in crore)	12.88	<b>9.84</b>
b) <b>Wind Power</b>		
Sales (lakh KWh)	137.11	–
Value (Rs. in crore)	4.48	–
c) <b>Sponge Iron</b>		
Sales (tonnes)	39775.00	<b>33731.79</b>
Value (Rs. in crore)	63.12	<b>67.29</b>

### 3.0 FINANCIAL PERFORMANCE

#### 3.1 Operating Results

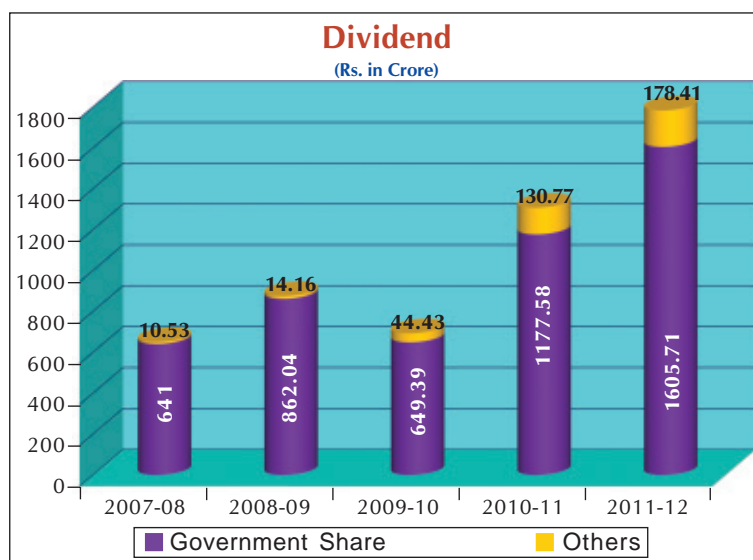
Parameter	Achievement		Percentage change
	2010-11	2011-12	
Profit Before Tax from continuing operations (PBT) (Rs. in crore)	9727	<b>10760</b>	11%
Profit After Tax (PAT) (Rs. in crore)	6499	<b>7265</b>	12%
Net Worth (Rs. in crore)	19200	<b>24396</b>	27%
Book value per share (Rs.)	48.43	<b>61.53</b>	27%
Earnings per Share (Rs.)	16.39	<b>18.33</b>	12%

#### 3.2 Profit & Dividend

During the year under review, your Company has earned profit before tax from continuing operations of Rs.10,760 crores on a turnover of Rs.11,262 crores in comparison with those of previous year's achievement of Rs. 9726 crores and Rs.11369 crores.

The Company has paid 1st interim dividend @ 100% on the equity shares of Re.1/- each aggregating Rs.396.47 crores and 2nd Interim Dividend also @ 100% on the paid up equity share capital of the Company aggregating Rs.792.94 crores. The

Board has recommended subject to shareholder's approval, payment of final dividend @ 250% on the paid up equity share capital of the Company aggregating Rs.991.18 crores. The total dividend payout for the year under review aggregates Rs.1784.12 crores. The share of Government of India stands at Rs.1605.71 crores.



### 4.0 DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

### 5.0 Hon'ble Supreme Court Verdict on mining in Karnataka

The Hon'ble Supreme Court suspended mining operations and transportation of iron ore in the area admeasuring 10868 ha in Bellary district vide its order in SLP(C) No.7366-7367/2010 dated 29.07.2011. NMDC complied with the said order and stopped all the mining activities including transportation of iron ore in both the mines i.e. Donimalai and Kumaraswamy.

Subsequently, Hon'ble Supreme Court of India vide the hearing held on 05.08.2011 made the following order:

- (i) A macro level Environment Impact Assessment (EIA) study is to be undertaken by Indian Council of Forestry Research and Education (ICFRE) in collaboration with Wild Life Institute of India, FSI and such other domain experts as may be decided by ICFRE in consultation with Ministry of Environment and Forests (MOEF) in respect of Bellary District. This report shall be submitted within 3 months.



Screening Plant at Donimalai

- (ii) In order to balance the environmental concerns with economic development and keeping in mind mandate of Article 21 of the Constitution including inter generational equity, the Court under extraordinary circumstances allowed NMDC alone to operate its mine at Donimalai (mining lease area 608 ha) and KIOM (mining lease area 647.5 ha) to the extent of providing 1 million ton per month commencing on 6th August 2011 till further orders.
- (iii) It has also been clarified that no part of these production shall be exported outside India till further orders. NMDC will sell the production to the states in consultation with Ministry of Steel, Govt. of India.

The Supreme Court order has made it possible to restart Kumaraswamy mines also where mining was stopped for quite some time due to Karnataka High Court order. As directed by Supreme Court, iron ore from Donimalai is sold through e-auction only conducted by Central Monitoring Committee.

**5.1 Subsequently, in the hearing of the Forest Bench held on 13.04.2012 the Hon'ble Supreme Court inter alia directed as under:**

- i) The boundaries of the mining lease in respect of NMDC mines at Karnataka shall be as per the findings of the Joint team and as modified by Central Empowered Committee (CEC);
- ii) In the larger public interest the mining operations in the two leases of NMDC has been permitted to be continued. However, NMDC will be liable to deposit penalty / compensation as payable for the mining leases falling in category 'B';
- iii) The sale of iron ore should continue to be through E-Auction and the same is to be conducted by the Monitoring Committee as constituted by the Supreme Court;
- iv) The system of sale through the Monitoring Committee may be reviewed after two years. The present members of the Monitoring Committee should continue for a period of next 2 years.
- v) A ceiling of 25 million metric tonnes (MMT) has been fixed from all mining leases in Bellary District. A ceiling of 5 MMT for production of iron ore from all the mining leases in Chitradurga and Tumkur Districts has been prescribed;
- vi) Preparation, Implementation and Monitoring of the Reclamation and Rehabilitation Policy will be under the supervision of Central Empowered Committee.

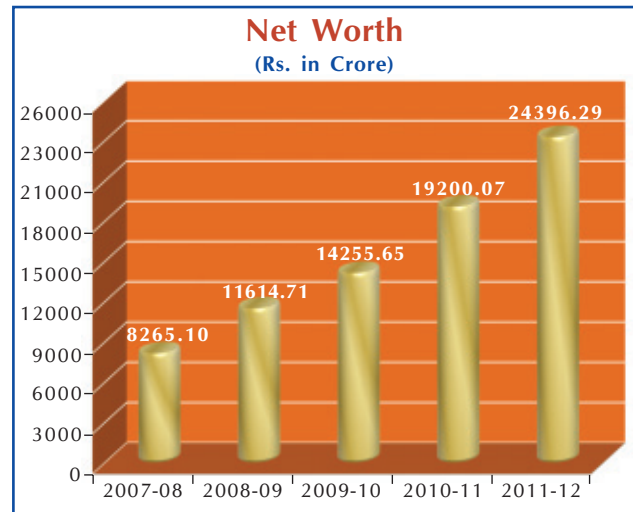


## 6.0 NEW PROJECTS & BUSINESS DIVERSIFICATIONS

### 6.1 Projects under construction

#### 6.1.1 Bailadila deposit-11/B

As part of plan to enhance production, the construction of Deposit 11B mine at an 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. Naxal activities have seriously hindered the progress of the project work. More than 80% work is completed. The balance work will be completed and the project will be commissioned during 2012-13.



#### 6.1.2 Uniflow System at Bachel

East Coast Railways has been assigned the work of execution of the "construction of Uniflow Despatch 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.30.92 crore has been deposited with East Coast Railways towards the estimated cost of the work based on the detailed estimate for Civil, S&T and OHE submitted by East Coast Railways.

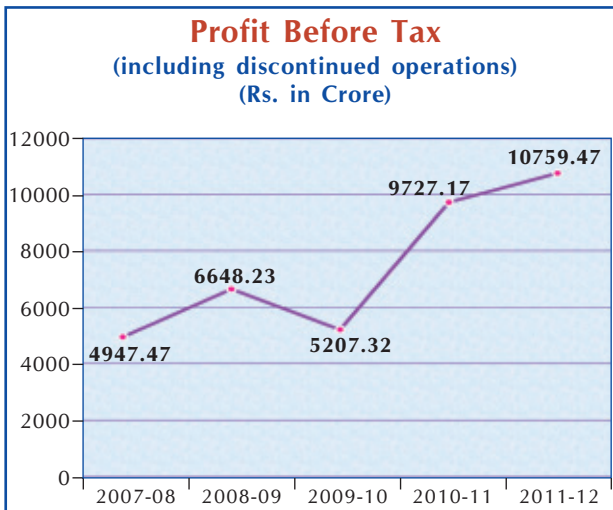
The work has been completed on 31.03.2012 and trial run/commissioning of the line is awaiting clearance from Commissioner of Railway Safety.



Shri C.S. Verma, CMD, NMDC along with Shri N.K. Nanda, Director (Technical); Shri Subimal Bose, Director (Production) and Shri Rabindra Singh, Director (Personnel) addressing Donimalai Project Employees

**6.1.3 Slurry Beneficiation and Transportation system from Bailadila to Vizag**

The Slurry Pipeline Transportation system is intended for transportation of Pellet Feed Concentrate from Bailadila to Vizag via Jagdalpur along State/National Highways with a provision of partial off-take at Nagarnar for making Pellets required for feeding to NMDC's proposed Steel Plant at Nagarnar. Techno Economic Feasibility Report (TEFR) is prepared by Mecon. IFCI carried out the Due Diligence of the TEFR and submitted the report during January, 2012. As a part of this Project, investment proposal involving 2 MTPA Ore Processing Plant at Bachel, Slurry Pipeline from Bachel to Nagarnar and 2 MTPA Pellet Plant at Nagarnar is under active consideration of NMDC's Board.



**6.1.4 BHJ Beneficiation Plant at Donimalai**

For treating low grade iron ore, Banded Hematite Jasper (BHJ), a Beneficiation Plant is being set-up at Donimalai Iron Ore Mine for processing 3.6 lakh tonnes per annum of BHJ iron ore to produce 1.18 lakh tonnes per annum of BF Grade Pellet Feed Concentrate at an estimated cost of Rs.134.42 crores. As part of plant construction, the work of setting up of Beneficiation Plant is awarded to Hindustan Dorr Oliver Limited (HDOL) and the scheduled date of commissioning of the Plant is 14.08.2013. Consultancy assignment for construction of Tailing Dam of capacity of 6.2 million tonnes is awarded on WAPCOS. Work of award of power supply and water supply packages are in various stages.

**6.1.5 Kumaraswamy Iron Ore Project**

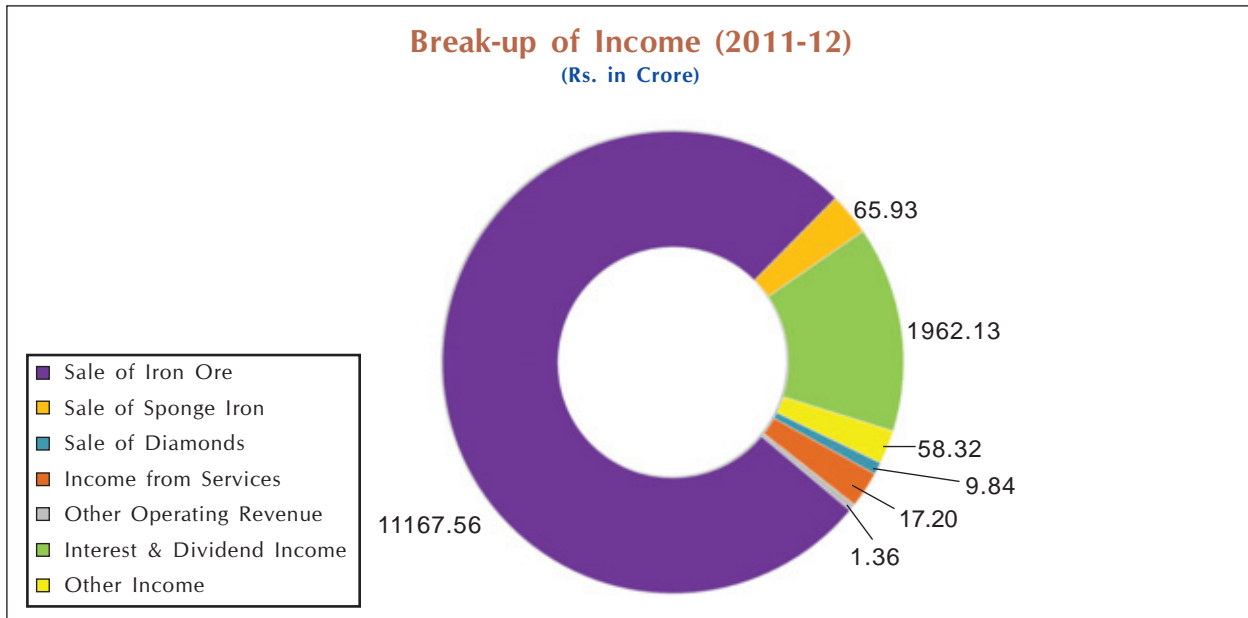
To compensate the depleting reserve of Donimalai Iron Ore Mine and augmenting production capacity towards achieving the target of 50 MTPA, the construction of Kumaraswamy Iron Ore Mine with capacity of 7.0 MTPA was taken up with an estimated capital outlay of Rs.898.55 Crs. MECON is appointed as EPCM consultant. The entire project has been planned to be executed in six packages. Work orders are placed for Crushing Plant Package, Downhill conveyor Package, Electrics and Substation package and Service Centre facilities packages. Orders for other minor packages like Approach road & Telecommunication system packages are planned to be placed by May'2012. Construction work is in progress. The project is scheduled to be complete by June 2013.

**6.1.6 Windmill in Karnataka**

Wind Mill in Karnataka has been stopped since 15th October, 2010, due to non-availability of forest clearance for part of the evacuation line, laid by Suzlon, who has set up the wind farm. While the application for forest clearance is



Sponge Iron Unit, Paloncha



pending with MoEF, Suzlon is also planning to lay another evacuation line through alternate route to restart the wind mill at the earliest.

#### 6.1.7 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.

1st Stage Forest Clearance of Arki lease has already been received from MoEF on 15.12.2011 and action has been taken to obtain demand note from DFO, Kunihar towards compensatory afforestation, NPV etc.

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 Private Land under Clause (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.

Under the MoU between NMDC and SAIL, M/s Tata Consulting Engineers Limited (TCE), Kolkata was appointed as a consultant and has submitted the Final draft of feasibility Report of Arki Limestone Deposit and the same is being submitted to the respective



Visit of Shri C.S. Verma, CMD, NMDC to Donimalai Mine



Board of NMDC and SAIL. The Mining Plan with Progressive Mine Closure Plan earlier submitted to IBM Regional office at Dehradun and further to the office of the Controller of Mines (North) IBM, Ajmer has been scrutinized and the approval of the mining plan has been received.

**6.1.8 Panthal Magnesite Project**

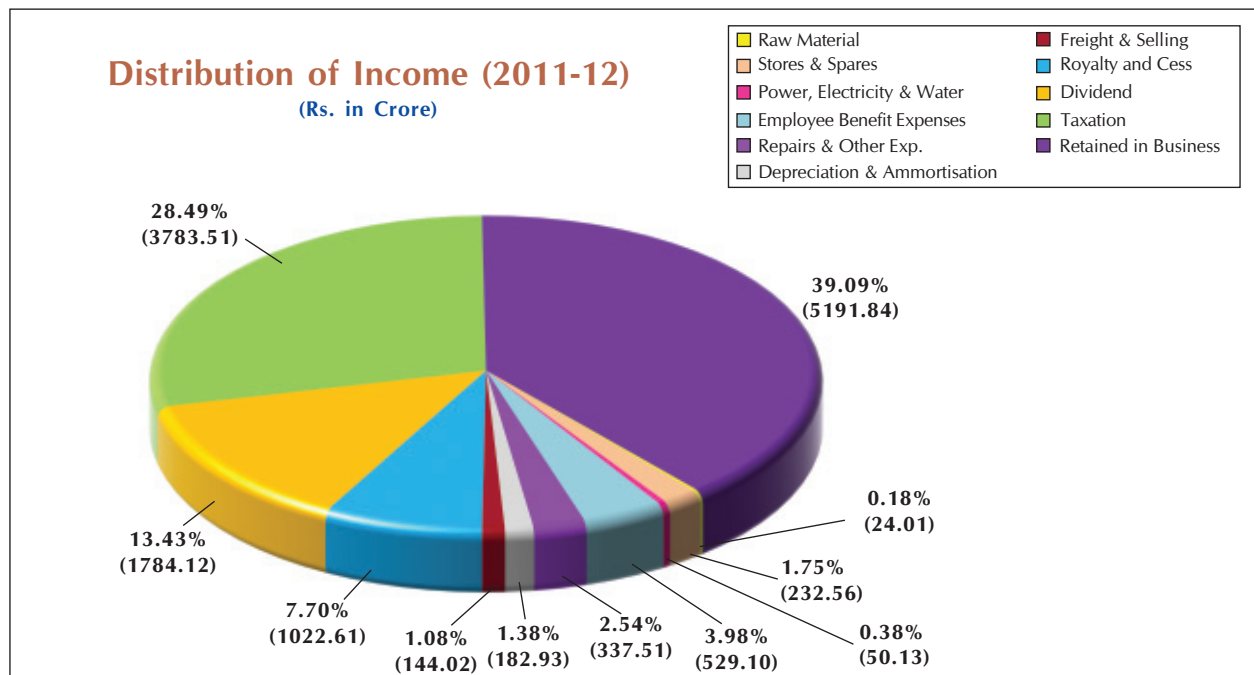
NMDC has formed a Joint Venture Company with J&K Minerals Limited in the year 1989 to explore and exploit Panthal magnesite mine and to produce dead burnt magnesite. The Joint Venture is named as J&K Mineral Development Corporation Ltd and is a subsidiary of NMDC. After an initial phase of uncertainty regarding future of the Panthal Magnesite Plant due to inadequate demand in the market, J&KMDC Board in its 93rd meeting held on 27.08.2009 decided to revive the project. NMDC Board in its 417th meeting held on 07.01.2010 endorsed to revive the project by setting up a 30,000 TPA Dead Burnt Magnesite plant.

Mining Lease renewed for 10 years w.e.f from 11.01.2009 and registered on 21.05.2010. Mining lease was transferred to J&KMDC on 10th Jan'2011. It has been registered on 07.04.2011 at Hon'ble court of Katra in favor of J&KMDC.

Public hearing for Environmental Clearance (EC) was held successfully. MoEF has issued E.C on 03.05.2011 subject to obtaining NOC from NBWL. NBWL vide its letter dated 14.11.2011 & corrigendum dated 31.01.2012 has issued NOC to J& K state Forest department. J&K has issued NOC dated 13.03.2012.

M/s Dasturco is appointed as EPCM consultant. The Project is planned to be executed in four major packages. Soil investigation work Completed. Work order is placed for "Balance civil works" package. Tender enquiry floated for main technological package and discussions are underway to clear commercial issues.

Meanwhile, a PIL has been filed against Panthal Magnesite Project in Hon'ble high court of J&K in March'2012, which has issued an interim order for maintaining "status quo" of the project. NMDC / J&KMDC have initiated legal proceedings and has appointed senior advocate of J&K for filing the case.



### 6.1.9 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. This plant caters 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 activities are in progress.

MoEF has accorded 1st stage clearance in Jan'2012. Second stage clearance is awaited. Project is scheduled to be completed in 27 months after obtaining statutory clearances.

### 6.1.10 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 the slimes for making pellets. M N Dastur & Co. appointed as EPCM consultant. Execution of Project is divided into Six Packages. The estimated capital expenditure is Rs.572 Crores. Orders placed for Site leveling, Misc. Building, MRSS and Pelletization Package and Beneficiation packages. Works are in progress. Project is scheduled to be complete by April 2013.

### 6.1.11 3.0 MTPA Integrated Steel Plant in Chhattisgarh

As you are aware, your Company is setting up a 3.0 MTPA Steel Plant at Nagarnar near Jagdalpur, Chhattisgarh at an estimated cost of Rs.15,525 Crore where the Company is in possession of about 1801 acres of land. 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 1968 acres of land at Nagarnar for the Plant and Township.

All necessary statutory clearances have been obtained. Rail Transport Clearance was received on 17.02.2009. Railway consultants were appointed on 29.12.2009 and detailed site survey for the rail line connectivity was completed on 16.05.2010 by the Consultants. 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 which is under process. Further to the discussions with East Coast Railway officials in 25th November 2011, Engineering Scale Plan has been submitted to East Coast Railway, Waltair on 28.02.2012 which will form a part of the DPR.

State Govt. of Chhattisgarh has sanctioned water and power for construction as well as for operation



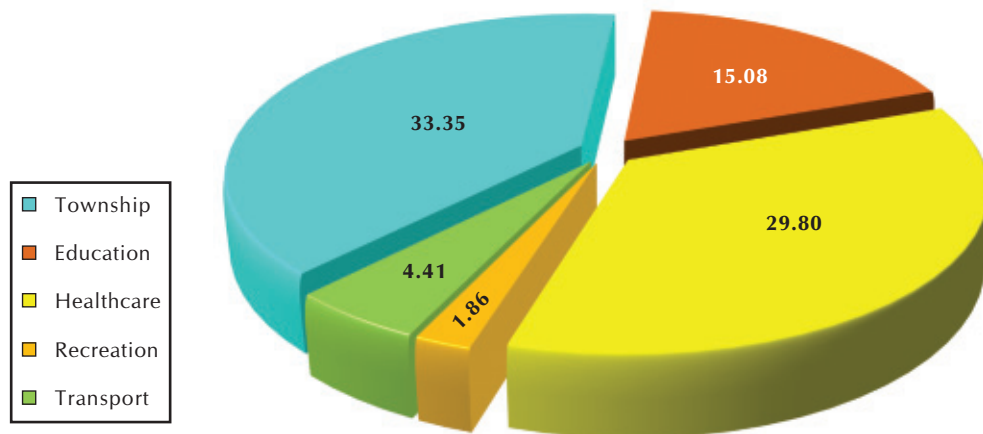
Pressure Filter for Slurry Filtration



Stacker in Operation

**Break-up of Expenditure in Social Amenities (2011-12)**

(Rs. in Crore)



of the plant. Chhattisgarh State Power Transmission Company Limited will construct power line from Jagdalpur to Nagarnar on deposit basis for which necessary charges have already been paid.

Engineering Consultancy and Project Monitoring Services contracts have been awarded to M/s MECON Ltd. Enabling works packages like site levelling, Plant Entrance Road, Construction water, Construction power and construction of plant boundary wall were awarded and works are in progress at site.

For providing power for operation of the steel plant, Chhattisgarh State Power Transmission Company Limited (CSPTCL) has awarded work order for the construction of 400 KV transmission line from Raipur to Jagdalpur and 400/220 KV substation at Jagdalpur. The cost of construction of 400 KV transmission line from Raipur to Jagdalpur will be equally shared by NMDC & CSPTCL. PFC Consultancy Limited (A Public Sector Company) has been engaged as consultant for setting up a Coal based power plant of 250 MW capacity on Joint Venture basis to supply power to steel plant and remaining other units of NMDC. The JV partner will be selected through competitive bidding. A Special Purpose Vehicle (SPV) called "NMDC Power Limited "has been formed for the purpose.

Out of the 9 Major Technological packages, viz. Sinter Plant, Blast Furnace Complex, Raw Material Handling System, Coke Oven Plant, By Product Plant packages have been awarded. All orders have been issued. Civil construction works for major technological packages have been commenced at site. Auxiliary packages like Permanent water, Power and Blowing Station, Turbo Blowers and Main Receiving Sub -station are in final stages of order placement.

**6.1.12 Steel Plant at Bellary, Karnataka**

In line with the MoU signed between the Government of Karnataka and your Company,



Drill Machines in operation





NMDC Board of Directors

action for setting up of a 3 MTPA Integrated Steel Plant at Bellary, in the state of Karnataka has been initiated by the Company. Acquisition of about 3000 acres of land for the proposed steel plant through Karnataka Industrial Area Development Board (KIADB) is under process subsequent to publication of statutory notifications in the gazette of Karnataka in this respect. Your Company has deposited Rs.158.67 Crore with KIADB, being the tentative cost of the land plus service charges payable to KIADB in terms of the agreement executed between your Company and KIADB. Government of Karnataka accorded approval towards allotment of water and power for operation of the proposed steel plant. M/S MECON have been engaged as consultant for preparation of Techno Economic Feasibility Report (TEFR).

## 6.2 Other initiatives

### 6.2.1 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.

Mining plan for the area has been approved by Indian Bureau of Mines (IBM) on 12.09.2008 for obtaining forest clearance which is being pursued. Forest clearance proposal has been returned by MoEF as the area is having high bio-diversity values. IIRBT, Kolkata has been engaged for undertaking Bio-diversity study for approaching to MoEF for restoration.

### 6.2.2 Bailadila Deposit-4

It is envisaged to develop Deposit 4 with CMDC Ltd. as 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. Ministry of Mines vide letter dated 30.11.2011 has given the prior approval for grant of ML in favour of NMDC over an area of 646.60 Ha.

Secretary, MRD Govt of Chhattisgarh vide letter dated 13.01.2012 has issued the letter of intent allocating the "precise area" of 646.60 ha to NMDC and asked NMDC to submit the Mine Plan approved by IBM within 6 month of the date of issue. Mining plan preparation is under progress.

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

The levelling for erection of railway track between Dalli-Rajhara to Bhanupratappur which is around 35 kilometers, from Bhanupratappur to village Kewanti around 10 kilometers and from Kewanti to Anthagarh which is around 15 kilometers, is in progress. Further, tree felling and other works could not be taken up due to naxal activities.



Performance Review Meeting of NMDC being taken by Hon'ble Union Minister of Steel Shri Beni Prasad Verma

#### 6.2.4 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 objective of the joint venture is to primarily acquire coking and thermal coal assets abroad. Recently it has identified coal projects in Australia, New Zealand and Mongolia. These proposals will be taken forward jointly.

#### 6.2.5 Memorandum of Understanding with Andhra Pradesh Mineral Development Corporation (APMDC), Govt. of A.P. and NMDC Limited for Mineral Exploration in the State of A.P.

NMDC has signed an MOU with Andhra Pradesh Mineral Development Corporation (APMDC) on 50:50 basis for joint exploration work for:

- a) Iron ore in Chittur, Kadapa, Kurnool and Karimnagar districts.
- b) Gold in Chittur, Ananthapur and Kurnool districts.

#### 6.2.6 NMDC Global

##### Strategic Alliances

##### Implementation Protocol with Severstal

Your Company has signed an implementation protocol with OAO Severstal for jointly setting-up an integrated steel plant with an initial capacity of 3 MTPA (expandable to 5 MTPA) in Bellary-Hospet area of Karnataka. The proposed partnership will complement the strengths of both the partners with NMDC organising the supply of iron ore and Severstal taking responsibility for supplies of coking coal. The techno-economic feasibility study has been completed by MECON and NMDC has since made significant progress on critical issues such as land acquisition, water allocation etc.

##### JV with Kopano Ke Matla Investment Company (Pty)

A JV Company, Kopano-NMDC Minerals Pty Ltd. has been incorporated in Johannesburg, South Africa to acquire and develop mineral prospects of steel making and energy raw materials such as Iron Ore, coal and manganese ore.

##### ITMK3 Based Nugget Plant

The ITMK3 initiative proposes the production of high quality iron nuggets by utilizing iron ore fines and non-coking coal. Your Company has made significant progress on the project by completing the empirical lab testing of the process based on a combination of input raw materials from NMDC's mines and tailing ponds as well as non-coking coal from India. The partners have agreed on setting up the plant at the spare land available with NMDC at Paloncha and executed a protocol agreement to expedite the initiative.

### Met/Foundry Coke from Indian Thermal Coal (CARBONITE PROJECT)

Carbonite Acquisition LLC (CAL) have patented Carbonite, the upgraded coal product using variety of coal like bituminous, sub-bituminous etc., while emitting less CO<sub>2</sub> during the process. CAL expressed interest to be associated with NMDC for developing the technology for producing foundry and blast furnace coke. The development of new technology is basically aimed to upgrade thermal coal to suit to steel production. During July 2011, Dr. Wolfe and his associates continued to produce India Carbonite with simultaneous evaluation of the India coal samples, testing a variety of coal blends and analyzing the Carbonite output. The Carbonite research team is analyzing and utilizing each of the three India coal samples. They are also examining different formulations for briquetting.



Hon'ble Union Minister of Steel Shri Beni Prasad Verma addressing the gathering after laying the foundation stone for construction of Community Centre at Rasoolpura, Barabanki, UP

### Renewable Energy Bio-Mass Plant

NMDC has identified Renewable Energy as an area of interest as a responsible corporate and in line with this objective has explored entry into the Bio Mass based power plant sector. They have suggested that Donimalai site is favorable for installation of a biomass based power plant of minimum capacity of 5 MW, but, the exact capacity may be even 8-10 MW which can be ascertained after a Biomass Assessment Survey and the preparation of Feasibility cum DPR.

### 6.3 Foreign venture

#### 6.3.1 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. National Environmental Management Committee (NEMC) has granted Env. Clearance for the Bulyang'Ombe area. The Ministry of Energy & Minerals, Govt of Tanzania has granted 4 ML's in Bulyang'Ombe for a period of 10 years w.e.f. 13.02.2012. NMDC Board has decided that Gold Mining Project at in Bulyang'Ombe will be developed by NMDC.

#### 6.3.2 Iron Ore

NMDC Global in line with its strategic objective of augmenting its resource base of iron ore has progressed in the acquisition of early stage iron ore mineral assets in Australia and Brazil. It now proposes to develop these tenements by leveraging its core competencies in mine exploration and development.

#### 6.3.3 Australia

##### Acquisition of 50% Equity in Legacy iron Ore, Perth, Australia

NMDC Global has taken the first step towards the realization of its vision of making NMDC a Global Company by acquisition of 50% equity in Legacy Iron ore Limited, an ASX listed entity based in Perth, Australia. Legacy Iron Ore is a vibrant Perth-based Australian Exploration Company, established to search for iron ore and gold deposits. After the entry of NMDC in as a majority shareholder in Legacy, it also proposes to diversify into coal.

Legacy holds highly prospective iron ore tenements in both the Central Yilgarn and Pilbara areas of Western Australia. All project areas are located close to established infrastructure. Legacy's major gold focus



lies in the South Laverton region, where the Company holds some 560 square kilometres of prospective ground.

Legacy has recently announced JORC inferred category resource of 1.59 billion tonnes @30.2% Fe at its Flagship project Mt. Bevan where it will earn 60% interest as per the Farm In and Joint Venture agreement with Hawthorn Resources Ltd. This significant JORC resource increase provides evidence establishing Mt Bevan as a premier magnetite ore body with good potential for attractive project financials.

NMDC has since nominated three Directors on the Board of Legacy and Shri N.K.Nanda, Director (Technical) and the then CMD I/c, NMDC has been appointed as Chairman of Legacy.

#### **6.3.4 Brazil**

##### **Inked an MoU for Exclusivity for Amplus Iron Ore project in Amapa, Brazil**

Your Company has signed an MoU with Amplus Mineracao LTDA, a Company having iron ore concessions in the State of Amapa in Brazil located 200 kms from the Port of Santana as per which it has been granted an exclusivity period during which it will complete due-diligence and enter into a binding term sheet for acquisition of significant equity into the project. Amplus Mineracao Ltda proposes to develop the property for production of lump ore and sinter feed products.

#### **6.3.5 Coking Coal**

##### **Mozambique**

Your Company has taken forward its discussions for acquisition of equity with equivalent offtake in Sol Mineracao Mozambique, a prospective coking and thermal coal assets company. Sol Mineracao Mozambique owns the coking/thermal coal tenement 400L located in the Mutarara district of Tete Province spread over 37sq km with an exploration target of 500 million tons. The exploration activity is complete in the precise area and is due for the grant of Mining license.

##### **Russia**

Your Company continues to pursue acquisition of coking coal mineral assets in Russia and is presently in discussions for acquisition of strategic stake with a coking coal company located in Kuzbass basin in Kemerovo region, one of the largest coal mining areas in the world. The target asset has total recoverable reserves of about 50 million tons including 10 million tons reserves in open cast mines with an upside potential of an additional 100 million tons.



NMDC and Severstal sign an Implementation Protocol in Moscow in the presence of Shri Beni Prasad Verma, Hon'ble Minister of Steel

**USA**

Your Company has been scouting for various acquisition opportunities in coking coal in West Virginia, Virginia, Pennsylvania, Alabama and Kentucky. The assets being targeted are producing or near production coking coal mines. The Company continues to hold negotiations with the management/promoters of the targeted assets.

**6.3.6 Phosphate and Potash**

Your Company has identified a large phosphate deposit at Australia for participation. NMDC entered into an MOU and has appointed a transaction advisor

to conduct independent diligence on the Company and its assets. Based on the recommendation of the Transaction Advisor, the project was not pursued in view of the risks not being commensurate with the returns.

Further upcoming rock phosphate projects in Africa have been under consideration, which have the capacity to meet the quality requirements of Indian fertilizer industry.

**6.4 Leases for minerals****6.4.1 Iron Ore****6.4.1.1 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.

**6.4.1.2 The PLs being pursued in Chhattisgarh**

Your Company has applied for 12 PL's in Dantewada District (2006-2008). In addition to that, your Company has also applied for 3 PLs in Kanker District in Sept - 09. Your Company is pursuing all the applied PLs with Chhattisgarh Govt.

**6.4.1.3 In Jharkhand****Sasangada:**

Your Company applied for PL / ML in the west Singhbhum district. State Govt. recommended to Central Govt. for prior approval for grant of PL in favour of JV Co. (NMDC & JSMD). MoM, GoI has conveyed its prior approval for grant of PL in favor of JV of NMDC Ltd & JSMD for a period of 3 years. Grant order from State Govt. is awaited. The formation of JV Company is in process.

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. geological mapping and topographical survey on 1:4000 scale has been completed. The Exploration work is under progress.



Reclaimer in Operation

**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.

Your Company has applied for 3 PL's (1 in June 2010 & 2 in March 2011) in West Singhbhum District.

**6.4.1.4 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 6 PL applications (June 2010) in Tumkur, Bellary and Chitradurga Districts. Your company has applied 7 ML applications in Karnataka (4 against Govt Notification & 3 in Donimalai Range (Dec 2010).

**6.4.1.5 In Orissa**

Your Company is pursuing for ML for Mankadnacha iron ore.

**6.4.2 Gold**

**6.4.2.1 In Jharkahand**

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

**6.4.3 Diamond**

**6.4.3.1 In Andhra Pradesh**

Your Company is pursuing forest permission for exploration in 3 PLs falling in the Forest area (Renewal application submitted) in Kalyandurg area, Anantapur District. Forest permission & renewal is expected shortly.

**6.4.3.2 In Madhya Pradesh**

Your Company has carried out exploration work in granted 2 PLs (Baghain & Sarang). Renewals have been applied for these two PLs. MoM, Gol has granted prior approval for grant of PL of Rampura Motwa. Your Company is also pursuing for other 2 PLs viz., Karmatia and Lakshmpur for early grant in favour of NMDC.



Wagon Loader in Operation



### 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 & some areas have been identified for further exploration based on positive results.

### 6.4.4 Platinum Group of elements

#### 6.4.4.1 In Uttar Pradesh

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



Shri N.K. Nanda, Director (Tech.) and Shri S.K. Das, Director (Comml.) on behalf of NMDC received the Star PSU Award from Shri Prithviraj Chavan, Hon'ble Chief Minister of Maharashtra

### 6.4.5 Coal

Shahpur East (Area. 693 ha) and Shahpur West (Area 587.5 ha) Coal blocks allotted by MoC, New Delhi under Government Dispensation route for commercial mining. Both coal blocks were regionally explored by GSI. Later NMDC conducted detailed exploration through MECL, Nagpur and obtained Geological Report of both the Coal blocks. Based on Geological Report, Mining Plans along with Mine Closure Plan was prepared through consultant and submitted to Ministry of Coal, Government of India, New Delhi for approval on 07/06/2010.

Presentation for approval of Mine Plan of Shahpur East Coal Block and Shahpur West Coal Block were made by NMDC on 15.11.2010 and 29.04.2011 respectively before Ministry of Coal.

Mine Plan of Shahpur West Coal Block after incorporating the queries as suggested by Standing Committee of MoC, New Delhi and the same was approved on 07.02.2012 by MoC, GOI. Approval letter on Shahpur East Coal Block is yet to be received.

Land acquisition applications for the both blocks are likely to be submitted to concerned District Collector, Shahdol and Umaria District by May, 2012.

In addition to that Mining Lease application of above both Coal blocks have been forwarded from MRD, Bhopal to Ministry of Coal for prior approval. Mining Lease applications are pending with MoC, New Delhi. Ministry of Coal, New Delhi requested to MRD, Bhopal to submit duly filled Form-K for Shahpur East and Shahpur West Coal block for prior approval of Mining Lease. NMDC forwarded the same to the office of MRD, Bhopal for onward submission.

Detailed Project Report of both the coal blocks is under preparation so that NMDC could go ahead with the development of the coal blocks engaging a suitable Mine Developer cum Operator.

The Status of Applied Coal Block under Government Dispensation route for captive use / Commercial Mining are as under:

No. of Coal Blocks	Name of the Coal Blocks	Applied on	Reserve (MT.)	Grade	Remarks
4	Rauthpara (Jharkhand)	16.11.2009	190	VIV/ UNGD	Applied under government dispensation route for captive use
	Parbatpur North (Jharkhand)		230	VIV/UNGD	
	Pachwara South (Jharkhand)		279	E-F	
	Tokisud South (Jharkhand)		160	E-F	
1	Banai (Chhattisgarh)	06.05.2010	510	E-F	Applied under government dispensation route for commercial mining
1	Kudanal-Lobori (Orissa)	29.10.2010 reappplied on 19.12.11	364	E-F	Applied under government dispensation route for commercial mining. MoS forwarded the Application to MoC on 29.12.2011
1	Jhirki-Jhirki West (Jharkhand)	30.06.2011 reappplied on 19.12.11	301	WIV	Applied under government dispensation route for captive use. Pending with MoS.
1	Bhalumara (Chhattisgarh)	26.04.2011 reappplied on 19.12.11	650	E-F	Applied under government dispensation route for commercial mining. MoS forwarded the application to MoC on 29.12.2011
1	Bandha (M.P.)	06.03.2012	405	F-G	Applied under government dispensation route for commercial mining. MoS forwarded the application to MoC on 12.03.2012

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

**6.4.6 Bauxite**

**6.4.6.1 In Jharkahand**

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.

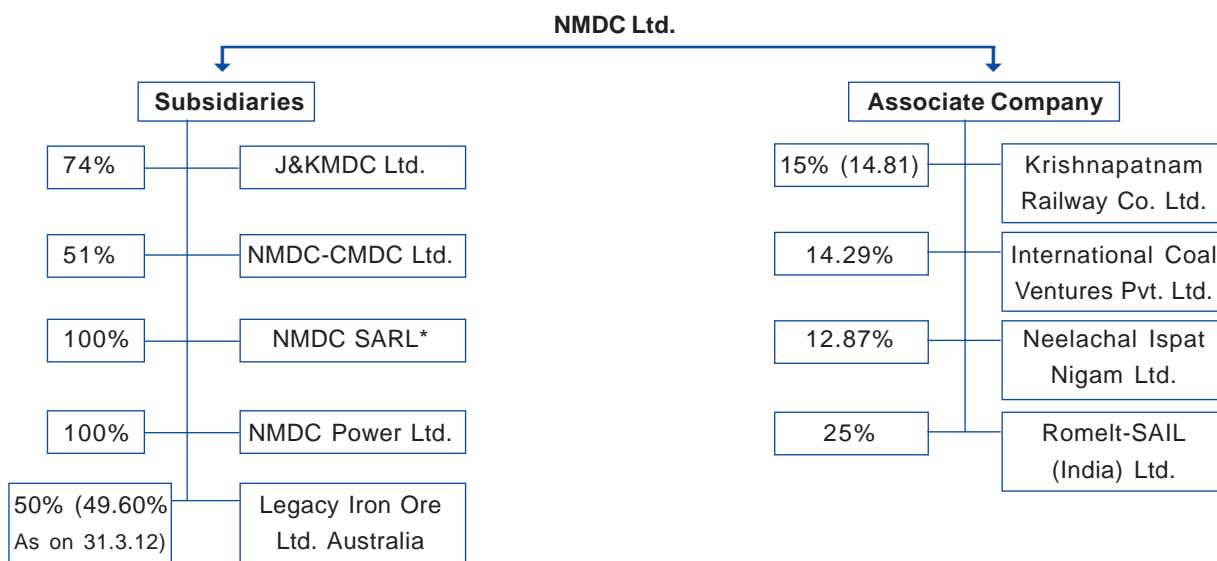
**6.4.7 Dolomite:**

**6.4.7.1 In Chhattisgarh**

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

## 7.0 SUBSIDIARY / JOINT VENTURE COMPANIES MONITORING FRAMEWORK

NMDC has five subsidiaries and stake in four 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 Indian 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 SARL, Madagascar

The annual report of the subsidiary Company is annexed. The wholly owned subsidiary Company is under closure.

### 7.4 NMDC Power Ltd. (NPL)

In terms of provisions of Section 210 of the Companies Act, 1956, NPL has applied to Registrar of Companies, Hyderabad seeking approval for 1st financial year to commence from the date of incorporation i.e. 12.12.2011 till 31.03.2013. Approval from Registrar of Companies, Hyderabad is awaited. Accordingly, the Annual Report of NPL shall be annexed w.e.f. financial year 2012-13.



## 8.0 ENVIRONMENT MANAGEMENT:

Your Company has been accredited with ISO: 14001: EMS in respect of Bailadila Deposit-14/11C, Deposit-5, 10/11A, Donimalai and Panna Projects. Your Company has received Environmental Clearance for capacity expansion of Bailadila Deposit-10 from 3.3 to 4.2 MTPA and Deposit-11A from 1.7 to 2.8 MTPA from MoEF, GoI. Your company also received stage-1 approval for diversion of 65.936ha revenue forest land for construction of SP-III at Kirandul and 84.36 ha forest land at Arki Limestone Project from MoEF, GoI. Government of Karnataka, FEE Department has also accorded final forest clearance for renewal of Donimalai iron ore mine over 608ha of forest land. Your Company has also obtained temporary working permission from MoEF, GoI to continue the plant operations till 22.06.2012 at Panna Diamond Mining Project.

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.

Corporate Level Tripartite Safety Committee Meetings are being held regularly once in a year at Head Office. 23rd Corporate Level Tripartite Safety Committee Meeting of Donimalai Iron Ore Mine was conducted on 09.03.2012 and of Bailadila Iron Ore Mines/Diamond Mining Project was conducted on 12.04.2012.

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 2011-12 is 0.46 and 5.87 for the year 2010-11.

## 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. II Surveillance Audit was conducted successfully at BIOM, Bachel Complex and BIOM, Kirandul Complex in the month of October 2011. I Surveillance Audit was conducted successfully at Donimalai Iron Ore Mine and at R&D Center in the month of October 2011.

### 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. II Surveillance Audit was conducted at BIOM, Kirandul Complex & BIOM, Bachel Complex in the month of August 2011; Donimalai Iron Ore Mine in the month of November 2011 and Certification Audit of Diamond Mining Project, Panna was conducted on 23.11.2011 and was recommended for Certification.



23rd Corporate Level Tripartite Safety Committee Meetings were organized at Hyderabad

#### 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 INTEGRITY PACT:

- i) 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.
- ii) All the tenders for the contracts and civil works above threshold value of Rs.20.00 crore and procurements above threshold value of Rs.10.00 crore are the subject matters of Integrity Pact.
- iii) After the implementation of said programme, Head of Safety Dept. was appointed as Nodal Officer and a Review Committee comprising of Functional Directors of NMDC was constituted. This Committee was also vested with the powers to modify the Integrity Pact procedure and systems.
- iv) 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.
- v) Till date a total of 63 cases of tenders with an indented value of Rs.17905.81 Crore were covered under the Integrity Pact.

#### 12.0 NMDC's R&D Centre at Hyderabad

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

#### 13.0 Global Exploration Centre, Raipur.

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

**14.0 IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY**

During the year under review, NMDC Limited made all efforts for the implementation of the Official Language Policy and for the use of Official Language in all its Projects, Units and Head Office.

Hindi Workshops were conducted for employees to make them efficient to use Official Language in their day-to-day official work. During Hindi Workshops all employees were imparted Micro Soft Indic Computer training on Phonetic Hindi Keyboard. A training programme on MS Indic and Intelligent Keyboard was also organized for the Rajbhasha officers and their subordinates of all Projects and Officers/Incharges of the Units related to Rajbhasha work on the occasion of Rajbhasha Sammelan.

To bring awareness among the employees and their family members as well as employees of Central Govt. / Central Govt. Undertakings/ State Govts Offices situated in the vicinity of NMDC Office, various Competitions were also conducted and prizes were awarded to winners during Rajbhasha Saptah / Pakhwara/Maah.

Monthly Hindi Cash Incentive Schemes were implemented to propagate the usage of Hindi and large number of employees were benefitted under this scheme.

To encourage the employees to implement Official Language Hindi in the technical fields Rajbhasha Technical Seminars were organized and Technical Seminar Patrika and Rajbhasha Souvenirs were also published.

During the year House Journals viz. "SHE Samachar", "NMDC Patrika" in bilingual quarterly and Monthly bulletins "Baila Samachar", "Bacheli Samachar" and "Hira Samachar" in Hindi and "Doni Samachar" in trilingual were also published.

NMDC Limited was awarded "Ispat Rajbhasha Protsahan Shield" by the Honorable Minister of Steel, Ministry of Steel, New Delhi for the undertakings situated in 'C' Region, for the excellent implementation of the Official Language Policy and Progressive Use of Hindi in the year 2010-11.

NMDC was also awarded Rajbhasha Shield as 1st Prize for the year 2010-11 by the Town Official Language Implementation Committee (Undertakings) Hyderabad-Secunderabad, for excellent implementation of the Official Language Policy.

**15.0 Manpower**

**15.1 Employee-Employer relations**

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

**15.2 Scheduled Castes & Scheduled Tribes**

15 persons belonging to Scheduled Castes and 13 persons belonging to Scheduled Tribes were appointed in the year 2012 against 139 posts filled in by direct recruitment.

**15.3 Strength of SCs & STs as on 31st March 2012**

1.	Total number of employees	=	5924
2.	Scheduled Castes amongst them	=	1070
3.	Scheduled Tribes amongst them	=	1288
4.	Total SCs and STs	=	2358
5.	Physically challenged employees	=	39



**15.4 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.**

NIL

**15.5 Staff Welfare activities**

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

**15.6 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.

**16.0 HUMAN RESOURCES DEVELOPMENT**

Employee's Development Services are delivered through In-Company, External and Foreign Training modes. The HRD Index of all the employees as percentage of total training man days / total working man days was 1.35 against the target of 1.11. The average training man days per employee was 3.8.

**16.1 External Training Programmes & In-Company Training Programmes**

Employees across the Company were nominated to External (290) and In-Company (103) Training Programmes at different locations on various subjects.

**16.2 Foreign Training Programmes**

9 Foreign Programmes were attended by 17 NMDC employees.

**16.3 Executive Trainees**

56 Executive Trainees joined the Company.

**17.0 VIGILANCE**

Smt. Usha Chandrasekhar, IPoS has taken charge as CVO, NMDC on 19.09.2011 after the completion of tenure of Shri. N V Raja Shekar, IFS as CVO, NMDC on 31.04.2012.

Vigilance Department in the Company has been focusing on "Preventive and Proactive Vigilance". Periodic Review Meetings with Vigilance officers were held from time to time wherein various discussions were held 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. Further, Vigilance Department coordinated with the other departments in the organization in improving upon the existing procedures and systems to achieve the overall objectives of the Company.

The Vigilance Department is certified for compliance to ISO Certification 9001:2008 standards. Surveillance Audit was conducted on 17.10.2011 by M/s. Integrated Quality Certification (P) Ltd. This has ensured continual improvement in Quality Management Systems.

Vigilance Department has been overseeing the implementation of Integrity Pact in the Company. Till date, 65 contracts valuing Rs.17967.67 Crores have been covered under this Pact.



Shri S.Bose, Director (Prod.) and Shri S.K Das, Director (Comm.) on behalf of NMDC received the QCFI Best Organization Award from His Excellency E.S.L. Narasimhan, Governor of AP.

Vigilance Awareness Week 2011 was observed from 31st October to 5th November 2011. During the Week, various programmes were conducted including talks by eminent personalities on "Participative Vigilance"; Essay Competition; Elocution and Quiz Programmes. On the Concluding Day, a talk by Shri. N Vittal, Former Central Vigilance Commissioner, CVC was organized. Prizes along with the Certificates signed by Shri. N Vittal and Shri. Rana Som, CMD NMDC Limited were distributed to the winners in the competitions held during the Week. Vigilance Awareness Week was also observed at all the Units of NMDC including Regional Offices.



Vigilance Awareness Week at NMDC

As an initiative towards proactive vigilance, a Questionnaire on the effectiveness and awareness of vigilance among the employees was circulated to all the officers of the Units and Head Office for their feedback.

As another step towards proactive vigilance, NMDC Management has approved strengthening of vigilance functionary in the organization by four Senior Executives and five Junior Executives.

**18.0 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 2012, 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;
- 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.

**19.0 DIRECTORS**

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

Name of the Director	w.e.f
i) Shri C.S. Verma, CMD	w.e.f. 25.05.2012
ii) Shri N.K. Nanda, CMD (Additional Charge)	w.e.f. 01.01.2012 upto 24.05.2012
iii) Shri S. Bose, Director (Production)	17.06.2011
iv) Shri S.K. Das, Director (Commercial)	11.08.2011
v) Shri Rabindra Singh, Director (Personnel)	01.10.2011
vi) Shri S.J. Sibal, Independent Director	28.12.2011



NMDC Polytechnic College, Dantewada

In terms of Ministry of Steel's, Govt. of India letter No.4(13)/2010-RM-I (Vol-II) dated 25.05.2012, inter alia, it has been decided with the approval of Hon'ble Minister of Steel to assign additional charge of the post of Chairman-cum-Managing Director, NMDC Limited to Shri C.S. Verma, Chairman, SAIL for a period of three months with immediate effect or until further order, whichever is earlier, in addition to his regular assignment, subject to approval of the Competent Authority.

The Board vide circular resolution has also approved the appointment of Shri C.S. Verma as Additional Director and CMD, NMDC w.e.f. 25.05.2012.

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 Rana Som, CMD	31.12.2011
ii) Shri V.K. Sharma, Director (Commercial)	30.07.2011
iii) Shri G.B. Joshi, Director (Personnel)	30.09.2011

The Board places on record its deep appreciation for the valuable contribution made by Shri Rana Som, Shri V.K. Sharma and Shri G.B. Joshi during their tenure on the Board of the Company.

## 20.0 AUDIT

### a. Statutory Auditors

On the advice of the Comptroller and Auditor General of India, New Delhi, your Company appointed the following firms of Chartered Accountants as Statutory Auditors of the Company for the year 2011-12:

Sl. No.	Name & address of Auditors	Units covered
i)	M/s VENUGOPAL & CHENOY Chartered Accountants 4-1-889/16/2, Tilak Road HYDERABAD 500 001, Andhra Pradesh Phone No. 040-24752853 / 24753454 Fax No. 040-24756885	Head Office and R&D Centre; Consolidation, Sponge Iron Unit, Paloncha
ii)	M/s Brahmaya & Co., Chartered Accountants "Sahasini", 10-50-24, Sripuram Junction, Visakhapatnam -530 003. Andhra Pradesh Phone No.0891-2755821 / 2754071 Fax No.0891-2755848	Bailadila Dep-14/11C, Bailadila Dep-5,10 & 11A, Central Workshop, NISP, RO, Vishakapatnam
iii)	M/s P K Subramaniam & Co., Chartered Accountants 11-5-23, Karthik complex, Above Vijaya Bank, Bresthwarpet, RAICHUR - 584 001 Karnataka.	Donimalai Iron Ore Mine, Chennai Office
iv)	M/s Hari Gupta & Co, Purvasha 5A/7A, Dr. Panna Lal Road, Allahabad - 211 002	Diamond Mining Project Panna.



**b. Cost Auditors**

During the year, the Company has come under the ambit of Cost Audit of Sponge Iron Activity and Windmill Power Generation.

The details of Cost Auditors appointed to conduct Cost Audit of the cost records maintained by the Company for 2011-12 are as under:

Name and address of Cost Auditors	Units covered
Shri P.V. Prasad H.No. 2-4-911, Road No.6 Samatapuri Colony, Post Saroor Nagar Hyderabad - 500 035	Sponge Iron Project Windmill Power Generation

**21.0 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.

**22.0 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.

**23.0 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.

**24.0 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.

**25.0 GLOBAL COMPACT - COMMUNICATION ON PROGRESS**

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

**26.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

NMDC has a legacy of not only meeting but surpassing the commitments & expectations of its stake holders. All through its existence, NMDC has endeavoured to positively uplift the lives of the communities around its areas of operations.

The sentiment that Social Responsibility is an integral part of the wealth creation process and when managed properly, can enhance the competitiveness of business, maximize the value of wealth creation to society and thereby contribute to Nation building is ingrained in the core philosophy of NMDC.

'Leadership with Care & Concern' is the guiding principle and core motivator of NMDC to make a difference.

Investing an amount of Rs.63.32 crore during the year 2011-12, which calculates to about 0.87% of its net profit after tax (PAT) of the previous financial year in the CSR, the Company has taken up the following major works in the identified thrust areas:

### 26.1 Education

NMDC's focus is increasingly on improving the literacy rate & quality of education in the tribal belt of Bastar in Chhattisgarh. 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 11000 tribal and poor students in 330 schools in Bastar Region at an annual expenditure of Rs.5 Crore, construction of schools and hostels for students including girl children, mid-day meal to 8000 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.



NMDC Residential School at Nagarnar

### 26.2 Balika Siksha Yojana

NMDC has introduced a focused initiative called "Balika Siksha Yojana" for the benefit of the tribal girl students of Bastar region. Under this Yojana, the girl students will be sponsored for various academic and professional courses in Engineering, Medicine, BDS, Management, Nursing, Diplomas etc. The entire expenditure will be met by NMDC.

In the first year, 25 tribal girls from Bastar region have been admitted to Nursing courses in M/s Apollo Hospitals, Hyderabad.

### 26.3 Residential Public School for Tribal students at Kanker

NMDC is establishing a residential public school at Kanker for the tribal students of Bastar region. The school will be operational from the academic year 2012-13 with an initial intake of 400 students and will ultimately cater to 2000 tribal students. For the construction and management of the residential school, NMDC has signed an MOU with Kalinga Institute of Social Sciences, Bhubaneswar.

An amount of Rs.38.22 crore has been sanctioned for constructing the school building and other facilities.

### 26.4 Construction of Gurukul Astha at Dantewada

NMDC has agreed to revise financial assistance from Rs.12.91 crore to Rs.21.03 crore for the construction of a Gurukul Astha at Dantewada by the State Govt. for the benefit of ST, SC,OBC and Orphan students.

### 26.5 Polytechnic College at Dantewada

The Chhattisgarh Govt. has allotted about 8 acres of land for the Polytechnic College. An amount of Rs. 31.94 crore has been sanctioned for constructing the Polytechnic and other facilities in the campus.



ITI Training for girls at NMDC-ITC, Bhansi

Considering NMDC's request for special dispensation in the admissions of tribals of Bastar to Polytechnic College, Dantewada, Govt. of Chhattisgarh has granted administrative approval by delinking the tribal students of Bastar region from central counseling.

**26.6 Education Improvement Program**

Implemented 'Education Improvement Program in 84 Govt. Primary Schools with objectives of enhancing the quality of education of the children studying in the identified schools, bringing children who do not attend school into formal schooling system.



Villagers being treated by NMDC Doctors - "Hospital on Wheels"

**26.7 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 viz:

- Construction of Boundary walls & Sheds in Ashrams
- Distribution of Solar lanterns to poor students in U.P.
- Improvement of Hostels for SC/ST/OBC at Bellary
- Establishment of 5 schools / Hostels in Bastar & South Bastar
- Establishment of Special Schools 'Prayas' at Bhilai & Raipur
- Construction of by-pass road for Jagdalpur
- Construction of Shanti Dham in Bellary
- Construction of Hostel at Barabanki, UP
- Construction of Residential School at Rajnandgaon
- Construction of Hostels at Guntur & Ongole
- Construction of toilets in Bijapur
- Solar Street lights in U.P.
- Shanti Dham in Bellary



Local people being treated at NMDC Hospitals at free of cost

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





Aerial view of Bachel Complex Loading Plant

Extended operation of 'Hospital on Wheels' facility to villages around NISP Jagdalpur apart from continuing operation of the service in Bailadila benefitting about 20000 tribal villagers in 45 Villages by providing free medi-care facilities at their doorsteps.

NMDC is partnering with Govt. of Karnataka in upgrading PHCs in Bellary District.

#### 26.8 Integrated Village Development

Implemented Integrated Village 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.

#### 26.9 Livelihood-linked Learning Initiatives

##### a) Masonry & Bar bending

55 youth from Nagarnar, Bastar District of Chhattisgarh were imparted 3 month training on Masonry/Bar bending at National Academy of Construction, Hyderabad. All the trainees were subsequently employed by various contractors engaged in construction of the Integrated Steel Plant at Nagarnar.

##### b) Automobile Repairs & Service and Air-conditioning & Refrigeration

A 1yr diploma trainings leading to employment in Automobile Repairs & Service / Air-conditioning & Refrigeration to Xth pass tribal youth from Bastar region was conducted at Raipur, Chhattisgarh through an NGO.

One batch has been completed and out of the 46 trainees selected, 43 trainees successfully completed the training & were placed in jobs in different private sector companies in Raipur.



Students at NMDC run Dhurli Ashram



**27.0 IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005**

All the provisions of the RTI Act 2005 are being complied with by the Company. In order to ensure timely disposal of RTI applications, PIOs have been appointed in each of NMDC's units.

A close monitoring of the RTI applications received is done to ensure that the replies are sent in time.

The details of RTI applications received in Head Office and all the Projects, during the period 01.04.2011 to 31.03.2012 are as follows:

Month	No. of Applications Received	Information Provided	Rejected
Apr-2011	(Including 06 Pending) 11	08	Nil
May-2011	06	07	01
Jun-2011	14	10	Nil
Jul-2011	12	07	Nil
Aug-2011	11	19	Nil
Sep-2011	09	05	Nil
Oct-2011	15	12	Nil
Nov-2011	17	15	Nil
Dec-2011	21	25	02
Jan-2012	13	10	04
Feb-2012	27	10	10
Mar-2012	18	15	Nil
<b>Total</b>	<b>174</b>	<b>143</b>	<b>17</b>

Pending as on 01.04.2012 - 14 Requests

**28.0 AWARDS RECEIVED BY THE COMPANY**

- i) On 11th Apr'2011 NMDC received Commendation Certificate of "SCOPE Meritorious Award for Corporate Social Responsibility & Responsiveness" for the year 2009-10 from Hon'ble President of India.
- ii) On 13th Apr'11 NMDC received Raj Bhasha Shield 1st Prize from Town Official Language Implementation Committee (Undertakings), Hyderabad/ Secunderabad range for the year 2009-10.
- iii) On 19th Sep'2011 NMDC received PSE Excellence Award as Company of the year in the Navratna category for the year 2011, organized by Department of Public Enterprises & Indian Chamber of Commerce.
- iv) On 30th Sep'11 NMDC received CAPEXIL Top Export Award for 2010-11.
- v) On 16th Feb'12 NMDC received Innovative Leadership Award from IPE at Mumbai.
- vi) On 16th Feb'12 NMDC received HR Leadership Award from IPE at Mumbai.

- vii) On 17th Feb'12 NMDC received Global HR Excellent Award under the category "Innovative HR Practices" organized by World HRD Congress at Mumbai.
- viii) On 28th Mar'12, NMDC received 'Star PSU of the year' award of Business Standard newspaper.

## 29.0 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.



(C.S. VERMA)

Chairman-cum-Managing Director

Place : New Delhi  
Date : 28.05.2012



## Annexure - I

### 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 2011 to 31st March 2012 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.

- vii) Samples have been sent to various prospective customers such as BHEL, Haridwar & IIT, Roorkee to find out iron powder's suitability in their applications.

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

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. Preparation of Nano iron powder has continued batch wise for further evaluation and approval by the user industries.

##### 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 projectization. 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.
- Now M/s Kanoria Chemicals & Industries Ltd has been takenover by M/s Aditya Birla Group.
- NMITLI wants acceptance of MOU by M/s Aditya Birla Group for further course of action and acceptance of MOU from M/s Aditya Birla yet to be received.
- NMDC Ltd also made discussion with M/s Supersil Chemicals (India) Pvt. Ltd, Mumbai, for Setting up Precipitated silica pilot plant (20 TPD) from kimberlite waste.

#### 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 completed and report submitted.

#### 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 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 BHJ/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 BHJ/BHQ of 41.45% Fe grade estimated at 18 million tons.
- **Beneficiation studies of Banded Hematite Jasper [BHJ]:** Upgradation of iron content from 40% to 65 %. Process flow sheet for beneficiation of BHJ has been developed and based on process developed, a plant of capacity 0.36 MTPA is envisaged at Donimalai.

#### 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.

## 2.0 Development Support

**Beneficiation & Pelletization studies of Slime from Bailadila 5 and Donimalai:** The process flow sheets for upgradation of iron content from 60% to 65% have been developed. The pelletization studies were also carried out with concentrate produced. Based on the above studies, two pelletization plant of capacity 1.2 MTPA & 2.0 MTPA are envisaged at Donimalai & Nagarnar respectively.

**Utilization of ultra fine slime as Sinter Feed [Hybrid Pellet Sintering]:** Sintering process has been established to utilize 100% ultra fines [-150 micron] in sintering process. The ultra fines of iron ore will be converted into micro-pellets of sufficient strength to withstand physical harsh condition faced during mixing and transportation upto the Sinter grade.

**Dry beneficiation of blue dust:** Flow sheet for dry beneficiation of Blue dust has been developed. The process will help the industries to operate more environment friendly way by not using water resources for beneficiation and also the developed process will not pollute surrounding water bodies.

**Making of Tiles from Lean Grade Iron Ore:** NMDC Ltd. is going to use Lean Iron Ore by beneficiation. In this connection 1.2 MTPA iron ore slime beneficiation plant has been proposed at Bailadila and Donimalai from 2 MTPA iron ore slimes. Iron ore slimes with product assaying 65% Fe and with yield of about 60% at Donimalai and 65% Fe with a yield of about 50% at Bachel. About 40-50% reject beneficiation iron ore slime will be generated.

No industries are making tiles from beneficiated reject in India and global as well. Keeping in view of above, Hydrometallurgy of R&D centre, NMDC has taken the assignment to utilize the reject by making the following products:

- Making of decorative Roof Tiles.
- Making of Pavement Blocks for Parking Floor.
- Making of Vitrified Tiles for Wall / Floor.

## 3.0 Production / Projects Support

20 nos. of In-house project works have been completed.

## 4.0 Sponsored Projects

19 number of various sponsored Projects has been completed 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 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.

Now M/s Kanoria Chemicals & Industries Ltd has been takenover by M/s Aditya Birla Group. NMITLI wants acceptance of MOU from M/s Aditya Birla Group for further course of action and acceptance of MOU M/s Aditya Birla yet to be received.

## 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. - under progress.
- Modernization and up gradation with advance following Equipments to R&D Centre.
  - ❑ Under bed air pulsated Jig (APIC JIG)- Equipment Installed and Commissioned.
  - ❑ High Gradient Magnetic Separator HGMS procurement is under progress.
  - ❑ Automated RDI/RI Equipment - procurement is under progress.
  - ❑ Scanning Electron Microscope procurement is under progress.
  - ❑ Creation of Coke making and testing facility is under progress.

- ❑ Translational Shear Tester - Global tender floated for procurement.
- ❑ Atomic absorption spectrophotometer - procurement is under progress.
- ❑ XRF - Global tender floated for procurement.

**7.0 (a) Research papers presented:** More than 15 research papers presented in the national and international conferences and seminars during the year 2011-12.

**(b) Renewal of Recognition For R&D center:** R&D center has been renewed the recognition by Department of Scientific and Industrial Research. Certificate of recognition has been received from DSIR on 18th April 2012 and recognition is valid up to 31-03-2017.

**(c) Status of Carbonite formed coke process:** NMDC and CAL signed a non-binding MoU to conduct Research & Development and Laboratory scale testing and Techno-economic study ("R&D") on Carbonite technology evaluating Carbonite formed coke for use in foundry and blast furnace applications, the feasibility of operating a Carbonite plant in India and the ability to utilize Indian coal as a feedstock for the production of formed coke.

Two sets of coal samples were shipped to CAL for testing. CAL has to utilize its resources to evaluate the coal samples and endeavour to upgrade the coal samples from their present untreated state into Carbonite and formed coke.

The CAL team has initiated the lab scale process for production of Carbonite from Indian coal samples is proposed which will be done in three phases as given below:

- i) Evaluation of Indian coal samples.
- ii) Testing a variety of coal samples.
- iii) Analyze the output.

## **8. Snapshots of R&D's Contributions to NMDC's growth and services provided to Steel Industry in India**

### **For the year 2011-12**

#### **a. Beneficiation flowsheet developed for NMDC:**

- i) Beneficiation flowsheet for processing 7 MTPA Iron Ore from Kumaraswamy Iron Ore Mine (Screening Plant - 2, Donimalai)
- ii) Beneficiation flowsheet for processing plants at Kirandul & Bacheli for TEFR preparation for Slurry Pipeline project.
- iii) Development of dry Beneficiation process for Beneficiation Blue Dust to produce concentrate suitable for production of Sponge Iron Powder.
- iv) Development of beneficiation process for utilization of BHQ from Kirandul.
- v) Development of beneficiation process for utilization of sub-grade Iron Ore samples from Deposit-14, Kirandul; Deposit-10&11A, Deposit-5, Bacheli under progress.

#### **b. Services Provided to SAIL in the field of Mineral Beneficiation:**

- i) Batch & Pilot Scale Beneficiation Studies on Iron Ore Sample from Chiria (through M/s. Hatch Associates)
- ii) Batch & Pilot Scale Beneficiation Studies in Iron Ore samples from Taldih, Barsua & Kalta (through M/s Met - Chem. Inc. Canada)

**c. Services Provided to other Iron Ore Mining Industries:**

- i) Pilot scale beneficiation studies on low grade Iron Ore sample from Goa. M/s. Timblo Industries.
- ii) Determination of Bond's work index on Iron Ore samples from Vedanta Resources, Goa.
- iii) Batch & Pilot Scale Beneficiation studies on Low Grade Iron Ore samples from TISCO - under progress.

**9. Research and Development in Mineral Beneficiation with special signification to Iron Ore:**

The studies related to low and lean grade Iron Ores has been thrust area of research in the mineral sector considering the significant amendments made in the National Mineral Policy 2008. In view of the demand of the domestic steel industry and to meet the requirements of iron ore as envisaged in the NMP, extensive contribution are being made by R&D Centre of NMDC Limited for building national growth.

The R&D Centre is working on developing techno-economic beneficiation process flowsheet for its upcoming projects as part of its capacity augmentation program.

The R&D Centre has also developed path breaking technologies for beneficiation of lean grade Iron resources such as BHJ and BHQ based on which NMDC is setting up a 0.36 MTPA BHJ Beneficiation Plant at Donimalai.

The continuous encouragement & support from the management, R&D Centre has developed simplest process for utilization of tailings from its old dumps and succeeded in producing concentrate suitable for BF & DRI route of Iron making. Based on the process developed by R&D Centre, NMDC is setting up 1.89 MTPA Slime Beneficiation Plant and 1.2 MTPA Pellet Plant at Donimalai.

The change in National Mineral Policy has driven the R&D Centre to strive to develop techno-economic beneficiation processes for utilization of sub-grade Iron Ores. Presently, the centre is marching ahead with its intrinsic strength on treating Iron Ores and developing suitable process for utilization of sub-grade Iron Ores.

The capabilities of R&D Centre in providing reliable solutions to problems related to beneficiation of Iron Ore has continuously attracted the steel industry, players in public & private sectors and consultants across the globe.

**10.0 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)
2009-2010	11.04	2.78	13.82	6239.09	0.22
2010-2011	12.06	2.41	14.47	11369.31	0.13
2011-2012	11.86	1.57	13.43	11261.89	0.12

## 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, 2012	31st March 2012	30th June, 2011
2. a. Paid-up Capital of the Subsidiary Company	Rs.4.74 Crore.	Rs.3.05 Crore.	MGA 209.28 Crore
b. Number of shares held by NMDC with its nominees in the Subsidiaries.	3,51,002 equity shares of the face value of Rs.100/- each fully paid up.	15,53,919 equity shares of the face value of Rs.10/- each fully 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.3.51 Crore (74.05%)	(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.0.64 Crore	Rs. 0.13 Crore	–
ii) For the previous financial years of the Subsidiary Companies since they became the holding Company's Subsidiaries.	Rs.10.90 Crore	Rs. (-) 0.39 Crore	–
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

Note : The Company has acquired 50% stake in the Australian Listed Company, M/s Legacy Iron Ore Ltd. during December 2011 / January 2012. Since the financial year of the company is July - June, the details for the year ended June-2012 will be included in the next Annual Report.



## Annexure - III

## Report on Corporate Governance

### 1. A brief statement on Company's philosophy

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

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

### 2. Board of Directors

As on 31st March, 2012 the Board of NMDC comprises of a full time Chairman-Cum-Managing Director and five Functional Directors, two Government Nominee Directors and eight Non-Executive (Independent) Directors.

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

##### Whole-time Directors

- i) Shri N.K. Nanda, Chairman-cum-Managing Director & Director (Technical) (w.e.f. 01.01.2012)
- ii) Shri Rana Som, Chairman-cum-Managing Director (upto 31.12.2011)
- iii) Shri V.K. Sharma, Director (Commercial) (upto 30.07.2011)
- iv) Shri N.K. Nanda, Director (Technical)
- v) Shri S. Thiagarajan, Director (Finance)
- vi) Shri G.B. Joshi, Director (Personnel) (upto 30.09.2011)
- vii) Shri S. Bose, Director (Production) (w.e.f. 17.06.2011)
- viii) Shri S.K. Das, Director (Commercial) (w.e.f. 11.08.2011)
- ix) Shri Rabindra Singh, Director (Personnel) (w.e.f. 01.10.2011)

##### Government of India nominee Directors

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

##### Independent Directors

- i) Shri Y.K. Sharma
- ii) Shri Abdul Kalam
- iii) Shri K.S. Raju
- iv) Lt. Gen. (Retd.) Arvind Mahajan
- v) Shri R.N. Aga
- vi) Mrs. Parminder Hira Mathur
- vii) Shri D. Rath
- viii) Shri S.J. Sibal (w.e.f. 28.12.2011)

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.

In terms of Ministry of Steel's, Govt. of India letter No.4(13)/2010-RM-I (Vol-II) dated 25.05.2012, inter alia, it has been decided with the approval of Hon'ble Minister of Steel to assign additional charge of the post of Chairman-cum-Managing Director, NMDC Limited to Shri C.S. Verma, Chairman, SAIL for a period of three months with immediate effect or until further order, whichever is earlier, in addition to his regular assignment, subject to approval of the Competent Authority. The Board vide circular resolution has also approved the appointment of Shri C.S. Verma as Additional Director and CMD, NMDC w.e.f. 25.05.2012.

## **b. BOARD MEETINGS**

### **Board Meeting Procedure:**

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

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

### **Information placed before the Board of Directors**

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

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

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

Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM Attended
1	Shri N.K. Nanda Chairman-cum-Managing Director & Director (Technical) (w.e.f. 01.01.2012)	4	4	YES
2	Shri Rana Som Chairman-cum-Managing Director (upto 31.12.2011)	10	10	YES
3	Shri V.K. Sharma Director (Commercial) (upto 30.07.2011)	3	3	NO
4	Shri G.B. Joshi Director (Personnel) (upto 30.09.2011)	5	5	YES
5	Shri N.K. Nanda Director (Technical)	14	13	YES
6	Shri S. Thiagarajan Director (Finance)	14	14	YES
7	Shri S. Bose Director (Production) (w.e.f. 17.06.2011)	12	11	YES
8	Shri S.K. Das Director (Commercial) (w.e.f. 11.08.2011)	11	10	YES
9	Shri Rabindra Singh Director (Personnel) (w.e.f. 01.10.2011)	9	8	NA
10	Shri S. Machendranathan	14	13	NO
11	Shri U.P. Singh	14	14	NO
12	Shri Y.K. Sharma	14	12	YES
13	Shri Abdul Kalam	14	14	NO
14	Shri K.S. Raju	14	14	NO
15	Lt. Gen.(Retd.) Arvind Mahajan	14	14	NO
16	Shri R.N. Aga	14	12	YES
17	Mrs. Parminder Hira Mathur	14	12	NO
18	Shri D. Rath	14	13	NO
19	Shri S.J. Sibal (w.e.f. 28.12.2011)	5	5	NA

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

Sl. No.	Name of the Director	No. of Directorship and Committee Membership / Chairmanship		
		Other Directorship	Committee Membership	Committee Chairmanship
1	Shri N.K. Nanda Chairman-cum-Managing Director & Director (Technical) (w.e.f. 01.01.2012)	8	2	1
2	Shri Rana Som Chairman-cum-Managing Director (upto 31.12.2011)	3	1	1
3	Shri V.K. Sharma Director (Commercial) (upto 30.07.2011)	1	1	–
4	Shri S. Thiagarajan Director (Finance)	4	2	–
5	Shri G.B. Joshi Director (Personnel) (upto 30.09.2011)	1	–	–
6	Shri S. Bose Director (Production) (w.e.f. 17.06.2011)	1	2	–
7	Shri S.K. Das Director (Commercial) (w.e.f. 11.08.2011)	1	1	–
8	Shri Rabindra Singh Director (Personnel) (w.e.f. 01.10.2011)	–	–	–
9	Shri S. Machendranathan	8	–	–
10	Shri U.P. Singh	3	–	–
11	Shri Y.K. Sharma	–	3	2
12	Shri Abdul Kalam	1	–	–
13	Shri K.S. Raju	–	1	–
14	Lt. Gen. (Retd.) Arvind Mahajan	3	1	–
15	Shri R.N. Aga	1	2	–
16	Mrs. Parminder Hira Mathur	–	1	–
17	Shri D. Rath	2	–	–
18	Shri S.J. Sibal (w.e.f. 28.12.2011)	1	–	–

**Notes:**

- i) Excluding Private Limited Companies, Foreign Companies and Section 25 Companies.
- ii) 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.
- iii) Directors are not inter se related to each other.



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

During the year 2011-2012, fourteen (14) Board meetings were held, the details of which are given below:

S.No.	Board Meeting No.	Board Meeting Date	Board Strength	No. of Directors Present
1	432	29.04.2011	14	13
2	433	27.05.2011	14	13
3	434	28.07.2011	15	15
4	435	19.08.2011	15	15
5	436	09.09.2011	15	15
6	437	10.10.2011	15	14
7	438	31.10.2011	15	15
8	439	02.12.2011	15	15
9	440	14.12.2011	15	14
10	441	30.12.2011	16	14
11	442	19.01.2012	15	12
12	443	31.01.2012	15	15
13	444	10.02.2012	15	12
14	445	22.03.2012	15	15

Brief Resume / profiles 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

- 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.
- 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
- Lt. Gen. (Retd.) Arvind Mahajan, Independent Director and Member
- Shri R.N. Aga, Independent Director and Member
- Shri N.K. Nanda, Director (Technical) and Member (w.e.f. 29.04.2011)
- Mrs. Parminder Hira Mathur, Independent Director and Member (w.e.f. 19.08.2011)
- 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, four meetings of the Audit Committee were held. The details of attendance of the Members are indicated below:

Sl. No.	Meeting No.	Meeting Date	Strength of Audit Committee	No. of Members Present
1	53	27.05.2011	4	4
2	54	28.07.2011	4	4
3	55	31.10.2011	5	5
4	56	31.01.2012	5	5

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

Sl. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri Y.K. Sharma Independent Director & Chairman	4	4
2	Shri N.K. Nanda CMD & Director (Technical) (w.e.f. 29.04.2011)	4	4
3	Lt. Gen. (Retd.) Arvind Mahajan Independent Director & Member	4	4
4	Shri R.N. Aga Independent Director & Member (w.e.f. 29.04.2011)	4	4
5	Mrs. Parminder Hira Mathur Independent Director & Member (w.e.f. 29.04.2011)	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:

S.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, 2 meetings of the Remuneration Committee was held on 28.07.2011 and 21.09.2011 respectively. 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.

The details of remuneration paid to Functional Directors during the financial year 2011-12 are as follows:

(Rs. in lakhs)

Sl. No.	Name of the Director	Pay & Benefits	Contribution to PF & other funds	Other benefits	Total
1	Shri N.K. Nanda, CMD & Director (Technical)	19,43,822	1,79,363	21,09,938	42,33,123
2	Shri S. Thiagarajan, Director (Finance)	22,77,241	1,72,561	8,54,527	33,04,329
3	Shri S. Bose, Director (Production) (w.e.f. 17.06.2011)	14,45,114	1,25,482	8,09,540	23,80,136
4	Shri S.K. Das, Director (Commercial) (w.e.f. 11.08.2011)	12,23,251	1,13,324	3,77,825	17,14,400
5	Shri Rabindra Singh, Director (Personnel) (w.e.f. 01.10.2011)	9,71,315	89,349	2,20,983	12,81,647
6	Shri Rana Som Chairman-cum-Managing Director (upto 31.12.2011)	16,41,740	1,49,261	16,32,771	34,23,772
7	Shri V.K. Sharma, Director (Commercial) (upto 31.07.2011)	6,36,665	57,908	20,29,761	27,24,334
8	Shri G.B. Joshi, Director (Personnel) (upto 30.09.2011)	11,51,097	80,728	3,76,066	16,07,891
		<b>1,12,90,245</b>	<b>9,67,976</b>	<b>84,11,411</b>	<b>2,06,69,632</b>

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



The Company has not introduced any stock option scheme.

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.20,000/- per meeting. In respect of Board level Committee Meeting, sitting fees was Rs.10,000/- per meeting. Govt. Directors and Functional Directors are not paid sitting fees for attending the meeting of the Board or any Committee meeting thereof.

In this regard, the Board of Directors at its 432nd meeting held on 29.04.2011 has enhanced sitting fees paid to non-official part-time Directors (Independent) from Rs.10,000/- to Rs.20,000/- for attending each meeting of the Board. However, the sitting fees paid to Independent Directors for attending meetings of each Board level Committee / Sub-Committee of the Board shall be Rs.10,000/-.

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	3,82,000
2	Shri Abdul Kalam	3,70,000
3	Shri K.S. Raju	4,50,000
4	Lt. Gen.(Retd.) Arvind Mahajan	3,90,000
5	Shri R.N. Aga	3,50,000
6	Mrs. Parminder Hira Mathur	2,70,000
7	Shri Dronadeb Rath	3,30,000
8	Shri S.J. Sibal	1,10,000
	<b>Total:</b>	<b>26,52,000</b>

**No. of Equity Shares of the Company held by Directors as on 31st March, 2012.**

S.No.	Name of the Director	No. of Shares of the Company
1	Shri N.K. Nanda, Director (Technical) & CMD	320
2	Shri S. Thiagarajan, Director (Finance)	NIL
3	Shri S. Bose, Director (Production)	320
4	Shri S.K. Das, Director (Commercial)	NIL
5	Shri Rabindra Singh, Director (Personnel)	NIL
6	Shri S. Machendranathan, Govt. Nominee Director	NIL
7	Shri U.P. Singh, Govt. Nominee Director	NIL
8	Shri Y.K. Sharma	NIL
9	Shri Abdul Kalam	NIL
10	Shri K.S. Raju	NIL
11	Lt. Gen.(Retd.) Arvind Mahajan	NIL
12	Shri R.N. Aga	NIL
13	Mrs. Parminder Hira Mathur	NIL
14	Shri Dronadeb Rath	NIL
15	Shri S.J. Sibal	100

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

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

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

During the year under report, five (5) meetings of the Committee were held. The details of attendance of the Members are indicated below:

S.No.	Meeting No.	Meeting Date	Strength of STC	No. of Members present
1	167	15.07.2011	7	6
2	168	30.07.2011	7	7
3	169	12.12.2011	7	6
4	170	03.01.2012	6	6
5	171	09.01.2012	6	6

**Attendance of each Member at the Share Transfer Committee meetings**

Sl. No.	Name of the Member	No. of meetings held	No. of meetings attended
1	Chairman-cum-managing Director	3	3 *
2	Director (Technical) & CMD I/c #	5	4
3	Director (Finance)	5	5
4	Director (Production)	5	4
5	Director (Commercial)	5	5
6	Company Secretary	5	5
7	Joint Company Secretary	5	5

\* Superannuated on 31.12.2011.

# Holding additional charge of CMD w.e.f. 01.01.2012.

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

iii. Details in respect of shareholders' complaints:

- Number of complaints received - 203 (149 related to Offer for Sale).
- Number of complaints not solved to the satisfaction of the shareholders - Nil.
- Number of complaints pending - Nil.

During the year under review, Securities and Exchange Board of India (SEBI) has introduced online complaint redressal system namely SEBI COmplaint REDressal System (SCORES). During the year, under SCORES, 9 investor complaints were received & resolved and no complaint is pending as on 31.03.2012.

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

S.No.	Meeting No.	Meeting Date	Strength of Committee	No. of Members present
1	9	29.04.2011	3	3
2	10	28.07.2011	3	3
3	11	31.10.2011	3	3
4	12	31.01.2012	3	3

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

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

Pursuant to an offer for sale, Government of India has disinvested 8.38% of its holding in the Company aggregating 33,22,43,200 equity shares of Rs.1/- each in the financial year 2009-10. M/s Karvy Computershare Pvt. Ltd., Hyderabad were appointed as Registrar to the offer for sale by Government of India. All grievances / complaints relating to offer for sale made by Government of India are exclusively dealt by M/s Karvy Computershare Pvt. Ltd., Hyderabad.

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.

#### 6. General Body Meeting

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

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

AGM No.	Venue	Date & time	Special Resolutions passed
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
53rd AGM	Hotel Taj Krishna, Hyderabad	20.09.11 at 1500 hrs	–

- iii. During the year 2011-12, there was no occasion to resort to Postal Ballot for consideration of the shareholders of the Company.



**7. Disclosures**

- i. There are no materially significant related party transactions' that may have a potential conflict with the interests of Company at large.
- ii. There was no case of non-compliance 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.
- v. Other than the sitting fees paid (Rs.20,000/- per sitting of the Board Meeting and Rs.10,000/- per sitting of the Board level Committee Meeting ), part-time Directors have had no pecuniary relationship or transactions with the Company during the year under report.
- 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, implementation of wage revision etc. It has complied with all Presidential Directives applicable to it during the year and also during the last three years.
- 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 Board of Directors and Top Management.  
Nil
- ix. Details of Administrative and Office expenses as a percentage of total expenses was 4.15%.

**8. 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](http://www.nmdc.co.in). The Companies website also contains a dedicated section on 'Investors' where shareholders information is available viz. Annual Reports, Financial Details, etc.

In addition, the Company communicates major achievements and important events taking place in the Company through Press, Electronic Media and also on its Website.

**(b) Website**

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

**9. General Shareholders Information****i. AGM date, time and venue**

Date	Time	Venue
20.09.2012	1500 hrs.	Sri Sathya Sai Nigamagmam, 8-3-987/2, Sri Nagar Colony, Hyderabad - 500 073

**ii. Financial Calendar for 2012-13**

1st quarter results	(Unaudited)	on or before 14.08.2012
2nd quarter results	(Unaudited)	on or before 14.11.2012
3rd quarter results	(Unaudited)	on or before 14.02.2013
4th quarter results	(Audited)	on or before 31.05.2013

**iii. Date of Book Closure : From 15.09.2012 to 20.09.2012 (both days inclusive)****iv. Dividend Payment date**

(a) Dividend would be paid within 30 days of declaration as per the provisions of the Companies Act, 1956.

(b) Details of dividend paid during the year under review:

Particulars	GOI Share	Others	Total Dividend	% of PAT	% of Share Capital
1st Interim	356.84	39.63	396.47	5.45%	100%
2nd Interim	356.84	39.63	396.47	5.45%	100%
Final (proposed)	892.10	99.08	991.18	13.65%	250%
<b>Total</b>	<b>1605.78</b>	<b>178.34</b>	<b>1784.12</b>	<b>24.55%</b>	<b>450%</b>
Previous Year	1177.58	130.77	1308.35	20.13%	330%

**v. Listing on Stock Exchanges**

NMDC shares are listed on six (6) Stock Exchanges at Bangalore, Chennai, Mumbai, Kolkata, New Delhi and National Stock Exchange, Mumbai. Listing Fees for the year 2012-13 has been paid to the six Stock Exchanges.

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

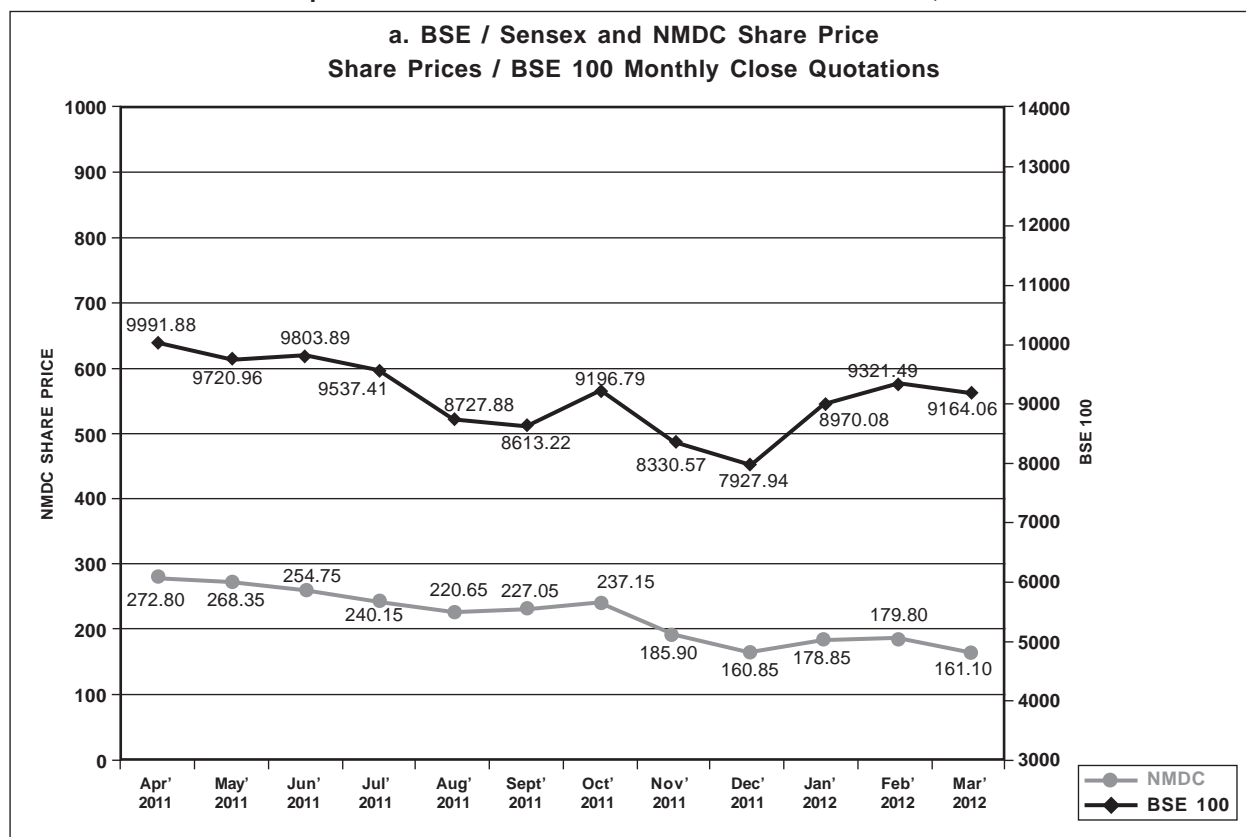
Year	Month	Highest	Lowest
2011	April	304.90	270.90
2011	May	275.85	247.05
2011	June	279.30	241.00
2011	July	268.00	224.75
2011	August	254.90	205.00
2011	September	259.00	215.00
2011	October	255.00	213.30
2011	November	251.75	175.00
2011	December	196.80	136.15
2012	January	189.30	150.10
2012	February	206.35	170.00
2012	March	197.00	160.00

**(b) Market prices at National Stock Exchange**

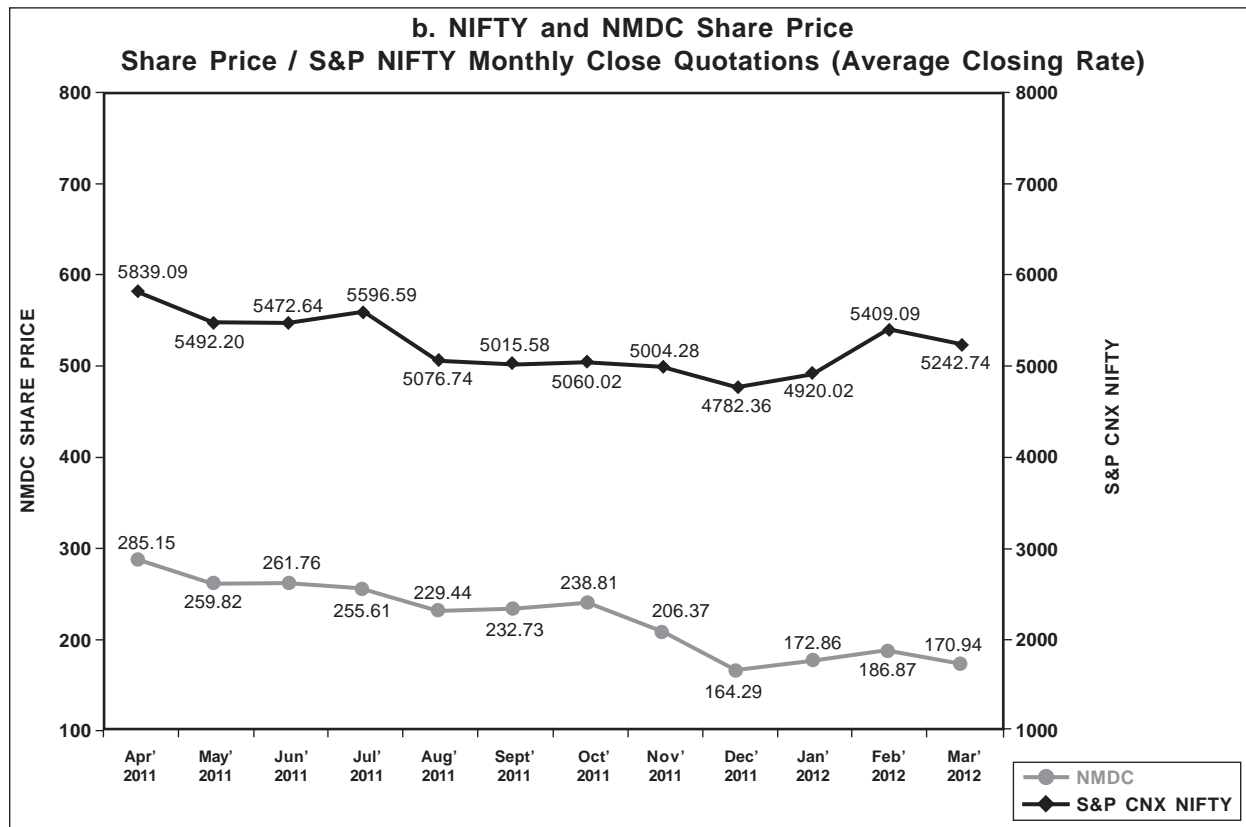
Year	Month	Highest	Lowest
2011	April	305.00	270.70
2011	May	299.00	246.15
2011	June	280.00	248.00
2011	July	268.00	225.50
2011	August	256.20	204.45
2011	September	255.00	214.00
2011	October	256.05	215.00
2011	November	251.70	174.00
2011	December	195.85	135.60
2012	January	189.30	149.65
2012	February	206.60	172.20
2012	March	189.85	154.25

Note :

- i) The Company split the face value of the share to Re.1/- per share from Rs.10/- per share on 21st April, 2008.
- ii) 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.**





**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 (Technical), Director (Finance), Director (Production), Director (Commercial), Company Secretary and Joint Company Secretary which considers the request for Transfer/ Transmission of shares, dematerialization of shares etc. The share transfer committee considers request for issue of share certificates. Transfers in physical form are registered after ascertaining objections, if any, from the transferors; and no valid transfer 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.

## xi. Distribution of Shareholding:

## (a) Shareholding Pattern as on 31st March 2012 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 dematerialised form	Total share holding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a Percentage of (A+B) <sup>1</sup>	As a Percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VII)	(IX)=(VIII)/(IV)*100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
a.	Individuals/Hindu Undivided Family	0	0	0	0	0	0	0
b.	Central Government/ State Government(s)	1	3568418180	3568418180	90	90	0	0
c.	Bodies Corporate	0	0	0	0	0	0	0
d.	Financial Institutions/Banks	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
e.	Mutual Funds	0	0	0	0	0	0	0
f.	Trusts	0	0	0	0	0	0	0
	<b>Sub Total (A)(1)</b>	<b>1</b>	<b>3568418180</b>	<b>3568418180</b>	<b>90</b>	<b>90</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>							
a.	Individuals (Non Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0
b.	Bodies Corporate	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
d.	Overseas Corporate Bodies	0	0	0	0	0	0	0
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Total Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
	<b>(A)=(A)(1)+(A)(2)</b>	<b>1</b>	<b>3568418180</b>	<b>3568418180</b>	<b>90</b>	<b>90</b>	<b>0</b>	<b>0</b>
<b>(B)</b>	<b>Public Shareholding</b>							
<b>1</b>	<b>Institutions</b>							
a.	Mutual Funds/UTI	15	10854925	10854925	0.27	0.27	0	0
b.	Financial Institutions/Banks	28	98916153	98916153	2.49	2.49	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

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)	(VII)	(IX)=(VIII)/(IV)*100
e.	Insurance Companies	7	219966828	219962828	5.55	5.55	0	0
f.	Foreign Institutional Investors	54	27808258	27808258	0.7	0.7	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	3540	3540	0	0	0	0
	<b>Sub Total (B)(1)</b>	<b>105</b>	<b>357549704</b>	<b>357545704</b>	<b>9.02</b>	<b>9.02</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Non-Institutions</b>							
a.	Bodies Corporate	1489	11321451	11286451	0.29	0.29	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
		166345	25289801	25147513	0.64	0.64	0	0
ii)	Individual shareholders holding nominal share capital In excess of Rs.1 lakh	0	0	0	0	0	0	0
		5	710324	710324	0.02	0.02	0	0
c.	Any Others	0	0	0	0	0	0	0
i)	Non Resident Individuals	1669	653463	653463	0.02	0.02	0	0
ii)	Overseas Corporate Bodies	1	950	950	0	0	0	0
iii)	Trusts	22	28581	28581	0	0	0	0
iv)	Employees	66	81418	31198	0	0	0	0
v)	Clearing Members	122	662128	662128	0.02	0.02	0	0
vi)	Foreign Nationals	0	0	0	0	0	0	0
	<b>Sub Total (B)(2)</b>	<b>169719</b>	<b>38748116</b>	<b>38520608</b>	<b>0.98</b>	<b>0.98</b>	<b>0</b>	<b>0</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>169824</b>	<b>396297820</b>	<b>396066312</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>
	<b>Total (A)+(B)</b>	<b>169825</b>	<b>3964716000</b>	<b>3964484492</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>(C)</b>	Shares held by Custodians and against Depository Receipts have been issued	0	0	0	0	0	0	0
1	Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
2	Public Shareholding	0	0	0	0	0	0	0
	<b>Grand Total (A)+(B)+(C)</b>	<b>169825</b>	<b>3964716000</b>	<b>3964484492</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>

**(b) Distribution of Shareholding by size as on 31.03.2012**

Sl. No.	Category	Holders	Holders percentage	Shares	Amount	Amount Percentage
1	1 - 5000	169286	99.68	23792089	23792089	0.6
2	5001 - 10000	234	0.14	1717004	1717004	0.04
3	10001 - 20000	107	0.06	1533015	1533015	0.04
4	20001 - 30000	36	0.02	915605	915605	0.02
5	30001 - 40000	25	0.01	856940	856940	0.02
6	40001 - 50000	16	0.01	740063	740063	0.02
7	50001 - 100000	26	0.02	1786128	1786128	0.05
8	100001 & Above	95	0.06	3933375156	3933375156	99.21
	<b>Total</b>	<b>169825</b>	<b>100</b>	<b>3964716000</b>	<b>3964716000</b>	<b>100</b>

**(c) Top shareholders of the company as on 31.03.2012**

Sl.No.	Name of the Shareholder	No. of Shares	% of Total Shareholding
1	President of India	3568418180	90.00
2	Life Insurance Corporation of India	198104008	5.00
3	LIC of India Pension Plus Mixed Fund	45777784	1.15
4	State Bank of India	16161417	0.41
5	Canara Bank-Mumbai	10772388	0.27
6	Bank of Baroda	9931035	0.25
7	The New India Assurance Company Limited	7120749	0.18
8	Morgan Stanley Mauritius Company Limited	6322922	0.16
9	National Insurance Company Ltd	4285721	0.11
10	General Insurance Corporation of India	4278687	0.11
11	The Oriental Insurance Company Limited	4154853	0.10
12	TBC Pooled Employee Funds- Emerging Markets Equity Fund	3776598	0.10
13	LIC Nomura MF Opportunities Fund	3607720	0.09
	<b>TOTAL</b>	<b>3882712062</b>	<b>97.93</b>



**xii. Dematerialization of shares and liquidity**

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

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

**No. of Shares held in dematerialized and physical mode as on 31st March, 2012 are as under:**

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in CDSL	87,20,190	0.22
Held in dematerialized form in NSDL	395,57,64,302	99.77
Physical	2,31,508	0.01
<b>Total:</b>	<b>396,47,16,000</b>	<b>100.00</b>

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

**xiv. Unclaimed Dividend**

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

SI. 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	22.02.2017
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
10	Final Dividend for the year 2010-11	20.09.2011	19.10.2018
11	Interim Dividend for the year 2011-12	31.10.2011	30.11.2018
12	2nd Interim Dividend for the year 2011-12	31.01.2012	01.03.2019

\* Investor Education and Protection Fund (IEPF)

**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 Rs.1/- each in the financial year 2009-10. During this period, two demat accounts were opened with NSDL & CDSL for crediting unclaimed / suspense equity shares. As per the provisions of Clause 5A of the Listing Agreement, the details of unclaimed 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 2010-11	361	41,760	174	24,460
3	Requests resolved during the year	361	41,760	174	24,460
4	Pending as on 31.03.2011	42	4,640	Nil	Nil
5	Requests received during the year 2011-12	8	1,100	Nil	Nil
6	Pending as on 31.03.2012	34	3,540	Nil	Nil

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

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

**xvii. Address for Correspondence :**

Company Secretary  
NMDC Limited  
Regd. Office: 10-3-311/A  
Castle Hills, Masab Tank  
Hyderabad - 500 028  
E-mail: [ims@nmdc.co.in](mailto:ims@nmdc.co.in)

**xviii. 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](mailto:nmdc.ipo@karvy.com)  
Contact Person: Mr. M. Murali Krishna

**10. Non-mandatory Requirements**

In respect of non-mandatory requirements as prescribed in Annexure-I D to Clause 49 of the Listing Agreement, the extent of compliance are 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 Director has served in aggregate for a period of nine years.

**● Remuneration Committee:**

In respect of Remuneration Committee, details have been outlined in Sl.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. The Board of Directors has also approved a policy on training.

**● 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. However, in keeping with the recent direction of Ministry of Steel, Government of India, the company has initiated steps for having in place an Internal Whistle Blower Policy.

**11. 2nd Annual Report on the working of the Audit Committee for the financial year ended 2011-12.**

In keeping with the recommendations of the Report of Comptroller & Auditor General of India (C&AG) and as a matter of good corporate governance practice, the company has prepared its 2nd Annual Report on the working of its Audit Committee for the year ended 2011-12. The 2nd Annual Report on the working of its Audit Committee was also approved by the Board of Directors at its 447th meeting held on 28.05.2012.

**12. 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 had appointed M/s Ernst & Young as Consultant for preparation of Risk Management Policy.

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

**13. Code of Conduct**

The Board of Directors at their meeting held on 06.01.2006 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 49 I(D) of the Listing Agreement is annexed at Annexure-III (A).

**14. CEO / CFO certification**

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

**15. 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, 2012.

  
(C.S. Verma)

Chairman-cum-Managing Director

Place : New Delhi

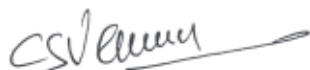
Date : 28.05.2012

## Annexure - III(B)

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

We, C.S. Verma, 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, 2012 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 is 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.

**C.S. Verma**

Chief Executive Officer (CEO)  
& Chairman-cum-Managing Director, NMDC

**S.Thiagarajan**

Chief Financial Officer (CFO)  
& Director (Finance), NMDC

Place : New Delhi  
Date : 28.05.2012

## Annexure - III(C)

**MARTHI & CO**  
COMPANY SECRETARIES

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**  
(Clause 49VII of the Listing Agreement)

**To The Members of NMDC Limited**

We have examined all relevant records of NMDC Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the financial year ended 31<sup>st</sup> March 2012. 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 : 28.05.2012

For **MARTHI & CO.**  
COMPANY SECRETARIES

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

## Annexure - IV

**Management Discussion & Analysis Report for the year 2011-12****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 22 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, regulatory issues arising due to judicial verdicts, the development of products substitutes or replacements, recycling practices, an increase in capacity or an oversupply of the company's products in its main markets. 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. In this regard, the company has completed acquisition of 50% equity stake in Legacy Iron Ore Ltd., a listed Australian mining company.

#### **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 of 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. The Company has initiated action for construction of 3 MTPA Integrated Steel Plant at Nagarnar. Furthermore, the Company has already 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 pellet plants.

##### **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.**

##### **6) Expand its international presence through the acquisition of Legacy Iron Ore Ltd.**

**Threats**

- Disturbances due to Maoists activities in Bailadila area.
- 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. Further, regulatory issues arising due to judicial verdicts may also affect mining.
- 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	2007-08	2008-09	2009-10	2010-11	2011-12
Sale of Iron Ore	5,705.32	7,559.11	6,222.60	11,285.33	11,167.56
Sale of Diamonds	3.75	–	6.94	12.88	9.84
Sale of Wind Power	–	2.22	6.57	4.48	–
Sale of Sponge Iron *	–	–	–	63.12	67.29
Sales-others	0.09	0.08	–	–	–
Income from Services	2.15	2.62	2.98	3.50	17.20
Turnover	5,711.31	7,564.03	6,239.09	11,369.31	11,261.89
PBT	4,947.47	6,648.23	5,207.32	9,726.28 *	10,759.70 *
PAT	3,250.98	4,372.38	3,447.26	6,499.22	7,265.39
Dividend	651.53	876.20	693.82	1,308.35	1,784.12

\* From continuing operations

**Physical Performance of NMDC**

Details	2007-08	2008-09	2009-10	2010-11	2011-12
Production:					
Production of Iron Ore WMT (In lakh tonnes)	298.16	285.15	238.03	251.55	272.60
Production of Sponge Iron (tonnes)*	–	–	–	38,962.00	37,260.00
Production of Diamonds (carats)	–	–	16,529.21	10,865.93	18,043.44
Sales:					
Sale of Iron Ore (in lakh tonnes)	281.84	264.72	240.85	263.15	273.01
Sale of Diamonds (carats)	2,632	–	7,335.34	18,421.22	8,085.00
Sale of Sponge Iron (tonnes)	–	–	–	39,775.00	33,731.79

#### 4. Outlook

NMDC proposes to augment its production of iron ore from the present level of about 30 million to 50 million tonnes by 2015. It also has chalked out plans for value addition by setting up pelletization plants by utilizing the slimes and 3.0 MTPA 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. However, weak European economy continues to be a matter of concern.

#### 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. Further, regulatory issues arising due to judicial verdicts may also affect mining.

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 272.60 LT of Iron Ore. In respect of diamond, the Company achieved production of 18043.44 carats. On the financial performance, the turnover of the Company for the year under review was Rs.11262 crores. PBT from continuing operations for the year under review was Rs.10760 crores. PAT for the year under review was Rs.7265 crores respectively. Net worth of the Company was Rs.24396 crores. The Company achieved excellent rating in MOU for the financial year 2011-12.

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

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

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

The Company is planning 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:**

2007-08	:	5,560
2008-09	:	5,652
2009-10	:	5,895
2010-11	:	6,128
2011-12	:	5,924

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

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

**10. Corporate Social Responsibility**

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

## Annexure - V

Global Compact - Communication on Progress

ED/EPS/GC/03

14th May 2012

Dear Stakeholders

As you are aware, the Global Compact is a practical framework for the development, implementation, and disclosure of sustainability policies and practices, offering participants a wide spectrum of workstreams, management tools and resources - all designed to help advance sustainable business models and markets. By committing itself to the ten universal principles, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

With over 8700 corporate participants and other stakeholders from over 130 countries, the Global Compact is the largest voluntary corporate responsibility initiative in the world.


The Global Compact Network India was formed in November 2003 and registered as a non-profit society. The main objective of this Society is to provide a forum for Indian companies and organizations to exchange experiences, network and work together on activities related to Corporate Social Responsibility (CSR) and the Global Compact. NMDC has been an active participant in this Society and instrumental in establishing the Hyderabad Chapter of this Society in July 2010.

In the meeting of the Hyderabad Chapter held on 22nd December 2011, as Chairman of the Chapter, I put on record NMDC's commitment to the ten universal principles in the areas of human rights, labour, environment and anti-corruption.

I take this opportunity to reiterate our commitment to the cause of UN Global Compact.

With warm regards,

Yours sincerely



**NK Nanda**

Chairman-cum-Managing Director



## Principle 1:

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

#### **Commitment**

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

#### **Systems**

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

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

#### **Actions**

##### **Health**

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

##### **Safety**

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

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

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

##### **Housing**

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

##### **Education**

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

- NMDC takes care of the school education of the employees' children in its projects and gives incentives and scholarships for their higher education. As its projects are located in remote areas, NMDC has arranged for quality schooling facilities at the projects itself.
- The schooling facilities available at the project are extended to the children of the surrounding villages as well.
- 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 2011, NMDC has awarded suitable mementos to (a) 194 employees (cumulatively 6818) who have rendered 20 years' service; (b) 156 employees (cumulatively 5863) who have rendered 25 years' service; (c) 132 employees (cumulatively 4994) who have rendered 30 years' service (d) 159 employees (cumulatively 1172) who have rendered 35 years' service by organizing suitable function.
- 247 employees (cumulatively 3811) who retired from service, certificates and suitable mementos during farewell parties, specially arranged in their honour, in appreciation of their service to NMDC. 207 employees (cumulatively 1048) who retired after putting in 30 years service in NMDC were awarded special mementos.

**Performance during the year 2011-12**

- NMDC is providing complete health care to its employees and the members of their families.
- The injury frequency rate was 0.34. Mandays lost on account of accidents were 538.
- Housing has been extended to all its employees. In addition, house building advances were given to 11 employees (cumulatively to 2218 employees).
- Training coverage is 100% of employees. Training mandays as % of working mandays is 3.8.

**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 2011-12**

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

#### **Performance during the year 2011-12**

- 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 2011-12

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 2011-12

- 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 2011-12

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

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

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

#### As on 31st March, 2012 the manpower position was:

- Total number of employees 5924
- Scheduled Caste employees 1070 (18.0%)
- Scheduled Tribe employees 1288 (21.7%)
- Backward Class employees 802 (13.5%)
- 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:

- Prevent and control environmental pollution due to mining and associated activities by adopting safe, scientific and environmental friendly methods of mining and mineral processing for applicable legal requirements like forest, environmental and other statutory clearances.
- Maintain the machineries in excellent condition to ensure minimum impact of their operation on environment.
- 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.
- Monitor and ensure compliance of all applicable environmental & forest clearance conditions.
- It shall report to Board of Directors and concerned stakeholders.

- Promote environmental awareness amongst employees, local communities and interested parties through proactive communication and training.
- Continual Environmental performance improvement through framing objectives.
- Management Will review the suitability and effectiveness of environmental objectives and targets through its periodic management review process.

The policy shall be communicated to employees at all levels, local communities and stakeholders for its compliance.

#### 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 there by reducing noise pollution.

- Monitor all environmental parameters such as PM2.5, SO<sub>2</sub>, NO<sub>x</sub>, 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 Government of India.
- Preparation and timely submission of six-monthly reports to MOEF, GOI Regional offices and annual environmental audit reports to respective state pollution control boards.
- Creating environment awareness amongst all the employees and their children and the local population through celebration of Mines Environment & Mineral Conservation (MEMC) week under the aegis of Indian Bureau of Mines & World Environment Day celebrations.
- Basic and refresher Training of employees for environmental consciousness by conducting regular classes under mines Vocational Training Rules.
- Undertake of peripheral village community development works like improving roads, constructing school buildings, community halls, distributing books and stationery, extending schooling and medical facilities available in the project townships to the local people including adivasis as well.
- Providing safe drinking water to the township dwellers and extending drinking water supply to population of neighbouring villages.
- Obtaining consents for establishment and operation of mines / plants from the respective state pollution control boards.
- Obtaining environmental clearances for new / expansion projects from Central Govt.
- Obtaining forestland clearances for renewal / fresh grant of mining leases.
- Massive afforestation drive through social forestry division of the local forest department.

- Stabilization of all the passive waste rock dumps and mined out areas.

65.936 Ha of revenue forest land (Bade Jade Ki Jungle) for SP-III on 7.1.12.

**Performance during the year 2011-12**

- Environmental clearance for capacity expansion of Deposit-10 from 3.3 to 4.8 MTPA along with installation of 2 MTPA Pellet Plant, Bachel and Dep-11A mine from MOEF vide letter dated 13.10.2011 and 31.10.2011.
- Environmental clearance for 0.124 MTPA Chipprian Magnesite Mine and 0.03MTPA DBM Plant at Panthal was received on 3.5.2011.
- Consent for establishment of DMP Plant at Panthal was received from State Pollution Control Board, Jammu on 25.5.2011.
- Received Forest Clearance for diversion of

- Forest Clearance for 84.36 ha forest land for Arki Lime Stone Project received on 15.12.2011.
- Permission for supplementary mining lease DMP Panna project for 74.018 Ha forest land received on 18/11/11 for continuation of plant operations till 22/6/12.
- Forest clearance received on 13.4.2011 for diversion of 4.4112Ha of forest land for proposed water supply pipeline from Malinger nalla (pump house) to Kirandul.
- Received Forest clearance (2nd Renewal of ML No.2396) over an area of 608.00 ha of forest land on 25.8.2011

**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:

- Prevent and control environmental pollution due to mining and associated activities by adopting safe, scientific and environmental friendly methods of mining and mineral processing for applicable legal requirements like forest, environmental and other statutory clearances.
- Promote environmental awareness amongst employees, local communities and interested parties through proactive communication and training.
- Continual Environmental performance improvement through framing objectives.
- Management will review the suitability and effectiveness of environmental objectives and

targets through its periodic management review process.

**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 2011-12

- As against the permissible limit of 120 microns per cu m of SO<sub>2</sub> 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:

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

#### Systems/Actions

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

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

#### Performance during the year 2011-12

- 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 each of the Projects, there is one Vigilance Officer.
- 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 2011-12 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 2011-12 and the deficiencies and deviations from the procedures wherever noticed brought to the notice of the Management for corrective action.
- Pending disciplinary / CTE / CBI cases were reviewed in the quarterly meetings of VOs held at Head Office, and follow-up actions were taken for timely completion of inquiries and awarding penalties.
- Many system improvements such as uniformity in recruitment process, banning of negotiations with L1 party, procurement and awarding of contracts on single tender / nomination basis, implementation of e-payment etc., are taken up as part of preventive vigilance.
- Vigilance Awareness 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.
- Online system has been provided in the Company' 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 not developed.

#### Performance during the year 2011 - 12

The Vigilance Department of NMDC has up taken several initiatives during the year for Participative Vigilance. Various programmes viz. Essay, Elocution and debate competition were conducted for awareness on vigilance matters for the employees of the Corporation. Emphasis was laid on adequate checks and balances in the form of a well defined systems and procedures. The vigilance executives at the projects are conducting regular training classes to the employees on the vigilance matters. Executives of Vigilance Department were sent on training to various organizations like CBI Academy, Ghaziabad etc., for enriching their knowledge, and improving their skills.

Regular and Periodic checks are conducted besides study of files, as per the action plan, irregularities and omissions under the provisions of the rules are identified and improvements in the systems are suggested. Based on the inspections adequate cost compensation was effected for not conforming to the contractual terms. During this year; 96 surprise checks, 102 regular inspections, 88 file studies and 72 CTE type inspections were conducted.

On the punitive side, complaints received were taken up for investigation. Necessary disciplinary action wherever appropriate was also initiated against some of the employees.

In a step towards implementing and Leveraging of Technology for transparency in all the transactions, information about tender enquiries above Rs.30 lakhs, details of contracts concluded above Rs.10 lakhs, works awarded on nomination basis, single tender basis above Rs.1 lakh, information regarding bill payments to the contractors etc. are provided on the company's website.

NMDC has implemented Integrity Pact since November, 2007 in order to maintain transparency in all its dealings with contractors and vendors. NMDC has recently reduced the threshold limit to Rs. 20 crores in case of civil works and contracts and Rs. 10 crores in case of procurement. Till date, the Integrity Pact has been adopted in 58 contracts with a value of Rs.13763.65 crores. As such, more than 90% of the total value of the contracts are covered under Integrity Pact. NMDC has appointed

Mr. S .Anwar, IAS (Retd) and Dr. J.S. Juneja as IEMs after getting the approval from CVC.

In addition, action for e-procurement and e-auction have already been taken up and the same are under process.

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. Conducted a Surveillance Audit on 17.10.2011 as a part of ISO 9001:2008 for vigilance department. Based on the audit, the ISO Certificate has been extended for a further period of one year i.e., upto 25.10.2012. The systems and procedures including the document handling, maintenance of records have improved considerably, ever since the department obtained the ISO Certification.

The Vigilance Awareness Week was observed from 31.10.2011 to 05.11.2011. During this week, Vigilance Department organized talks by eminent personalities on "Participative Vigilance", "Cyber Crimes & Information Security". On the concluding day i.e., on 5th November, a talk by Shri N Vittal, former Central Vigilance Commissioner, Central Vigilance Commission was organized.

As an initiative of pro-active vigilance, a Questionnaire has been circulated to all the Executives to obtain a feedback on various aspects of role of vigilance functionaries in the organization. Suggestions for improving the effectiveness of vigilance department have also been received in the feedback, based on which, it is proposed to organize sensitization and training programmes for the executives about the best practices. Updation of Manuals of all Divisions is another activity that has been taken up in the right earnest.

The Vigilance Department also renders advice on various issues, whenever it is approached.

#### 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.**

Ten Years Performance

(Rs. in Crore)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
<b>Operating Statistics:</b>										
<b>Production @</b>										
1 Iron Ore (WMT) (in lakh tonnes)	272.60	251.55	238.03	285.15	298.16	262.25	229.23	207.40	179.59	169.72
2 Diamonds (Carats)	18043	10866	16529.21	0	0	1703	43878	78217	71163	84348
3 Sponge Iron (in tonnes)	37260	38962								
<b>Sales</b>										
1 Iron Ore (WMT) (in lakh tonnes)	273.01	263.15	240.85	264.72	281.84	255.89	248.45	232.22	206.64	195.11
2 Diamonds (Carats)	8085	18421	7335	0	2632	14588	48825	86257	84097	70787
3 Sponge Iron (in tonnes)	33732	39775								
<b>Financial Statistics:</b>										
<b>Income</b>										
1 Sales Iron Ore	11167.56	11285.33	6222.60	7559.11	5705.32	4170.92	3669.47	2180.58	1411.39	1177.28
2 Sales Sponge Iron	65.93	62.75								
3 Sales Diamonds	9.84	12.88	6.94	0.00	3.75	10.60	35.69	43.82	36.19	31.17
4 Sale of Power	0.00	4.48	6.57	2.22	0.00	0.00	0.00	0.00	0.00	0.00
5 Sales Others	1.36	0.00	0.00	0.08	0.09	1.34	2.22	2.15	1.27	1.13
6 Income from services	17.20	3.50	2.98	2.62	2.15	2.98	3.54	3.44	4.84	4.65
7 Other Income	2016.49	1205.70	861.71	884.04	670.53	354.69	199.93	105.28	77.07	97.15
8 Stock Adjustments	22.72	113.17	-1.90	127.39	30.17	-6.49	4.42	-3.75	1.94	-17.95
	13301.10	12687.81	7098.90	8575.46	6412.01	4534.04	3915.27	2331.52	1532.70	1293.43
<b>PROFIT</b>										
1 Profit before depreciation, Interest & Taxes	10891.12	9848.69	5280.48	6721.79	5007.47	3578.33	2883.82	1287.49	670.00	462.46
2 Depreciation	130.17	121.52	73.16	73.56	60.00	80.02	113.69	63.84	53.98	42.28
3 Interest on income tax	1.48					0.00	0.00	0.00	0.00	0.00
4 Profit before tax	10759.47	9727.17	5207.32	6648.23	4947.47	3498.31	2770.13	1223.65	616.02	420.18
5 Taxes	3494.08	3227.95	1760.06	2275.85	1696.49	1178.10	942.33	468.21	183.39	107.98
6 Profit/Loss after depreciation Interest & Taxes	7265.39	6499.22	3447.26	4372.38	3250.98	2320.21	1827.80	755.44	432.63	312.20
7 Dividend	1784.12	1308.35	693.82	876.20	651.53	465.19	365.57	151.32	46.25	39.65
<b>FINANCIAL POSITION</b>										
1 Equity (^)	396.47	396.47	396.47	396.47	132.16	132.16	132.16	132.16	132.16	132.16
2 Reserves & Surplus	24009.89	18818.05	13875.96	11240.44	8157.49	5668.77	3882.32	2471.36	1893.20	1512.75
3 Gross Fixed Assets	2388.12	2272.82	1771.14	1669.17	1421.40	1304.15	1259.68	1176.78	1148.15	807.10
4 Net Fixed Assets	1188.80	1099.26	787.15	746.63	568.06	504.90	530.16	537.44	574.27	285.16
5 Other Assets (intangible) \$	10.07	14.45	16.78	22.20	24.55	26.80	29.95	34.75	58.49	53.17
6 Capital Work-in-Progress	1494.16	677.17	561.29	248.31	111.83	112.97	56.16	31.47	66.24	374.34
7 Current Assets	23195.21	19171.56	14263.61	11771.02	8282.70	5525.84	4742.14	2804.78	1923.10	1457.96
8 Current Liabilities	2105.13	1780.72	1347.66	1164.75	774.76	417.36	1399.32	866.64	675.68	572.19
9 Deferred Tax Asset	-100.09	-102.88	-84.88	-58.04	-6.01	-26.60	-18.46	-12.13	6.87	13.64
10 Capital Employed *	22278.88	18490.10	13703.10	11352.90	8076.00	5613.38	3872.98	2475.58	1821.69	1170.93
11 Net Worth	24396.29	19200.07	14255.65	11614.71	8265.10	5774.13	3984.53	2568.77	1966.87	1591.74
12 Book value per share (Rs.) (^)	61.53	48.43	35.96	29.30	625.40	436.91	301.50	194.37	148.83	120.44
13 Earning per share (Rs.) (^)	18.33	16.39	8.69	11.03	245.99	175.56	138.30	57.16	32.74	23.62
14 Valued added per emp Rs. In lakhs	167.10	159.05	93.58	122.75	94.72	67.12	56.83	30.86	17.69	12.90

\$ 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.

### Value Added Statement for the year 2011-12

(Rs. in crore)

	2011-2012	2010-2011
<b>HOW VALUE IS GENERATED:</b>		
Value of Production	11,284.61	11,482.48
Less : Direct Material, Power & Water charges, Royalty & Freight	1,215.29	1,689.86
<b>Total Value Added</b>	<u>10,069.32</u>	<u>9,792.62</u>
<b>HOW VALUE IS DISTRIBUTED:</b>		
<b>A. Employees</b>		
Payments & Benefits	529.10	491.05
<b>B. Suppliers of Materials and Services</b>		
Stores & Spares	145.95	135.90
Selling Expenses	102.33	242.01
Others (Net of Miscellaneous Income)	-1,716.85	-967.88
<b>TOTAL</b>	<u>-1,468.57</u>	<u>-589.97</u>
<b>C. Society -Corporate Social Responsibility</b>		
	63.32	37.33
<b>D. Govt. Payments - Income Tax</b>		
	3,784.99	3,440.43
<b>E. Providers of Capital</b>		
Shareholders - Dividend	1,784.12	1,308.35
<b>TOTAL</b>	<u>1,784.12</u>	<u>1,308.35</u>
<b>F. Re-investment in the Business</b>		
Depreciation	186.39	123.81
Operational Profit	5,189.97	4,981.62
<b>TOTAL</b>	<u>5,376.36</u>	<u>5,105.43</u>
<b>Total Value Distributed</b>	<b>10,069.32</b>	9,792.62
Average Number of Employees	6,026	6,157
Value added per employee (Rs. in lakh)	167.10	159.05

**VENUGOPAL & CHENY**  
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## Auditors' Report

To  
The Members  
NMDC Ltd

We have audited the attached Balance Sheet of NMDC LIMITED (The Company) as at March 31, 2012, and also the Statement of Profit and Loss 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 of Head Office, 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, Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

**VENUGOPAL & CHENOY**  
Chartered Accountants

Continuation Sheet

- (e) The Company has informed that Department of Company affairs vide notification No. GSR 829(E) dt October 21,2003, notified that Section 274(1)(g) of the Companies Act, 1956, is not applicable to the Government Companies. Hence, Clause regarding disqualification of directors is not applicable.
- (f) The company has provided for cess under section 441A of the Companies Act, 1956 but the same has not been deposited, pending notification specifying the manner of payment.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and Notes there on 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 31.03.2012;
- (ii) In the case of the Statement of Profit and Loss, 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 VENUGOPAL & CHENOY,**  
Chartered Accountants  
FRN No: 004671S



**(P.V. SRI HARI)**  
Partner  
Membership No. 21961

Place : New Delhi  
Date : 28.05.2012



**VENUGOPAL & CHENOY**  
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## 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, a 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 record were not material except to the extent of 1,46,042 tons of Lump ore excess found in Kumaraswamy mines which as per the management was due to retrieval of ore embedded in between boulders, troughs, curve surfaces, undulations and small ditches.
- (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) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003, 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.

**VENUGOPAL & CHENOY**  
Chartered Accountants

Continuation Sheet

- (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 v (b) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, 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) During the year, the Company has come under the ambit of Cost audit of Sponge Iron Activity and Windmill power generation. Considering this, we have broadly reviewed the books of account maintained by the company pursuant to Companies (Cost Accounting Records) Rules 2011 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records.
- (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 generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor education and protection fund, 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 Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess were in arrears, as at 31.03.2012 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, Export Tax, Conservancy Tax, Road Tax and Property Tax which are not deposited on account of dispute which are as follows:

**VENUGOPAL & CHENOY**  
Chartered Accountants

Continuation Sheet

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	10.64
Nagar Palika, Kirandul	Conservancy Tax	1997-98 to 2005-06	High Court, Chhattisgarh	0.49
MP Commercial Tax Act, 1994	Commercial Tax	2002-03 2005-06 2006-07	Dy.Commissioner of Commercial Tax (Appeal), Sagar	1.93
Nagarpalika, Bade Bachel	Export Tax	May 2001 to July 2002	High Court of Chhattisgarh	0.54
GHMC, Hyderabad	Property Tax	2011-12	GHMC, Hyderabad	0.02
Income Tax Act, 1961	Income-Tax	2007-08 & 2008-09	CIT (Appeals), Hyderabad	1024.28
Karnataka Forest Tax Act, 1963	Forest development Tax	Aug'08 to Mar'12	Dy.Conservator of Forests, Bellary	257.16
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

(x) In our opinion, the Company has no accumulated losses as at 31.03.2012 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 or Banks and has not issued any debentures. Therefore, the provisions of clause xi of Paragraph 4 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 xii of Paragraph 4 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 xiii of Paragraph 4 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,

**VENUGOPAL & CHENOY**  
Chartered Accountants

Continuation Sheet

- debentures and other investments. Accordingly, the provisions of clause xiv of Paragraph 4 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 xvi of Paragraph 4 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 xviii of Paragraph 4 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 xix of Paragraph 4 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 xx of Paragraph 4 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 VENUGOPAL & CHENOY,**  
Chartered Accountants  
FRN No: 004671S



**(P.V. SRI HARI)**  
Partner  
Membership No. 21961

Place : New Delhi  
Date : 28.05.2012

**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 2012**

The preparation of financial statements of NMDC Limited, Hyderabad for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on the independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28 May 2012.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of NMDC Limited, Hyderabad for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditor and 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 auditor's 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 : 22 June 2012



Balance Sheet as at 31<sup>st</sup> March, 2012

(Rs. in Crore)

Particulars	Note No	Figures as at the end of current reporting period 31-March-2012	Figures as at the end of previous reporting period 31-March-2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds:</b>			
Share Capital	2.1	396.47	396.47
Reserves & Surplus	2.2	24,009.89	18,818.05
		<b>24,406.36</b>	19,214.52
<b>Non-current Liabilities :</b>			
Deferred Tax Liability (Net)	2.3	100.09	102.88
Other Long term Liabilities	2.4	23.41	22.08
Long Term Provisions	2.5	13.45	14.92
		<b>136.95</b>	139.88
<b>Current Liabilities :</b>			
Trade payables	2.6	165.82	187.56
Other current Liabilities	2.7	781.15	562.23
Short term Provisions	2.8	1,158.16	993.92
		<b>2,105.13</b>	1,743.71
<b>TOTAL</b>		<b>26,648.44</b>	<b>21,098.11</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS :</b>			
<b>Fixed Assets :</b>			
Tangible Assets	2.9	1,111.00	1,007.47
Intangible Assets	2.10	77.80	91.79
Capital Work in Progress	2.11	1,494.16	567.69
		<b>2,682.96</b>	1,666.95
Non-current investments	2.12	247.77	135.68
Long term Loans and Advances	2.13	512.43	198.89
Other non-current assets	2.14	6.61	10.98
		<b>3,449.77</b>	2,012.50
<b>CURRENT ASSETS :</b>			
Inventories	2.15	458.92	415.43
Trade receivables	2.16	737.02	485.40
Cash and bank balances	2.17	20,264.58	17,228.06
Short term Loans and Advances	2.18	1,047.64	557.19
Other Current Assets	2.19	690.51	399.53
		<b>23,198.67</b>	19,085.61
<b>TOTAL</b>		<b>26,648.44</b>	<b>21,098.11</b>
<b>Significant accounting policies and Notes on accounts forming part of accounts.</b>	1 & 2		

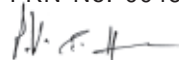
Subject to our Report of even date

For and on behalf of the Board

For Venugopal &amp; Chenoy.,

Chartered Accountants


FRN No: 004671S



(P.V. Sri Hari)

Partner

Membership No: 21961


  
(S. THIAGARAJAN)  
Director (Finance)



(C.S.VERMA)

Chairman-cum-Managing Director


  
(KUMAR RAGHAVAN)  
Company Secretary

Place : New Delhi

Date : 28-05-2012

Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March, 2012

(Rs. in Crore)

Particulars	Note No	Figures for the current reporting period 31-March-2012	Figures for the previous reporting period 31-March-2011
<b>I. Gross Revenue from Operations</b>	2.20	<b>11,268.73</b>	11,375.77
Less : Excise duty		6.84	6.46
Net Revenue from operations		<b>11,261.89</b>	11,369.31
<b>II. Other Income</b>	2.21	<b>2,016.49</b>	1,203.14
<b>III. Total Revenue (I + II)</b>		<b>13,278.38</b>	12,572.45
<b>IV. Expenses :</b>			
Consumption of raw materials	2.22	24.01	23.18
Consumption of Stores & Spares		232.56	211.98
Changes in inventories of finished goods and work-in-progress	2.23	-22.72	-113.17
Employee Benefit expense	2.24	529.10	491.05
Power, Electricity and Water	2.25	50.13	45.69
Repairs & Maintenance	2.26	67.03	53.06
Royalty & Cess		1,022.61	931.76
Selling Expenses - Freight Outwards		41.69	621.85
- Others		102.33	242.01
		<b>144.02</b>	863.86
Finance cost - interest on Income Tax		1.48	1.51
Depreciation & Amortisation	2.9 & 2.10	130.17	120.35
Other Expenses	2.27	288.99	216.90
Total Expenses		<b>2,467.38</b>	2,846.17
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>10,811.00</b>	9,726.28
<b>VI. Exceptional items</b>	2.30	51.30	0.00
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>10,759.70</b>	9,726.28
<b>VIII. Extraordinary Items</b>		0	0
<b>IX. Profit before tax (VII-VIII)</b>		<b>10,759.70</b>	9,726.28
<b>X. Tax expense :</b>			
(1) Current year		3486.94	3218.20
Earlier years (net)		10.00	-4.41
(2) Deferred tax		-2.79	12.85
		<b>3494.15</b>	3226.64
<b>XI. Profit for the year from continuing operations after tax (IX-X)</b>		<b>7,265.55</b>	6,499.64
<b>XII. Loss from discontinuing operations before tax</b>		-0.23	-0.62
<b>XIII. Tax expense of discontinuing operations</b>		-0.07	-0.20
<b>XIV. Loss from discontinuing operations after tax (XII-XIII)</b>		-0.16	-0.42
<b>XV. Profit for the year (XI + XIV)</b>		<b>7,265.39</b>	6,499.22
<b>XVI. Earning per equity share :</b>			
(Face value Rs.1/- each)			
(i) Basic		18.33	16.39
(ii) Diluted		18.33	16.39
<b>Significant accounting policies and Notes on accounts forming part of accounts.</b>	1&2		

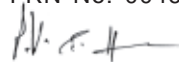
Subject to our Report of even date

For and on behalf of the Board

For Venugopal & Chenoy.,

Chartered Accountants

FRN No: 004671S




(P.V. Sri Hari)

Partner

Membership No: 21961



(S. THIAGARAJAN)  
Director (Finance)



(C.S.VERMA)  
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)  
Company Secretary

Place : New Delhi

Date : 28-05-2012

## Significant Accounting Policies and notes on Accounts

### Note-1 : Significant Accounting Policies

#### A. BASIS OF ACCOUNTING

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

#### B. BALANCE SHEET

##### 1. FIXED ASSETS:

1.1 Fixed Assets are stated at historical cost.

1.2 Assets acquired / constructed by the Company with the subsidy sanctioned by Iron Ore Mines Labour Welfare Cess Fund are capitalised to the extent of cost to the Company. However, the work-in-progress and the subsidy thereon are shown separately till capitalisation.

1.3 The fixed assets acquired against Govt. Grants are shown in the Balance Sheet after deducting the grant received. However, where the grant received is equal to the cost of the asset, such asset is shown at a nominal value of Re.1/- per asset.

1.4 The Insurance Spares which can only be used in connection with an item of Fixed Asset and whose use is expected to be irregular are capitalised and depreciated from the date of acquisition over the balance useful life of the respective assets.

##### 2. DEPRECIATION:

2.1 Depreciation is charged on straight-line method based on the 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 Statement of Profit & Loss.

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 statement of profit and loss for the year during which the relevant decision is taken. Further, all administrative expenses incurred on such projects subsequently till the new technology is identified are also treated as revenue and charged to the statement of profit and loss 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 statement of profit and loss 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** Partly used stores and spares kept in stores.
- 5.8.3** 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 statement of profit & loss.

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

## **C. STATEMENT OF PROFIT & LOSS**

### **1. REVENUE RECOGNITION:**

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

**1.2 Domestic sales:** Domestic sales are accounted on the date of Forwarding Note (Rail dispatches) / Lorry receipt / Delivery challan.

**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 Statement of Profit & Loss.

#### **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 Statement of Profit & Loss.

#### **3.2 Mine Closure Obligation:**

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

#### **3.3 Pre-paid Expenses:**

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed Rs.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.

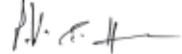
Subject to our Report of even date

For and on behalf of the Board

**For Venugopal & Chenoy.,**

Chartered Accountants


FRN No: 004671S



**(P.V. Sri Hari)**

Partner

Membership No: 21961



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



**(C.S.VERMA)**  
Chairman-cum-Managing Director



**(KUMAR RAGHAVAN)**  
Company Secretary

Place : New Delhi

Date : 28-05-2012

## 2. Notes on Accounts for the Year Ended 31-March-2012

### Note-2.1 : Share Capital

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>Authorised:</b>		
4,00,00,00,000 Equity Shares (Previous year 4,00,00,00,000) of Rs.1 each (Previous year Rs.1/- each)	<u>400.00</u>	<u>400.00</u>
<b>Issued, Subscribed &amp; Paid up:</b>		
3,96,47,16,000 Equity Shares of Rs.1/- each fully paid up	<u>396.47</u>	<u>396.47</u>
<b>TOTAL</b>	<u>396.47</u>	<u>396.47</u>

#### Addl. Notes :

- 1) No new shares were issued during the current year. Hence, there is no change in number of shares outstanding as at the beginning and as at the end of the reporting period.
- 2) The above issued, subscribed & paid up equity shares includes 2,64,31,44,000 shares issued by way of bonus shares in 2008-09.
- 3) The details of shares in the company held by each shareholder holding more than 5% shares:

Name of the Share holder	2011-12		2010-11	
	% of share-holding	No. of shares	% of share-holding	No. of shares
i) Central Government	90.00	3,56,84,18,180	90.00	3,56,84,18,180
ii) LIC of India (incl all Schemes)	6.24	24,74,89,512	6.21	24,63,58,960

Note-2.2 : Reserves and Surplus

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>a) General Reserve (Free Reserve)</b>		
As per last Balance Sheet	18,817.22	13875.52
Add : Additions during the year	5,192.00	4978.00
Less : Operating loss of erstwhile SILL from appointed date 30/06/08 to 31/03/10	0.00	-27.69
Less : Amortisation of Goodwill from appointed date 30/06/08 to 31/03/10	0.00	-8.61
	24,009.22	18,817.22
<b>b) Capital Grant- R&amp;D</b>	0.00	0.00
(Corresponding nominal value of assets Rs. 881/-)		
<b>c) Statement of Profit and Loss - Surplus</b>		
Profit brought forward from previous Year	0.83	0.44
Add : Profit for the year	7,265.39	6499.22
	7,266.22	6499.66
Less : Appropriations :		
Interim Dividend	792.94	455.94
Tax on Interim Dividend	128.64	75.73
Proposed Final Dividend	991.18	852.41
Tax on Final Dividend	160.79	136.75
General Reserve	5,192.00	4978.00
	7,265.55	6498.83
	0.67	0.83
<b>TOTAL</b>	24,009.89	18,818.05

## Note-2.3 : Deferred Tax Liability (Net)

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>A. Deferred tax Liability :</b>		
Related to fixed assets	108.74	109.04
Accrued expenses	0.33	0.00
Misc.expenses	0.11	0.00
	109.18	109.04
<b>B. Deferred tax assets :</b>		
Provision for bad and doubtful debts and advances	4.62	0.82
Provision for post retirement medical benefits	4.47	4.58
Accrued expenses	0.00	0.76
	9.09	6.16
<b>C. Net deferred tax liability (A-B)</b>	100.09	102.88

## Note-2.4 : Other Long Term Liabilities

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
Deposits from Suppliers, Contractors and Others	23.41	22.08
Less : Investments received as security Deposit	0.00	0.00
	23.41	22.08
	23.41	22.08

## Note-2.5 : Long Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>Employee Benefits :</b>		
LTC	2.85	4.38
Long Service Reward	10.60	10.54
	13.45	14.92
	13.45	14.92

Note-2.6 : Trade Payables

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
Outstanding dues of micro and small enterprises	0.08	0.12
Other than micro & small enterprises including Rs.NIL (Previous year Rs.Nil) payable to Subsidiary Companies	165.74	187.44
	<u>165.82</u>	<u>187.56</u>
	<u>165.82</u>	<u>187.56</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.	0.08	0.12
(b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year.	NIL	NIL
ii) the amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

## Note-2.7 : Other Current Liabilities

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>Advances from customers</b>	<b>142.90</b>	112.76
<b>Unpaid Dividend</b>	<b>0.39</b>	0.28
<b>Mine closure liability</b>	<b>211.30</b>	184.53
Less : Fund with LIC	<u>211.30</u>	<u>179.79</u>
	<b>0.00</b>	4.74
<b>Others:</b>		
<b>Deposits from Suppliers, Contractors and Others</b>	<b>159.03</b>	17.50
Less : Investments received as security Deposit	<u>0.00</u>	<u>0.02</u>
	<b>159.03</b>	17.48
<b>Other Payables</b>	<b>478.83</b>	426.97
(like withholding and other taxes payable, amounts payable to employees and others)	<u>781.15</u>	<u>562.23</u>

## Note-2.8 : Short Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>Employee Benefits :</b>		
LTC	<b>3.79</b>	2.55
Long Service Reward	<b>2.40</b>	0.68
<b>Others :</b>		
Proposed Final dividend	<b>991.18</b>	852.41
Tax on Final dividend	<u>160.79</u>	<u>138.28</u>
	<b>1,151.97</b>	990.69
	<u>1,158.16</u>	<u>993.92</u>

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

(Rs. in Crore)

	Opening Balance 1-Apr-11	Adjustment during year	Addition during year	Closing Balance 31-Mar-12
Proposed Dividend and Tax thereon	<b>990.69</b> (463.85)	<b>-1912.27</b> (-993.99)	<b>2,073.55</b> (1,520.83)	<b>1,151.97</b> (990.69)

Note : Figures in bracket indicate previous year figures



Note-2.9 : Tangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK				
	As at 1st Apr, 2011	Additions during the year	Ded/Adj during the year	Internal transfer	As at 31st MAR 2012
<b>A. General</b>					
<b>Land :</b>					
- Free hold	115.24	139.21	(0.60)	–	<b>253.85</b>
- Lease hold	2.41	–	–	–	<b>2.41</b>
Buildings	68.50	6.57	(0.66)	0.12	<b>74.53</b>
Plant & Machinery	772.52	9.15	(60.33)	(0.74)	<b>720.60</b>
Heavy Mobile Equipt.	787.78	90.01	(86.23)	–	<b>791.56</b>
Furniture & fittings	8.78	1.64	(0.14)	(0.02)	<b>10.26</b>
Vehicles	25.51	2.89	(2.60)	–	<b>25.80</b>
Office Equipment	37.23	9.43	(3.35)	(0.16)	<b>43.15</b>
<b>Others :</b>					
Roads, bridges etc.	38.80	0.48	(1.74)	–	<b>37.54</b>
Dams, Wells & Pools	12.16	0.63	(0.84)	–	<b>11.95</b>
Adit & tunnel	3.71	–	–	–	<b>3.71</b>
Railway sidings	19.92	–	(0.08)	–	<b>19.84</b>
Locomotives	7.21	–	–	0.92	<b>8.13</b>
Electrical Installations	66.28	6.49	(4.04)	(0.17)	<b>68.56</b>
Sanitary & W. S. Installations	16.91	1.16	(0.50)	–	<b>17.57</b>
<b>TOTAL 'A'</b>	<b>1,982.96</b>	<b>267.66</b>	<b>(161.11)</b>	<b>(0.05)</b>	<b>2,089.46</b>
Figures for the previous year	1,605.48	387.15	(9.67)	–	<b>1,982.96</b>
<b>B. Social Facilities</b>					
<b>Land :</b>					
- Free hold	0.29	–	–	–	<b>0.29</b>
- Lease hold	0.02	–	–	–	<b>0.02</b>
Buildings	76.11	11.85	(0.59)	–	<b>87.37</b>
Plant & Machinery	0.01	0.04	–	–	<b>0.05</b>
Furniture & fittings	1.85	0.34	(0.09)	0.02	<b>2.12</b>
Vehicles	4.09	0.21	(0.60)	–	<b>3.70</b>
Office Equipment	7.75	1.32	(0.20)	0.03	<b>8.90</b>
<b>Others :</b>					
Roads, bridges etc.	7.14	–	–	–	<b>7.14</b>
Cess fund quarters	12.57	–	–	–	<b>12.57</b>
Dams, Wells & Pools	0.23	–	–	–	<b>0.23</b>
Electrical Instaln.	2.41	–	–	–	<b>2.41</b>
Sanitary & W.S.Instlns.	6.98	0.01	–	–	<b>6.99</b>
Cess fund other assets	0.10	–	–	–	<b>0.10</b>
<b>TOTAL 'B'</b>	<b>119.55</b>	<b>13.77</b>	<b>(1.48)</b>	<b>0.05</b>	<b>131.89</b>
Figures for the previous year	113.42	6.36	(0.23)	–	119.55
<b>TOTAL 'A + B'</b>	<b>2,102.51</b>	<b>281.43</b>	<b>(162.59)</b>	<b>–</b>	<b>2,221.35</b>
Figures for the previous year	1,718.90	393.51	(9.90)	–	2,102.51

## Schedule - 2.9 : Tangible Assets (Contd..)

(Rs. in Crore)

ASSETS	DEPRECIATION BLOCK						NET BLOCK		
	Upto 31st March 2011	For the year	Asset Impair- ment	Prior period adj.	Dedu- ctions/ adjust- ments	Internal trans- fers	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011
<b>A. General</b>									
<b>Land :</b>									
- Free hold	-	-	-	-	-	-	-	<b>253.85</b>	115.24
- Lease hold	0.47	0.11	1.02	-	-	-	<b>1.60</b>	<b>0.81</b>	1.94
Buildings	32.45	1.84	-	-	(0.66)	(0.24)	<b>33.39</b>	<b>41.14</b>	36.05
Plant & Machinery	520.26	27.90	50.65	-	(60.33)	-	<b>538.48</b>	<b>182.12</b>	252.26
Heavy Mobile Equipmt.	344.70	75.11	-	-	(83.52)	-	<b>336.29</b>	<b>455.27</b>	443.08
Furniture & fittings	5.73	0.65	-	-	(0.12)	(0.01)	<b>6.25</b>	<b>4.01</b>	3.05
Vehicles	15.79	2.85	-	-	(2.44)	-	<b>16.20</b>	<b>9.60</b>	9.72
Office Equipment	25.51	3.11	-	0.15	(3.06)	(0.18)	<b>25.53</b>	<b>17.62</b>	11.72
<b>Others :</b>									
Roads, bridges etc.	11.50	1.10	-	-	(0.74)	0.25	<b>12.11</b>	<b>25.43</b>	27.30
Dams, Wells & Pools	11.50	0.05	-	-	(0.84)	-	<b>10.71</b>	<b>1.24</b>	0.66
Adit & tunnel	3.71	-	-	-	-	-	<b>3.71</b>	-	-
Railway sidings	11.63	0.77	-	-	(0.08)	-	<b>12.32</b>	<b>7.52</b>	8.29
Locomotives	7.21	0.05	-	-	-	0.17	<b>7.43</b>	<b>0.70</b>	-
Electrical Installations	44.94	2.73	-	-	(4.01)	(0.01)	<b>43.65</b>	<b>24.91</b>	21.34
Sanitary & W. S. Installations	10.65	0.69	-	-	(0.51)	-	<b>10.83</b>	<b>6.74</b>	6.26
<b>TOTAL 'A'</b>	<b>1,046.05</b>	<b>116.96</b>	<b>51.67</b>	<b>0.15</b>	<b>(156.31)</b>	<b>(0.02)</b>	<b>1,058.50</b>	<b>1,030.96</b>	<b>936.91</b>
Figures for the previous year	952.73	102.45	-	0.47	(9.60)	-	1,046.05	936.91	-
<b>B. Social Facilities</b>									
<b>Land :</b>									
- Free hold	-	-	-	-	-	-	-	<b>0.29</b>	0.29
- Lease hold	0.02	-	-	-	-	-	<b>0.02</b>	-	-
Buildings	25.53	1.95	-	-	(0.59)	-	<b>26.89</b>	<b>60.48</b>	50.58
Plant & Machinery	0.01	0.03	-	-	-	-	<b>0.04</b>	<b>0.01</b>	-
Furniture & fittings	1.42	0.18	-	-	(0.03)	0.01	<b>1.58</b>	<b>0.54</b>	0.43
Vehicles	2.45	0.47	-	-	(0.57)	-	<b>2.35</b>	<b>1.35</b>	1.64
Office Equipment	4.72	0.62	-	-	(0.11)	0.01	<b>5.24</b>	<b>3.66</b>	3.03
<b>Others :</b>									
Roads, bridges etc.	3.01	0.22	-	-	-	-	<b>3.23</b>	<b>3.91</b>	4.13
Cess fund quarters	4.98	0.26	-	-	-	-	<b>5.24</b>	<b>7.33</b>	7.59
Dams, Wells & Pools	0.16	-	-	-	-	-	<b>0.16</b>	<b>0.07</b>	0.07
Electrical Instaln.	1.80	0.12	-	-	-	-	<b>1.92</b>	<b>0.49</b>	0.61
Sanitary & W.S.Instlns.	4.79	0.29	-	-	-	-	<b>5.08</b>	<b>1.91</b>	2.19
Cess fund other assets	0.10	-	-	-	-	-	<b>0.10</b>	-	-
<b>TOTAL 'B'</b>	<b>48.99</b>	<b>4.14</b>	-	-	<b>(1.30)</b>	<b>0.02</b>	<b>51.85</b>	<b>80.04</b>	<b>70.56</b>
Figures for the previous year	45.40	3.72	-	-	(0.13)	-	48.99	70.56	-
<b>TOTAL 'A + B'</b>	<b>1,095.04</b>	<b>121.10</b>	<b>51.67</b>	<b>0.15</b>	<b>(157.61)</b>	-	<b>1,110.35</b>	<b>1,111.00</b>	<b>1,007.47</b>
Figures for the previous year	998.13	106.17	-	0.47	(9.73)	-	1,095.04	1,007.47	-

Note-2.10 : Intangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK				
	As at 1st Apr, 2011	Additions during the year	Ded/Adj during the year	Internal transfer	As at 31st MAR 2012
<b>GENERAL</b>					
Goodwill	14.09	–	–	–	<b>14.09</b>
Computer software	4.67	1.01	0.26	–	<b>5.94</b>
Mining rights	151.55	2.25	(7.03)	–	<b>146.77</b>
<b>TOTAL</b>	<b>170.31</b>	<b>3.26</b>	<b>(6.77)</b>	<b>–</b>	<b>166.80</b>
Figures for the previous year	162.26	8.05	–	–	<b>170.31</b>

Schedule - 2.10 : Intangible Assets (Contd..)

(Rs. in Crore)

ASSETS	AMORTISATION BLOCK				NET BLOCK		
	Upto 31st March 2011	For the year	Prior period adj.	Deductions/ adjustments	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011
<b>GENERAL</b>							
Goodwill	13.31	0.78	–	–	<b>14.09</b>	–	0.78
Computer software	3.35	0.98	–	0.05	<b>4.38</b>	1.56	1.32
Mining rights	61.86	9.82	(1.15)	–	<b>70.53</b>	76.24	89.69
<b>TOTAL</b>	<b>78.52</b>	<b>11.58</b>	<b>(1.15)</b>	<b>0.05</b>	<b>89.00</b>	<b>77.80</b>	<b>91.79</b>
Figures for the previous year	63.17	15.35	–	–	78.52	91.79	–

## Additional notes to 2.9 & 2.10 : TANGIBLE AND INTANGIBLE ASSETS

1. 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 notes as per Accounting Policy No. B. 1.3. The details of original value of such assets are as under.

(Rupees in Crore)

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

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

(Rs. in crore)

	Plant & Machinery
Cost as at 31.03.2012	0.66 (0.66)
Less: Grant	0.17 (0.17)
Amount Capitalised	0.49 (0.49)

2. 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)

**Tangible Assets:**

i)	Buildings	1.72%,2.5%,3.45%,3.57%,5%,5.56%,100%
ii)	Plant and machinery	5.56%,8.33%,10%,14.29%,20%
iii)	Heavy mobile equipment	11.31%
iv)	Furniture and Fittings	10%
v)	Vehicles (5% of original cost retained as residual value)	16.67%
vi)	Office Equipment	6.67%,8.33%,16.67%, 20%,
vii)	Railway sidings	5.56%
viii)	Locomotives	10%
ix)	Electrical installations	5.56%,6.67%,10%,14.29%,20%,33.33%
x)	Sanitary and water supply installations	5.56%

**Intangible Assets:**

i)	Intangible asset - Computer software	Amortized over 3 years
ii)	Mining rights	Amortized over the period of lease
iii)	Goodwill on amalgamation of SILL	Amortized over a period of 3 years

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

3. 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.

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

(Rs. in crore)

	Quarters	Sanitary & Water Supply Installations	Other Assets
Cost as at 31.03.2012	15.90 (15.90)	2.18 (2.18)	0.58 (0.58)
Less : Cess Fund Grant	3.33 (3.33)	0.27 (0.27)	0.01 (0.01)
Amount Capitalised	12.57 (12.57)	1.91 (1.91)	0.57 (0.57)

6. The land on which Cess Fund Quarters were constructed prior to 1984-85 was leased out to Cess Fund Authorities.
7. 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.
8. The notes 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 SILL towards first plant at Paloncha.
9. Formal agreements / Transfer deeds remain to be executed in respect of the following:
- Renewal of Mining Leases at Deposit 10 (Float Ore) & Panna & Donimalai.
  - Lease deeds in respect of parts of land for township at Bailadila-5, Bacheli and Bailadila-14. Kirandul.
  - Lease deeds in respect of land for Screening Plant at Visakhapatnam.
  - Mining lease to the extent of 22.00 hectares of Silica Sand Plant near Lalapur (Allahabad).
  - 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.
  - Land purchased at Paloncha to the extent of 97.26 acres from the official liquidator of AP Steels Ltd attached to Hon'ble High court of Andhra Pradesh.
  - Only Provisional allotment letters issued for the land to the extent of 13.43 acres purchased from M/s APIIL at Industrial park, Paloncha.
  - Land to the extent of 26.39 acres purchased at Patancheru, Hyderabad from the Official Liquidator of Allwyn Watches Ltd.
11. Reconciliation of Depreciation and Amortisation as per Statement of Profit and Loss :

Rs. In crore

Note no.	Particulars	2011-12	2010-11
Note No: 2.9	Depreciation on Tangible Assets	121.10	106.17
Note No: 2.10	Amortisation of Intangible Assets	11.58	15.35
	<b>TOTAL</b>	<b>132.68</b>	121.52
Note No: 2.11.1	Transferred to IEDC	(-) 1.76	(-) 1.17
	Amount included in discontinued operations	(-) 0.75	-
Depreciation and amortisation as per Statement of Profit and Loss		<b>130.17</b>	120.35



Note-2.11 : Capital Works in Progress

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
Construction work in progress	1,181.17	354.51
Construction Stores	2.63	2.63
Capital Assets in stores awaiting installation or in transit	110.43	93.20
Expenditure incidental to construction awaiting allocation (See note 2.11.1)	199.93	117.35
<b>TOTAL</b>	<b>1,494.16</b>	<b>567.69</b>

Note-2.11.1 : Expenditure Incidental to Construction Awaiting Allocation

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>a. Opening balance</b>	<b>117.35</b>	<b>30.39</b>
<b>b. Net Expenditure incurred during the year</b>		
Consumption of stores and spares	0.47	0.97
Employee Benefits expense	15.23	0.89
Power	0.28	0.19
Repairs and Maintenance	0.30	0.29
Depreciation and amortisation	1.76	1.17
Other expenses :		
Consultancy expenditure	63.83	87.43
Statutory Audit fee	0.01	0.00
Other expenditure	3.03	0.33
	<b>84.91</b>	<b>91.27</b>
<b>Less : Recoveries/Income</b>		
Other income	2.33	0.19
	<b>82.58</b>	<b>91.08</b>
<b>c. Other adjustments</b>		
IEDC charged off during the year	0.00	2.91
Earlier years wrongly booked to IEDC transferred to Un-amoritsed exp	0.00	1.21
	<b>0.00</b>	<b>4.12</b>
Sub-total (a+b-c)	<b>199.93</b>	<b>117.35</b>
Less : Amount allocated to Fixed assets / Capital W I P	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>199.93</b>	<b>117.35</b>

## Note-2.12 : Non-Current Investments

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>In Equity Shares:</b>		
<b><i>Investments in Subsidiary Companies :</i></b>		
<b><i>Trade &amp; quoted at cost:</i></b>		
i) 28,83,62,699 (Previous year Nil) Equity Shares fully paid up in Legacy Iron Ore Ltd, Australia (No face value in Australia)	<b>99.63</b>	-
<b><i>Trade &amp; Unquoted at cost:</i></b>		
i) 3,51,002 (previous Year 3,96,002) Equity shares of Rs.100/- each fully paid up in Subsidiary Company, J&KMDC Ltd, Jammu Less : Investment deration	<b>3.51</b> <b>0.00</b>	3.96 <b>3.96</b>
	<b>3.51</b>	-
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 Less : Investment deration	<b>7.20</b> <b>7.20</b>	7.20 <b>7.20</b>
	-	-
iii) 15,53,919 (Previous Year 7,65,000) Equity shares of Rs.10/- each fully paid up in NMDC CMDC Ltd.	<b>1.55</b>	0.77
iv) 50,000 (Previous year NIL) Equity Shares of Rs.10/- each fully paid up in NMDC Power Ltd	<b>0.05</b>	-
<b><i>Investments in Associates</i></b>		
<b><i>Trade and unquoted at cost</i></b>		
i) 105,000 (previous year 105,000) Equity shares of Rs 10/- each fully paid up in Romelt SAIL India Ltd., New Delhi Less : Deration	<b>0.11</b> <b>0.11</b>	0.11 <b>0.11</b>
	-	-
ii) 4,25,000 (Previous year 1,00,000) Equity shares of Rs.10/- each fully paid up in International Coal Ventures (P) Ltd	<b>0.43</b>	0.43
iii) 4,00,00,000 (Previous year 4,00,00,000) Equity shares of Rs. 10/- each fully paid up in Krishnapatnam Railway Company Ltd	<b>40.00</b>	-
iv) 7,47,99,878 (previous year 7,12,45,198) equity shares of Rs.10/- each fully paid up in NINL, Bhubaneswar	<b>100.60</b>	93.49

Note-2.12 : Non-Current Investments (Contd..)

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b><u>Advance against equity for Trade and unquoted investments in Associates:</u></b>		
i) 19,75,000 (Previous year 9,75,000) equity shares of Rs.10/- each in International Coal Ventures (P) Ltd. fully paid up, pending allotment.	<b>1.98</b>	0.97
ii) 4,00,00,000 equity shares of Rs 10/- each in Krishnapatnam Railway Co. Ltd., fully paid up, pending allotment	<b>0.00</b>	40.00
<b><u>Non-trade &amp; Unquoted at cost:</u></b>		
i) 150 Shares (previous year 150 Shares) of Rs.1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul Rs.1,50,000/- (Previous year Rs.1,50,000/-)	<b>0.02</b>	0.02
ii) 500 Shares (previous year 500 Shares) of Rs.10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli Rs.5,000/- (previous year Rs.5,000/-)	-	-
iii) 25 Shares (previous year 25 Shares) of Rs.100/- each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai Rs.2,500/- (previous year Rs.2,500/-)	-	-
iv) 500 Shares (previous year 500 shares) of Rs.100/- each fully paid up in NMDC Employees Co-operative Society Ltd., Panna Rs.50,000/- (previous year Rs.50,000/-)	-	-
	<b>0.02</b>	0.02
<b>TOTAL</b>	<b><u>247.77</u></b>	<b><u>135.68</u></b>

1. Aggregate amount of Quoted Investments Rs.99.63 crore (Previous year-Not applicable) Market value Rs.204.45 crore (Previous year- Not Applicable).
2. Aggregate amount of Unquoted Investments Gross Rs.155.45 crore and Net Rs.148.14 crore (Previous Year Gross Rs.146.95 crore and Net Rs.135.68 crore).
3. Aggregate amount of provision for diminution in value of the investments is Rs.7.31 crore. (Previous year Rs.11.27 crore)
4. All the above are long term investments.

## Note-2.13 : Long Term Loans and Advances

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
Capital Advances	420.53	109.47
<b>Others:</b>		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	35.78	38.31
Deposit with Others	56.34	51.33
Less : Provision	<u>0.22</u>	<u>0.22</u>
	56.12	51.11
<b>TOTAL</b>	<b><u>512.43</u></b>	<b><u>198.89</u></b>
Secured, considered good	18.25	31.67
Unsecured, considered good	494.18	167.22
Doubtful	0.22	0.22

## Note-2.14 : Other Non-Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>Un amortised expenditure:</b> (to the extent not written off or adjusted)		
Development expenses	5.82	7.05
Expenses on removal of overburden and preparation of Mining Benches	0.79	3.93
<b>TOTAL</b>	<b><u>6.61</u></b>	<b><u>10.98</u></b>

Note-2.15 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
Raw materials	0.73	1.26
<b>Work-in-Process :</b>		
Diamonds	0.57	0.00
Sponge Iron	0.49	0.82
	<u>1.06</u>	0.82
<b>Finished Goods:</b>		
Iron Ore	332.70	327.90
Sponge Iron	5.84	0.08
Ultra Pure Ferric Oxide Rs.57/- (Previous year Rs.57/-)	–	–
Diamonds & Precious Stones	16.51	4.67
Generated Iron ore fines at Sponge Iron unit	3.04	1.49
	<u>358.09</u>	334.14
Stores & Spares	98.68	78.93
Loose tools and Implements	0.36	0.28
	<u>458.92</u>	<u>415.43</u>

Inventories are valued at cost or NRV whichever is lower.

1. Raw material-in-transit	0.04	0.07
2. Stores and Spares include:		
a) Stores-in-transit	17.94	7.67
b) Obsolete stores & spares valued at Rs.1/- per unit of their original value of Rs.2.65 crore	0.01	0.05

## Note-2.16 : Trade Receivables

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
Trade receivables outstanding for a period exceeding six months from the due date of payment	17.36	36.54
Other trade receivables	<u>733.10</u>	<u>450.83</u>
	750.46	487.37
Less : Provision for bad & doubtful trade receivables	<u>13.44</u>	<u>1.97</u>
	737.02	485.40
<b>TOTAL</b>	<b><u>737.02</u></b>	<b><u>485.40</u></b>
<b>See Note no: 2.31 (b)</b>		

## 1. Particulars of Trade Receivables:

i) Secured, Considered good	0.00	0.00
ii) Unsecured considered good	737.02	485.40
iii) Doubtful	13.44	1.97

## Note-2.17 : Cash and Bank Balances

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>CASH AND CASH EQUIVALENTS :</b>		
<b>Balances with Banks</b>		
On Current Accounts	77.06	63.66
On Deposit Accounts (Maturity less than 3 months)	<u>3,021.00</u>	<u>1085.87</u>
	3,098.06	1,149.53
Cheques, drafts on hand	0.00	3.58
Cash on hand	<u>0.13</u>	<u>0.17</u>
	3,098.19	1,153.28
<b>OTHER BANK BALANCES :</b>		
Balances with banks on Deposits accounts (Maturity more than 3 months but less than one year)	15949.00	15994.50
Bank deposits offered as security for Bank Guarantees and Letters of Credit	1217.00	80.00
Balances with Banks for unpaid dividend	<u>0.39</u>	<u>0.28</u>
	17166.39	16074.78
<b>TOTAL</b>	<b><u>20,264.58</u></b>	<b><u>17,228.06</u></b>



Note-2.18 : Short-term Loans and Advances

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
<b>Loans and advances to related parties:</b>		
Loans and advances to Subsidiaries	5.21	2.06
Loans and advances to Directors	0.04	0.03
<b>Others:</b>		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	653.34	157.90
Less : Provision for bad and doubtful advances	0.73	0.23
	652.61	157.67
Advance Income tax & TDS	8,893.97	7,624.81
Less : Provision	8,510.28	7,244.78
	383.69	380.03
Advance Fringe benefit tax	0.04	2.56
Less : Provision	0.04	0.04
	0.00	2.52
Inter Corporate Loans to PSUs	4.50	4.50
Less : Loans deration	4.50	4.50
	0.00	0.00
Balances with Customs and Port Trust	6.06	14.47
Deposit with Others	0.03	0.46
Less : Provision	0.00	0.05
	0.03	0.41
<b>TOTAL</b>	<b>1,047.64</b>	<b>557.19</b>
Secured, considered good	6.88	6.12
Unsecured, considered good	1,040.76	551.07
Doubtful	5.23	4.78

## Note-2.19 : Other Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2012	Figures as at the end of 31-March-2011
Accrued interest on deposits with banks	686.78	396.07
Assets held for disposal (See note 2.19.1)	0.27	0.00
Un amortised expenditure: (to the extent not written off or adjusted)		
Development expenses	0.31	0.31
Expenses on removal of overburden and preparation of Mining Benches	3.15	3.15
<b>TOTAL</b>	<b>690.51</b>	<b>399.53</b>

## Note-2.19.1 : Assets held for Disposal

(Rs. in Crore)

Assets	Gross Block	Depreciation Block	Net Block
	Figures as at the end of 31-March-2012	Upto 31-March-2012	Figures as at the end of 31-March-2012
Free hold land	0.18	–	0.18
Buildings	1.24	60.24	–
Plant & Machinery	60.24	60.24	–
Heavy Mobile Equipt.	41.55	41.55	–
Furniture & Fittings	0.09	0.09	–
Vehicles	1.65	1.56	0.09
Office Equipment	0.58	0.58	–
<b>Others :</b>			
Roads, Bridges, etc.	0.74	0.74	–
Dams, Wells & Pools	0.84	0.84	–
Electrical Installations	3.56	3.56	–
Sanitary & W.S. Installations	0.50	0.50	–
<b>TOTAL</b>	<b>111.17</b>	<b>110.90</b>	<b>0.27</b>

Note-2.20 : Gross Revenue from Operations

(Rs. in Crore)

	For the year ended 31-March-2012	For the year ended 31-March-2011
<b>Sale of Products :</b>		
Iron ore :		
Export through MMTC	272.93	1,531.48
Domestic	10,894.63	9,753.85
	<u>11,167.56</u>	<u>11,285.33</u>
Sponge Iron	72.77	69.21
Diamonds	9.84	12.88
Power	0.00	4.48
	<u>11,250.17</u>	<u>11,371.90</u>
Sale of Services	17.20	3.50
Other operating revenue	1.36	0.37
	<u>11,268.73</u>	<u>11,375.77</u>

Note-2.21 : Other Income

(Rs. in Crore)

	For the year ended 31-March-2012	For the year ended 31-March-2011
<b>Interest income :</b>		
On deposits with Banks	1,962.13	1,095.00
Others	3.67	13.97
	<u>1,965.80</u>	<u>1,108.97</u>
Profit on sale of assets	7.04	1.13
Gain in Foreign Exchange variation (net)	0.00	1.36
Other non-operating Income	43.65	91.68
<b>TOTAL</b>	<u>2,016.49</u>	<u>1,203.14</u>

## Note-2.22 : Consumption of Raw Materials

(Rs. in Crore)

	For the year ended 31-March-2012	For the year ended 31-March-2011
Iron ore	6.32	6.74
Coal	17.17	15.85
Lime Stone	0.17	0.18
Internal handling of raw materials	0.35	0.41
<b>TOTAL</b>	<b>24.01</b>	<b>23.18</b>

Note : Value of iron ore consumed is after adjustment of inter unit transfer value of Rs.43.35 cr (Previous year Rs.42.77 cr) at Sponge Iron Plant, Paloncha.

## Note-2.23 : Changes in Inventories of Finished Goods and Work-in-Progress

(Rs. in Crore)

	For the year ended 31-March-2012	For the year ended 31-March-2011
<b>Work-in-process:</b>		
Balance as at close of the Year	-1.06	-0.82
Less : Balance as at the beginning of the Year	0.82	0.03
Less : Balance as at the beginning of the Year at merged SIIL	0.00	0.19
	<b>-0.24</b>	<b>-0.60</b>
<b>Finished Goods:</b>		
Balance as at close of the Year	-354.22	-332.63
Less : Balance as at the beginning of the Year	332.63	218.75
Less : Balance as at the beginning of the Year at merged SIIL	0.00	1.20
	<b>-21.59</b>	<b>-112.68</b>
Less : Excise duty on accretion/decretion of stock (net)	-0.89	0.11
	<b>-22.48</b>	<b>-112.57</b>
<b>TOTAL</b>	<b>-22.72</b>	<b>-113.17</b>

### Note-2.24 : Employee Benefit Expense

(Rs. in Crore)

	For the year ended 31-March-2012	For the year ended 31-March-2011
Salaries, Wages & Bonus	374.41	331.89
Contribution to Provident fund and other funds :		
Provident Fund, EPS & DLI	26.56	27.52
Gratuity Fund	21.75	27.16
Staff Welfare Expenses	106.38	104.48
<b>TOTAL</b>	<b>529.10</b>	<b>491.05</b>

### Note-2.25 : Power, Electricity & Water

(Rs. in Crore)

	For the year ended 31-March-2012	For the year ended 31-March-2011
Power charges	40.88	36.94
Electricity charges	7.84	7.37
Water Charges	1.41	1.38
<b>TOTAL</b>	<b>50.13</b>	<b>45.69</b>

### Note-2.26 : Repairs and Maintenance

(Rs. in Crore)

	For the year ended 31-March-2012	For the year ended 31-March-2011
Buildings	12.40	8.04
Plant and Machinery	27.39	19.89
Vehicles	1.01	0.48
Others	26.23	24.65
<b>TOTAL</b>	<b>67.03</b>	<b>53.06</b>

## Note-2.27 : Other Expenses

(Rs. in Crore)

	For the year ended 31-March-2012	For the year ended 31-March-2011
Rent	2.76	3.31
Insurance	5.76	4.53
Rates & Taxes	5.71	6.46
Directors' Travelling expenses	3.05	1.91
Directors' Sitting fee	0.27	0.10
Payment to Auditors:		
As Auditors	0.14	0.13
For Taxation matters	0.01	0.02
For Other services	0.13	0.08
For reimbursement of expenses	0.07	0.05
	0.35	0.28
Loss on sale/adjustment of Assets	0.18	0.08
Miscellaneous losses written off	0.89	0.99
Provision for doubtful debts/advances	12.15	0.40
Mine closure Obligation	9.12	10.55
Raising and Transportation	44.74	26.58
Entertainment	0.63	0.59
Donations	0.02	0.00
IEDC exp written off	0.00	2.91
Travelling & Conveyance	20.65	16.75
Advertisement & Publicity	5.76	10.15
Postage, Telephone & Telex	2.97	2.52
Stationery & Printing	3.68	2.83
Consultancy charges	18.00	5.20
CISF/Security guards	52.81	49.07
Safety expenses	0.99	0.69
Unamortised expenditure written off	3.46	3.46
Corporate Social Responsibility	63.32	37.33
Loss in Exchange variation (net)	2.56	0.00
Environmental Development	9.71	9.37
Other expenses	21.32	17.61
Prior period items (See Note 2.27.1)	-1.87	3.23
<b>TOTAL</b>	<b>288.99</b>	<b>216.90</b>



Note-2.27.1 : Prior-Period Items

(Rs. in Crore)

	For the year ended 31-March-2012		For the year ended 31-March-2011	
	Income	Expenditure	Income	Expenditure
Sales	1.53	-	0.01	-
Consumption of stores & spares	-	0.08	-	-
Rates, Taxes & Insurance	-	-	-	0.12
Repairs & Maintenance	-	0.08	0.33	-
Royalty and Cess	-	0.63	-	-
Payments & benefits to employees	-	-	-	2.48
Selling Expenses	0.13	-	0.59	-
Depreciation & Amortisation	1.00	-	-	0.47
Welfare Expenses	-	-	0.06	-
Other Expenses	-	-	-	1.15
<b>TOTAL</b>	<b>2.66</b>	<b>0.79</b>	<b>0.99</b>	<b>4.22</b>
Net Income (-) /Expenditure (+)	-	(1.87)	-	3.23

Note-2.28 : Additional Information

(Rs. in Crore)

	For the year ended 31-March-2012		For the year ended 31-March-2011	
	Value	Percentage	Value	Percentage
<b>2.28.1. Value of imports calculated on CIF basis:</b>				
i. Components & Spare parts	35.85		7.59	
ii. Capital Goods	71.96		81.21	
<b>2.28.2. Expenditure in foreign currency:</b>				
i. Consultancy charges	2.83		0.68	
ii. Others	1.89		1.34	
<b>2.28.3. Particulars of consumption of raw material</b>				
Raw material				
a) Imported	0.00	0.00	0.00	0.00
b) Indigenous	24.01	100.00	23.18	100.00
	24.01	100.00	23.18	100.00
<b>2.28.4. Particulars of consumption of Stores &amp; spares:</b>				
Components & spare parts (including consumable stores)				
a) Imported	17.99	7.74	16.12	7.60
b) Indigenous	214.57	92.26	195.86	92.40
	232.56	100.00	211.98	100.00
<b>2.28.5. Foreign Exchange earnings :</b>		0		0

## 2.28.6 : 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.

OTHER DISCLOSURES :

(Rs in crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	Family Benefit Scheme	Long Service Award
<b>A. Changes in the present value of the Obligation as on 31st Mar 2012</b>							
Present value of obligation at the beginning of the year	147.70	63.64	12.32	122.26	6.93	12.43	11.22
Interest cost	12.56	5.41	1.04	9.78	–	–	–
Current service cost	5.24	18.19	2.18	17.79	–	–	–
Past service cost	–	–	–	–	–	–	–
Benefits paid/payable	(24.75)	(8.28)	(0.65)	(9.52)	–	(3.15)	–
Actuarial gain/loss on obligation	17.09	(22.94)	5.55	8.20	(0.29)	4.04	1.78
Present value of obligation at the end of the period	<b>157.84</b>	<b>56.02</b>	<b>20.44</b>	<b>148.51</b>	<b>6.64</b>	<b>13.32</b>	<b>13.00</b>
<b>B. Changes in the fair value of the Plan Assets as on 31st Mar 2012</b>							
Fair value of plan assets at the beginning of the year	120.98	99.84	13.51	103.93	–	11.24	–
Expected return on plan assets	13.11	10.15	1.30	12.40	–	0.91	–
Contributions	59.00	–	5.00	18.33	–	1.19	–
Benefits paid/payable	(24.75)	(8.28)	(0.65)	(9.52)	–	(3.15)	–
Actuarial gain/loss on plan assets	–	–	–	–	–	–	–
Fair value of plan assets at the end of the period	<b>168.34</b>	<b>101.71</b>	<b>19.16</b>	<b>125.14</b>	<b>–</b>	<b>10.19</b>	<b>–</b>
<b>C. Amounts recognised in the Balance sheet as on 31st Mar 2012</b>							
Present value of the obligations at the end of the year	157.84	56.02	20.44	148.51	6.64	13.32	13.00
Fair value of plan assets at the end of the year	168.34	101.71	19.16	125.14	–	10.19	–
Liability(+)/Asset (-) recognised in the balance sheet	<b>(10.50)</b>	<b>(45.69)</b>	<b>1.28</b>	<b>23.37</b>	<b>6.64</b>	<b>3.13</b>	<b>13.00</b>

## OTHER DISCLOSURES :

(Rs in crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	Family Benefit Scheme	Long Service Award
<b>D. Amounts recognised in the Statement of P&amp;L for the period ended on 31st Mar 2012</b>							
Current service cost	5.24	18.19	2.18	17.79	–	–	–
Past service cost	–	–	–	–	–	–	–
Interest cost	12.56	5.41	1.04	9.78	–	–	–
Expected return on plan assets	(13.11)	(10.15)	(1.30)	(12.40)	–	(0.91)	–
Net actuarial gain/loss recognised in the year	17.09	(22.94)	5.55	8.20	(0.29)	4.04	1.78
Expenses recognised in Statement of Profit and Loss	<b>21.78</b>	<b>-9.49</b>	<b>7.47</b>	<b>23.37</b>	<b>(0.29)</b>	<b>3.13</b>	<b>1.78</b>

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

	one percentage point increase in medical inflation rate	one percentage point decrease in medical inflation rate
i. Increase/Decrease on aggregate service and interest cost of post retirement medical benefits	Rs.0.34 cr	Rs.(1.83 cr)
ii. Increase/(Decrease) on present value of defined benefit obligations as at 31-03-2012	Rs.10.37 cr	Rs.(12.09 cr)

**F. PRINCIPAL ACTUARIAL ASSUMPTIONS:**

DESCRIPTION	2011-12	2010-11
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%
iv. Future salary increase	5%	5%

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

## Note-2.28.7 : 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
<b>1. REVENUE</b>								
External Sales	11,167.56	11,285.34	94.33	83.97	0.00	-	11,261.89	11,369.31
Inter-Segment Sales	37.00	42.77	-	-	-37.00	(42.77)	-	-
Total Revenue	11,204.56	11,328.11	94.33	83.97	-37.00	-42.77	11,261.89	11,369.31
<b>2. RESULT</b>								
Segment Result Unallocated	8,993.64	8,743.68	-42.15	-13.25	-275.78	-228.99	8,675.71	8,501.44
Corporate Exps							116.48	113.74
Operating Profit							8,792.19	8,615.18
Interest Expense - On IncomeTax							1.48	1.51
Interest Income							1,965.80	1,108.97
Income Taxes							-3,494.08	-3,226.44
Net Profit							7,265.39	6,499.22
<b>3. OTHER INFORMATION</b>								
Segment Assets	2,979.57	2,331.76	99.09	146.26	23,559.70	18,605.65	26,638.36	21,083.67
Segment Liabilities	765.45	606.15	20.22	18.02	1,356.32	1,156.55	2,141.99	1,780.72
Additions to assets during the year :								
Tangible Assets	133.51	289.19	2.83	0.77	145.09	103.55	281.43	393.51
Intangible Assets	3.04	6.81	0.00	0.03	0.22	1.21	3.26	8.05
Depreciation and Amortisation expenses during the year	116.80	96.35	5.68	10.63	7.69	13.37	130.17	120.35
Impairment reversal/provided			51.67	0.00	0.00	0.00	51.67	0.00
Non-Cash expenses other than Depreciation & amortization	15.23	0.24	0.11	0.86	0.20	0.29	15.54	1.39

**Secondary Segments****Sales Revenue by location of Customers:**

(Rs. in crore)

Revenue from External customers	Curr. Year	Prev. Year
- Domestic	<b>10,988.96</b>	9,837.83
- Export : through MMTC	<b>272.93</b>	1,531.48
<b>TOTAL</b>	<b>11,261.89</b>	11,369.31

**Assets by Geographical Location:**

(Rs. in crore)

Location	Carrying amount of Segment Assets		Additions to Tangible and Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chattisgarh	<b>3,091.31</b>	2,301.40	<b>134.16</b>	343.70
Andhra Pradesh	<b>22,410.80</b>	18,357.64	<b>139.12</b>	5.28
Others	<b>1,136.25</b>	424.63	<b>11.41</b>	52.58
<b>TOTAL</b>	<b>26,638.36</b>	21,083.67	<b>284.69</b>	401.56



**Note-2.29 : Contingent liabilities and Commitments**  
(to the extent not provided for)

**A. Contingent liabilities**

Rs. in crore			
	Particulars	As at 31-MAR-12	As at 31-MAR-11
<b>1.1</b>	Claims against the company not acknowledged as debts consisting of:		
a	Disputed claims under Property tax, Export tax, Conservancy Tax, Sales tax, Income tax etc.,	<b>1,297.76</b>	45.23
b	Claims by contractors under arbitration	<b>6.06</b>	6.06
c	Other claims on company not acknowledged as debts	<b>41.40</b>	34.77
<b>1.2</b>	Contingent liability on bills discounted under LCs	<b>9.13</b>	25.66

**1.3 Disputed claims under Income Tax Act:**

Income Tax Authorities re-opened the assessment for the Financial year 2007-08 and further during the assessment of the Financial year 2008-09 included income of Rs.2517.21 crores and Rs.278.03 crores alleging under invoicing of exports and raised demand notices for Rs.1255.83 crores and Rs.109.89 crores for the respective years. The company has contested the allegations stating that all the transactions are transparent as well routed through Bank accounts and filed appeals before CIT (Appeals). Pending disposal of the appeals, an amount of Rs.341.42 crores paid to IT authorities towards 25% of the demand is shown as amount recoverable from the department and the balance disputed amount of Rs.1024.28 crores is shown under 1.1.a Contingent liabilities.

**1.4 Disputed claims under Forest Development tax Act:**

Government of Karnataka introduced Forest Development Tax (FDT) at the rate of 12% on the Sale Value of Iron Ore with effect from 27.08.2008. NMDC preferred an appeal before Hon'ble High Court of Karnataka and the court passed an interim order directing the Company to pay 50% of FDT, consisting of 25% in Cash and balance 25% in the form of Bank Guarantee. Accordingly, based on the demand received from the forest authorities, the company has paid an amount of Rs 115.16 crores in cash and submitted a bank guarantee for Rs 115 crores.

The balance company's liability after issue of Bank guarantee towards FDT is Rs.257.16 cr which is included under disputed taxes under 1.1.a Contingent liabilities.

**B. Commitments:**

Rs. in crore			
	Particulars	As at 31-MAR-12	As at 31-MAR-11
1.1	Estimated amount of contracts remaining to be executed on Capital account	<b>8,511.48</b>	2347.18
1.2	Other commitments- commitments to subsidiaries	<b>74.97</b>	0

## Note-2.30 : Exceptional Items

		Rs. in crore	
	Particulars	As at 31-MAR-12	As at 31-MAR-11
<b>Income :</b>			
1	The investments in the subsidiary JKMDc which were derated in earlier years are reinstated to its full value during the current year consequent to the sanction and initiation of Dead Burnt Magnesia Project by the subsidiary.	<b>3.96</b>	–
<b>Expenditure :</b>			
1	Impairment of Windmills in Karnataka, a cash generating unit as the same is not in operation pending forest clearance issues	<b>52.76</b>	–
2	Loss of Drill due to fire accident at Bacheli	<b>2.50</b>	–
	<b>Total net exceptional items</b>	<b>51.30</b>	–

## Note-2.31 : Mining Issues at Donimalai Complex in Karnataka

a) Hon'ble Supreme Court has accepted the recommendations of the Central Empowered Committee (CEC) on the Karnataka illegal mining cases besides other issues with regard to

- 1) Penalty for encroachment of the mining area beyond the sanctioned lease.
- 2) Payment of 10% of sale proceeds to the special purpose vehicle to be created for undertaking socio-economic, infrastructure conservation, protection of forest etc.

The company has made its submissions before CEC and the Hon'ble Supreme Court, praying for exemption. Since the matter is sub-judice, no provision has been made for the above in the accounts.

b) Further, as per the Hon'ble Supreme Court order dated 23/09/2011, the Iron ore of Donimalai complex is being e-auctioned with effect from 04/10/2011 by the Monitoring Committee (MC) constituted by the CEC of the Supreme Court. Pending settlement of various issues by the Hon'ble Supreme Court, the sales have been accounted at full value of Rs. 883.55 cr. An amount of Rs.468.30 cr due from Monitoring Committee as on 31/03/2012 is appearing under trade receivables.(includes an amount of Rs.176.71 cr towards 20% of value of sale proceeds withheld pending decision).

## Note-2.32 : Disclosures Under Accounting Standards

**2.32.1 Employee Benefits (AS-15 - Rev):** Necessary details have been disclosed in note no: 2.28.6.

**2.32.2 Segment Reporting (AS-17):** Necessary details have been disclosed in note no: 2.28.7.

**2.32.3 Related Party Disclosures (AS-18):**

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

**A. Subsidiary Companies:**

1. JK Mineral Development Corporation Limited, Jammu
2. NMDC SARL, Madagaskar
3. NMDC-CMDC Ltd., Raipur
4. Legacy Iron Ore Ltd, Perth, Australia
5. NMDC Power Ltd

**B. Associate Companies:**

1. Romelt- Sail (India) Limited, New Delhi (in the process of liquidation)
2. International Coal Ventures (Pvt) Ltd
3. Nilachal Ispat Nigam Ltd
4. Krishnapatnam Railway Co. Ltd

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

1. Sri N K Nanda
2. Sri S.Thiagarajan
3. Sri Subimal Bose (w.e.f.17/06/2011)
4. Sri S K Das (w.e.f. 11/08/2011)
5. Sri Rabindra Singh (w.e.f.01/10/2011)
6. Sri V K Sharma (Up to 31/07/2011)
7. Sri G.B.Joshi (Up to 30/09/2011)
8. Sri Rana Som (Up to 31/12/2011)

## ii) Transactions during the year with Related parties:

Rs. In crore

SI No	Particulars	Year ended	
		31-MAR-12	31-MAR-11
1.	<b>Subsidiary Companies:</b>		
	<b>a) Investments:</b>		
	Opening balance	11.93	11.93
	Investment made during the year	100.47	0
	Investment sold during the year	0.45	0
	Closing balance	111.95	11.93
	Investment deration/ Provision	7.20	11.16
	Investment reinstatement	3.96	-
	<b>b) Loans and Advances:</b>		
	Opening balance	2.06	0.18
	Advances given during the year	3.15	1.88
	Adjusted against amounts payable	-	-
	Advance written off during the year	-	-
	Closing balance	5.21	2.06
2.	<b>Associate Companies:</b>		
	<b>Investments (incl Advance for investment):</b>		
	Opening balance	135.00	75.46
	Paid during the year towards equity	8.12	59.54
	Closing balance	143.12	135.00
	Deration against diminution in value of investment	0.11	0.11
3.	<b>Key Management Personnel:</b>		
	Managerial Remuneration	2.62	2.39

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

Particulars	Year ended	
	31-MAR-12	31-MAR-11
1. Profit after Tax (Rs Crore)	7,265.39	6,499.22
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)	18.33	16.39

**2.32.5 Consolidated Financial Statements (AS-21):** The subsidiary of the Company Viz., NMDC SARL, Madagascar is under closure and in the process of winding up. The 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 2012 of the following subsidiaries are not material in terms of para 4.3 of Preface to the statements of Accounting Standards issued by ICAI.

- a) J&K Mineral development corporation Ltd, Jammu
- b) NMDC-CMDC Ltd., Raipur
- c) NMDC Power Ltd., Hyderabad (incorporated on 12.12.2011)
- d) Legacy Iron Ore Ltd., Perth, Australia (Investment made in Dec'11)

Considering the above, consolidated financial statements of NMDC Ltd and its above subsidiaries have not been drawn up for the period ended 31-MARCH-2012 also, as per the practice followed in earlier years.

**2.32.6 Accounting for Taxes on income ( AS-22):** Necessary details have been disclosed in note no: 2.3.

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

On 25/02/2008 and on 30/12/2010 the Board of directors had announced a plan to dispose of the plant and machinery of Silica Sand Project, Lalapur and UPFO Plant, Vizag respectively which are included in the segment of "Other minerals and services."

The company is actively seeking a buyer for both the units and hopes to complete the sale at the earliest.

Particulars	AS AT	
	31-03-12	31-03-11
<b>UPFO Plant, Vizag :</b>		
Carrying value of Assets	<b>0.87</b>	0.78
Carrying value of liabilities	<b>0.10</b>	0.08
<b>Silica Sand Project, Lalapur</b>		
Carrying value of Assets	<b>0.78</b>	0.73
Carrying value of liabilities	<b>0.53</b>	0.48

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

The Research & Development expenditure, charged to Profit & Loss account during the year is Rs.14.31 crore (previous year Rs.14.18 crore), including expenditure of Rs. 2.45 crore (previous year Rs.2.21 crore) on feasibility studies.

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

Rs. in crore		
Head of account	2011-12	2010-11
Consumption of Stores and Spares	0.43	0.35
Power, Electricity, Water	0.45	0.34
Employee benefit expense	7.42	7.65
Repairs and Maintenance	0.10	0.09
Other expenditure	2.09	1.87
Depreciation	3.27	3.10
Total expenditure	13.76	13.40
Less : Other income	1.90	1.34
Total net R&D expenditure	11.86	12.06

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are Rs.2.54 crore (Previous year Rs.0.30 crore).

#### 2.32.9 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 necessary adjustments have been carried out as detailed below:

Rs in crore					
Unit	Year of impairment	Impaired Amount as on 01-04-11	Adjustments during 2011-12		Impaired Amount as on 31-03-12
			Reversal	Addition	
UPFO, Vizag	2005-06	37.46	1.09	-	36.37
SSP, Lalapur	2005-06	12.54	-	-	12.54
SAF Plant at Sponge Iron Unit	2004-05	15.48	-	-	15.48
Windmills at Donimalai	2011-12	-	-	52.76	52.76

The Recoverable amount of the assets of the UPFO, Vizag, SSP, Lalapur unit and Windmills at Donimalai 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.

**2.32.10 Provisions, Contingent Liabilities and Contingent Assets (AS-29) :** Necessary details in regard to provisions have been disclosed in notes 2.8.



Note-2.33 : Disclosure as required by Clause 32 of Listing Agreements

2.33.1 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 31/03/2012	As at 31/03/2011	As at 31/03/2012	As at 31/03/2011
JK Mineral Development Corporation Limited, Jammu	5.03	1.87	5.03	1.87
NMDC SARL, Madagaskar	-	-	-	-
NMDC-CMDC Ltd., Raipur	0.18	0.19	0.18	0.19
NMDC Power Ltd, Hyderabad	-	-	-	-
Legacy Iron Ore Ltd, Australia	-	-	-	-

2.33.2 There are no Investments by the loanees as mentioned in 2.33.1 in the shares of NMDC Ltd.

2.33.3 No loans and advances have been given to the Associate Companies.

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

Note-2.34 : Others

2.34.1 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.2.69 crore (Previous year Rs.2.12 crore)) and the same is not remitted to Central Govt., in the absence of any notification issued by the Central Govt. in this regard.

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

2.34.3 Figures for the previous year have been regrouped wherever considered necessary so as to conform to the classification of the current year.

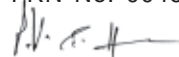
Subject to our Report of even date

For and on behalf of the Board

**For Venugopal & Chenoy.,**

Chartered Accountants

FRN No: 004671S



**(P.V. Sri Hari)**

Partner

Membership No: 21961



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



**(C.S.VERMA)**  
Chairman-cum-Managing Director



**(KUMAR RAGHAVAN)**  
Company Secretary

Place : New Delhi

Date : 28-05-2012

## Cash Flow Statement for the year ended 31-March-2012

(Rs. In crore)

	Year ended 31-Mar-12	Year ended 31-Mar-11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxes and Extraordinary items	10,759.70	9,726.28
Loss from Discontinued operations before tax	-0.23	-0.62
Operating loss of SIIL from appointed date to Mar 2010 (net of deferred tax adj of Rs.1.66 cr)	-	-37.96
<i>Adjustments for :</i>		
Depreciation & Amortisation (incl impairment)	184.35	121.99
Interest on deposits with banks	-1,962.13	-1,095.00
Other Interest	-3.67	-13.97
Profit on reation of investments	-3.96	0.00
Prov for bad & doubtful advances & Misc.losses written off	15.54	1.39
Profit/loss on sale of fixed assets (net)	-7.04	-1.13
Unamortised expenditure written off	3.46	3.46
Operating profit before working capital adjustments	8,986.02	8,704.44
Increase(-)/Decrease(+) in Inventories	-43.49	-111.68
Increase(-)/Decrease(+) in Trade Receivables	-251.62	-53.89
Increase(-)/Decrease(+) in Short term and Long term Loans & Advances	-503.33	-19.13
Increase(-)/Decrease(+) in accrued interest on deposits with banks	-290.71	-229.47
Increase(-)/Decrease(+) in Assets held for disposal	-0.27	-
Increase(+)/Decrease(-) in long term, short term Liabilities and trade payables	198.51	-100.99
Increase(+)/Decrease(-) in long term and Short term Provisions	0.07	-9.74
Cash Generated from Operations	8,095.18	8,179.54
Interest paid on Income tax	1.48	1.51
Direct taxes (Net)	-3,502.08	-3,319.46
<b>Net Cash Flow from Operating Activities</b>	<b>4,594.58</b>	<b>4,861.59</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible and Intangible Assets	-284.69	-400.63
Purchase consideration paid to the Shareholders of SIIL & legal charges	0.00	-82.62
Increase(-)/Decrease(+) in Capital work in progress	-926.47	-55.43
Increase(-)/Decrease(+) in Capital advances	-311.06	-60.44
Purchase of Investments	-108.58	-59.54
Reinstatement of investments	3.96	0.00
Interest on deposits with Banks	1,962.13	1,095.00
Other interest	3.67	13.97
Sale of Investments	0.45	0.00
Sale/Deletion of Fixed Assets	12.47	1.31
Increase(-)/Decrease(+) in Unamortised expenditure	0.91	-1.13
Increase(-)/Decrease (+) in Investment in term deposits with more than three months	45.50	-4,847.80
Increase(-)/Decrease(+) in Bank Deposits offered as security for BG/LCs	-1,137.00	-20.00
<b>Net Cash flow from Investing Activities</b>	<b>-738.71</b>	<b>-4,417.31</b>

(Rs. In crore)

	Year ended 31-Mar-12	Year ended 31-Mar-11
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Payment of dividends	-1,645.46	-852.59
Tax on dividend	-265.39	-141.58
Increase(-)/Decrease (+) in balances with banks for unpaid dividend	-0.11	-0.18
Net cash used in Financing Activities	<u>-1,910.96</u>	<u>-994.35</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<u>1,944.91</u>	<u>-550.07</u>
Cash & Cash equivalents at the beginning of the year	1,153.28	1,648.14
Add : Transferred consequent to merger of SIIL at the appointed date	-	55.21
	<u>1,153.28</u>	<u>1,703.35</u>
Cash & Cash equivalents at the end of the year	<u>3,098.19</u>	<u>1,153.28</u>
	<u>1,944.91</u>	<u>-550.07</u>
Components of Cash & Cash equivalents:		
Cash & cheques on hand	0.13	3.75
Balances with Scheduled banks		
in current account	77.06	63.66
in Term deposits with original maturity less than 3 months	3,021.00	1,085.87
	<u>3,098.19</u>	<u>1,153.28</u>

Note : The previous year figures have been rearranged/regrouped wherever necessary to conform to current year classification.

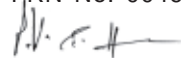
Subject to our Report of even date

For and on behalf of the Board

**For Venugopal & Chenoy.,**

Chartered Accountants

FRN No: 004671S



**(P.V. Sri Hari)**

Partner

Membership No: 21961



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



**(C.S.VERMA)**  
Chairman-cum-Managing Director



**(KUMAR RAGHAVAN)**  
Company Secretary

Place : New Delhi

Date : 28-05-2012

## Expenditure on Social Amenities

(Rs. in Crore)

Description	For the Year ended 31st March, 2012						For the Year ended 31st March, 2011
	Township	School & Educational Facilities	Medical Facilities	Social & Cultural Activities	Transport	Total	
Consumption of Stores & Spares	0.42	–	0.17	–	0.03	0.62	0.56
Power	5.72	0.67	1.08	1.30	–	8.77	8.07
Salaries, Wages & Bonus	10.48	2.41	7.63	–	1.19	21.71	20.15
Contribution to Provident Fund	0.76	0.17	0.60	–	0.10	1.63	2.22
Group Gratuity	0.66	0.14	0.47	–	0.08	1.35	1.75
Welfare Expenses	1.41	9.39	16.02	0.55	1.52	28.89	25.28
Repairs & Maintenance	5.61	1.61	3.66	0.09	0.85	11.82	12.78
Rates, Taxes & Insurance	0.03	–	–	–	–	0.03	0.03
Other Expenses	0.89	0.13	0.14	–	0.08	1.24	1.33
Depreciation	7.94	0.60	0.57	0.03	0.57	9.71	3.69
Total Expenditure	33.92	15.12	30.34	1.97	4.42	85.77	75.86
Less : Receipts	0.57	0.04	0.54	0.11	0.01	1.27	1.94
Net Expenditure	33.35	15.08	29.80	1.86	4.41	84.50	73.92

## Twenty Third Annual Report 2011-2012

### BOARD OF DIRECTORS

As on 24.05.2012

<b>Shri N.K. Nanda</b>	Chairman
<b>Shri S. Thiagarajan</b>	Director
<b>Shri V.C. Sharma</b>	Director
<b>Shri Khurshid Ahmad Shah</b>	Director
<b>Shri Mohd. Imam</b>	Company Secretary

#### **Bankers**

State Bank of India  
Gandhi Nagar  
Jammu - 180 004

#### **Auditors**

**M/S. DOGRA ASSOCIATES**  
Chartered Accountants,  
Jang Bahadur Mansion  
Parade Road  
Jammu - 180 004 (J&K)

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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

## Directors' Report for the year 2011 - 2012

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 Third (23rd ) Annual Report of your Company for the year ended 31 March, 2012.

### 1. Present Status:

Demand of Dead Burnt Magnesia (DBM) in India 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 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 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 Rs122.89 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 with his comments and Wild life conservation plan. NMDC submitted clarifications and further presented the case to the MOEF on 23.02.2011. MOEF issued Environment Clearance (EC) vide order dated 03.05.2011 with a specific condition to obtain NOC from National Board for Wild Life (NBWL). Accordingly NMDC 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. Standing Committee of State Board for Wild Life (SBWL) after due deliberation in its 4th Meeting dated 10.06.2011 approved the proposal for issuing NOC with certain conditions and forwarded the proposal to National Board for Wild Life (NBWL) for its consideration. Standing Committee of NBWL in its 23rd Meeting held on 14.10.2011 cleared the proposal vide letter dated 14.11.2011 and subsequent corrigendum dated 31.01.2012 with the conditions as proposed by SBWL/ CWLW.

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 completed in May 2011. Letter of Award of Contract for Pkg-4 (Balance Civil and Structural



Works) was placed on M/s Onycon Engineers, Mumbai on 21.11.2011. Works at site started as per the drawings released by M N Dastur. Tender for Pkg-1 (Kilns, Material processing and handling equipments) has been issued and discussions are under way to clear commercial issues.

Public Health Engineering Dept., Reasi submitted the final scheme of water as deposit work which has been accepted by NMDC. It was planned to release the initial payment towards this deposit work. Power availability Certificate for 1428 KVA has been issued by Superintending Engineer, System and Operation Circle-I, Jammu. Final scheme has been received and is under approval by Competent Authority.

Meanwhile, Mr. Vilakshana Singh and Mr. Divakara Sharma have filled PIL No. 03/2012 against the Project in the Hon'ble High Court of J&K and the Hon'ble High Court has issued interim Order to maintain "Status Quo". Accordingly the works of Pkg-4 at site have been kept on hold. J&KMDC and NMDC, being respondents along with other eight respondents, are taking appropriate action towards vacating the PIL.

The Company has not produced sized raw Magnesite during the year 2011-2012. The total loss incurred during 2011-12 is Rs.64.05 lakhs.

## 2. Share Capital:

The Authorized Equity Share Capital of the Company is Rs.70.00 crores divided into 70,00,000 Equity Shares of Rs.100/- each.

The total paid up share capital of the Company as on 31st March, 2012 stands at Rs.4.74 crore against the issued capital of Rs. 6.00 crore.

During the year, your Company has transferred 45,000 Equity Shares of Rs. 100/- each, out of NMDC Ltd holding of 3, 96,002 Equity Shares of Rs.100/- each fully paid to J&K Minerals Ltd., upon request of NMDC Ltd.

Subsequent to the said transfer and as on 31st March, 2012 the Equity share holding of NMDC Ltd stood at 3, 51,002 Equity shares of Rs. 100/- each fully paid (including 1,07,937 shares of Rs.100/- each other than cash) and J&K Minerals Ltd stood at

1, 23,001 Equity Shares of Rs.100/- each fully paid against cash received respectively, which is in the agreed Equity ratio of 74:26.

NMDC Limited has been advancing the funds required to meet the Project Capex and the day-to-day expenditure pending receipt of subscription from the proposed further issue of equity share capital as envisaged. The amount advanced by NMDC is Rs 1056 Lakh up to 31.3.2012.

## 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. Dogra Associates, 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 2011-2012. The Statutory Auditors' report on the Accounts of the Company for the year 2011-2012 is enclosed, 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 2011-2012 and the Management's reply thereon are at Annexure-I, which forms part of this Report.

## 5. Board of Directors:

During the year, Shri Rana Som Chairman, Shri V.K Sharma and Shri G.B. Joshi, Directors of the Company nominated by NMDC Ltd., on

the Board of the Company were vacated the office of the Directorship consequent upon their superannuation from the services of the NMDC Ltd. Shri N. K. Nanda, Director-in-charge of the company is also the chairman of the Company.

During the year, Shri Khurshid Ahmad Shah was nominated by Govt of J & K on 16.12.2011 as its Director on the Board of the Company in place of Shri Manzoor Ahmad Shah, who retired on superannuation from the services of Govt. of J & K. Consequent upon fresh nomination; Shri Manzoor Ahmad Shah has vacated the office of the Directorship.

Board placed on record its appreciation for the services rendered by Shri Rana Som Chairman during his tenure as Chairman of the Company.

Board placed on record its appreciation for the services rendered by Shri V.K Sharma, Shri G.B. Joshi and Shri Manzoor Ahmad Shah during their tenure as Directors of the Company.

#### 6. Directors' Responsibility Statement:

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2012; 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, 2012 on a 'going concern' basis.

#### 7. (a). Board Meetings:

During the year under review four (4) 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



**N.K. Nanda**  
Chairman

Place : Hyderabad  
Date : 23.07.2012

## Annexure - I

**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 2012**

The preparation of financial statements of **J&K Mineral Development Corporation Limited, Jammu** for the year ended 31 March 2012 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 24th May 2012.

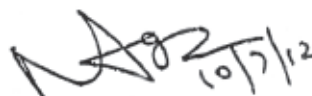
I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of **J&K Mineral Development Corporation Limited, Jammu** for the year ended 31 March 2012. This supplementary audit has been 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 has 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****Assets****Non-Current Assets**

**Unammortised Expenditure : Rs.0.30 crore  
(To the extent not written off or adjusted)**

The above expenditure represents prescribed fee paid during the year 2010-11 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. Non-charging of the amount has led to overstatement of 'Unammortised Expenditure' by Rs.0.30 crore and understatement of Loss for the year to the same extent. This was also commented in the audit of accounts of the Company for the year 2010-11 but the Company has not taken any corrective action.

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



(Naina A. Kumar)

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

Place : New Delhi  
Dated : 10 July, 2012

**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 2012.**

Audit Comments	Management's Reply
<p><b>Balance Sheet</b> <b>Assets</b> <b>Non-Current Assets</b> <b>Unammortised Expenditure : Rs.0.30 crore</b> <b>(To the extent not written off or adjusted)</b></p> <p>The above expenditure represents prescribed fee paid during the year 2010-11 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. Non-charging of the amount has led to overstatement of 'Unammortised Expenditure' by Rs.0.30 crore and understatement of Loss for the year to the same extent. This was also commented in the audit of accounts of the Company for the year 2010-11 but the Company has not taken any corrective action.</p>	<p>During the year-2010-11, the Authorized Capital was 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. Since this is similar to the nature of expenses covered under schedule VI (part I-pre-revised) of Companies Act, 1956 under the head "Miscellaneous Expenditure", the same was classified as 'Miscellaneous Expenditure' during the year 2010-11.</p> <p>Pending commissioning of DBM Plant, in the current year, this unamortized expenditure has been reclassified (as per revised schedule VI) under "Non Current Assets-other non-current assets" in accordance with "Guidance Note on the Revised Schedule VI to the Companies Act, 1956" issued by ICAI.</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 2012 and also Statement of Profit and Loss 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 Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Statement of Profit and Loss 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, 2012; and
  - b) In the case of Statement of Profit & Loss, of the loss for the year ended on that date.

For **DOGRA ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.-000252N



**(B.L. Dogra)**

Partner

Memb.No.-010559

Place : Jammu

Date : 24.05.2012

## 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 covered in the register maintained under Section 301 of the Companies Act 1956. The Company has taken certain amounts from its holding Company N.M.D.C. Ltd. during the year and the maximum balance involved during the year was Rs.315.26 lakhs and the year end balance of such loan stands at Rs.1055.82 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 covered in the register maintained under section 301 of the companies act 1956 aggregating to Rs. 5,00,000 or more in respect of each party.
- 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 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 2012 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-2011-2012, 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 **DOGRA ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.-000252N



**(B.L. Dogra)**

Partner

Place : Jammu

Date : 24.05.2012

Memb.No.-010559

Balance Sheet as at 31<sup>st</sup> March, 2012


(Rupees)

Particulars	Note	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share capital	2.1	4,74,00,300	4,74,00,300
Reserve & surplus	2.2	-11,53,72,469	-10,89,67,011
		<u>-6,79,72,169</u>	<u>-6,15,66,711</u>
<b>NON-CURRENT LIABILITIES:</b>			
Other Long term liabilities		Nil	Nil
Long term provisions	2.3	3,13,929	2,13,603
<b>CURRENT LIABILITIES:</b>			
Trade paybles	2.4	64,712	97,771
Other current liabilities	2.5	11,01,56,358	9,98,89,627
Short term provisions	2.6	2,97,789	2,02,851
		<u>11,05,18,859</u>	<u>10,01,90,249</u>
<b>TOTAL</b>		<u><u>4,28,60,619</u></u>	<u><u>3,88,37,141</u></u>
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS:</b>			
<b>Fixed Assets:</b>			
Tangible assets	2.7	66,74,777	66,93,540
Intangible assets	2.8	1,63,17,100	1,87,34,448
Capital work in progress	2.9	1,51,50,293	1,00,76,541
		<u>3,81,42,170</u>	<u>3,55,04,529</u>
Long term loans and advances	2.10	8,69,869	2,10,050
Other non-current assets	2.11	30,00,000	30,00,000
		<u>4,20,12,039</u>	<u>3,87,14,579</u>
<b>CURRENT ASSETS:</b>			
Inventories	2.12	36,839	36,839
Trade receivables		Nil	Nil
Cash and cash equivalents	2.13	8,04,789	75,827
Short term loans and advances	2.14	6,952	9,896
Other current assets		Nil	Nil
		<u>8,48,580</u>	<u>1,22,562</u>
<b>TOTAL</b>		<u><u>4,28,60,619</u></u>	<u><u>3,88,37,141</u></u>
<b>Significant accounting policies and Notes on accounts forming part of accounts</b>	1&2		

In terms of our report of even date

For and on behalf of Board

For **DOGRA ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.-000252N

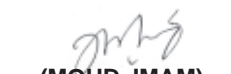
  
**(B.L. DOGRA)**  
Partner  
Memb. No.-010559

  
**(V.C. SHARMA)**  
Director

  
**(S. THIAGARAJAN)**  
Director

  
**(N.K. NANDA)**  
Chairman

Place : Jammu  
Date : 24.05.2012

  
**(MOHD. IMAM)**  
Company Secretary

New Delhi  
24.05.2012

## Statement of Profit &amp; Loss for the year ended 31st March, 2012

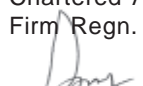
(Rupees)

Particulars	Note	Figures for the Current reporting period 31st March, 2012	Figures for the previous reporting period 31st March, 2011
I. Revenue from operations		Nil	Nil
II. Other income		Nil	Nil
<b>III. Total Revenue (I+II)</b>		<b>Nil</b>	<b>Nil</b>
<b>IV. Expenses:</b>			
Consumption of stores & spares		Nil	Nil
Changes in inventories of finished goods	2.15	Nil	Nil
Employee benefits expense	2.16	10,89,141	6,06,588
Electricity charges		41,304	36,189
Repairs & Maintenance	2.17	40,903	51,181
Royalty & cess		9,70,600	9,70,600
Selling expenses		Nil	Nil
Depreciation & Amortisation		24,36,111	24,36,111
Other expenses	2.18	18,27,399	14,96,045
<b>Total expenses</b>		<b>64,05,458</b>	<b>55,96,714</b>
V. Profit/(Loss) before tax (III-IV)		<b>(64,05,458)</b>	<b>(55,96,714)</b>
VI. Tax expense:			
Current year		Nil	Nil
Earlier years		Nil	-8,23,780
		<b>Nil</b>	<b>-8,23,780</b>
VII. Profit/(Loss) for the period (V-VI)		<b>(64,05,458)</b>	<b>(47,72,934)</b>
VIII. Earning per equity share (Face value Rs.100 each)			
(i) Basic		-13.51	-10.07
(ii) Diluted		-13.51	-10.07
<b>Significant accounting policies and Notes on accounts forming part of accounts</b>	1&2		

In terms of our report of even date

For and on behalf of Board

For **DOGRA ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.-000252N

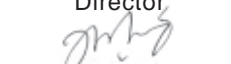
  
**(B.L. DOGRA)**  
Partner  
Memb. No.-010559

  
**(V.C. SHARMA)**  
Director

  
**(S. THIAGARAJAN)**  
Director

  
**(N.K. NANDA)**  
Chairman

Place : Jammu  
Date : 24.05.2012

  
**(MOHD. IMAM)**  
Company Secretary

New Delhi  
24.05.2012

## Note-1 : Significant accounting policies

### 1.1 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.

### 1.2 Depreciation:

**1.2.1** 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.

**1.2.2** 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.

### 1.3 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.

### 1.4 Inventories:

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

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

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

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

**1.4.2** No credit is taken in the accounts in respect of the following:

**1.4.2.1** Stock of run of mine ore and dumped fines.

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

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

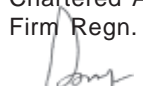
### 1.5 Employees benefits:

**1.5.1** 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.

**1.5.2** 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 **DOGRA ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.-000252N

  
**(B.L.DOGRA)**  
Partner  
Memb. No.-010559

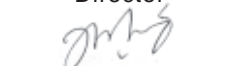
Place : Jammu  
Date : 24.05.2012

For and on behalf of Board

  
**(V.C. SHARMA)**  
Director

  
**(S.THAGARAJAN)**  
Director

  
**(N.K. NANDA)**  
Chairman

  
**(MOHD. IMAM)**  
Company Secretary

New Delhi  
24.05.2012

## Note-2 : Notes on Accounts for the Year Ended 31-March-2012

## Note-2.1 : Share Capital

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
<b>Share Capital:</b>		
<b>Authorised:</b>		
70,00,000 Equity Shares of Rs.100/- each	<u>70,00,00,000</u>	<u>70,00,00,000</u>
<b>Issued:</b>		
6,00,003 Equity Shares of Rs.100/- each	<u>6,00,00,300</u>	6,00,00,300
<b>Subscribed &amp; paid up:</b>		
4,74,003 Equity shares of Rs.100/- each	<u>4,74,00,300</u>	<u>4,74,00,300</u>
<b>TOTAL</b>	<u>4,74,00,300</u>	<u>4,74,00,300</u>

Shares yet to be subscribed and paid up by the Holding company(M/s. NMDC) is 93,000 shares of Rs.100/- each (previous year 48,000 shares of Rs.100/- each) amounting to Rs.93,00,000/- (previous year Rs.48,00,000/-) and other promoter M/S.JKML is 33,000 shares of Rs.100/- each (previous year 78,000 shares of Rs.100/- each) amounting to Rs.33,00,000/- (previous year Rs.78,00,000/-).

**Addl. Notes:**

- During the current year, 45,000 fully paid-up Equity Shares of Rs.100/- each are transferred from M/s. NMDC Ltd. to M/s.JKML. No new shares were issued during the current year. Hence there is no change in number of shares outstanding as at the beginning and as at the end of the reporting period.
- The details of shares in the company held by each shareholder holding more than 5% shares:

Name of the shareholder	As on 31st March, 2012		As on 31st March,2011	
	% of shareholding	No. of shares	% of shareholding	No. of shares
i) NMDC Ltd (Holding Company) and its nominee shareholders	74	3,51,002	84	3,96,002
ii) JKML and its nominee shareholders	26	1,23,001	16	78,001

## Note-2.2 : Reserves and Surplus

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
Surplus as at the beginning of the year	-10,89,67,011	-10,41,94,077
Addition during the year	-64,05,458	-47,72,934
<b>TOTAL</b>	<b>-11,53,72,469</b>	<b>-10,89,67,011</b>

## Note-2.3 : Long Term Provisions

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
<b>Employee benefits:</b>		
Gratuity	3,13,929	2,13,603
<b>Others:</b>		
Expenses	Nil	Nil
<b>TOTAL</b>	<b>3,13,929</b>	<b>2,13,603</b>

## Note-2.4 : Trade Payables

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
Outstanding dues - micro enterprises & small enterprises	Nil	Nil
Outstanding dues - Other than micro enterprises & small enterprises	64,712	97,771
<b>TOTAL</b>	<b>64,712</b>	<b>97,771</b>

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



## Note-2.5 : Other Current Liabilities

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
Advance from customers	Nil	Nil
<b>Other payables:</b>		
Deposits from suppliers, contractors and others	5000	5,000
Other payables (*)	11,01,51,358	9,98,84,627
<b>TOTAL</b>	<b>11,01,56,358</b>	<b>9,98,89,627</b>
(*) Includes amount due to Holding Company (M/s.NMDC Limited)	10,55,82,030	7,40,55,869

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

## Note-2.6 : Short Term Provisions

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
<b>Employee Benefits:</b>		
Accrued Leave	2,97,789	2,02,851
<b>Others:</b>		
Provision for taxation	Nil	Nil
Expenses	Nil	Nil
<b>TOTAL</b>	<b>2,97,789</b>	<b>2,02,851</b>

## Details of Short Term Provisions

(Rupees)

	Opening Balance	Adjustment during year	Addition during year	Closing Balance
Accrued Leave	2,02,851	–	94,938	2,97,789
	(1,65,061)	–	(37,790)	(2,02,851)
Provision for taxation	–	–	–	–
	(27,41,743)	(27,41,743)	–	–
Expenses	–	–	–	–
	(6,28,294)	(6,28,294)	–	–
<b>TOTAL</b>	<b>2,02,851</b>	<b>–</b>	<b>94,938</b>	<b>2,97,789</b>

Note: Figures in brackets indicates previous year figures.

## Note-2.7 : Tangible Assets

(Rupees)

Assets	G R O S S B L O C K				
	Life (Yrs)	As at 1st April, 2011	Additions/ Adjustments	Deduction/ Adjustments	As at 31st March, 2012
Land-Freehold	–	66,43,544			<b>66,43,544</b>
Building-Non Factory	29	9,15,501			<b>9,15,501</b>
Building-Factory	28	9,67,284			<b>9,67,284</b>
Plant & Machinery	7	Nil			<b>Nil</b>
Heavy Mobile Equipment	7	Nil			<b>Nil</b>
Vehicles	6	1,78,539			<b>1,78,539</b>
Furniture	10	2,36,673			<b>2,36,673</b>
<b>Others:</b>					
Roads & Bridges	28	3,90,21,484			<b>3,90,21,484</b>
Electrical Installation	10	63,800			<b>63,800</b>
Internal Communications	18	44,243			<b>44,243</b>
Other Assets	12	14,44,844			<b>14,44,844</b>
<b>TOTAL</b>		4,95,15,912	Nil	Nil	<b>4,95,15,912</b>
Figures for previous year		4,95,15,912	Nil	Nil	<b>4,95,15,912</b>

Assets	D E P R E C I A T I O N					N E T B L O C K		
	Upto 31st March, 2011	For the period	Asset impairment	Prior Period Adjustments	Deduct- ion/Adjust- ments	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Land-Freehold	Nil	Nil	Nil			Nil	66,43,544	66,43,544
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
Vehicles	1,78,539	Nil	Nil			1,78,539	Nil	Nil
Furniture	2,36,673	Nil	Nil			2,36,673	Nil	Nil
<b>Others:</b>								
Roads & Bridges	3,90,21,484	Nil	Nil			3,90,21,484	Nil	Nil
Electrical installation	63,800	Nil	Nil			63,800	Nil	Nil
Internal Communications	40,232	2,533	Nil			42,765	1,478	4,011
Other Assets	13,98,859	16,230	Nil			14,15,089	29,755	45,985
<b>TOTAL</b>	4,28,22,372	18,763	Nil	Nil	Nil	4,28,41,135	66,74,777	66,93,540
Figures for previous year	4,28,03,609	18,763	Nil	Nil	Nil	4,28,22,372	66,93,540	67,12,303

## Note-2.8 : Intangible Assets

(Rupees)

Assets	GROSS BLOCK				
	Life (Yrs)	As at 1st April, 2011	Additions/ Adjustments	Deduction/ Adjustments	As at 31st March, 2012
Mining rights	10			2,35,69,144	<b>2,35,69,144</b>
<b>TOTAL</b>		2,35,69,144	Nil	Nil	2,35,69,144
Figures for previous year		2,35,69,144	Nil	Nil	<b>2,35,69,144</b>

Assets	AMORTISATION BLOCK					NET BLOCK		
	Upto 31st March, 2011	For the period	Asset impairment	Prior Period Adjustments	Deduct- ion/Adjust- ments	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Mining rights	48,34,696	24,17,348	Nil			<b>72,52,044</b>	<b>1,63,17,100</b>	1,87,34,448
<b>TOTAL</b>	48,34,696	24,17,348	Nil	Nil	Nil	<b>72,52,044</b>	<b>1,63,17,100</b>	1,87,34,448
Figures for previous year	24,17,348	24,17,348	Nil	Nil	Nil	48,34,696	1,87,34,448	2,11,51,796

## Note-2.9 : Capital Work in Progress

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
Construction work in progress	<b>1,66,42,407</b>	1,15,68,655
Capital assets in stores awaiting /under installation or in transit	<b>Nil</b>	Nil
	<b>1,66,42,407</b>	1,15,68,655
Less : Provision	<b>14,92,114</b>	14,92,114
<b>TOTAL</b>	<b>1,51,50,293</b>	<b>1,00,76,541</b>

## Note-2.10 : Long Term Loans and Advances

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
Capital Advances	8,62,319	2,00,000
Loans and advances to related parties:		
Loans and Advances to Directors	Nil	Nil
Others:		
Other loans and advances	5,000	7,500
Deposits with others	2,550	2,550
<b>TOTAL</b>	<b>8,69,869</b>	<b>2,10,050</b>

### Notes :

1. Particulars of Long term Loans & Advances :		
Secured, considered good	Nil	Nil
Unsecured, considered good	8,69,869	2,10,050
Doubtful	Nil	Nil
2. Loans and Advances due by Directors/ other Officers or any of them severally or jointly with any other persons:	Nil	Nil

## Note-2.11 : Other Non-Current Assets

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
Unamortised expenditure (to the extent not written off or adjusted)	30,00,000	30,00,000
<b>TOTAL</b>	<b>30,00,000</b>	<b>30,00,000</b>

## Note-2.12 : Inventories (as valued and certified by the Management)

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
Finished goods	36,839	36,839
Stores & spares	Nil	Nil
<b>TOTAL</b>	<b>36,839</b>	<b>36,839</b>

Finished goods are valued at cost or Net Realisable Value, whichever is lower

## Note-2.13 : Cash and Cash Equivalents

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
Balance with Banks:		
In Current Account		
State Bank of India, Jammu	7,94,098	74,321
Cash on hand	10,691	1,506
<b>TOTAL</b>	<b>8,04,789</b>	<b>75,827</b>

## Note-2.14 : Short Term Loans and Advances

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2012	Figures as at the end of previous reporting period 31st March, 2011
Loans and advances to related parties:		
Loans and advances to Directors	Nil	Nil
<b>Others:</b>		
Other loans and advances (recoverable advances to employees & outsiders)	6,952	8,096
Advance tax Fringe benefits tax	Nil	1,800
Less : Provision for fringe benefits tax	Nil	Nil
	Nil	1,800
<b>TOTAL</b>	<b>6,952</b>	<b>9,896</b>

Notes :

## 1. Particulars of short term loans &amp; advances :

Secured, considered good	Nil	Nil
Unsecured, considered good	6,952	9,896
Doubtful	Nil	Nil

## 2. Loans and advances due by Directors/ other Officers or any of them severally or jointly with any other persons:

Nil Nil

## Note-2.15 : Changes in Inventories of Finished Goods

(Rupees)

Particulars	Figures for the current reporting period 31st March, 2012	Figures for the previous reporting period 31st March, 2011
<b>FINISHED GOODS:</b>		
Balance as at close of the year	36,839	36,839
Less : Balance as at the beginning of the year	36,839	36,839
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>

## Note-2.16 : Employee Benefits Expense

(Rupees)

Particulars	Figures for the current reporting period 31st March, 2012	Figures for the previous reporting period 31st March, 2011
Salaries, wages & bonus	9,01,975	5,13,295
Contribution to provident and other funds:		
Provident fund & EDLI	51,679	31,301
Gratuity	1,00,326	37,992
Staff welfare expense	35,161	24,000
<b>TOTAL</b>	<b>10,89,141</b>	<b>6,06,588</b>

## Note-2.17 : Repairs and Maintenance

(Rupees)

Particulars	Figures for the current reporting period 31st March, 2012	Figures for the previous reporting period 31st March, 2011
Buildings	Nil	Nil
Plant & Machinery	Nil	Nil
Vehicles	14,738	14,017
Others	26,165	37,164
<b>TOTAL</b>	<b>40,903</b>	<b>51,181</b>



## Note-2.18 : Other Expenses

(Rupees)

Particulars	Figures for the current reporting period 31st March, 2012	Figures for the previous reporting period 31st March, 2011
Rent	2,60,000	2,40,000
Insurance	5,294	5,176
Rates & taxes	7,286	53,863
Payment to Auditors		
As auditors:	15,000	15,000
In other capacity	Nil	Nil
For reimbursement of expenses	Nil	Nil
	15,000	15,000
Miscellaneous losses written off	Nil	Nil
Sizing, sorting & transportation	Nil	Nil
Travelling & conveyance	80,135	58,435
Postage, Telephone & Telex	61,981	60,658
Stationery & Printing	68,948	44,069
Consultancy Charges	Nil	Nil
Security Charges	3,40,956	3,46,500
P.O.L. for personal transport	69,410	74,082
Equipment/vehicle running exp.(Labour)	Nil	Nil
Environmental development	6,29,764	Nil
Others	2,88,625	5,98,262
<b>TOTAL</b>	<b>18,27,399</b>	<b>14,96,045</b>

## Note-2.19 : Additional Information

Particulars	For the Year Ended 31st March, 2012 (Rs.)		For the Year Ended 31st March, 2011 (Rs.)	
	<b>2.19.1 : Value of Imports calculated on CIF basis:</b>			
a. Component and spare parts		Nil		Nil
b. Capital Goods		Nil		Nil
<b>2.19.2 : Expenditure in foreign currency:</b>				
a. Consultancy charges		Nil		Nil
b. Others		Nil		Nil
<b>2.19.3 : Particulars of consumption of materials:</b>				
	<b>Value</b>	<b>Percentage</b>	<b>Value</b>	<b>Percentage</b>
Components & spare Parts (including consumable stores)	<b>(Rs.)</b>		<b>(Rs.)</b>	
a) Imported	Nil	Nil	Nil	Nil
b) Indigenous	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2.19.4 : Foreign exchange earnings:</b>				
		Nil		Nil

## Note-2.20 : Other Notes

### 2.20.1 Contingent liabilities and commitments

#### 2.20.1.1 Contingent liabilities:

Claims against the Company not acknowledged as debts Rs.1,42,35,018/- (previous Year Rs.1,38,19,335/-).

#### 2.20.1.2 Commitments:

Estimated amount of Contracts remaining to be executed on capital account & not provided for Rs.22,36,72,234/- (Previous year Rs.3,62,18,549/-).

**2.20.2** 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 95<sup>th</sup> 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 96<sup>th</sup> meeting held on 01.05.2010. Accordingly, appointment of EPCM consultant has been made; environmental clearance, consent for Establishment etc have been received; soil investigation work, balance civil & structural works have been awarded and further actions are being taken for awarding the contract for Technology package etc.. In view of the above developments towards revival of the project, the accounts are prepared on "going concern" basis.

**2.20.3** In compliance with AS-28, the Company provided for an impairment loss of Rs. 2,86,08,217 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.

**2.20.4** 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.

**2.20.5** 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.

**2.20.6** Schedule and significant accounting policies form an integral part of these accounts.


**2.20.7** Previous Year figures have been regrouped and rearranged where ever necessary, to make them comparable with current Year figures.

**2.20.8** Financial figures have been rounded off to nearest rupee.

In terms of our report of even date

For and on behalf of Board

For **DOGRA ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.-000252N


  
**(B.L.DOGRA)**  
Partner  
Memb. No.-010559

  
**(V.C. SHARMA)**  
Director

  
**(S.THAGARAJAN)**  
Director

  
**(N.K. NANDA)**  
Chairman

Place : Jammu  
Date : 24.05.2012

  
**(MOHD. IMAM)**  
Company Secretary

New Delhi  
24.05.2012



## Fourth Annual Report 2011-2012

### BOARD OF DIRECTORS

As on 24.07.2012

<b>Shri N.K. Nanda</b>	Chairman
<b>Shri Gauri Shankar Agrawal</b>	Director
<b>Shri Vijayendra</b>	Director
<b>Shri R.K. Goverdhan</b>	Director
<b>Shri S. Thiagarajan</b>	Director

**Auditors**

**M/S. BAMB TAORI & COMPANY**  
Chartered Accountants  
Raipur, Chhattisgarh

**Bankers**

**Axis Bank**  
Tagore Nagar Branch, Raipur

**Bank of Baroda**  
Vivekananda Nagar Branch, Raipur

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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 2011 - 2012

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

On behalf of the Board of Directors, I take pleasure in presenting the Fourth Director's Report of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March 2012 and the Report thereon by the Comptroller and Auditor General of India (C&AG).

### 2. Performance status

The year 2011-12 was a tough year for the Company as the Forest clearance proposal for seeking forest clearance for diversion of 413.745 ha of forest land as forwarded by the Govt. of Chhattisgarh, Forest Department, Raipur to MoEF, New Delhi on 19.11.2010 was rejected by the MoEF, New Delhi. The Company has appointed Prof. S. B. Roy, Chairman, Indian Institute of Bio-Social Research and Development, Kolkata (IIBSRD) as Advisor for preparation of Bio-diversity Report and Conservation Plan for Deposit No. 13 so that the clearance from MoEF, New Delhi can be obtained. The management is taking all steps as may be required to get the clearance.

The Company has taken decision to have its own separate office building at Boriakala, Raipur Chhattisgarh. The company has entered into an agreement with the Chhattisgarh State Housing Board and has made a payment of Rs 154.69 lacs towards its first installment.

### 3. Share Capital

The authorized and paid up equity share capital of the Company is Rs 4.00 crore and Rs 3.04 crore (against Rs 1.5 crore of previous financial year) respectively. The Company during the financial year under reference has issued 15,46,900 equity shares of Rs 10/- each to its existing shareholders i.e. NMDC and CMDC in their existing shareholding ratio i.e. 51:49. The promoter Companies have fully subscribed their respective share of the increase in the paid

up equity share capital. Accordingly, the paid up equity share capital of the Company stands at Rs 3.04 crores.

### 4. Board of Directors: (as on 31st March, 2012)

As on 31st March 2012, Shri N. K. Nanda, Shri Gauri Shankar Agrawal, Shri Vijayendra, Shri Rajesh Kumar Goverdhan and Shri S. Thiagarajan are the Directors of the Company.

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

S.No.	Name of the Director	w.e.f.
1.	Shri Rana Som	31.12.2011
2.	Shri Ajay Singh	25.08.2011
3.	Shri S.K. Behar	25.08.2011

The Board placed on record its deep appreciation for the valuable contribution made by Shri Rana Som, Shri Ajay Singh and Shri S.K. Behar during their tenure on the Board of the Company.

### 5. Statutory Auditors

Comptroller & Auditor General of India (C&AG) has communicated the appointment of M/s Bamb Taori & Co., Raipur (CG) as the Statutory Auditors of the Company for the financial year 2011-2012.

The Statutory Auditors' Report on the accounts of the Company for the year 2011-12 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 2011-2012 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 2012, 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 31st March, 2012 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 explanation to Chapter 6 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 immediately preceding accounting year 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.

Place : Raipur  
Date : 18.05.2012

Sd/-  
**(N.K. Nanda)**  
Chairman



## Annexure - I

## Auditors' Report

To  
The Members  
**NMDC-CMDC LIMITED**  
**Raipur (C.G.)**

We have audited the Balance Sheet of NMDC-CMDC LIMITED (the "Company") as at 31st March, 2012 and the Statement of Profit & Loss 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis evidence supporting the amount 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.

01. 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 and on the basis of such checks as we have considered appropriate and according to the information and explanations given to us, we report as under:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year which in our

opinion is reasonable, having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such physical verification.

- (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and consequently the going concern status of the Company is not affected.
- (ii) (a) As the Company has no inventory, hence no physical verification has been conducted.
- (b) As no physical verification was made, question of reasonableness and adequacy of the procedure for physical verification of inventory does not arise.
- (c) As the Company has no stock of inventory, the question of maintaining proper records of inventory does not arise.
- (iii) (a) The Company has not granted any loans secured or unsecured to the Companies, firms or other parties in the register maintained under Section 301 of the Companies Act, 1956 and therefore clause 4(iii)(b), (c) and (d) are not applicable.
- (b) As per information and explanation given to us, the Company has not taken any loan secured & unsecured from any companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore clause 4(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 purchases of fixed assets, however there was no purchase of inventory and sale of goods/services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- (v) (a) According to the information and explanation given to us, the Company has not entered into any contracts or arrangements with the parties referred to in section 301 of the Act, as a result clause 4 (v)(a) & (b) of the order is not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company has an internal audit system, which on the basis of test checks carried out by us is commensurate with the size & nature of its business.
- (viii) Since no manufacturing activities were commenced during the financial year, question of maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956 does not raise.
- (ix) (a) According to the records of the Company, undisputed statutory dues including Provident and Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Customs Duty, Excise Duty, Service Tax Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable.
- (b) There are no dues outstanding of Sales Tax, Income Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and cess on account of any dispute.
- (x) As the five years period from the incorporation of the Company is not completed, the provisions of clause 4 (x) of the Companies (Auditors' Report) Order, 2003 regarding accumulated losses and cash loss is not applicable to the Company.
- (xi) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4 (xiii) of the Companies (Auditors' Report) Order 2003 is not applicable to the Company.
- (xiv) As explained to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order 2003 is not applicable to the Company.
- (xv) As explained to us, the Company has not given guarantees for loans taken by others from bank or financial institutions.
- (xvi) According to information and explanation given to us, the Company has not obtained any term loans, therefore the provisions of clause 4 (xvi) is not applicable to the Company.
- (xvii) Since no funds have been raised, hence the provisions of clause 4 (xvii) is not applicable to the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued debentures and thus the question of creation of Securities does not raise.

- (xx) The Company has not raised any money by way of public issue during the year.
- (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.

**FURTHER WE REPORT THAT:**

02. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
03. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books;
04. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
05. In our opinion the attached Balance Sheet and the Profit and Loss Account complies with the mandatory accounting standards as referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
06. As the Company is a Government Company, in terms of Notification No.G.S.R.829 (E) dated

21st October 2003, issued by Department of Company Affairs, Ministry of Finance, the clause (g) of subsection (1) of Section 274 of the Companies Act, 1956 is not applicable, and

07. In our opinion and to the best of our information and according to explanations given to us, said accounts read together with Accounting Policies and other Notes there on give the information as required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:
- (i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
- (ii) In case of the Statement of Profit & Loss, of the profit of the Company for the year ended on that date;

For **Bamb Taori & Co**  
Chartered Accountants  
(Registration No. 002026C)

Sd/-  
**(Ankur Chordia)**

Place : Raipur  
Dated : 18.05.2012

Partner  
Membership No.410582

## Annexure - II

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NMDC-CMDC LIMITED, RAIPUR FOR THE YEAR ENDED ON 31 MARCH 2012.**

The preparation of financial statements of NMDC-CMDC Limited, Raipur for the year ended on 31 March 2012 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 18 May 2012.

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 2012 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 : 11 June 2012

## Annexure - III

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

T-305, Dolphin Chamber's Opp. Bank of Baroda  
Cloth Market, Pandri, RAIPUR (C.G.) - 492 001  
Phone : 0771-4061914 (O), Mobile : 98264-2626  
E-mail : a\_brajeshk@rediffmail.com  
office.csp@gmail.com

CIN - U13100CT2008GOI020711  
Authorized Capital - Rs. 40,000,000/-  
Paid-Up Capital - Rs. 30,469,000/-

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 **31<sup>st</sup> March 2012** (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.





4. The Board of Directors duly met **5 (five)** times on the following dates:
- |                                  |                                    |
|----------------------------------|------------------------------------|
| 1. 09 <sup>th</sup> May 2011     | 4. 29 <sup>th</sup> November, 2011 |
| 2. 09 <sup>th</sup> May 2011     | 5. 27 <sup>th</sup> February, 2012 |
| 3. 25 <sup>th</sup> August, 2011 |                                    |
- 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 **31<sup>st</sup> March 2011** was held on **04<sup>th</sup> July, 2011** 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 :
- has delivered all the certificates on allotment and lodgment of securities for transfer and complied with the provisions of the Act.
  - was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
  - was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - was not required to transfer any amount to the Investor Education and Protection Fund.
  - has duly complied with the requirements of section 217 of the Act.



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 issued 1546900 equity shares during the financial year under scrutiny and complied with the provisions of the Act.
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 altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny on 04<sup>th</sup> July 2011 at AGM and complied with the provisions of the Act.





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 altered the provisions of the articles of association during the financial year under scrutiny on 04<sup>th</sup> July 2011 at AGM and complied with the provisions of the Act.
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 has obtained the registration under PF Act voluntarily and was regular in depositing the required amount as contemplated under section 418 of the Act.

DATE: 18.05.2012  
PLACE: RAIPUR

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

**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	-
11.	Share Transfer Register	-

DATE: 18.05.2012  
PLACE: RAIPUR

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




**Annexure B**

Forms and Returns as filed by the **NMDC-CMDC Limited** with the Registrar of Companies (ROC) during the financial year ending on 31<sup>st</sup> March 2012.

Sr. No	Form No.	Filed u/s	For	Remark
1	32	303 (2)	Appointment and cessation of Director.	Filed with ROC on 07.10.2011 vide SRN 22306526 with Additional fees.
2	20B	159	Annual Return as on 04 <sup>th</sup> July, 2011.	Filed with ROC along with additional fees on 31.10.2011 vide SRN P77516425.
3	66	383A	Secretarial Compliance Certificate for 2011	Filed with ROC within time on 03.08.2011 vide SRN P68957275.
4	23AC & 23ACA (XBRL)	220	Balance Sheet as on 31 <sup>st</sup> March, 2011	Filed with ROC within time on 31.10.2011 vide SRN P81849291.
5	32	303 (2)	Confirmation of Additional Directors as Directors.	Filed with ROC on 03.08.2011 with Normal Fees vide SRN B17478645.
6	32	303 (2)	Change in Designation and cessation of Director.	Filed with ROC with normal fee on 20.03.2012 vide SRN B34826438.
7	23	192	Changes in MOA and AOA	Filed with ROC within time on 03.08.2011 vide SRN B17478645.

Forms and Returns as filed by the **NMDC-CMDC Limited** with the other authorities under the Act during the financial year ending on 31<sup>st</sup> March 2012. **NIL**

DATE: 18.05.2012  
PLACE: RAIPUR

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



## Balance Sheet as at 31st March 2012

(Amount in Rs.)

Particulars	Note No.	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds:</b>			
Share Capital	2.1	<b>3,04,69,000</b>	1,50,00,000
Reserves & Surplus	2.2	<b>(26,13,971)</b>	(39,47,077)
		<b>2,78,55,029</b>	1,10,52,923
<b>Non-current Liabilities :</b>			
Other Long term Liabilities		—	—
Long Term Provisions		—	—
<b>Current Liabilities :</b>			
Trade payables		—	—
Other current Liabilities	2.3	<b>32,17,545</b>	29,09,532
Short term Provisions		—	—
		<b>32,17,545</b>	29,09,532
<b>TOTAL</b>		<b><u>3,10,72,574</u></b>	<b><u>1,39,62,455</u></b>
<b>ASSETS :</b>			
<b>NON-CURRENT ASSETS :</b>			
<b>Fixed Assets :</b>			
Tangible Assets	2.4	<b>1,81,915</b>	1,98,946
Intangible Assets		—	—
Capital Work in Progress	2.5	<b>6,57,193</b>	6,57,193
		<b>8,39,108</b>	8,56,139
Non-current investments		—	—
Long term Loans and Advances	2.6	<b>1,58,06,208</b>	—
Deferred Tax Assets (Net)	2.7	<b>11,42,870</b>	—
Other non-current assets		—	—
		<b>1,77,88,186</b>	8,56,139
<b>CURRENT ASSETS :</b>			
Inventories		—	—
Trade receivables		—	—
Cash and Cash equivalents	2.8	<b>1,21,90,270</b>	1,24,52,101
Short term Loans and Advances	2.9	<b>2,37,094</b>	1,34,846
Other Current Assets	2.10	<b>8,57,024</b>	5,19,369
		<b>1,32,84,388</b>	1,31,06,316
<b>TOTAL</b>		<b><u>3,10,72,574</u></b>	<b><u>1,39,62,455</u></b>
Significant accounting policies and Notes on accounts.	1 & 2		

Accounting Policies and notes 1 to 2 form part of Accounts

For and on behalf of the Board of Directors

Sd/-  
**N.K. NANDA**  
ChairmanSd/-  
**S.THAGARAJAN**  
DirectorSd/-  
**R.K. GOVERDHAN**  
DirectorSd/-  
**A.K.SHUKLA**  
CEOIn terms of our report of even date  
For **BAMB TAORI & CO.**  
Chartered Accountants  
(Firm's Regn.No. 002026C)  
Sd/-  
**ANKUR CHORDIA**  
Partner  
Membership No. 410582Place : Raipur  
Dated : 18.05.2012

Statement of Profit & Loss for the Year Ended 31st March 2012

(Amount in Rs.)

Particulars	Note No.	Figures for the year ended on 31st March, 2012	Figures for the year ended on 31st March, 2011
<b>I Revenue from Operations</b>		-	-
II Other Income	2.11	<b>10,29,765</b>	6,70,631
<b>III Total Revenue (I + II)</b>		<b>10,29,765</b>	<b>6,70,631</b>
<b>IV Expenses :</b>			
Employee Benefit expense	2.12	<b>2,99,055</b>	-
Depreciation	2.4	<b>23,231</b>	22,881
Other Expenses	2.13	<b>5,17,243</b>	8,87,729
<b>Total Expenses</b>		<b>8,39,529</b>	<b>9,10,610</b>
V Profit before exceptional and extraordinary items and tax (III-IV)		<b>1,90,236</b>	(2,39,979)
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V-VI)		<b>1,90,236</b>	(2,39,979)
VIII Extraordinary Items		-	-
<b>IX Profit before tax (VII-VIII)</b>		<b>1,90,236</b>	<b>(2,39,979)</b>
X Tax expense :			
(1) Current year		-	-
(2) Deferred tax		<b>(11,42,870)</b>	-
		<b>(11,42,870)</b>	-
XI Profit for the period from continuing operations (VII-VIII)		<b>13,33,106</b>	<b>(2,39,979)</b>
XII Loss from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Loss from discontinuing operations (XII-XIII)		-	-
<b>XV Profit for the period (XI +XIV)</b>		<b>13,33,106</b>	<b>(2,39,979)</b>
XVI Earning per equity share : (Face value Rs.10/- each)			
(i) Basic (Refer Note No.- 2.16)		<b>0.81</b>	(0.16)
(ii) Diluted (Refer Note No.- 2.16)		<b>0.81</b>	(0.16)
Significant accounting policies and Notes on accounts.	1&2		

Accounting Policies and notes 1 to 2 form part of Accounts

For and on behalf of the Board of Directors

Sd/-  
**N.K. NANDA**  
Chairman

Sd/-  
**S.THIAGARAJAN**  
Director

Sd/-  
**R.K. GOVERDHAN**  
Director

Sd/-  
**A.K.SHUKLA**  
CEO

In terms of our report of even date  
For **BAMB TAORI & CO.**  
Chartered Accountants  
(Firm's Regn.No. 002026C)  
Sd/-  
**ANKUR CHORDIA**  
Partner  
Membership No. 410582

Place : Raipur  
Dated : 18.05.2012

## Note 1 : Significant Accounting Policies

### A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the requirements of the Companies Act, 1956 and mandatory accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government.

### B. 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 cost incurred during preoperational period.

### C. Expenditure Incurred During Construction Period :

- (i) Expenditure incurred on administration and supervision during the construction period in respect of new facilities are treated as period costs and charged to revenue.
- (ii) Development expenses (pre-construction period expenses) will be amortised in ten annual installments from the date of commencement of production.
- (iii) 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.

### D. Depreciation :

Depreciation on Fixed Assets is provided on 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.

### E. 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 cash generating unit to which the asset belongs is less than its carrying amount. The reduction is treated as an impairment loss and is recognised in the Profit & Loss Account. If at 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.

### F. Accounting for Taxes :

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax on timing differences between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the Balance Sheet date. Deferred tax assets are recognised only to the extent there is a virtual certainty for realisation.

### G. Provisions, Contingent Liabilities/ Assets :

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



## Note 2 : Notes on Accounts

### Note 2.1 : SHARE CAPITAL

#### A) Authorised, Issued, Subscribed and Paid-up Share Capital and Par Value per share

(Amount in Rs.)

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
<b>Authorised:</b>		
40,00,000 (P.Y. 40,00,000) Equity Shares of Rs.10/- each fully paid up	<u>4,00,00,000</u>	<u>4,00,00,000</u>
<b>Issued, Subscribed &amp; Paid up:</b>		
30,46,900 (P.Y. 15,00,000) Equity Shares of Rs.10/- each fully paid up	<u>3,04,69,000</u>	1,50,00,000
<b>TOTAL</b>	<u><u>3,04,69,000</u></u>	<u><u>1,50,00,000</u></u>

#### B) Reconciliation of number of equity shares outstanding at the beginning and end of the year

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
Number of Shares outstanding at the beginning of the year	15,00,000	15,00,000
Add : Number of fully paid up shares allotted in cash during the year	15,46,900	-
<b>TOTAL</b>	<u><u>30,46,900</u></u>	<u><u>15,00,000</u></u>

#### C) Shares in the Company held by each shareholder holding more than 5% shares

Name of the Share holder	2011-2012		2010-2011	
	% of share holding	No. of shares	% of share holding	No. of shares
1. NMDC Limited & its nominees	51%	15,53,919	51%	7,64,999
2. CMDC Limited & its nominees	49%	14,92,981	49%	7,34,997



## Note 2.2 : RESERVES AND SURPLUS

(Amount in Rs.)

Particulars	Figures as at the beginning of Current Reporting Period	Additions during the year	Deductions during the year	Figures as at the end of Current Reporting Period
Surplus -Profit & Loss Account	(39,47,077)	13,33,106	–	(26,13,971)
<b>TOTAL</b>	<b>(39,47,077)</b>	<b>13,33,106</b>	<b>–</b>	<b>(26,13,971)</b>

The deductions/appropriations of the Profit and loss a/c are as under :

(Amount in Rs.)

	2011-2012	2010-2011
Balance brought forward from previous year	(39,47,077)	(37,07,098)
Net Profit for the Period	13,33,106	(2,39,979)
	(26,13,971)	(39,47,077)
Less : Appropriations:	–	–
	<u>(26,13,971)</u>	<u>(39,47,077)</u>

## Note 2.3 : OTHER CURRENT LIABILITIES

(Amount in Rs.)

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
Outstanding liabilities for expenses	46,217	37,796
Other Payables	31,71,328	28,71,736
	<u>32,17,545</u>	<u>29,09,532</u>

Note 2.4 : TANGIBLE ASSETS

(Amount in Rs.)

Assets	GROSS BLOCK					
	As at 1st April 2011	Addition during the year	(Ded/Adj.) during the year	Transfer to/from other units	Internal transfer	As at March 2012
<b>A. GENERAL</b>						
Plant & Machinery	2,700	–	–	–	–	2,700
Furniture & Fittings	47,270	–	–	–	–	47,270
Office Equipment	1,96,645	6,200	–	–	–	2,02,845
Sanitary & Water Supply	–	–	–	–	–	–
<b>TOTAL 'A'</b>	2,46,615	6,200	–	–	–	2,52,815
Figure for the previous year	2,46,615	–	–	–	–	2,46,615
<b>B. Social Facilities</b>	–	–	–	–	–	–
<b>TOTAL 'B'</b>	–	–	–	–	–	–
Figure for the previous year	–	–	–	–	–	–
<b>TOTAL 'A+B'</b>	2,46,615	6,200	–	–	–	2,52,815
Figure for the previous year	2,46,615	–	–	–	–	2,46,615

(Amount in Rs.)

Assets	DEPRECIATION BLOCK						NET BLOCK		
	Upto 31st March, 2011	For the year	Assets Impairment	(Ded/Adj.) during the year	Transfer to/from other units	Internal transfer	As at March 2012	As at March 2012	As at 31st March 2011
<b>A. GENERAL</b>									
Plant & Machinery	286	191	–	–	–	–	477	2,223	2,414
Furniture & Fittings	6,247	3,343	–	–	–	–	9,590	37,680	41,023
Office Equipment	41,136	19,697	–	–	–	–	60,833	1,42,012	1,55,509
<b>TOTAL 'A'</b>	47,669	23,231	–	–	–	–	70,900	1,81,915	1,98,946
Figure for the previous year	24,788	22,881	–	–	–	–	47,669	1,98,946	2,21,827
<b>B. Social Facilities</b>	–	–	–	–	–	–	–	–	–
<b>TOTAL 'B'</b>	–	–	–	–	–	–	–	–	–
Figure for the previous year	–	–	–	–	–	–	–	–	–
<b>TOTAL 'A+B'</b>	47,669	23,231	–	–	–	–	70,900	1,81,915	1,98,946
Figure for the previous year	24,788	22,881	–	–	–	–	47,669	1,98,946	2,21,827

## Note 2.5 : CAPITAL WORK IN PROGRESS

(Amount in Rs.)

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
Construction work in progress	0	0
Add : Impairment reversed / (provided)	0	0
Expenditure incidental to construction awaiting allocation (See note 2.5.1)	6,57,193	6,57,193
<b>TOTAL</b>	<b>6,57,193</b>	<b>6,57,193</b>

## Note 2.5.1 : EXPENDITURE INCIDENTAL TO CONSTRUCTION AWAITING ALLOCATION

(Amount in Rs.)

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
a. Opening balance	6,57,193	0
b. Net Expenditure incurred during the year		
Consultancy Charges	0	6,57,193
Less : Recoveries/Income	0	0
	0	6,57,193
Less : Amount allocated to Fixed assets/ Capital W I P	0	0
<b>TOTAL</b>	<b>6,57,193</b>	<b>6,57,193</b>

## Note 2.6 : LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
Capital Advances	1,58,06,208	0
<b>TOTAL</b>	<b>1,58,06,208</b>	<b>0</b>
Secured, considered good	0	0
Unsecured, considered good	1,58,06,208	0
Doubtful	0	0

Note 2.7 : DEFERRED TAX ASSETS (NET)

(Amount in Rs.)

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
Deferred tax Assets	11,68,115	0
Less : Deferred tax Liabilities	25,245	0
	<u>11,42,870</u>	<u>0</u>

Note 2.8 : CASH AND CASH EQUIVALENTS

(Amount in Rs.)

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
<b>CASH AND CASH EQUIVALENTS :</b>		
Balances with Banks		
On Current Accounts	11,90,263	17,57,881
On Deposit Accounts	<u>1,10,00,000</u>	<u>1,06,94,220</u>
	1,21,90,263	1,24,52,101
Cash on hand	7	0
<b>TOTAL</b>	<u>1,21,90,270</u>	<u>1,24,52,101</u>

Note 2.9 : SHORT - TERM LOANS & ADVANCES

(Amount in Rs.)

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
Income Tax Refund Receivables	1,34,846	67,782
Other Receivables	750	-
Advance Income tax & TDS	1,01,498	67,064
Less : Provision	<u>-</u>	<u>-</u>
	1,01,498	67,064
<b>TOTAL</b>	<u>2,37,094</u>	<u>1,34,846</u>
Secured, considered good	0	0
Unsecured, considered good	2,37,094	1,34,846
Doubtful	0	0

## Note 2.10 : OTHER CURRENT ASSETS

(Amount in Rs.)

	Figures as at the end of 31st March, 2012	Figures as at the end of 31st March, 2011
Accrued interest on deposits with banks	8,57,024	5,19,369
<b>TOTAL</b>	<b>8,57,024</b>	<b>5,19,369</b>

## Note 2.11 : OTHER INCOME

(Amount in Rs.)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest on :		
Deposits with Banks	10,29,765	6,70,631
Others	—	—
	<u>10,29,765</u>	<u>6,70,631</u>
<b>TOTAL</b>	<b>10,29,765</b>	<b>6,70,631</b>

## Note 2.12 : EMPLOYEE BENEFIT EXPENSE

(Amount in Rs.)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Salaries and wages	2,65,617	—
Contribution to Provident fund and other funds	33,438	—
<b>TOTAL</b>	<b>2,99,055</b>	<b>—</b>

Note 2.13 : OTHER EXPENSES

(Amount in Rs.)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Bank Charges	916	550
BOD Meeting Expenses	88,505	14,401
Books & Periodicals	2,906	654
Legal, Professional & Consultancy Charges	226,590	33,242
Payments to Auditors:		
As Auditors:	12,000	10,000
For reimbursement of expenses	1,483	1,030
	13,483	11,030
Postage, Telephone & Telex	49,146	38,745
Repair & Maintenance (others)	9,030	4,057
Hire Charges of Vehicle	7,807	-
Stationery & Printing	2,735	14,593
Other expenses	1,16,125	7,70,457
<b>TOTAL</b>	<b>5,17,243</b>	<b>8,87,729</b>

**Note -2.14**

Contingent liability not provided for in the books : NIL (P.Y. NIL)

**Note -2.15**

Capital Commitment :

<b>Particulars</b>	<b>31.03.2012</b>	31.03.2011
Estimated amount of contracts remaining to be executed on capital accounts (for Construction of Building)	<b>Amount Not ascertainable</b>	Amount Not ascertainable

**Note -2.16**

The Computation of Basic and Diluted Earning per Share :

Particulars		<b>2011-2012</b>	2010-2011
Net Profit / (Loss) as available to equity shareholders	In Rs.	<b>13,33,106</b>	(2,39,979)
Weighted Average number of equity shares	Nos.	<b>16,39,857</b>	15,00,000
Nominal Value per Share	In Rs.	<b>10/-</b>	10/-
Basic and Diluted Earnings per Shares	In Rs.	<b>0.81</b>	(0.16)

**Note -2.17**

- (i) There are no major events occurring after the Balance Sheet date.
- (ii) There was no extraordinary item during the year which requires to be reported.
- (iii) Balances under Long term loans & advances are subject to confirmation.

**Note 2.18**

The disclosures required under Accounting Standard-15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006, are given below:

<b>Defined Contribution Plan:</b>		<b>31.03.2012</b>	31.03.2011
Continuation to Provident Fund	(In Rs.)	<b>33,438</b>	-

**Defined Benefit Contribution (Non-Funded):**

The Company has not formulated any policy on gratuity (retirement benefits) since the Payment of Gratuity Act, 1972 is not applicable to the company.

**Note No. 2.19**

Based on the information and records available with the Company, there is no amount payable to enterprises which fall under the categories as defined under Micro, Small and Medium Enterprises Development Act, 2006.



**Note No. 2.20**

As per Accounting Standard 18, notified in the Companies (Accounting Standards) Rules, 2006, the disclosures regarding related parties as defined in the Accounting Standard are given below:

**Name of the Related Parties & Description of Relationship :**

**A) Key Managerial Personnel**

Shri Narendra Kumar Nanda - Chairman

Shri Swaminathan Thiagarajan - Director

Shri Rajesh Kumar Goverdhan - Director

Shri Gauri Shankar Agrawal - Director

Shri Vijayendra - Director

**Material Transaction with related parties**

There were no transactions in current year or previous year with the above mentioned related parties.

**Note No. 2.21**

Other Disclosures as prescribed in Para11 is Nil

For and on behalf of the Board of Directors

Sd/-  
**N.K. NANDA**  
Chairman

Sd/-  
**S.THIAGARAJAN**  
Director

Sd/-  
**R.K. GOVERDHAN**  
Director

Sd/-  
**A.K.SHUKLA**  
CEO

For **BAMB TAORI & CO.**  
Chartered Accountants  
(Firm's Regn.No. 002026C)  
Sd/-  
**ANKUR CHORDIA**  
Partner  
Membership No. 410582

Place : Raipur  
Dated : 18.05.2012



**C O N T E N T S**

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## Annual Report 2010-2011

### Directors' Report on the Annual Accounts for the Financial Year ended 30th June 2011

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 2011. 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

(A wholly owned Subsidiary of NMDC)

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

## Balance Sheet as at 30th June, 2011

ASSETS	Amount in MGA	
	F.Y. 2010-2011	F.Y. 2009-2010
<b>I. <u>FIXED ASSETS</u></b>		
Establishment expenses	147,798,443	147,798,443
Gold Research Expenses	616,273,823	616,273,823
	<u>764,072,266</u>	<u>764,072,266</u>
<b><u>CORPOREAL ASSETS</u></b>		
Equipment & Tools	—	—
Vehicles	—	—
Office Equipment & Office Furniture	—	—
Computer Equipment	—	—
Office & Accommodation Furniture	—	—
	<u>—</u>	<u>—</u>
<b>TOTAL OF FIXED ASSETS</b>	<u>764,072,266</u>	<u>764,072,266</u>
<b>II. <u>RUNNING ASSETS</u></b>		
<b>DEBTS</b>		
VAT Credit	—	—
Prepaid advance for company tax profit (IBS)	—	—
Other Debts	—	—
<b>LIQUID ASSETS</b>		
Bank	—	—
Cash	—	—
	<u>—</u>	<u>—</u>
<b>TOTAL OF RUNNING ASSETS</b>	<u>—</u>	<u>—</u>
<b>III. <u>EARLY NOTED CHARGES</u></b>		
Advances	—	—
<b>TOTAL GENERAL (I + II + III)</b>	<u>764,072,266</u>	<u>764,072,266</u>

## Balance Sheet as at 30th June, 2011

LIABILITIES	Amount in MGA	
	F.Y. 2010-2011	F.Y. 2009-2010
<b>I. EQUITY CAPITAL</b>		
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)
<b>Net situation</b>	<b>(1,596,284,704)</b>	<b>(1,596,284,704)</b>
<b>II. DEBTS</b>		
Suppliers and related accounts	—	—
<b>OTHER DEBTS</b>		
Shareholders - operations on the capital	2,360,356,970	2,360,356,970
<b>TOTAL OF DEBTS</b>	<b>2,360,356,970</b>	<b>2,360,356,970</b>
<b>GRAND TOTAL (I + II)</b>	<b>764,072,266</b>	<b>764,072,266</b>

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

## 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 27 Million Tonnes to 40 Million Tonnes by 2014-2015.
- Setting up of Steel Plant at Nagarnar.

#### 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, gold and other minerals.
- To maintain environment protection.
- To conserve mineral resources through scientific mining.
- To maintain high level of customer satisfaction.
- To improve the quality of life of people in general and socio economic environment in and around the mines in particular.

## NOTICE

### 54<sup>th</sup> Annual General Meeting

Date : 20<sup>th</sup> September, 2012  
Day : Thursday  
Time : 1500 hrs  
Venue : Sri Sathya Sai Nigamagamam  
8-3-987/2, Sri Nagar Colony  
Hyderabad - 500 073

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No.CS/54-AGM/2012

Dated : 16.08.2012

## Notice

Notice is hereby given that the 54th Annual General Meeting of NMDC Limited (AGM) will be held at 1500 hours on Thursday, the 20.09.2012 at Sri Sathya Sai Nigamagadam, 8-3-987/2, Sri Nagar Colony, Hyderabad - 500 073 to transact the following business:

### A. ORDINARY BUSINESS:

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

To receive, consider and adopt the Statement of Profit & Loss for the financial year ended 31st March, 2012, the Balance Sheet as at that date and the Directors' and Statutory 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 N.K. Nanda, as Director (Technical) who retires by rotation and is eligible for re-appointment.
- ii) To appoint Shri S. Thiagarajan, as Director (Finance), who retires by rotation and is eligible for re-appointment.
- iii) To appoint Shri S. Bose, as Director (Production), who retires by rotation and is eligible for re-appointment.
- iv) To appoint Lt. Gen. (Retd.) Arvind Mahajan, as Director, who retires by rotation and is eligible for re-appointment.
- v) To appoint Shri R.N. Aga, as Director, who retires by rotation and is eligible for re-appointment.
- vi) To appoint Smt. Parminder Hira Mathur, as Director, who retires by rotation and is eligible for re-appointment.

- vii) To appoint Shri D. Rath, 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 2012-13, 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 C.S. Verma be and is hereby appointed as Chairman-cum-Managing Director of the Company (Additional Charge) 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 S.K. Das be and is hereby appointed as Director (Commercial) of the Company on the existing terms of his appointment, who is liable to retire by rotation."

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

#### RESOLVED THAT

"Shri Rabindra Singh 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."

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

**RESOLVED THAT**

"Shri S.J. Sibal 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 E.K. Bharat Bhushan be and is hereby appointed as Director of the Company on the existing terms of his appointment, who is liable to retire by rotation."

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

**RESOLVED THAT**

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

11. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

**RESOLVED THAT**

Pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 (including statutory modification or re-enactment thereof for the time being in force), approval be and is hereby accorded to amend the existing Articles of Association of NMDC to provide for buyback of shares and securities.

**RESOLVED FURTHER THAT**

A new clause shall be added in the existing Articles of Association to provide for buyback of shares as under:

New Clause No.6A

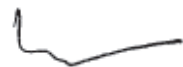
**Buyback of Shares and Securities**

Notwithstanding anything contained in the Articles, the Board of Directors may buyback such number of the Company's own shares or securities as it may think necessary, subject to such approvals, provision of Section 77A and other applicable provisions of the Act [including any statutory modification or re-enactment thereof] and SEBI regulations, as may be permitted by law.

**RESOLVED FURTHER THAT**

Existing Article No.6 of the Articles of Association of the Company be deleted.

By Order of the Board



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

Place : Hyderabad  
Date : 16.08.2012

**Copy to:**

1. All Members
2. Statutory Auditors

**Encls:**

1. Notes to Notice.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business.
3. Proxy Form and Attendance Slip.
4. ECS Form
5. A copy of the 54th Annual Report of the Company for the year 2011-12.

## 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 two interim dividends @ Re.1/- each, on the paid-up equity share of Re.1/- each of the Company in November 2011 and February 2012 totaling to Rs.792.94 crore on the nominal value of the paid-up equity shares of the Company to the Members.
6. Final Dividend @ Rs. 2.50 per share as recommended by Board, if declared by the members at the meeting, will be paid / dividend warrants despatched with effect from 15.10.2012 by the Company to those Members, whose names appear in the Register of Members of the Company as on 15.09.2012, being the book closure commencing 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 15.09.2012 to 20.09.2012 (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 Aarthi Consultants Private Limited as Share Transfer Agents (STA) of NMDC Ltd. The address and contact numbers are given below:
 

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

Members are requested to correspond at above address with STA on all 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:

Mr. M. Murali Krishna  
 Karvy Computershare Pvt. Ltd.,  
 Plot No. 17-24, Vittal Rao Nagar,  
 Madhapur, Hyderabad - 500 081,  
 Tel: 040-23420815,  
 Fax: 040-23431551,  
 Email: nmhc.ipo@karvy.com /  
 einward.ris@karvy.com.  
 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 (L&CC)  
 Khanij Bhavan, 10-3-311/A  
 Castle Hills, Masab Tank  
 Hyderabad - 500 028.  
 Phone No.040-2353 8757  
 Fax No.040-2353 8759  
 E-mail : ims@nmhc.co.in  
 Web site: www.nmhc.co.in

(ii) The General Manager  
 M/s 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

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 to their Depository Participants for incorporation in their records. The Depository in turn would forward the required information to the Company's STA for effecting ECS payment.
13. Members are requested to register their e-mail address and changes therein from time to time with the Company / share transfer agent (STA) of the Company for service of documents, notices, annual reports etc. through e-mail as per the Green Initiative undertaken by Ministry of Corporate Affairs, Government of India vide Circular No.17/2011 which is available at www.mca.gov.in.
14. In terms of the "Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012" the Company has furnished and uploaded the information on the unclaimed and unpaid amounts on the websites of the Company and Ministry of Corporate Affairs.

## Brief Resume of the Directors

Name	Shri N.K. NANDA	Shri S. THIAGARAJAN	Shri SUBIMAL BOSE
<b>Date of Birth &amp; Age</b>	28.07.1960 & 52 years	30.12.1954 & 57 years	20.10.1954 & 57 years
<b>Date of Appointment</b>	01.12.2008	09.07.2009	17.06.2011
<b>No. of shares held in NMDC</b>	320	Nil	320
<b>Qualifications</b>	<p>i) B.Tech.(Mining) from ISM, Dhanbad.</p> <p>ii) M.Tech. (By Research) from ISM, Dhanbad in Mining Engg.</p>	<p>i) Bachelor of Science</p> <p>ii) Chartered Accountant</p>	<p>i) B. Tech. (Hons.) (Mining) Year 1978. IIT, Kharagpur</p> <p>ii) 1st Class Mines Manager Certificate of Competency (Restricted)</p>
<b>Expertise in specific functional area</b>	<ul style="list-style-type: none"> <li>Qualified Engineer for mine plan preparation.</li> <li>Expert in the field of blasting and slope stability in large opencast mines.</li> <li>Qualified System Analyst for opencast mines and project monitoring.</li> <li>Expert in the field of mineral processing, particularly beneficiation of low grade iron ore.</li> <li>Expert in merger and acquisition activities. Can lead team for successful acquisitions and diversification.</li> <li>Expert in Long-term Strategic Planning and Project Implementation.</li> </ul>	<p>As Director (Finance) of NMDC, statutorily responsible for timely submission of financial statements of the Company to the statutory authorities / share holders.</p> <p>Expertise in</p> <ol style="list-style-type: none"> <li>corporate tax management</li> <li>project appraisal and financing</li> <li>financial concurrence to proposals for revenue and capital items for existing and new projects as per the special requirements of a PSU</li> <li>optimum deployment of company's cash resources in various investment opportunities / CAPEX avenues</li> <li>formulation of strategies with regard to critical issues such as product pricing, evacuation, M&amp;A etc.</li> </ol>	<ul style="list-style-type: none"> <li>Prior to joining NMDC, held various positions in Mining Departments of M/s Cement Corporation of India Ltd.</li> <li>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.</li> <li>As a General Manager of Projects, was responsible for overall operation, production, execution, direction and control of the Projects.</li> </ul>
<b>Directorship held in other Companies</b>	<ol style="list-style-type: none"> <li>J&amp;K Mineral Development Corporation Limited.</li> <li>NMDC-CMDC Limited.</li> <li>Krishnapatnam Railway Co. Ltd</li> <li>NMDC-SARL.</li> <li>International Coal Ventures Pvt. Ltd.</li> <li>Legacy Iron Ore Limited</li> <li>NMDC Power Ltd.</li> <li>Jharkhand National Mineral Development Corporation Ltd.</li> <li>Kopano-NMDC Minerals Pty Ltd</li> </ol>	<ol style="list-style-type: none"> <li>J&amp;K Mineral Development Corporation Ltd.</li> <li>Legacy Iron Ore Limited</li> <li>NMDC-CMDC Limited</li> <li>NMDC Power Limited</li> <li>Jharkhand National Mineral Development Corporation Ltd.</li> <li>Kopano-NMDC Minerals Pty Ltd</li> </ol>	<ol style="list-style-type: none"> <li>Legacy Iron Ore Limited</li> <li>Jharkhand National Mineral Development Corporation Ltd.</li> </ol>
<b># Memberships / Chairmanships of Committees across all Public Companies</b>	<ol style="list-style-type: none"> <li>Member, Audit Committee, NMDC.</li> <li>Member, Share Transfer Committee, NMDC.</li> </ol>	<ol style="list-style-type: none"> <li>Member, Share Transfer Committee, NMDC</li> <li>Member Shareholders' / Investors' Grievance Committee, NMDC</li> </ol>	<ol style="list-style-type: none"> <li>Member, Share Transfer Committee, NMDC</li> <li>Member, Shareholders' / Investors' Grievance Committee, NMDC</li> </ol>

# 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) is shown, including NMDC Ltd.

<b>Name</b>	<b>LT. GEN. (RETD.) ARVIND MAHAJAN</b>	<b>Shri R.N. AGA</b>
<b>Date of Birth &amp; Age</b>	24.12.1947 & 64 years	09.07.1945 & 67 years
<b>Date of Appointment</b>	01.04.2010	03.12.2010
<b>No. of shares held in NMDC</b>	Nil	Nil
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>i) PG Degree in Mech. Engg. (Automobiles)</li> <li>ii) AMIE(Mech.), MIE(Mech.) &amp; FIE, M.Phil, (Defence Studies)</li> <li>iii) PG Diploma in Business Management, PG Dip. in Industrial Management</li> </ul>	M.Sc. (Physics)
<b>Expertise in specific functional area</b>	<p>Has a rich and varied experience in the fields of Operational Logistics and Chain Supply Management, Equipment Management &amp; its Technical Repairs and Maintenance, General Management, Support Services and Project Management Services, Strategic Planner, Environment &amp; Infrastructure Expertise &amp; Advisor, Technical Consulting, Domain Expertise in Disaster Management Plans Formulation and in Power, Steel &amp; Mining Management (Handling of Plant &amp; Equipment, Operation &amp; Maintenance of Heavy Machineries) and Corporate Administration.</p>	<p>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.</p>
<b>Directorship held in other Companies</b>	<ul style="list-style-type: none"> <li>i) Life Insurance Corporation of India.</li> <li>ii) Container Corporation of India (Concor)</li> </ul>	Rail Vikas Nigam Limited.
<b>Memberships / Chairmanship of Committees across all Public Companies</b>	<ul style="list-style-type: none"> <li>i) Member, Audit &amp; Ethics Committee - Concor.</li> <li>ii) Chairman, Audit Committee, NMDC</li> <li>iii) Chairman, Shareholders' / Investors' Grievance Committee, NMDC</li> </ul>	<ul style="list-style-type: none"> <li>i) Chairman, Audit Committee, Rail Vikas Nigam Limited.</li> <li>ii) Member, Audit Committee, NMDC Limited</li> </ul>



Name	Mrs. P.H. MATHUR	Shri D. RATH
Date of Birth & Age	17.08.1949 & 62 years	11.02.1950 & 62 years
Date of Appointment	03.12.2010	03.12.2010
No. of shares held in NMDC	Nil	Nil
Qualifications	<p>i) M.A. (Political Science)</p> <p>ii) M.B.A., Leeds University (U.K.)</p>	B.Sc. Engg. (Mechanical)
Expertise in specific functional area	<p>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, Himachal Pradesh in August 2009.</p> <p>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 &amp; Employment, Social Justice and Empowerment, Rural Development, Food &amp; Civil Supplies, Consumer Affairs, Women &amp; Child Development, Land Revenue Management, Disaster Management etc.</p>	<p>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 40 years of experience in the fields Project Management &amp; Execution, Quality Control, Design &amp; Engineering.</p>
Directorship held in other Companies	NIL	<p>i) L&amp;T Ltd. (ECC)</p> <p>ii) Orissa State Police Housing &amp; Welfare Corporation Ltd.</p>
Memberships / Chairmanship of Committees across all Public Companies	Member, Audit Committee, NMDC	Member, Audit Committee, NMDC



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

**SPECIAL BUSINESS**

**Item No.5 to 10 : Appointment of Directors**

In line with the Government of India orders, Shri C.S. Verma, CMD (Additional Charge); Shri S.K. Das, Director (Commercial); Shri Rabindra Singh, Director (Personnel); Shri S.J. Sibal, Non-Executive Director; E.K. Bharat Bhushan, Government Nominee Director and Shri J.P.Shukla, Government Nominee Director 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 Directors is given below:

<b>Name</b>	<b>SHRI C.S. VERMA</b>	<b>SHRI S.K. DAS</b>
<b>Date of Birth &amp; Age</b>	29.09.1959 & 52 years	29.08.1954 & 57 years
<b>Date of Appointment</b>	25.05.2012	11.08.2011
<b>No. of shares held in NMDC</b>	Nil	Nil
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>i) M.Com.</li> <li>ii) MBA</li> <li>iii) Bachelor's degree in Law &amp; Legislatures</li> <li>iv) Fellow Member of Institute of Company Secretaries of India (ICSI)</li> <li>v) Fellow Member of Institute of Cost and Works Accountants of India (ICWAI)</li> </ul>	<ul style="list-style-type: none"> <li>i) M.Sc. (Physics)</li> <li>ii) M.A. (Public Administration)</li> <li>iii) P.G. Diploma in Sales &amp; Marketing Management</li> </ul> <p>Joined SAIL as Management Trainee during 1979 and held various positions in Marketing like Branch Manager, Regional Manager, General Manager and Executive Director.</p>
<b>Expertise in specific functional area</b>	<p>Presently holding the post of Chairman of Steel Authority of India Limited (SAIL) a Maharatna PSU, since June 2010.</p> <p>Spanning nearly 31 years, his career profile also covers stints as Director (Finance) of BHEL and ITI Ltd., as Group General Manager of Indian Railway Finance Corporation, and as General Manager of Delhi Stock Exchange (DSE), besides experience of working in a Financial Institution for about nine years.</p>	<p>He attended many specialized training programmes, seminars and workshops in India and abroad.</p> <p>He has rich experience in domestic and international steel marketing, warehousing / logistics management and also has been actively involved in planning and formulation of marketing / pricing strategies and business development.</p>
<b>Directorship held in other Companies</b>	<ul style="list-style-type: none"> <li>i) SAIL-Chairman</li> <li>ii) International Coal Ventures Pvt. Ltd.-Chairman</li> </ul>	NMDC Power Ltd.
<b>Memberships / Chairmanship of Committees across all Public Companies</b>	Chairman, Share Transfer Committee, NMDC Ltd.	Member, Share Transfer Committee.

Name	SHRI RABINDRA SINGH	SHRI S.J. SIBAL
Date of Birth & Age	08.08.1955 & 57 years	30.09.1950 & 61 years
Date of Appointment	01.10.2011	28.12.2011
No. of shares held in NMDC	Nil	100
Qualifications	<ul style="list-style-type: none"> <li>i) B.A. (Hons.)</li> <li>i) P.G. Diploma in Personnel Management</li> <li>ii) P.G. Diploma in Social Work (Labour Welfare)</li> </ul>	<ul style="list-style-type: none"> <li>i) B.Sc. (Hons.), Mining Engineering</li> <li>ii) 1st Class Manager's Competency Certificates for Coal &amp; Metalliferrous Mines.</li> </ul>
Expertise in specific functional area	<p>Prior to joining NMDC, Shri Rabindra Singh was Executive Director (P&amp;A), Steel Authority of India Limited (SAIL), Bokaro Steel Plant, Bokaro.</p> <p>He has about 34 years of rich experience in all facets of Personnel Management in varied work situations in different units of SAIL. He has worked through almost the entire length and breadth of SAIL. He has been Head of Personnel of SAIL Plants / Units viz. Bokaro Steel Plant, Central Marketing Organisation, Raw Materials Division and also Durgapur Steel Plant.</p>	<p>Shri S.J. Sibal served for over 38 years in NCDC, CIL and DGMS. He is a former Director General of Mines Safety. He has expertise in the coal and non-coal mining sector with rich experiences in the mining industry and mines safety spanning over 38 years.</p>
Directorship held in other Companies	Neelachal Ispat Nigam Ltd.	C-FARM (Sec. 25 Company)
# Memberships / Chairmanship of Committees across all Public Companies	Nil	Nil

# 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) is shown, including NMDC Ltd.

Name	SHRI E.K. BHARAT BHUSHAN	SHRI J.P. SHUKLA
Date of Birth & Age	14.01.1955 & 57 years	22.02.1954, 58 years
Date of Appointment	26.07.2012	30.07.2012
No. of shares held in NMDC	Nil	Nil
Qualifications	i) M.A. (English Language & Literature), Kerala University ii) M.P.A. (Harvard University, USA) – Edward Mason International Fellow. iii) Indian Administrative Service, 1979.	i) B.A. ii) LLB iii) M.A. (Pol. Sc) iv) M.Sc. (HRD)
Expertise in specific functional area	Shri E.K. Bharat Bhushan is a Senior IAS Officer of 1979 Batch – Kerala Cadre. He has more than 33 years of vast experience in administration and he has held various senior positions in the Government of Kerala as well as in the Central Government. Presently, he is Additional Secretary and Financial Adviser in the Ministry of Steel, Government of India.	Shri J.P. Shukla is serving Government of India presently serving as the Joint Secretary, Ministry of Steel, Government of India. He has a professional experience of about 32 years. Prior to this he served in various capacities / positions in the Government.
Directorship held in other Companies	1. SAIL 2. KIOCL 3. MECON 4. Eastern Investments Ltd (EIL) 5. Orissa Minerals Development Company Limited (OMDC) 6. Birsa Stone Lime Company Ltd (BSLC)	MSTC Limited
Memberships / Chairmanship of Committees across all Public Companies	–	–

The Board of Directors recommend the above proposals for approval of the shareholders.

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

**Item No.11 : Buyback of Shares**

In order to comply with the Office Memorandum No.DPE/14(24)/2011-Fin dated 26.03.2012 of DPE and also to be in conformity with the provisions of Section 77A of the Companies Act, 1956 and other applicable provisions, it is necessary to amend the existing Articles of Association of NMDC to provide for buy back of shares and securities and to delete existing Clause No.6 which stipulates that "no part of the funds of the company shall be employed in the purchase of or in loans upon the securities of the company's shares".

The proposal under reference is only seeking approval to amend the existing Articles of Association of NMDC to provide for an enabling clause for buyback of shares and securities. The buyback of shares if any, to be undertaken by the company shall be subject to approval of Board / Ministry of Steel and other applicable statutory approvals.

The Board of Directors recommend the above proposal for approval of the shareholders.

None of the Directors of the Company is interested or concerned in the above resolutions except to the extent of their shareholding in the Company.

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

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

Place : Hyderabad  
Date : 16.08.2012

## BRIEF PROFILE OF NMDC BOARD MEMBERS

### I. FUNCTIONAL DIRECTORS

#### 1. SHRI C.S. VERMA, CMD (ADDITIONAL CHARGE), NMDC LIMITED



Shri Chandra Shekhar Verma is the Chairman, Steel Authority of India Limited (SAIL), a Maharatna Company, since June 2010 and took over additional charge as Chairman-cum-Managing Director, NMDC Ltd. on 25.05.2012.

Shri Verma is also the Chairman of International Coal Ventures Limited (ICVL) - a Joint Venture of leading Public Sector Enterprises viz. SAIL, CIL, RINL & NMDC formed with special approval of Govt. of India for acquisition of coal assets in overseas territories.

Shri Verma has special interest in professional activities. He chairs the 'National Committee on Steel' of Confederation of Indian Industries (CII) from 2010-11. He is a Governing Council member of the All India Management Association, Member on the Board of Governors & Society of Indian Institute of Management, Raipur, Council member of Indian Institute of Metals, etc.

Prior to this assignment, Shri Verma was Director (Finance) of Bharat Heavy Electricals Limited (BHEL), India's largest engineering and manufacturing enterprise in the energy-related/infrastructure sector.

Spanning nearly 31 years, Shri Verma's career profile also covers stints as Director (Finance) of ITI, Group General Manager of Indian Railway Finance Corporation, and General Manager of Delhi Stock Exchange, besides experience of working in a Financial Institution for about nine years.

Fellow Member of the Institute of Company Secretaries of India and also Fellow member of the Institute of Cost & Works Accountants of India, Shri Verma is a Commerce post-graduate with a Master's degree in Business Administration and Bachelor's degree in Law & Legislatures.

He has received many awards during his career, including 'CEO of the Year 2011 award' (PSE) by Indian Institute of Materials Management (IIMM), 'Best CFO Award' of CNBC-TV 18 and 'Top Rankers Excellence Award for Best Professional'. Recently, Shri Verma has been awarded 'Icon of the Year' Award by ICWAI, 'Trail Blazer Leader of the Year' by World HRD Congress.

Steel Authority of India Limited - the largest steel producer in India, owns and operates eight plants - five integrated steel units and three alloy/special steel & stainless steel plants. It also owns and operates the second largest iron ore mines network in the country, for its captive use. Having a turnover of over Rs.50,000 crores, SAIL has been accorded the status of 'Maharatna' by the Government of India. It is currently implementing over Rs.70,000 crores modernization & expansion plan in its plants and mines to nearly double its crude steelmaking capacity.

#### 2. SHRI N.K. NANDA, DIRECTOR (TECHNICAL), NMDC LIMITED

Shri N.K. Nanda, Director was appointed as Director (Technical) w.e.f. 1st December, 2008. He was born in the year 1960. After having early education in Orissa, he graduated in B.Tech. (Mining) from prestigious



Indian School of Mining, Dhanbad in the year 1982 and further he post-graduated in M.Tech. (By Research) 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 Deposit-14 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 Deposit-5 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.

Shri Nanda has been awarded 'The IME Journal Golden Jubilee Award' during May, 2012, in recognition of his significant contributions to Iron Ore Mining, Processing and infusing New Technologies for optimal recovery and sustainable development in environmentally fragile locations.

Shri Nanda also been conferred with Abheraj Baldota Memorial Award 'Mining Engineer of the Year' for 2010-11 by Mining Engineers Association of India.

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.

As Director (Technical) Shri Nanda is looking after, Research & Development, Investigation, Engineering, New Project Execution, apart from Joint Ventures, mergers and acquisitions. The upcoming Steel Plant of the Company at Nagarnar, Chhattisgarh, under his technical and administrative control, is expected for commencement of steel production by the end of the year 2015. Thus, the concept of iron ore to steel making would be fructified under his surveillance.

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.

Shri Nanda, assumed additional charge of Chairman cum Managing Director of the Company from 1st January, 2012 to 24th May, 2012 in addition to his regular assignment.

### **3. 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 33 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 Director (Finance), he has been actively involved in all the expansion and diversification activities of the Company, both India and abroad. Currently, he is also handling 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, NMDC-CMDC Ltd., Legacy Iron Ore Ltd., NMDC Power Ltd., Jharkhand National Mineral Development Corporation Limited and Kopano-NMDC Minerals Pty Ltd.

#### 4. SHRI S. BOSE, DIRECTOR (PRODUCTION), NMDC LIMITED



Shri S. Bose, aged 57 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 31 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.

#### 5. SHRI S.K. DAS, DIRECTOR (COMMERCIAL), NMDC LIMITED



Shri S.K. Das, aged 57 years, is the Director (Commercial) of our Company with effect from 11.08.2011. He holds Post Graduate Degree in M.Sc. (Physics), M.A. (Public Administration), P.G. Diploma in Sales & Marketing Management. Prior to this, he was with SAIL since 1979 and held various positions in Marketing like Branch Manager, Regional Manager, General Manager and Executive Director.

He attended many specialized training programmes, seminars and workshops in India and abroad.

He has rich experience in domestic and international steel marketing, warehousing / logistics management and also has been actively involved in planning and formulation of marketing / pricing strategies and business development.

He holds Directorship on the Board of NMDC Power Ltd. as part-time nominee Director of NMDC Limited. He is not holding any equity shares of NMDC Ltd.

#### 6. SHRI RABINDRA SINGH, DIRECTOR (PERSONNEL), NMDC LIMITED



Shri Rabindra Singh has done Post Graduate Diploma in Personnel Management and also Post Graduate Diploma in Social Work (Labour Welfare). Prior to his present appointment, Shri Rabindra Singh was Executive Director (P&A), Steel Authority of India Limited (SAIL), Bokaro Steel Plant, Bokaro.

He has about 34 years of rich experience in all facets of Personnel Management in varied work situations in different units of SAIL. He has worked through almost the length and breadth of SAIL. He has been Head of Personnel of SAIL Plants / Units viz. Bokaro Steel Plant, Central Marketing Organization, Raw Materials Division and also Durgapur Steel Plant.



**II. GOVERNMENT NOMINEES****SHRI E.K. BHARAT BHUSHAN, Additional Secretary & Financial Advisor, Ministry of Steel**

Shri E.K. Bharat Bhushan is a Senior IAS Officer of 1979 Batch - Kerala Cadre. He has more than 33 years of vast experience in administration and he has held various senior positions in the Government of Kerala as well as in the Central Government. Presently, he is Additional Secretary and Financial Adviser in the Ministry of Steel, Government of India.

**SHRI J.P. SHUKLA, Joint Secretary, Ministry of Steel**

Shri J.P. Shukla is serving Government of India presently serving as the Joint Secretary, Ministry of Steel, Government of India. He has a professional experience of about 32 years. Prior to this he served in various capacities / positions in the Government.

**III. INDEPENDENT DIRECTORS****1. LT. GEN. (RETD.) ARVIND MAHAJAN**

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 Lt. General (Retd.) 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 organization's mission and strategic direction.

He played an active role in the Change Management process during Army's Base Workshop's, Technical modernization, acquisition & expansion process. He has experience in Macro level policy formulation, strategic planning; building key strategic alliances & partnerships and ensuring resource management. He has demonstrating abilities in addressing operational issues, resolving performance bottlenecks and achieving desired objectives. He has skills 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 conceptualization to facilitating implementation in real time environments. He has conceptualized and implemented several projects in Infrastructure, Technological, HRM, Academic and Administrative Fields. He has exceptionally well organized 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 Engineers" by the Institution of Engineers (India) for the year 2007.

## 2. SHRI R.N. AGA



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.

## 3. Mrs. P.H. MATHUR



Mrs. P.H. Mathur is a postgraduate in Political Science and has a degree in MPA from Leeds University (U.K). She joined the Indian Administrative Service (H.P. Cadre) in 1974 and after serving for 35 years retired as Additional Chief Secretary (ACS), Himachal Pradesh 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 & 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 H.P. 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 Ltd. and Videsh Sanchar Nigam Ltd. as Chief Vigilance Officer.

## 4. SHRI D. RATH



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 40 years of experience in the fields Project Management & Execution, Quality Control, Design & Engineering.

## 5. SHRI S.J. SIBAL



Shri S.J. Sibal, aged 61 years, is a Graduate in B.Sc. (Hons.), Mining Engg. He served for over 38 years in NCDC, CIL and DGMS. He is a former Director General of Mines Safety. He is an expert in the coal and non-coal mining sector with rich experiences in the mining industry and mines safety spanning over 38 years. He has wide travelled to study mining operations both in coal and metalliferous sectors throughout the country and a number of countries abroad.



# 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 54<sup>th</sup> Annual  
General Meeting of the Company to be held on Thursday, the 20th September, 2012 at 1500 hrs at Sri Sathya  
Sai Nigamagamam, 8-3-987/2, Sri Nagar Colony, Hyderabad-500 073 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

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 54<sup>th</sup> ANNUAL GENERAL MEETING

L.F./Demat A/c No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Names(s) in Full	Name & Address as Regd. with the Company
1. _____	_____
2. _____	_____
3. _____	_____

I hereby record my presence at the meeting of the 54<sup>th</sup> Annual General Meeting of Shareholders of NMDC Ltd at Sri Sathya Sai Nigamagamam, 8-3-987/2, Sri Nagar Colony, Hyderabad-500 073 on Thursday the 20th day of September, 2012 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  
at Steel Dealers Meet, Lucknow.



The Dun & Bradstreet PSE awards were received by Shri C.S. Verma, CMD  
and Shri N.K. Nanda, Director (Technical) on behalf of NMDC  
from Shri Veerappa Moily, Minister for Corporate Affairs at New Delhi.



## **NMDC LIMITED**

(A Government of India Enterprise)

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

Website : [www.nmdc.co.in](http://www.nmdc.co.in)