

NOTICE
OF
56th Annual General Meeting
of
NMDC LIMITED
 (CIN : L13100AP1958GOI001674)

Date : 29th September, 2014
Day : Monday
Time : 1130 hrs
Venue : Grand Ball Room
 Hotel Taj Krishna
 Road No.1, Banjara Hills
 Hyderabad - 500 034

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Notice

Notice is hereby given that the 56th Annual General Meeting (AGM) of NMDC Limited will be held at 1130 hours on Monday, the 29th September, 2014 at Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad -500 034 to transact the following business:

A. ORDINARY BUSINESS:

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

To receive, consider and adopt the Statement of Profit & Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.

2. To confirm the payment of interim dividends on equity shares for the year 2013-14.
3. To appoint a Director in place of Shri Narendra K. Nanda (DIN: 02455894), who retires by rotation and being eligible, offers him-self for re-appointment.
4. To appoint a Director in place of Shri S. Thiagarajan (DIN: 02721001), who retires by rotation and being eligible, offers him-self for re-appointment.
5. To appoint a Director in place of Shri Subimal Bose (DIN: 03570144), who retires by rotation and being eligible, offers him-self for re-appointment.
6. To appoint a Director in place of Shri Rabindra Singh (DIN: 03641126), who retires by rotation and being eligible, offers him-self for re-appointment.
7. To appoint a Director in place of Shri Vinod Kumar Thakral (DIN: 00402959), who retires by rotation and being eligible, offers him-self for re-appointment.

8. To appoint a Director in place of Shri Syedain Abbasi (DIN: 01790604), who retires by rotation and being eligible, offers him-self for re-appointment.
9. To appoint a Director in place of Shri S.J. Sibal (DIN: 03626423), who retires by rotation and being eligible, offers him-self for re-appointment.
10. To appoint a Director in place of Dr. Noor Mohammad (DIN: 02703408), who retires by rotation and being eligible, offers him-self for re-appointment.
11. To appoint a Director in place of Shri Vinai Kumar Agarwal (DIN: 00233282), who retires by rotation and being eligible, offers him-self for re-appointment.
12. To appoint a Director in place of Shri Mahesh Shah (DIN: 00405556), who retires by rotation and being eligible, offers him-self for re-appointment.

13. Remuneration of Statutory Auditors

In terms of the Section 142 of the Companies Act, 2013, the remuneration of Auditors of Government Companies, appointed by Comptroller and Auditor General of India, shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Hence, it is proposed that the members may authorise the Board to fix the remuneration of the Statutory Auditors of the Company for the year 2014-15, as may be deemed fit.

B. SPECIAL BUSINESS:

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

"RESOLVED THAT

Shri Narendra Kothari (DIN: 06393713), who was appointed as Additional Director be and is hereby appointed as Director of the Company, on the existing terms of his appointment, who is liable to retire by rotation."

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

"RESOLVED THAT

Shri Narendra Kothari (DIN: 06393713), Director of the Company, be and is hereby appointed as Chairman-cum-Managing Director of the Company on the existing terms of his appointment, who is liable to retire by rotation."

16. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

"RESOLVED THAT

Pursuant to Section 14 & 149 and other applicable provisions of the Companies Act, 2013, and subject to approval of the Government, approval be and is hereby accorded to increase the number of Directors from Sixteen (16) to Eighteen (18) by amending the existing Articles of Association of the Company.

RESOLVED FURTHER THAT

The word 'Sixteen' be and is hereby amended as 'Eighteen' in the Article No. 73 of the Articles of Association of the Company".

By Order of the Board



(Kumar Raghavan)
Company Secretary &
Executive Director

Place : Hyderabad
Date : 12.08.2014

Copy to:

1. All Members
2. All Directors
3. Statutory Auditors

Encls:

1. Notes to Notice including E-voting instructions at Note No.25.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business.
3. Proxy Form
4. Attendance Slip.
5. Ballot Paper in Form No.MGT-12.

Notes to the Notice

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form should be deposited at the Registered Office of the Company not later than Forty-Eight Hours (48 hours) before the time of commencement of the Meeting. Blank proxy form is attached.
2. Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business, as set out above is annexed hereto.
3. 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.
4. Brief resume of the Directors seeking re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 20th September, 2014 to Monday, the 29th September, 2014 (both days inclusive).
6. During the year, department of Disinvestment, Government of India has offered upto 1, 98, 23,580 equity shares of face value of Re.1/- each to the eligible employees of the Company at a discounted price of Rs.141.10 per equity share. In response to the said offer, 280 shares were transferred from the holding of President of India to the eligible employee, who participated in the offer.
7. During the year, the Company had paid two interim dividends @ Rs.3/- each and Rs.5.50p each, on the paid-up equity share of Re.1/- each of the company in November 2013 and February 2014 respectively totaling to Rs.3370.00 crore on the nominal value of the paid-up equity shares of the Company to the Members.
8. Share transfer documents and all correspondence relating thereto, should be addressed to the Share Transfer Agent of the Company M/s Aarthi Consultants Pvt Ltd., D.No. 1-2-285, Domalguda, Hyderabad - 500 029. Phone Nos. 040-27638111/ 27634445, Fax No. 040-27632184, Email : info@arthiconsultants.com, ims@nmdc.co.in, Web site : www.arthiconsultants.com
9. Members are requested to address all correspondence relating to divestment of 33,22,43,200 equity shares of the Company made by Government of India in the month of March, 2010 to the Registrars to the Issue M/s. Karvy Computershare Pvt, Ltd., Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad -500 081, Tel: 040-23420815, Fax: 040-23431551, Email: nmdc.ipo@karvy.com/ einward.ris@karvy.com. Website: www.karvy.com.
10. The Company has designated an exclusive e-mail ID called: ims@nmdc.co.in for redressal of shareholders'/investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above e-mail address.
11. Members holding shares in electronic form may please note that the bank account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.

12. Reserve Bank of India (RBI) is providing ECS facility for payment of dividend in select cities. Members holding shares in physical form are advised to submit particulars of their bank account, viz., names and address of the branch of bank, 9 digit MICR code of the branch, type of account and account number to M/s. Aarhi Consultants Private Ltd.
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.gov.in.
14. Pursuant to section 124 and 125 of the Companies Act, 2013, the unpaid/unclaimed amount of Final Dividend declared on 31.08.2007 for the financial year 2006-07, 1st interim dividend declared on 25.10.2007 and 2nd interim dividend declared on 30.01.2008 for the financial year 2007-08 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 30.09.2014, 24.11.2014 and 28.02.2015 respectively. Members who have not en-cashed their dividend warrants pertaining to the said year(s) may approach the Company or its Share Transfer Agent for obtaining payment thereof.
15. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to M/s. Aarhi Consultants Private Ltd or the Company to enable them to incorporate the same in the dividend warrant.
16. Members desirous of obtaining any information/clarification(s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of the Meeting to the Company Secretary at the Registered Office of the Company, so that the same may be attended to appropriately.
17. The Annual Accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the holding and subsidiary companies, desirous of seeking such information. Further, Annual Accounts of the subsidiary companies will also be kept for inspection, by any investor, at the Registered Office of the Company as well as at the Registered Office of the subsidiary companies, during its business hours.
18. Members who have not en-cashed their dividend warrants within its validity period may write to the Company at its Registered Office or M/s. Aarhi Consultants Private Ltd, Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
19. In terms of provisions of the Companies Act, 2013 nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares on individual name are advised to avail of the nomination facility Form No. 2B in their own interest. Blank form can be had from M/s. Aarhi Consultants Private Ltd on request. Members holding shares in dematerialized form may contact their respective DPs for registration of nomination.
20. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agent, M/s. Aarhi Consultants Private Ltd., for consolidation.
21. Pursuant to provisions of the Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is to be fixed by the Company in the Annual General

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Meeting. The General Meeting may authorize the Board to fix up an appropriate remuneration of Auditors for the year 2014-15 after taking into consideration the increase in volume of work and pertaining inflation, etc.

22. In terms of Clause 35B of the Listing Agreement, Company has made arrangements for providing e-voting platform to the shareholders of the Company for e-voting purpose through Central Depository Services (India) Limited (CDSL), an authorised Agency of Ministry of Corporate Affairs (MCA), Government of India.
23. The e-voting period begins on 22nd September, 2014 (9.00 a.m. IST) and ends on 24th September, 2014 (6.00 p.m. IST). The voting rights shall be proportionate to their shares as on 22.08.2014.
24. Members are requested:
 - (i) To bring their copies of Annual Report and Attendance Slip duly completed and signed at the meeting.
 - (ii) To quote their Folio/DP & Client Identification No. in all correspondence.
 - (iii) Not to bring brief case, bags, eatables, cell phone etc. as they are prohibited inside the meeting Hall for security reasons.
 - (iv) To notify immediately any change of their address and bank particulars to the Company or its Share Transfer Agent, in case shares are held in physical form.

AND

In case their shares are held in dematerialized form, information should be passed on directly to their respective Depository Participants and not to the Company/ Share Transfer Agent, without any delay.

- (v) To note that no gift will be distributed at the meeting.
25. The instructions for members for voting electronically are as under:

In case of members receiving e-mail:

 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "NMDC Limited" from the drop down menu and click on "SUBMIT".
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field. Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit client id. For example : CDSL Account Holder name is Rahul Mishra and Demant A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. And NSDL Account Holder name is Rahul Mishra and Demant A/c No. is IN300000 12345678 then default value of PAN is 'RA12345678'.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant NMDC Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) To sl. no. (xvii) Above to cast vote.
- (B) The voting period begins on 22nd September, 2014 (9:00 a.m. IST) and ends on 24th September, 2014 (6:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.08.2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members as on 22.08.2014, who have not exercised their vote electronically, may cast their vote physically during the poll conducted at the time of Annual General Meeting on 29th September, 2014.
- (C) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22.08.2014.
- (D) Mr.S S Marthi, Practicing Company Secretary (Membership No.FCS 1989), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (E) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any , forthwith to the Chairman of the Company.
- (F) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
- (G) The results declared along with Scrutinizer's Report shall be placed on the Company's website: www.nmdc.co.in, STA's website: www.aarthiconsultants.com and on the website of CDSL www.cdslindia.com within two days of the passing of the resolutions at the AGM of the Company on 29th September, 2014 and communicated to the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited(NSE), and other stock exchanges, where the shares of the Company are listed.
- (H) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (I) In case of any clarification(s) / grievance(s) connected with electronic voting, you may contact Mr.Wenceslaus Furtado, Deputy Manager at the designated email Id : wenceslausf@cdslindia.com or on the following telephone No.022-22728588.

Brief Resume of the Directors

Name	SHRI NARENDRA K. NANDA	SHRI S. THIAGARAJAN
Date of Birth & Age	28.07.1960 & 54 years	30.12.1954 & 59 years
Date of Appointment	01.12.2008	09.07.2009
No. of shares held in NMDC	320	Nil
Qualifications	i) B.Tech.(Mining) from ISM, Dhanbad. ii) M.Tech. (By Research) from ISM, Dhanbad in Mining Engg.	i) Bachelor of Science ii) Chartered Accountant
Expertise in specific functional area	<ul style="list-style-type: none"> ● Qualified Engineer for mine plan preparation. ● Expert in the field of blasting and slope stability in large opencast mines. ● Qualified System Analyst for opencast mines and project monitoring. ● Expert in the field of mineral processing, particularly beneficiation of low grade iron ore. ● Expert in merger and acquisition activities. Can lead team to successful acquisition and diversification. ● Expert in Long-term Strategic Planning and Project Implementation including 3 MTPA Steel Plant on a formal integration to mining. 	As Finance Director of NMDC, statutorily responsible for timely submission of financial statements of the Company to the statutory authorities / share holders. Expertise in <ul style="list-style-type: none"> i) Corporate tax management. ii) Project appraisal and financing. iii) Financial concurrence to proposals for revenue and capital items for existing and new projects as per the special requirements of a PSU. iv) Optimum deployment of company's cash resources in various investment opportunities / CAPEX avenues. v) Formulation of strategies with regard to critical issues such as product pricing, evacuation, M&A etc. vi) Interaction with domestic & international investors & representing the company in various investor / analyst forums or conferences.
Directorship held in other Companies	i) J&K Mineral Development Corpn. Ltd. ii) NMDC-CMDC Ltd. iii) Krishnapatnam Railway Co. Ltd. iv) NMDC-SARL. v) Legacy Iron Ore Ltd. vi) NMDC Power Ltd. vii) Jharkhand National Mineral Development Corporation Ltd. viii) Kopano-NMDC Minerals (Pty) Ltd.	i) J&K Mineral Development Corporation Ltd. ii) Legacy Iron Ore Limited iii) NMDC-CMDC Limited iv) NMDC Power Limited v) Jharkhand National Mineral Development Corporation Ltd. vi) Kopano-NMDC Minerals (Pty) Ltd.
Memberships / Chairmanship of Committees across all Public Companies	i) Member, Audit Committee, NMDC. ii) Member, Share Transfer Committee, NMDC Ltd.	i) Member, Share Transfer Committee, NMDC Limited ii) Member Shareholders' / Investors' Grievance Committee, NMDC Ltd.

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Name	SHRI SUBIMAL BOSE	SHRI RABINDRA SINGH
Date of Birth & Age	20.10.1954 & 59 years	08.08.1955 & 59 years
Date of Appointment	17.06.2011	01.10.2011
No. of shares held in NMDC	320	Nil
Qualifications	i) B. Tech. (Hons.) (Mining) Year 1978. IIT, Kharagpur ii) 1st Class Mines Manager Certificate of Competency (Restricted)	i) B.A. (Hons.) ii) P.G. Diploma in Personnel Management iii) P.G. Diploma in Social Work (Labour Welfare)
Expertise in specific functional area	<ul style="list-style-type: none"> ● Prior to joining NMDC, held various positions in Mining Departments of M/s Cement Corporation of India Ltd. ● 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. ● As a General Manager of Projects, was responsible for overall operation, production, execution, direction and control of the Projects. 	Prior to joining NMDC, Shri Rabindra Singh was Executive Director (P&A), Steel Authority of India Limited (SAIL), Bokaro Steel Plant, Bokaro. He has about 36 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 Organisation, Raw Materials Division and also Durgapur Steel Plant.
Directorship held in other Companies	i) Legacy Iron Ore Limited ii) Jharkhand National Mineral Development Corporation Limited	Neelachal Ispat Nigam Ltd.
Memberships / Chairmanship of Committees across all Public Companies	i) Member, Share Transfer Committee, NMDC Ltd. ii) Member, Shareholders' / Investors' Grievance Committee, NMDC Ltd.	Nil

Name	SHRI VINOD KUMAR THAKRAL	SHRI SYEDAIN ABBASI
Date of Birth & Age	02.07.1956 & 58 years	29.01.1967 & 47 years
Date of Appointment	07.06.2013	18.10.2012
No. of shares held in NMDC	Nil	Nil
Qualifications	M.A. - Political Science	M.A. - Modern Indian History
Expertise in specific functional area	Shri Vinod Kumar Thakral is a senior IAS officer, Government of India. Presently serving as the Additional Secretary & Financial Advisor, Ministry of Steel, Government of India. He has about 32 years of experience in administration & has served in various capacities / positions in the Government.	Shri Syedain Abbasi is a Senior IAS Officer, Government of India. Presently serving as the Joint Secretary, Ministry of Steel, Government of India. He has about 23 years of experience in administration & has served in various capacities / positions in the Government.
Directorship held in other Companies	<ul style="list-style-type: none"> i) Government Director, SAIL ii) Government Director, KIOCL iii) Government Director, RINL iv) Government Director, MECON Ltd. 	Government Director, MECON India Ltd.
Memberships / Chairmanship of Committees across all Public Companies	Nil	Nil

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Name	SHRI S.J. SIBAL	Dr. NOOR MOHAMMAD
Date of Birth & Age	30.09.1950 & 63 years	30.07.1951 & 63 years
Date of Appointment	28.12.2011	26.11.2012
No. of shares held in NMDC	100	Nil
Qualifications	<ul style="list-style-type: none"> i) B.Sc. (Hons.), Mining Engineering ii) 1st Class Manager's Competency Certificates for Coal & Metalliferrous Mines. 	<ul style="list-style-type: none"> i) Ph.D. - Economics ii) M.Sc. - Administrative Sciences & Development Problems iii) M.Sc. - Physics iv) M.A. - Economics
Expertise in specific functional area	<p>Mr. 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, is dedicated to maintaining a reputation built on quality, service, and uncompromising ethics.</p>	<p>Dr. Noor Mohammad retired from Indian Administrative Service on 31.07.2011. He has more than 35 years of vast experience in administration and he has held various senior positions in the Government of Uttar Pradesh as well as in the Central Government. He retired as Secretary, National Disaster Management Authority.</p>
Directorship held in other Companies	<ul style="list-style-type: none"> i) Northern Coal Fields Ltd. ii) C-FARM (Sec. 25 Company) iii) Hindustan Zinc Ltd. 	Coal India Limited (CIL)
Memberships / Chairmanship of Committees across all Public Companies	<ul style="list-style-type: none"> i) Advisor, HZL (Vedanta Enterprises) ii) Member, Audit Committee, NMDC Ltd. 	<ul style="list-style-type: none"> i) Chairman, Investors Grievance Redressal Committee, CIL ii) Member, Audit Committee, CIL iii) Member, Audit Committee, NMDC Ltd.

Name	SHRI VINAI KUMAR AGARWAL	SHRI MAHESH SHAH
Date of Birth & Age	30.10.1950 & 63 years	25.12.1952 & 61 years
Date of Appointment	26.11.2012	26.11.2012
No. of shares held in NMDC	Nil	Nil
Qualifications	<ul style="list-style-type: none"> i) B.Sc. ii) B.E. - Civil 	<ul style="list-style-type: none"> i) B.Com. ii) LL.B iii) F.C.A. (Fellow Chartered Accountant), Institute of Chartered Accountants of India, New Delhi. iv) F.C.S. (Fellow Company Secretary), Institute of Company Secretaries of India, New Delhi. v) F.C.M.A. (Fellow of Institute of Cost Accountants of India), Institute of Cost Accountants of India, Kolkata.
Expertise in specific functional area	<p>Shri Vinai Kumar Agarwal was Managing Director of RITES Ltd. from April 2004 to October 2010. Shri Agarwal holds Bachelor of Engineering in Civil Discipline from University of Roorkee (IIT Roorkee). He served in RITES and Indian Railways in various capacities covering various areas such as Consultancy and Project Management, Constructing and Operating Rail Company in India and abroad. He has approximately over 38 years of experience in Construction and Maintenance of Rail Network, Buildings, Bridges.</p>	<p>Shri Mahesh Shah, Former President of Institute of Company Secretaries of India and Institute of Cost Accountants of India. He is Fellow Member of Institute of Chartered Accountant of India, Institute of Company Secretaries of India and Institute of Cost Accountants of India. He has more than 35 years experience in the areas of Law, Accounts, Taxation, Costing and Financial Management.</p>
Directorship held in other Companies	<ul style="list-style-type: none"> i) Independent Director, KIOCL ii) Independent Director, Dredging Corporation of India 	<ul style="list-style-type: none"> i) Inter Corporate Financiers & Consultants Ltd. ii) Power Grid Corporation of India Ltd.
Memberships / Chairmanship of Committees across all Public Companies	<ul style="list-style-type: none"> i) Member, Audit Committee, KIOCL. ii) Member, Audit Committee, Dredging Corporation of India. iii) Member, Audit Committee, NMDC Ltd. 	<ul style="list-style-type: none"> i) Chairman, Audit Committee, NMDC Ltd. ii) Chairman, Shareholders'/Investors Grievance Committee, NMDC Ltd.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

SPECIAL BUSINESS**Item No.14 & 15: Appointment of Shri Narendra Kothari as Director and Chairman-cum-Managing Director of Company**

In line with the Government of India orders, Shri Narendra Kothari, CMD was 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, 2013 as Additional Directors he holds office up to the date of AGM only, therefore, it is proposed to appoint him as Director and Chairman-cum-Managing Director of the Company at this Annual General Meeting.

The Brief Bio-Data of Shri Narendra Kothari, CMD is given below:

Name	SHRI NARENDRA KOTHARI
Date of Birth & Age	13.12.1955 & 58 years
Date of Appointment	21.04.2014
No. of shares held in NMDC	Nil
Qualifications	B.E. (Metallurgy)
Expertise in specific functional area	Shri Kothari was the CEO of IISCO Steel Plant, Burnpur, Steel Authority of India Limited (SAIL) since October 2012. He held various important positions in SAIL as Executive Director of Chairman Secretariat, Coal Import Group, etc. Shri Kothari had been instrumental in streamlining numerous projects of SAIL and has worked extensively in the field of steel making process in India and abroad.
Directorship held in other Companies	<ol style="list-style-type: none"> 1. Chairman, J&K Mineral Development Corporation Ltd. 2. Chairman, NMDC-CMDC Ltd. 3. Chairman, Jharkhand National Mineral Development Corporation Ltd. 4. Director, International Coal Ventures (Pvt) Ltd.
Memberships / Chairmanship of Committees across all Public Companies	Chairman, Share Transfer Committee, NMDC

Considering the above, the Board of Directors of the Company recommends 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 re-appointment / appointment.

Item No. 16: Amendment to Article No. 73 of Article of Association.

The proposed amendment is necessary in view of the New Companies Act, 2013 which stipulates that the Maximum Directors can be Fifteen (15) only. However, Act further provides that a number of Directors can be increased beyond fifteen with approval of the Shareholders of the Company.

Further, in order to meet the requirement of the Steel Division and to head the upcoming Steel Plant at Nagarnar, a Director post was considered which is under consideration of Government besides existing Functional Directors.

As per the Listing Agreement the Independent Directors shall be 50% of the total Directors on the Board, to comply the Corporate Governance. Accordingly, the present Directors Sixteen (16) would increase to Eighteen (18).

Considering the above, the Board of Directors of the Company recommends 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 re-appointment / appointment.

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



(Kumar Raghavan)
Company Secretary &
Executive Director

Place : Hyderabad
Date : 12.08.2014

BRIEF PROFILE OF NMDC BOARD MEMBERS

I. FUNCTIONAL DIRECTORS

1. SHRI NARENDRA KOTHARI, CMD, NMDC LIMITED



Shri Narendra Kothari assumed charge as Chairman-cum-Managing Director of NMDC Limited on 21 April 2014.

Shri Kothari was the CEO of IISCO Steel Plant, Burnpur, Steel Authority of India Limited (SAIL) since October, 2012. He held various important positions in SAIL as Executive Director of Chairman Secretariat, Coal Import Group etc.

Shri Kothari had been instrumental in streamlining numerous projects of SAIL and has worked extensively in the field of steel making process in India and abroad.

Shri Kothari is a B.E. in Metallurgy and has gained rich experience over the years.

2. SHRI NARENDRA K. NANDA, DIRECTOR (TECHNICAL), NMDC LIMITED



Shri Narendra K. Nanda, Director was appointed as Director (Technical), NMDC Limited w.e.f. 1st December, 2008. He graduated in B.Tech. (Mining) from prestigious Indian School of Mining (ISM), 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".

After working in Hindustan Copper Ltd., Malanjkhand and ACC Ltd., in Haryana, Shri Nanda joined NMDC in the year 1989. Because of his varied experience in copper, limestone, iron ore and initial training in coal mines, he has risen to the post of Director (Technical) in the year 2008. He has been conferred with the awards like (i) 'Eminent Engineer' award by Institution of Engineers, Bhilai (ii) 'The IME Journal Golden Jubilee Award' for his contribution to iron ore mining, processing and infusing new technologies and (iii) prestigious award - Abheraj Baldota Memorial Award of 'Mining Engineer of the Year' for 2010 by Mining Engineers Association of India. (iv) Steeles Award-2013(for excellence in Project Management) & (v) SAGAT Award of Excellence 2013.

Shri Nanda specializes in mine operation and mine development and spent 20 years in production related activity, before getting elevated as Director (Technical). He has proficiency in project planning & 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 as abroad.

Shri Nanda is a Fellow Member of Institution of Engineers and Fellow Member of Mining, Geological, Metallurgical Institute of India. Shri Nanda is also the Chairman of Legacy Iron Ore Ltd., a company in

Australia, where NMDC is the major shareholder. He was Chairman of the National Committee on Mining of Confederation of Indian Industries (CII) from 2010-2011.

He is also the Vice-President in the Governing Council of Global Compact Network India (GCNI) and also Chairman, GCNI, Hyderabad Chapter. He is also Vice Chairman of Kopano-NMDC Minerals Pty. Ltd., the Joint Venture Company of NMDC in South Africa. He is also Vice President, Southern and Western Zone of MGMI. He is Chairman, Mining Engineers Association of India (MEAI), Hyderabad Chapter.

As Director (Technical) Shri Nanda is looking after, Research & Development, 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 2016.

Shri Nanda was also held Additional Charge of Chairman-cum-Managing Director of the Company (NMDC), w.e.f. 1st January 2012 till 24th May 2012.

Recent Papers submitted:

1. Paper titled 'Mergers & Acquisitions vis-à-vis Global Mining Industry' submitted to World Mining Congress.
2. Paper on 'Indian Iron Ore Mining Industry and Future Prospects' presented in 4th Asian Mining Congress.
3. Professor S.K. Bose Memorial Lecture at ISM, Dhanbad on 19.04.2012 on "Sustainable Mining & Environment".

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 34 years. Over the years, he has held various positions in the discipline of Finance in various projects of the company to reach the helm as Head of Finance Department at the corporate office in the year 2004 and subsequently as Director (Finance) of the Company in 2009.

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

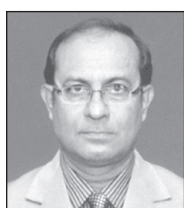
In addition to his responsibilities as Finance Director, he has been actively involved in all the expansion and diversification activities of the Company, both India and abroad. Currently, he is also handling

56th AGM NOTICE

investor / analyst relations post divestment of 20% of equity of GOI to public. As a member of various committees, he has extensively contributed to issues such as product pricing, overseas acquisitions, risk management 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 Ltd. and Kopano-NMDC Minerals (Pty) Ltd.

4. SHRI SUBIMAL BOSE, DIRECTOR (PRODUCTION), NMDC LIMITED



Shri S. Bose, aged 59 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 33 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. Prior to joining Cement Corporation of India Ltd., he worked for a short while in Ingersoll Rand (India) Ltd. and Sandvik Asia Ltd.

5. 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 36 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 NOMINEE DIRECTORS

1. SHRI VINOD KUMAR THAKRAL, ADDITIONAL SECRETARY AND FINANCIAL ADVISOR, MINISTRY OF STEEL.



Shri Vinod Kumar Thakral is a senior IAS officer, Government of India presently serving as the Additional Secretary & Financial Advisor, Ministry of Steel, Government of India. He has about 32 years of experience in administration & has served in various capacities / positions in the Government.

2. SHRI SYEDAIN ABBASI, JOINT SECRETARY, MINISTRY OF STEEL.



Shri Syedain Abbasi is a senior IAS Officer, Government of India presently serving as the Joint Secretary, Ministry of Steel, Government of India. He has about 23 years of experience in administration & has served in various capacities / positions in the Government.

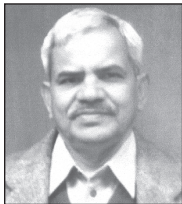
III. INDEPENDENT DIRECTORS

1. SHRI S.J. SIBAL



Mr. S.J. Sibal, aged 63 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, is dedicated to maintaining a reputation built on quality, service, and uncompromising ethics.

2. DR. NOOR MOHAMMAD



Dr. Noor Mohammad retired from Indian Administrative Service on 31.07.2011. He is a Post Graduate in Physics, Economics and Development Issues. He has more than 35 years of vast experience in administration and he has held various senior positions in the Government of Uttar Pradesh as well as in the Central Government. He retired as Secretary, National Disaster Management Authority. He held important positions like Member Secretary, NCR Planning Board, Chief Electoral Advisor UNDP, Kabul, International Election Commissioner, Afghanistan, Deputy Election Commissioner, Election Commission of India and Chief Electoral Officer, Uttar Pradesh and Principal Secretary of various departments in U.P.

He worked as government nominee on the Board of Directors of a number of U.P. State Corporations and also Chennai Metro Rail Corporation. In addition, he worked as Chairman Association of Municipalities and Development Authorities, Chairman, U.P. Waqf Development Corporation, Managing Director, U.P. Waqf Development Corporation and Managing Director, U.P. Minorities Financial and Development Corporation where he made manifest contributions.

At present, he is independence limits in Coal India Ltd also wherein he serves as Chairman, Investors' Grievance Redressal Committee; Member, Audit Committee and Member, CSR Committee.

3. SHRI VINAI KUMAR AGARWAL



Shri Vinai Kumar Agarwal was the Managing Director of RITES Ltd. from April 2004 till his retirement in October 2010. He holds a Bachelor of Science Degree and Bachelors Degree in Engineering (Civil) from I.I.T. (Roorkee). Prior to his appointment as Managing Director, he was Divisional Railway Manager, Indian Railways. He also served as Executive Director and National Project Director for U.N. Funded Projects, Ministry of Railways. in various capacities in the commercial / project management / marketing / contracts disciplines. He has approximately 38 years of experience in the fields Project Management & Execution, Quality Control, Design & Engineering. While working as Managing Director, RITES Ltd. he was awarded the prestigious "Stevie International Business Awards, 2008" for 'Best Executive in Asia (Subcontinent), Australia and New Zealand'.

4. SHRI MAHESH SHAH



Shri Mahesh Shah, Former President of Institute of Company Secretaries of India and Institute of Cost Accountants of India. He is Fellow Member of Institute of Chartered Accountant of India, Institute of Company Secretaries of India and Institute of Cost Accountants of India. He has more than 35 years experience in the areas of Law, Accounts, Taxation, Costing and Financial Management.



NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.
(CIN : L13100AP1958GOI001674)

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)		
Registered Address		
Email ID		
Folio No./Client ID		
DP ID		No. of Shares
I/We, being a member/members of above named Company, hereby appoint:		
1. Name		
Address		
Email ID	Signature	
Or failing him/her		
2. Name		
Address		
Email ID	Signature	
Or failing him/her		
3. Name		
Address		
Email ID	Signature	

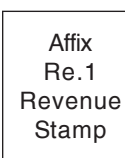
As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company, to be held on Monday, 29th September, 2014 at 11.30 a.m. at Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For*	Against*
	Ordinary Business		
1.	Adoption of Audited Accounts, Directors' and Auditors' Reports there on:		
2.	To confirm the payment of interim dividends on equity shares for the year 2013-14.		
3.	Re-appointment of Shri Narendra K. Nanda (DIN: 02455894), who retires by rotation and being eligible, offers him-self for re-appointment.		
4.	Re-appointment of Shri S. Thiagarajan (DIN: 02721001), who retires by rotation and being eligible, offers him-self for re-appointment.		
5.	Re-appointment of Shri Subimal Bose (DIN: 03570144), who retires by rotation and being eligible, offers him-self for re-appointment.		
6.	Re-appointment of Shri Rabindra Singh (DIN: 03641126), who retires by rotation and being eligible, offers him-self for re-appointment.		
7.	Re-appointment of Shri Vinod Kumar Thakral (DIN: 00402959), who retires by rotation and being eligible, offers him-self for re-appointment.		
8.	Re-appointment of Shri Syedain Abbasi (DIN: 01790604), who retires by rotation and being eligible, offers him-self for re-appointment.		
9.	Re-appointment of Shri S.J. Sibal (DIN: 03626423), who retires by rotation and being eligible, offers him-self for re-appointment.		
10.	Re-appointment of Dr. Noor Mohammad (DIN: 02703408), who retires by rotation and being eligible, offers him-self for re-appointment.		
11.	Re-appointment of Shri Vinai Kumar Agarwal (DIN: 00233282), who retires by rotation and being eligible, offers him-self for re-appointment.		
12.	Re-appointment of Shri Mahesh Shah (DIN: 00405556), who retires by rotation and being eligible, offers him-self for re-appointment.		
13.	To authorise the Board to fix the remuneration of Statutory Auditors for the year 2014-15		
	Special Business		
14.	To appoint Shri Narendra Kothari (DIN: 06393713), as Director of the Company, on the existing terms of his appointment, who is liable to retire by rotation."		
15.	To appoint Shri Narendra Kothari (DIN: 06393713), as Chairman-cum-Managing Director of the Company on the existing terms of his appointment, who is liable to retire by rotation."		
16.	To amend the Article No.73 to increase the maximum number of Directors from 'Sixteen' to 'Eighteen'.		

Signed this _____ day of _____ 2014

Signature of Proxy _____

Signature of Member _____



Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of Members, not exceeding fifty, and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

* It is optional to put an 'X' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she deems appropriate.



NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.
(CIN : L13100AP1958GOI001674)

ATTENDANCE SLIP 56th 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 56th Annual General Meeting of Shareholders of NMDC Ltd at Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad-500 034 on Monday the 29th day of September, 2014 at 1130 hours.

Please tick in the Box

Equity Shareholder

Proxy

Equity Shareholder's Signature

Proxy's Signature

Notes:

1. Equity Shareholders / Proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue of the meeting.
2. Equity Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting place.

Form No. MGT-12
Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : NMDC Limited

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

(CIN : L13100AP1958GOI001674)

BALLOT PAPER		
S.No.	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No./*Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Number & Class of Shares	

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Audited Accounts, Directors' and Auditors' Reports there on:			
2.	To confirm the payment of interim dividends on equity shares for the year 2013-14.			
3.	Re-appointment of Shri Narendra K. Nanda (DIN: 02455894), who retires by rotation and being eligible, offers him-self for re-appointment.			
4.	Re-appointment of Shri S. Thiagarajan (DIN: 02721001), who retires by rotation and being eligible, offers him-self for re-appointment.			
5.	Re-appointment of Shri Subimal Bose (DIN: 03570144), who retires by rotation and being eligible, offers him-self for re-appointment.			
6.	Re-appointment of Shri Rabindra Singh (DIN: 03641126), who retires by rotation and being eligible, offers him-self for re-appointment.			

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
7.	Re-appointment of Shri Vinod Kumar Thakral (DIN: 00402959), who retires by rotation and being eligible, offers him-self for re-appointment.			
8.	Re-appointment of Shri Syedain Abbasi (DIN: 01790604), who retires by rotation and being eligible, offers him-self for re-appointment.			
9.	Re-appointment of Shri S.J. Sibal (DIN: 03626423), who retires by rotation and being eligible, offers him-self for re-appointment.			
10.	Re-appointment of Dr. Noor Mohammad (DIN: 02703408), who retires by rotation and being eligible, offers him-self for re-appointment.			
11.	Re-appointment of Shri Vinai Kumar Agarwal (DIN: 00233282), who retires by rotation and being eligible, offers him-self for re-appointment.			
12.	Re-appointment of Shri Mahesh Shah (DIN: 00405556), who retires by rotation and being eligible, offers him-self for re-appointment.			
13.	To authorise the Board to fix the remuneration of Statutory Auditors for the year 2014-15			
	Special Business			
14.	To appoint Shri Narendra Kothari (DIN: 06393713), as Director of the Company, on the existing terms of his appointment, who is liable to retire by rotation."			
15.	To appoint Shri Narendra Kothari (DIN: 06393713), as Chairman-cum-Managing Director of the Company on the existing terms of his appointment, who is liable to retire by rotation."			
16.	To amend the Article No.73 to increase the maximum number of Directors from 'Sixteen' to 'Eighteen'.			

Place :

Date :

(Signature of the shareholder*)

(*as per Company records)

Note : Please refer for e-voting instructions in the enclosed AGM Notice at Note No.25.

**56th Annual Report
2013 - 2014**



NMDC Limited

**Mining is our profession
Mineral conservation is our passion**





Shri Narendra Singh Tomar taking charge as the Union Minister for Steel, in New Delhi on May 29, 2014. The Minister of State for Steel, Shri Vishnu Deo Sai is also seen.



NMDC received “Most Valuable Company Award” in the Navaratna Category of India Today PSU Awards – 2014. Shri Narendra Kothari, CMD, NMDC received the award from Shri Ram Vilas Paswan, Hon'ble Union Minister of Consumer Affairs, Food & Public Distribution in presence of Shri Shekhar Gupta, Vice Chairman and Editor-in-Chief, India Today.

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STATUTORY AUDITORS

M/s. Venugopal & Chenoy
Hyderabad, Andhra Pradesh

BRANCH AUDITORS

M/s. Brahmaya & Co.
Visakhapatnam, Andhra Pradesh

M/s. P.K. Subramaniam & Co.
Raichur, Karnataka

M/s. Gopal Gupta & Co.
Allahabad, Uttar Pradesh

COST AUDITORS

Shri Prasad & Bharathula Associates
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
CIN : L13100AP1958GOI001674
Website : www.nmdc.co.in

SHARE TRANSFER AGENT

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

Achievements

◆	Turnover	–	Rs.	12,058	Crore
◆	Profit before Tax (including discontinued operations)	–	Rs.	9,759	Crore
◆	Cash Profit	–	Rs.	9,865	Crore
◆	Net Profit	–	Rs.	6,420	Crore
◆	Total Assets	–	Rs.	31,477	Crore
◆	Net Worth	–	Rs.	29,983	Crore
◆	Book Value per Share	–	Rs.	75.62	
◆	Earnings per Share	–	Rs.	16.19	
◆	Return on Capital Employed	–		27%	
◆	Return on Net Worth	–		21%	
◆	Dividend :				
	- Interim	I	–	300%	
		II	–	550%	
	- Final		–	-	
◆	Value added per Employee	–	Rs.	178.54	Lakh
◆	Output per Manshift (Iron Ore)	–		30.47	Tonnes

Board of Directors



Narendra Kothari
Chairman-cum-Managing Director
(w.e.f. 21.04.2014)



Vinod Kumar Thakral
Govt. Nominee Director



Syedain Abbasi
Govt. Nominee Director



S.J. Sibal
Independent Director



Dr. Noor Mohammad
Independent Director



Vinai Kumar Agarwal
Independent Director



Mahesh Shah
Independent Director



Narendra 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



C.S. Verma
Chairman-cum-Managing Director
(Upto 21.04.2014)



R.N. Aga
Independent Director
(Upto 02.12.2013)



Mrs. Parminder Hira Mathur
Independent Director
(Upto 02.12.2013)



D. Rath
Independent Director
(Upto 02.12.2013)

As on 28.08.2014 (date of printing)

Senior Management



Usha Chandrashekar
Chief Vigilance Officer (CVO)
Head Office



Atul Bhatt
Executive Director (BD & CP)
Head Office



Ganesh Vishwakarma
Executive Director (Steel)
NISP



L.N. Mathur
Executive Director (RP & Safety)
Head Office



C.E. Kindo
Executive Director
DMP, Panna



Sandeep Tula
Executive Director (P&A)
Head Office



K.M. Sathees Kumar
Executive Director (Engg. & Proj.)
Head Office



L.B. Singh
General Manager
Bachel Complex



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



Alok Kumar Mehta
General Manager (Proj.)
Head Office



S.K. Verma
General Manager
Donimalai



Prashant Das
General Manager (Technical)
NISP



P.K. Satpathy
General Manager
Kirandul Complex



Dr. R.K. Shrivastava
General Manager (Medical Services)
Kirandul Complex



D. Sree Rama Sastry
General Manager (Finance)
Head Office



V.V.S. Sundaram
General Manager (P&A)
NISP



Arun Kumar Shukla
General Manager (Env & Coal)
Head Office



V.S. Prabhakar
General Manager (Engineering)
Head Office



L. Ekka
General Manager (Mining)
Bachel Complex



G. Mallikarjuna Rao
General Manager (Fin.)
Head Office

As on 28.08.2014 (date of printing)

Directors' Report for the year 2013-14

Dear Members,

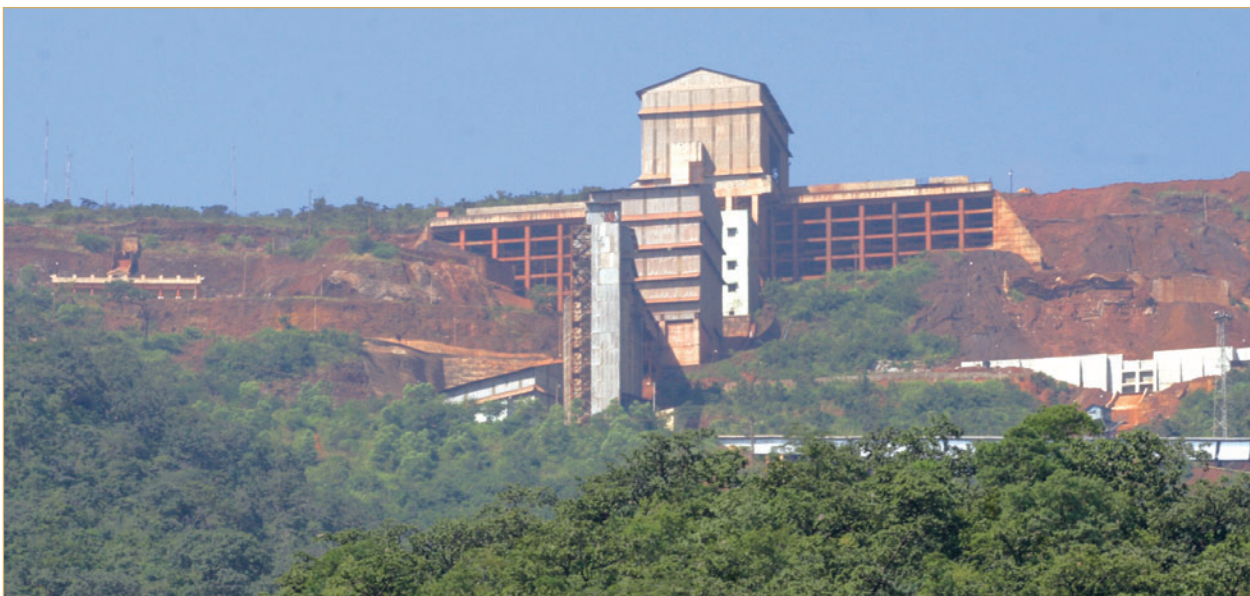
Your Directors are pleased to present the 56th Annual Report on the performance of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March 2014 and the Report thereon by the Comptroller and Auditor General of India.

1.0 PERFORMANCE HIGHLIGHTS

During the year under review, the Company has recorded turnover of Rs.12,058 crores, achieved Profit Before Tax (PBT) of Rs.9,759 crores (including discontinued operations) and achieved Profit after Tax (PAT) of Rs.6,420 crores.

The major performance highlights are summarized as under:

- The Company has registered highest iron ore production and sales since inception - Crossed the 300 lakh tonnes milestone in production and sales parameter for the first time in the FY 2013-14:
 - Achieved Iron Ore Production of 300.25 LT, highest since inception.
 - Achieved Iron Ore Sales of 305.00 LT, highest since inception.
 - Production of Diamonds also registered a remarkable growth of 18% at 37,082 carats over previous year.
- Turnover for the year under review was Rs.12,058 crores compared to Rs. 10,704 crores in the previous financial year 2012-13 recording an increase of 13%.



Deposit-10/11A, Bacheli Complex, Chhattisgarh

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- Profit before tax (PBT) from continuing operations was Rs.9,761 crores compared to Rs.9,462 crores in the previous financial year 2012-13 recording an increase of 3%.
- Profit after tax (PAT) was Rs.6,420 crores compared to Rs.6,342 crores in the previous financial year 2012-13 recording an increase of 1%.
- Net worth increased to Rs.29,983 crores as on 31.03.2014, 9% higher than Rs.27,505 crores in the previous financial year 2012-13.
- The Company has declared Dividend of Rs.8.50 per share for FY 2013-14 which is highest since its inception.
- Supply of Iron Ore to domestic industries recorded 282.03 lakh tonnes as against the previous year supply of 246.72 lakh tonnes, recording an increase of 14%. Total exports of Iron Ore during the year was 22.97 lakh tonnes against 16.02 lakh tonnes in the previous financial year 2012-13 recording an increase of 43%.
- Sponge Iron production during the year under review was 29,734 tonnes as against previous year 36,289 tonnes.
- Diamond production for the year under review was 37,082 carats as against previous year 31,533 carats.
- Capital expenditure of Rs.2,518 crore has been incurred which is once again the highest since inception.
- Major packages for the 3.0 MTPA Steel Plant being set up at Nagarnar have been awarded and construction activity is going on in full swing.

2.0 PHYSICAL PERFORMANCE

2.1 Production

Product	Achievement		Percentage of change
	2012-13	2013-14	
Iron Ore (lakh tonnes)	271.84	300.25	10.45%
Diamond (Carats)	31,533.39	37,081.70	17.60%
Sponge Iron (Tonnes)	36,289.00	29,734.36	(-)18.06%

3.0 Sales of Iron Ore

Particulars	Physical (in lakh tonnes)			Value (Rs. in crore)		
	Achievement		% of change	Achievement		% of change
	2012-13	2013-14		2012-13	2013-14	
Domestic	246.72	282.03	14%	9,602.72	10,268.06	7%
Export through MMTC	16.02	22.97	43%	955.99	1,631.46	71%
Total Sales	262.74	305.00	16%	10,558.71	11,899.52	13%

3.1 Other Sales

Products	Achievement	
	2012-13	2013-14
a) Diamond		
Sales (carats)	17,862.57	43,487.63
Value (Rs. in crore)	28.51	49.85
b) Sponge Iron		
Sales (tonnes)	37,599.54	30,572.34
Value (Rs. in crore) (Net of Excise)	73.50	56.01
c) Wind Power		
Sales (lakh units)	–	31.05
Value (Rs. in crore)	–	1.05
d) Services - Value (Rs. in crore)	37.95	45.86
e) Other Operating Revenue (Net of Excise)	5.60	5.91

4.0 FINANCIAL PERFORMANCE

4.1 Operating Results

Parameter	Achievement		Percentage of change
	2012-13	2013-14	
Profit Before Tax from continuing operations (PBT) (Rs. in crore)	9,462	9,761	3%
Profit After Tax (PAT) (Rs. in crore)	6,342	6,420	1%
Net Worth (Rs. in crore)	27,505	29,983	9%
Book value per share (Rs.)	69.37	75.62	9%
Earnings per Share (Rs.)	16.00	16.19	1%

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4.2 Profit & Dividend

During the year under review, your Company has earned profit before tax from continuing operations of Rs.9,761 crores on a turnover of Rs.12,058 crores in comparison with those of previous year's achievement of Rs.9,462 crores and Rs.10,704 crores respectively.

The Company has declared first Interim Dividend for FY 2013-14 @ Rs.3/- per share involving an outgo of Rs.1,189.41 crores. Second Interim Dividend for the financial year 2013-14 was declared @ Rs.5.50 per share involving an outgo of Rs.2,180.60 crores.

Considering that Rs.8.50 per share has already been declared as interim dividend, no final dividend was recommended by the Board.

The total dividend for the current year is Rs.3,370 crores. Share of Government is Rs.2,696 crores.

5.0 DEPOSITS

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

6.0 Hon'ble Supreme Court Verdict on mining in Karnataka

As stated in the Directors' Report for the year 2011-12 & 2012-13, the case on mining issues in Karnataka went on before the Green Bench of the Hon'ble Supreme Court, and it pronounced the judgement on 18.04.2013 after taking into account the interim orders it had passed in the matter, the survey report of the Joint Committee, the Final Report and the Modified Report of the Central Empowered Committee, and the submissions made by all the Parties concerned. In short, the judgement has approved and accepted (a) the findings of the survey conducted by the Joint Team; (b) the categorization of the mines into 'A', 'B', and 'C'; (c) the CEC's recommendations, including that of the role of the Monitoring Committee; and (d) the grant of fresh mining leases and consideration of pending applications to be dealt with in accordance with law and the judgement.

Accordingly, the Donimalai and Kumaraswamy mines situated in Karnataka have been placed in Category-A.

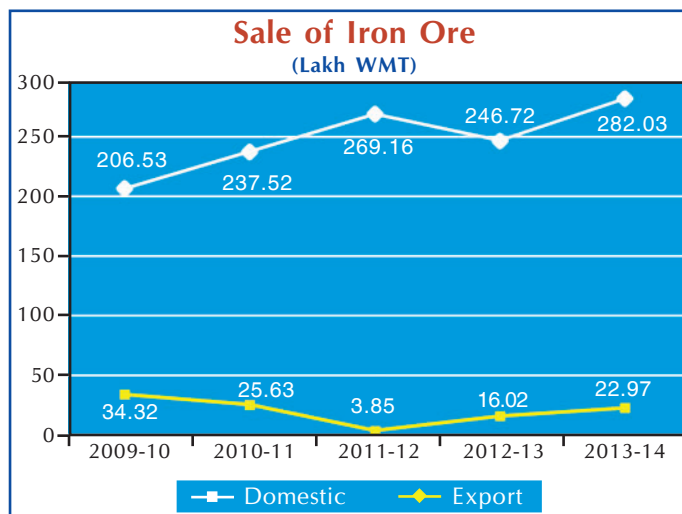
Further, the Monitoring Committee, appointed by the Hon'ble Supreme Court is continuing the sales of Donimalai and Kumaraswamy products through e-auction.

7.0 NEW PROJECTS & BUSINESS DIVERSIFICATIONS

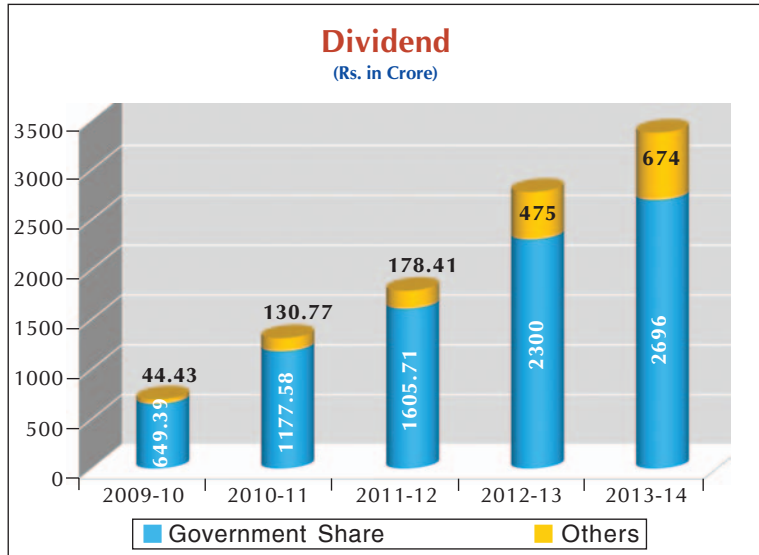
7.1 Projects under construction

7.1.1 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 Tons of ROM per annum has been taken up. The estimated capital expenditure towards



this is Rs.607 Crores. Out of this 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. In Mar'2014 naxals have burnt the Downhill conveyor of 11 B over a length of 500 mts, which was scheduled to take trial run in May'2014. Trial runs of Secondary Crusher, EOT Crane in Secondary Crusher house, Scalping screen & some of the conveyor is completed. Substations are charged. Balance works are expected to be complete during FY 2014-15.



7.1.2 Kumaraswamy Iron Ore Project

As an addition to present Donimalai Iron Ore Mine and augmenting production capacity towards achieving the target of 50 MTPA in NMDC and 12 MTPA in Karnataka, 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 is being executed through six packages. Orders are placed for Crushing Plant Package, Downhill conveyor Package, Electrics and Substation package and Service Centre facilities packages and the works are in progress. Civil works are completed for Primary & Secondary Crusher house, Dumper platform, Mine office Building. Erection & trial runs of Primary & Secondary Crusher is completed. Civil & Structural works of Downhill conveyor system are under progress. The project is expected to be complete during the FY 2014-15.

7.1.3 1.2 MTPA Pellet Plant at Donimalai

One of the main objectives of this project is to prolong the life of Tailing Dam at Donimalai by using the slimes for making pellets. M N Dastur & Co. is appointed as EPCM consultant. Execution of Project is divided into Six Packages. The estimated capital expenditure is Rs.572 Crores. All the packages are ordered. Major civil works completed. Major Technological equipment erection is completed and some of the equipment trial runs taken. Project is scheduled to be completed in FY 2014-15.

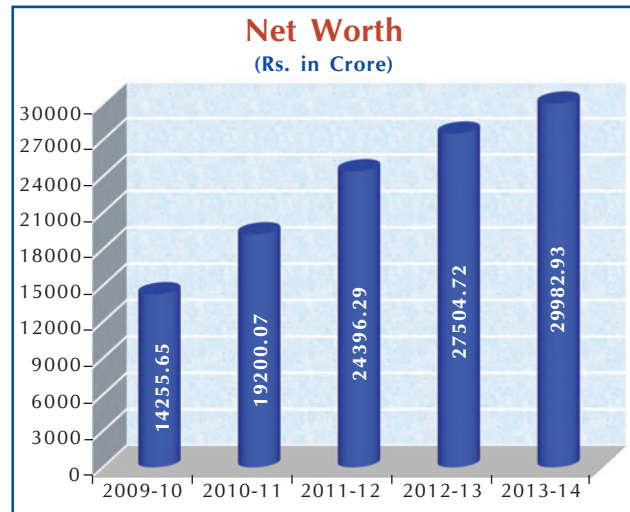
7.1.4 3.0 MTPA Integrated Steel Plant in Chhattisgarh

As you are aware, your Company is setting up a 3.0 MTPA Integrated Steel Plant at Nagarnar near Jagdalpur, District Bastar, Chhattisgarh at an estimated cost of Rs.15,525 Crores where the Company is in possession of about 2120 acres of land for the steel plant, township and for other facilities.

Necessary statutory clearances including Environmental Clearance from Ministry of Environment and Forests (MOEF) and the Government of Chhattisgarh have been obtained. Rail Transport Clearance was received and the Final Detailed Project Report of Railway siding is also approved by East Coast Railway.

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Government of Chhattisgarh has sanctioned water and power for construction as well as for operation of the plant. 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 (about 320 Kms.), 400/220 KV substation at Jagdalpur and 220 KV transmission line from 400/220 KV Substation to NISP Nagarnar and the work is progressing at site. The cost of construction of 400 KV transmission line from Raipur to Jagdalpur and substation at Jagdalpur will be equally shared by NMDC & CSPTCL. For the 220 KV power from Jagdalpur to Nagarnar the entire cost will be borne by NMDC. Stage-I Forest clearances for 400 KV Transmission line and 400/220 KV substation have been obtained.



Engineering Consultancy and Project Monitoring Services contracts have been awarded to M/s MECON Ltd.

For expeditious execution and commissioning of the steel plant the nine Major Technological package in respect of various production units viz. Sinter Plant, Blast Furnace Complex, Raw Material Handling System,



Visit of Shri G. Mohan Kumar, Secretary (Steel), MoS along with Shri Narendra Kothari, CMD, and Shri Narendra K. Nanda, Director (Tech.) to NISP, Nagarnar



Reclaimer in operation at Bailadila Mines of NMDC

Coke Oven Plant, By Product Plant, Steel Melting Shop, Thin Slab Caster & Hot Strip Mill, Lime & Dolo Plant and Oxygen Plant have been awarded on turnkey basis. Civil & Structural and Equipment erection works for most of the aforesaid major technological packages are in progress. Most of the auxiliary packages have also been awarded and the works are in progress.

Tender enquiry is issued for two infra packages namely Storm water drainage & Central Plant store building. Remaining 14 packages are at different stages of tender document finalisation.

Till date, NMDC has already invested Rs.4,300 Crores in Steel Plant.

7.1.5 Ore Beneficiation and Slurry Pipeline 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 National / State Highways with a provision of partial off-take at Nagarnar for making Pellets required for feeding to NMDC's proposed Steel Plant at Nagarnar. For part of this Project, investment proposal involving 2 MTPA Ore Processing Plant at Bacheli, 15 MTPA Slurry Pipeline system from Bacheli to Nagarnar and 2 MTPA Pellet Plant at Nagarnar has been approved by NMDC Board.

Other pre project activities viz., Detailed Route Survey, Environmental clearance, Forest clearance, crossing permission from Railways & National Highway Authorities, MoU with Chhattisgarh State Government for sanction of utilities (Water and Electrical power) are also taken up and are in progress. Notification under the Act has been made for RoW and RoU.

7.1.6 BHJ (Banded Haematite Jasper) Beneficiation Plant at Donimalai

The intent of BHJ Beneficiation Plant at Donimalai is for processing low grade iron ore (of about 42%Fe) to produce Pellet Feed Concentrate (PFC of about 65% Fe). The PFC can either be used as a feed material in the upcoming Pellet Plant at Donimalai or can itself be sold as a product. Approved cost of this Project is Rs. 134.41 Crores. The implementation of this Project will be taken up after receipt of Forest Clearance for 'Change of land use pattern' from MoEF.

7.1.7 Panthal Magnesite Project

J&K Mineral Development Corporation Ltd (J&KMDC), a subsidiary of NMDC has decided to set up a 30,000 TPA Dead Burnt Magnesite plant at Panthal, Jammu.

M/s. Dasturco is EPCM consultant for this project. The Project is planned to be executed in four major packages. Soil investigation work is completed. Work order is placed for "Balance Civil Works" package and order for main technological package is expected to be placed in August 2014.

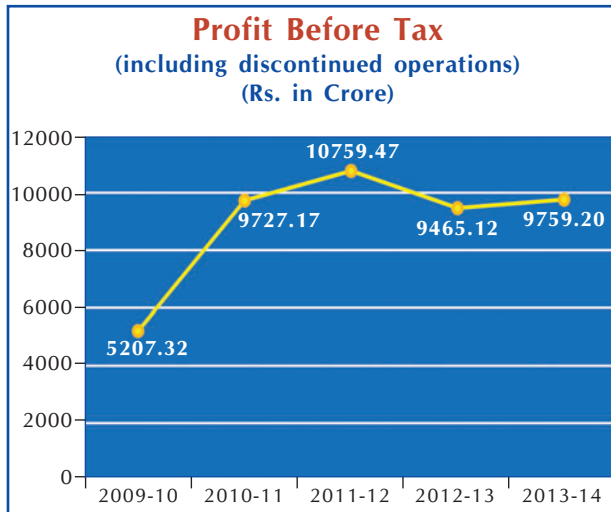
7.1.8 Screening Plant III at Kirandul Complex

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.

MoEF has accorded 1st stage clearance in Jan'2012. Environmental clearances received on 05.11.2013.

7.1.9 Doubling of Railway Line between Kirandul and Jagdalpur

- NMDC has entered into an MoU with Indian Railways on 21.12.2012 for the above work of 150 km length at an estimated cost of Rs.826.57 Crores at 2010-11 price level for which an amount of Rs.75 Crores has been deposited by NMDC during May 2013.
- The works between Jagdalpur-Shilakjhora Section of 45.50 Kms has been already sanctioned by Railway Board and construction



Shovel loading iron ore into Dumper
at Bailadila Mine

works of formation, minor and major bridges, staff quarter at Jagdalpur, collection of stone ballast, transportation of P-Way materials and linking works, S&T service buildings, goomties, rest rooms, traction substation, PWI office and modification of station buildings and foot over bridge between Jagdalpur-Silakjhor Section (45.50 km) is progressing.

- For remaining portion between Silakjhor-Gidam (52.73 km) and Gidam-Kirandul (52.228 km), the detailed estimate has also been sanctioned by Railway Board for which approval of Major & Minor bridge drawings and preparation of tender schedules are under progress.

7.1.10 Steel Plant at Bellary

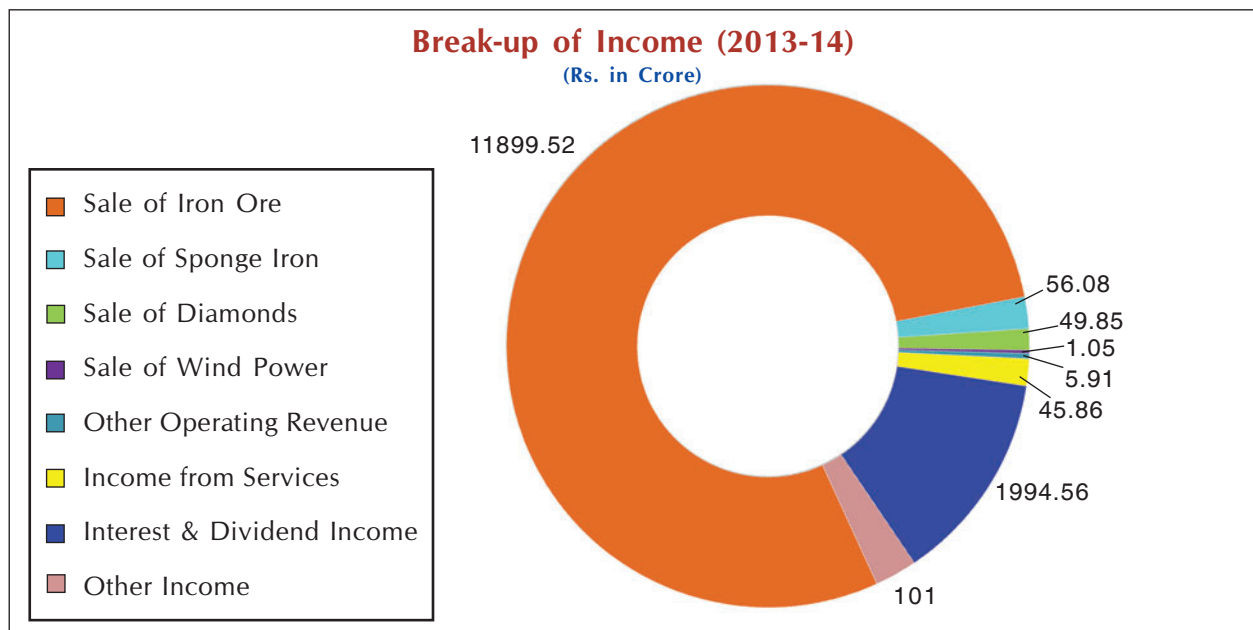
In pursuance of the MoU signed between the Government of Karnataka and your Company, action for setting up of 3 MTPA Integrated Steel Plant at Bellary, in the State of Karnataka has been initiated by the Company. Acquisition of about 3000 acres of land for the proposed steel plant through Karnataka Industrial Areas Development Board (KIADB) was under progress subsequent to publication of statutory preliminary notifications in the gazette of Karnataka in this respect.

As the next step, Govt. of Karnataka to issue final notification under 28(4) of KIAD Act 1966. The Company has deposited Rs.158.68 Crores 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 also accorded approval towards allotment of water and power for operation of the proposed steel plant. M/s MECON has been engaged as consultant for preparation of Techno Economic Feasibility Report (TEFR).

7.2 Other initiatives

7.2.3 Rail Link between Dalli-Rajhara-Raoghat-Jagdalpur Railway Line Project

MOU was signed between Ministry of Railways, Govt. Of Chattisgarh, SAIL & NMDC in 1998 which was again revised in December'2007. The objective of the MOU is to provide a Broad Gauge (BG) rail link from Dalli Rajhara to Rowghat and Bailadila Iron Ore Mines.



The project will be commissioned by the Indian Railways in two phases. The 1st phase will connect Dalli Rajhara with Rowghat (95 kms). In the 2nd Phase, the remaining portion between Rowghat-Kondagoan-Jagdarpur (140 Kms) will be commissioned. The total time period of construction will be 5 years for the 1st Phase. The commencement of the work on the 2nd Phase will be taken up simultaneously along with the 1st Phase. The effective date of commencement of the period of 5 years will be the date of execution of this MOU.

NMDC will contribute a proportionate amount of Rs. 70.70 Crores (2004-05 price level) and any escalations therein, towards the construction of Rowghat-Kondagoan-Jagdarpur (140 Kms) line. Because of MOU, Railways will assign traffic transportation assignment of SAIL & NMDC on this route for 37 years.

Work of laying of Railway line from 0 to 17 km from Dalli-Rajhara towards Raoghat is in progress.

Work of next phase i.e. from 18km to 42 km is yet to start on getting tree felling permission from Forest Department and after addressing issues related to jobs to land losers.

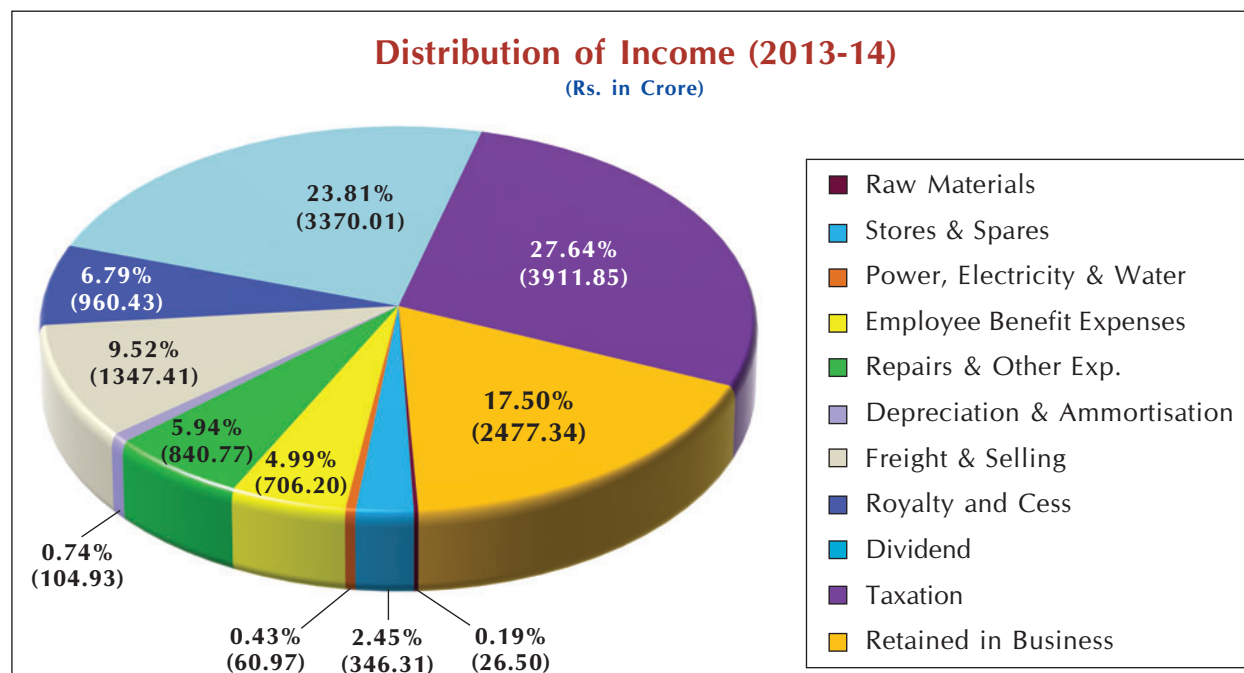
7.2.4 NMDC Global

Strategic Alliances

Kopano-NMDC Minerals (Pty) Ltd.

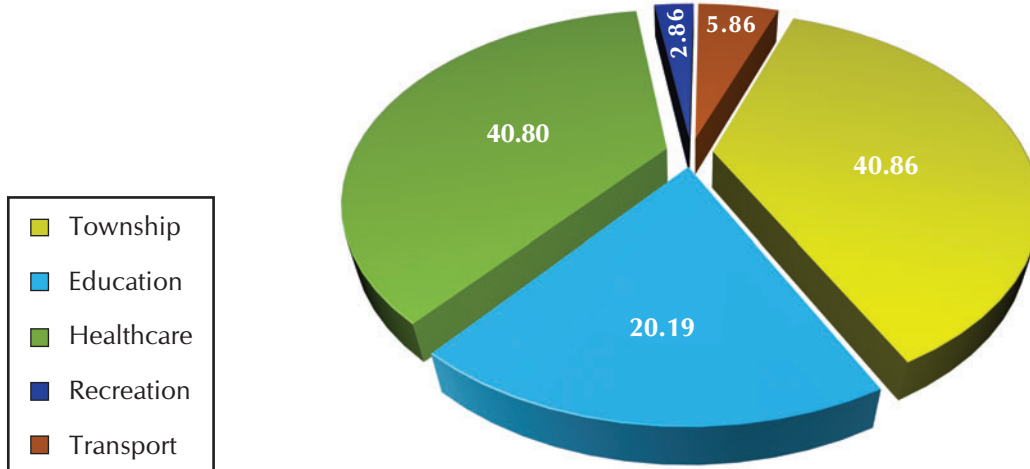
Kopana NMDC Minerals (Pty) Limited - NMDC and Kopano logistics services (Proprietary) Ltd (BEE partner) had established a 50:50 joint venture company to undertake exploration and development of the mineral properties in the Republic of South Africa

NMDC being the technical partner in this initiative had reviewed several coal and manganese projects with Kopano at South Africa and conducted an external review by appointing consultants for one coal prospect. The Company is actively pursuing operating coal assets for acquisition.



Break-up of Expenditure in Social Amenities (2013-14)

(Rs. in Crore)



The Board Meeting of the Kopano NMDC Minerals (Pty) Limited was held at NMDC, Hyderabad on 12th March'2014.

MOU with Mosi OA Tunya Development Company (MOTDC), Zimbabwe.

Your Company had signed an MoU for conducting due diligence and joint development of mineral resources with Mosi OA Tunya Development Company, Zimbabwe, the designated organization proposed by Ministry of Tourism, Government of Zimbabwe. The Company has shortlisted two gold and one diamond prospect for detailed due diligence and development through Joint Venture.

7.3 Foreign Venture

7.3.1 Gold in Tanzania

In Tanzania, your Company has been granted 4 Mining Licenses for Gold over an area of 38.83 sq. kms. for a period of 10 years w.e.f. 13.02.2012. Your Company has been granted Retention License at Siga Hill area and PL renewal of Masabi East area. NMDC Board has decided that Gold Mining Project at Bulyang'Ombe will be developed by NMDC. Necessary steps are being taken to start the mining activities in the Bulyang'Ombe ML areas and to put up a Pilot Plant for recovery of gold concentrate. The Pilot Plant will be commissioned in 2015-16.

7.3.2 Australia

Legacy Iron Ore, Perth, Australia

Legacy Iron Ore Ltd, an ASX listed entity based in Perth, Australia in which NMDC has 48.82% equity holds 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 kilometers of prospective ground. Legacy has 60% interest in Mt Bevan Iron Ore Project from Hawthorn Resources Ltd in Western Australia.



Shri Narendra Kothari, CMD, NMDC along with Shri Subimal Bose, Director (Production) interacting with officials of BIOM, Kirandul

7.4 Leases for minerals

7.4.1 Iron Ore

7.4.1.1 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 favor of Tata Steel & PL of Deposit-3 in favor of ESSAR Steels. The Writ Petitions are being heard before the Hon'ble High Court of New Delhi.

7.4.1.2 The PLs being pursued in Chhattisgarh

Your Company has applied 7 PL's in Dantewada District and is pursuing the PLs with Chhattisgarh Govt.

7.4.1.3 In Jharkhand

Sasangada:

A JV Company (NMDC 60% & JSMD 40%), Jharkhand National Mineral Development Corporation Limited (JNMDC) has been incorporated on 06.08.2012, with its registered office at Ranchi. DMG, Govt. of Jharkhand has granted PL for iron ore & Manganese in Sasangada NE area in favor of JNMDC Limited for a period of 3 years. DFO Chaibasa has granted permission for carrying out Topographical Survey and Geological Mapping for a period of six months (again extended for six months) i.e. upto 04.09.2014. Topographical Survey and Geological Mapping is in progress in the area.

MoU with DMG, Jharkhand:

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.

Other PL Applications:

Your Company has applied for 3 PL's (March 2011) in West Singhbhum District.

7.4.1.4 In Karnataka

Your Company is pursuing for ML for Ramandurg and Kumarswamy Deposit (contiguous to ML No.1111). Ramandurg iron ore deposit is subjudice, pending in the Hon'ble Supreme Court of India. The Hon'ble High Court of Karnataka vide order dated 02.01.2014 has disposed of the case of Kumarswamy iron ore deposit providing relief to NMDC. 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).

7.4.1.5 In Odisha

Your Company is pursuing for ML for Mankadnacha iron ore.



Shri Narendra Kothari, CMD, NMDC inaugurated the renovated hostel building at Donimalai in presence Shri S. Thiagarajan, Director (Finance); Shri Subimal Bose, Director (Production) and other officials of DIOM



View of Pellet Plant, Donimalai under construction

7.4.2 Gold

7.4.2.1 In Jharkhand

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

7.4.3 Diamond

7.5.3.1 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.

Your Company has submitted one more PL application for Diamond in Anantapur district on 25.09.2012.

7.4.3.2 In Madhya Pradesh

Your Company has carried out exploration work in granted 2 PLs (Baghain & Sarang). Report is under preparation. Your Company has also been granted the PL of Rampura Motwa for a period of two years. Your Company has applied for one more PL in Panna District of MP. Exploration works in granted PL areas is under progress.

Your Company is pursuing for 3 PLs viz., Karmatia, Lakshampur & Pali for early grant in favour of NMDC.

Your Company has applied for RP for Diamond in Chhatarpur & Panna Districts.

Tikamgarh RP

Your Company was granted Reconnaissance Permit (RP) on 30.09.2009 in the Tikamgarh District of M.P. Exploration work has been completed under RP and the Exploration cum Relinquishment Report has been submitted. Your Company has applied 5 PLs in Tikamgarh after completion of the RP works.

7.4.4 Platinum Group of Clements

7.4.4.1 In Uttar Pradesh

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

7.4.5 Coal

Shahpur East and Shahpur West Coal Blocks

The Company was allocated two coal blocks i.e. Shahpur East (Area 693 Ha) and Shahpur West (587.5 Ha) Coal Blocks in M.P. by Ministry of Coal, Govt. of India, on 25.07.2007 under Government Dispensation Route for Commercial Mining. Both blocks were regionally explored by GSI. Later NMDC conducted exploration through MECL, Nagpur and obtained Geological Reports for both the coal blocks. Mining Plans and Mine Closure Plans for Shahpur East and Shahpur West Coal Blocks have been approved by MoC.



NMDC received the best company under the mining category in the D&B Corporate Awards 2014. Shri Narendra Kothari, CMD; Shri S. Thiagarajan, Dir. (Fin.); Shri Subimal Bose, Director (Prod.); Shri S.K. Das, Dir.(Comml.) and Shri Rabindra Singh, Director (Pers.) displaying the award

Prior approval was granted by MOC for grant of ML of Shahpur West Coal Block. Matter is being pursued for getting prior approval for ML of Shahpur East Coal Block.

Environment Clearance Public Hearing successfully completed in Shahdol & Umaria districts and EAC, MOEF recommended project for Environment Clearance. Forest Clearance Proposals are under consideration with Forest Deptts.

Detailed Project Report (DPR) for both the blocks is under finalization by Consultant M/s SCCL.

7.4.6 Bauxite

7.4.6.1 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.

7.4.7 Dolomite:

7.4.7.1 In Chhattisgarh

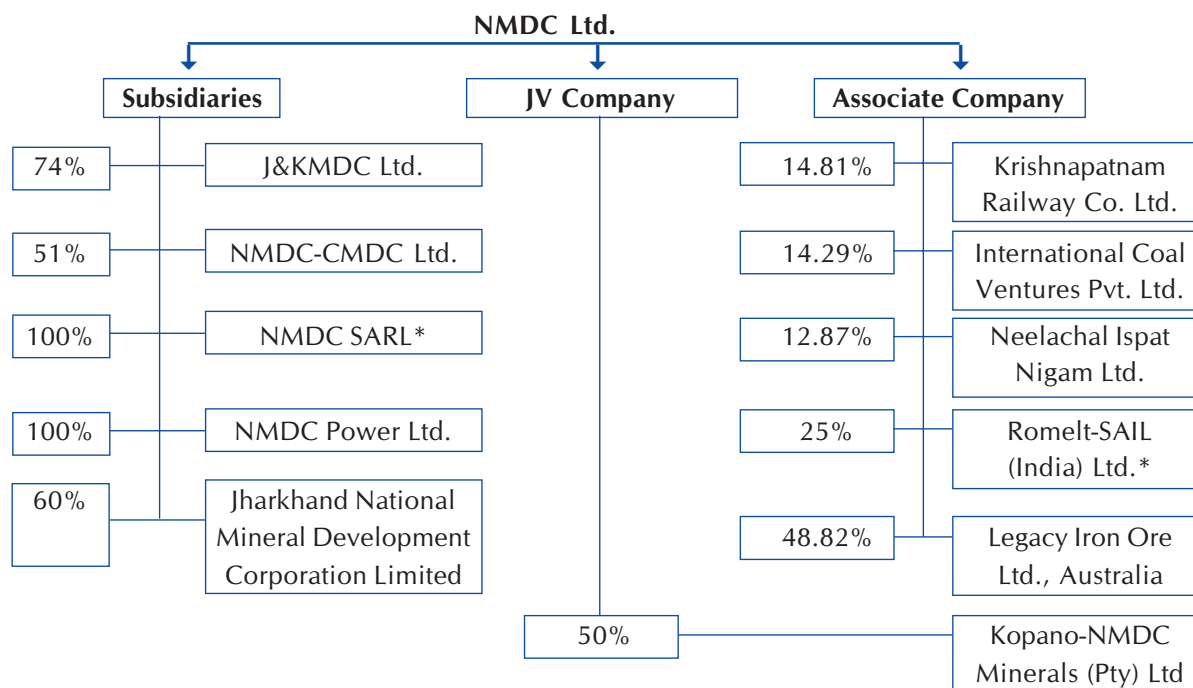
Your Company is pursuing ML application for Sadartera Dolomite Block in Bastar District.



Shri Narendra Kothari, CMD, NMDC along with Shri Subimal Bose, Director (Prod.) and Shri Rabindra Singh, Director (Pers.) interacting with officials of BIOM, Bachel

8.0 SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES MONITORING FRAMEWORK

NMDC has five subsidiaries, one Joint Venture and stake in five Associate Companies. The names of these Companies and percentage of NMDC stake in these companies are as follows:



* Under closure.

Based on the legal opinion, during the year M/s. Legacy Iron Ore Limited, Perth has been classified as Associate Company against classifying on Subsidiary Company in the previous year.

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.

8.1 J&K Mineral Development Corporation Ltd (JKMDC)

The Annual Report of the subsidiary Company is annexed.

8.2 NMDC-CMDC Ltd (NCL)

The Annual Report of the subsidiary Company is annexed.

8.3 NMDC Power Ltd. (NPL)

The Annual Report of the subsidiary Company is annexed.

8.4 Jharkhand National Mineral Development Corporation Limited

The Annual Report of the subsidiary Company is annexed.

8.5 NMDC SARL, Madagascar

The Annual Report of the subsidiary Company is annexed. The wholly owned subsidiary Company is under closure.

9.0 ENVIRONMENT MANAGEMENT:

The Company has been accredited with ISO:14001 Environmental Management System certification in respect of NMDC's four major production projects, i.e., Bailadila Deposit-14/11C, Deposit-5,10/11A, Donimalai and Diamond Mining Project, Panna. The Certification is valid up to November'2014. Regarding Environmental clearances, the company has obtained E.C on

5/11/2013 for construction of 12.0 MTPA Capacity Screening Plant-III and associated facilities at Kirandul from MoEF, GoI. The Company has successfully completed EIA/EMP process in r/o Shahpur U/G Coal Mining Projects at EAC, MoEF on 13/12/2013 and receipt of E.C is awaited. The Company has submitted applications for obtaining Environmental Clearances for (i) construction of 10 MTPA Screening Plant-II at Donimalai (ii) 4.0 MTPA Beneficiation plant at Bachelu along with slurry pipeline from Bachelu to Nagarnar and (iii) 2.0 MTPA Pellet plant at NISP, Nagarnar. The Company has also obtained approval for wildlife conservation plan for entire Dantewada forest division. The Company has also obtained Forest permission for undertaking P.L. works in Rampura, Motwa, Baghain and Sarang Diamond PLs in M.P. The company in process of completing the required formalities at C.G. State Forest Department for forwarding of the Forest clearance proposals to Government of C.G / MOEF for obtaining forest clearance for renewal of Mining Lease of Bailadila Deposit-14, 14 NMZ, Kirandul Complex and Deposit-5 and Deposit 10, Bachelu Complex. Your Company is organizing environmental monitoring studies at all the production projects by engaging the MOEF recognized laboratories. The studies indicate that PM10, PM2.5, SO2, NOx and CO levels at all the production projects are well within the prescribed limits as per MoEF / CPCB and State Pollution Control Board Standards.



Shri Narendra Kothari, CMD, NMDC along with Shri Subimal Bose, Director (Prod.) and Shri Rabindra Singh, Director (Per.) at Nagarnar for NISP Review Meeting.

9.1 Sustainable Development Performance

In compliance with GoI, Department of Public Enterprises, New Delhi guidelines on Sustainable Development (S.D) for Central Public Sector Enterprises (CPSE's) for the purpose of performance evaluation under MoU system, the Company has chosen S.D. Projects / activities such as Carbon Management, Water Management and Training on S.D for employees for the year 2013-14. The status of each project is given below:

(i) Training programme on S.D.

The Company has engaged M/s. P.E. Sustainability Solutions Pvt Ltd., Bhilai for imparting the S.D training programme covering a total of 5 training sessions amounting to 22 days and 400 employees at all projects of the Company.

(ii) Energy Management

The Energy Conservation Options as recommended by the COPES are implemented at all projects of the Company for becoming more energy efficient.

(iii) Carbon Management

The Company has undertaken Carbon foot print studies at all Iron ore projects through M/s. First Climate India Pvt Ltd., Kolkata for the year 12-13 & 13-14. The Company has achieved 2.5 percent reduction in carbon footprint over the previous years. The expenditure incurred.



Quarterly Review Meeting of CVOs of various PSEs under MoS was conducted at Hyderabad under the Chairmanship of Shri G. Mohan Kumar, Secretary (Steel)

(iv) Water Management

Work awarded to M/s. Dee Tech Projects Pvt Ltd., Chennai for construction of STP based on SBR Technology at Bachelu at a total cost of Rs.6.61 Crores. The work is under progress. The treated water shall be recycled.

(v) Soil & Water Conservation

The Company has executed soil & water conservations works in and around Kirandul Complex through State Forest Department at a cost of Rs.2.20 Crores.

10.0 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. 25th Corporate Level Tripartite Safety Committee Meeting of Donimalai Iron Ore Mine and Bailadila Iron Ore Mines/Diamond Mining Project are to be conducted in the month of May 2014.

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 2012-13 is 0.33 and 0.52 for the year 2013-14.

11.0 ISO CERTIFICATION

ISO 9001:2008 Certification:

NMDC Projects - BIOM, Kirandul Complex; BIOM, Bacheli Complex; Donimalai Iron Ore Mine and R & D Center are accredited with ISO 9001:2008 Certification. I Surveillance Audit was conducted successfully at Donimalai Iron Ore Mine; BIOM, Bacheli Complex and BIOM, Kirandul Complex in the month of October/November 2013. Recertification Audit was conducted successfully at R&D Center in the month of October 2013.

OHSAS 18001:2007 Certification:

NMDC Projects - BIOM, Kirandul Complex; BIOM, Bacheli Complex; Donimalai Iron Ore Mine and Diamond Mining Project, Panna are accredited with OHSAS 18001:2007 Certification. I Surveillance Audit was conducted at BIOM, Kirandul Complex; BIOM, Bacheli Complex and Donimalai Iron Ore Mine in the month of November/December 2013. II Surveillance Audit of Diamond Mining Project, Panna was conducted in the month of September 2013.

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.

Safety Management System:

Safety Management System has been implemented in all our mines.

12.0 IMPLEMENTATION OF INTEGRITY PACT:

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



NMDC was awarded the “BT-Star PSU of the year Award-2014 for Outstanding Performance – among Maharatna and Navratna PSUs”. The award was received by Shri Rabindra Singh, Director (Personnel)

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3. Shri A.K.Jain, IAS (Retd) and Shri Ramesh Chandra Panda, IAS (Retd) have been appointed as Independent External Monitors (IEMs) for overseeing the Integrity Pact programme.
4. Till March 2014 a total of 75 tenders with an indented value of Rs.20131.65 crore were covered under the Integrity Pact.

13.0 NMDC's R&D Centre at Hyderabad

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

14.0 Global Exploration Centre, Raipur.

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

15.0 IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

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.

To bring awareness among the employees and their family members of NMDC various competitions like Hindi Noting, Drafting and Technical Terms, Hindi Anuvad, Unicode hindi typing on computer, Quiz, Hindi Sshabdahgyan Competition and creativity competition for house wives, (The procedure of item was Written in Hindi) etc were also conducted and prizes were awarded to winners during Rajbhasha Pakhwara.

To encourage the employees to implement official Language Hindi in the technical field 56 Rajbhasha Technical seminars were organized till now and Technical Seminar patrika "Takneeki Sopan, Takneeki kshitiz" and Rajbhasha Souvenirs" Sarjana, Kaanan Kusum" were also published.

NMDC was also awarded Rajbhasha Shield as 1st prize for the year 2012-2013 by the Town Official Language Implementation Committee (undertakings) Hyderabad-Secunderabad, for excellent implementation of the Official Language Policy.



NMDC awarded Rajbhasha Shield - 1st prize for the year 2012-13 by the Town Official Language Implementation Committee (Undertakings) Hyderabad-Secunderabad for excellent implementation of the Official Language Policy

16. Details required to be furnished in terms of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

NMDC supports and encourages the participation of local and small vendors in procurement of goods and services. NMDC is taking steps to improve the capacity and capability of local and small vendors. A special drive for registering Micro and Small Enterprises was initiated in FY 2012-13. During FY 2013-14, we have participated in National level vendor development programme, State level vendor development programme and other programmes conducted by Ministry of MSME, Hyderabad in the nearby areas. We have also attended vendor development programme conducted by Ministry of MSME at Visakhapatnam, Raipur and Mysore wherein prospective MSEs were explained of our requirement and invited applications for vendor empanelment from the interested MSEs.



Translational Shear Tester at R&D Centre, Hyderabad

17. Offer and allotment of equity shares to Eligible Employees of NMDC by Government of India as per CCEA approval.

Department of Disinvestment, Government of India has offered upto 1,98,23,580 equity shares of face value of Re.1/- each to the eligible employees of NMDC at a discounted price of Rs.141.10 per equity share. In response to the said offer, 280 shares was transferred from President of India to the eligible employee who participated in the offer.

18.0 Manpower

18.1 Employee-Employer relations

The overall industrial relations situation was peaceful and cordial during the year. There was no strike / lockout against the Company's policies affecting production and productivity. During the year a tripartite settlement revising the wages of workmen was signed.



Vertical Ring Pulsating High Gradient Magnetic Separator at R&D Centre, Hyderabad

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18.2 Scheduled Castes & Scheduled Tribes

24 candidates belonging to Scheduled Caste and 23 persons belonging to Scheduled Tribes were appointed in the year 2013 against 153 posts filled by direct recruitment.

18.3 Strength of SCs & STs as on 31st March 2014

1. Total number of employees	=	5,664
2. Scheduled Castes amongst them	=	995
3. Scheduled Tribes amongst them	=	1,219
4. Total SCs and STs	=	2,214
5. Physically challenged employees	=	40

18.4 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

18.5 Staff Welfare activities

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

18.6 Promotion of Sports

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

19.0 HUMAN RESOURCES DEVELOPMENT

Training Coverage to all employees was 70% against the target of 30%. Training Index of average employees in Training Mandays as percentage of Working Mandays was 3.93 against a target of 3.0.

Employee Development Services are delivered through In-Company, External and Foreign training modes.

In-Company Programmes: 278 Executives participated in 08 programmes.

External Training Programmes: 126 programmes were attended by 386 NMDC participants. This includes Executives, JO's and Workmen.



NMDC Limited received the "Best Organisation for supporting Quality Circle Movement" award from the Quality Circle Forum of India (QCFI), Hyderabad Chapter.

Foreign Programmes: 09 Foreign training visits involved 31 participants.

Formal Risk Management Programmes: 09 persons at Senior Management were trained on "ISO 31000-Enterprise Risk Management" to have a practical knowledge in understanding various steps, benefits in Risk Management Culture in the Organization.

Executive Trainees: 62 Executive Trainees [47-ET's & 15-AM(Fin)] received the training during 2013-14.

HRD Interventions:

1. A three day HR Conclave "Aaroh" has been organized by external expert at Kovalam during 24-26 Feb, 2014 for all the Trade Union Leaders for better appreciation of their roles and also for Senior Management & Top Management to jointly work out a plan for Organizational Development to make NMDC a Healthy Vibrant Organization.
2. Sustainable Development Programme as per MoU parameter held at each location of our Projects / Units. We have covered 450 persons in this programme.

Quality Circles: Creating Sustainable Quality Circles is one of the focus areas of the Company. Total 27 Quality Circles presented their case studies in CCQC-2013 held in the month of Sep-2013 at Hyderabad and Bangalore. Our teams in the CCQC-2013 were adjudged 22 as 'Gold' and 5 as 'Silver' out of 109 Quality Circles. 10 Quality Circles participated in NCQC in which 06 as Par Excellence and 04 QC's as Excellence achieved.

NMDC received the Best Organization Award for consistently supporting QC activities.

20.0 VIGILANCE

NMDC Vigilance Department had taken several initiatives during the year. Various programmes 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 well defined systems and procedures. The vigilance functionaries at the projects have conducted regular training classes for the employees on the vigilance matters. Executives of Vigilance Department were sent for training / workshops being organized in India as well as abroad (Kathmandu) by various organizations like Delhi Productivity Council, New Delhi on the "Role and Functions of Vigilance and Disciplinary Proceedings" during Dec, 2013.

As per the Action Plan, surprise and regular checks were conducted besides study of files. Irregularities and omissions under the provisions of the rules are identified and improvements in the systems are suggested. Based on the observations of Vigilance, recoveries were made from the contractors bills for not conforming to the contractual terms. During the year, 72 surprise checks, 72 regular inspections and 24 CTE type inspections were conducted.



Vigilance Awareness Week observed at NMDC Head Quarters, Hyderabad

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Complaints received were taken up for investigation and necessary disciplinary action wherever required was recommended.

A Training Programme for the new incumbents has been conducted at the CBI Academy Ghaziabad so that they acquaint themselves with the processes & procedures to help them in discharging their duties as Vigilance Officers.

As part of implementation of "Leveraging of Technology for transparency" in all the transactions, information about limited tender enquiries above Rs. 30 lakhs, details of contracts concluded above Rs.10 lakhs, works awarded on nomination basis, single tender basis above Rs.1 lakh, information regarding bill payments to the contractors etc., are provided on the Company's website. Efforts to encourage e-procurement, e-tender, e-auction are being made continuously. E-procurement cell in the Engineering Department has been set-up recently in November 2013.

NMDC has adopted implementation of Integrity Pact since November, 2007. The threshold limit of Rs.20 crores in case of civil works and contracts and Rs.10 crores in case of procurement is being followed. Till date, the Integrity Pact has been entered into 75 contracts with a value of Rs.20131.65 crores. As such, more than 90% of the total value of the contracts are covered under Integrity Pact. In addition, implementation of e-procurement and e-auction have been taken up.

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. For re-certification of Quality Management System (QMS) of Vigilance Department, M/s. TQ Services conducted an external audit was conducted on 19.10.2013 and ISO certificate was extended upto 09.02.2016.

In-house quarterly magazine of the Vigilance department "Sphoorthy" from the year 2013 - 14 has been published being released in the Vigilance Awareness Week 2013.

The Vigilance Awareness Week was observed from 28.10.2013 to 02.11.2013 with the theme "Promoting Good Governance - Positive Contribution of Vigilance". A talk on "Good Governance" by Justice N. Santosh Hegde, Former Lok Ayukta, Karnataka was organized. During the week, a workshop on "Good Governance" for officers of NMDC from all across the units of NMDC was conducted by Shri M.N. Rao, Director, Centre for Good Governance, Hyderabad. On the concluding day, a lecture by Dr. Y.R.K. Reddy, Advisor and Professional Speaker in Corporate Governance Policy was organized.



Release of inaugural issue of quarterly Vigilance magazine "Spoorthy" by Shri S.Thiagarajan, Dir(Fin); in presence of Shri S.Bose, Dir(Prod.); Shri S.K.Das, Dir(Comml) and Smt. Usha Chandrashekar, CVO.

A training program was also organized in March, 2014 by the Vigilance Department through M/s TQ Services of Tata Projects Ltd. on "Welding and Painting Inspection" at NISP, Nagarnar for the benefit of our officers in the field of supervising fabrication, quality, conducting inspections at the vendor sites, site inspections etc.



Board Meeting of
Kopano-NMDC Minerals (Pty) Limited

21.0 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 2014, 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.

22.0 DIRECTORS

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

i)	Shri R.N. Aga, Independent Director	02.12.2013
ii)	Mrs. Parminder Hira Mathur, Independent Director	02.12.2013
iii)	Shri D. Rath, Independent Director	02.12.2013
iv)	Shri C.S. Verma, Chairman-cum-Managing Director	21.04.2014

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Shri Narendra Kothari assumed charge as Chairman-cum-Managing Director of the Company in terms of Order No.4(3)/2013-RM-I (Vol-II) dated 17.04.2013 of Ministry of Steel, Government of India w.e.f. 21.04.2014.

The Board places on record its deep appreciation for the valuable contribution made by Shri R.N. Aga, Mrs. Parminder Hira Mathur, Shri D. Rath and C.S. Verma during their tenure on the Board of the Company.

Shri S.K. Das, Director (Commercial) shall be superannuating on 31.08.2014. Accordingly, Shri S.K. Das is not seeking re-appointment in the ensuing Annual General Meeting of the Company. Hence, the re-appointment of Shri S.K. Das is not included in the notice convening the 56th AGM.

23.0 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 2013-14:

Sl.No.	Unit	Statutory Auditors
1.	Head Office, R&D Center, SIU & Consolidation	M/s. Venugopal & Chenoy Chartered Accountants 4-1-889/16/2, Tilak Road HYDERABAD 500 001
2.	Kirandul Bacheli Raipur NISP, Jagdalpur Central Work Shop Vizag Office	M/s. Brahmayya & Co, Chartered Accountants "Suhasini", 10-50-24 Siripuram Jn. VISAKHAPATNAM-530 003
3.	Donimalai	M/s.P K Subramaniam and Co, Chartered Accountants 11-5-23, Karthik Complex Above Vijaya Bank, Bresthwarpet RAICHUR-584 001
4	Panna	M/s Gopal Gupta & Co, Chartered Accountants, TF-6 (Third Floor), Vinayak Central Plaza, 179C/40, Mahatma Gandhi Marg, Civil Lines, ALLAHABAD - 211 001

b. Cost Auditors

M/s Prasad & Bharathula Associates
Cost and Management Consultants
House No.2-4-911, Road No.6,
Samatapuri Colony, Post. Saroornagar,
HYDERABAD - 500 035

c. **Cost Audit:** Pursuant to Section 233B of the Companies Act, 1956, your Company carried out an audit of cost records relating to iron ore product, diamond and sponge iron product. The Company appointed M/s. Prasad & Bharathula Associates, Cost and Management Consultants as cost auditor with due approval of the Central Government to audit the cost accounts of the Company for the Financial Year ending 31st March, 2014. The cost audit report for the Financial Year 2012-13 was filed with Ministry and Corporate Affairs on 26.09.2013. The due date for filing the cost audit report for the Financial Year 2013-14 is September 27, 2014 and the report is yet to be filed.



Shri S. Thiagarajan, Director (Finance) addressing representatives from various PSUs present at the one day workshop on 'Companies Act 2013' organized at Head Office, Hyderabad

24.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)

It is a matter of pride that several CSR initiatives have been in place right from the inception of the Company and they have become an integral part of the business model of NMDC.

An amount of Rs.126.85 Cr. amounting to 2% of PAT of previous year i.e. 2012-13 has been allocated for CSR activities of 2013-14. Apart from this an amount of Rs.44.20 Cr. of unspent CSR fund of 2012-13 has been carried forward to 2013-14. Thus, the total annual CSR Budget for 2013-14 is Rs.171.05 Cr. Against this budget, an amount of Rs.152.85 Cr. has been spent on various CSR activities during the year 2013-14.

A Quick Retrospective of Major Initiatives in Vogue is as follows:

1. Education

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 are being sponsored for various academic and professional courses in Engineering, Medicine, BDS, Management, Nursing, Diplomas etc. The entire expenditure is borne by NMDC.

In the first year, (i.e.2011-2012) 25 tribal girls from Bastar region have been admitted to Nursing courses in M/s Apollo Hospitals, Hyderabad. During the academic years 2012-13 & 2013-14 second batch & third batch of 40 girls each have been sponsored in GNM & B.Sc. nursing courses at Apollo Hospitals, Hyderabad.

Siksha Sahayog Yojana

NMDC Siksha Sahayog Yojana, a unique scheme granting scholarships to the poor Tribal and SC students of 5 (Five) districts of Bastar region, Chhattisgarh and Karnataka has been extended to about 11,000 students to continue academic pursuit beyond 8th class upto Graduation in Engineering/Medicine. Under this scheme, scholarship is granted from class IX onwards till they pursue their graduation and the amount is paid through their individual accounts in Pos/Banks.

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A survey has brought out that this has been widely accepted and has started positively impacting the students and also their families. The eligibility criteria during 2012-13 were relaxed to 40% pass marks in the qualifying examination to cover the maximum number of students which has resulted in distribution of 18000 scholarships. During the year 2013-14, 16472 scholarships were distributed.

Education Improvement program

NMDC has taken up a 3 year education improvement program in 84 Govt. Primary schools in Dantewada block of South Bastar district aimed at reducing drop-out rate, improve education standards etc. through special initiatives. A total of 4200 students, mostly tribals, are benefitting from this program. Out of the identified 1077 out of school children, 328 have been mainstreamed to formal schooling.

Polytechnic College at Dantewada

An amount of 31.94 crore has been sanctioned for constructing a Polytechnic College at Dantewada. NMDC has requested Chhattisgarh Govt. to exempt tribal students of Bastar from central counseling in admissions to Polytechnic College. Considering NMDC's request Govt. of Chhattisgarh has granted administrative approval by delinking the tribal students of Bastar region from central counseling. Plans are being drawn to start new trades from the ensuing academic year of 2014-15.

2. Infrastructure Development

- Construction of SC/ST Girls Hostels at Ongole & Guntur with a contribution of Rs.31.50 lakh each in Partnership with Govt. of A.P. has been completed.
- Strengthening PHCs in Bellary in partnership with Govt. of Karnataka by upgrading them/equipping them with various necessary/desirable medical equipment at a cost of Rs.169.00 lakh. Additional fund of Rs.34.41 lakh required has been released.
- NMDC has partnered with State Govt. of Chhattisgarh for construction of Gaurav Path - 4 way lane at Dantewada at a cost of Rs.1300.00 lakh.
- Electrification related works in 67 villages of Bastar District at a cost of Rs.252.48 lakh.



Shri Subimal Bose, Director (Production) addressing the participants present at the two day programme on "Sustainable Development" organized by HR Department at Head Office.

- Construction of 30 Community Centres in 30 villages of Bastar District at a cost of Rs.30.00 lakh each at a total cost of Rs.900.00 lakh.
- Farmer's development scheme at Dantewada was taken up in partnership with CG Govt. @ total expenditure of Rs.1500.00 lakh. The scheme includes providing fencing to farmers land, digging of borewells & installation of hand pumps. An amount of Rs.1200.00 lakh has been released till date.



3. Healthcare

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 90000 out-patients & 9000 in-patients from local tribals every year.

NMDC operates 'Hospital on Wheels' (HoW) service in Bailadila benefitting about 40000 tribal villagers in 45 villages by providing free medi-care facilities at their doorsteps.

4. Drinking water Facility

NMDC has partnered with State Govt of Karnataka for providing Drinking Water Facility in 7 villages of Bangalore Rural District, Karnataka at a cost of Rs.78.34 lakh.

5. Integrated Development of Villages

NMDC has identified 58 tribal villages around its Bailadila Projects in South Bastar (Dantewada) district and in the first phase, developmental activities in the areas of education, agriculture, healthcare and awareness, income generation through acquisition of income-earning skills, formation of SHGs, lift irrigation and modern tools & techniques of cultivation have been undertaken in 8 villages. Requisite tools and equipment are also provided to the beneficiaries. This has been extended to additional 10 villages around Kirandul Project, thereby bringing the total number of villages for integrated development to 18. Plans are on the anvil to include another 8-10 villages under the programme in the current financial year.

6. Skill Development

- Skill development training program in bamboo, bell metal & tumba art is being organized in Bastar District, CG to provide training to 460 unemployed tribal youth. An amount of Rs.31.60 lakh has been spent till date.
- Another skill development training program in installation of hand pumps & repairs of hand pumps for the development of 1260 youth of Bastar has been organized. An amount of Rs.59.92 lakh has been spent on training.

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- NMDC has launched livelihood-linked skill development program leading to employment in various trades viz., welding, electrician, fitter, sales & marketing, data entry operator in partnership with IL&FS at Balrampur, Uttar Pradesh. Under this program, 1000 unemployed youth will be trained. The program guarantees placement to at least 75% of the successful trainees.

25.0 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. During the year 2013-14, the Company received 201 applications out of which 13 were only rejected while providing the details for 188 applications.

26.0 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**.

27.0 (a) CONSOLIDATED FINANCIAL STATEMENTS

In terms of Listing Agreement with Stock Exchanges, the duly audited Consolidated Financial Statements forms part of Annual Report.

(b) 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**.

28.0 CORPORATE GOVERNANCE

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

29.0 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**.

30.0 GLOBAL COMPACT - COMMUNICATION ON PROGRESS

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



AGM of Kopano-NMDC Minerals (Pty) Limited

31.0 BUSINESS RESPONSIBILITY REPORT

In compliance with Clause 55 of the Listing Agreement, Business Responsibility Report (BRR) is enclosed at **Annexure-VI**.

32.0 AWARDS RECEIVED BY THE COMPANY

The details of awards received by the Company for the year under review are as follows:

1. On 28th May'2013, NMDC received 'Dun & Bradstreet Corporate Awards 2012' as Best Mining Company Under the sector Mining. Received top Indian Company under Mining Sector from Dun & Bradstreet Corporate Awards 2012. This award was presented by Sri Jayant Kumar Banthia, Chief Secretary, Govt. of Maharashtra.
2. On 29th Jun'2013, NMDC received 'CMSB Public Sector Enterprise / Government undertaking Excellence in CSR Award 2013' from Council for Media and Satellite Broadcasting, New Delhi.
3. On 24th Jul'2013 CMD, NMDC received PSU Award in "Human Resource Utilization' from Sri Praful Patel, Hon'ble Minister for Heavy Industries and Public Enterprises, Govt. of India, organized by Governance Now, News Magazine.
4. On 13th Sep'2013, NMDC received "Best Organization supporting Quality Circle Movement" Award from Sri Sarvey Satyanarayana, Hon'ble Minister of State for Road Transport and Highways, Govt. of India, organized by Quality Circle Forum of India, Hyderabad Chapter.
5. On 2nd Apr'2014 CMD, NMDC received 'Most Efficient Navratna Award' from Sri TKA Nair, Advisor to the Hon'ble Prime Minister of India organized by Dalal Street Investment Journal, New Delhi.



33.0 ACKNOWLEDGEMENT

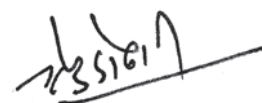
Your Directors gratefully acknowledge the support, cooperation and guidance received from the Ministry of Steel, Ministry of Mines and Ministry of Forests & Environment and other Departments of Government of India and the State Governments of Andhra Pradesh, Chhattisgarh, Karnataka, Madhya Pradesh and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

NMDC received "Most Valuable Company Award" in the Navratna Category of India Today PSU Awards – 2014. Shri Narendra Kothari, CMD; Shri Narendra K.Nanda, Dir(Tech.); Shri S. Thiagarajan, Dir. (Fin.); Shri Subimal Bose, Director (Prod.) and Shri Rabindra Singh, Director (Pers.) displaying the award

ANNUAL REPORT 2013-14

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.



(Narendra Kothari)

Chairman-cum-Managing Director

Place : Hyderabad

Date : 30.05.2014



Deposit-10/11A, Bachel Complex, Chhattisgarh

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 process and product through innovation.

NMDC, being one of the MoU signing companies, has set yearly targets for all units including R&D. In this direction R&D Centre has achieved rating of "Excellent" in the MoU performance indicator. 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 2013 to 31st March 2014 are listed below.

1.0 TECHNOLOGY DEVELOPMENT PROJECTS:

1.1 Utilization of Blue Dust:

300 TPA Carbon Free Sponge Iron Powder Plant:

To demonstrate Technology / process developed at lab to the pilot scale to commercialize the same, 300 TPA Carbon Free Sponge Iron Powder Plant was

setup at R&D center. About 5 Tone Carbon Free Sponge Iron Powder produced. The product is under utilization by various industries, to assess the market potential and applicability in various applications. The Electrolyser for H₂ generation repaired from M/s Ener Blue has been received at R&D Centre and Re-commissioned the Electrolyser. Cold trials of Sponge Iron Powder Plant have been completed.

1.2 Utilization of Kimberlite Waste:

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

1. 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.
2. Project presentation has been presented at CSIR, New Delhi and discussed with Domain experts' on 8th March 2011, for funding the project by NMITLI.
3. NMITLI wants acceptance of MOU by M/s Aditya Birla Group for further course of action as M/s Kanoria Chemicals & Industries Ltd has been taken over by M/s Aditya Birla Group. The acceptance of MOU from M/s Aditya Birla yet to be received.
4. NMDC Ltd also discussed with M/s Supersil Chemicals (India) Pvt. Ltd, Mumbai, to set up precipitated silica pilot plant from kimberlite waste.

5. As an alternate proposal on up-scaling the process to the scale of 1 tonne per day Kimberlite processing and setting up the pilot plant for production of Zeolite-A, Sodium silicate and ppt silica at R&D Centre, is under process.
6. The permission for transportation of sample from DMP Panna from Forest / Environment Department is awaited.

1.3 Beneficiation Studies of Banded Hematite Jasper[BHJ].

Beneficiation studies on BHJ sample from Donimalai Complex have been carryout at R&D Centre. Based on the results of lab scale experiments, a demonstration plant having of 0.36 MTPA (60T/Hr) is planned to be set up at Donimalai mine site, Bellary, Karnataka.

The project activities are deferred due to poor performance of the contractor and for want of statutory clearances.

2.0 DEVELOPMENT SUPPORT

Making of Tiles from Lean Grade Iron Ore.

It is observed that tailings of iron ore slime beneficiation will generate lean grade iron ore containing < 30% Fe and very fine size materials including clay (30-40% of slimes) will be impounded in the tailing dams. In order to utilize these lean grade iron ore fines size tailings reject Hydrometallurgy of R&D Centre, NMDC has taken the assignment to utilize the reject by making of decorative 400 roof Tiles and pavement blocks from beneficiated lean grade iron ore reject slimes. The properties characterized at par with ISI standard. Further discussed MoU with M/s Classic Tiles, Hyderabad, is under progress for making bulk quantity of roof Tiles and pavement blocks.

3.0 PRODUCTION / PROJECTS SUPPORT

Major In-house Projects completed during 2013-14, in order to support production in various mines & NMDC

1. Characterization and Beneficiation studies with sub grade iron ore / slime samples from Kirandul & Bachel Complex.
2. Physical and metallurgical studies for 149 iron ore samples of Bld 5, 10&11A, Bld 14&11C (12 jobs).
3. Detailed Mineralogical and Chemical studies on 42 iron ore sample from Investigation Department .H.O. (Sasangada investigation samples) (2 jobs).
4. Chemical Analysis-Investigation Division-PERU samples - 23 Nos - completed.

3.1 Development / MoU Projects Completed in 2013-14

1. Investigations into the effect of bulk solid size distribution and liner surface roughness parameters on the coefficient of wall friction of different liner materials.
2. Feasibility of filtration of tailings generated from Iron Ore Processing & associated issues related to their transportation and stacking.
3. Pelletization studies with iron ore concentrate obtained by beneficiation of BHJ/BHQ from Donimalai region.
4. Feasibility study on Reduction of Coarse Size (-500 to + 212 micron) Blue Dust Concentrate by hydrogen gas.
5. Characterization of BIF from Bailadila Sector with reference to possible association of magnetic mineral/minerals

4.0 SPONSORED PROJECTS

Various sponsored Projects has been completed for variety of iron ores, slimes and tailings, coal, pet coke etc for beneficiation studies, Flowability studies, and evaluation of Metallurgical properties of iron ore/pellets.

Major Sponsored Projects Completed in 2013-14

1. M/s BRPL, M/s XINDIA, M/s ESSAR STEEL Paradip, & M/s BMM ISPAT: physical and metallurgical characterization of iron ore pellets.
2. M/s GODAWARI POWER & ISPAT, M/s KFC, M/s J S P L, M/s SAIL-Kiruburu & M/s. SIPC: Characterisation and Beneficiation studies with iron ore samples.
3. M/s Bhilai Steel, SAIL: Pilot Plant Beneficiation studies of with generated fines samples & composite samples.
4. M/s Tata Steel Ltd, Naamundi, Khondbond, Joda, : Flow Properties study of Iron Ore.
5. M/s L&T Chennai (for Reliance Petroleum) Flow Properties study of Pet Coke, lime stone & fly ash.
6. M/s Octagon Technical solutions: Mineralogical studies.

5.0 FUTURE PLANS

5.1 Proposed Collaborative Research Works 2014-15.

1. **IMMT, Bhubaneswar:** Development of Entrained Flow Gasification System using non-coking coal (F-grade) blended with dolochar for thermal applications (MoU signed).

2. **IIT, Hyderabad:** Improving the efficiency of Dense Medium separating the high NGM coal samples using GPU based CFD and PEPT methods (MoU signed).
3. **JNTU, Hyderabad:** Critical Analysis of Accretion Formation (Ring) in Rotary Kiln Process at SIU, Palvancha. (MoU signed).
4. **CSIRO, Australia:** Characterization and beneficiation studies on laterite / goethite iron ores, development of dry beneficiation technologies for processing of hydrated iron ores.
5. NML, Jamshedpur and IIT Chennai collaborative research works. (MoU signed).
6. **MECON, R&D:** Using hydrogen gas in blast furnace for partially replacement of coke (SDF project).

5.2 Projects as per MoU system with Ministry of Steel 2014-15

1. Development of an Eco-friendly tailing disposal system by filtration of iron ore tailings and study of issues related to their transportation and storage.

Objective: To develop suitable process for filtration of tailings which helps in maximizing the recovery of water and enables to dispose the tailings either in semi solid or solid form.

2. **Studies of Utilization of Dolo-char waste in iron ore sintering processes to partially replace coke.**

Objective: A huge amount of dolochar around more than 1.3 MTPA are being generated during sponge iron production through Rotary Kiln in India due to use of

inferior quality of coal and this is considered as a big problem of the industry. Hence dolochar need to be utilized properly to alleviate the impending problem.

5.3 Development Projects for 2014-15

- Development of an Eco-friendly tailing disposal system which involves settling and filtration studies with different type of tailings (Silica Rich, Alumina Rich) Phase-1 completed and Phase-2 is under progress.
- Beneficiation and Dewatering studies on iron ore fines and slimes from Dalli Mines for M/s SAIL.
- Feasibility studies for replacing Classifier with high frequency screens.
- Flowability study of iron ore fines sample from Joda Mines of Tata Steel.
- Flowability study of iron ore fines sample of Khandbond Mines, Tata steel.
- Feasibility studies on recovery of Tungsten from Tungsten metal scrap and tailings of Hutti Gold Mines.
- Preparation of Nano Iron powder for evaluation of various applications.
- Conducting PG test for sponge iron powder plant.
- Any other sponsored work from various PSU and other organizations will be taken up.

5.4 Modernization and up gradation with advance and latest Equipments to R&D Centre. Equipments added with an objective to make Southern region R&D Centre in Iron & Steel

1. Automated Mineralogy Solution (QEMSCAN)
2. Scanning Electron Microscope
3. XRF Spectrometer
4. GF AAS Spectrometer
5. Pilot Coke Oven
6. Ring Shear Tester
7. Reduction under Load Equipment Test Facility
8. Briquetting Facility Setup
9. Coke Reactivity Index Tester
10. Automated Disc Pelletizer
11. CHNS Analyzer of Coal/Coke
12. Dewatering Screen Machine

6.0 RESEARCH PAPERS PRESENTED / PATENTS:

6.1 Research Papers Presented: More than 5 research papers presented in the national and international conferences and seminars during the year 2013-14.

6.2 Patents filed during the year 2013-14:

1. Process development for extraction of TiO₂ from Kimberlite Waste (Rich Silica Residue) at lab scale level by Hydrometallurgical route.
2. Development of technology for making of roof tiles and pavement block from beneficiated lean grade iron ore slimes.
3. Reduction behaviour of Self Reducing [SR] grade iron ore pellets.
4. Formulation of binder from Kimberlite for iron ore pellets.

7.0 R&D EXPENDITURE AND TURNOVER YEAR WISE LAST THREE YEARS

Rs in Crore

Year	Expenditure on R&D			Annual Turnover of NMDC	Percentage (%)
	Revenue	Capital	Total		
(1)	(2)	(3)	(4) = (2 + 3)	(5)	(6) = (4/5)
2011-2012	11.86	1.57	13.43	11261.89	0.12
2012-2013	11.98	0.25	12.23	10704.27	0.11
2013-2014	14.42	2.32	16.74	12058.20	0.14

8.0 ACHIEVEMENTS:

1. R&D Centre received renewal of recognition from Department of Scientific and Industrial Research and Recognition is valid up to 31-03-2017.
2. **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 (from Oct 2013).
3. NABL Accreditation for Chemical Lab (from Jan 2014).

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 SARKL Madagascar	NMDC Power Ltd.	Jharkhand National Mineral Dev. Corpn.
1. The Financial year of the Subsidiary Companies ended on	31 st March, 2014	31 st March 2014	30 th June, 2013	31 st March 2014	31 st March 2014
2. a. Paid-up Capital of the Subsidiary Company	Rs.4.74 Cr.	Rs.3.05 Cr.	MGA 209.28 Cr	Rs.0.05 Cr.	Rs.0.01 Cr.
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.	50,000 equity shares of the face value of Rs.10/- each	6,000 equity shares of the face value of Rs.10/- each
c. Extent of interest of holding Company at the end of financial year	Rs.3.51 Cr. (74%)	Rs.1.55 Cr. (51%)	MGA 209.28 Cr. (100%)	Rs.0.05 Cr. 100%	Rs.0.01 Cr. 60%
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.(-)0.55 Crore	Rs.0.01 Crore	-	Rs.(-)0.75 Crore	-
ii) For the previous financial years of the Subsidiary Companies since they became the holding Company's Subsidiaries.	Rs.(-) 9.25 Crore	Rs.(-) 0.14 Crore	-	Rs.(-)2.63 Crore	Rs.(-)0.01 Crore
b. Dealt with in the holding Company's accounts					
i) For the financial year of Subsidiary Companies	Nil	Nil	Nil	Nil	Nil
ii) For the previous financial years of the Subsidiary Companies since they became the holding Company's Subsidiaries.	Nil	Nil	Nil	Nil	Nil

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, 2014, the Board of NMDC comprises of a Chairman-Cum-Managing Director, five Functional Directors, two Government Nominee Directors and four Non-Executive (Independent) Directors.

a. Composition and category of Directors:

Whole-time Directors

- i) Shri C.S. Verma, Chairman-cum-Managing Director
- ii) Shri Narendra K. Nanda, Director (Technical)
- iii) Shri S. Thiagarajan, Director (Finance)
- iv) Shri S. Bose, Director (Production)
- v) Shri S.K. Das, Director (Commercial)
- vi) Shri Rabindra Singh, Director (Personnel)

Government of India Nominee Directors

- i) Shri E.K. Bharat Bhushan, Special Secretary & Financial Adviser (AS&FA), Ministry of Steel (upto 29.04.2013)
- ii) Shri Vinod Kumar Thakral, Additional Secretary & Financial Adviser (AS&FA), Ministry of Steel (w.e.f. 07.06.2013)
- iii) Shri Syedain Abbasi, Joint Secretary, Ministry of Steel

Independent Directors

- i) Shri R.N. Aga (upto 02.12.2013)
- ii) Mrs. Parminder Hira Mathur (upto 02.12.2013)
- iii) Shri D. Rath (upto 02.12.2013)
- iv) Shri S.J. Sibal
- v) Dr. Noor Mohammad
- vi) Shri Vinai Kumar Agarwal
- vii) Shri Mahesh Shah

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.

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 C.S. Verma Chairman-cum-Managing Director	14	14	YES
2	Shri Narendra K. Nanda Director (Technical)	14	13	YES
3	Shri S. Thiagarajan Director (Finance)	14	14	YES
4	Shri S. Bose Director (Production)	14	13	YES
5	Shri S.K. Das Director (Commercial)	14	13	YES
6	Shri Rabindra Singh Director (Personnel)	14	12	YES
7	Shri E.K. Bharat Bhushan (upto 29.04.2013)	1	1	NO
8	Shri Vinod Kumar Thakral (w.e.f. 07.06.2013)	10	7	NO
9	Shri Syedain Abbasi	14	14	NO
10	Shri R.N. Aga (upto 02.12.2013)	9	9	YES
11	Mrs. Parminder Hira Mathur (upto 02.12.2013)	9	9	YES
12	Shri D. Rath (upto 02.12.2013)	9	8	YES
13	Shri S.J. Sibal	14	11	YES
14	Dr. Noor Mohammad	14	14	YES
15	Shri Vinai Kumar Agarwal	14	13	YES
16	Shri Mahesh Shah	14	14	YES

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

Sl. No.	Name of the Director	No. of Directorship and Committee Membership / Chairmanship		
		Other Directorship	Committee Membership	Committee Chairmanship
1	Shri C.S. Verma Chairman-cum-Managing Director	2	1	1
2	Shri Narendra K. Nanda Director (Technical)	8	2	Nil
3	Shri S. Thiagarajan Director (Finance)	6	2	Nil
4	Shri S. Bose Director (Production)	2	2	Nil
5	Shri S.K. Das Director (Commercial)	1	1	Nil
6	Shri Rabindra Singh Director (Personnel)	1	Nil	Nil
7	Shri E.K. Bharat Bhushan (upto 29.04.2013)	6	Nil	Nil
8	Shri Vinod Kumar Thakral (w.e.f. 07.06.2013)	4	Nil	Nil
9	Shri Syedain Abbasi	1	Nil	Nil
10	Shri R.N. Aga (upto 02.12.2013)	Nil	1	Nil
11	Mrs. Parminder Hira Mathur (upto 02.12.2013)	Nil	1	Nil
12	Shri D. Rath (upto 02.12.2013)	2	1	Nil
13	Shri S.J. Sibal	3	Nil	Nil
14	Dr. Noor Mohammad	1	3	1
15	Shri Vinai Kumar Agarwal	2	3	Nil
16	Shri Mahesh Shah	2	2	2

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 2013-14, 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	460	02.04.2013	15	15
2	461	03.05.2013	14	14
3	462	29.05.2013	14	12
4	463	03.07.2013	15	14
5	464	29.07.2013	15	14
6	465	07.08.2013	15	15
7	466	27.08.2013	15	14
8	467	24.09.2013	15	15
9	468	24.10.2013	15	13
10	469	16.12.2013	12	10
11	470	06.01.2014	12	12
12	471	24.01.2014	12	10
13	472	10.02.2014	12	10
14	473	14.03.2014	12	12
	473 Adjourned Meeting	18.03.2014	12	12

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 Mahesh Shah, Independent Director and Chairman (w.e.f. 29.05.2013)
- Shri Narendra K. Nanda, Director (Technical) and Member
- Shri R.N. Aga, Independent Director and Member (upto 02.12.2013)
- Mrs. Parminder Hira Mathur, Independent Director and Member (upto 02.12.2013)
- Shri D. Rath, Independent Director and Member (upto 02.12.2013)
- Shri Vinai Kumar Agarwal, Independent Director and Member (w.e.f. 23.12.2013)
- The Company Secretary acted as the Secretary to the Audit Committee as was laid down under the provisions of clause 49.
- Director (Finance), Representatives of Statutory and Internal Auditors, Functional Directors, besides, Head of Audit and Executives of other Departments are invited on need basis.

iii. Meetings and attendance during the year

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

Sl. No.	Meeting No.	Meeting Date	Strength of Audit Committee	No. of Members Present
1	61	29.05.2013	5	5
2	62	27.06.2013	5	5
3	63	07.08.2013	5	5
4	64	24.09.2013	5	5
5	65	24.10.2013	5	5
6	66	10.02.2014	3	3

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 Mahesh Shah Independent Director & Chairman (w.e.f. 29.05.2013)	6	6
2	Shri Narendra K. Nanda Director (Technical)	6	6
3	Shri R.N. Aga Independent Director & Member (upto 02.12.2013)	5	5
4	Mrs. Parminder Hira Mathur Independent Director & Member (upto 02.12.2013)	5	5
5	Shri D. Rath Independent Director (upto 02.12.2013)	5	5
6	Shri Vinai Kumar Agarwal Independent Director & Member (w.e.f. 23.12.2013)	1	1

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. The present composition of the Remuneration Committee is as under:

S.No.	Name
1	Shri Vinai Kumar Agarwal, Independent Director
2	Shri Dr. Noor Mohammad, Independent Director & Member
3	Shri Mahesh Shah, Independent Director & Member
4	Director (Personnel), NMDC, Secretary to attend as Special Invitee.

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

During the year under review, 1 meeting of the Remuneration Committee was held on 27.11.2013. 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 2013-14 are as follows:

(Rs.)

Sl. No.	Name of the Director	Pay & Benefits	Contribution to PF & other funds	Other benefits	Total
1.	Shri Narendra K.Nanda, Director (Technical)	23,97,020	2,25,181	23,91,304	50,13,505
2.	Shri S. Thiagarajan, Director (Finance)	27,91,056	2,20,108	19,07,766	49,18,931
3.	Shri S. Bose, Director (Production)	23,74,138	2,09,407	22,29,068	48,12,613
4.	Shri S.K. Das, Director (Commercial)	24,87,980	2,20,063	22,67,902	49,75,945
5.	Shri Rabindra Singh, Director (Personnel)	26,56,800	2,20,962	20,46,432	49,24,194
	Total Rs.	1,27,06,994	10,95,721	1,08,42,472	2,46,45,187

Notes:

- Includes Basic Pay, DA, FPA (where applicable), HRA (where applicable), Perks, PLBS and other Misc. Payments due to Incremental diff, DA diff, 2 months HRA on superannuation (where applicable).
- Contributions to PF and other Funds:
Includes PF and EDLI have been included.
- Other Benefits:
Includes PRP, Lease/Self Lease, Rent (where applicable either one), Medical (in patient & outpatient) Management Tax, Gift Items, Interest Subsidy (where applicable).
- Notice period of 3 months or salary in lieu thereof is required for severance of service.
- Shri C.S. Verma, CMD is the Chairman and permanent employee of SAIL and holding additional charge as CMD, NMDC. Hence the above details not applicable to him.

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.20,000/- per meeting. Govt. Directors and Functional Directors are not paid sitting fees for attending the meeting of the Board or any Committee meeting thereof.

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 R.N. Aga	3,14,608
2	Mrs. Parminder Hira Mathur	4,60,676
3	Shri Dronadeb Rath	4,15,732
4	Shri S.J. Sibal	4,60,676
5	Dr. Noor Mohammad	4,60,676
6	Shri Vinai Kumar Agarwal	6,74,160
7	Shri Mahesh Shah	7,97,756
	Total	35,84,284

No. of Equity Shares of the Company held by Directors as on 31st March, 2014.

S.No.	Name of the Director	No. of Shares of the Company
1	Shri C.S. Verma, Chairman-cum-Managing Director	NIL
2	Shri Narendra K. Nanda, Director (Technical)	320
3	Shri S. Thiagarajan, Director (Finance)	NIL
4	Shri S. Bose, Director (Production)	320
5	Shri S.K. Das, Director (Commercial)	NIL
6	Shri Rabindra Singh, Director (Personnel)	NIL
7	Shri Vinod Kumar Thakral, Govt. Nominee Director	NIL
8	Shri S.J. Sibal	100
9	Shri Syedain Abbasi, Govt. Nominee Director	NIL
10	Dr. Noor Mohammad	NIL
11	Shri Vinai Kumar Agarwal	NIL
12	Shri Mahesh Shah	NIL

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 Secretary

During the year under report, nine (9) meetings of the Committee were held. The details of attendance of the Members are indicated below:

Sl.No.	Meeting No.	Meeting Date	Strength of STC	No. of Members present
1	175	02.04.2013	7	6
2	176	03.07.2013	7	7
3	177	29.07.2013	7	7
4	178	27.08.2013	7	6
5	179	24.09.2013	7	7
6	180	13.12.2013	7	7
7	181	08.02.2014	7	7
8	182	14.03.2014	7	7
9	183	29.03.2014	7	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	9	9
2	Director (Technical)	9	8
3	Director (Finance)	9	9
4	Director (Production)	9	9
5	Director (Commercial)	9	9
6	Company Secretary	9	9
7	Joint Secretary	9	7

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

iii. **Details in respect of shareholders' complaints:**

- Number of complaints received - 95
- Number of complaints not solved to the satisfaction of the shareholders - Nil.
- Number of complaints pending - Nil.

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 (Finance) and Director (Production) as Members.

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

S.No.	Meeting No.	Meeting Date	Strength of Committee	No. of Members present
1	17	02.07.2013	3	3
2	18	30.07.2013	3	3
3	19	24.10.2013	3	2
4	20	24.01.2014	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 (Finance)	4	4
3	Director (Production)	4	3

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.

Other Board level Sub-Committees of Directors

Apart from the above mentioned Committees, the Board also constituted various other Sub-Committees with specific terms of reference as per requirement. The minutes of such Board level Sub-Committees are placed before the Board.

7. 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
53rd AGM	Hotel Taj Krishna, Hyderabad	20.09.11 at 1500 hrs	--
54th AGM	Sri Sathya Sai Nigamagamam, Hyderabad	20.09.12 at 1500 hrs	One
55th AGM	Hotel Taj Krishna, Hyderabad	25.09.13 at 1130 hrs	--

- iii. During the year 2013-14, there was no occasion to resort to Postal Ballot for consideration of the shareholders of the Company.

8. 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 level Meetings and upto July 2013 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 2.47%.

9. Means of communication

- (a) **Quarterly Results:** The Company publishes quarterly Un-audited / Audited financial results through leading National Daily Commercial / Economic newspapers and also Local language Daily newspapers including Hindi Daily newspaper.

These results are also posted on Company's website: www.nmdc.co.in. The Company's website also contains a dedicated section on 'Investors' where shareholders information is available viz. Annual Reports, Financial Details, etc.

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

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

10. General Shareholders Information

i. AGM date, time and venue

Date	Time	Venue
29.09.2014	1130 hrs.	Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034

In terms of Clause 35B of the Listing Agreement, Company has made arrangements for providing e-voting platform to the shareholders of the Company for e-voting purpose through Central Depository Services (India) Limited (CDSL), an authorised Agency of Ministry of Corporate Affairs (MCA), Government of India.

ii. Financial Calendar for 2014-15

1st quarter results	(Unaudited)	on or before 14.08.2014
2nd quarter results	(Unaudited)	on or before 14.11.2014
3rd quarter results	(Unaudited)	on or before 14.02.2015
4th quarter results	(Audited)	on or before 30.05.2015

iii. Date of Book Closure : From 20.09.2014 to 29.09.2014 (both days inclusive)

iv. Dividend Payment date

- (a) Dividend was paid within 30 days of declaration as per the provisions of the Companies Act, 1956.
- (b) Details of interim dividend paid during the year under review are as under:

(Rs.in crores)

Particulars	GOI Share	Others	Total Dividend	% of Share Capital
1st Interim	951.58	237.83	1,189.41	300
2nd Interim	1,744.57	436.03	2,180.60	550
Final*	–	–	–	–
Total	2,696.15	673.86	3,370.01	850
Previous Year	2,299.63	475.66	2,775.30	700

* Considering that Rs.8.50 per share has already been declared as interim dividends, no final dividend was recommended by the Board.

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 2014-15 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

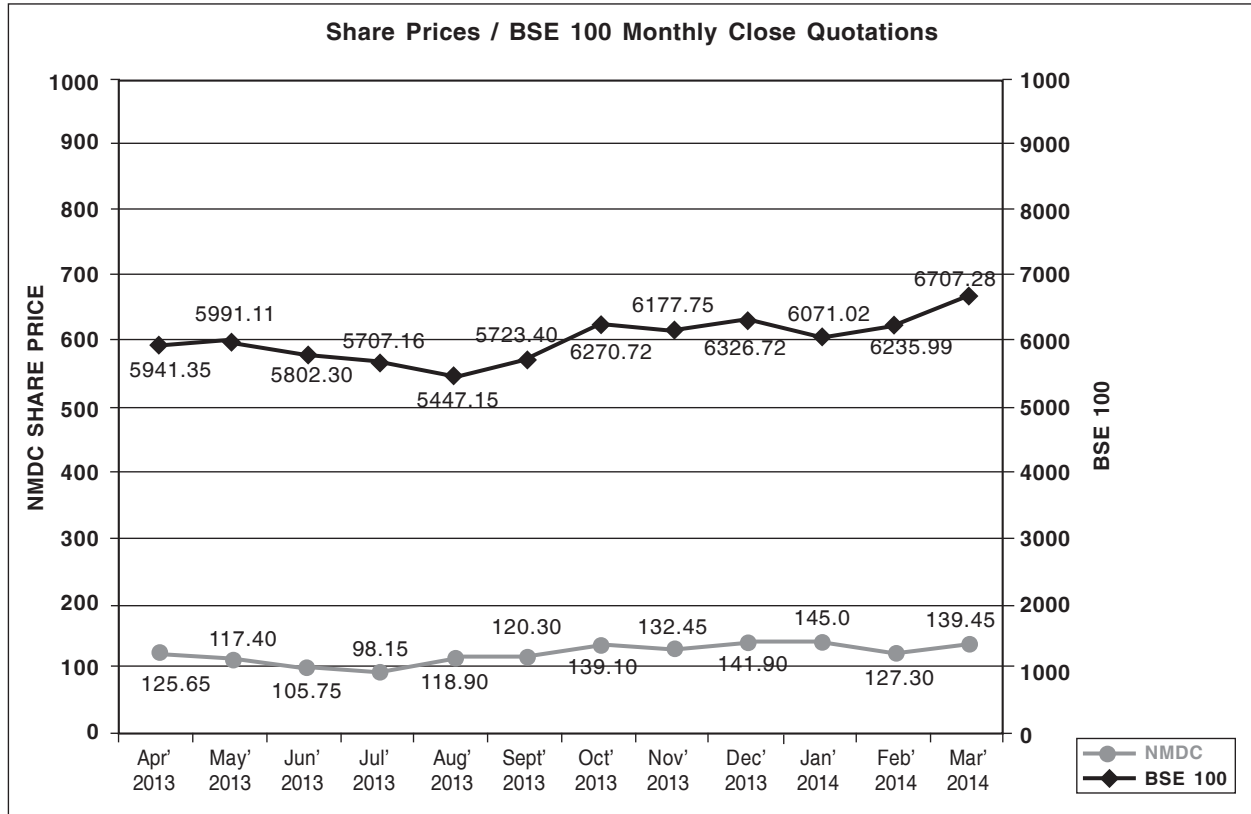
vii. **Market price data: High, Low during each month in last financial year**

Market average prices at Bombay Stock Exchange (BSE) & National Stock Exchange (NSE)

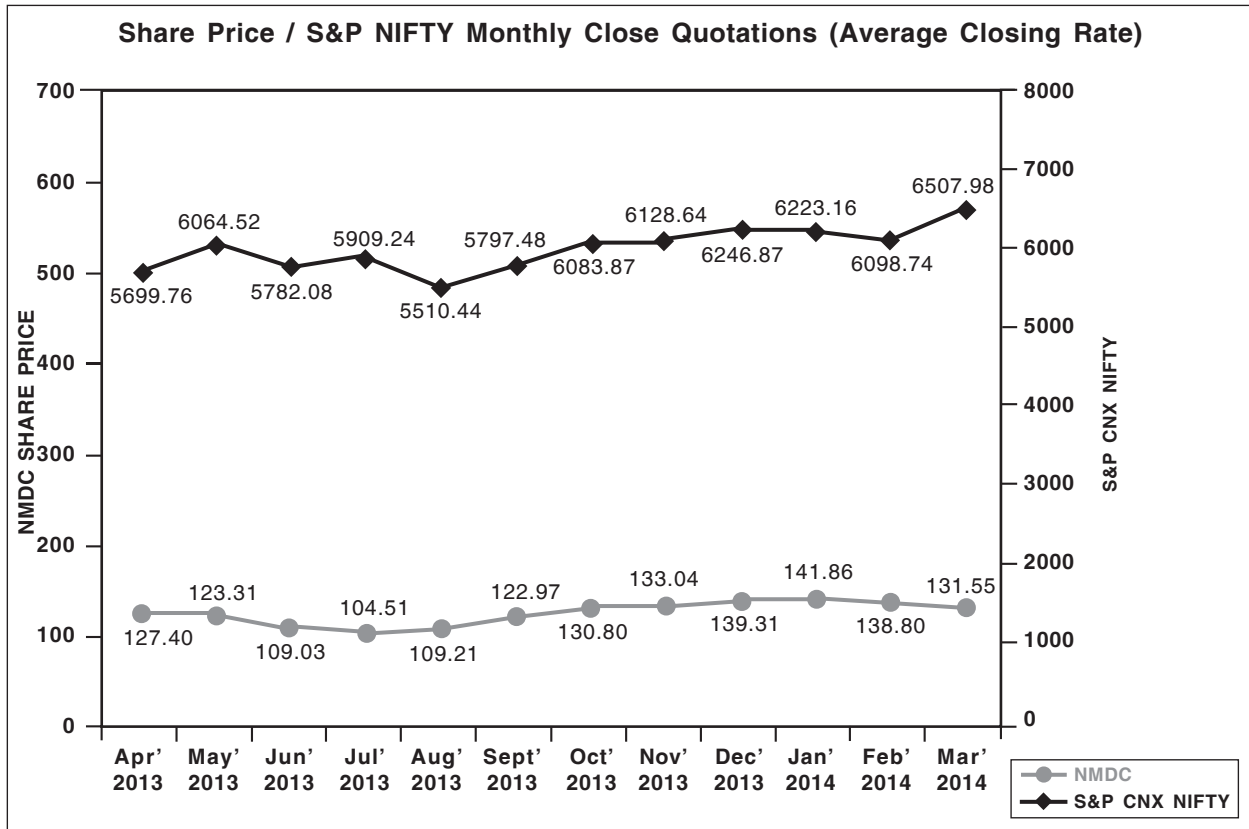
Year	Month	BSE		NSE	
		Highest	Lowest	Highest	Lowest
2013	April	139.00	122.00	138.40	121.85
2013	May	131.50	114.70	131.60	114.65
2013	June	118.90	98.80	118.75	98.70
2013	July	110.55	95.25	110.50	95.10
2013	August	122.30	92.65	122.25	92.70
2013	September	128.50	116.70	128.60	116.80
2013	October	141.45	117.50	141.50	117.50
2013	November	146.50	123.30	146.50	123.10
2013	December	145.55	131.60	145.70	131.50
2014	January	146.90	135.05	146.90	135.00
2014	February	148.90	126.05	149.00	125.85
2014	March	141.70	123.10	141.75	123.10

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

a) BSE / Sensex and NMDC Share Price



b) NIFTY and NMDC Share Price



ix. Registrar & 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 / rematerialization 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 applications are kept pending beyond the stipulated period of fifteen days. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories viz, NSDL and CDSL within 15 days.

xi. Distribution of Shareholding:

(a) Shareholding Pattern as on 31st March 2014 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 Percent- age of (A + B) 1	As a Percent- age of (A + B + C)	Number of Shares	As a per- centage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/ (IV)* 100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
a.	Individuals/Hindu Undivided Family	0	0	0	0	0	0	0
b.	Central Government/ State Government(s)	1	3171946300	3171946300	80	80	0	0
c.	Bodies Corporate	0	0	0	0	0	0	0
d.	Financial Institutions/ Banks	0	0	0	0	0	0	0
e.	Any Others (Specify):	0	0	0	0	0	0	0
e-i.	Mutual Funds	0	0	0	0	0	0	0
e-ii	Trusts	0	0	0	0	0	0	0
	Sub Total (A)(1)	1	3171946300	3171946300	80	80	0	0
2	Foreign							
a.	Individuals (Non Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
b.	Bodies Corporate	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0
d.	Qualified Foreign Investor							
e.	Any Others (Specify)	0	0	0	0	0	0	0
e-i.	Overseas Corporate Bodies	0	0	0	0	0	0	0
	Sub Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
	(A) = (A)(1) + (A)(2)	1	3171946300	3171946300	80	80	0	0
(B)	Public Shareholding							
1	Institutions							
a.	Mutual Funds/UTI	33	26897584	26897584	0.68	0.68	0	0
b.	Financial Institutions/ Banks	32	101408316	101408316	2.56	2.56	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	6	292950497	292950497	7.39	7.39	0	0
f.	Foreign Institutional Investors	180	244188486	244188486	6.16	6.16	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	1	450000	450000	0.01	0.01	0	0
i.	Any Others (Specify)							
i-i.	Foreign Companies	0	0	0	0	0	0	0
i-ii.	FPO Unclaimed a/c	1	2480	2480	0	0	0	0
	Sub Total (B)(1)	253	665897363	665897363	16.8	16.8	0	0
2	Non-Institutions							
a.	Bodies Corporate	1593	74985467	74952467	1.89	1.89	0	0
b.	Individuals							
i)	Individual shareholders holding nominal share capital upto Rs.1 lakh	184805	41776205	41641595	1.05	1.05	0	0
ii)	Individual shareholders holding nominal share capital In excess of Rs.1 lakh	14	3099168	3099168	0.08	0.08	0	0
c.	Qualified Foreign Investor	0	0	0	0	0	0	0
d.	Any Others (Specify)							
d-i.	Non Resident Individuals	2566	2324939	2324939	0.06	0.06	0	0
d-ii.	Overseas Corporate Bodies	0	0	0	0	0	0	0
d-iii.	Trusts	29	1450037	1450037	0.04	0.04	0	0
d-iv.	Employees	62	64878	21358	0	0	0	0
d-v.	Clearing Members	323	3171643	3171643	0.08	0.08	0	0
d-vi.	Foreign Nationals	0	0	0	0	0	0	0
	Sub Total (B)(2)	189392	126872337	126661207	3.2	3.2	0	0
	Total Public Shareholding (B) = (B)(1) + (B)(2)	189645	792769700	792558570	20	20	0	0
	Total (A) + (B)	189646	3964716000	3964504870	100	100	0	0
(C)	Shares held by Custodians and against Depository Receipts have been issued							
1	Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
2	Public Shareholding	0	0	0	0	0	0	0
	Grand Total (A) + (B) + (C)	189646	3964716000	3964504870	100	100	0	0

(b) Distribution of Shareholding by size as on 31.03.2014

Sl.No.	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 - 5000	188403	99.34	35810137	35810137	0.9
2	5001 - 10000	513	0.27	3811579	3811579	0.1
3	10001 - 20000	239	0.13	3479942	3479942	0.09
4	20001 - 30000	80	0.04	2054255	2054255	0.05
5	30001 - 40000	53	0.03	1847807	1847807	0.05
6	40001 - 50000	32	0.02	1484645	1484645	0.04
7	50001 - 100000	85	0.04	6063986	6063986	0.15
8	100001 & Above	241	0.13	3910163649	3910163649	98.62
	Total	189646	100	3964716000	3964716000	100

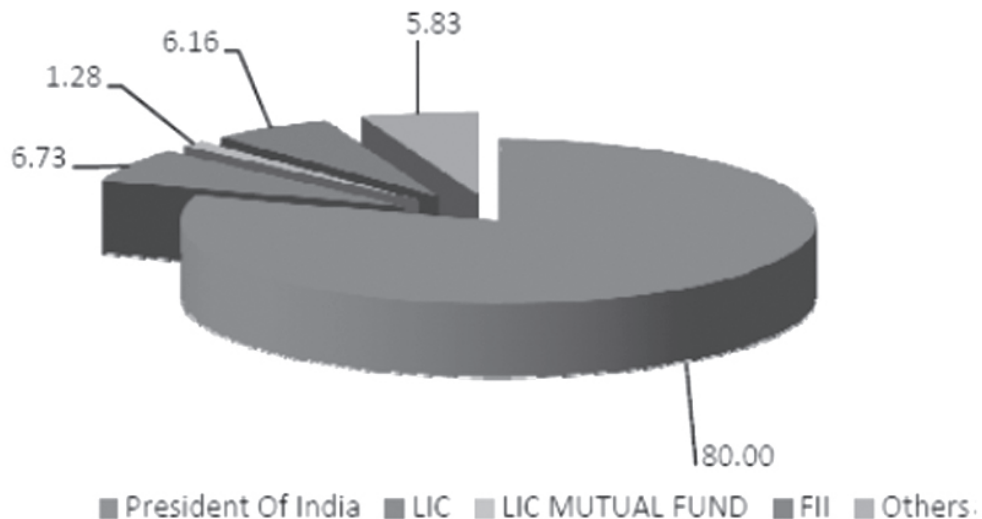
(c) Top ten shareholders of the company as on 31.03.2014

Sl.No	Shareholder	No. of Shares	%	Group	Category
1.	President of India	3171946300	80	Promoter	Central Government/ State Government(s)
2.	Life Insurance Corporation of India	266989233	6.73	Public	Insurance Companies
3	LIC of India Pension Plus Mixed Fund	50845983	1.28	Public	Financial Institution/ Banks
4	HSBC Global Investment Funds A/c HSBC GIF Mauritius Limited	31257863	0.79	Public	Foreign Institutional Investors
5	HDFCSL Shareholders Solvency Margin Account	19059137	0.48	Public	Bodies Corporate
6	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	13289304	0.34	Public	Foreign Institutional Investors
7	ICICI Prudential Top 100 Fund	12207719	0.31	Public	Mutual Funds/UTI
8	State Bank of India	11636080	0.29	Public	Financial Institutions/ Banks
9	Canara Bank-Mumbai	10772388	0.27	Public	Financial Institutions/ Banks
10	The Master Trust Bank of Japan Limited A/c The Master Trust Bank of Japan Limited	10528019	0.27	Public	Foreign Institutional Investors

(d) Geographical Distribution of Shareholders as on 31.03.2014

Sl.No.	City	No. of Share Holders	% to Total	No.of Shares	% to Total
1	AHMEDABAD	12175	6.42	3135618	0.08
2	BANGALORE	8877	4.68	3369534	0.08
3	BHUBANESWAR	562	0.30	95452	0.00
4	CHANDIGARH	789	0.42	160144	0.00
5	CHENNAI	7130	3.76	6445647	0.16
6	GUWAHATI	449	0.24	86897	0.00
7	HYDERABAD	8065	4.25	2374799	0.06
8	JAIPUR	4871	2.57	803942	0.02
9	KANPUR	1131	0.60	170683	0.00
10	KOLKATA	10745	5.67	10656682	0.27
11	MUMBAI	33761	17.80	733316776	18.50
12	NAGPUR	1033	0.54	182577	0.00
13	NEW DELHI	12436	6.56	3183266469	80.29
14	PATNA	1026	0.54	536401	0.01
15	TRIVANDRUM	559	0.29	119868	0.00
16	OTHERS	86037	45.37	19994511	0.50
	TOTAL	189646	100.00	3964716000	100.00

SHAREHOLDING PROFILE AS ON 31.03.2014



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, 2014 are as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in NSDL	3,94,91,78,833	99.61
Held in dematerialized form in CDSL	1,53,26,037	0.38
Physical	2,11,130	0.01
Total	3,96,47,16,000	100.00

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

xiv. Unclaimed Dividend

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

Sl.No.	Particulars of Dividend	Date of declaration of Dividend	Proposed date of transfer to IEPF*
1	Final Dividend for the year 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
13	Final Dividend for the year 2011-12	20.09.2012	19.10.2019
14	Interim Dividend for the year 2012-13	07.11.2012	06.12.2019
15	2nd Interim Dividend for the year 2012-13	13.02.2013	12.03.2020
16	Final Dividend for the year 2012-13	25.09.2013	24.10.2020
17	Interim Dividend for the year 2013-14	24.10.2013	23.11.2020
18	2nd Interim Dividend for the year 2013-14	10.02.2014	09.03.2021

* 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
7	Requests received during the year 2012-13	7	1,060	Nil	Nil
8	Pending as on 31.03.2013	27	2,480	Nil	Nil
9	Requests received during the year 2013-14	Nil	Nil	Nil	Nil
10	Pending as on 31.03.2014	Nil	Nil	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
Bacheli Complex
P.O. Bacheli
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

xviii. Investors having any complaints relating to company "other than Offer for Sale made by the Government of India" may register the complaint with M/s Aarthi Consultants Pvt. Ltd. at the following address:

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

xix. Investors having any grievance relating to "Offer for Sale made by the Government of India in March 2010" may register the complaint with M/s Karvy Computershare Pvt. Ltd. at the following address:

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

xx. Investor Relation Cell

The Investor Relation Cell is also looked after by Board Section. The Company organizes Investors / Analysts / Brokers meet at regular intervals. Corporate Presentation made to Investors / Analysts / Brokers are uploaded on the company's website and also informed to Stock Exchange. During the year under review, the company organized various Investors / Analysts / Brokers meet at Mumbai. Besides Investors / Analysts are interacting with management in person and over teleconference.

11. 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 / mines visit 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 Board of Directors approved the internal Whistle Blower Policy of NMDC. In terms of the said Policy, CVO NMDC has been designated as the Nodal Officer for implementation of Internal Whistle Blower Policy. The internal Whistle Blower Policy has also been uploaded on the intranet of the Company for information of all the employees.

12. 4th Annual Report on the working of the Audit Committee for the financial year ended 2013-14.

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 4th Annual Report on the working of its Audit Committee for the year ended 2013-14. The 4th Annual Report on the working of its Audit Committee was also approved by the Board of Directors at its 474th meeting held on 30.05.2014.

13. 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 one Independent Director. During the year under review two meetings of the Risk Management Committee was held. The minutes of the Board level Risk Management Committee are placed on the Board of NMDC at regular intervals.

14. NMDC's Code for Prevention of Insider Trading

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board of NMDC has approved the Code for Prevention of Insider Trading in Securities and Code of Corporate Disclosure Practices of NMDC. The Code for Prevention of Insider Trading is framed with an aim that the employees of the Company and his/her Dependents shall not derive any benefit or assist others to derive any benefit from the access to and possession of Price Sensitive Information about the Company which is not in the public domain.

15. Meeting of Non-official (Independent) Directors

In compliance with DPE vide Office Memorandum No. F. No. 16(4)/2012-GM dated 28th Dec 2012, a separate meeting of Non-official (Independent) Directors was held on 28.03.2014 without the attendance of Functional and Government Directors and members of management.

16. 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)**.

17. CEO / CFO certification

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


18. 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 491(D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

In compliance with Clause 491(D) of the Listing Agreement, all the Members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.



(Narendra Kothari)

Chairman-cum-Managing Director

Place : Hyderabad
Date : 30.05.2014

Annexure - III(B)

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

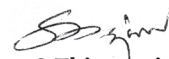
We, Narendra Kothari, Chief Executive Officer (CEO) and Chairman cum Managing Director (CMD) and S. Thiagarajan, Chief Financial Officer (CFO) and Director (Finance) of NMDC Limited, to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 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.



Narendra Kothari

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



S.Thiagarajan

Chief Financial Officer (CFO)
& Director (Finance)

Place : Hyderabad
Date : 30.05.2014

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 31st March 2014. 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 except in regard to the requisite number of Independent Directors on its Board as per Clause 49(A)(ii) of the Listing Agreement.

Place : Hyderabad.
 Dated : 30.05.2014.

For MARTHI & CO.
 COMPANY SECRETARIES


 S. S. MARTHI
 COMPANY SECRETARY
 F.C.S-1988 CP-1937

Annexure - IV

Management Discussion & Analysis Report for the year 2013-14

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 with diversification into Steel, Pellets and other value added projects. NMDC has been paying dividends for the last 24 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**

- Large reserves of high grade iron ore consisting principally of hematite ore with Fe content of predominantly > 64%.
- Largest domestic 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.
- Navratna status provide significant operational flexibility.
- 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 and international market including its equity shares forming part of prestigious NIFTY Index.
- 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 and strong in-house capability to undertake exploration.
- 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.
- Diversification into manufacturing of Steel, Pellets and other value added products.
- 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 and operationalized a Joint Venture Company viz. Kopano-NMDC Minerals (Pty.) Ltd. at Johannesburg, South Africa.

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.
- The company has not diversified beyond iron ore and steel sector. As such, any adverse impact on the mining/steel sector hits the profitability of the Company.

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. Construction of 3 MTPA Integrated Steel Plant at Nagarnar is going on in full swing. 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 and other value added projects.

- 3) Upgradation of Evacuation Infrastructure
Augmentation of evacuation infrastructure in the form of doubling of railway line between Jagdalpur and Kirandul and construction of a Slurry Pipeline.
- 4) Continue to be a low cost, efficient and environmentally friendly mining Company.
- 5) 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.
- 6) Financial powers for investment in new projects as a Navaratna Company.
- 7) Expand its international presence through the acquisition of Legacy Iron Ore Ltd., Australia and operationalization of Joint Venture Company, Kopano-NMDC Minerals (Pty.) Ltd., South Africa.

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.
- Regulatory issues arising due to judicial verdicts may also affect mining and allotment of mining leases.
- 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.
- 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	2009-10	2010-11	2011-12	2012-13	2013-14
Sale of Iron Ore	6,222.60	11,285.33	11,167.56	10,558.71	11,899.52
Sale of Diamonds	6.94	12.88	9.84	28.51	49.85
Sale of Wind Power	6.57	4.48	–	–	1.05
Sale of Sponge Iron	–	62.74	65.93	73.50	56.01
Sales-others	–	0.38	1.36	5.60	5.91
Income from Services	2.98	3.50	17.20	37.95	45.86
Turnover	6,239.09	11,369.31	11,261.89	10,704.27	12,058.20
PBT*	5,207.32	9,726.28*	10,759.70*	9,462.35*	9,760.96*
PAT	3,447.26	6,499.22	7,265.39	6,342.37	6,420.08
Dividend	693.82	1,308.35	1,784.12	2,775.30	3,370.01

* From continuing operations

Physical Performance of NMDC

Details	2009-10	2010-11	2011-12	2012-13	2013-14
Production:					
Production of Iron Ore WMT (In lakh tonnes)	238.03	251.55	272.60	271.84	300.25
Production of Sponge Iron (tonnes)*	–	38,962.00	37,260.00	36,289.00	29,734.00
Production of Diamonds (carats)	16,529.21	10,865.93	18,043.44	31,533.39	37,081.70
Sales:					
Sale of Iron Ore (in lakh tonnes)	240.85	263.15	273.01	262.74	305.00
Sale of Diamonds (carats)	7,335.34	18,421.22	8,085.00	17,862.57	43,487.63
Sale of Sponge Iron (tonnes)	–	39,775.00	33,731.79	37,599.54	30,572.34

Capital Expenditure during the year 2014 stands at Rs.2518 crores and has achieved an impressive trend.

4. Outlook

NMDC proposes to augment its production of iron ore from the present level of about 30 million to 40 million tonnes by 2014-15 and 52 million tonnes in 2020. It also embarked on value addition projects 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 stabilising from the recession and the company anticipates strong growth in all parameters. However, slowdown in China growth rates 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 and allotment of mining leases. Evacuation of iron ore is also a major area of concern.

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 300.25 LT of Iron Ore. In respect of diamond, the Company achieved production of 37082 carats. On the financial performance, the turnover of the Company for the year under review was Rs.12058 crores. PBT from continuing operations for the year under review was Rs.9761 crores. PAT for the year under review was Rs.6420 crores. Net worth of the Company was Rs.29983 crores.

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:

2009-10	:	5,895
2010-11	:	6,128
2011-12	:	5,924
2012-13	:	5,777
2013-14	:	5,664

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 ProgressED/EPS/GC/03
26th May 2014

Dear Stakeholders,

The United Nations Global Compact, is a call to companies everywhere to voluntarily align their operations and strategy with the ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption and to take action in support of UN goals and issues.

As you are aware, the UN Global Compact is also a leadership platform for the development, implementation and disclosure of responsible Corporate policies and practices. Launched in 2000, it is the largest corporate sustainability initiative in the world with over 12000 signatories based in 145 countries.

As the Millennium Development Goals (MDGs) 2015 deadline approaches, two sets of UN -led processes namely defining a post 2015 global development agenda and reaching an international climate agreement are ongoing. This presents to us, a rare occasion to shape the future of the global policy and the goals established will impact sustainability aspirations and actions for decades to come.

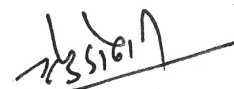
NMDC has been one of the earliest signatories and has also played an active role in the formation and growth of the Global Compact Network in India.

This year, as we stand at the threshold of an enormous global opportunity, I reiterate our commitment to the cause of UN Global Compact.

It is clear that future sustainable development priorities - inclusive growth, social equality and environmental protection- are inextricably linked to the long term goals of business- revenue growth, resource productivity and risk management. I assure you that NMDC will utilize this framework to advance the common goals.

With warm regards,

Yours sincerely



Narendra Kothari
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.
- Training coverage is 69.3% of employees. Training mandays as % of working mandays is 3.93.
- 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 2014, NMDC has awarded suitable mementos to (a) 134 employees (cumulatively 7196) who have rendered 20 years' service; (b) 126 employees (cumulatively 5966) who have rendered 25 years' service; (c) 118 employees (cumulatively 5430) who have rendered 30 years' service (d) 95 employees (cumulatively 1636) who have rendered 35 years' service by organizing suitable function.
- 212 employees (cumulatively 4231) who retired from service certificates and suitable mementos during farewell parties, specially arranged in their honour, in appreciation of their service to NMDC. 163 employees (cumulatively 1410) who retired after putting in 30 years service in NMDC were awarded special mementos.

Performance during the year 2013-14

- NMDC is providing complete health care to its employees and the members of their families.
- The injury frequency rate was 2.08. Mandays lost on account of accidents were 597.
- Housing has been extended to all its employees. In addition, house building advances were given to 06 employees (cumulatively to 2262 employees).

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 2013-14

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 and Executives have their own associations at unit level and at the Corporate office.

Actions

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

Performance during the year 2013-14

- All the workmen are subject to collective bargaining agreements and the supervisors and executives are governed by understanding/ consultations.
- No mandays were lost during the year because of rift or strike by employees due to the effectiveness of Collective Bargaining.
- The unanimous decisions taken at the Joint Committees are implemented and monitored.
- A historic wage settlement was signed during the year increasing the pay package of all workmen.

Principle 4:

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

Commitment

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

Systems

- No employee is required to deposit any sum of money for employment in NMDC.
- A service bond is insisted upon from only such of those employees who have been posted abroad. The bond period is for two years or a nominal amount of Rs.2,00,000/-
- Any employee joining the Company should declare that he or she is not an insolvent.

Actions

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

- Printed copies of Service Regulations and other rules are distributed to all Units for reference and use by every employee.
- The workmen in particular are given a copy of the certified Standing Orders precisely containing their general terms and conditions governing service conditions.
- 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 2013-14

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 2013-14

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

Principle 6:

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

Commitment

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

Systems

- The Constitution of India, under Article 15, unambiguously prohibits discrimination on grounds of religion, race, caste, sex or place of birth.

- As a Government Company, NMDC is bound to follow the Government directives, which are abundantly clear against any discrimination in any matters.
- As a measure of protecting and improving the conditions of the downtrodden, special provisions have been made in terms of the Government directives in respect of candidates belonging to Scheduled Caste, Scheduled Tribe and Backward class, both in recruitment and promotion.
- NMDC Recruitment and Promotion Rules provide for qualifications, skill and experience required for candidates for recruitment and promotion at various levels.
- The grievance procedure in the Company is designed in a very simple and easy to handle way for the employees to get grievances, if any, to be resolved quickly.
- Unions and Associations representing the various levels of employees have easy access to the management to discuss and resolve discriminations, if any, quickly and effectively.

Actions

- The Company periodically assesses and evaluates job contents and job requirements.

Performance during 2013-14

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, 2014 the manpower position was :

- Total number of employees 5664
- Scheduled Caste employees 995 (17.57%)
- Scheduled Tribe employees 1219 (21.52%)
- Backward Class employees 855 (15.10%)
- Men : Women ratio 18.5 : 1

Principle 7:

Business should support a pre-cautionary approach to environmental challenges.

Commitment

As a responsible corporate citizen, NMDC Ltd believes in maintaining ecological balance and NMDC is committed to ensure that its environmental systems and practices are aligned with international best practices such as the ISO: 14001-Environmental Management System standard. All major production projects of NMDC i.e Bailadila Deposit-5/10A, Bailadila Deposit-14/11C, Donimalai Iron Ore Project and Diamond Mining Project, Majhgawan, Panna have

accredited with ISO: 14001. This standard enables NMDC to manage its environmental impacts while adhering to the requirements not only of the standard itself but also to those of national and international norms, legislation, and regulations. It also forms the foundation for continuous improvement in environmental performance.

Sustainable Development Policy

1. We, at NMDC, aim at being responsible miners with commitment to sustainable

development in all our locations. We ensure that the sustainable development ethos are considered and integrated in all our decision making processes and business planning.

2. We believe that market competitiveness on a long run can be achieved only by adopting the best practices of health, safety and environmental management, community management, and actively engaging our stakeholders in addition to the economic performance of the organization.
3. We comply in full with the laws and regulations where we operate. We aspire to be a benchmark by adopting international standards in the field of Sustainable Development.
4. NMDC Sustainability Policy is integrated with Environmental Policy, Occupational Health and Safety Policy, Community Development Policy and together they provide the broad framework for driving business in a responsible manner.

System :

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

- Environmental norms as laid down by the Ministry of Environment and Forests, and the State and the Central Pollution Control Boards are meticulously followed.
- Regular physical monitoring for all environmental parameters, like micro-meteorology, ambient air quality, surface and ground water quality and ground water levels, work zone and ambient noise levels and soil quality.
- Detailed Bio diversity conservation studies, carbon foot print, Energy audits.
- 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 Dy. General Manager has been positioned to extensively monitor and effectively implement environment management programmes.
- Separate Cells at production projects have been set up with qualified and experienced Environment Scientists/Engineers.
- Expert organizations in the area have been engaged to measure and report periodically the various parameters.

Pollution Control Measures Covered

- Judicious and scientific planning of direct excavation, waste rock dumping and sitting infrastructure areas.
- Restricting use of forestlands to the barest minimum level.
- Constructing ameliorative measures like buttress walls, digging contour trenches, biological reclamation of waste rock dumps, etc. to minimize land erosion.
- Construction of check dams, Effluent Treatment Plant, Sewage Treatment Plant for treating effluents from service centers, Auto shops, etc to avoid water pollution.
- 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 PM10, PM2.5, ,SO2, NOx, CO, dust fall rate in ambient air, water quality as per IS standards in respect of oxidation pond, discharge water from auto shops and service centers, tailing dam discharge water etc., on regular basis following the statutory acts and their amendments of the GOI viz.
- Regular monitoring of ground water levels and quality.
- Preparation and timely submission of six-monthly reports to MOEF, GOI Regional offices and annual environmental audit reports to respective state pollution control boards.
- Creating environment awareness amongst all the employees and their children and the local population through celebration of Mines Environment & Mineral Conservation (MEMC) week under the aegis of Indian Bureau of Mines & World Environment Day celebrations.
- Basic and refresher Training of employees for environmental consciousness by conducting regular classes under mines Vocational Training Rules.
- Undertake of peripheral village community development works like improving roads, constructing school buildings, community halls, distributing books and stationery, extending schooling and medical facilities available in the project townships to the local people including adivasis as well.
- Providing safe drinking water to the township dwellers and extending drinking water supply to population of neighbouring villages.
- Obtaining consents for establishment and operation of mines / plants from the respective state pollution control boards.
- Obtaining environmental clearances for new / expansion projects from central Govt.
- Obtaining forestland clearances for renewal / fresh grant of mining leases.
- Massive afforestation drive through social forestry division of the local forest department.
- Stabilization of all the passive waste rock dumps and mined out areas.

Performance during the year 2013-14

- Obtained E.C on 5/11/2013 for construction of 12.0 MTPA Capacity Screening Plant-III and associated facilities at Kirandul from MoEF, Gol.
- Successfully completed EIA/EMP process in r/o Shahpur U/G Coal Mining Projects at EAC, MoEF on 13/12/2013 and receipt of E.C is awaited.
- Submitted applications for obtaining Environmental Clearances for (i) construction of 10 MTPA Screening Plant-II at Donimalai (ii) 4.0 MTPA Beneficiation plant at Bacheli along with slurry pipeline from Bacheli to Nagarnar and (iii) 2.0 MTPA Pellet plant at NISP, Nagarnar.
- Obtained approval for wildlife conservation plan for entire Dantewada forest division.
- Obtained Forest permission for undertaking P.L. works in Rampura, Motwa, Baghain and Sarang Diamond PLs in M.P.
- State Environmental Appraisal Committee meeting in respect of NISP Nagarnar was

- successfully conducted on 5.3.2014 and the committee has approved for EC.
- Environmental Appraisal Committee meeting in respect of Beneficiation Plant and slurry pipeline was successful and TOR obtained.
 - Necessary formalities for diversion of 9.199 ha of forest land in East Block and 35.263 ha of forest land for west block in respect of Shahpur Coal Block was completed and the application is with CCF, Shahdol for approval.

Principle 8:

Business should undertake initiatives to promote greater environmental responsibility.

Commitment

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

NMDC's Sustainable Development Policy states, we shall therefore endeavour to:

1. We, at NMDC, aim at being responsible miners with commitment to sustainable development in all our locations. We ensure that the sustainable development ethos are considered and integrated in all our decision making processes and business planning.
2. We believe that market competitiveness on a long run can be achieved only by adopting the best practices of health, safety and environmental management, community management, and actively engaging our stakeholders in addition to the economic performance of the organization.
3. We comply in full with the laws and regulations where we operate. We aspire to be a benchmark by adopting international standards in the field of Sustainable Development.
4. NMDC Sustainability Policy is integrated with Environmental Policy, Occupational Health and Safety Policy, Community Development Policy and together they provide the broad

framework for driving business in a responsible manner.

Systems

- Environmental aspects are carefully considered and appropriately incorporated at the planning stage of a project itself.
- Training programmes are arranged for employees on environmental awareness.

Actions

- NMDC is implementing ISO 14001:2004 environment systems management standard and OSHAS 180001 in its major production mines.
- Water used for washing of ore is reclaimed for re-use.
- The electricity generated in the downhill conveyors is fed back into the grid, thereby reducing the draw of electricity from the main grid at its projects in Bailadila and Donimalai.
- Distributed/displayed printed copies of the Environmental Policy of the Company among its employees and local communities.

Performance during the year 2013-14

- As against the permissible limit of 120 microns per cu m of SO₂ and Nox in

ambient air, the values actually encountered at NMDC's mines were less than 30 microns per cu.m and carbon monoxide was observed to be below the detectable limit of the approved instruments.

- About 25% of the annual consumption of different lubricants in NMDC mines was disposed of to agencies duly authorized for recycling as per HWM Rules and its amendments issued by the Ministry of Environment and Forests, Government of India.

Principle 9:

Business should encourage the development and diffusion of environmentally friendly technologies.

Commitment

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

NMDC's Environmental Policy states

- 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 are 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 2013-14

Sustainable Development Performance

In compliance with GoI, Department of Public Enterprises, New Delhi guidelines on Sustainable Development (S.D) for central public sector enterprises (CPSE's) for the purpose of performance evaluation under MoU system, the company has chosen S.D. Projects / activities such as Carbon Management, Water Management and Training on S.D. The status of each project is given below:

(i) Training programme on S.D.

The company has engaged M/s. P.E. Sustainability Solutions Pvt Ltd., Bilai for imparting the S.D training programme covering a total of 5 training sessions amounting to 22 days and 400 employees at all projects of the company.

(ii) Energy Management

The Energy Conservation Options as recommended by the COPES are implemented at all projects of the company for becoming more energy efficient.

(iii) Carbon Management

The company has undertaken Carbon foot print studies at all Iron ore projects through M/s. First Climate India Pvt Ltd., Kolkata for the year 12-13 & 13-14. The company has achieved 2.5 percent reduction in carbon footprint over the previous years. The expenditure incurred

(iv) Water Management

Work awarded to M/s. Dee Tech Projects Pvt

Ltd., Chennai for construction of STP based on SBR Technology at Bachelu at a total cost of Rs.6.61Cr. The work is under progress. The treated water shall be re-used recycled.

(v) Soil & Water conservation

The company has executed soil & water conservations works in and around Kirandul complex through State Forest Department at a cost of Rs.2.20cr

Principle 10:

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

Commitment

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

Systems

- The Vigilance Dept. at the Corporate Office is headed by Chief Vigilance Officer and assisted by Vigilance Officers drawn from various branches. At each of the Projects, there is a Vigilance Officer who is assisted by another 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 monitored.
- The Chief Vigilance Officer has been nominated as the 'Nodal Authority' to receive complaints.

Actions

- Action Plan for the year 2013-14 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 2013-14 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.
- 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 ensure that no vested interests are developed.

Performance during the year 2013-14

NMDC Vigilance Department had taken several initiatives during the year. Various programmes 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 well defined systems and procedures. The vigilance functionaries at the projects have conducted regular training classes for the employees on the vigilance matters. Executives of Vigilance Department were sent for training / workshops being organized in India as well as abroad (Kathmandu) by various organizations like Delhi Productivity Council, New Delhi on the "Role and functions of Vigilance and Disciplinary Proceedings" during Dec, 2013.

As per the Action Plan, surprise and regular checks were conducted besides study of files. Irregularities and omissions under the provisions of the rules are identified and improvements in the systems are suggested. Based on the observations of Vigilance, recoveries were made from the contractors bills for not conforming to the contractual terms. During the year, 72 surprise checks, 72 regular inspections and 24 CTE type inspections were conducted.

Complaints received were taken up for investigation and necessary disciplinary action wherever required was recommended.

A Training Programme for the new incumbents was conducted at the CBI Academy, Ghaziabad so that they acquaint themselves with the processes & procedures to help them in discharging their duties as Vigilance Officers.

As part of implementation of "Leveraging of Technology for transparency" in all the transactions, information about limited tender enquiries above Rs. 30 lakhs, details of contracts concluded above Rs. 10 lakhs, works awarded on nomination basis, single tender basis above Rs. 1 lakh, information regarding bill payments to the contractors etc., are provided on the company's website. Efforts to encourage e-procurement, e-tender, e-auction are

being made continuously. E-procurement cell in the Engineering Department has been set-up recently in November 2013.

NMDC has adopted implementation of Integrity Pact since November, 2007. The threshold limit of Rs.20 crores in case of civil works and contracts and Rs. 10 crores in case of procurement is being followed. Till date, the Integrity Pact has been entered into 75 tenders with a value of Rs.20,131.65 crores. As such, more than 90% of the value of the contracts are covered under Integrity Pact.

Vigilance Department in NMDC is certified under ISO 9001:2008 conforming to the Quality Management System. It has been certified as per ISO standards since October, 2006 by Integrated Quality Certification Private Limited, Bangalore. For re-certification of Quality Management System (QMS) of Vigilance Department, M/s. TQ Services conducted an external audit was conducted on 19.10.2013 and ISO certificate was extended upto 09.02.2016.

Vigilance dept. brought out its In-house quarterly magazine "Sphoorthy" from the year 2013 - 14, the

inaugural issue published being released during the Vigilance Awareness Week 2013.

The Vigilance Awareness Week was observed from 28.10.2013 to 02.11.2013 with the theme "Promoting Good Governance - Positive Contribution of Vigilance". A talk on "Good Governance" by Justice N. Santosh Hegde, Former Lok Ayukta, Karnataka was organized. During the week, a workshop on "Good Governance" for officers of NMDC from all across the units of NMDC was conducted by Shri M.N. Rao, Director, Centre for Good Governance, Hyderabad. On the concluding day, a lecture by Dr. Y.R.K. Reddy, Advisor and Professional Speaker in Corporate Governance Policy was organized.

A training program was also organized in March, 2014 by the Vigilance department through M/s TQ Services of Tata Projects Ltd. on "Welding and Painting Inspection" at NISP, Nagarnar for the benefit of our officers who are directly handling supervision of fabrication, quality, monitoring and conducting inspections at the vendor sites, site inspections etc.

Business Responsibility Report**Section A: General Information about the Company**

1. **Corporate Identity Number (CIN) of the Company** L13100AP1958G01001674
2. **Name of the Company** NMDC Limited (NMDC)
3. **Registered address** Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028
4. **Website** www.nmdc.co.in
5. **E-mail id** ims@nmdc.co.in
6. **Financial Year reported** April 1, 2013 - March 31, 2014
7. **Sector(s) that the Company is engaged in (industrial activity code-wise): The Company is engaged in exploration and production of Iron Ore along with Diamond, production and sale of Sponge Iron and generation and sale of Wind Power.**

Description	Group	Class	Sub Class
Mining of Iron Ore	071	0710	07100
Mining of Diamond	089	0899	08991
Manufacture of Sponge Iron	241	2410	24102
Electric power generation (wind)	351	3510	35106

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

Iron Ore, Diamond and Sponge Iron

9. **Total number of locations where business activity is undertaken by the Company**

Number of National Locations : Four (4) - Chhattisgarh, Karnataka, Madhya Pradesh and Andhra Pradesh

10. **Markets served by the Company - Local/State/National/International: NMDC serves the National market and also the International market by exporting iron ore to countries like China, Japan and South Korea.**

Section B: Financial Details of the Company

1. Paid up Capital (INR)	396.47 crores
2. Total Turnover (INR) (Total Income)	12,058 crores
3. Total profit after taxes (INR)	6,420 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Allocation for CSR: INR 171.05 Cr Actual Expenditure on CSR : INR 152.85 Cr; 2.38 (%)

5. List of activities in which expenditure in 4 above has been incurred:

NMDC has framed a comprehensive CSR policy for addressing its objectives, focus areas, organizational mechanism, guidelines for identifying the CSR activities along with the implementation and monitoring strategies. The policy also addresses in detail the budgetary allocation, approval methodology and fund utilization mechanism. The major areas in which expenditure has been incurred are as listed below :

- Education
- Drinking water
- Health and hygiene
- Free medical Treatment
- Infrastructure (Roads and bridges, Integrated development of villages and Environment)
- Financial assistance (Natural calamities and sports orgs/Events)
- Rural Development
- Miscellaneous (Skill development)

Section C: Other Details

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

Yes. NMDC has five subsidiary Companies, viz;

- J&KMDC Limited
- NMDC-CMDC Limited
- NMDC SARL, Madagascar
- NMDC Power Limited
- Jharkhand National Mineral Development Corporation Limited

2. Do the subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s).

NMDC keeps all its subsidiaries informed about the Business Responsibility initiatives. It also encourages its subsidiaries to participate in such initiatives.

3. Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No.

Section D: Business Responsibility Information

1. Details of Director / Directors responsible for BR

a) Details of the Director/Director responsible for implantation of the BR Policy /Policies

DIN Number	02455894
Name	Shri Narendra K. Nanda
Designation	Director (Technical)

b) Details of the BR head

S.No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Shri Kumar Raghavan
3	Designation	Company Secretary and Executive Director
4	Telephone number	040-23538757
5	Email-id	kumarraghavan@nmdc.co.in

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

		Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate link for the policy to be viewed online	Yi	Yii	Yiii	Yiv	Yv	Yvi	Yvii	Yviii	Yix
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y#	Y#	Y#	Y^	Y#	Y^	Y#	Y^	Y#

* All the policies are embed and aligned to ISO 14001:2004 (Environmental management systems), ISO 9001:2008 (Quality management systems) and OHSAS 18001:2007 (Occupational health and safety), United Nations Global Compact, Corporate Environmental Policy and CSR policy.

(i) Memorandum of understanding between NMDC Limited and Transparency International (India) TII (ii), (v), (vii),(ix) <https://www.nmdc.co.in/Handlers/DownloadCommunicationOnProgress.ashx?ID=65243eb7-5ad1-4ba5-9fd8-24fa0012c626> (iii) <https://www.nmdc.co.in/Docs/Service%20Regulations.pdf> (iv) <https://www.nmdc.co.in/CSR/Default.aspx> (vi) <https://www.nmdc.co.in/EnvironmentalMgmt.aspx> (viii) <https://www.nmdc.co.in/CSR/Default.aspx>

Internal; ^ External

2a. If answer to S. No. 1 against any principle is 'No', provide explanation:

Sl.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

NMDC assesses the BR performance through its Board level Sustainable Development Committee meetings. The Chairman-cum-Managing Director of NMDC communicates the performance of the NMDC on the ten principles of the International framework 'United Nations Global Compact' annually.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

NMDC has been one of the earliest signatories to the United Nations Global Compact Network and has also played an active role in the formation and growth of the network in India. Please see the below hyperlink for more information on the NMDC's performance and actions taken on the 10 principles of United Nations Global Compact.

<https://www.nmdc.co.in/Handlers/DownloadCommunicationOnProgress.ashx?ID=65243eb7-5ad1-4ba5-9fd8-24fa0012c626>

NMDC has published its CSR policy along with monthly update on CSR Activities valuing INR.2 lakhs & above on its website. Please see below given hyperlink for more information:

<https://www.nmdc.co.in/CSR/Default.aspx>

NMDC also publishes its Corporate Environmental policy along with monthly environmental progress reports for its project sites on its website. Please see the below hyperlink for more information on the environmental progress reports.

<https://www.nmdc.co.in/EnvironmentalMgmt.aspx>

Section E: Principle-wise Performance

Principle 1: Ethics, transparency and accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

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

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

Around 95 shareholder complaints have been received in the financial year 2013-14 and all of them have been successfully resolved. NMDC has formulated its Whistle Blower Policy to achieve the highest possible standards of ethical, moral and legal business conduct and also to strengthen its commitment to open and transparent communication.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

NMDC employs sustainable mining practices and production processes for all its three products viz; Iron Ore, Diamond and Sponge Iron. It ensures to implement appropriate environmental measures in all its mining operation phases to safeguard the environmental parameters such as air, water, land, noise and biodiversity. NMDC wishes to embark on low carbon growth trajectory of its operations. Few of the measures taken in this respect are : recycle and reuse of water for beneficiation, construction of ameliorative measures like buttress walls, Afforestation in Bailadalia region, secondary waste treatment at Bachel, Bailadila for recycling of treated water in the process, digging contour trenches and biological reclamation of rock waste dumps to minimize land erosion and, construction of check dams, effluent treatment plant, sewage treatment plant for treating effluents to avoid water pollution.

Along with safeguarding the environment, it also supports the local community along its mining belts. NMDC has formulated its CSR policy, has constituted its CSR committee which identifies the focus areas and CSR activities. The CSR team consults the local community around its mining belts and identifies the major focus areas for implementing various CSR activities, also in line with the schedule VII of section 135, Companies Act. It has contributed to the society by implementing community development projects /activities such as building of residential schools and hostels, operating 'hospitals on wheels', conducting medical camps, providing free treatment to local tribals, electrification of villages, Integrated Village Development programmes, Education Improvement programmes, establishment and operation of one Polytechnic College and 2 Nos. ITIs are some of the key initiatives.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

- i. Reduction during sourcing / production / distribution achieved since the previous year

NMDC believes in optimum consumption of its electricity, fuel oil, lubricant oil and water. It sets targets for specific consumption of water and energy, to achieve the target it conducts energy audits for all its project sites. The energy audits help to identify and prioritise the energy efficient technological measures and savings opportunities. The specific energy consumption at the project sites is seen to be improving with the implementation of few of the energy efficient, measures. Even though the specific water consumption is low as compared to electricity, NMDC believes in water management, the secondary waste water treatment at most of the project sites is treated, recycled and used in the process.

- ii. Reduction during usage by consumers (energy, water) achieved since the previous year

The volume of NMDC's final product is bulk in nature and gets complex to track the reduction during usage by consumer. However, it sensitizes the use of water and energy where ever possible.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, NMDC employs sustainable sourcing practices. It utilizes Alternative Fuels and Raw Materials (AFR) which help to conserve natural resources and encourages procurement through vendors who adopt sustainable practices. While the transportation is concerned, most of the bulk materials are transported by rail. NMDC has also made proper arrangements to control dust emissions during loading and unloading of the raw material and finished product(s) at the sites.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Yes, NMDC Supports and encourages the participation of local and small vendors in procurement of goods and services. It takes steps to improve the capacity and capability of local and small vendors. During FY 2013-14, NMDC has participated in national level and state level vendor development programme conducted by ministry of MSME, Hyderabad. It has also attended vendor development programme conducted by MSME Vishakhapatnam, Raipur and Mysore wherein prospective MSE's were explained of the requirement and invited applications for vendor empanelment from the interested MSEs.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.

Yes, NMDC employs safe, scientific and environmental friendly methods of mining and mineral processing. It strives to apply the 3R policy (reduce, re-use and recycle) to its waste management plan with the aim of avoiding potentially harmful environmental and social impacts, during both the operational and post-closure phases. NMDC's mining sites are expected to continually research, develop and implement productivity improvement measures and waste reduction initiatives along with exploring the re-use of by-products. Different lubricants in NMDC mines are disposed of to the agencies duly authorized for recycling. It has also set its target to treat, recycle and reuse its secondary waste water from the mining operations.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees (as on 31.3.2014) :

Total: 5664; Category wise breakup is shown below:

Executives: 1162, Jr.Officers:309, Workmen: 4193

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

Contract Labour: 6995

3. Please indicate the number of permanent women employees:

There are 290 permanent women employees.

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

There are 40 permanent employees with disabilities

5. Do you have an employee association that is recognized by Management?

Yes,

- Majority of the unions at project level have formed an independent apex body called All India NMDC workers federation (AINMDCWF).
- Supervisors have their own association (NMDC Supervisors' Association) at unit level and at corporate office.
- Executives have their own association (NMDC officers' Association) at unit level and at the corporate office.

6. What percentage of your permanent employees are members of this recognized employee association?

All our permanent employees (100%) are members of their respective recognized employee association

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

There have been nil complaints with regard to child labour, forced labour, involuntary labour, and sexual harassment in the FY2013-14.

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

The safety training of the employees is a vital component of the Occupational Health and Safety Policy at NMDC. As the motto of NMDC goes 'A safe mine is a productive Mine'. The target is to achieve zero accident with optimum use of human resources, materials & machines with higher production/dispatches.

The training statistics are given below for the FY 2013-14:

- The percentage of employees trained to the total number of employees is 6919
- Training man days per employee per year is 3.93
- Safety Training: Initial / Basic training :30 (workmen) , Fire Fighting Training : 608 (Workmen)
- Persons trained for multi-skilling /skill up gradation is 332

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes, NMDC has mapped its internal and external for the purpose of stakeholder engagements. The key categories are as below:

- Government and Regulatory Authorities
- Customers
- Investors
- Employees
- Local Community
- NGO's and other stakeholders

NMDC engages with the identified stakeholders and communicates its major environmental, social and community development initiatives in different forms and also considers the stakeholders feedback in planning future initiatives and programmes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, NMDC has identified the disadvantaged, vulnerable and marginalized stakeholders with the help of socio-demographic data of the community through base line surveys conducted as the part of its CSR policy objectives.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, some of the major CSR activities implemented by NDMC which have benefitted the disadvantaged, vulnerable and marginalized stakeholders are mentioned below:

- During the academic year 2013-14, 40 students under the 'Balika Siksha Yojana' , a initiative to benefit tribal girls of Bastar Region, were given sponsorship. The Operation of Mobile IT van in Gonda area of Uttar Pradesh for imparting computer literacy to 575 school students over a period of 3 months.

- The Farmer's development scheme for tribal farmers at Dantewada was taken up in partnership with Chhattisgarh State Government. The scheme provides fencing to farmers land, digging of bore wells & installation of pumps.
- A Girls hostel for SC/ST at Ongole and Guntur has been constructed in Partnership with Govt.of AP.
- The Construction of 'Shanti Dham', a home for destitute, mentally challenged and the old in Bellary District in partnership with Govt.of Karnataka.

Principle 5: Businesses should respect and promote human rights

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

NMDC supports the Universal Declaration on Human Rights and the United Nations Global Compact.. It stands committed to protecting human rights in its workplaces and of its subsidiaries.

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

There have been nil cases of human right violation during the FY 2013-14.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The environmental management at NMDC is governed by its Corporate Environmental Policy. The policy extends to NMDC and its subsidiaries.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

Yes, NMDC understands and recognizes the implications that climate change would have on its business, environment and community. NMDC has framed policies around the climate change and other global environmental challenges. It stands committed in promoting greater environmental responsibility in mining and processing of minerals for sustainable development. The environmental management at NMDC is governed by its Corporate Environmental Policy. The Policy outlines its commitment to prevention and control of environmental pollution, conserve the natural resources, monitor and ensure compliance, continual environmental performance improvement, safeguarding the environment, educating its employees and communities about the environmental commitments. NMDC believes that Greenhouse gas emissions are one of the key concerns of "cost to environment" for modern business, it wishes to Embark on low carbon growth trajectory in its operations. An NMDC measure, records, calculates and reports on its greenhouse gas emissions every financial year. Also, NMDC being a signatory to the 'United Nations Global Compact, it reports on its environmental performance annually under the defined principles of UNGC. The hyperlinks to view the Corporate Environmental Policy and UNGC principles are given below.

<https://www.nmdc.co.in/EnvironmentalMgmt.aspx>

<https://www.nmdc.co.in/Handlers/DownloadCommunicationOnProgress.ashx?ID=65243eb7-5ad1-4ba5-9fd8-24fa0012c626>

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

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

NMDC project sites are certified to ISO 9001: 2008, ISO 14001: 2004, OHSAS 18001- 2007 and as a part of requirements of ISO -14001 EMS (IMS): 2004 carries out aspect-impact studies for all the activities and operations for identification of critical activities for setting objectives and targets. The system is audited biannually through third party auditors (apart from the periodic audits carried out by certified internal auditors) to verify adequacy and effectiveness of the system and to identify changes if any required in objectives, targets and management plan.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, NMDC has a project related to Clean Development Mechanism. It's a 10.5MW Wind Project, initiated in 2009. The project has been registered with the United Nations Framework Convention for Climate Change (UNFCCC).

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? Y / N. If yes, please give hyperlink to web page etc.

Yes, NMDC being a signatory to UNGC, stands committed in encouraging the development of environment-friendly technologies along with its Corporate Environmental Policy. Also, NMDC's research and development centre has earned rare distinction of competence of undertaking technology development mission related to efficient mineral processing. To know more about the initiatives, please see the hyperlink given below:

<https://www.nmdc.co.in/EnvironmentalMgmt.aspx>

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes. All emissions & wastes generated by NMDC are monitored on a regular basis and are within permissible limits as specified by CPCB/SPCB. Also, the returns are filed regularly to the statutory authorities as per requirement.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

Yes. NMDC is a member of various trade and chambers /associations. The key associations are mentioned below:

- International Framework 'United Nations Global Compact'
- Confederation of Indian Industry (CII)
- Federation of Indian Mineral Industries, New Delhi
- All India Management Association, New Delhi
- Federation of Indian Export Organization, Chennai

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

Yes, following are the broad areas:

- Sustainable Mining Practices
- Energy Conservation
- Inclusive Development

Principle 8: Businesses should support inclusive growth and equitable development

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

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

Literacy and Education

- NMDC's Siksha Sahayog Yojana
- Balika Siksha Yojana
- Polytechnic College at Dantewada
- Education Improvement program in 84 Primary Schools in south Bastar, Dantewada Dist, CG
- Operation of Mobile IT Van in UP
- Education improvement program

Healthcare

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

Infrastructure

- Construction of roads and Bridges
- Electrification of villages and provision of solar street lights
- Construction of houses for slum dwellers
- Provision of drinking water and Installation of hand pumps
- Farmers development scheme

Rural Development

- Integrated Village Development in 18 villages in south Bastar, Dantewada Dist.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

NMDC takes up various CSR activities through an internal team as well as in partnership with nongovernmental organization (NGO's), State /District Authorities and Trusts depending on the specifications of the activity proposed. The CSR initiatives taken up through partnerships are evaluated and monitored jointly by the CSR department and the partnering organization.

3. Have you done any impact assessment of your initiative? Give details

Yes. The impact assessments of the major CSR initiatives of NMDC have been carried out by a third party. The assessment has been carried out individually of all the major identified project activities under Education, Health and Infrastructure. The third party has assessed the impacts, recorded the observations and recommended suggestions.

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

NMDC has spent an amount of INR 152.85 crores in development projects as under in FY 2013-14 broadly under the following heads:

Category

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

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, the CSR team at NMDC takes project feedback from the beneficiaries to know its impact or scope for improvements if any. Also, the impact assessment carried out by a third party along with the NMDC CSR team for its major CSR initiatives captures the effectiveness of the community development projects and reactions of the community people towards the initiative.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

There have been nil customer complaints pending in FY 2013-14.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

Not Applicable. NMDC's product being a bulk commodity, it is not feasible to put product labels. The product specifications are being displayed on the company's website. To know more about the product specifications. Please see the below hyperlink:

<https://www.nmdc.co.in/Products.aspx>

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.**

There is no case pending against NMDC as of end of financial year 2013-14.

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

Yes, NMDC carries out Customer Satisfaction Survey every year at all its Iron Ore Projects against various parameters described in the ISO format of 10 Point Scale. It has incorporated 'Customer Satisfaction Index' in its MoU with Administrative Ministry, being signed every year. The Customer Satisfaction Index during FY 2013-14 works out to 9.61.

Disclaimer / 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)

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Operating Statistics:										
Production @										
1 Iron Ore (WMT) (in lakh tonnes)	300.25	271.84	272.60	251.55	238.03	285.15	298.16	262.25	229.23	207.40
2 Diamonds (Carats)	37082	31533.39	18043.44	10865.93	16529.21	0	0	1703.00	43878	78217
3 Sponge Iron (in tonnes)	29734	36289	37260	38962						
Sales										
1 Iron Ore (WMT) (in lakh tonnes)	305.00	262.74	273.01	263.15	240.85	264.72	281.84	255.89	248.45	232.22
2 Diamonds (Carats)	43488	17863	8085	18421	7335	0	2632	14588	48825	86257
3 Sponge Iron (in tonnes)	30572	37600	33732	39775						
Financial Statistics:										
Income										
1 Sales Iron Ore	11899.52	10558.71	11167.56	11285.33	6222.60	7559.11	5705.32	4170.92	3669.47	2180.58
2 Sales Sponge Iron	56.01	73.5	65.93	62.75						
3 Sales Diamonds	49.85	28.51	9.84	12.88	6.94	0.00	3.75	10.60	35.69	43.82
4 Sale of Power	1.05	0	0.00	4.48	6.57	2.22	0.00	0.00	0.00	0.00
5 Sales Others	5.91	5.6	1.36	0.00	0.00	0.08	0.09	1.34	2.22	2.15
6 Income from services	45.86	37.95	17.20	3.50	2.98	2.62	2.15	2.98	3.54	3.44
7 Other Income	2094.52	2238.87	2016.49	1205.70	861.71	884.04	670.53	354.69	199.93	105.28
8 Stock Adjustments	14.27	184.33	22.72	113.17	-1.90	127.39	30.17	-6.49	4.42	-3.75
	14166.99	13127.47	13301.10	12687.81	7098.90	8575.46	6412.01	4534.04	3915.27	2331.52
PROFIT										
1 Profit before depreciation, Interest & Taxes	9865.98	9616.84	10891.12	9848.69	5280.48	6721.79	5007.47	3578.33	2883.82	1287.49
2 Depreciation	104.93	138.52	130.17	121.52	73.16	73.56	60.00	80.02	113.69	63.84
3 Interest	1.85	13.20	1.48					0.00	0.00	0.00
4 Profit before tax	9759.20	9465.12	10759.47	9727.17	5207.32	6648.23	4947.47	3498.31	2770.13	1223.65
5 Taxes	3339.12	3122.75	3494.08	3227.95	1760.06	2275.85	1696.49	1178.10	942.33	468.21
6 Profit/Loss after depreciation Interest & Taxes	6420.08	6342.37	7265.39	6499.22	3447.26	4372.38	3250.98	2320.21	1827.80	755.44
7 Dividend	3370.01	2775.30	1784.12	1308.35	693.82	876.20	651.53	465.19	365.57	151.32
FINANCIAL POSITION										
1 Equity (^)	396.47	396.47	396.47	396.47	396.47	396.47	132.16	132.16	132.16	132.16
2 Reserves & Surplus	29591.83	27114.49	24009.89	18818.05	13875.96	11240.44	8157.49	5668.77	3882.32	2471.36
3 Gross Fixed Assets	2769.91	2581.95	2388.12	2272.82	1771.14	1669.17	1421.40	1304.15	1259.68	1176.78
4 Net Fixed Assets	1362.28	1264.66	1188.80	1099.26	787.15	746.63	568.06	504.90	530.16	537.44
5 Other Assets(intangible) \$	5.37	6.24	10.07	14.45	16.78	22.20	24.55	26.80	29.95	34.75
6 Capital Work-in-Progress	5276.89	3236.09	1494.16	677.17	561.29	248.31	111.83	112.97	56.16	31.47
7 Current Assets	23861.19	25592.18	23195.21	19171.56	14263.61	11771.02	8282.70	5525.84	4742.14	2804.78
8 Current Liabilities	1340.82	3235.68	2105.13	1780.72	1347.66	1164.75	774.76	417.36	1399.32	866.64
9 Deferred Tax Asset	-107.25	-104.49	-100.09	-102.88	-84.88	-58.04	-6.01	-26.60	-18.46	-12.13
10 Captial Employed *	23882.65	23621.16	22278.88	18490.10	13703.10	11352.90	8076.00	5613.38	3872.98	2475.58
11 Net Worth	29982.93	27504.72	24396.29	19200.07	14255.65	11614.71	8265.10	5774.13	3984.53	2568.77
12 Book value per share (Rs.) (^)	75.62	69.37	61.53	48.43	35.96	29.30	625.40	436.91	301.50	194.37
13 Earning per share (Rs.) (^)	16.19	16.00	18.33	16.39	8.69	11.03	245.99	175.56	138.30	57.16
14 "Valued added per emp"Rs. In lakhs"	178.54	159.04	167.10	159.05	93.58	122.75	94.72	67.12	56.83	30.86

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

* Excludes Investments, Capital WIP

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

Value Added Statement
for the year 2013-14

(Rs. in crore)

	2013-14	2012-13
HOW VALUE IS GENERATED:		
Value of Production	12,072.47	10,888.60
Less : Direct Material, Power & Water charges, Royalty & Freight	1,858.34	1,583.15
Total Value Added	10,214.13	9,305.45
HOW VALUE IS DISTRIBUTED:		
A. Employees		
Payments & Benefits	706.20	579.92
B. Suppliers of Materials and Services		
Stores & Spares	221.56	158.27
Selling Expenses	648.46	364.14
Others (Net of other Income)	-1,407.28	-1,487.94
TOTAL	-537.26	-965.53
C. Society - Corporate Social Responsibility		
	152.85	72.38
D. Govt. Payments - Income Tax		
	3,913.70	3,598.42
E. Providers of Capital		
Shareholders - Dividend	3,370.01	2,775.30
TOTAL	3,370.01	2,775.30
F. Re-investment in the Business		
Depreciation	105.80	141.98
Operational Profit	2,502.83	3,102.98
TOTAL	2,608.63	3,244.96
Total Value Distributed	10,214.13	9,305.45
Average Number of Employees	5,721	5,851
Value added per employee (Rs. in lakh)	178.54	159.04

VENUGOPAL & CHENOY
Chartered Accountants

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Independent Auditors' Report

The Members
NMDC Ltd.

Report on Financial Statements

We have audited the accompanying financial statements of NMDC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss into which are incorporated the accounts of Six Projects/Units audited by Branch Auditors and of Head Office, Sponge Iron Unit and R&D Labs audited by us, and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub section (3C) of section 211 of Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, together with the Accounting Policies and Notes to Accounts, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

VENUGOPAL & CHENOY
Chartered Accountants

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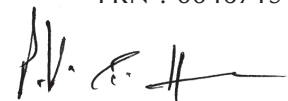
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, 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 purpose 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;
 - 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;

- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. The Company has informed that Department of Company affairs vide the notification No.GSR 829(E) dt 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.

For VENUGOPAL & CHENOY,
Chartered Accountants,
FRN : 004671S



(P.V.SRI HARI)

Place : Hyderabad
Date : 30-05-2014

Partner
Membership No.21961

VENUGOPAL & CHENOY
Chartered Accountants

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Annexure to the Independent Auditor's Report

Re: NMDC LIMITED

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of 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/ identified for disposal 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.
- (iii) According to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) According to the information and explanations given to us, the company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 (The Act), hence clauses iii (a, b, c, d, e, f and g) 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.
- (v) According to the information and explanations given to us, there are no

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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) The Company has come under the ambit of Cost Audit of mining of Iron Ore in addition to Sponge Iron activity. Considering this, we have broadly reviewed the books of account maintained by the Company pursuant to Companies (Cost Accounting Records) Rules, 2011, and Companies (Cost Audit Report) Rules, 2011, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the 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, Employees' state insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.
 - (b) According to information and explanation given to us, no undisputed amounts payable in respect of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess were in arrears, as at 31.03.2014 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, Forest Permit fee, Income 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:

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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	5.50
Nagar Palika, Kirandul	Conservancy Tax	1997-98 to 2005-06	High Court, Chhattisgarh	0.56
MP Commercial Tax Act, 1994	Commercial Tax	2002-03 2005-06 2008-09	Dy.Commissioner of Commercial Tax(Appeal), Sagar	1.44
Nagarpalika, Bade Bachel	Export Tax	May 2001 to July 2002 and March 2010 to March 2014	High Court of Chhattisgarh	0.61
DFO, Dantewada and State of Chattisgarh	Forest Permit fee	Jun'2002 to Oct'2012	High Court, Chhattisgarh	143.80
GHMC, Hyderabad	Property Tax	2011-12	GHMC, Hyderabad	0.10
Income tax Act, 1961	Income-tax	2006-07 2007-08 2008-09 2009-10	CIT (Appeals), Hyderabad ITAT, Hyderabad	402.32
Karnataka Forest Tax Act, 1963	Forest Development Tax	Aug'08 to Mar'12	Dy.Conservator of Forests, Bellary	247.96
Karnataka Sales Tax Act, 1957	Tax on REP Licenses	1991-92 to 1992-93	Deputy Commissioner of Commercial Taxes, Bellary	0.80
Karnataka Motor Vehicle taxation Act, 1957	Road Tax on Dumpers	2003-04	Regional Transport Officer, Hospet	0.96
MMDR Act	Royalty	Sept-1977 to Aug-2005	Madhya Pradesh State Govt.	0.89
APGST	Sales Tax	2004-05	ADC, Warangal	0.01
AP VAT	VAT	2006-07	ADC, Warangal	0.02

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Name of the statute/Authority	Nature of dues which relates	Period to which it relates	Forum	Amount (Rs. In Crores)
Service Tax Act	Service Tax	2007-08 to 2011-12	Commissioner of Customs, Central Excise & Service Tax, Hyderabad	1.12
Commercial Tax Department, Government of Chhattisgarh	Entry Tax	2008-09	Commissioner (Appeals) Commercial Tax Department, Government of Chhattisgarh	0.01
Commercial Tax Department, Government of Chhattisgarh	Value Added Tax	2008-09	Commissioner (Appeals) Commercial Tax Department, Government of Chhattisgarh	0.03
MP VAT Act, 2002	Value Added Tax	2006-07	Asst. Commissioner of Commercial Taxes, Sagar	0.09
Income Tax Act, 1961	Tax Deducted at Source	2007-08	Commissioner of Income Tax (Appeals), Hyderabad	4.11
Central Sales Tax Act	Central Sales Tax	2007-08	CTO, Bellary	3.13

(x) In our opinion, the company has no accumulated losses as at 31.03.2014 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.

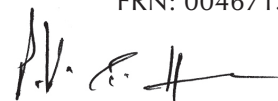
(xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause xiv of

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- 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: 004671S



(P.V.SRI HARI)

Partner
Membership No.21961

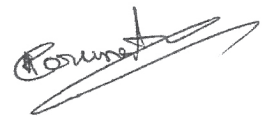
Place : Hyderabad
Date : 30-05-2014

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 2014

The preparation of financial statements of NMDC Limited, Hyderabad for the year ended on 31 March 2014 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 Standards on Auditing 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 30 May 2014.

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 2014. 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**



**(N. Karunakaran)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad.**

Place : Hyderabad
Dated : 16 June 2014

Balance Sheet as at 31st March, 2014

(Rs. in Crore)

Particulars	Note No	Figures as at the end of current reporting period 31-March-2014	Figures as at the end of previous reporting period 31-March-2013
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2.1	396.47	396.47
Reserves & Surplus	2.2	<u>29,591.83</u>	<u>27,114.49</u>
		29,988.30	27,510.96
Non-current Liabilities:			
Deferred Tax Liability (Net)	2.3	107.25	104.49
Other Long term Liabilities	2.4	29.11	30.78
Long Term Provisions	2.5	<u>11.44</u>	<u>12.38</u>
		147.80	147.65
Current Liabilities:			
Trade payables	2.6	185.67	160.76
Other current Liabilities	2.7	1,153.20	1,101.96
Short term Provisions	2.8	<u>1.95</u>	<u>1,860.39</u>
		1,340.82	3,123.11
TOTAL		<u>31,476.92</u>	<u>30,781.72</u>
ASSETS:			
NON-CURRENT ASSETS:			
Fixed Assets:			
Tangible Assets	2.9	1,291.50	1,182.60
Intangible Assets	2.10	70.78	82.06
Capital Work in Progress	2.11	<u>5,276.89</u>	<u>3,236.09</u>
		6,639.17	4,500.75
Non-current investments	2.12	250.37	249.67
Long term Loans and Advances	2.13	720.82	546.29
Other non-current assets	2.14	<u>5.37</u>	<u>5.37</u>
		7,615.73	5,302.08
CURRENT ASSETS:			
Inventories	2.15	681.19	637.46
Trade receivables	2.16	1,448.42	1,082.21
Cash and bank balances	2.17	18,657.23	21,025.75
Short term Loans and Advances	2.18	2,348.47	1,944.69
Other Current Assets	2.19	<u>725.88</u>	<u>789.53</u>
		23,861.19	25,479.64
TOTAL		<u>31,476.92</u>	<u>30,781.72</u>
Significant accounting policies and Notes on accounts forming part of accounts.	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)



(NARENDRA KOTHARI)
 Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
 Company Secretary

Place : Hyderabad

Date : 30-05-2014

Statement of Profit and Loss for the Year Ended 31st March, 2014

(Rs. in Crore)

Particulars	Note No	Figures for the current reporting period 31-March-2014	Figures for the previous reporting period 31-March-2013
I. Gross Revenue from Operations	2.20	12,065.14	10,713.44
Less : Excise duty		<u>6.94</u>	<u>9.17</u>
Net Revenue from operations		12,058.20	10,704.27
II. Other Income	2.21	2,094.52	2,238.87
III. Total Revenue (I + II)		14,152.72	12,943.14
IV. Expenses:			
Consumption of raw materials	2.22	26.50	30.94
Consumption of Stores & Spares		346.31	257.99
Changes in inventories of finished goods and work-in-progress	2.23	-14.27	-184.33
Employee Benefit expense	2.24	706.20	579.92
Power, Electricity and Water	2.25	60.97	57.60
Repairs & Maintenance	2.26	88.77	73.61
Royalty & Cess		960.43	952.43
Selling Expenses	2.27	1,347.41	818.00
Finance cost - interest on Income Tax		1.85	13.20
Depreciation & Amortisation	2.9 & 2.10	150.41	138.52
Other Expenses	2.28	762.66	742.91
Total Expenses		4,437.24	3,480.79
V. Profit before exceptional and extraordinary items and tax (III-IV)		9,715.48	9,462.35
VI. Exceptional items	2.31	-45.48	-
VII. Profit before extraordinary items and tax (V-VI)		9,760.96	9,462.35
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		9,760.96	9,462.35
X. Tax expense:			
(1) Current tax		3,320.11	3,087.52
Earlier years (net)		16.85	29.93
(2) Deferred tax		<u>2.76</u>	<u>4.40</u>
XI. Profit for the year from continuing operations after tax (IX-X)		6,421.24	6,340.50
XII. Profit from discontinuing operations before tax		-1.76	2.77
XIII. Tax expense of discontinuing operations		-0.60	0.90
XIV. Profit from discontinuing operations after tax (XII-XIII)		-1.16	1.87
XV. Profit for the year (XI + XIV)		6,420.08	6,342.37
XVI. Earning per equity share: (Face value Rs.1/- each)			
(i) Basic		16.19	16.00
(ii) Diluted		16.19	16.00
Significant accounting policies and Notes on accounts forming part of accounts.	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)



(NARENDRA KOTHARI)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

Place : Hyderabad

Date : 30-05-2014

Cash Flow Statement for the year ended 31st March, 2014

(Rs. In crore)

	Year ended 31-Mar-14	Year ended 31-Mar-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	9,760.96	9,462.35
Profit before tax from discontinued operations	-1.76	2.77
<i>Adjustments for:</i>		
Depreciation & Amortisation (incl impairment)	110.33	141.09
Interest on deposits with banks	-1,994.56	-2,198.62
Other Interest income	-2.30	-2.33
Prov for bad & doubtful advances & Misc.losses written off	3.66	1.61
Profit/loss on sale of fixed assets (net)	-3.03	-5.24
Unamortised expenditure written off	0.87	3.46
Operating profit before working capital adjustments	7,874.17	7,405.09
Increase(-)/Decrease(+) in Inventories	-43.73	-178.54
Increase(-)/Decrease(+) in Trade Receivables	-366.21	-345.19
Increase(-)/Decrease(+) in Short term and Long term Loans & Advances	-311.64	-39.25
Increase(-)/Decrease(+) in accrued interest on deposits with banks	63.02	-101.59
Increase(-)/Decrease(+) in Assets held for disposal	-0.24	-0.02
Increase(+)/Decrease(-) in long term, Short term Liabilities and trade payables	74.48	435.69
Increase(+)/Decrease(-) in long term and Short term Provisions	-3.97	-2.28
Cash Generated from Operations	7,285.88	7,173.91
Interest paid on Income tax	1.85	13.20
Direct taxes (Net)	-3,566.93	-4,100.04
Net Cash Flow from Operating Activities	3,720.80	3,087.07
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible and Intangible Assets	-208.36	-217.36
Increase(-)/Decrease(+) in Capital work in progress	-2,040.80	-1,741.93
Increase(-)/Decrease(+) in Capital advances	-39.76	-24.15
Purchase of Investments	-0.70	-1.90
Interest on deposits with Banks	1,994.56	2,198.62
Other interest income	2.30	2.33
Sale/Deletion of Fixed Assets	3.44	5.65
Increase(-)/Decrease(+) in Unamortised expenditure	-	0.37
Increase(-)/Decrease(+) in Investment in term deposits with more than three months	3,838.00	2,012.00
Increase(-)/Decrease(+) in Bank Deposits offered as security for BG/LCs	-94.00	-1,565.00
Net Cash flow from Investing Activities	3,454.68	668.63

(Rs. In crore)

	Year ended 31-Mar-14	Year ended 31-Mar-13
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest on income tax	-1.85	-13.20
Payment of dividends	-4,955.90	-2,180.59
Tax on dividend	-842.25	-353.74
Increase(-)/Decrease (+) in balances with banks for unpaid dividend	-0.70	-0.19
Net cash used in Financing Activities	-5,800.70	-2,547.72
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	1,374.78	1,207.98
Cash & Cash equivalents at the end of the year	5,680.95	4,306.17
Cash & Cash equivalents at the beginning of the year	4,306.17	3,098.19
	1,374.78	1,207.98
Components of Cash & Cash equivalents:		
Cash & cheques on hand	0.11	0.16
Balances with Scheduled banks		
in current account	160.84	65.01
in Term deposits with original maturity less than 3 months	5,520.00	4,241.00
	5,680.95	4,306.17

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 Venugopal & Chenoy

Chartered Accountants

FRN No: 004671S



(P.V. SRI HARI)

Partner

Membership No: 21961

For and on behalf of the Board



(S. THIAGARAJAN)
Director (Finance)



(NARENDRA KOTHARI)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

Place : Hyderabad

Date : 30-05-2014

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. DEVELOPMENT EXPENSES:

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

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:

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

The basis of determining the cost is

Raw materials	:	Weighted average cost
Stores and spares	:	Weighted average cost
Stores in Transit	:	At cost
Work in process and Finished goods	:	Material cost plus appropriate share of labour, related overheads and levies

5.2 In case of identified obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

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

5.4 No credit is taken in respect of stock of run of mine ore, embedded ore, Iron ore slimes, Partly used stores and spares.

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 and 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 and Loss.

C. STATEMENT OF PROFIT AND 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 Gratuity & Provident fund:

2.2.1 Gratuity payable to eligible employees is administered by a separate Trust. Payments to the trust towards contributions and other demands are made on the basis of actuarial valuation.

2.2.2 The company's contribution to the provident fund is remitted to a separate trust based on a fixed percentage of the eligible employees' salary. Further, the company makes good the shortfall, if any, between the return from investments of trust and the notified rate of interest on actuarial valuation basis.

2.3 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.

2.4 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 off to Statement of Profit and 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 and 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 Venugopal & Chenoy

Chartered Accountants

FRN No: 004671S



(P.V. SRI HARI)

Partner

Membership No: 21961

Place : Hyderabad

Date : 30-05-2014

For and on behalf of the Board


(S. THIAGARAJAN)
Director (Finance)
(NARENDRA KOTHARI)
Chairman-cum-Managing Director
(KUMAR RAGHAVAN)
Company Secretary

2. Notes on Accounts for the Year Ended 31st March 2014

Note-2.1 : Share Capital

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Authorised:		
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>
Issued, Subscribed & Paid Up:		
Equity Shares of Rs.1/- each fully paid up (Previous year 3,96,47,16,000 Equity shares of Rs.1/- each fully paid up)	<u>396.47</u>	<u>396.47</u>
TOTAL	<u><u>396.47</u></u>	<u><u>396.47</u></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) Terms/Rights attached to equity shares: The Company has only one class of equity shares having par value of Rs.1/- each and each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 3) The details of shares in the Company held by each shareholder holding more than 5% shares :

Name of the Share holder	2013-14		2012-13	
	% of share-holding	No. of shares	% of share-holding	No. of shares
i) Hon'ble President of India	80.00	3,171,946,300	80.00	3,171,946,580
ii) LIC of India	6.73	266,989,233	5.54	219,501,966

Note-2.2 : Reserves and Surplus

	(Rs. in Crore)	
	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
a) General Reserve (Free Reserve)		
As per last Balance Sheet	27,114.22	24,009.22
Add : Additions during the year	<u>1,000.00</u>	<u>3,105.00</u>
At the end of the year	28,114.22	27,114.22
b) Capital Grant-R&D (Corresponding nominal value of assets Rs.881/- (P.Y. Rs.881/-)	-	-
c) Statement of Profit and Loss - Surplus		
As per last Balance Sheet	0.27	0.67
Add : Profit for the year	<u>6,420.08</u>	<u>6,342.37</u>
	6,420.35	6,343.04
Less : Appropriations :		
Interim Dividend	3,370.01	1,189.41
Tax on Interim Dividend	572.73	192.95
Proposed Final Dividend	-	1,585.89
Tax on Final Dividend	-	269.52
General Reserve	<u>1,000.00</u>	<u>3,105.00</u>
	4,942.74	6,342.77
At the end of the year	1,477.61	0.27
TOTAL	<u>29,591.83</u>	<u>27,114.49</u>

Note-2.3 : Deferred Tax Liability (Net)

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
A. Deferred tax Liability :		
Related to fixed assets	108.52	110.94
Accrued expenses	8.76	2.20
	<u>117.28</u>	<u>113.14</u>
B. Deferred tax assets :		
Provision for bad and doubtful debts and advances	5.28	4.40
Provision for post retirement medical benefits	4.68	4.47
Misc.expenses	0.07	-0.22
	<u>10.03</u>	<u>8.65</u>
C. Net deferred tax liability (A-B)	<u>107.25</u>	<u>104.49</u>

Note-2.4 : Other Long Term Liabilities

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Deposits from Suppliers, Contractors and Others	29.11	30.78
	<u>29.11</u>	<u>30.78</u>

Note-2.5 : Long Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Employee Benefits :		
Long Service Reward	11.44	12.38
	<u>11.44</u>	<u>12.38</u>

Note-2.6 : Trade Payables

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Outstanding dues of micro and small enterprises	0.62	0.52
Other than micro & small enterprises	185.05	160.24
(including Rs.NIL (Previous year Rs.Nil) payable to Subsidiary Companies)	185.67	160.76
	<u>185.67</u>	<u>160.76</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.	0.62	0.52
(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-2014	Figures as at the end of 31-March-2013
Advances from customers	173.22	107.34
Unpaid Dividend	1.28	0.58
Mine closure liability	270.89	239.68
Less : Fund with LIC	264.46	234.61
	6.43	5.07
Others:		
Deposits from Suppliers, Contractors and Others	48.74	40.32
Other Payables	923.53	948.65
(like withholding and other taxes payable, amounts payable to employees and others)	1,153.20	1,101.96

Note-2.8 : Short Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Employee Benefits :		
LTC	–	1.66
Long Service Reward	1.95	3.32
Others :		
Proposed Final dividend	–	1,585.89
Tax on Final dividend	–	269.52
	–	1,855.41
	1.95	1,860.39

Details of Provisions (in Compliance of AS-29)

(Rs. in Crore)

	Opening Balance 1-Apr-13	Addition during year	Adjustment during year	Closing Balance 31-Mar-14
Proposed Dividend and Tax thereon	1,855.41 (1,151.97)	3,942.74 (3,237.77)	-5,798.15 (-2,534.33)	– (1,855.41)

Note : Figures in bracket indicate previous year figures

Note-2.9 : Tangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK				
	As at 1st Apr, 2013	Additions during the year	Ded/Adj during the year	Internal transfer	As at 31st MAR 2014
A. General					
Land :					
- Free hold	255.47	0.08	-	-	255.55
- Lease hold	2.41	-	-	-	2.41
Buildings	85.67	43.29	-	0.03	128.99
Plant & Machinery	724.56	23.22	(0.72)	-	747.06
Heavy Mobile Equipt.	871.07	36.71	(11.87)	-	895.91
Furniture & fittings	12.27	1.13	(0.01)	-	13.39
Vehicles	27.88	8.53	(2.81)	-	33.60
Office Equipment	47.77	4.26	(0.40)	(0.01)	51.62
Others :					
Roads, bridges etc.	40.94	50.54	-	-	91.48
Dams, Wells & Pools	11.97	4.68	-	-	16.65
Adit & tunnel	3.71	-	-	-	3.71
Railway sidings	54.01	1.59	-	-	55.60
Locomotives	7.21	-	-	-	7.21
Electrical Installations	90.86	7.20	(3.30)	-	94.76
Sanitary & W. S. Installations	17.53	0.31	-	(0.03)	17.81
TOTAL 'A'	2,253.33	181.54	(19.11)	(0.01)	2,415.75
Figures for the previous year	2,089.46	187.20	(23.40)	0.07	2,253.33
B. Social Facilities					
Land :					
- Free hold	0.29	-	-	-	0.29
- Lease hold	0.02	-	-	-	0.02
Buildings	98.72	21.65	(0.26)	-	120.11
Plant & Machinery	0.20	0.04	-	-	0.24
Furniture & fittings	2.43	0.46	(0.01)	(0.01)	2.87
Vehicles	3.77	0.61	(0.61)	-	3.77
Office Equipment	9.93	0.61	(0.02)	0.02	10.54
Others :					
Roads, bridges etc.	7.53	0.48	-	-	8.01
Cess fund quarters	12.57	-	-	-	12.57
Dams, Wells & Pools	0.23	-	-	-	0.23
Electrical Instaln.	2.59	0.17	(0.14)	-	2.62
Sanitary & W.S.Instlns.	7.32	2.17	-	-	9.49
Cess fund other assets	0.10	-	-	-	0.10
TOTAL 'B'	145.70	26.19	(1.04)	0.01	170.86
Figures for the previous year	131.89	13.94	(0.06)	(0.07)	145.70
TOTAL 'A + B'	2,399.03	207.73	(20.15)	-	2,586.61
Figures for the previous year	2,221.35	201.14	(23.46)	-	2,399.03

Note-2.9 : Tangible Assets (Contd..)

(Rs. in Crore)

ASSETS	DEPRECIATION BLOCK						NET BLOCK		
	Upto 31st March 2013	For the year	Asset Impairment	Prior period adj.	Deductions/adjustments	Internal transfers	Upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
A. General									
Land :									
- Free hold	-	-	-	-	-	-	-	255.55	255.47
- Lease hold	1.64	0.04	(0.87)	-	-	-	0.81	1.60	0.77
Buildings	39.36	3.31	-	-	-	0.25	42.92	86.07	46.31
Plant & Machinery	556.26	23.09	(44.61)	(0.31)	(0.73)	-	533.70	213.36	168.30
Heavy Mobile Equipmt.	399.63	88.67	-	-	(11.87)	-	476.43	419.48	471.44
Furniture & fittings	7.09	0.87	-	-	(0.01)	-	7.95	5.44	5.18
Vehicles	17.90	3.52	-	-	(2.65)	-	18.77	14.83	9.98
Office Equipment	29.03	3.74	-	(0.04)	(0.40)	0.58	32.91	18.71	18.74
Others :									
Roads, bridges etc.	13.33	3.10	-	0.12	-	(0.25)	16.30	75.18	27.61
Dams, Wells & Pools	10.77	4.74	-	-	-	-	15.51	1.14	1.20
Adit & tunnel	3.71	-	-	-	-	-	3.71	-	-
Railway sidings	14.83	2.76	-	0.08	-	-	17.67	37.93	39.18
Locomotives	7.21	-	-	-	-	-	7.21	-	-
Electrical Installations	47.50	4.67	-	0.15	(3.15)	0.06	49.23	45.53	43.36
Sanitary & W. S. Installations	12.02	0.60	-	-	-	(0.64)	11.98	5.83	5.51
TOTAL 'A'	1,160.28	139.11	(45.48)	-	(18.81)	-	1,235.10	1,180.65	1,093.05
Figures for the previous year	1,058.50	124.78	-	0.05	(23.10)	(0.05)	1,160.28	1,093.05	1,030.96
B. Social Facilities									
Land :									
- Free hold	-	-	-	-	-	-	-	0.29	0.29
- Lease hold	0.02	-	-	-	-	-	0.02	-	-
Buildings	29.10	2.40	-	-	(0.19)	-	31.31	88.80	69.62
Plant & Machinery	0.07	0.02	-	-	-	-	0.09	0.15	0.13
Furniture & fittings	1.72	0.17	-	-	-	-	1.89	0.98	0.71
Vehicles	2.68	0.45	-	-	(0.58)	-	2.55	1.22	1.09
Office Equipment	5.94	0.75	-	-	(0.02)	-	6.67	3.87	3.99
Others :									
Roads, bridges etc.	3.46	0.24	-	-	-	-	3.70	4.31	4.07
Cess fund quarters	5.49	0.25	-	-	-	-	5.74	6.83	7.08
Dams, Wells & Pools	0.17	-	-	-	-	-	0.17	0.06	0.06
Electrical Instaltn.	2.03	0.10	-	-	(0.14)	-	1.99	0.63	0.56
Sanitary & W.S.Instlns.	5.37	0.41	-	-	-	-	5.78	3.71	1.95
Cess fund other assets	0.10	-	-	-	-	-	0.10	-	-
TOTAL 'B'	56.15	4.79	-	-	(0.93)	-	60.01	110.85	89.55
Figures for the previous year	51.85	4.40	-	-	(0.05)	(0.05)	56.15	89.55	80.04
TOTAL 'A + B'	1,216.43	143.90	(45.48)	-	(19.74)	-	1,295.11	1,291.50	1,182.60
Figures for the previous year	1,110.35	129.18	-	0.05	(23.15)	-	1,216.43	1,182.60	1,111.00

Note-2.10 : Intangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK				
	As at 1st Apr, 2013	Additions during the year	Ded/Adj during the year	Internal Transfer	As at 31st MAR 2014
GENERAL					
Goodwill	14.09	-	-	-	14.09
Computer software	6.02	0.63	-	-	6.65
Mining rights	162.81	-	(0.25)	-	162.56
TOTAL	182.92	0.63	(0.25)	-	183.30
Figures for the previous year	166.80	16.22	(0.10)	-	182.92

Note - 2.10 : Intangible Assets (Contd..)

(Rs. in Crore)

ASSETS	AMORTISATION BLOCK					NET BLOCK	
	Upto 31 st March 2013	For the year	Prior period adj.	Deductions/ adjustments	Upto 31 st March 2014	As at 31 st March 2014	As at 31 st March 2013
GENERAL							
Goodwill	14.09	-	-	-	14.09	-	-
Computer software	5.28	0.86	-	-	6.14	0.51	0.74
Mining rights	81.49	11.05	-	(0.25)	92.29	70.27	81.32
TOTAL	100.86	11.91	-	(0.25)	112.52	70.78	82.06
Figures for the previous year	89.00	11.86	-	-	100.86	82.06	77.80

Additional notes to 2.9 & 2.10 : TANGIBLE AND INTANGIBLE ASSETS

1. 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

2. 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.
3. 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.
4. The tangible assets include capital expenditure not represented by assets. These are written off over a period of five years.

Details	Rs. In crore		
	Gross Block	Depreciation	Net Block
Plant and Machinery (In motion weigh bridges at Kirandul and Bachel)	3.48	0.36	3.12

5. Formal agreements / Transfer deeds remain to be executed in respect of the following:

- (a) Renewal of Mining Leases at Deposit 10 (Float Ore) & Panna & Donimalai.
- (b) Lease deeds in respect of parts of land for township at Bailadila-5, Bacheli and Bailadila-14. Kirandul.
- (c) Lease deeds in respect of land for Screening Plant at Visakhapatnam.
- (d) Mining lease to the extent of 22.00 hectares of Silica Sand Plant near Lalapur (Allahabad).
- (e) Lease in respect of a portion of the total land at R&D Center measuring 10.96 acres has expired during Feb 07 (7.0 acres) and the balance in Feb 2010 (3.96 acres). The process of renewal of the lease is under progress.
- (f) Only Provisional allotment letters issued for the land to the extent of 13.43 acres purchased from M/s APIIC at Industrial park, Paloncha. However, on physical survey found only 10.23 acres of land. No effect is given in books, pending confirmation from M/s APIIC.
- (g) Land to the extent of 26.39 acres purchased at Patancheru, Hyderabad from the Official Liquidator of Allwyn Watches Ltd. However, on physical survey found only 24.23 acres of land. No effect is given in books, pending confirmation from the Official Liquidator of Allwyn Watches Ltd.
- (h) Final forest clearance yet to be received from Ministry of Environment and Forests for the 84.36 hectares of forest land at Arki.

6. Reconciliation of Depreciation and Amortisation as per Statement of Profit and Loss:

			Rs. In crore	
Note no	Particulars	2013-14	2012-13	
Note No: 2.9	Depreciation on Tangible Assets	143.90	129.18	
Note No: 2.10	Amortisation of Intangible Assets	11.91	11.86	
	Total	155.81	141.04	
Note No: 2.11.1	Transferred to IEDC	(-)5.40	(-)2.52	
Depreciation and amortisation as per Statement of Profit and Loss		150.41	138.52	

Prior period Depreciation:

			Rs. In crore	
Note no	Particulars	2013-14	2012-13	
Note No: 2.28.1	Depreciation prior period charged to Statement of Profit and Loss	-0.27	0.05	
Note No: 2.11.1	Depreciation prior period transferred to IEDC	0.27	-	
Prior period depreciation as per note 2.9 Tangible Assets		-	0.05	

Note-2.11 : Capital Work in Progress

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Construction work in progress	4,762.16	2,824.38
Construction Stores	2.01	2.20
Capital Assets in stores awaiting installation or in transit	23.47	72.69
Expenditure incidental to construction awaiting allocation (See note 2.11.1)	489.25	336.82
TOTAL	5,276.89	3,236.09

Note-2.11.1 : Expenditure Incidental to Construction Awaiting Allocation

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
a. Opening balance	336.82	199.93
b. Net Expenditure incurred during the year		
Consumption of stores and spares	5.38	0.02
Employee Benefit expense :		
Salaries, Wages & Bonus	23.40	16.89
Contribution to Provident fund, EPS, DLI	1.68	1.30
Contribution to Gratuity fund	1.09	0.59
Staff Welfare expenses	4.66	4.12
	30.83	22.90
Power, Electricity & Water	7.42	2.29
Repairs and Maintenance	0.28	0.18
Depreciation and amortisation	5.40	2.52
Depreciation and amortisation-Prior period	0.27	-
Other expenses :		
Rent, Insurance, Rates and taxes	0.07	0.07
Payment to auditors : As auditors	0.02	0.02
Payment to auditors : For Other Services	0.01	-
Reimbursement of expenses	-	-
	0.03	0.02
Travelling and Conveyance expenses	0.78	0.68
Consultancy expenditure	84.71	105.10
CISF/Security expenditure	0.73	0.67
Other expenditure	20.02	5.38
	155.92	139.83
Less : Recoveries/Income		
Other income	3.49	2.94
Total b	152.43	136.89
Sub-total (a + b)	489.25	336.82
Less : Amount allocated to Fixed assets/ Capital W I P	-	-
TOTAL	489.25	336.82

Note-2.12 : Non-Current Investments

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
In Equity Shares:		
<u>Investments in Subsidiary Companies :</u>		
<u>Trade & unquoted at cost:</u>		
i) 3,51,002 (Previous Year 3,51,002) Equity shares of Rs.100/- each fully paid up in Subsidiary Company J&KMDC Ltd, Jammu	3.51	3.51
ii) 41,85,590 (Previous Year 41,85,590) Equity shares of FMG 2500/- each fully paid up in wholly owned subsidiary Company NMDC SARL, Madagaskar	7.20	7.20
Less: Investment deration	7.20	7.20
	-	-
iii) 15,53,919 (Previous Year 15,53,919) Equity shares of Rs.10/- each fully paid up in NMDC CMDC Ltd.	1.55	1.55
iv) 50,000 (Previous year 50,000) Equity Shares of Rs.10/- each fully paid up in NMDC Power Ltd	0.05	0.05
v) 6,000 (Previous year 6000) Equity shares of Rs.10/- each fully paid in Jharkhand National Mineral Development Corporation Limited	0.01	0.01
<u>Investments in Joint venture -</u>		
<u>Trade and unquoted at cost</u>		
i) 50 (Previous year 50) equity shares of South African Rand 1/- each fully paid in Kopano-NMDC Minerals (Proprietary) Limited (Rs. 324/- only)	-	-
<u>Investments in Associates -</u>		
<u>Trade & quoted at cost:</u>		
i) 28,83,62,699 (Previous year 28,83,62,699) Equity Shares fully paid up in Legacy Iron Ore Ltd, Australia (No face value in Australia)	99.63	99.63
<u>Trade and unquoted at cost</u>		
i) 1,05,000 (previous year 1,05,000) Equity shares of Rs 10/- each fully paid up in Romelt SAIL India Ltd., New Delhi	0.11	0.11
Less: Deration	0.11	0.11
	-	-
ii) 14,00,000 (Previous year 4,25,000) Equity shares of Rs.10/- each fully paid up in International Coal Ventures (P) Ltd	1.40	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	40.00	40.00
iv) 7,47,99,878 (previous year 7,47,99,878) equity shares of Rs.10/- each fully paid up in NINL, Bhubaneswar	100.60	100.60

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

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Advance against equity for Trade and unquoted investments in Associates :		
i) 36,00,000 (Previous year 38,75,000) equity shares of Rs.10/- each in International Coal Ventures (P) Ltd. fully paid up, pending issue of shares	3.60	3.87
<u>Non-trade and unquoted shares in co-operative societies</u>		
i) 150 Shares (previous year 150 Shares) of Rs.1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul Rs.1,50,000 (Previous year 1,50,000)	0.02	0.02
ii) 500 Shares (previous year 500 Shares) of Rs.10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli Rs.5,000 (previous year Rs 5,000)	-	-
iii) 25 Shares (previous year 25 Shares) of Rs.100 each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai Rs.2,500 (previous year Rs 2,500)	-	-
	0.02	0.02
TOTAL	250.37	249.67

1. Aggregate amount of Quoted Investments Rs. 99.63 crore (Previous year- Rs.99.63 crore). Market value Rs.36.58 crore (Previous year- Rs.79.65 crore).
2. Aggregate amount of Unquoted Investments Gross Rs.158.05 crore and Net Rs.150.74 crore (Previous Year Gross Rs.157.35 crore and Net Rs.150.04 crore).
3. Aggregate amount of provision for diminution in value of the investments is Rs.7.31 crore. (Previous year Rs.7.31 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-2014	Figures as at the end of 31-March-2013
Capital Advances	484.44	444.68
Loans and advances to related parties :		
Loans and Advances to Subsidiaries	3.38	2.63
Loans and Advances to Directors	—	—
	<u>3.38</u>	<u>2.63</u>
Others:		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	167.96	42.11
Deposit with Others	65.04	56.87
Less : Provision	—	—
	<u>65.04</u>	<u>56.87</u>
TOTAL	<u>720.82</u>	<u>546.29</u>
Secured, considered good	16.06	17.30
Unsecured, considered good	704.76	528.99
Doubtful	—	—

Note-2.14 : Other Non-Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Un amortised expenditure: (to the extent not written off or adjusted)		
Development expenses	5.37	5.37
Expenses on removal of overburden and preparation of Mining Benches	—	—
TOTAL	<u>5.37</u>	<u>5.37</u>

Note-2.15 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Raw materials	10.76	4.73
Work-in-Process :		
Diamonds	9.66	11.90
Sponge Iron	1.03	0.97
	10.69	12.87
Finished Goods:		
Iron Ore	509.81	492.26
Sponge Iron	2.52	3.48
Ultra Pure Ferric Oxide NIL (Previous year Rs.10/-)	–	–
Diamonds & Precious Stones	28.26	30.98
Generated Iron ore fines at Sponge Iron unit	2.56	3.58
	543.15	530.30
Stores & Spares	116.09	89.23
Loose tools and Implements	0.50	0.33
	681.19	637.46

Inventories are valued at cost or NRV whichever is lower.

1. Raw material-in-transit	–	–
2. Stores and Spares include:		
a) Stores-in-transit	8.40	9.78
b) Obsolete stores & spares valued at Rs.1 per unit of their original value of Rs.4.07 crore (previous year Rs.3.51 crore)	0.03	0.03

Note-2.16 : Trade Receivables

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Trade receivables outstanding for a period exceeding six months from the due date of payment	590.94	251.61
Other trade receivables	871.12	842.80
	<u>1,462.06</u>	<u>1,094.41</u>
Less : Provision for bad & doubtful trade receivables	13.64	12.20
	<u>1,448.42</u>	<u>1,082.21</u>
TOTAL	<u>1,448.42</u>	<u>1,082.21</u>
See Note no: 2.32		

1. Particulars of Trade Receivables:

i) Secured, Considered good	–	–
ii) Unsecured considered good	1,448.42	1,082.21
iii) Doubtful	13.64	12.20

Note-2.17 : Cash and Bank Balances

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
CASH AND CASH EQUIVALENTS :		
Balances with Banks		
On Current Accounts	160.84	65.01
On Deposit Accounts (Maturity less than 3 months)	5,520.00	4,241.00
	<u>5,680.84</u>	<u>4,306.01</u>
Cash on hand	0.11	0.16
	<u>5,680.95</u>	<u>4,306.17</u>
OTHER BANK BALANCES :		
Balances with banks on Deposits accounts (Maturity more than 3 months but less than one year)	10,099.00	13,937.00
Bank deposits offered as security for Bank Guarantees and Letters of Credit	2,876.00	2,782.00
Balances with Banks for unpaid dividend	1.28	0.58
	<u>12,976.28</u>	<u>16,719.58</u>
TOTAL	<u>18,657.23</u>	<u>21,025.75</u>

Note-2.18 : Short-term Loans and Advances

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Loans and advances to related parties:		
Loans and advances to Subsidiaries	27.64	10.54
Loans and advances to Directors	0.10	—
Others :		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	1,505.47	1,369.71
Less : Provision for bad and doubtful advances	1.89	1.37
	1,503.58	1,368.34
Advance Income tax & TDS	10,804.49	10,462.27
Less : Provision	10,015.92	9,903.44
	788.57	558.83
Advance Fringe benefit tax	0.04	0.04
Less : Provision	0.04	0.04
	—	—
Inter Corporate Loans to PSUs	4.50	4.50
Less : Loans deration	4.50	4.50
	—	—
Balances with Customs and Port Trust	28.34	6.96
Deposit with Others	0.24	0.02
Less : Provision	—	—
	0.24	0.02
TOTAL	2,348.47	1,944.69
Secured, considered good	4.57	4.24
Unsecured, considered good	2,343.90	1,940.45
Doubtful	6.39	5.87

Note-2.19 : Other Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Accrued interest on deposits with banks	725.35	788.37
Assets held for disposal (See note 2.19.1)	0.53	0.29
Un amortised expenditure: (to the extent not written off or adjusted)		
Development expenses	–	0.08
Expenses on removal of overburden and preparation of Mining Benches	–	0.79
TOTAL	725.88	789.53

Note-2.19.1 : Assets held for Disposal

(Rs. in Crore)

Assets	Gross Block	Depreciation Block	Net Block
	As at 31-March-2014	Upto 31-March-2014	As at 31-March-2014
Free hold land	0.18	–	0.18
Buildings	1.24	1.24	–
Plant & Machinery	18.32	18.32	–
Heavy Mobile Equipt.	39.92	39.92	–
Furniture & Fittings	0.09	0.09	–
Vehicles	3.74	3.54	0.20
Office Equipment	0.07	0.07	–
Others :			
Roads, Bridges, etc.	0.74	0.74	–
Dams, Wells & Pools	0.84	0.84	–
Electrical Installations	5.35	5.20	0.15
Sanitary & W.S. Installations	0.51	0.51	–
TOTAL	71.00	70.47	0.53
Figures for the previous year	134.65	134.36	0.29

Note-2.20 : Gross Revenue from Operations

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Sale of Products :		
Iron ore :		
Export through MMTC	1,631.46	955.98
Domestic	10,268.06	9,602.73
	<u>11,899.52</u>	<u>10,558.71</u>
Sponge Iron	62.93	82.58
Diamonds	49.85	28.51
	<u>12,012.30</u>	<u>10,669.80</u>
Sale of Power	1.05	–
Sale of Services	45.86	37.95
Other operating revenue	5.93	5.69
TOTAL	<u>12,065.14</u>	<u>10,713.44</u>

Note-2.21 : Other Income

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Interest Income :		
On deposits with Banks	1,994.56	2,198.62
Others	2.30	2.33
	<u>1,996.86</u>	<u>2,200.95</u>
Profit on sale of assets	3.11	1.78
Other non-operating Income	94.55	36.14
TOTAL	<u>2,094.52</u>	<u>2,238.87</u>

Note-2.22 : Consumption of Raw Materials

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Iron ore	9.48	10.34
Coal	16.51	20.03
Lime Stone	0.13	0.19
Internal handling of raw materials	0.38	0.38
TOTAL	26.50	30.94

Note : Value of iron ore consumed is after adjustment of inter unit transfer value of Rs. 31.59 cr (Previous year Rs.51.20 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-2014	For the year ended 31-March-2013
Work-in-process:		
Balance as at close of the Year	-10.68	-12.87
Less : Balance as at the beginning of the Year	12.87	1.06
	2.19	-11.81
Finished Goods:		
Balance as at close of the Year	-543.77	-527.15
Less : Balance as at the beginnig of the Year	527.15	354.22
	-16.62	-172.93
Less : Excise duty on accretion/ decretion of stock (net)	0.16	0.41
	-16.46	-172.52
TOTAL	-14.27	-184.33

Note-2.24 : Employee Benefit Expense

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Salaries, Wages & Bonus	528.15	417.59
Contribution to Provident fund and other funds :		
Provident Fund & DLI	33.77	30.55
Gratuity Fund	22.50	13.66
Staff Welfare Expenses	121.78	118.12
TOTAL	<u>706.20</u>	<u>579.92</u>

Note-2.25 : Power, Electricity & Water

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Power charges	48.26	46.67
Electricity charges	10.77	9.62
Water Charges	1.94	1.31
TOTAL	<u>60.97</u>	<u>57.60</u>

Note-2.26 : Repairs and Maintenance

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Buildings	22.04	12.97
Plant and Machinery	28.43	27.01
Vehicles	0.64	0.54
Others	37.66	33.09
TOTAL	<u>88.77</u>	<u>73.61</u>

Note-2.27 : Selling Expenses

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Railway freight	698.95	453.86
Export duty	509.33	308.25
Infrastructure Development cess	10.71	9.25
Environmental Development cess	10.71	9.25
Other selling expenses	117.71	37.39
TOTAL	<u>1,347.41</u>	<u>818.00</u>

Note-2.28 : Other Expenses

	(Rs. in Crore)	
	For the year ended 31-March-2014	For the year ended 31-March-2013
Rent	2.74	3.22
Insurance	5.27	6.41
Rates & Taxes	10.28	12.80
Directors' Travelling expenses	4.09	3.76
Directors' Sitting fee	0.36	0.30
Payment to Auditors:		
As Auditors:	0.19	0.18
For Taxation matters	0.02	0.03
For Other services	0.19	0.14
For reimbursement of expenses	0.09	0.08
	0.49	0.43
Loss on sale/adjustment of Assets	0.08	0.02
Miscellaneous losses written off	1.46	1.17
Provision for doubtful debts/advances	2.20	0.44
Mine closure Obligation	8.35	8.21
Raising and Transportation	82.11	76.15
Contribution to SPV in Karnataka	285.46	337.13
Compensation paid to Statutory Agencies	-	68.66
Entertainment	1.24	0.69
Donations	0.04	1.38
Travelling & Conveyance	27.65	24.91
Advertisement & Publicity	10.05	5.11
Postage, Telephone & Telex	2.30	3.26
Stationery & Printing	3.17	4.06
Consultancy charges	8.75	4.64
CISF/Security guards	73.63	64.85
Safety expenses	0.93	0.92
Unamortised expenditure written off	0.87	3.46
Corporate Social Responsibility	152.85	72.38
Loss in Exchange variation (net)	0.39	0.57
Environmental Development	15.43	11.08
Other expenses	36.98	28.52
Prior period items (See Note 2.28.1)	25.49	-1.62
TOTAL	762.66	742.91

Note-2.28.1 : Prior-Period Items

(Rs. in Crore)

	For the year ended 31-March-2014		For the year ended 31-March-2013	
	Income	Expenditure	Income	Expenditure
Power, Electricity and water	-	-	-	1.22
Rates, Taxes & Insurance	-	0.04	0.02	-
Repairs & Maintenance	0.08	-	0.09	-
Royalty and Cess	-	33.15	-	-
Payments & benefits to employees	0.72	-	-	-
Other Income	5.22	-	0.34	-
Depreciation & Amortisation	0.27	-	-	0.05
Other Expenses	1.41	-	2.44	-
TOTAL	7.70	33.19	2.89	1.27
Net Income (-)/Expenditure (+)		25.49		(1.62)

Note-2.29 : Additional Information

(Rs. in Crore)

	For the year ended 31-March-2014		For the year ended 31-March-2013	
	Value	Percentage	Value	Percentage
2.29.1. Value of imports calculated on CIF basis:				
i. Components & Spare parts	36.06		9.82	
ii. Capital Goods	220.58		172.35	
2.29.2. Expenditure in foreign currency:				
i. Consultancy charges	-		0.76	
ii. Others	14.16		2.80	
2.29.3. Particulars of consumption of raw material				
Raw Material				
a) Imported	-	-	-	-
b) Indigenous	26.50	100.00	30.94	100.00
	26.50	100.00	30.94	100.00
2.29.4. Particulars of consumption of Stores & spares:				
Components & spare parts (including consumable stores)				
a) Imported	69.95	20.20	23.24	9.01
b) Indigenous	276.36	79.80	234.75	90.99
	346.31	100.00	257.99	100.00
2.29.5. Foreign Exchange earnings :		-		-

Note-2.30 : Contingent liabilities and Commitments (to the extent not provided for)

A. Contingent liabilities

		Rs. in crore	
	Particulars	As at 31-MAR-14	As at 31-MAR-13
1.1	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.	819.00	905.40
b.	Claims by contractors under arbitration	0.16	0.16
c.	Other claims on company not acknowledged as debts	70.39	58.88
1.2	Contingent liability on bills discounted under LCs	2.94	14.20
1.3	Corporate Guarantee given to Citi Bank, Sydney for the loan given to M/s Legacy Iron Ore Limited (AUD 3 million)	16.81	-

1.4 Disputed claims under Income Tax Act:

The Income Tax Authorities re-opened, during the Financial year 2011-12, the assessment for the Previous year 2007-08 and further during the assessment of the Previous year 2008-09, included income of Rs.2517.21 crore and Rs.278.03 crore alleging under invoicing of exports and raised demand notices for Rs.1255.83 crore and Rs.102.85 crore for the respective years. Similarly, during financial year 2012-13, Income Tax Authorities re-opened the assessment for the Previous year 2006-07 and further during the assessment of the Previous year 2009-10 included an income of Rs.506.11 crore and Rs.255.03 crore for the same reasons and raised demand notices for Rs.177.91 crore and Rs. 94.36 crore for the respective years.

The company has contested the allegations stating that all the transactions were transparent as well routed through Bank accounts and filed appeals before the appellate authorities.

Pending disposal of the appeals, an amount of Rs.1,228.63 crore (Previous year Rs.1,134.27 crore) paid to IT authorities is shown as amount recoverable from the department (included in note 2.18) and the balance disputed amount of Rs.402.32 crore is included under 1.1.a Contingent liabilities.

1.5 Disputed claims under Forest Development tax Act:

Government of Karnataka introduced Forest Development Tax (FDT) @ 12% on the sale value of iron ore with effect from 27.08.2008. NMDC preferred an appeal before Hon'ble High Court of Karnataka and the court passed an interim order directing the Company to pay 50% of FDT, consisting of 25% in Cash and balance 25% in the form of Bank Guarantee. Accordingly, the company has paid an amount of Rs.119.71 crore (Previous year Rs.119.71 crore) in cash and submitted a bank guarantee for Rs 119.71 crore (Previous year Rs.119.71 crore).

The balance liability of Rs.247.96 crore (Previous year Rs. 247.96 crore) is included under disputed taxes under 1.1.a Contingent liabilities.

B. Commitments:

		Rs. in crore	
	Particulars	As at 31-MAR-14	As at 31-MAR-13
1.1	Estimated amount of contracts remaining to be executed on Capital account	9,886.85	11,562.05
1.2	Other commitments- commitments to subsidiaries and JV	55.14	67.71

2.31 Exceptional Items:

		Rs. in crore	
	Particulars	As at 31-MAR-14	As at 31-MAR-13
	Income :		
	Impairment reversal of Windmills (net of depreciation)	45.48	-

2.32 Mining issues at Donimalai complex in Karnataka:

The Monitoring Committee has retained 10% of sale proceeds for the period from 04/10/2011 to 31/03/2014, amounting to Rs.622.60 crore (previous year Rs.268.47 crore) pending finalisation of Rehabilitation and Reclamation Plans (R&R Plans). This amount is included under 'Trade receivables'. Company is making provision for Mine closure liability every year as per its policy and of the opinion that no further provision is considered necessary.

Note-2.33 : Disclosure Under Accounting Standards

2.33.1 Employee Benefits as per AS-15(Rev)

GENERAL DESCRIPTION OF DEFINED BENEFIT PLANS :

PLAN	DESCRIPTION
1. Provident fund	The company's contribution to the provident fund is remitted to a separate trust based on a fixed percentage of the eligible employees' salary. Further, the company makes good the shortfall, if any, between the return from investments of trust and the notified rate of interest on actuarial valuation basis.
2. Gratuity	Eligible amount is paid to the employees on separation by NMDC Group Gratuity Trust.
3. Accrued Leave Salary	Encashment of accumulated leave is payable as per the rules of the Company to the employees during the service/on separation by the NMDC Employees Superannuation Benefit fund trust.
4. Settlement Allowance	Employees are paid eligible amount at the time of retirement for their settlement by the NMDC Employees Superannuation Benefit fund trust.
5. Post Retirement Medical Facilities	Retired employees opting for the Post Retirement Benefit Scheme on contribution of prescribed amount can avail medical benefits as per the Scheme and the liability is funded to NMDC Employees Superannuation Benefit fund trust.
6. Family Benefit Scheme	Monthly payments to disabled separated employees/legal heirs of deceased employees on deposit of prescribed amount, till the notional date of superannuation and the liability is funded to NMDC Employees Superannuation Benefit fund trust.
7. Long Service Award	Employees are presented with an award in kind on rendering prescribed length of service.

OTHER DISCLOSURES :

i) Provident fund :

The company has conducted Actuarial valuation of its two PF trusts and the trusts do not have any deficit as on 31st Mar 2014.

ii) Other defined benefit plans :

(Rs in crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	Family Benefit Scheme	Long Service Award
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A. Changes in the present value of the Obligation as on 31st Mar 2014

Present value of obligation at the beginning of the year	159.58 (157.84)	63.59 (56.02)	26.80 (20.44)	183.45 (148.51)	1.66 (6.64)	15.67 (13.32)	15.70 (13.00)
Interest cost	12.77 (12.63)	6.65 (4.48)	2.14 (1.64)	14.68 (11.88)	- -	- -	- -
Current service cost	5.41 (5.78)	15.45 (12.15)	2.32 (2.39)	24.54 (20.23)	- -	- -	- -
Past service cost	- (-)	(12.86) (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Benefits paid/payable	-21.61 (-25.93)	-7.20 (-10.81)	-0.76 (-0.95)	-16.94 (-13.43)	-0.18 -	-3.61 (-3.34)	- -
Actuarial gain/loss on obligation	20.69 (9.26)	27.99 (1.75)	-6.21 (3.28)	19.71 (16.26)	-1.48 (-4.98)	6.65 (5.69)	-2.32 (2.70)
Present value of obligation at the end of the period Previous year	176.84 (159.58)	93.62 (63.59)	24.29 (26.80)	225.44 (183.45)	- (1.66)	18.71 (15.67)	13.38 (15.70)

B. Changes in the fair value of the Plan Assets as on 31st Mar 2014

(Rs in crore)

Fair value of plan assets at the beginning of the year	171.78 (168.34)	99.85 (101.71)	21.54 (19.16)	149.91 (125.14)	- -	11.31 (10.19)	- -
Expected return on plan assets	15.33 (14.84)	9.73 (8.92)	2.39 (1.82)	17.09 (14.22)	- -	1.68 (0.99)	- -
Contributions	20.01 (14.50)	0.74 (0.03)	6.00 (1.51)	34.03 (24.00)	- -	5.41 (3.50)	- -
Benefits paid/payable	-21.61 (-25.93)	-7.20 (-10.81)	-0.76 (-0.95)	-16.94 (-13.43)	- -	3.61 (-3.34)	- -
Actuarial gain/loss on plan assets	(0.01) (0.03)	- -	- -	- (0.02)	- -	- (0.03)	- -
Fair value of plan assets at the end of the period	185.50 (171.78)	103.12 (99.85)	29.17 (21.54)	184.09 (149.91)	- -	14.79 (11.31)	- -

ii) Other defined benefit plans (Contd.) :

(Rs in crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	Family Benefit Scheme	Long Service Award
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C. Amounts recognised in the Balance sheet as on 31st Mar 2014

Present value of the obligations at the end of the year	176.84 (159.58)	93.62 (63.59)	24.29 (26.80)	225.44 (183.45)	- (1.66)	18.71 (15.67)	13.38 (15.70)
Fair value of plan assets at the end of the year	185.50 (171.78)	103.12 (99.85)	29.17 (21.54)	184.09 (149.91)	- -	14.79 (11.31)	- -
Liability(+)/Asset (-) recognised in the balance sheet	-8.66 (12.20)	-9.50 (36.26)	-4.88 (5.26)	41.35 (33.54)	- (1.66)	3.92 (4.36)	13.38 (15.70)

D. Amounts recognised in the Statement of P&L for the period ended 31st Mar 2014

(Rs in crore)

Current service cost	5.41 (5.78)	15.45 (12.15)	2.32 (2.39)	24.54 (20.23)	- -	- -	- -
Past service cost	- (-)	(12.86) (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest cost	12.77 (12.63)	6.65 (4.48)	2.14 (1.64)	14.68 (11.88)	- -	- -	- -
Expected return on plan assets	-15.33 (-14.84)	-9.73 (-8.92)	-2.39 (-1.82)	-17.09 (-14.22)	- -	-1.68 (-0.99)	- -
Net actuarial gain/loss recognised in the year	20.68 (9.29)	27.99 (1.75)	-6.21 (3.28)	19.71 (16.24)	-1.48 (-4.98)	6.65 (5.66)	-2.32 (2.70)
Expenses recognised in Statement of Profit and Loss	23.53 (12.86)	27.50 (9.46)	-4.14 (5.49)	41.84 (34.13)	-1.48 (-4.98)	4.97 (4.67)	-2.32 (2.70)

Note : 1. The value of accumulated Earned Leave (EL) and Half pay Leave (HPL) has been restricted to 300 days as against the present practice of encashment of 300 days of EL and the total HPL on superannuation. The financial implication has been adjusted under Past Service Cost in the above statement.

2. On introduction of cafeteria approach to the workmen as a part of wage revision, the Leave Travel concession (encashment / availment) available to the workmen has been withdrawn and considered as part of allowances. Hence, the liability provided during earlier years is charged off to the Statement of Profit and Loss.

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.0.59 cr (Rs.1.16 cr)	Rs.- 0.50 cr (Rs.-0.99 cr)
ii. Increase/(Decrease) on present value of defined benefit obligations as at 31-03-2014	Rs.19.81 cr (Rs.16.23 cr)	Rs. -17.17 cr (Rs.-13.94 cr)

Note : Figures in bracket indicate previous year figures

F. PRINCIPAL ACTUARIAL ASSUMPTIONS :

DESCRIPTION	2013-14	2012-13
i. Discount Rate	9%	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%

The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

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

Note-2.33.2 : Segment Reporting as per AS-17

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

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

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

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

Information about Business Segments

Primary Business Segments

(Rs. in Crore)

	Iron Ore		Other Minerals & Services		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. REVENUE								
External Sales	11,899.52	10,558.71	158.68	145.56	-	-	12,058.20	10,704.27
Inter-Segment Sales	26.27	50.79	-	-	26.27	-50.79	-	-
Total Revenue	11,925.79	10,609.50	158.68	145.56	-26.27	-50.79	12,058.20	10,704.27
2. RESULT								
Segment Result	7,910.81	7,385.10	37.99	28.76	-61.91	-4.61	7,886.89	7,409.25
Unallocated Corporate Exps							(122.70)	(131.88)
Operating Profit							7,764.19	7,277.37
Interest Expense - On IncomeTax							(1.85)	(13.20)
Interest Income							1,996.86	2,200.95
Income Taxes							(3,339.12)	(3,122.75)
Net Profit							6,420.08	6,342.37
3. OTHER INFORMATION								
Segment Assets	4,433.04	3,951.37	182.38	133.33	26,856.13	26,803.35	31,471.55	30,888.05
Segment Liabilities	862.66	902.65	26.31	26.95	492.40	2,349.24	1,381.37	3,278.84
Additions to assets during the year :								
Tangible Assets	126.06	194.66	5.08	3.31	76.59	3.16	207.73	201.13
Intangible Assets	0.34	6.72	-	-	0.29	9.50	0.63	16.22
Depreciation and Amortisation expenses during the year	137.16	124.62	5.35	5.74	7.90	8.16	150.41	138.52
Impairment reversal/ provided			-45.48	-	-	-	-45.48	-
Non-Cash expenses other than Depreciation & amortization	4.39	4.85	0.21	0.11	-0.07	0.11	4.53	5.07

Secondary Segments

Sales Revenue by location of Customers:

(Rs. in crore)

Revenue from External customers	Curr. Year	Prev. Year
- Domestic	10,426.74	9,748.29
- Export : through MMTC	1,631.46	955.98
TOTAL	12,058.20	10,704.27

Assets by Geographical Location:

(Rs. in crore)

Location	Carrying amount of Segment Assets		Additions to Tangible and Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chattisgarh	7,046.84	4,956.99	184.86	167.38
Andhra Pradesh	22,279.65	24,276.72	4.67	13.65
Others	2,145.06	1,654.34	18.83	36.32
TOTAL	31,471.55	30,888.05	208.36	217.35

2.33.3 Related Party Disclosures (AS-18):

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

A.	Subsidiary Companies:	% of Shareholding
1.	JK Mineral Development Corporation Limited, Jammu	74
2.	NMDC SARM, Madagascar	100
3.	NMDC-CMDC Ltd., Raipur	51
5.	NMDC Power Ltd, Hyderabad	100
6.	Jharkhand National Mineral Development Corporation Ltd, Ranchi	60

B.	Joint venture Company :	% of Shareholding
1.	Kopano-NMDC Minerals (Proprietary) Limited, Johannesburg, South Africa	50

C.	Associate Companies:	% of Shareholding
1.	Romelt- Sail (India) Limited, New Delhi (in the process of liquidation)	25
2.	Legacy Iron Ore Ltd, Perth, Australia	48.82
3.	International Coal Ventures (Pvt) Ltd, New Delhi	14.29
4.	Nilachal Ispat Nigam Ltd, Bhubaneswar	12.87
5.	Krishnapatnam Railway Co. Ltd, Secunderabad	14.81

D. Key Management Personnel: (Directors) as on 31.03.2014

1. Sri C.S.Verma
2. Sri Narendra K. Nanda
3. Sri S.Thiagarajan
4. Sri Subimal Bose
5. Sri S.K. Das
6. Sri Rabindra Singh

ii) Transactions during the year with Related parties:

Sl No	Particulars	Rs. in Crore	
		Year ended	
		31-MAR-14	31-MAR-13
1.	Subsidiary Companies:		
	a) Investments:		
	Opening balance	12.32	12.31
	Investment made during the year	-	0.01
	Closing balance	12.32	12.32
	Investment deration/Provision	7.20	7.20
	b) Loans and Advances:		
	Opening balance	13.16	5.21
	Advances given during the year (net)	12.32	7.95
	Advances written off in earlier written back	5.54	-
	Closing balance	31.02	13.16
	Joint venture Company :		
2.	Investments :		
	Opening balance (Rs.1,501/-) (P. Year (Nil))	-	-
	Investment made during the year Nil	-	-
	(P. Year (1,501/-))	-	-
	Closing balance (Rs.1,501/-)	-	-
	Proportionate JV expenditure	0.21	-
3.	Associate Companies:		
	Investments (incl Advance for investment):		
	Opening balance	244.64	242.74
	Contribution towards equity	0.70	1.90
	Closing balance	245.34	244.64
	Deration against diminution in value of investment	0.11	0.11
	Key Management Personnel:		
	Managerial Remuneration	3.02	3.19
	The Company has not paid any remuneration to Shri C.S. Verma, Chairman, SAIL, as he held additional charge of the Company.		

Corporate guarantee has been provided to Citi Bank, Perth as security against the loan granted to Associate company M/s Legacy Iron Ore Limited, Perth to the extent of AUD 3 million (INR 16.81 crore) as on 31/03/14.

Based on the legal opinion, during the year M/s Legacy Iron ore Limited, Perth has been classified as Associate Company against classifying as Subsidiary Company in the previous year. As a result, the previous year transactions are also reclassified accordingly.

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

Particulars	Year ended	
	31-MAR-14	31-MAR-13
1. Profit after Tax (Rs Crore)	6,420.08	6,342.37
2. No of Equity shares	3,96,47,16,000	3,96,47,16,000
3. Nominal value per Equity share (Rs)	1	1
4. Basic and Diluted Earnings per share (Rs)	16.19	16.00

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

2.33.6 Discontinuing Operations (AS-24) :

On 25/02/2008 the Board of directors had announced a plan to dispose off the plant and machinery of Silica Sand Project, Lalapur which is included in the segment of "Other minerals and services." Pending disposal, the unit is kept under care & maintenance.

Rs. in crore

Particulars	AS AT	
	31-MAR-14	31-MAR-13
Silica Sand Project, Lalapur		
Carrying value of Assets	0.32	0.76
Carrying value of liabilities	0.52	0.50

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

Rs. in crore

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-2013
A. Revenue		
Revenue from operations	0.02	0.13
Other income	–	3.48
Total Revenue	0.02	3.61
B. Expenses		
Power, Electricity and Water	0.24	0.23
Repairs and Maintenance	0.03	0.02
Other expenses	1.51	0.59
Total Expenses	1.78	0.84
C. Profit(+)/Loss(-) from discontinued operations before tax (A-B)	-1.76	2.77

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

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is Rs.20.42 crore (previous year Rs.15.45 crore), including expenditure of Rs. 6.00 crore (previous year Rs.3.47 crore) on feasibility studies.

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

Head of account	Rs. in crore	
	2013-14	2012-13
Consumption of Stores and Spares	0.23	0.15
Power, Electricity & Water	0.56	0.40
Employee benefit expense	9.10	7.06
Repairs and Maintenance	0.20	0.12
Other expenditure	2.86	2.37
Depreciation & Amortisation	3.19	3.66
Total expenditure	16.14	13.76
Less : Other income	1.72	1.78
Total net R&D expenditure	14.42	11.98

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are Rs.2.58 crore. (Previous year Rs. 0.10 crore).

2.33.8 Joint ventures (AS-27) - Jointly controlled entity :

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership	
		2013-14	2012-13
Kopano-NMDC Minerals (Proprietary) Limited	South Africa	50%	50%

Other details of Company's share in each of the assets, liabilities, income, expenses and contingent liabilities have not been disclosed as the transactions during the year are very insignificant. However, the Company's share of commitment as on 31/03/2014 is Rs. 0.45 crore (previous year Rs 0.68 crore).

2.33.9 Impairment of Assets (AS - 28):

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 01-04-13	Adjustments during 2013-14			Impaired Amount as on 31-03-14
			Reversal	Deletion	Addition	
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	–	–	–

1. The Recoverable amount of the assets of SSP, Lalapur unit has been arrived at considering the 'value in use'. Since the value in use has resulted in negative cash flows, the recoverable amount has been taken as nil without applying any discount rate.
2. In the case of SAF plant at the Sponge Iron Unit, the impairment is based on net selling price as assessed by the approved valuer.

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

Note-2.34 : Disclosure as required by clause 32 of listing agreement:

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

Rs. in crore

Name of the Company	Outstanding balance		Maximum Balance outstanding	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
JK Mineral Development Corporation Limited, Jammu	27.47	10.34	27.47	10.34
NMDC SARL, Madagaskar	–	–	–	–
NMDC-CMDC Ltd., Raipur	0.17	0.19	0.19	0.19
NMDC Power Ltd, Hyderabad	3.36	2.62	3.36	2.62
Jharkhand National Mineral Development Corporation Limited, Ranchi	0.01	0.01	0.01	0.01

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

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

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

Note-2.34 : Others

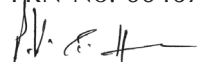
- 2.35.1** Though the Board in its meeting held on 03/07/2013 has approved Defined Contribution Pension Scheme at 8% of salary for employees of the Company, with effect from 1st Jan 2007, no provision has been made in the books towards employer's contribution of about Rs.115 cr, pending approval of the scheme by the Ministry of Steel, Govt. of India.
- 2.35.2** A liability of Rs 0.60 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.3.83 crore (Previous year Rs.3.23 crore)) and the same is not remitted to Central Govt., in the absence of any notification issued by the Central Govt. in this regard.
- 2.35.3** Replies to some of the letters seeking confirmation of balances with regard to Trade receivables, Advances and Deposits are awaited.
- 2.35.4** 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 Venugopal & Chenoy.,

Chartered Accountants

FRN No: 004671S



(P.V. SRI HARI)

Partner

Membership No: 21961

Place : Hyderabad

Date : 30-05-2014

For and on behalf of the Board



(S. THIAGARAJAN)
Director (Finance)



(NARENDRA KOTHARI)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

Expenditure on Social Amenities

(Rs. in Crore)

Description	For the Year ended 31 st March, 2014						For the Year ended 31 st March, 2013
	Township	School & Educational Facilities	Medical Facilities	Social & Cultural Activities	Transport	Total	
Consumption of Stores & Spares	0.44	–	0.22	–	0.04	0.70	0.62
Power	7.59	1.02	1.61	1.99	–	12.21	8.77
Salaries, Wages & Bonus	14.77	3.40	10.75	–	1.68	30.60	21.71
Contribution to Provident Fund	0.87	0.20	0.69	–	0.11	1.87	1.63
Group Gratuity	0.74	0.20	0.54	–	0.09	1.57	1.35
Welfare Expenses	1.86	11.93	20.61	0.67	1.89	36.96	28.89
Repairs & Maintenance	10.79	3.15	6.80	0.16	1.69	22.59	11.82
Rates, Taxes & Insurance	0.03	–	–	–	–	0.03	0.03
Other Expenses	0.69	0.12	0.12	–	0.09	1.02	1.24
Depreciation	3.84	0.23	0.30	0.04	0.28	4.69	9.71
Total Expenditure	41.62	20.25	41.64	2.86	5.87	112.24	85.77
Less : Receipts	0.76	0.06	0.84	–	0.01	1.67	1.27
Net Expenditure	40.86	20.19	40.80	2.86	5.86	110.57	84.50

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**CONSOLIDATED BALANCE SHEET
FOR THE YEAR 2013-14**

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax : 24753454, 24753852
24752853, 24756885
Email : info@venugopalandchenoy.com

Independent Auditors' Report

To
The Board of Directors
NMDC LIMITED,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NMDC Limited ("the Company"), its subsidiaries and associates (the Company, its subsidiaries and associates constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub section (3C) of section 211 of Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on financial statements/Consolidated financial statements as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Profit Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

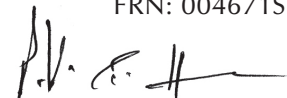
Other Matters

- 1. We did not audit the financial statements of the four Subsidiaries consolidated whose financial statements reflect total assets (net) of Rs.29.06 crores as at 31 March, 2014, total revenues of Rs.NIL crores and net cash flows amounting to Rs.2.11 crores for the year

ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

- 2. We did not also audit the financial statements of the four associates consolidated in which share of loss of the Group is Rs. 42.09 crores. These financial statements have been audited by other auditors. whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. In respect of three associates the latest available audited financial statements were as at and for the period ended 31 March, 2013, and in respect of one associate the latest available audited financial statements were as at and for the period ended 30 June,2013.
- 3. Our opinion is not qualified in respect of "Other Matters".

For VENUGOPAL & CHENOY,
Chartered Accountants
FRN: 004671S



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

Place : Hyderabad
Date : 30-05-2014

Consolidated Balance Sheet as at 31st March, 2014

(Rs. in Crore)

Particulars	Note No	Figures as at the end of current reporting period 31-March-2014	Figures as at the end of previous reporting period 31-March-2013
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2.1	396.47	396.47
Reserves & Surplus	2.2	<u>29,550.36</u>	<u>27,122.12</u>
		29,946.83	27,518.59
Minority interest		1.37	1.36
Non-current Liabilities :			
Deferred Tax Liability (Net)	2.3	107.13	104.37
Other Long term Liabilities	2.4	29.11	30.78
Long Term Provisions	2.5	<u>11.48</u>	<u>12.41</u>
		147.72	147.56
Current Liabilities :			
Trade payables	2.6	185.68	160.77
Other current Liabilities	2.7	1,160.29	1,107.32
Short term Provisions	2.8	<u>1.99</u>	<u>1,860.42</u>
		1,347.96	3,128.51
TOTAL		<u>31,443.88</u>	<u>30,796.02</u>
ASSETS :			
NON-CURRENT ASSETS :			
Fixed Assets :			
Tangible Assets	2.9	1,293.92	1,183.30
Intangible Assets	2.10	71.93	83.45
Capital Work in Progress	2.11	<u>5,297.41</u>	<u>3,247.11</u>
		6,663.26	4,513.86
Non-current investments	2.12	219.30	260.69
Long term Loans and Advances	2.13	719.03	545.24
Other non-current assets	2.14	<u>5.37</u>	<u>5.37</u>
		7,606.96	5,325.16
CURRENT ASSETS :			
Inventories	2.15	681.19	637.46
Trade receivables	2.16	1,448.42	1,082.21
Cash and bank balances	2.17	18,660.51	21,027.41
Short term Loans and Advances	2.18	2,320.86	1,934.18
Other Current Assets	2.19	<u>725.94</u>	<u>789.60</u>
		23,836.92	25,470.86
TOTAL		<u>31,443.88</u>	<u>30,796.02</u>
Significant accounting policies and Notes on accounts forming part of accounts.	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)



(NARENDRA KOTHARI)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

Place : Hyderabad

Date : 30-05-2014

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2014

(Rs. in Crore)

Particulars	Note No	Figures for the current reporting period 31-March-2014	Figures for the previous reporting period 31-March-2013
I. Gross Revenue from Operations	2.20	12,065.14	10,713.44
Less : Excise duty		<u>6.94</u>	<u>9.17</u>
Net Revenue from operations		12,058.20	10,704.27
II. Other Income	2.21	2,089.11	2,238.98
III. Total Revenue (I + II)		14,147.31	12,943.25
IV. Expenses :			
Consumption of raw materials	2.22	26.50	30.94
Consumption of Stores & Spares		346.31	257.99
Changes in inventories of finished goods and work-in-progress	2.23	(14.27)	(184.33)
Employee Benefit expense	2.24	706.35	580.06
Power, Electricity and Water	2.25	60.98	57.60
Repairs & Maintenance	2.26	88.77	73.61
Royalty & Cess		960.53	952.53
Selling Expenses	2.27	1,347.41	818.00
Finance cost - interest on Income Tax		1.85	13.20
Depreciation & Amortisation	2.9&2.10	150.65	138.77
Other Expenses	2.28	763.75	746.14
Total Expenses		4,438.83	3,484.51
V. Profit before exceptional and extraordinary items and tax (III-IV)		9,708.48	9,458.74
VI. Exceptional items	2.31	(45.48)	-
VII. Profit before extraordinary items and tax (V-VI)		9,753.96	9,458.74
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		9,753.96	9,458.74
X. Tax expense :			
(1) Current tax		3,320.11	3,087.52
Earlier years (net)		16.85	29.93
(2) Deferred tax		2.76	4.39
		3,339.72	3,121.84
XI. Profit for the year from continuing operations after tax (IX-X)		6,414.24	6,336.90
XII. Profit from discontinuing operations before tax		(1.76)	2.77
XIII. Tax expense of discontinuing operations		(0.60)	0.90
XIV. Profit from discontinuing operations after tax (XII-XIII)		(1.16)	1.87
XV. Profit for the year (XI + XIV)		6,413.08	6,338.77
Share of minority		-0.01	-0.01
Share of losses of associates		-42.09	-5.02
Profit after adjusting minority interest and share of losses of associates		6,370.98	6,333.74
XVI. Earning per equity share:			
(Face value Rs.1/- each)			
(i) Basic		16.07	15.98
(ii) Diluted		16.07	15.98
Significant accounting policies and Notes on accounts forming part of accounts.	1&2		

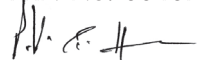
Subject to our Report of even date

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)



(NARENDRA KOTHARI)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

Place : Hyderabad

Date : 30-05-2014

Consolidated Cash Flow Statement for the year ended 31st March, 2014

(Rs. In crore)

	Year ended 31-Mar-14	Year ended 31-Mar-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	9,753.96	9,458.74
Profit before tax from discontinued operations	-1.76	2.77
Adjustments for :		
Depreciation & Amortisation (incl impairment)	110.57	141.34
Interest on deposits with banks	-1,994.68	-2,198.62
Other Interest income	-2.30	-2.33
Profit on reinstatement of investments	-	-
Prov for bad & doubtful advances & Misc.losses written off	3.66	1.61
Profit/loss on sale of fixed assets (net)	-3.03	-5.24
Unamortised expenditure written off	0.87	3.76
Operating profit before working capital adjustments	7,867.29	7,402.03
Increase(-)/Decrease(+) in Inventories	-43.73	-178.54
Increase(-)/Decrease(+) in Trade Receivables	-366.21	-345.19
Increase(-)/Decrease(+) in Short term and Long term Loans & Advances	-293.80	-39.11
Increase(-)/Decrease(+) in accrued interest on deposits with banks	63.03	-101.59
Increase(-)/Decrease(+) in Assets held for disposal	-0.24	-0.02
Increase(+)/Decrease(-) in long term, Short term Liabilities and trade payables	76.21	448.41
Increase(+)/Decrease(-) in long term and Short term Provisions	-3.95	-2.28
Cash Generated from Operations	7,298.60	7,183.71
Interest paid on Income tax	1.85	13.20
Direct taxes (Net)	-3,566.93	-4,100.04
Net Cash Flow from Operating Activities	3,733.52	3,096.87
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible and Intangible Assets	-210.09	-217.37
Increase(-)/Decrease(+) in Capital work in progress	-2,050.30	-1,751.36
Increase(-)/Decrease(+) in Capital advances	-39.76	-24.15
Purchase of Investments	-0.70	-1.90
Interest on deposits with Banks	1,994.68	2,198.62
Other interest income	2.30	2.33
Sale of Investments	-	-
Sale/Deletion of Fixed Assets	3.45	5.65
Increase(-)/Decrease(+) in Unamortised expenditure	-	0.37
Increase(-)/Decrease(+) in Investment in term deposits with more than three months	3,838.00	2012
Increase(-)/Decrease(+) in Bank Deposits offered as security for BG/LCs	-94.00	-1565
Net Cash flow from Investing Activities	3,443.58	659.19

(Rs. In crore)

	Year ended 31-Mar-14	Year ended 31-Mar-13
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest on income tax	-1.85	-13.20
Payment of dividends	-4,955.90	-2,180.59
Tax on dividend	-842.25	-353.74
Increase(-)/Decrease (+) in balances with banks for unpaid dividend	-0.70	-0.19
Net cash used in Financing Activities	-5,800.70	-2,547.72
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	1,376.40	1,208.34
Cash & Cash equivalents at the end of the year	5,683.06	4,306.66
Cash & Cash equivalents at the beginning of the year	4,306.66	3,098.32
	1,376.40	1,208.34
Components of Cash & Cash equivalents:		
Cash & cheques on hand	0.11	0.16
Balances with Scheduled banks		
in current account	162.86	65.50
in Term deposits with original maturity less than 3 months	5,520.09	4,241.00
	5,683.06	4,306.66

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)



(NARENDRA KOTHARI)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

Place : Hyderabad

Date : 30-05-2014

Significant Accounting Policies and Notes on Accounts

Note-1 : Significant Accounting Policies

A. BASIS OF ACCOUNTING

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

B. PRINCIPLES OF CONSOLIDATION

The consolidated Financial statements have been prepared on the following basis :

- i) The consolidated financial statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.
- ii) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as specified in Accounting Standard 21 - "Consolidated Financial Statements."
- iii) The financial statements of Joint venture entities are combined by applying proportionate consolidation method on a line by line basis on like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard 27 - "Financial reporting of Interests in Joint ventures."

iv) Investments in Associates are accounted for using equity method as per Accounting Standard 23 - " Accounting for investments in Associates in Consolidated Financial Statements".

v) The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

vi) Minorities share in net profit/loss of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.

vii) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.

C. 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.
- 2.6 In respect of NMDC-CMDC Limited, depreciation is provided on Straight line method as per the rates prescribed in Schedule XIV of the Companies Act, 1956.

3 DEVELOPMENT EXPENSES:

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.

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:

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

The basis of determining the cost is

Raw materials	:	Weighted average cost
Stores and spares	:	Weighted average cost
Stores in Transit	:	At cost
Work in process and Finished goods	:	Material cost plus appropriate share of labour, related overheads and levies

5.2 In case of identified obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

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

5.4 No credit is taken in respect of stock of run of mine ore, embedded ore, Iron ore slimes, Partly used stores and spares.

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 Gratuity & Provident fund:

2.2.1 Gratuity payable to eligible employees is administered by a separate Trust. Payments to the trust towards contributions and other demands are made on the basis of actuarial valuation.

2.2.2 The company's contribution to the provident fund is remitted to a separate trust based on a fixed percentage of the eligible employees' salary. Further, the Company makes good the shortfall, if any, between the return from investments of trust and notified rate of interest on actuarial valuation basis.

2.3 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.

2.4 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 Venugopal & Chenoy

Chartered Accountants

FRN No: 004671S



(P.V. SRI HARI)

Partner

Membership No: 21961

Place : Hyderabad

Date : 30-05-2014

For and on behalf of the Board



(S. THIAGARAJAN)
Director (Finance)



(NARENDRA KOTHARI)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

2. Notes on Accounts for the Year Ended 31st March 2014

Note-2.1 : Share Capital

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Authorised:		
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>
Issued,Subscribed & Paid up:		
3,96,47,16,000 Equity Shares of Rs.1/- each fully paid up (Previous year 3,96,47,16,000 Equity shares of Rs.1/- each fully paid up)	<u>396.47</u>	<u>396.47</u>
TOTAL	<u><u>396.47</u></u>	<u><u>396.47</u></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) Terms/Rights attached to equity shares: The Company has only one class of equity shares having par value of Rs.1/- each and each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 3) The details of shares in the Company held by each shareholder holding more than 5% shares :

Name of the Share holder	2013-14		2012-13	
	% of share-holding	No. of shares	% of share-holding	No. of shares
i) Hon'ble President of India	80.00	3,171,946,300	80.00	3,171,946,580
ii) LIC of India	6.73	266,989,233	5.54	219,501,966

Note-2.2 : Reserves and Surplus

	(Rs. in Crore)	
	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
a) General Reserve (Free Reserve)		
As per last Balance Sheet	27,114.22	24,009.22
Add : Additions during the year	<u>1,000.00</u>	<u>3,105.00</u>
At the end of the year	28,114.22	27,114.22
b) Capital Grant- R&D (Corresponding nominal value of assets Rs. 881/- (P.Y. Rs.881/-))	-	-
c) Statement of Profit and Loss -Surplus		
As per last Balance Sheet	7.90	16.93
Add : Profit for the year	<u>6,370.98</u>	<u>6,333.74</u>
	6,378.88	6,350.67
Less : Appropriations :		
Interim Dividend	3,370.01	1,189.41
Tax on Interim Dividend	572.73	192.95
Proposed Final Dividend	-	1,585.89
Tax on Final Dividend	-	269.52
General Reserve	<u>1,000.00</u>	<u>3,105.00</u>
	4,942.74	6,342.77
At the end of the year	1,436.14	7.90
TOTAL	<u>29,550.36</u>	<u>27,122.12</u>

Note-2.3 : Deferred Tax Liability (Net)

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
A. Deferred tax Liability :		
Related to fixed assets	108.52	110.82
Accrued expenses	<u>8.76</u>	<u>2.20</u>
	117.28	113.02
B. Deferred tax assets :		
Provision for bad and doubtful debts and advances	5.28	4.40
Provision for post retirement medical benefits	4.80	4.47
Misc. Expenses	<u>0.07</u>	<u>-0.22</u>
	10.15	8.65
C. Net deferred tax liability (A-B)	<u>107.13</u>	<u>104.37</u>

Note-2.4 : Other Long Term Liabilities

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Deposits from Suppliers, Contractors and Others	<u>29.11</u>	<u>30.78</u>
	<u>29.11</u>	<u>30.78</u>

Note-2.5 : Long Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Gratuity	0.04	0.03
Long Service Reward	<u>11.44</u>	<u>12.38</u>
	<u>11.48</u>	<u>12.41</u>

Note-2.6 : Trade Payables

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Outstanding dues of micro and small enterprises	0.62	0.52
Other than micro & small enterprises	<u>185.06</u>	<u>160.25</u>
	<u>185.68</u>	160.77
	<u>185.68</u>	<u>160.77</u>

Note-2.7 : Other Current Liabilities

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Advances from customers	173.22	107.34
Unpaid Dividend	1.28	0.58
Mine closure liability	270.89	239.68
Less : Fund with LIC	<u>264.46</u>	<u>234.61</u>
	6.43	5.07
Others:		
Deposits from Suppliers, Contractors and Others	49.04	40.62
Other Payables (like withholding and other taxes payable, amounts payable to employees and others)	930.32	953.71
	<u>1,160.29</u>	<u>1,107.32</u>

Note-2.8 : Short Term Provisions

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Employee Benefits :		
Accrued leave	0.04	0.03
LTC	-	1.66
Long Service Reward	1.95	3.32
Others :		
Proposed Final dividend	-	1,585.89
Tax on Final dividend	-	<u>269.52</u>
	-	1,855.41
	<u>1.99</u>	<u>1,860.42</u>

Details of Provisions (in Compliance of AS-29)

(Rs. in Crore)

	Opening Balance 1-Apr-13	Addition during year	Adjustment during year	Closing Balance 31-Mar-14
Proposed Dividend and Tax thereon	1,855.41 (1,151.97)	3,942.74 (3,237.77)	-5,798.15 (-2,534.33)	- (1,855.41)

Note : Figures in bracket indicate previous year figures

Note-2.9 : Tangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK				
	As at 1st Apr, 2013	Additions during the year	Ded/Adj during the year	Internal transfer	As at 31st MAR 2014
A. General					
Land :					
- Free hold	256.13	1.81	-	-	257.94
- Lease hold	2.41	-	-	-	2.41
Buildings	85.85	43.29	-	0.03	129.17
Plant & Machinery	724.56	23.22	(0.72)	-	747.06
Heavy Mobile Equipt.	871.07	36.71	(11.87)	-	895.91
Furniture & fittings	12.31	1.13	(0.01)	-	13.43
Vehicles	27.90	8.53	(2.81)	-	33.62
Office Equipment	47.94	4.26	(0.40)	(0.01)	51.79
Others :					
Roads, bridges etc.	44.84	50.54	-	-	95.38
Dams, Wells & Pools	11.97	4.68	-	-	16.65
Adit & tunnel	3.71	-	-	-	3.71
Railway sidings	54.01	1.59	-	-	55.60
Locomotives	7.21	-	-	-	7.21
Electrical Installations	90.88	7.20	(3.30)	-	94.78
Sanitary & W. S. Installations	17.53	0.31	-	(0.03)	17.81
TOTAL 'A'	2,258.32	183.27	(19.11)	(0.01)	2,422.47
Figures for the previous year	2,094.44	187.21	(23.40)	0.07	2,258.32
B. Social Facilities					
Land :					
- Free hold	0.29	-	-	-	0.29
- Lease hold	0.02	-	-	-	0.02
Buildings	98.72	21.65	(0.26)	-	120.11
Plant & Machinery	0.20	0.04	-	-	0.24
Furniture & fittings	2.43	0.46	(0.01)	(0.01)	2.87
Vehicles	3.77	0.61	(0.61)	-	3.77
Office Equipment	9.93	0.61	(0.02)	0.02	10.54
Others :					
Roads, bridges etc.	7.53	0.48	-	-	8.01
Cess fund quarters	12.57	-	-	-	12.57
Dams, Wells & Pools	0.23	-	-	-	0.23
Cess Fund Vehicles	-	-	-	-	-
Electrical Instaln.	2.59	0.17	(0.14)	-	2.62
Sanitary & W.S.Instlns.	7.32	2.17	-	-	9.49
Cess fund other assets	0.10	-	-	-	0.10
TOTAL 'B'	145.70	26.19	(1.04)	0.01	170.86
Figures for the previous year	131.89	13.94	(0.06)	(0.07)	145.70
TOTAL 'A + B'	2,404.02	209.46	(20.15)	-	2,593.33
Figures for the previous year	2,226.33	201.15	(23.46)	-	2,404.02

Note-2.9 : Tangible Assets (Contd..)

(Rs. in Crore)

ASSETS	DEPRECIATION BLOCK						NET BLOCK		
	Upto 31st March 2013	For the year	Asset Impairment	Prior period adj.	Deductions/adjustments	Internal transfers	Upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
A. General									
Land :									
- Free hold	-	-	-	-	-	-	-	257.94	256.13
- Lease hold	1.64	0.04	(0.87)	-	-	-	0.81	1.60	0.77
Buildings	39.54	3.31	-	-	-	0.25	43.10	86.07	46.31
Plant & Machinery	556.26	23.09	(44.61)	(0.31)	(0.73)	-	533.70	213.36	168.30
Heavy Mobile Equipt.	399.63	88.67	-	-	(11.87)	-	476.43	419.48	471.44
Furniture & fittings	7.11	0.87	-	-	(0.01)	-	7.97	5.46	5.20
Vehicles	17.92	3.52	-	-	(2.65)	-	18.79	14.83	9.98
Office Equipment	29.18	3.75	-	(0.04)	(0.40)	0.58	33.07	18.72	18.76
Others :									
Roads, bridges etc.	17.23	3.10	-	0.12	-	(0.25)	20.20	75.18	27.61
Dams, Wells & Pools	10.77	4.74	-	-	-	-	15.51	1.14	1.20
Adit & tunnel	3.71	-	-	-	-	-	3.71	-	-
Railway sidings	14.83	2.76	-	0.08	-	-	17.67	37.93	39.18
Locomotives	7.21	-	-	-	-	-	7.21	-	-
Electrical Installations	47.52	4.67	-	0.15	(3.15)	0.06	49.25	45.53	43.36
Sanitary & W. S. Installations	12.02	0.60	-	-	-	(0.64)	11.98	5.83	5.51
TOTAL 'A'	1,164.57	139.12	(45.48)	-	(18.81)	-	1,239.40	1,183.07	1,093.75
Figures for the previous year	1,062.79	124.78	-	0.05	(23.10)	(0.05)	1,164.57	1,093.75	-
B. Social Facilities									
Land :									
- Free hold	-	-	-	-	-	-	-	0.29	0.29
- Lease hold	0.02	-	-	-	-	-	0.02	-	-
Buildings	29.10	2.40	-	-	(0.19)	-	31.31	88.80	69.62
Plant & Machinery	0.07	0.02	-	-	-	-	0.09	0.15	0.13
Furniture & fittings	1.72	0.17	-	-	-	-	1.89	0.98	0.71
Vehicles	2.68	0.45	-	-	(0.58)	-	2.55	1.22	1.09
Office Equipment	5.94	0.75	-	-	(0.02)	-	6.67	3.87	3.99
Others :									
Roads, bridges etc.	3.46	0.24	-	-	-	-	3.70	4.31	4.07
Cess fund quarters	5.49	0.25	-	-	-	-	5.74	6.83	7.08
Dams, Wells & Pools	0.17	-	-	-	-	-	0.17	0.06	0.06
Cess Fund Vehicles	-	-	-	-	-	-	-	-	-
Electrical Instaln.	2.03	0.10	-	-	(0.14)	-	1.99	0.63	0.56
Sanitary & W.S.Instlns.	5.37	0.41	-	-	-	-	5.78	3.71	1.95
Cess fund other assets	0.10	-	-	-	-	-	0.10	-	-
TOTAL 'B'	56.15	4.79	-	-	(0.93)	-	60.01	110.85	89.55
Figures for the previous year	51.85	4.40	-	-	(0.05)	(0.05)	56.15	89.55	-
TOTAL 'A + B'	1,220.72	143.91	(45.48)	-	(19.74)	-	1,299.41	1,293.92	1,183.30
Figures for the previous year	1,114.64	129.18	-	0.05	(23.15)	-	1,220.72	1,183.30	-

Note-2.10 : Intangible Assets

(Rs. in Crore)

ASSETS	GROSS BLOCK				
	As at 1st Apr, 2013	Additions during the year	Ded/Adj during the year	Internal Transfer	As at 31st MAR 2014
GENERAL					
Goodwill	14.09	–	–	–	14.09
Computer software	6.02	0.63	–	–	6.65
Mining rights	165.17	–	(0.25)	–	164.92
TOTAL	182.92	0.63	(0.25)	–	185.66
Figures for the previous year	166.80	16.22	(0.10)	–	185.28

Note - 2.10 : Intangible Assets (Contd..)

(Rs. in Crore)

ASSETS	AMORTISATION BLOCK					NET BLOCK	
	Upto 31 st March 2013	For the year	Prior period adj.	Deductions/ adjustments	Upto 31 st March 2014	As at 31 st March 2014	As at 31 st March 2013
GENERAL							
Goodwill	14.09	–	–	–	14.09	–	–
Computer software	5.28	0.86	–	–	6.14	0.51	0.74
Mining rights	82.46	11.28	–	(0.24)	93.50	71.42	82.71
TOTAL	100.86	12.14	–	(0.24)	113.73	71.93	83.45
Figures for the previous year	89.00	12.11	–	–	101.83	83.45	–

Additional notes to 2.9 & 2.10 : TANGIBLE AND INTANGIBLE ASSETS

1. 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

2. 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.
3. 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.
4. The tangible assets include capital expenditure not represented by assets. These are written off over a period of five years.

Details	Rs. In crore		
	Gross Block	Depreciation	Net Block
Plant and Machinery (In motion weigh bridges at Kirandul and Bachel)	3.48	0.36	3.12

5. Formal agreements / Transfer deeds remain to be executed in respect of the following:

- (a) Renewal of Mining Leases at Deposit 10 (Float Ore) & Panna & Donimalai.
- (b) Lease deeds in respect of parts of land for township at Bailadila-5, Bacheli and Bailadila-14. Kirandul.
- (c) Lease deeds in respect of land for Screening Plant at Visakhapatnam.
- (d) Mining lease to the extent of 22.00 hectares of Silica Sand Plant near Lalapur (Allahabad).
- (e) Lease in respect of a portion of the total land at R&D Center measuring 10.96 acres has expired during Feb 07 (7.0 acres) and the balance in Feb 2010 (3.96 acres). The process of renewal of the lease is under progress.
- (f) Only Provisional allotment letters issued for the land to the extent of 13.43 acres purchased from M/s APIIC at Industrial park, Paloncha. However, on physical survey found only 10.23 acres of land. No effect is given in books, pending confirmation from M/s APIIC.
- (g) Land to the extent of 26.39 acres purchased at Patancheru, Hyderabad from the Official Liquidator of Allwyn Watches Ltd. However, on physical survey found only 24.23 acres of land. No effect is given in books, pending confirmation from the Official Liquidator of Allwyn Watches Ltd.
- (h) Final forest clearance yet to be received from Ministry of Environment and Forests for the 84.36 hectares of forest land at Arki.

6. Reconciliation of Depreciation and Amortisation as per Statement of Profit and Loss:

			Rs. In crore
Note no	Particulars	2013-14	2012-13
Note No: 2.9	Depreciation on Tangible Assets	143.91	129.18
Note No: 2.10	Amortisation of Intangible Assets	12.14	12.11
	TOTAL	156.05	141.29
Note No: 2.11.1	Transferred to IEDC	(-)5.40	(-)2.52
Depreciation and amortisation as per Statement of Profit and Loss		150.65	138.77

Prior period Depreciation:

			Rs. In crore
Note no	Particulars	2013-14	2012-13
Note No: 2.28.1	Depreciation prior period charged to Statement of Profit and Loss	-0.27	0.05
Note No: 2.11.1	Depreciation prior period transferred to IEDC	0.27	-
Prior period depreciation as per note 2.9 Tangible Assets		-	0.05

Note-2.11 : Capital Work in Progress

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Construction work in progress	4,782.76	2,835.33
Less : Provision	0.15	-
	<u>4,782.61</u>	<u>2,835.33</u>
Construction Stores	2.01	2.20
Capital Assets in stores awaiting installation or in transit	23.47	72.69
Expenditure incidental to construction awaiting allocation (See note 2.11.1)	489.32	336.89
TOTAL	<u><u>5,297.41</u></u>	<u><u>3,247.11</u></u>

Note-2.11.1 : Expenditure Incidental to Construction Awaiting Allocation

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
a. Opening balance	336.89	200.00
b. Net Expenditure incurred during the year		
Consumption of stores and spares	5.38	0.02
Employee Benefit expense :		
Salaries, Wages & Bonus	23.40	16.89
Contribution to Provident fund, EPS, DLI	1.68	1.30
Contribution to Gratuity fund	1.09	0.59
Staff Welfare expenses	4.66	4.12
	<u>30.83</u>	<u>22.90</u>
Power, Electricity & Water	7.42	2.29
Repairs and Maintenance	0.28	0.18
Depreciation and amortisation	5.40	2.52
Depreciation and amortisation-prior period	0.27	-
Other expenses :		
Rent, Insurance, Rates and taxes	0.07	0.07
Payment to auditors : As auditors	0.02	0.02
Payment to auditors : For other services	0.01	-
Reimbursement of expenses	-	-
	<u>0.03</u>	<u>0.02</u>
Travelling and Conveyance expenses	0.78	0.68
Consultancy expenditure	84.71	105.1
CISF/Security expenditure	0.73	0.67
Other expenditure	20.02	5.38
	<u>155.92</u>	<u>139.83</u>
Less : Recoveries/Income		
Other income	3.49	2.94
Total b	<u>152.43</u>	<u>136.89</u>
Sub-total (a + b)	<u>489.32</u>	<u>336.89</u>
Less : Amount allocated to Fixed assets/Capital W I P	-	-
TOTAL	<u><u>489.32</u></u>	<u><u>336.89</u></u>

Note-2.12 : Non-Current Investments

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
In Equity Shares:		
<u>Investments in Subsidiary Companies :</u>		
<u>Trade & unquoted at cost:</u>		
i) 41,85,590 (Previous Year 41,85,590) Equity shares of FMG 2500/- each fully paid up in wholly owned subsidiary Company NMDC SARM, Madagascar	7.20	7.20
Less : Investment deration	7.20	7.20
	-	-
<u>Investments in Joint venture -</u>		
<u>Trade and unquoted at cost</u>		
i) 50 (Previous year Nil) equity shares of South African Rand 1/- each fully paid in Kopano-NMDC Minerals (Proprietary) Limited (Rs.324/- only)	-	-
	-	-
<u>Investments in Associates -</u>		
<u>Trade & quoted at cost:</u>		
i) 28,83,62,699 (Previous year 28,83,62,699) Equity Shares fully paid up in Legacy Iron Ore Ltd, Australia (No face value in Australia)	58.06	88.01
	-	-
ii) 1,05,000 (previous year 1,05,000) Equity shares of Rs 10/- each fully paid up in Romelt SAIL India Ltd., New Delhi	0.11	0.11
Less : Deration	0.11	0.11
	-	-
iii) 14,00,000 (Previous year 4,25,000) Equity shares of Rs.10/- each fully paid up in International Coal Ventures (P) Ltd	1.40	0.43
iv) 4,00,00,000 (Previous year 4,00,00,000) Equity shares of Rs.10/- each fully paid up in Krishnapatnam Railway Company Ltd	38.01	39.96
v) 7,47,99,878 (previous year 7,47,99,878) equity shares of Rs.10/- each fully paid up in NINL, Bhubaneswar	118.21	128.40

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

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
<u>Advance against equity for Trade and unquoted investments in Associates :</u>		
i) 36,00,000 (Previous year 38,75,000) equity shares of Rs.10/- each in International Coal Ventures (P) Ltd. fully paid up, pending issue of shares	3.60	3.87
<u>Non-trade and unquoted shares in co-operative societies</u>		
i) 150 Shares (previous year 150 Shares) of Rs. 1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul Rs.1,50,000 (Previous year 1,50,000)	0.02	0.02
ii) 500 Shares (previous year 500 Shares) of Rs.10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli Rs.5,000 (previous year Rs 5,000)	-	-
iii) 25 Shares (previous year 25 Shares) of Rs.100 each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai Rs.2,500 (previous year Rs 2,500)	-	-
	0.02	0.02
TOTAL	219.30	260.69

1. Aggregate amount of Quoted Investments Rs.58.06 crore (Previous year- Rs.88.01 crore). Market value Rs.36.58 crore (Previous year- Rs.79.65 crore).
2. Aggregate amount of Unquoted Investments Gross Rs.168.55 crore and Net Rs.161.24 crore (Previous Year Gross Rs.179.99 crore and Net Rs.172.68 crore).
3. Aggregate amount of provision for diminution in value of the investments is Rs.7.31 crore. (Previous year Rs.7.31 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-2014	Figures as at the end of 31-March-2013
Capital Advances	486.02	446.26
Others:		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	167.97	42.11
Deposit with Others	65.04	56.87
Less : Provision	—	—
	65.04	56.87
TOTAL	719.03	545.24
Secured, considered good	16.06	17.30
Unsecured, considered good	702.97	527.94
Doubtful	—	—

Note-2.14 : Other Non-Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Un amortised expenditure: (to the extent not written off or adjusted)		
Development expenses	5.37	5.37
Expenses on removal of overburden and preparation of Mining Benches	—	—
TOTAL	5.37	5.37

Note-2.15 : Inventories

(As Valued and Certified by the Management)

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Raw materials	10.76	4.73
Work-in-Process :		
Diamonds	9.66	11.90
Sponge Iron	1.03	0.97
	10.69	12.87
Finished Goods:		
Iron Ore	509.81	492.26
Sponge Iron	2.52	3.48
Ultra Pure Ferric Oxide Rs.10/- (Previous year Rs.57/-)	–	–
Diamonds & Precious Stones	28.26	30.98
Generated Iron ore fines at Sponge Iron unit	2.56	3.58
	543.15	530.30
Stores & Spares	116.09	89.23
Loose tools and Implements	0.50	0.33
	681.19	637.46

Inventories are valued at cost or NRV whichever is lower.

1. Raw material-in-transit	–	–
2. Stores and Spares include:		
a) Stores-in-transit	8.40	9.78
b) Obsolete stores & spares valued at Rs.1 per unit of their original value of Rs.3.51 crore (previous year Rs.3.51 crore)	0.03	0.03

Note-2.16 : Trade Receivables

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Trade receivables outstanding for a period exceeding six months from the due date of payment	590.94	251.61
Other trade receivables	871.12	842.80
	<u>1,462.06</u>	<u>1,094.41</u>
Less : Provision for bad & doubtful trade receivables	13.64	12.20
	<u>1,448.42</u>	<u>1,082.21</u>
TOTAL	<u>1,448.42</u>	<u>1,082.21</u>
See Note no: 2.32		

1. Particulars of Trade Receivables:

i) Secured, Considered good	-	-
ii) Unsecured considered good	1,448.42	737.02
iii) Doubtful	13.64	13.44

Note-2.17 : Cash and Bank Balances

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
CASH AND CASH EQUIVALENTS :		
Balances with Banks		
On Current Accounts	162.86	65.50
On Deposit Accounts (Maturity less than 3 months)	5,520.09	4,241.00
	<u>5,682.95</u>	<u>4,306.50</u>
Cash on hand	0.11	0.16
	<u>5,683.06</u>	<u>4,306.66</u>
OTHER BANK BALANCES :		
Balances with banks on Deposits accounts (Maturity more than 3 months but less than one year)	10,100.10	13,938.10
Bank deposits offered as security for Bank Guarantees and Letters of Credit	2,876.07	2,782.07
Balances with Banks for unpaid dividend	1.28	0.58
	<u>12,977.45</u>	<u>16,720.75</u>
TOTAL	<u>18,660.51</u>	<u>21,027.41</u>

Note-2.18 : Short-term Loans and Advances

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Loans and advances to Directors	0.10	–
Others :		
Other Loans and advances (Recoverable advances to Employees & Outsiders)	1,505.46	1,369.71
Less : Provision for bad and doubtful advances	1.89	1.37
	1,503.57	1,368.34
Advance Income tax & TDS	10,804.54	10,462.30
Less : Provision	10,015.93	9,903.44
	788.61	558.86
Advance Fringe benefit tax	0.04	0.04
Less : Provision	0.04	0.04
	–	–
Inter Corporate Loans to PSUs	4.50	4.50
Less : Loans deration	4.50	4.50
	–	–
Balances with Customs and Port Trust	28.34	6.96
Deposit with Others	0.24	0.02
Less : Provision	–	–
	0.24	0.02
TOTAL	2,320.86	1,934.18
Secured, considered good	4.57	4.24
Unsecured, considered good	2,316.29	1,929.94
Doubtful	6.39	5.87

Note-2.19 : Other Current Assets

(Rs. in Crore)

	Figures as at the end of 31-March-2014	Figures as at the end of 31-March-2013
Accrued interest on deposits with banks	725.41	788.44
Assets held for disposal	0.53	0.29
Un amortised expenditure: (to the extent not written off or adjusted)		
Development expenses	–	0.08
Expenses on removal of overburden and preparation of Mining Benches	–	0.79
TOTAL	725.94	789.60

Note-2.20 : Gross Revenue from Operations

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Sale of Products :		
Iron ore :		
Export through MMTC	1,631.46	955.98
Domestic	10,268.06	9,602.73
	11,899.52	10,558.71
Sponge Iron	62.93	82.58
Diamonds	49.85	28.51
	12,012.30	10,669.80
Sale of Power	1.05	–
Sale of Services	45.86	37.95
Other operating revenue	5.93	5.69
TOTAL	12,065.14	10,713.44

Note-2.21 : Other Income

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Interest Income :		
On deposits with Banks	1,994.68	2,198.73
Others	2.30	2.33
	1,996.98	2,201.06
Profit on sale of assets	3.11	1.78
Other non-operating Income	89.02	36.14
TOTAL	2,089.11	2,238.98

Note-2.22 : Consumption of Raw Materials

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Iron ore	9.48	10.34
Coal	16.51	20.03
Lime Stone	0.13	0.19
Internal handling of raw materials	0.38	0.38
TOTAL	26.50	30.94

Note : Value of iron ore consumed is after adjustment of inter unit transfer value of Rs. 51.20 cr (Previous year Rs.43.35 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-2014	For the year ended 31-March-2013
Work-in-process:		
Balance as at close of the Year	(10.68)	(12.87)
Less : Balance as at the beginning of the Year	12.87	1.06
	2.19	(11.81)
Finished Goods:		
Balance as at close of the Year	(543.77)	(527.15)
Less : Balance as at the beginning of the Year	527.15	354.22
	(16.62)	(172.93)
Less : Excise duty on accretion/decretion of stock (net)	0.16	0.41
	(16.46)	(172.52)
TOTAL	(14.27)	(184.33)

Note-2.24 : Employee Benefit Expense

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Salaries, Wages & Bonus	528.28	417.70
Contribution to Provident fund and other funds :		
Provident Fund, EPS & DLI	33.78	30.57
Gratuity Fund	22.51	13.67
Staff Welfare Expenses	121.78	118.12
TOTAL	<u>706.35</u>	<u>580.06</u>

Note-2.25 : Power, Electricity & Water

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Power charges	48.26	46.67
Electricity charges	10.78	9.62
Water Charges	1.94	1.31
TOTAL	<u>60.98</u>	<u>57.60</u>

Note-2.26 : Repairs and Maintenance

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Buildings	22.04	12.97
Plant and Machinery	28.43	27.01
Vehicles	0.64	0.54
Others	37.66	33.09
TOTAL	<u>88.77</u>	<u>73.61</u>

Note-2.27 : Selling Expenses

(Rs. in Crore)

	For the year ended 31-March-2014	For the year ended 31-March-2013
Railway freight	698.95	453.86
Export duty	509.33	308.25
Infrastructure Development cess	10.71	9.25
Environmental Development cess	10.71	9.25
Other selling expenses	117.71	37.39
TOTAL	<u>1,347.41</u>	<u>818.00</u>

Note-2.28 : Other Expenses

	(Rs. in Crore)	
	For the year ended 31-March-2014	For the year ended 31-March-2013
Rent	2.77	3.24
Insurance	5.27	6.41
Rates & Taxes	10.28	12.80
Directors' Travelling expenses	4.09	3.76
Directors' Sitting fee	0.36	0.30
Payment to Auditors:		
As Auditors:	0.19	0.19
For Taxation matters	0.02	0.03
For Other services	0.19	0.14
For reimbursement of expenses	0.09	0.08
	0.49	0.44
Loss on sale/adjustment of Assets	0.08	0.02
Miscellaneous losses written off	1.46	1.17
Provision for doubtful debts/advances	2.20	0.44
Mine closure Obligation	8.35	8.21
Raising and Transportation	82.11	76.15
Contribution to SPV in Karnataka	285.46	337.13
Compensation paid to Statutory Agencies	-	68.66
Entertainment	1.24	0.69
Donations	0.04	1.38
Travelling & Conveyance	27.66	24.92
Advertisement & Publicity	10.05	5.11
Postage, Telephone & Telex	2.31	3.26
Stationery & Printing	3.18	4.06
Consultancy charges	9.50	7.28
CISF/Security guards	73.70	64.90
Safety expenses	0.93	0.92
Unamortised expenditure written off	0.87	3.46
Corporate Social Responsibility	152.85	72.38
Loss in Exchange variation (net)	0.39	0.57
Environmental Development	15.43	11.08
Other expenses	37.19	28.68
Prior period items (See Note 2.28.1)	25.49	-1.28
TOTAL	763.75	746.14

Note-2.28.1 : Prior-Period Items

(Rs. in Crore)

	For the year ended 31-March-2014		For the year ended 31-March-2013	
	Income	Expenditure	Income	Expenditure
Power, Electricity and water	-	-		1.22
Rates, Taxes & Insurance	-	0.04	0.02	-
Repairs & Maintenance	0.08	-	0.09	-
Royalty and Cess	-	33.15	-	-
Payments & benefits to employees	0.72	-	-	-
Other Income	5.22	-	0.34	-
Depreciation & Amortisation	0.27	-	-	0.05
Other Expenses	1.41	-	2.10	-
TOTAL	7.70	33.19	2.55	1.27
Net Income (-) /Expenditure (+)		25.49	1.28	

Other Notes to Consolidated Financial Statements:
 Note-2.29 : The Subsidiary Companies, Associate
 Companies considered in the Consolidated
 Financial Statements are as Follows:

Sl. No.	Name of the Company	Country of Incorporation	Proportion (%) of Company's ownership interest	
			As on 31/03/2014	As on 31/03/2013
Subsidiary Companies				
1	J&K Mineral Development Corporation Limited, Jammu	India	74	74
2	NMDC CMDC Limited, Raipur	India	51	51
3	NMDC Power Limited, Hyderabad	India	100	100
4	Jharkhand National Mineral Development Corporation Limited, Ranchi	India	60	60
Associate Companies				
1	International Coal Ventures (Pvt) Limited, New Delhi	India	14.29	14.29
2	Neelachal Ispat Nigam Limited, Bhubaneswar	India	12.87	12.87
3	Krishnapatnam Railway Company Limited, Secunderabad.	India	14.81	14.81
4	Legacy Iron Ore Limited, Perth, Australia.	Australia	48.82	49.61

- i) The consolidated financial statements are drawn by considering audited financial statements of the above mentioned subsidiaries for the year ended 31/03/2014.
- ii) In respect of Associate companies, the consolidated financial statements are drawn by considering the latest available audited financial statements for the year ended 31/03/2013 except in respect of Legacy Iron ore Limited, Australia which closes its accounts as on 30/06/2013.

2.29.1 The following subsidiary/JV/Associate companies are not consolidated for the following reasons:

- a) The accounts of the subsidiary company i.e. NMDC SARM, Madagascar is under closure and in the process of winding up. The above subsidiary suffers from significant impairment in its ability to transfer funds to the parent company in terms of para 11 of AS 21.
- b) The accounts of JV company Kopano-NMDC Minerals (Proprietary) Limited, South Africa as the transactions are not 'material'.
- c) The accounts of the associate Company Romelt-SAIL (India) Limited, New Delhi as the company is in the process of winding up and suffers from significant impairment in its ability to transfer funds to the investor in terms of para 9 (b) of AS 23.

Note-2.30 : Contingent liabilities and Commitments
(to the extent not provided for)

A. Contingent liabilities

		Rs. in crore	
	Particulars	As at 31-MAR-14	As at 31-MAR-13
A.	Contingent liabilities		
1.1	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.	896.63	905.40
b	Claims by contractors under arbitration	0.16	0.16
c	Other claims on company not acknowledged as debts	70.39	111.56
1.2	Contingent liability on bills discounted under LCs	2.94	14.20
1.3	Corporate Guarantee given to Citi Bank, Sydney for the loan given to M/s Legacy Iron Ore Limited (AUD 3 million)	16.81	-
B.	Commitments:		
1	Estimated amount of contracts remaining to be executed on Capital account	10,074.70	11,766.43

In respect of NMDC Limited :

1.4 Disputed claims under Income Tax Act:

The Income Tax Authorities re-opened, during the Financial year 2011-12, the assessment for the Previous year 2007-08 and further during the assessment of the Previous year 2008-09, included income of Rs.2517.21 crore and Rs.278.03 crore alleging under invoicing of exports and raised demand notices for Rs.1255.83 crore and Rs.102.85 crore for the respective years. Similarly, during financial year 2012-13, Income Tax Authorities re-opened the assessment for the Previous year 2006-07 and further during the assessment of the Previous year 2009-10 included an income of Rs.506.11 crore and Rs.255.03 crore for the same reasons and raised demand notices for Rs.177.91 crore and Rs. 94.36 crore for the respective years.

The company has contested the allegations stating that all the transactions were transparent as well routed through Bank accounts and filed appeals before the appellate authorities.

Pending disposal of the appeals, an amount of Rs.1,228.63 crore (Previous year Rs.1,134.27 crore) paid to IT authorities is shown as amount recoverable from the department (included in note 2.18) and the balance disputed amount of Rs.402.32 crore is included under 1.1.a Contingent liabilities.

1.5 Disputed claims under Forest Development tax Act:

Government of Karnataka introduced Forest Development Tax (FDT) @ 12% on the sale value of iron ore with effect from 27.08.2008. NMDC preferred an appeal before Hon'ble High Court of Karnataka and the court passed an interim order directing the Company to pay 50% of FDT, consisting of 25% in Cash and balance 25% in the form of Bank Guarantee. Accordingly, the company has paid an amount of Rs.119.71 crore (Previous year Rs.119.71 crore) in cash and submitted a bank guarantee for Rs 119.71 crore (Previous year Rs.119.71 crore).

The balance liability of Rs.247.96 crore (Previous year Rs. 247.96 crore) is included under disputed taxes under 1.1.a Contingent liabilities.

2.31 Exceptional Items:

Rs. in crore

Particulars	As at 31-MAR-14	As at 31-MAR-13
Income : Impairment reversal of Windmills (net of depreciation)	45.48	–

2.32 Mining issues at Donimalai complex in Karnataka:

The Monitoring Committee has retained 10% of sale proceeds for the period from 04/10/2011 to 31/03/2014, amounting to Rs.622.60 crore (previous year Rs.268.47 crore) pending finalisation of Rehabilitation and Reclamation Plans (R&R Plans). This amount is included under 'Trade receivables'. Company is making provision for Mine closure liability every year as per its policy and of the opinion that no further provision is considered necessary.

Note-2.33 : Disclosure Under Accounting Standards

2.33.1 Employee Benefits as per AS-15(Rev)

GENERAL DESCRIPTION OF DEFINED BENEFIT PLANS :

PLAN	DESCRIPTION
1. Provident fund	The company's contribution to the provident fund is remitted to a separate trust based on a fixed percentage of the eligible employees' salary. Further, the company makes good the shortfall, if any, between the return from investments of trust and the notified rate of interest on actuarial valuation basis.
2. Gratuity	Eligible amount is paid to the employees on separation by NMDC Group Gratuity Trust.
3. Accrued Leave Salary	Encashment of accumulated leave is payable as per the rules of the Company to the employees during the service/on separation by the NMDC Employees Superannuation Benefit fund trust.
4. Settlement Allowance	Employees are paid eligible amount at the time of retirement for their settlement by the NMDC Employees Superannuation Benefit fund trust.
5. Post Retirement Medical Facilities	Retired employees opting for the Post Retirement Benefit Scheme on contribution of prescribed amount can avail medical benefits as per the Scheme and the liability is funded to NMDC Employees Superannuation Benefit fund trust.
6. Family Benefit Scheme	Monthly payments to disabled separated employees/legal heirs of deceased employees on deposit of prescribed amount, till the notional date of superannuation and the liability is funded to NMDC Employees Superannuation Benefit fund trust.
7. Long Service Award	Employees are presented with an award in kind on rendering prescribed length of service.

OTHER DISCLOSURES :

i) Provident fund :

The company has conducted Actuarial valuation of its two PF trusts and the trusts do not have any deficit as on 31st Mar 2014.

ii) Other defined benefit plans :

(Rs in crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	Family Benefit Scheme	Long Service Award
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A. Changes in the present value of the Obligation as on 31st Mar 2014

Present value of obligation at the beginning of the year	159.58 (157.84)	63.59 (56.02)	26.80 (20.44)	183.45 (148.51)	1.66 (6.64)	15.67 (13.32)	15.70 (13.00)
Interest cost	12.77 (12.63)	6.65 (4.48)	2.14 (1.64)	14.68 (11.88)	– –	– –	– –
Current service cost	5.41 (5.78)	15.45 (12.15)	2.32 (2.39)	24.54 (20.23)	– –	– –	– –
Past service cost	– (–)	(12.86) (–)	– (–)	– (–)	– (–)	– (–)	– (–)
Benefits paid/payable	-21.61 (-25.93)	-7.20 (-10.81)	-0.76 (-0.95)	-16.94 (-13.43)	-0.18 –	-3.61 (-3.34)	– –
Actuarial gain/loss on obligation	20.69 (9.26)	27.99 (1.75)	-6.21 (3.28)	19.71 (16.26)	-1.48 (-4.98)	6.65 (5.69)	-2.32 (2.70)
Present value of obligation at the end of the period Previous year	176.84 (159.58)	93.62 (63.59)	24.29 (26.80)	225.44 (183.45)	– (1.66)	18.71 (15.67)	13.38 (15.70)

B. Changes in the fair value of the Plan Assets as on 31st Mar 2014

(Rs in crore)

Fair value of plan assets at the beginning of the year	171.78 (168.34)	99.85 (101.71)	21.54 (19.16)	149.91 (125.14)	– –	11.31 (10.19)	– –
Expected return on plan assets	15.33 (14.84)	9.73 (8.92)	2.39 (1.82)	17.09 (14.22)	– –	1.68 (0.99)	– –
Contributions	20.01 (14.50)	0.74 (0.03)	6.00 (1.51)	34.03 (24.00)	– –	5.41 (3.50)	– –
Benefits paid/payable	-21.61 (-25.93)	-7.20 (-10.81)	-0.76 (-0.95)	-16.94 (-13.43)	– –	-3.61 (-3.34)	– –
Actuarial gain/loss on plan assets	-0.01 (0.03)	– –	– –	– (0.02)	– –	– (0.03)	– –
Fair value of plan assets at the end of the period	185.50 (171.78)	103.12 (99.85)	29.17 (21.54)	184.09 (149.91)	– –	14.79 (11.31)	– –

Figures in bracket indicated previous year figures.

ii) Other defined benefit plans (Contd..) :

(Rs in crore)

	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	LTC	Family Benefit Scheme	Long Service Award
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C. Amounts recognised in the Balance sheet as on 31st Mar 2014

Present value of the obligations at the end of the year	176.84 (159.58)	93.62 (63.59)	24.29 (26.80)	225.44 (183.45)	- (1.66)	18.71 (15.67)	13.38 (15.70)
Fair value of plan assets at the end of the year	185.50 (171.78)	103.12 (99.85)	29.17 (21.54)	184.09 (149.91)	- -	14.79 (11.31)	- -
Liability(+)/Asset (-) recognised in the balance sheet	-8.66 (12.20)	-9.50 (36.26)	-4.88 (5.26)	41.35 (33.54)	- (1.66)	3.92 (4.36)	13.38 (15.70)

D. Amounts recognised in the Statement of P&L for the period ended 31st Mar 2014

(Rs in crore)

Current service cost	5.41 (5.78)	15.45 (12.15)	2.32 (2.39)	24.54 (20.23)	- -	- -	- -
Past service cost	- (-)	-12.86 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest cost	12.77 (12.63)	6.65 (4.48)	2.14 (1.64)	14.68 (11.88)	- -	- -	- -
Expected return on plan assets	-15.33 (-14.84)	-9.73 (-8.92)	-2.39 (-1.82)	-17.09 (-14.22)	- -	-1.68 (-0.99)	- -
Net actuarial gain/loss recognised in the year	20.68 (9.29)	27.99 (1.75)	-6.21 (3.28)	19.71 (16.24)	-1.48 (-4.98)	6.65 (5.66)	-2.32 (2.70)
Expenses recognised in Statement of Profit and Loss	23.53 (12.86)	27.50 (9.46)	-4.14 (5.49)	41.84 (34.13)	-1.48 (-4.98)	4.97 (4.67)	-2.32 (2.70)

Figures in bracket indicated previous year figures.

Note : 1. The value of accumulated Earned Leave (EL) and Half pay Leave (HPL) has been restricted to 300 days as against the present practice of encashment of 300 days of EL and the total HPL on superannuation. The financial implication has been adjusted under Past Service Cost in the above statement.

2. On introduction of cafeteria approach to the workmen as a part of wage revision, the Leave Travel concession (encashment / availment) available to the workmen has been withdrawn and considered as part of allowances. Hence, the liability provided during earlier years is charged off to the Statement of Profit and Loss.

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.0.59 cr (Rs.1.16 cr)	Rs.- 0.50 cr (Rs.-0.99 cr)
ii. Increase/(Decrease) on present value of defined benefit obligations as at 31-03-2014	Rs.19.81 cr (Rs.16.23 cr)	Rs. -17.17 cr (Rs.-13.94 cr)

Note : Figures in bracket indicate previous year figures

F. PRINCIPAL ACTUARIAL ASSUMPTIONS :

DESCRIPTION	2013-14	2012-13
i. Discount Rate	9%	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%

The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

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

Note-2.33.2 : Segment Reporting as per AS-17

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

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

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

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

Information about Business Segments

Primary Business Segments

(Rs. in Crore)

	Iron Ore		Other Minerals & Services		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. REVENUE								
External Sales	11,899.52	10,558.71	158.68	145.56	0.00	-	12,058.20	10,704.27
Inter-Segment Sales	26.27	50.79	-	-	-26.27	-50.79	-	0.00
Total Revenue	11,925.79	10,609.50	158.68	145.56	-26.27	-50.79	12,058.20	10,704.27
2. RESULT								
Segment Result	7,910.71	7,384.97	36.50	25.17	-67.44	-4.61	7,879.77	7,405.53
Unallocated Corporate Exps							(122.70)	(131.88)
Operating Profit							7,757.07	7,273.65
Interest Expense - On IncomeTax							(1.85)	(13.20)
Interest Income							1,996.98	2,201.06
Income Taxes							(3,339.12)	(3,122.74)
Share of Minority							(0.01)	(0.01)
Share of associates							(42.09)	(5.02)
Net Profit							6,370.98	6,333.74
3. OTHER INFORMATION								
Segment Assets	4,436.05	3,954.37	208.43	146.78	26,794.03	26,801.48	31,438.51	30,902.63
Segment Liabilities	862.98	902.81	33.17	32.22	492.40	2,349.24	1,388.55	3,284.27
Additions to assets during the year :								
Tangible Assets	126.06	194.66	6.81	3.32	76.59	3.17	209.46	201.15
Intangible Assets	0.34	6.72	0.00	0.00	0.29	9.50	0.63	16.22
Depreciation and Amortisation expenses during the year	137.16	124.62	5.59	5.98	7.90	8.17	150.65	138.77
Impairment reversal/ provided	0	0	-45.48	0.00	0.00	0	-45.48	0.00
Non-Cash expenses other than Depreciation & amortization	4.39	4.85	0.21	0.11	-0.07	0.11	4.53	5.07

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

(Rs. in crore)

Revenue from External customers	Curr. Year	Prev. Year
- Domestic	10,426.74	9,748.29
- Export : through MMTC	1,631.46	955.98
TOTAL	12,058.20	10,704.27

Assets by Geographical Location:

(Rs. in crore)

Location	Carrying amount of Segment Assets		Additions to Tangible and Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chattisgarh	7,049.84	4,959.98	184.86	167.39
Andhra Pradesh	22,217.91	24,275.21	4.67	13.65
Jammu	25.70	13.10	1.73	–
Others	2,145.06	1,654.34	18.83	36.33
TOTAL	31,438.51	30,902.63	210.09	217.37

2.33.3 Related Party Disclosures (AS-18) :

As per para no: 7 of AS-18, no disclosure is required in consolidated financial statements in respect of intra-group transactions. Consequently, related party disclosures are not made in the consolidated financial statements.

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

(Rs. in crore)

Particulars	Year ended	
	31-March-2014	31-March-2013
1. Net profit after adjusting minority interest and share of losses associates	6,370.98	6,333.74
2. No of Equity shares	3,96,47,16,000	3,96,47,16,000
3. Nominal value per Equity share (Rs)	1	1
4. Basic and Diluted Earnings per share (Rs)	16.07	15.98

2.33.5 Accounting for Taxes on income (AS-22) :

Necessary details have been disclosed in note no: 2.3.

2.33.6 Discontinuing Operations (AS-24) :

- On 25/02/2008 the Board of directors had announced a plan to dispose off the plant and machinery of Silica Sand Project, Lalapur which is included in the segment of "Other minerals and services." Pending disposal, the unit is kept under care & maintenance.

Rs. In crore

Particulars	AS AT	
	31-03-14	31-03-13
Silica Sand Project, Lalapur		
Carrying value of Assets	0.32	0.76
Carrying value of liabilities	0.52	0.50

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

Rs. In crore

Particulars	For the year ended 31/Mar/2014	For the year ended 31/Mar/2013
A. Revenue		
Revenue from operations	0.02	0.13
Other income	–	3.48
Total Revenue	0.02	3.61
B. Expenses		
Power, Electricity and Water	0.24	0.23
Repairs and Maintenance	0.03	0.02
Other expenses	1.51	0.59
Total Expenses	1.78	0.84
C. Profit(+)/Loss(-) from discontinued operations before tax (A-B)	-1.76	2.77

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

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is Rs.20.42 crore (previous year Rs.15.45 crore), including expenditure of Rs. 6.00 crore (previous year Rs.3.47 crore) on feasibility studies.

2.33.8 Joint ventures (AS-27) - Jointly controlled entity :

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership	
		2013-14	2012-13
Kopano-NMDC Minerals (Proprietary) Limited	South Africa	50%	50%

Other details of company's share in each of the assets, liabilities, income, expenses and contingent liabilities have not been disclosed as the transactions during the year are very insignificant. However, the company's share of commitment as on 31/03/2014 is Rs. 0.45 crore (previous year Rs 0.68 crore).

2.33.9 Impairment of Assets (AS - 28):

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 01-04-13	Adjustments during 2013-14			Impaired Amount as on 31-03-14
			Reversal	Deletion	Addition	
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	-	-	-

2. The Recoverable amount of the assets of SSP, Lalapur unit has been arrived at considering the 'value in use'. Since the value in use has resulted in negative cash flows, the recoverable amount has been taken as nil without applying any discount rate.
3. 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.

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

Note-2.34 : Others

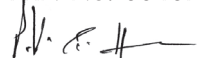
- 2.34.1** Though the Board in its meeting held on 03/07/2013 has approved Defined Contribution Pension Scheme at 8% of salary for employees of the Company, with effect from 1st Jan 2007, no provision has been made in the books towards employer's contribution of about Rs.115 cr, pending approval of the scheme by the Ministry of Steel, Govt. of India.
- 2.34.2** A liability of Rs 0.60 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.3.83 crore (Previous year Rs.3.23 crore)) and the same is not remitted to Central Govt., in the absence of any notification issued by the Central Govt. in this regard.
- 2.34.3** The Associate Company, Krishanapatnam Railway Company Limited has not made any liability towards Departmental charges payable to Rail Vikas Nigam Limited @ 5% of the total cost of works. The share of NMDC on this account is Rs.3.63 cr.
- 2.34.4** 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 Venugopal & Chenoy.,

Chartered Accountants

FRN No: 004671S



(P.V. SRI HARI)

Partner

Membership No: 21961

Place : Hyderabad

Date : 30-05-2014

For and on behalf of the Board



(S. THIAGARAJAN)
Director (Finance)



(NARENDRA KOTHARI)
Chairman-cum-Managing Director



(KUMAR RAGHAVAN)
Company Secretary

Twenty Fifth Annual Report 2013-2014

BOARD OF DIRECTORS

As on 21.06.2014

Shri Narendra Kothari	Chairman
Shri Narendra K. Nanda	Director-in-charge
Shri S. Thiagarajan	Director
Shri A.S. Hussain	Director
Smt. Dilshad Khan	Director
Shri Mohd. Imam	Company Secretary

Bankers

State Bank of India
Gandhi Nagar
Jammu - 180 004

Auditors

M/s. O.P. GARG & ASSOCIATES
Chartered Accountants,
Gali Ghass Mandi
Rajinder Bazar
Jammu - 180 001 (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

CIN : U14107JK1989SGC001110

Directors' Report for the year 2013 - 2014

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 Fifth (25th) Annual Report of your Company for the year ended 31st March, 2014.

1. Since revival of Panthal Magnesite Project, NMDC took following actions towards realization of the project.

- i) The lease has been renewed in favour of NMDC with effect from 11th Jan.2009, for a period of ten years and the Mining Lease has been transferred to J&KMDC on 07.04.2011 as per Mining Lease renewal order.
- ii) The Detailed Project Report (DPR) of Panthal Magnesite Project has been prepared by M/s MECON, Ranchi, in May 2009.
- iii) The Capex of the Panthal Magnesite Project has been revised to Rs.202.46 crore due to increase in the scope of technology package, depreciation of INR and other factors as per the supplementary due-diligence report of M/s.IFCI, Hyderabad.
- iv) 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). Standing Committee of NBWL in its 23rd Meeting held on 14.10.2011 cleared the proposal forwarded by State Board for Wild Life (J&K), vide letter dated 14.11.2011 and subsequent corrigendum dated 31.01.2012 with the conditions as proposed by SBWL/CWLW.
- v) Execution of the Project

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.

Pkg-3 (Soil Investigation) This package has already been awarded and completed in May 2011.

Pkg-4 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. However, due to stay order issued by Hon'ble High Court of Jammu, works at site were kept on hold from March 2012 to July 2012. Works have resumed at site after vacating stay order by Hon'ble High Court of J&K. However, due to re-tendering of the Pkg-1(Kilns, Material processing and handling equipments) the relevant drawings of pkg-4 within the boundary limits of pkg-1 could not be released as planned initially. This has resulted in slow progress of the package work.

Pkg-1 Tender for Pkg-1 (Kilns, Material processing and handling equipments) was issued in May 2011 and two offers were received. As the bidders took major commercial deviations fresh tender was issued on the 3rd April 2013. Three offers have been received in July 2013. The bidders participated in the techno-commercial discussions during the period September/ October 2013. Thereafter, it took about another three months to resolve the commercial deviations taken by the bidders. The tender is likely to be finalized by July 2014.

Pkg-2 Tender for Pkg-2 (Electrical System) will be issued after finalization of technology package.

- v) Water Scheme: Public Health Engineering Dept, Reasi, submitted the final scheme of water as deposit work for a value of Rs 10.40 Cr which has been approved by J&KMDC. Laying of pipes up to plant site from 9.0 Km downstream of Jhajjhar canal have been completed. Works are in progress. Rs 5.50 Cr has been released to Public Health Engineering Dept, Reasi.
- vi) Power Scheme: Power availability Certificate for revised demand of 3.0 MVA has been received. The estimated cost of the scheme based on the approved rate of 2006-07 of Power Distribution Department of J&K Govt. is Rs 3.18 Cr. The rates are under revision. An amount of Rs 1.91 Cr has been deposited to PDD to take up the job as deposit work.

The Company has not produced sized raw Magnesite during the year 2013-2014. The total loss incurred during 2013-14 is Rs 74.08 lakhs.

2. Share Capital:

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

The total paid up share capital of the Company as on 31st March, 2013 stands at Rs.4.74 crore against the issued capital of Rs. 6.00 crore.

During the year, there was no change in the paid up capital of the company. As on 31st March, 2014, 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 was 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 was Rs 2746.97 Lakh up to 31.3.2014. (Ref : Point No.17 of CARO annexed to the Auditors Report).

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. O.P.Garg & 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 2013-2014. The Statutory Auditors' Report on the Accounts of the Company for the year 2013-2014, 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 2013-2014 forms part of this Report.

5. Board of Directors:

During the year, Shri A.S. Hussain, Managing Director, JKML was nominated as Director of the company in place of Shri V.C. Sharma with effect from 04.07.2013.

During the year, Shri Narendra K Nanda, Director-in-Charge of the Company chaired the meetings, being the senior most Director at the request of the other Directors of the Company.

Shri Narendra Kothari, Chairman-cum-Managing Director of NMDC Limited was nominated by NMDC Ltd as Director on the

Board of the Company with effect from 01.05.2014. In line with Article 76 (b) (ii) of the Company Shri Narendra Kothari shall be Chairman of the Company.

Smt. Dilshad Khan (IAS), Special Secretary to Government, Industries and Commerce Department was nominated by Government of Jammu and Kashmir, on the Board of the Company in place of Shri Khurshid Ahmad Shah.

Board placed on record its appreciation of services rendered by Shri V.C. Sharma and Shri Khurshid 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, 2014; 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, 2014 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

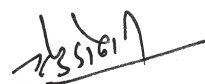
The guidelines on Corporate Governance for Central Public Sector Enterprises 2010 issued by the Government of India, Department of Public Enterprises under explanation after clause 6.3 states: 'For the purpose of these guidelines, only those subsidiaries whose turnover or net worth is not less than 20% 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 Ltd is much less than 20% of the turnover and net worth of NMDC Ltd (Holding Company), 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 the Board



Narendra Kothari
Chairman

Place : Hyderabad
Date : 21.06.2014

Auditors' Report

The Members
J&K Mineral Development Corporation Ltd.
Jammu

Report on the Financial Statements:

We have audited the accompanying financial statements of J&K Mineral Development Corporation Ltd., which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Other Legal and Regulatory Matters:

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. **As required by section 227(3) of the Act, 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 purpose 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;
 - 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;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) 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;
 - f) Since the Central Government has not issued any notification as to the rate at which

the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date.
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For O.P.Garg & Associates
Chartered Accountants



(O.P.Garg)
FCA

Proprietor

Place : Hyderabad

Date : 24.05.2014

M. No. 081386

FRN 003391N

The Annexure referred to in Our Report of even date to the members of J&K Mineral Development Corporation Ltd. on the accounts of the Company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. As explained to us, there are no inventories held by the company, hence no physical verification of inventories is called for.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company has taken certain amounts from its holding Company NMDC Ltd. during the year and the maximum balance involved during the year was Rs.1159.61 lakhs and the year end balance of such loan stands at Rs.2746.97 lakhs.
 - (b) 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.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. 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.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act for this Company.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st

- of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. Accumulated losses of Rs.1323.53 lakhs of the Company at the end of the financial year 2013-14, are more than its net worth and the Company has suffered cash losses in current as well as in the immediately preceding financial year.
 11. The Company has not taken any loan from Financial Institution or bank or debenture holder during the year.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. The Company is not dealing or trading in shares, securities, debentures and other investments.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the Company has not raised any term loans during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that funds of Rs.2,746.97 lakhs accepted on short-term basis from NMDC Ltd. (holding company) have been used for long-term investment (setting up of DBM plant under progress).
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
 19. The Company has no outstanding debentures during the period under audit.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For O.P.Garg & Associates
Chartered Accountants



(O.P.Garg)
FCA

Proprietor

Place : Hyderabad

Date : 24.05.2014

M. No. 081386

FRN 003391N

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 FOR THE YEAR ENDED 31 MARCH 2014

The preparation of financial statements of **J&K Mineral Development Corporation Limited** for the year ended 31 March 2014 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 Standards on Auditing 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 24 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors' on the accounts of **J&K Mineral Development Corporation Limited** for the year ended 31 March 2014 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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


18/6/2014

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

Place : New Delhi
Dated : 18 June 2014

Balance Sheet as at 31st March, 2014

(Rupees)

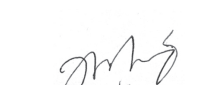
Particulars	Note	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
Share capital	2.1	4,74,00,300	4,74,00,300
Reserve & surplus	2.2	(13,23,53,475)	(12,49,45,334)
		(8,49,53,175)	(7,75,45,034)
NON-CURRENT LIABILITIES:			
Other Long term liabilities		Nil	Nil
Long term provisions	2.3	4,35,770	3,40,000
CURRENT LIABILITIES:			
Trade paybles	2.4	85,534	1,08,309
Other current liabilities	2.5	34,10,33,886	20,77,61,108
Short term provisions	2.6	3,75,617	3,11,508
		<u>34,14,95,037</u>	<u>20,81,80,925</u>
TOTAL		<u><u>25,69,77,632</u></u>	<u><u>13,09,75,891</u></u>
ASSETS:			
NON-CURRENT ASSETS:			
Fixed Assets:			
Tangible assets	2.7	2,39,46,872	66,57,069
Intangible assets	2.8	1,14,82,404	1,38,99,752
Capital work in progress	2.9	20,44,40,494	10,95,17,551
		<u>23,98,69,770</u>	<u>13,00,74,372</u>
Long term loans and advances	2.10	2,550	10,050
Other non-current assets	2.11	Nil	Nil
		<u>23,98,72,320</u>	<u>13,00,84,422</u>
CURRENT ASSETS:			
Inventories	2.12	0	36,839
Trade receivables		Nil	Nil
Cash and Bank Balances	2.13	1,70,68,160	8,04,671
Short term loans and advances	2.14	37,152	49,959
Other current assets		Nil	Nil
		<u>1,71,05,312</u>	<u>8,91,469</u>
TOTAL		<u><u>25,69,77,632</u></u>	<u><u>13,09,75,891</u></u>
Significant accounting policies and Notes on accounts forming part of accounts	1&2		

In terms of our report of even date

For and on behalf of Board

For **O.P. GARG & ASSOCIATES**

Chartered Accountants


(O.P. GARG)Proprietor
M.No.081386
FRN.003391NPlace : Hyderabad
Date : 24.05.2014
(A.S. HUSSAIN)
Director
(D.S.R. SASTRY)
Gen. Manager (Fin)
(NARENDRA KOTHARI)
Chairman
(MOHD. IMAM)
Company Secretary

Statement of Profit & Loss for the Year Ended 31st March, 2014

(Rupees)

Particulars	Note	Figures for the Current reporting period 31st March, 2014	Figures for the previous reporting period 31st March, 2013
I. Revenue from operations		Nil	Nil
II. Other income	2.15	60,948	47,955
III. Total Revenue (I + II)		<u>60,948</u>	<u>47,955</u>
IV. Expenses:			
Consumption of stores & spares		Nil	Nil
Changes in inventories of finished goods	2.16	36,839	Nil
Employee benefits expense	2.17	11,12,246	9,59,949
Electricity charges		52,529	50,161
Repairs & Maintenance	2.18	21,934	25,631
Royalty & cess		9,70,600	9,70,600
Selling expenses		Nil	Nil
Depreciation & Amortisation		24,30,873	24,35,056
Other expenses	2.19	28,44,068	51,79,423
Total expenses		<u>74,69,089</u>	<u>96,20,820</u>
V. Profit/(Loss) before tax (III-IV)		(74,08,141)	(95,72,865)
VI. Tax expense:			
Current year		Nil	Nil
Earlier years		Nil	Nil
		<u>Nil</u>	<u>Nil</u>
VII. Profit/(Loss) for the period (V-VI)		(74,08,141)	(95,72,865)
VIII. Earning per equity share (Face value Rs.100 each)			
(i) Basic		(15.63)	(20.20)
(ii) Diluted		(15.63)	(20.20)
Significant accounting policies and Notes on accounts forming part of accounts	1&2		

In terms of our report of even date

For and on behalf of Board


For **O.P. GARG & ASSOCIATES**
Chartered Accountants


(O.P. GARG)
Proprietor
M.No.081386
FRN.003391N


(A.S. HUSSAIN)
Director


(NARENDRA KOTHARI)
Chairman

Place : Hyderabad
Date : 24.05.2014


(D.S.R. SASTRY)
Gen. Manager (Fin)


(MOHD. IMAM)
Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

(Rs. In crore)

	Year ended 31-Mar-14	Year ended 31-Mar-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	(74,08,141)	(95,72,865)
Adjustments for :		
Depreciation & Amortisation (incl impairment)	24,30,873	24,35,056
Interest on deposits with banks	(60,948)	(47,955)
Unamortised expenditure written off	0	30,00,000
Operating profit before working capital adjustments	(50,38,216)	(41,85,764)
Increase(-)/Decrease(+) in Inventories	36,839	0
Increase(-)/Decrease(+) in Short term and Long term Loans & Advances	20,307	8,16,812
Increase(+)/Decrease(-) in long term, Short term Liabilities and trade payables	13,32,50,003	9,76,48,347
Increase(+)/Decrease(-) in long term and Short term Provisions	1,59,879	39,790
Cash Generated from Operations	12,84,28,812	9,43,19,185
Net Cash Flow from Operating Activities	12,84,28,812	9,43,19,185
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible and Intangible Assets	(1,73,03,328)	0
Increase(-)/Decrease(+) in Capital work in progress	(9,49,22,943)	(9,43,67,258)
Interest on deposits with Banks	60,948	47,955
Increase(-)/Decrease(+) in Bank Deposits offered as security for BG/LCs	(54,670)	(6,53,995)
Net Cash flow from Investing Activities	(11,22,19,993)	(9,49,73,298)


(Rs. In crore)

	Year ended 31-Mar-14	Year ended 31-Mar-13
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Net cash used in Financing Activities	0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	1,62,08,819	(6,54,113)
Cash & Cash equivalents at the end of the year	1,63,59,495	1,50,676
Cash & Cash equivalents at the beginning of the year	1,50,676	8,04,789
	1,62,08,819	(6,54,113)
Components of Cash & Cash equivalents:		
Cash & cheques on hand	1,491	8,107
Balances with Scheduled banks in current account	1,63,58,004	1,42,569
in Term deposits with original maturity less than 3 months	0	0
	1,63,59,495	1,50,676

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

In terms of our report of even date
For **O.P. GARG & ASSOCIATES**
Chartered Accountants

For and on behalf of Board

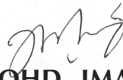

(O.P. GARG)
Proprietor
M.No.081386
FRN.003391N


(A.S. HUSSAIN)
Director


(NARENDRA KOTHARI)
Chairman

Place : Hyderabad
Date : 24.05.2014


(D.S.R. SASTRY)
Gen. Manager (Fin)


(MOHD. IMAM)
Company Secretary

Significant Accounting Policies and Notes on Accounts

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 amortized

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 **O.P. GARG & ASSOCIATES**

Chartered Accountants



(O.P. GARG)

Proprietor

M.No.081386

FRN.003391N

Place : Hyderabad

Date : 24.05.2014

For and on behalf of Board



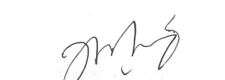
(A.S. HUSSAIN)
Director



(NARENDRA KOTHARI)
Chairman



(D.S.R. SASTRY)
Gen. Manager (Fin)



(MOHD. IMAM)
Company Secretary

Note-2 : Notes on Accounts for the Year Ended 31-March-2014

Note-2.1 : Share Capital

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Share Capital :		
Authorised:		
70,00,000 Equity Shares of Rs.100 each	<u>70,00,00,000</u>	<u>70,00,00,000</u>
Issued:		
6,00,003 Equity Shares of Rs.100 each	<u>6,00,00,300</u>	<u>6,00,00,300</u>
Subscribed & paid up:		
4,74,003 Equity shares of Rs.100 each	<u>4,74,00,300</u>	<u>4,74,00,300</u>
TOTAL	<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 93,000 shares of Rs.100 each) amounting to Rs.93,00,000/- (previous year Rs.93,00,000/-) and other promoter M/S.JKML is 33,000 shares of Rs.100 each (previous year 33,000 shares of Rs.100 each) amounting to Rs.33,00,000/- (previous year Rs.33,00,000/-).

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

Name of the shareholder	As on 31st March, 2014		As on 31st March, 2013	
	% of shareholding	No. of shares	% of shareholding	No.of shares
i) NMDC Ltd (Holding Company) and its nominee shareholders	74	3,51,002	74	3,51,002
ii) JKML and its nominee shareholders	26	1,23,001	26	1,23,001

Note-2.2 : Reserves and Surplus

Particulars	(Rupees)	
	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Surplus as at the beginning of the year	(12,49,45,334)	(11,53,72,469)
Addition during the year	(74,08,141)	(95,72,865)
TOTAL	<u><u>(13,23,53,475)</u></u>	<u><u>(12,49,45,334)</u></u>

Note-2.3 : Long Term Provisions

Particulars	(Rupees)	
	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Employee benefits:		
Gratuity	4,35,770	3,40,000
Others:		
Expenses	Nil	Nil
TOTAL	<u><u>4,35,770</u></u>	<u><u>3,40,000</u></u>

Note-2.4 : Trade Payables

Particulars	(Rupees)	
	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Outstanding dues - micro enterprises & small enterprises	Nil	Nil
Outstanding dues -Other than micro enterprises & small enterprises	<u>85,534</u>	<u>1,08,309</u>
TOTAL	<u><u>85,534</u></u>	<u><u>1,08,309</u></u>

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, 2014	Figures as at the end of previous reporting period 31st March, 2013
Advance from customers	Nil	Nil
Other paybles:		
Deposits from suppliers, contractors and others	15,000	15,000
Other payables (*)	34,10,18,886	20,77,46,108
TOTAL	34,10,33,886	20,77,61,108
(*) Includes amount due to Holding Company (M/s.NMDC Limited)	27,46,97,200	15,87,36,494

Note-2.6 : Short Term Provisions

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Employee Benefits:		
Accrued Leave	3,75,617	3,11,508
Others:		
Provision for taxation	Nil	Nil
Expenses	Nil	Nil
TOTAL	3,75,617	3,11,508

Details of Short Term Provisions

(Rupees)

	Opening Balance	Adjustment during year	Addition during year	Closing Balance
Accrued Leave	3,11,508 (2,97,789)	- -	64,109 (13,719)	3,75,617 (3,11,508)
Provision for taxation	-	-	-	-
Expenses	-	-	-	-
TOTAL	3,11,508	-	64,109	3,75,617

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, 2013	Additions/ Adjustments	Deduction/ Adjustments	As at 31st March, 2014
Land-Freehold	–	66,43,544	1,73,03,328		2,39,46,872
Building-Non Factory	29	9,15,501			9,15,501
Building-Factory	28	9,67,284			9,67,284
Plant & Machinery	7	Nil			Nil
Heavy Mobile Equipment	7	Nil			Nil
Vehicles	6	1,78,539			1,78,539
Furniture	10	2,36,673			2,36,673
Others:					
Roads & Bridges	28	3,90,21,484			3,90,21,484
Electrical Installation	10	63,800			63,800
Internal Communications	18	44,243			44,243
Other Assets	12	14,44,844			14,44,844
TOTAL		4,95,15,912	Nil	Nil	6,68,19,240
Figures for previous year		4,95,15,912	Nil	Nil	4,95,15,912

Assets	D E P R E C I A T I O N B L O C K					N E T B L O C K		
	Upto 31st March, 2013	For the period	Asset impairment	Prior Period Adjustments	Deduct- ion/Adjust- ments	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Land-Freehold	Nil	Nil	Nil			Nil	2,39,46,872	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
Others:								
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	44,243	Nil	Nil			44,243	Nil	Nil
Other Assets	14,31,319	13,525	Nil			14,44,844	Nil	13,525
TOTAL	4,28,58,843	13,525	Nil	Nil	Nil	4,28,72,368	2,39,46,872	66,57,069
Figures for previous year	4,28,41,135	17,708	Nil	Nil	Nil	4,28,58,843	66,57,069	66,74,777

Note-2.8 : Intangible Assets

(Rupees)

Assets	G R O S S B L O C K				
	Life (Yrs)	As at 1st April, 2013	Additions/ Adjustments	Deduction/ Adjustments	As at 31st March, 2014
Mining Rights	10	2,35,69,144			2,35,69,144
TOTAL		2,35,69,144	Nil	Nil	2,35,69,144
Figures for previous year		2,35,69,144	Nil	Nil	2,35,69,144

Assets	A M O R T I S A T I O N B L O C K					N E T B L O C K		
	Upto 31st March, 2013	For the period	Asset impairment	Prior Period Adjustments	Deduct- ion/Adjust- ments	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Mining rights	96,69,392	24,17,348	Nil			1,20,86,740	1,14,82,404	1,38,99,752
TOTAL	96,69,392	24,17,348	Nil			1,20,86,740	1,14,82,404	1,38,99,752
Figures for previous year	72,52,044	24,17,348	Nil	Nil	Nil	96,69,392	1,38,99,752	1,63,17,100

Note-2.9 : Capital Work in Progress

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Construction work in progress	20,59,32,608	11,10,09,665
Capital assets in stores awaiting / under installation or in transit	Nil	Nil
	20,59,32,608	11,10,09,665
Less : Provision	14,92,114	14,92,114
TOTAL	20,44,40,494	10,95,17,551
	20,44,40,494	10,95,17,551

Note-2.10 : Long Term Loans and Advances

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Capital Advances	Nil	Nil
Loans and advances to related parties:		
Loans and Advances to Directors	Nil	Nil
Others:		
Other loans and advances	0	7,500
Deposits with others	2,550	2,550
TOTAL	2,550	10,050

Notes :

1. Particulars of Long term Loans & Advances :		
Secured, considered good	Nil	Nil
Unsecured, considered good	2,550	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, 2014	Figures as at the end of previous reporting period 31st March, 2013
Unamortised expenditure (to the extent not written off or adjusted)	Nil	Nil
TOTAL	Nil	Nil

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

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Finished goods	0	36,839
Stores & spares	Nil	Nil
TOTAL	0	36,839

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

Note-2.13 : Cash and Bank Balances

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Cash and Cash Equivalent		
Balance with Banks:		
In Current Account		
State Bank of India, Jammu	1,63,58,004	1,42,569
Cash on hand	1,491	8,107
Other Bank balance:		
Bank deposits offered as security for Bank Guarantees (maturity more than one year)	7,08,665	6,53,995
TOTAL	<u>1,70,68,160</u>	<u>8,04,671</u>

Note-2.14 : Short Term Loans and Advances

(Rupees)

Particulars	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
Loans and advances to related parties:		
Loans and advances to Directors	Nil	Nil
Others:		
Other loans and advances (recoverable advances to employees & outsiders)	25,934	45,019
Advance Income Tax and TDS	11,218	4,940
TOTAL	<u>37,152</u>	<u>49,959</u>

Notes :

1. Particulars of short term loans & advances :

Secured, considered good	Nil	Nil
Unsecured, considered good	37,152	49,959
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 : Other Income

(Rupees)

Particulars	Figures for the current reporting period 31st March, 2014	Figures for the previous reporting period 31st March, 2013
Interest income:		
On deposits with Banks	60,948	47,955
TOTAL	60,948	47,955

Note-2.16 : Changes in Inventories of Finished Goods

(Rupees)

Particulars	Figures for the current reporting period 31st March, 2014	Figures for the previous reporting period 31st March, 2013
FINISHED GOODS:		
Balance as at close of the year	0	36,839
Less : Balance as at the beginning of the year	36,839	36,839
TOTAL	(36,839)	0

Note-2.17 : Employee Benefits Expense

(Rupees)

Particulars	Figures for the current reporting period 31st March, 2014	Figures for the previous reporting period 31st March, 2013
Salaries, wages & bonus	9,15,996	8,48,822
Contribution to provident and other funds:		
Provident fund & EDLI	70,480	55,056
Gratuity	95,770	26,071
Staff welfare expense	30,000	30,000
TOTAL	11,12,246	9,59,949

Note-2.18 : Repairs and Maintenance

(Rupees)

Particulars	Figures for the current reporting period 31st March, 2014	Figures for the previous reporting period 31st March, 2013
Buildings	Nil	Nil
Plant & Machinery	Nil	Nil
Vehicles	7,702	16,010
Others	14,232	9,621
TOTAL	21,934	25,631

Note-2.19 : Other Expenses

(Rupees)

Particulars	Figures for the current reporting period 31st March, 2014	Figures for the previous reporting period 31st March, 2013
Rent	2,96,000	2,64,000
Insurance	5,905	5,828
Rates & taxes	38,150	19,972
Directors' Travelling expenses	6,179	25,674
Payment to Auditors		
As auditors:	33,150	33,150
In other capacity	Nil	Nil
For reimbursement of expenses	Nil	Nil
	33,150	33,150
Miscellaneous losses written off	Nil	Nil
Sizing, sorting & transportation	Nil	Nil
Travelling & conveyance	76,654	69,112
Postage, Telephone & Telex	62,179	58,586
Stationery & Printing	69,642	74,741
Consultancy Charges	Nil	Nil
Security Charges	6,73,908	4,57,817
P.O.L. for personal transport	2,30,294	1,10,001
Equipment/vehicle running exp.(Labour)	Nil	Nil
Environmental development	Nil	Nil
Legal expenses	42,000	5,84,394
Hire charges of vehicles	4,89,697	2,13,046
Others	8,20,310	2,63,102
Prior period items- other expenses	0	30,00,000
TOTAL	28,44,068	51,79,423

Note-2.20 : Additional Information

Particulars	For the Year Ended 31st March, 2014 (Rs.)		For the Year Ended 31st March, 2013 (Rs.)	
	2.20.1: Value of Imports calculated on CIF basis:			
a. Component and spare parts		Nil		Nil
b. Capital Goods		Nil		Nil
2.20.2: Expenditure in foreign currency:				
a. Consultancy charges		Nil		Nil
b. Others		Nil		Nil
2.20.3: Particulars of consumption of materials:				
	Value (Rs.)	Percentage	Value (Rs.)	Percentage
Components & spare Parts (including consumable stores)				
a) Imported	Nil	Nil	Nil	Nil
b) Indigenous	Nil	Nil	Nil	Nil
TOTAL	Nil	Nil	Nil	Nil
2.20.4: Foreign exchange earnings:		Nil		Nil

Note-2.21 : Other Notes

2.21.1 Contingent liabilities and commitments

2.21.1.1 Contingent liabilities:

- (i) Claims against the Company not acknowledged as debts Rs.NIL (previous Year Rs.1,46,50,702).
- (ii) Bank Guarantees Outstanding at the year end - Rs. 6,10,980.00 (previous year Rs.6,10,980).

2.21.1.2 Commitments:

Estimated amount of Contracts remaining to be executed on capital account & not provided for Rs.15,94,26,680 (Previous year Rs.23,44,17,159).

2.21.2 The Board of Directors in 57th meeting held on 23.05.2002 had taken a decision to wind up the Company subject to approval of Govt. of India and State Govt. of Jammu & Kashmir. Subsequently, based on DPR & Due Diligence Report, Board in its 95th meeting held on 19.02.2010 has approved the Capex of Rs.131.89 Crores for setting up of 100TPD DBM Plant, which was further revised to Rs.143 Crores in its 96th meeting held on 01.05.2010. Accordingly, appointment of EPCM consultant has been made; 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, under historical convention and in accordance with generally accepted accounting principle.

2.21.3 In view of the decision taken for winding up of company and in compliance to AS-28 issued by The Institute of Chartered Accountants of India, 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. The residual value, if any of such impaired assets shall be assessed and accounted for on completion of Revival Project under implementation. No adjustment is therefore considered necessary in this respect as of now.

2.21.4 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 has, so far, been received in this regard.

2.21.5 Although, the Revival Package is under implementation but keeping in view the huge amount of accumulated losses and long gestation period in implementation of revival project i.e. award of major contracts and final commissioning of the plant, there is no time certainty of generation of enough profits for set off against losses. No adjustment for Deferred Tax Asset has therefore been made in the financial statements.

2.21.6 Related Party Disclosures(AS - 18):

Name of Related Parties:

- (i) Holding Company: NMDC Limited holding 74% Key persons:
 - Sri N K Nanda, Director-in-charge
 - Sri S Thiagarajan, Director
 - Sri Mohd. Imam, Company Secretary

(ii) J & K Minerals Limited holding 26%

Sri Khurshid Ahmad Shah, Director

Sri A S Hussain, Director

(iii) Transaction taken place during the year with NMDC Ltd. Rs. 11,59,60,706 and cumulative balance Rs.27,46,97,200 shown under other current liabilities in Note 2.5.

2.21.7 Notes and significant accounting policies form an integral part of these accounts.

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

2.21.9 Financial figures have been rounded off to nearest rupee.

In terms of our report of even date

For and on behalf of Board

For **O.P. GARG & ASSOCIATES**

Chartered Accountants



(O.P. GARG)

Proprietor

M.No.081386

FRN.003391N

Place : Hyderabad

Date : 24.05.2014



(A.S. HUSSAIN)
Director



(NARENDRA KOTHARI)
Chairman



(D.S.R. SASTRY)
Gen. Manager (Fin)



(MOHD. IMAM)
Company Secretary

Sixth Annual Report 2013-2014

BOARD OF DIRECTORS

Shri Narendra K. Nanda	Director
Shri D.S. Misra	Director
Shri S. Thiagarajan	Director
Shri M.K. Tyagi	Director
Shri Prem Kumar	Director

Statutory Auditors

M/s. KUMAR RAJESH & ASSOCIATES
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
CIN : U13100CT2008GOI020711

Directors' Report for the year 2013-14

The Members

NMDC-CMDC Ltd. (NCL)

RAIPUR

On behalf of the Board of Directors, I take pleasure in presenting the Sixth Director's Report of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March 2014 and the Report thereon by the Comptroller and Auditor General of India (C & AG).

1. Performance status:

i) Bailadila Deposit-13

Forest Clearance Application of Deposit - 13 was submitted to MoEF, New Delhi, which was not favourably considered by Forest Advisory Committee at its meeting, held on 26.08.2011. On 25.10.2012, the detailed justification along with Bio-Diversity survey and conservation plan report prepared by IBRD, Kolkata has been submitted to Chief Conservator of Forests (Land & Management), Raipur for recommendation and forwarding the forest clearance proposal to MoEF for obtaining diversion of 413.745 Ha forest land of Deposit-13 ML area. The proposal has been recommended and forwarded to MoEF by Government of C.G. on 05.06.2013.

Bio-Diversity survey and conservation plan prepared and submitted to State Govt. has been approved by Chief Wild Life Warden (CWLW) of C.G.

Since it is re-consideration proposal, it requires approval of Hon'ble Minister, MoEF before listing of proposal in agenda of FAC meeting. Director General of Forest, MoEF recommended and forwarded the proposal to Hon'ble Minister on 25.11.2013 for obtaining approval. Approval has been given for the proposal by the Hon'ble Minister and is due to be put up in forthcoming FAC meeting.

Environmental Appraisal Committee (EAC) of MoEF has already recommended the project for Environmental Clearance subject to obtaining prior Forestry Clearance.

IBM has already approved the Mining Plan of Deposit-13.

ii) Bailadila Deposit-4

In respect of Deposit-4, IBM has approved the Mining Plan on 26.07.2013. Copy of approved Mining Plan report submitted to MRD, Raipur on 13.08.2013.

To obtain Forest Clearance for diverting 646.596 Ha forest area, forest application in Form-A has been submitted to CCF (L&M), Raipur on 30.03.2013 for registration of the proposal. The proposal has been registered on 13.05.2013 and forwarded to C.F., Jagdalpur for processing. Tree enumeration work has been undertaken and report was submitted to DFO, Dantewada. Identification of compensatory afforestation land is under process. Once the Forest Clearance application reaches to CCF (L&M), Raipur, the application for Environment Clearance (E.C.) will be submitted as the issue of E.C. is linked with Stage-I approval of Forest Clearance.

iii) New Office Building:

Construction of office building of the company at Boriakala, Raipur is on completion. The work was awarded to Chhattisgarh Housing Board at an estimated cost of Rs. 309.4 lakhs.

2. Share Capital:

The authorized and paid up Equity share capital of the Company is Rs.4.00 crores and Rs. 3.05 Crore respectively. There is no change in the Capital during the year.

3. Board of Directors: (as on 31st March, 2014)

As on 31st March, 2014, Shri Narendra K. Nanda, Shri D. S. Misra, Shri S. Thiagrajan, Shri M. K. Tyagi and Shri Prem Kumar are the Directors of the company.

Shri Gauri Shankar Agrawal, ceased to be a Director of the Company w.e.f. 17.10.2013.

The Board placed on records its deep appreciation for the valuable contribution made by Shri Gauri Shankar Agrawal during his tenure on the Board of the Company.

Shri D.S. Misra, Additional Chief Secretary, Government of Chhattisgarh (Finance) and nominee of CMDC was appointed as an Additional Director of the Company w.e.f. 29th March 2014 and being eligible, his appointment is proposed to be confirmed during the ensuing Annual General Meeting.

5. Statutory Auditors:

Comptroller & Auditor General of India (C&AG) has communicated the appointment of M/s. Kumar Rajesh & Associates, Raipur (CG) as the Statutory Auditors of the Company for the financial year 2013-2014.

The Statutory Auditors' Report on the accounts of the Company for the year 2013-14 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 2013-2014 will be attached to this report as Annexure-II, (whenever it is received).

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 2014, 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 2014 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. (a) Board Meetings

During the year under review, 4 Board Meetings of the Company were held.

(b) Audit Committee:

The provisions under Section 292A of the Companies Act, 1956 regarding constitution of the Audit Committee of the Directors are 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 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 : Hyderabad
Date : 24.05.2014

Sd/-
Narendra Kothari
CHAIRMAN

Annexure - I

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements NMDC-CMDC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit

evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss of the profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the

matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 purpose 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.
- c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March

31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For KUMAR RAJESH & ASSOCIATES

Chartered Accountants

FRNo. 006002C

Sd/-

(Sachin Kumar Agrawal)

Partner

Mem. No. 069633

Place : RAIPUR

Date : 24.05.2014

Annexure to the Auditor's Report Referred to in Paragraph (3) of our Report of Even Date to the Members

- 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 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 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) As informed to us, the Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. The Company has also not taken any loans from Companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
- (b) The Company has not granted any loans secured or unsecured to the Companies, firms and other parties as listed in the register maintained under section 301 of Companies Act, 1956 or to the Companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
- 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, for the purchase of fixed assets, however there was no purchase of inventory and sale of goods/ services. During the course of our audit, no major material weakness has been noticed in the internal controls.
- v. According to the information and explanations given to us, the company has not entered into any contracts of arrangement 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 and nature of its business.
- viii. Since no Manufacturing activities were commenced during the financial year, question of maintenance of cost record by the company under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 does not raise.

- ix. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income-Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with appropriate authorities. According to the information given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty, were outstanding, at the year end for a period of more than six months from the date they become payable.
- According to the records of the Company, there are no dues outstanding of sales tax, income tax, custom tax, wealth tax, and excise duty, cess on account of any dispute.
- x. The company's accumulated losses at the end of the period under report are less than fifty percent of its net worth. The company has not incurred cash losses during the financial period covered by our audit and immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures securities.
- xiii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- xiv. In Our opinion, the Company is not dealing in or trading in shares, Securities, Debentures, other investment and contracts during the year.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its subsidiaries and associates from bank or financial institutions.
- xvi. Based on information and explanations given to us by the management, the company has not obtained any term loans.
- xvii. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, no fund raised on short term basis have used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. Based upon the audit procedures performed and information given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For KUMAR RAJESH & ASSOCIATES

Chartered Accountants

FRNo. 006002C

Sd/-

(Sachin Kumar Agrawal)

Partner

Mem. No. 069633

Place : RAIPUR

Date : 24.05.2014

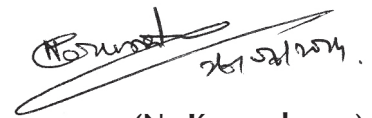
Annexure - II

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 2014.

The preparation of financial statements of NMDC-CMDC Limited, Raipur for the year ended on 31 March 2014 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 Standards on Auditing 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 24 May 2014.

I, on behalf of the 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 31 March 2014 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



(N. Karunakaran)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board,
Hyderabad.

Place : Hyderabad

Dated : 26 June 2014

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

T-305, Dolphin Chambers, Opp. Bank of Baroda,
Cloth Market, Pandri, Raipur (C.G.) - 492001
Phone : 0771-4061914 (O)
Mobile : 98264-26263,
Email : office.csps@gmail.com

CIN - U13100CT2008GOI020711
Authorized Capital: Rs. 4,00,00,000/-
Subscribed Capital: Rs. 3,04,69,000/-
Paid-Up Capital: Rs. 3,04,69,000/-

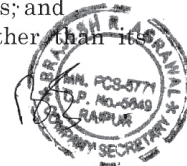
FORM
[SEE RULE 3]
Compliance Certificate

To

The Members
NMDC-CMDC Limited
Angela Cottage, H.No.3/883
Civil Lines, Raipur, CG

We have examined the registers, records, books and papers of **NMDC-CMDC Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the memorandum and articles of association of the Company for the financial year ended on **31st March 2014** (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 filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies under the Act and the rules made thereunder. However as explained and information provided to us, the company was not required to file any forms and returns with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is incorporated as a private limited company, however, being subsidiary of **NMDC Limited** (Public Limited Company) Company is considered as a public limited company. The company has minimum prescribed paid-up capital and their maximum number 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 financial year:
 - (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.

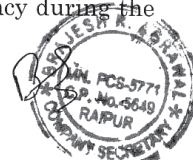


4. The Board of Directors duly met 4 (four) times on the following dates:

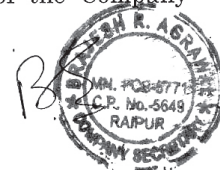
- | | |
|-------------------------------|----------------------------------|
| 1. 28 th May 2013 | 3. 22 nd January 2014 |
| 2. 25 th July 2013 | 4. 29 th March 2014 |

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 was not required to close its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended 31st March 2013 was held on 19th August, 2013 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.
8. As per information made available to us, the company has not advanced any loans to directors or persons or firm or companies referred to under section 295 of the Companies Act, 1956.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As per information made available to us, 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 during the financial year.
13. The Company :
 - (i) has delivered the certificate on transfer of share and there was no allotment or transmission of securities during the financial year.
 - (ii) was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) was not required to transfer any amount to the Investor Education and Protection Fund.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional director have been duly made and there was no appointment of alternate director and director to fill casual vacancy during the financial year.




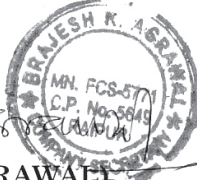
15. The Company has not appointed any Managing Director/ Whole-time Director during the financial year.
16. The Company has not appointed any sole-selling agent during the financial year.
17. As explained and information provided to us, there were no instances requiring the approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares / debentures/ other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures of the Company during the financial year.
22. According to information made available to us, there were no transaction necessitating the company to keep 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 of the Act and Rules framed there under.
24. The Company has not made any borrowing in contravention of the provisions of section 293(1)(d) of the Act.
25. According to information made available to us, the Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. According to information made available to us, 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 financial year.
27. According to information made available to us, the Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year.
28. According to information made available to us, the Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year.



29. According to information made available to us, the Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year.
30. According to information made available to us, The Company has not altered the provisions of the articles of association during the financial year.
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 provisions of the Provident Fund Act, 1952 are applicable to the company and it has not constituted any other provident fund for its employees or class of its employees as contemplated under section 418 of the Act.

Date: 24/05/2014
Place: Hyderabad


(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 Meetings	Section 193
7.	Index of Members	Section 151
8.	Register of Charges	Section 143
9.	Application and Allotment register	-
10.	Register of Directors and Shareholder's Attendance	-
10.	Share Transfer Register	-

Date: 24/05/2014
Place: Hyderabad


(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 ended on 31st March 2014.

Sr. No	Form No.	Filed u/s	For	Remark
1	32	303(2)	Particulars of change in Board	Filed with ROC vide SRN B98241581 dated 11/03/2014 with additional fees.
2	23AC & 23ACA XBRL	220	Balance Sheet as on 31 st March, 2013	Filed with ROC vide SRN Q14983456 dated 21/10/2013 with additional fees.
3	20B	159	Annual Return as on 19 th August, 2013.	Filed with ROC vide SRN Q11235355 dated 16/09/2013 with normal fees.
4	66	383A	Secretarial Compliance Certificate for financial year ended on 31 st March 2013	Filed with ROC vide SRN Q11236304 dated 16/09/2013 with normal fees.
5	32	303(2)	Particulars of appointment of directors	Filed with ROC vide SRN B84491760 dated 16/09/2013 with normal fees.
6	32	303(2)	Particulars of appointment of directors and changes among them	Filed with ROC vide SRN B84485580 dated 16/09/2013 with normal fees.

Forms and Returns as filed by the NMDC-CMDC Limited with the other authorities under the Act during the financial year ended on 31st March 2014: **NIL**

Date: 24/05/2014
Place: Hyderabad

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



Balance Sheet as at 31st March 2014

(Amount in Rs.)

Particulars	Note No.	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	3,04,69,000	3,04,69,000
(b) Reserves and surplus	3	(25,70,562)	(27,36,417)
(c) Money received against share warrants		—	—
Share application money pending allotment		—	—
Non-current liabilities			
(a) Long-term borrowings		—	—
(b) Deferred tax liabilities (net)		—	—
(c) Other long-term liabilities		—	—
(d) Long-term provisions		—	—
Current liabilities			
(a) Short-term borrowings		—	—
(b) Trade payables		—	—
(c) Other current liabilities	4	32,33,671	34,41,881
(d) Short-term provisions	5	94,065	57,318
TOTAL		<u>3,12,26,174</u>	<u>3,12,31,782</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	2,57,832	2,74,498
(ii) Intangible assets		—	—
(iii) Capital work-in-progress	7	6,57,193	6,57,193
(iv) Intangible assets under development		—	—
(v) Fixed assets held for sale		—	—
(b) Non-current investments		—	—
(c) Deferred tax assets (net)	8	12,40,633	12,51,693
(d) Long-term loans and advances	9	1,58,66,078	1,58,32,367
(e) Other non-current assets		—	—
Current Assets			
(a) Current investments		—	—
(b) Inventories		—	—
(c) Trade receivables		—	—
(d) Cash and cash equivalents	10	1,21,17,376	1,22,32,995
(e) Short-term loans and advances		—	—
(f) Other current assets	11	10,87,062	9,83,036
TOTAL		<u>3,12,26,174</u>	<u>3,12,31,782</u>
NOTES TO FINANCIAL STATEMENTS	1 to 24	—	—

As per our report on even date

For and on behalf of the Board of Directors

For Kumar Rajesh & Associates**NMDC-CMDC LIMITED**

Chartered Accountants

FR No.006002C

Sd/-

SACHIN KUMAR AGRAWAL

Partner

Mem. No. 069633

Place : Raipur

Date : 24.05.2014

Sd/-

NARENDRA KOTHARI
DIRECTOR

Sd/-

PREM KUMAR
DIRECTOR

Sd/-

A.K.SHUKLA
CEO

Statement of Profit & Loss for the Year Ended 31st March 2014

(Amount in Rs.)

Particulars	Note No.	Figures for the year ended on 31st March, 2014	Figures for the year ended on 31st March, 2013
CONTINUING OPERATIONS			
Revenue from operations (gross)		-	-
Less : Excise duty		-	-
Revenue from operations (net)		-	-
Other income	12	<u>11,16,339</u>	<u>10,74,964</u>
TOTAL REVENUE (1 + 2)		<u>11,16,339</u>	<u>10,74,964</u>
Expenses			
(a) Cost of materials consumed			
(b) Cost of Store & Sapes consumed			
(c) Purchases of stock-in-trade			
(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade			
(e) Other Direct Manufacturing Expenses			
(f) Employee benefits expenses	13	4,38,462	3,43,611
(g) Finance costs			
(h) Depreciation and amortisation expenses	14	31,366	27,686
(i) Other expenses	15	4,69,596	5,15,936
(j) Loss on sale of Assets			
TOTAL EXPENSES		<u>9,39,424</u>	<u>8,87,233</u>
Profit/(Loss) before exceptional and extraordinary items and tax		1,76,915	1,87,731
Exceptional items/Extraordinary items		-	-
Profit/(Loss) before Prior Period Adjustment		1,76,915	1,87,731
Prior Period Income/(Expense)		-	(4,19,000)
Net Profit/(Loss) Before Tax		1,76,915	(2,31,269)
Tax expense:			
(a) (Less) : Current tax expense for current year (MAT)		(33,711)	-
(b) (Less) : MAT credit (where applicable)		-	-
(c) (Less) : MAT tax expense relating to prior years		-	36,250
(d) Add : Mat Credit Entitlement		33,711	36,250
(e) (Less) : Deferred tax Liability		(11,060)	1,08,823
Profit/(Loss) for the year		<u>1,65,855</u>	<u>(1,22,446)</u>
Earnings per share (of Rs.10/- each):			
(a) Basic & Diluted		0.05	(0.04)
NOTES TO FINANCIAL STATEMENTS			

As per our report on even date

For and on behalf of the Board of Directors

For Kumar Rajesh & Associates

Chartered Accountants

FR No.006002C

Sd/-

SACHIN KUMAR AGRAWAL

Partner

Mem. No. 069633

Place : Raipur

Date : 24.05.2014

NMDC-CMDC LIMITED

Sd/-

NARENDRA KOTHARI
DIRECTOR

Sd/-

PREM KUMAR
DIRECTOR

Sd/-

A.K.SHUKLA
CEO

Notes Annexed to and Forming Part of The Statement Accounts for the Year Ended 31st March 2014

Note-1 : Significant Accounting Policies

(1.1) BASIS OF PREPARATION OF FINANCIAL STATEMENT:

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.

(1.2) FIXED ASSETS AND DEPRECIATION:

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.

EXPENDITURE INCURRED DURING CONSTRUCTION PERIOD:

- A) Expenditure incurred on administrative and supervision during the construction period in respect of new facilities are treated as period costs and charged to revenue.
- B) Development expenses (pre-construction period expenses) will be amortised in ten annual installments from the date of commencement of production.
- C) All revenue expenditure incurred during the construction period which are directly or indirectly attributable to the acquisition/construction of fixed assets, will be capitalized at the time of commissioning of such assets.

DEPRECIATION

Depreciation on Fixed assets is provided on Straight Line Method as per the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on addition/deletion to fixed assets is calculated pro-rata from/upto the date of such additions/deletions.

(1.3) IMPAIRMENT OF ASSETS:

The company assesses at each Balance sheet date whether there is any indication that an assets may be impaired. If such recoverable amount of the assets or recoverable amount of cash generating unit to which the assets belongs is less than its carrying amount. The reduction is treated as an impairment loss and is recognized in the profit & loss account. If at balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and then reflected at the recoverable amount.

(1.4) 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 difference between taxable income & 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 recognized only to the extent there is a virtual certainty for realization.

MINIMUM ALTERNATE TAX (MAT) CREDIT: MAT is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit become eligible to be recognized as an asset in accordance with the recommendation contained in the Guidance note issued by the ICAI, that said asset is created by way of a credit to the statement of Profit & Loss & is shown as MAT credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

(1.5) PROVISION & CONTINGENT LIABILITY AND CONTINGENT ASSETS:

Provision involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past event and it is probable that there will be an out flow of resources. Contingent liability are not recognized but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes on Accounts

Note-2 : SHARE CAPITAL

a) **Authorised, Issued and Paid up Share Capital :**

Share Capital	31.03.2014		31.03.2013	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Shares of Rs.10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Issued, Subscribed and fully paid-up share				
Issued				
Equity Shares of Rs.10/- each	30,46,900	3,04,69,000	30,46,900	3,04,69,000
Subscribed & Paid up				
Equity Shares of Rs.10/- each	30,46,900	3,04,69,000	30,46,900	3,04,69,000
Total issued, subscribed and fully paid-up share capital	30,46,900	3,04,69,000	30,46,900	3,04,69,000

b) **Reconciliation of the shares outstanding at the beginning and at end of the reporting period**

Particulars Equity Share	31.03.2014		31.03.2013	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	30,46,900	3,04,69,000	30,46,900	3,04,69,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,46,900	3,04,69,000	30,46,900	3,04,69,000

c) **Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	31.03.2014		31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NMDC Limited & its nominees	15,53,919	51%	15,53,919	51%
CMDC Limited & its nominees	14,92,981	49%	14,92,981	49%
Total no of share issued	30,46,900		30,46,900	

Note-3 : RESERVES & SURPLUS

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
a. Securities Premium Account		
Opening Balance	–	–
Add : Securities premium credited on Share issue	–	–
Closing Balance	–	–
b. Surplus		
Opening balance	(27,36,417)	(26,13,971)
(+) Net Profit/(Net Loss) For the current year	1,65,855	(1,22,446)
Closing Balance	<u>(25,70,562)</u>	<u>(27,36,417)</u>
TOTAL	<u>(25,70,562)</u>	<u>(27,36,417)</u>

Note-4 : OTHER CURRENT LIABILITIES

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Outstanding Liabilities for Expenses	10,126	44,812
NMDC Ltd.	17,52,324	19,25,848
CMDC Ltd.	14,71,221	14,71,221
	<u>32,33,671</u>	<u>34,41,881</u>

Note-5 : SHORT TERM PROVISIONS

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Audit Fees Payable A/c	24,104	21,068
Provision for Income Tax	69,961	36,250
	<u>94,065</u>	<u>57,318</u>

Note-6 : FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Rate of Depreciation (SLM method)	As on 1.4.2013	Additions During Year	Deductions During Year	As on 31.3.2014	As on 1.4.2013	For the Year	Reversal	Upto 31.3.2014	As on 31.3.2014	As on 31.3.2013
Plant & Machinery	7.07%	2,700	-	-	2,700	668	191	-	859	1,841	2,032
Furniture & Fixture	6.33%	1,73,739	-	-	1,73,739	17,387	10,998	-	28,385	1,45,354	1,56,352
Computer & EPBX	16.21%	90,380	-	-	90,380	58,684	14,651	-	73,335	17,045	31,696
Office Appliances	4.75%	1,06,265	14,700	-	1,20,965	21,847	5,526	-	27,373	93,592	84,418
TOTAL		3,73,084	14,700	-	3,87,784	98,586	31,366	-	1,29,952	2,57,832	2,74,498
Previous Year Figure		2,52,815	1,20,269	-	3,73,084	70,900	27,686	-	98,586	2,74,498	1,81,915

Note-7 : CAPITAL WORK IN PROGRESS

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Expenditure Incidental to construction awaiting allocation	6,57,193	6,57,193
	<u>6,57,193</u>	<u>6,57,193</u>

Note-8 : DEFERRED TAX ASSETS (NET)

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Deferred Tax asset	12,51,693	11,42,870
Less : Deferred Tax Laibilities	(11,060)	1,08,823
	<u>12,40,633</u>	<u>12,51,693</u>

Note-9 : LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Unsecured, Considered Goods		
Capital Advances	1,57,96,117	1,57,96,117
Mat Credit Entitlement	69,961	36,250
	<u>1,58,66,078</u>	<u>1,58,32,367</u>

Note-10 : CASH AND BANK EQUIVALENTS

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Balances with Banks		
On Current Accounts		
State Bank of India	1,90,380	1,23,572
Bank of Baroda	51,989	11,09,416
On Deposit Accounts		
Bank of Baroda (MOD)		
(Maturity less than 3 months)	8,75,000	—
Cash on hand	7	7
Other Bank Balances		
Balances with Banks on deposit accounts (Maturity more than 3 months but less than one year)		
Indian Overseas Bank	1,10,00,000	—
Bank of Maharashtra	—	1,10,00,000
	<u>1,21,17,376</u>	<u>1,22,32,995</u>

Note-11 : OTHER CURRENT ASSETS

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
TDS Receivable	4,55,355	3,43,841
Accrued Interest on FDR	6,31,707	6,39,195
	<u>10,87,062</u>	<u>9,83,036</u>

Note-12 : OTHER INCOME

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Interest on Deposits with Banks	11,16,339	10,74,964
	<u>11,16,339</u>	<u>10,74,964</u>

Note-13 : EMPLOYEE BENEFIT EXPENSES

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Salary and Wages	3,87,984	3,03,240
Employee Provident Fund	50,478	40,371
	<u>4,38,462</u>	<u>3,43,611</u>

Note-14 : DEPRECIATION AND AMORTISATION EXPENSES

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Depreciation on tangible assets	31,366	27,686
	<u>31,366</u>	<u>27,686</u>

Note-15 : ADMINISTRATIVE EXPENSES

(Amount in Rs.)

	Figures as at the end of 31st March, 2014	Figures as at the end of 31st March, 2013
Advertisement Recruitment	–	8,506
Auditor's Remuneration	16,949	13,483
Bank Charges	1,434	343
BOD Meeting Expenses	1,03,639	1,27,167
Books & Periodicals	5,584	2,586
Hire charges on vehicle	–	22,794
Legal, professional & consultancy charges	2,23,500	2,19,339
Other Expenses	68,205	58,660
Postage, telephone & Telex	40,413	48,834
Repair & Maintenance (Others)	6,000	6,883
Stationery & printing	3,872	3,303
Workmen Expenses	–	4,038
	<u>4,69,596</u>	<u>5,15,936</u>

Notes on Account:

Note-16 Contingent Liability:

As per the JV Agreement between NMDC Ltd. and CMDC Ltd., the company has to adjust the expenditure incurred by NMDC on pre-feasibility and feasibility studies, exploration etc. up to the date of incorporation of JVC on deposit-13 by converting the same into equity. Accordingly, NMDC Ltd, the parent company claimed an amount of Rs. 12,26,59,914/- .(Actual expenditure of Rs. 6,43,28,791/- but escalated, considering the RBI indexation to Rs. 12,26,59,914/-) to consider as equity which is subject to confirmation by CMDC. Further, as per the JV agreement, the mining lease of deposit -13 to be granted to NMDC Ltd. by the Chhattisgarh state Govt. which shall be transferred by it to NMDC-CMDC Ltd. for basic engineering survey/studies for installation of the required infrastructure facilities for development of the project. Pending final mining lease grant to NMDC Ltd by the state government, the advance approval is continued to be in the name of NMDC Ltd. As the mining lease of Deposit -13 is continued to be in the name of NMDC Ltd and further, as CMDC has not yet confirmed the expenditure claimed by NMDC Ltd. for an amount of Rs. 12,26,59,914/-, considered in our books as contingent liability.

Note-17 Capital Commitment:

Unexecuted portion of Rs15468984/-against Construction of Office building at Boriyakala is payable on demand as per agreement entered between NMDC-CMDC and C.G. Housing Board.

Note-18 The computation of Basic and Diluted earning per share:

Particulars:		2013-14	2012-13
Net profit/loss as available to equityshare holder	In Rs.	1,65,855	(1,22,446)
Weighted average number of equity shares	Nos.	30,46,900	30,46,900
Nominal value per share	In Rs.	10/-	10/-
Basic and Dilluted Earning Per share	In Rs.	0.05	(0.04)

- Note-19** (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) Balance under Long term loans and advances are subject to confirmation.

Note-20 Deferred Tax:

As required by Accounting Standard-22 "Accounting for Taxes on Income" issued by the ICAI, the Company has recognize the deferred tax.

Opening Balance of Deferred tax Asset	Rs.	12,51,693
Less : Current year Deferred tax Liability	Rs.	(11,060)
Net Deferred Tax Asset	Rs.	<u>12,40,633</u>

Note-21 Micro Small and Medium Enterprises

There is no Micro, small and medium Enterprises in respect of whom the Company dues are outstanding for more than 45 days the Balance Sheet date. The above information regarding Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

Note-22 Consequent to the adoption of Accounting Standard on Employees Benefit (AS-15 revised 2005)

Issued by the institute of Chartered Accountant of India, the following disclosures have been made as required by standard:

DEFINED CONTRIBUTION PLANS	31.03.2014	31.03.2013
Contribution to Provident Fund	50,478	40,371

Defined Benefit Contribution (Non-funded);

The company has not formulated any policy on gratuity (retirements benefit) since the payment of Gratuity, 1972 is not applicable to the Company.

Note-23 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 - Director

Shri Swaminathan Thiagarajan - Director

Shri D.S Misra - Director

Shri M K Tyagi - Director

Shri Prem Kumar - Director

B. Material Transaction with related parties

There were no transactions in current year or previous year with the above mentioned related parties.

Note-24 Other Disclosures as prescribed in Para11 is NIL.

Signature to Notes "1" to "24"

For and on behalf of the Board of Directors

For Kumar Rajesh & Associates
Chartered Accountants
FR No.006002C

NMDC-CMDC LIMITED

Sd/-
SACHIN KUMAR AGRAWAL
Partner
Mem. No. 069633

Sd/-
NARENDRA KOTHARI
DIRECTOR

Sd/-
PREM KUMAR
DIRECTOR

Sd/-
A.K.SHUKLA
CEO

Place : Raipur
Date : 24.05.2014

Second Annual Report 2013-2014

BOARD OF DIRECTORS

Shri Narendra K. Nanda	Director
Shri S. Thiagarajan	Director
Shri S.K. Das	Director

Bankers

State Bank of Hyderabad
NMDC Branch
Hyderabad

Auditors

**M/s. RAMASAMY &
KOTESWARA RAO & CO.**
Chartered Accountants

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NMDC Power Limited

(A wholly owned Subsidiary of NMDC Limited)

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

CIN : U40100AP2011PLC077952

Directors' Report for the year 2013 - 2014

The Members

NMDC Power Ltd. (NPL)

Hyderabad

On behalf of the Board of Directors, I take pleasure in presenting the Second Director's Report of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March 2014 and the Report thereon by the Comptroller and Auditor General of India.

1. Performance Status:

Your company has been incorporated as a Special Purpose Vehicle (SPV) initially as a wholly owned Public Limited subsidiary of NMDC under the Companies Act, 1956 for supply of Power to the 3.0 MTPA Integrated Steel Plant being constructed at Nagarnar and other facilities of NMDC.

The proposed plant would be set up through a Joint Venture and the JV Partner would be selected through a Tariff based International Competitive Bidding carried out in line with 'Case 2' of Guidelines. This SPV would be converted into a Joint Venture Company having NMDC shareholding of at least 26% and the balance shareholding of the bidder selected on the basis of tariff based international competitive bidding. This would qualify the power plant developed by the Joint Venture (JV) Company as captive generation project.

NMDC Ltd., the holding company has awarded contract to PFC Consulting Ltd. for providing consultancy services for setting up a Power Plant on JV basis with captive status.

Your company is also looking into

opportunities for setting up a Power Plant in the State of U.P as follows:

- i) NPL proposes to set up a 2 x 250 MW coal based Thermal Power Plant (in phases) in Uttar Pradesh, with an objective to bridge the demand supply gap of the State and / or transmit the balance power through grid network for captive consumption of the 3.0 MTPA Integrated Steel Plant or sell to various consumers through open access. Since the provisions of MoA permits NPL to take up the activities of power business forward anywhere, hence, the power plant at Gonda, Uttar Pradesh has been taken forward by NPL.
- ii) NPL has selected M/s IEDCL as their suitable strategic Joint Venture partner as per the qualification criteria with 52% : 48% shareholding ratio between IEDCL and NPL, following EoI route.
- iii) MoU has been signed between NPL and IEDCL on 21.08.2013 for setting up Thermal Power Plant at Gonda, Uttar Pradesh.
- iv) NPL has also obtained ToR (Terms of Reference) from MoEF for setting up 2 x 250 MW Thermal Power Plant at village Turkadih, Tehsil Mankapur, Distt. Gonda, Uttar Pradesh.

NPL intends to position itself as a reliable and economical source of power for all the units of NMDC by bringing all the energy generation activities under one umbrella. NPL plans for 100 MW power generation through wind energy, 100 MW power generation through solar energy and 15-20 MW by converting municipal waste to energy in next 10 years.

2. Share Capital:

The authorized and paid up Equity share capital of the Company is ` 5 lakhs. The paid up Equity share Capital has been subscribed fully by NMDC Ltd.

3. Board of Directors: (as on 31st March, 2013)

As on 31st March, 2014, Shri N. K. Nanda, Shri S. Thiagarajan and Shri S.K. Das are the Directors of the company.

4. Statutory Auditors

Comptroller & Auditor General of India (C&AG) vide their letter dated 26.08.2013 has communicated the appointment of M/s Ramasamy Koteswara Rao & Co., Chartered Accountants, Hyderabad, Andhra Pradesh as the Statutory Auditors of the Company for the financial year 2013-2014.

The Statutory Auditors' Report on the accounts of the Company for the year 2013-14 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 2013-14 are at Annexure-II, which forms part of this Report.

5. 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 2014, the applicable Accounting Standards have been followed along with proper explanation relating to material departure;

- (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 2014 on a 'going concern' basis.

6. 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.

7. 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'.

8. (a) Board Meetings

During the year under review, 7 Board Meetings of the Company were held.

(b) 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.

9. Corporate Governance

The guidelines on Corporate Governance for Central Public Sector Enterprises 2007 issued by the Government of India, Department of Public Enterprises under exemption to clause 5.3 states: 'For the purpose of these guidelines, only those subsidiaries whose turnover or net

worth is not less than 20% of the turnover or net worth of the holding company may be treated as subsidiary companies.'

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

10. Acknowledgement:

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

Place : Hyderabad.
Date : 27.05.2014

Sd/-
Narendra K. Nanda
DIRECTOR

Independent Auditors' Report

To
the Members
NMDC POWER LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of NMDC Power Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the cash flow statement for the year then ended and summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of the Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of Balance Sheet, of the state affairs of the Company as at March 31, 2014
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of Cash Flow statement, the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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.
 - c. The Balance Sheet, Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting standards referred to in sub-section (3c) of section 211 of the

Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of the Section 133 of the Companies Act, 2013.

- e. 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.
- f. Since the Central Government has not issued any notification as to the rate at which cess is to be paid under section 441A of Companies Act, 1956 nor has it issued any Rules under the said section, Prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Ramasamy Koteswara Rao & Co.,**
Chartered Accountants
Firm Regn No: 010396S

Sd/-
(V. Gangadhara Rao N.)
Partner
Membership No.219486

Place : Hyderabad
Date : 27-05-2014

Annexure to the Auditors' Report (referred to in paragraph 1 of our Report of even date to the Members of NMDC Power Limited for the year ended March 31, 2014)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that,

- (i) The company does not have any fixed assets. It is neither acquired nor disposed any fixed assets. Therefore the provisions of clause 4(i) of the order are not applicable to the Company.
- (ii) The Company does not have inventories. Hence the provisions of clause 4 (ii) of the said Order is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the company did'nt grant any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, requirements of clauses (iii-b), (iii-c), (iii-d), of paragraph 4 of the order are not applicable.
- (b) According to the information and explanations given to us, the Company had taken the unsecured loan of Rs.74,48,176 from its holding company NMDC LIMITED, covered in the register maintained under section 301 of the Companies Act, 1956 during the year subject to our audit. The maximum amount outstanding and the year end balance stands at Rs.3,36,85,396/- in respect of the above said loan.
- (c) In our opinion the rate of interest and terms and conditions of repayment of such loan are prima facia not prejudicial to the interests of the Company.
- (iv) On the basis of checks carried out during the course of the audit and as per the explanations given to us, we are of the opinion that there are adequate internal control systems commensurate with the size of the company and the nature of its business, with regard to payment of expenses. During the course of audit no major weaknesses in the internal controls are noticed.
- (v) According to the information and explanations given to us, we are of the opinion that the there are no transactions which are required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A and 58AA of the Companies Act and Companies (Acceptance of Deposits) Rules, 1975.
- (vii) As per information and explanations given by the management, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under the clause (d) of sub-section (1) to Section 209 of the Act.
- (ix) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including income-tax, cess and other statutory dues with the appropriate authorities.

- (b) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales-tax and cess which have not been deposited on account of any dispute.
- (x) The company has accumulated losses as at the end of the financial year and it has incurred cash losses during the current financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the records of the Company and as per the explanations given to us the company has not taken any loans from a financial institution or bank or debenture holders during the year. Accordingly, clause 4(xi) of the order is not applicable.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the said Order are not applicable to the Company.
- (xiv) According to the information given to us, the company is not dealing in or trading in shares, securities, debentures and other instruments, accordingly the provisions of clause 4(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, no term loans were raised during the year.
- (xvii) According to the information and explanation given to us, and on an overall examination of the balance sheet, we report that no funds raised on short term basis have been used for term investment by 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 Act during the year.
- (xix) The company has not issued any debentures during the year. Accordingly, no securities have been created.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Ramasamy Koteswara Rao & Co.,**
Chartered Accountants
Firm Regn No: 010396S

Sd/-
(V. Gangadhara Rao N.)
Partner
Membership No.219486

Place : Hyderabad
Date : 27-05-2014

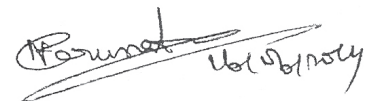
Annexure - II

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NMDC POWER LIMITED, HYDERABAD FOR THE YEAR ENDED ON 31 MARCH 2014.

The preparation of financial statements of NMDC Power Limited, Hyderabad for the year ended on 31 March 2014 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 Standards on Auditing 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 27 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditor on the accounts of NMDC Power Limited, Hyderabad for the year ended 31 March 2014 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



(N. Karunakaran)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board,
Hyderabad.

Place : Hyderabad

Dated : 16 June 2014

Balance Sheet as at 31st March, 2014

(Amount in Rupees)

Particulars	Note No.	March 31, 2014	March 31, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	5,00,000	5,00,000
(b) Reserves and surplus	4	(3,37,53,562)	(2,62,65,760)
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	5	3,36,85,396	2,62,37,220
(d) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	6	30,28,090	30,28,090
(d) Short-term provisions		-	-
TOTAL		34,59,924	34,99,550
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	7	34,59,924	34,99,550
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
TOTAL		34,59,924	34,99,550
Significant accounting policies and Notes on accounts forming part of accounts	1 & 2		

Subject to our Report of even date

For and on behalf of the Board

For M/s. Ramasamy Koteswara Rao & Co.

Chartered Accountants

FRN No: 010396S

Sd/-

(V. Gangadhara Rao N.)

Partner

Membership No: 219486

Sd/-

(S. Thiagarajan)

Director

Sd/-

(Narendra Kumar Nanda)

Director

Sd/-

(D.S.R. Sastry)

General Manager(Fin.)

Place : Hyderabad

Date : 27.05.2014

Statement of Profit and Loss for Year Ended 31st March, 2014

(Amount in Rupees)

Particulars	Note No.	March 31, 2014	March 31, 2013
I Revenue from operations		-	-
II Other income		-	-
III Total Revenue (I + II)		-	-
IV Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	8	74,87,802	2,62,65,760
Total expenses		74,87,802	2,62,65,760
V Profit before exceptional and extraordinary items and tax (III-IV)		(74,87,802)	(2,62,65,760)
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		(74,87,802)	(2,62,65,760)
VIII Extraordinary Items		-	-
IX Profit before tax (VII- VIII)		(74,87,802)	(2,62,65,760)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI Profit (Loss) for the period from continuing operations (VII-VIII)		(74,87,802)	(2,62,65,760)
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		(74,87,802)	(2,62,65,760)
XVI Earnings per equity share:			
(1) Basic & Diluted		(149.76)	(525.32)

Subject to our Report of even date
For M/s. Ramasamy Koteswara Rao & Co.
Chartered Accountants
FRN No: 010396S

For and on behalf of the Board

Sd/-
(V. Gangadhara Rao N.)
Partner
Membership No: 219486

Sd/-
(S. Thiagarajan)
Director

Sd/-
(Narendra Kumar Nanda)
Director

Place : Hyderabad
Date : 27.05.2014

Sd/-
(D.S.R. Sastry)
General Manager(Fin.)

Cash Flow Statement for the year ended 31st March, 2014

(Rs. In crore)

	Year ended 31-Mar-14	Year ended 31-Mar-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	(74,87,802)	(2,62,65,760)
Operating profit before working capital adjustments	(74,87,802)	(2,62,65,760)
Increase(+)/Decrease(-) in long term, Short term Liabilities and trade payables	74,48,176	2,92,65,310
Cash Generated from Operations	(39,626)	29,99,550
Net Cash Flow from Operating Activities	(39,626)	29,99,550
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible and Intangible Assets	-	-
Net Cash flow from Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	5,00,000
Net cash from Financing Activities	-	5,00,000
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(39,626)	34,99,550
Cash & Cash equivalents at the end of the year	34,59,924	34,99,550
Cash & Cash equivalents at the beginning of the year	34,99,550	-
	(39,626)	3,499,550
Components of Cash & Cash equivalents:		
Cash & cheques on hand	-	-
Balances with Scheduled banks in current account	34,59,924	34,99,550
in Term deposits with original maturity less than 3 months	-	-
	34,59,924	34,99,550
Note : The previous year figures have been rearranged/regrouped wherever necessary to confirm to current year classification.		

Subject to our Report of even date
For **M/s. Ramasamy Koteswara Rao & Co.**
Chartered Accountants
FRN No: 010396S

Sd/-
(V. Gangadhara Rao N.)
Partner
Membership No: 219486

Place : Hyderabad
Date : 27.05.2014

For and on behalf of the Board

Sd/-
(S. Thiagarajan)
Director

Sd/-
(Narendra Kumar Nanda)
Director

Sd/-
(D.S.R. Sastry)
General Manager(Fin.)

Note-1 : Significant accounting policies

A. Basis of Accounting:

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

B. Use Of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as at the date of financial statements and reported amount of income and expenses during the period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

C. Recognition Of Income & Expenditure:

The Company follows the mercantile system of

Accounting and recognizes Income and Expenditure on Accrual Basis.

D. Balance Sheet:

1. Fixed Assets:

Fixed Assets are stated at historical cost.

2. Depreciation:

Depreciation is charged on straight line method based on the life of the assets determined by the technical assessment.

E. Contingent Liabilities and Provisions:

Depending on facts of each case and after due evaluation of relevant legal aspects, the Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. The disclosure is made for all possible or present obligations that may but probably will not require outflow of resources as contingent liability in the financial statements.

Note-2 : Notes to Accounts

1. Contingent Liabilities

A) Claims against the Company not acknowledged as debts : NIL

B) Commitments

1) Estimated amount of contracts remaining to be executed on Capital account : NIL

2) Other Commitments

2(a) : Commitment to PFC limited Rs.12.38 Crores towards estimated liability on account of balance fee payable in respect of consultancy services for setting up a power plant on JV basis with captive status.

2(b) : Commitment to MECON Ltd Rs. 0.32 crore (1.06 - 0.74) towards estimated liability on account of balance consultancy fee payable in respect of preparation of EIA, EMP, TEFR & EOI.

2. A Debit Note has been raised for Rs. 74,48,176/- by NMDC Limited for payments to be made to M/s MECON Ltd. towards preparation of EIA, EMP, TEFR & EOI is accounted as consultancy charges in the books of accounts.

3. The Company has received participation fees of an amount Rs. 10,00,000/- each from ERA Infra, Jindal Power Limited and IL & FS Energy Development Company Ltd from prospective joint venture partners and shown under Current Liabilities. These Fees will be refunded to the unsuccessful bidders. The Fees collected will be treated as income in respect those bidder who qualify as joint venture partner. M/s. IL & FS Energy Development Company Ltd was selected as joint venture agreement partner,

however pending final joint venture agreement and share holder agreement with . M/s. IL & FS Energy Development Company Ltd, recognition of revenue from participation fee was deferred and continued to be disclosed under current liabilities. The fee collected from unsuccessful bidders due for refund and shown under Current Liabilities.

4. Related Party Transactions (AS 18):

4.1 Holding Company : NMDC LIMITED

4.2 Key Management Personnel (Directors)

Shri Narendra Kumar Nanda

Shri S. Thiagarajan

Shri S. K Das

4.3 Transaction taken place during the year with Related Parties.

Non current liabilities

Unsecured advance from NMDC Ltd Rs. 3,36,85,396/-.

5. Sundry debtors, Sundry Creditors and loans and Advances are subject to confirmation.

6. Auditors Remuneration: (In INR)

Particulars	F.Y. 2013-14
Statutory Audit Fee	16,854/-
Internal Audit Fee	11,236/-

7. Contingent Losses- There is no Contingent Losses As on 31.03.2014.

8. The figures have been rounded off to the nearest Rupee.

9. Dues to Micro, Small and Medium Enterprises : NIL

Subject to our Report of even date
For **M/s. Ramasamy Koteswara Rao & Co.**

Chartered Accountants
FRN No: 010396S

Sd/-

(V. Gangadhara Rao N.)

Partner

Membership No: 219486

Place : Hyderabad

Date : 27.05.2014

For and on behalf of the Board

Sd/-

(S. Thiagarajan)

Director

Sd/-

(Narendra Kumar Nanda)

Director

Sd/-

(D.S.R. Sastry)

General Manager(Fin.)

Note-3 : Share Capital

(Amount in Rupees)

Share Capital	2013-14		2012-13	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10 /- each	50,000	5,00,000	50,000	5,00,000
Issued				
Equity Shares of Rs. 10 /- each	50,000	5,00,000	50,000	5,00,000
Subscribed & Paid up				
Equity Shares of Rs.10/- each fully paid	50,000	5,00,000	50,000	5,00,000
TOTAL	50,000	5,00,000	50,000	5,00,000

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(Amount in Rupees)

Particulars	2013-14		2012-13	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

Shares in the company held by each shareholder holding more than 5 percent shares

(Amount in Rupees)

Particulars	2013-14		2012-13	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NMDC LIMITED	50,000	100	50,000	100
TOTAL	50,000	100	50,000	100

Note-4 : Reserve and Surplus

(Rs. in Crore)

	2013-14	2012-13
General Reserve		
Statement of Profit and Loss - Opening Balance	(2,62,65,760)	(2,62,65,760)
Add/Less :Net profit or (loss) during the year	(74,87,802)	–
	<u>(3,37,53,562)</u>	<u>(2,62,65,760)</u>

Note-5 : Non Current Liabilities

(Rs. in Crore)

	2013-14	2012-13
Unsecured advance from NMDC LIMITED	<u>3,36,85,396</u>	<u>2,62,37,220</u>

Note-6 : Other Current Liabilities

(Rs. in Crore)

	2013-14	2012-13
Refundable deposit from ERA Infra Engg Ltd	10,00,000	10,00,000
Refundable deposit from Jindal Power Ltd	10,00,000	10,00,000
Refundable deposit from IL & FS Energy Dev Co Ltd	10,00,000	10,00,000
Payable to Statutory Auditor and Reimbursement of ST	16,854	16,854
Payable to Internal Auditor and Reimbursement of ST	11,236	11,236
	<u>30,28,090</u>	<u>30,28,090</u>

Note-7 : Cash and Cash Equivalents

(Rs. in Crore)

	2013-14	2012-13
Cash at Bank (SBH)	34,59,924	34,99,550
	<u>34,59,924</u>	<u>34,99,550</u>

Note-8 : Other Expenses

(Rs. in Crore)

	2013-14	2012-13
Consultancy fee	74,48,176	2,62,17,500
Preliminary Expenses	–	19,720
Statutory Audit Fee - as auditor	16,854	16,854
Internal Audit Fee	11,236	11,236
Bank Charges	300	450
Certification fee to Corporate Statutory Auditor	11,236	–
	<u>74,87,802</u>	<u>2,62,65,760</u>

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Second Annual Report 2013-2014

BOARD OF DIRECTORS

Shri Narendra K. Nanda	Director
Shri S. Thiagarajan	Director
Shri Subimal Bose	Director
Shri Kumar Raghavan	Director
Shri B.B. Singh	Director
Shri Satendra Singh	Director

Bankers

Union Bank of India
B.S.M.D.C. Branch,
Nepal House Area
Ranchi

Statutory Auditors

M/s. B.C. DUTTA & CO.
Chartered Accountants,
Ranchi

C O N T E N T S

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Jharkhand National Mineral Development Corporation Limited

Regd. Office : C/o. JSMDCL Limited, Khanij Nigam Bhawan,
Nepal House Area, Doranda, Ranchi - 834 002
CIN : UI0300JH2012GOI000585

Directors' Report for the year 2013 - 2014

The Members
Jharkhand National Mineral
Development Corporation Ltd. (JNMDC)
Ranchi.

On behalf of the Board of Directors, I take pleasure in presenting the Second Directors' Report of your Company, together with the Audit Report and Audited Accounts, for the year ended 31st March 2014 and the Report thereon by the Comptroller and Auditor General of India.

1. Performance Status:

DMG, Govt. of Jharkhand has granted PL for Iron Ore & Manganese in Sasangoda NE area in favour of the Company for a period of 3 years. DFO Chaibasa has granted permission for carrying out Topographical Survey and Geological Mapping for a period of six months i.e. upto 04.03.2014 which has again been extended for additional six months i.e. upto 04.09.2014. Topographical Survey and Geological Mapping is in progress in the area.

2. Share Capital:

The authorized and paid up Equity share capital of the Company is Rs. 1 lakh. The paid up Equity share Capital has been subscribed fully by NMDC Limited, JNMDC Ltd and their nominees in the respective shareholding ratio of 60:40. There has been no change in share capital status for the year under review.

3. Board of Directors: (as on 31st March, 2014)

As on 31st March, 2014, Shri Narendra K. Nanda, Shri S. Thiagarajan, Shri S. Bose, Shri Kumar Raghavan, Shri Satendra Singh and Shri B.B. Singh are the Directors of the Company.

During the year under review, the following Director was appointed as Directors on the Board:

Sl.No.	Name of Director	w.e.f.
1.	Shri Sunil Kumar Baranwal	28.05.2013
2.	Shri Satendra Singh	22.08.2013

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

Sl.No.	Name of Director	w.e.f.
1.	Shri Ashok Kumar Sarkar	28.05.2013
2.	Shri Sunil Kumar Baranwal	22.08.2013

The Board placed on records its deep appreciation for the valuable contribution made by Shri Ashok Kumar Sarkar and Shri Sunil Kumar Baranwal during their tenure on the Board of the Company.

4. Statutory Auditors

Comptroller & Auditor General of India (C&AG) vide their letter dated 20.09.2013 has communicated the appointment of M/s B.C. Dutta & Co., Chartered Accountants, Ranchi, Jharkhand as the Statutory Auditors of the Company for the financial year 2013-2014.

The Statutory Auditors' Report on the accounts of the Company for the year 2013-14 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 2013-14 are at Annexure-II, which forms part of this Report.

5. 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 2014, 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 2014 on a 'going concern' basis.

6. 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.

7. 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'.

8. (a) Board Meetings

During the year under review, 4 Board Meetings of the Company were held.

(b) 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.

9. Corporate Governance

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

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

10. Acknowledgement:

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

Sd/-

Place : Hyderabad
Date : 27.05.2014.

Narendra Kothari
CHAIRMAN

Independent Auditors' Report

To
The Members
JHARKHAND NATIONAL MINERAL
DEVELOPMENT CORPORATION LIMITED
RANCHI

1. Report on the Financial Statements

We have audited the accompanying financial statements of JHARKHAND NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act" read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of the Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the

Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

6. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- (b) in the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

7. Report on Other Legal and Regulatory Requirements:

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

8. As required by section 227(3) of the Act, 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 purpose 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;
- 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;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and cash

flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of the Section 133 of the Companies Act, 2013;

- e) 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;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **B C DUTTA & Co,**
Chartered Accountants
FRN No: 004589C

Sd/-
(CA. SUMEET MAHESHWARI)
Partner
Membership No: 408532

Place : Hyderabad
Date : 27th May, 2014

The Annexure referred to in paragraph 7 of Our Report of even date to the members of Jharkhand National Mineral Development Corporation Limited on the accounts of the Company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. The Company does not have any Fixed Assets. It has neither acquired/nor disposed any Fixed Assets. Therefore the provisions of clause 4(i) of the Order are not applicable to the Company.
2. The Company does not have any inventory. Therefore the provisions of clause 4(ii) of the Order are not applicable to the Company.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Holding Company NMDC Ltd. has spent an amount of Rs.8,546/- in the current financial year towards registration expenses for prospective license on behalf of the Company which is standing as advance, maximum balance outstanding during the year was Rs.68,719/- and the year end balance stands at Rs.68,719/-.
- (b) 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.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business for payment for expenses .During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. 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.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956. Therefore, the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act for this Company.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues, have generally been regularly deposited with the appropriate authorities. According to the

- information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company has accumulated losses at the end of the financial year and it has incurred cash losses in current financial year covered by our audit and in the immediately preceding financial year.
 11. The Company has not taken any loan from Financial Institution or bank or debenture holder during the year.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
 14. The Company is not dealing or trading in shares, securities, debentures and other investments.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loan during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
 19. The Company has not issued any debenture during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **B C DUTTA & Co,**
Chartered Accountants
FRN No: 004589C

Sd/-
(CA. SUMEET MAHESHWARI)
Partner
Membership No: 408532

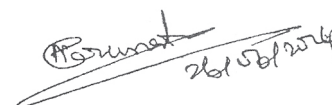
Place : Hyderabad
Date : 27th May, 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF JHARKHAND NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED, RANCHI FOR THE YEAR ENDED ON 31 MARCH 2014.

The preparation of financial statements of Jharkhand National Mineral Development Corporation Limited, Ranchi for the year ended on 31 March 2014 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 Standards on Auditing 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 27 May 2014.

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 Jharkhand National Mineral Development Corporation Limited, Ranchi for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

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



(N. Karunakaran)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board,
Hyderabad.

Place : Hyderabad

Dated : 26 June 2014

Balance Sheet as at 31st March, 2014

(Amount in Rupees)

Particulars	Note No.	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of previous reporting period 31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	1,00,000	1,00,000
(b) Reserves and surplus	2.2	(1,19,296)	(88,263)
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	2.3	68,719	60,173
(d) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	2.4	28,090	28,090
(d) Short-term provisions		-	-
TOTAL		<u>77,513</u>	<u>1,00,000</u>
II. ASSETS			
Non-current Assets			
1 (a) Fixed Assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
2 Current Assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	2.5	77,513	1,00,000
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
TOTAL		<u>77,513</u>	<u>1,00,000</u>
Significant accounting policies and Notes on account forming part of accounts	1 & 2		

Subject to our Report of even date

For and on behalf of the Board

For M/s B C Dutta & Co.,
Chartered Accountants
FRN No: 004589C

Sd/-
(CA. SUMEET MAHESHWARI)
Partner
Membership No: 408532

Sd/-
(Kumar Raghavan)
Director

Sd/-
(Narendra Kothari)
Chairman

Place : Hyderabad
Date : 27.05.2014

Sd/-
(D.S.R. Sastry)
General Manager(Fin.)

Statement of Profit and loss for the Year Ended 31st March 2014

(Amount in Rupees)

Particulars	Reference Note No.	Figures for the current reporting period 31.03.2014	Figures for the previous reporting period 31.03.2013
I Revenue from operations		-	-
II Other income	2.6	5,618	-
III Total Revenue (I + II)		5,618	-
IV Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	2.7	36,651	88,263
Total expenses		36,651	88,263
V Profit before exceptional and extraordinary items and tax (III-IV)		(31,033)	(88,263)
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		(31,033)	(88,263)
VIII Extraordinary Items		-	-
IX Profit before tax (VII- VIII)		(31,033)	(88,263)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI Profit (Loss) for the period from continuing operations (VII-VIII)		(31,033)	(88,263)
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		(31,033)	(88,263)
XVI Earnings per equity share:			
(1) Basic & Diluted		(3.10)	(8.83)
Significant accounting policies and Notes on account forming part of accounts	1 & 2		

Subject to our Report of even date

For and on behalf of the Board

For **M/s B C Dutta & Co.,**
Chartered Accountants
FRN No: 004589C

Sd/-
(CA. SUMEET MAHESHWARI)
Partner
Membership No: 408532

Sd/-
(Kumar Raghavan)
Director

Sd/-
(Narendra Kothari)
Chairman

Place : Hyderabad
Date : 27.05.2014

Sd/-
(D.S.R. Sastry)
General Manager(Fin.)

Cash Flow Statement for the year ended 31st March, 2014

(Amount in Rupees)

	Year ended 31-Mar-14	Year ended 31-Mar-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	(31,033)	(88,263)
Operating profit before working capital adjustments	(31,033)	(88,263)
Increase(+)/Decrease(-) in long term, Short term Liabilities and trade payables	8,546	88,263
Cash Generated from Operations	(22,487)	—
Net Cash Flow from Operating Activities	(22,487)	—
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible and Intangible Assets	—	—
Net Cash flow from Investing Activities	—	—
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	—	1,00,000
Net cash from Financing Activities	—	1,00,000
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(22,487)	1,00,000
Cash & Cash equivalents at the end of the year	77,513	1,00,000
Cash & Cash equivalents at the beginning of the year	1,00,000	—
	(22,487)	1,00,000
Components of Cash & Cash equivalents:		
Cash & cheques on hand	—	—
Balances with Scheduled banks in current account	77,513	1,00,000
in Term deposits with original maturity less than 3 months	—	—
	77,513	1,00,000

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

Subject to our Report of even date

For and on behalf of the Board

For **M/s B C Dutta & Co.,**
Chartered Accountants
FRN No: 004589C

Sd/-
(CA. SUMEET MAHESHWARI)
Partner
Membership No: 408532

Sd/-
(Kumar Raghavan)
Director

Sd/-
(Narendra Kothari)
Chairman

Place : Hyderabad
Date : 27.05.2014

Sd/-
(D.S.R. Sastry)
General Manager(Fin.)

Note-1 : Significant accounting policies

A. Basis of Accounting:

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

B. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as at the date of financial statements and reported amount of income and expenses during the period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting

estimates is recognized in the current and future periods.

C. Recognition of Income and Expenditure:

The Company follows the mercantile system of Accounting and recognizes Income and Expenditure on Accrual Basis.

D. Contingent Liabilities and Provisions:

Depending on facts of each case and after due evaluation of relevant legal aspects, the company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resource is probable and a reliable estimate of the amount of obligation can be made. The disclosure is made for all possible or present obligations that may but probably will not require outflow of resources as contingent liability in the financial statements.

Note-2 : Notes to Accounts for the Year Ended 31-March-2014

Note-2.1 : Share Capital

(Amount in Rupees)

	Figures at the end of 31st March, 2014		Figures at the end of 31st March, 2013	
a Authorised (10,000 Equity Shares @ Rs.10/- each face value)	<u>1,00,000</u>		<u>1,00,000</u>	
b Issued, Subscribed and Paid up (10,000 Equity Shares of Rs.10/- each fully paid up)	<u>1,00,000</u>		<u>1,00,000</u>	
	31st March, 2014		31st March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
c Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
At the beginning of the period	10,000	1,00,000	NIL	NIL
Add : Shares Issued during the year	NIL	NIL	10,000	1,00,000
Less : Shares bought back during the year	NIL	NIL	NIL	NIL
Add : Other movements during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the period	10,000	1,00,000	10,000	1,00,000
	31st March, 2014		31st March, 2013	
	No. of Shares	% of share holding	No. of share holding	Amount
e The Details of shares in the company held by each shareholder holding more than 5% Shares				
Name of the Shareholder (including their nominee)				
NMDC LIMITED	6,000	60	6,000	60
JSMDC LIMITED	4,000	40	4,000	40
	10,000	100	10,000	100

Note-2.2 : Reserve and Surplus

(Amount in Rupees)

	Figures at the end of 31st March, 2014	Figures at the end of 31st March, 2013
a General Reserve	-	-
b Surplus/(Deficit) in statement of profit and loss:		
Balance as per last Balance Sheet	(88,263)	-
Add : Deficit in statement of profit and loss during the year	(31,033)	(88,263)
Closing Balance	<u>(1,19,296)</u>	<u>(88,263)</u>

Note-2.3 : Other Long Term Liabilities

(Amount in Rupees)

	Figures at the end of 31st March, 2014	Figures at the end of 31st March, 2013
Unsecured advance from NMDC LIMITED	68,719	60,173
	<u>68,719</u>	<u>60,173</u>

Note-2.4 : Other Current Liabilities

(Amount in Rupees)

	Figures at the end of 31st March, 2014	Figures at the end of 31st March, 2013
Payable to Statutory Auditor	16,854	16,854
Payable to Internal Auditor	11,236	11,236
	<u>28,090</u>	<u>28,090</u>

Note-2.5 : Cash and Cash Equivalents

(Amount in Rupees)

	Figures at the end of 31st March, 2014	Figures at the end of 31st March, 2013
Balance with Bank (Union Bank of India, Current Account)	77,513	1,00,000
	<u>77,513</u>	<u>1,00,000</u>

Note-2.6 : Other Income

(Amount in Rupees)

	Figures at the end of 31st March, 2014	Figures at the end of 31st March, 2013
Previous year outstanding liability (excess) written back	5,618	-
	<u>5,618</u>	<u>-</u>

Note-2.7 : Other Expenses

(Amount in Rupees)

	Figures at the end of 31st March, 2014	Figures at the end of 31st March, 2013
Preliminary Expenses	-	60,173
Registration Expenses for Prospective License	8,546	-
Bank Charges	15	-
Payment to Auditors		
As Auditor		
Statutory Audit Fee	15,000	
Add : Service Tax	<u>1,854</u>	
	16,854	16,854
Internal Audit Fee	10,000	
Add : Service Tax	<u>1,236</u>	
	11,236	11,236
	<u>36,651</u>	<u>88,263</u>

Note-2.8 : Others

1. The Financial Statements comprising of Balance Sheet, the Statement of Profit and Loss and Cash flow Statement is related to the period of 12 months i.e. 1st April 2013 to 31st March 2014 and the period for previous year is from 6th August 2012 to 31st March 2013 and hence previous year figures are not comparable.
2. A Debit Note has been raised for Rs.8,546/- by NMDC Limited for payments made towards registration expenses for prospective license of Sasangada N-E Block, Jharkhand incurred on the behalf of the company and accounted in the books as an advance from NMDC Limited on the basis of the Debit Note.
3. Related Party Transaction (AS 18):
 - 3.1 Holding Company : NMDC LIMITED
 - 3.2 Key Management Personnel (Directors)
 - Nominees from NMDC Limited
 - Shri Narendra Kumar Nanda
 - Shri Swaminathan Thiagarajan
 - Shri Subimal Bose
 - Shri Kumar Raghavan
 - Nominees from JSMDCLimited
 - Director, Dept of Mines, Govt. of Jharkhand - Shri Bipin Bihari Singh
 - Chairman, JSMDCLimited
 - 3.3 Transactions existing during the year with Related Parties:
 - Non Current Liabilities
 - Unsecured Advance from NMDC Ltd. during the year Rs.8,546/- (P.Y. Rs.60,173/-) and the year end balance stands at Rs.68,719/- (P.Y. Rs.60,173/-).
4. The outstanding liability in respect of statutory auditor's out of pocket expenses including service tax on it for previous financial year has been written back in the current financial year and treated as other income since no expenses was incurred on it.
5. Contingent Losses: There are no contingent losses as on 31.03.2014.
6. Fixed Assets and Depreciation: No fixed assets were acquired / disposed off during the period and hence no depreciation on fixed assets.

7. Earning Per Share Computation

Particulars	2013-14	2012-13
Net profit/(loss) as available to equity share holder (Rs.)	(31,033)	(88,263)
Number of equity shares	10,000	10,000
Nominal value per equity share (Rs.)	10/-	10/-
Basic and Diluted Earning Per Share (Rs.)	(3.10)	(8.83)

8. There are no dues to Micro, Small and Medium Enterprises as on 31.03.2014.

9. Previous year figures have been regrouped and rearranged wherever considered necessary so as to confirm to the classification of the current year.

Subject to our Report of even date
For **M/s B C Dutta & Co.,**
Chartered Accountants
FRN No: 004589C

For and on behalf of the Board

Sd/-
(CA. SUMEET MAHESHWARI)
Partner
Membership No: 408532

Sd/-
(Kumar Raghavan)
Director

Sd/-
(Narendra Kothari)
Chairman

Place : Hyderabad
Date : 27.05.2014

Sd/-
(D.S.R. Sastry)
General Manager(Fin.)

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C O N T E N T S

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Annual Report 2012-2013

Directors' Report on the Annual Accounts for the Financial Year ended 30th June 2013

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 currency 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 2013. Hence only the Balance Sheet has been reproduced without any change from the previous year's figures.

Sd/-
Narendra 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, 2013

ASSETS	Amount in MGA	
	F.Y. 2012-2013	F.Y. 2011-2012
I. FIXED ASSETS		
Establishment expenses	14,77,98,443	14,77,98,443
Gold Research Expenses	61,62,73,823	61,62,73,823
	<u>76,40,72,266</u>	<u>76,40,72,266</u>
<u>CORPOREAL ASSETS</u>		
Equipment & Tools	-	-
Vehicles	-	-
Office Equipment & Office Furniture	-	-
Computer Equipment	-	-
Office & Accommodation Furniture	-	-
	<u>-</u>	<u>-</u>
TOTAL OF FIXED ASSETS	<u>76,40,72,266</u>	<u>76,40,72,266</u>
II. RUNNING ASSETS		
DEBTS		
VAT Credit	-	-
Prepaid advance for company tax profit (IBS)	-	-
Other Debts	-	-
LIQUID ASSETS		
Bank	-	-
Cash	-	-
	<u>-</u>	<u>-</u>
TOTAL OF RUNNING ASSETS	<u>-</u>	<u>-</u>
III. EARLY NOTED CHARGES		
Advances	-	-
TOTAL GENERAL (I + II + III)	<u>76,40,72,266</u>	<u>76,40,72,266</u>

Balance Sheet as at 30th June, 2013

LIABILITIES	Amount in MGA	
	F.Y. 2012-2013	F.Y. 2011-2012
I. EQUITY CAPITAL		
ISSUED CAPITAL		
2,000 shares of stock 500 MGA each	10,00,000	10,00,000
Result pending for affectation	(1,59,72,84,704)	(1,59,72,84,704)
Net situation	(1,59,62,84,704)	(1,59,62,84,704)
II. DEBTS		
Suppliers and related accounts	-	-
OTHER DEBTS		
Shareholders - operations on the capital	2,36,03,56,970	2,36,03,56,970
TOTAL OF DEBTS	2,36,03,56,970	2,36,03,56,970
GRAND TOTAL (I + II)	76,40,72,266	76,40,72,266

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

VISION / MISSION AND OBJECTIVES

VISION

To emerge as a global Environment Friendly Mining Organisation and also as a quality Steel producer with a positive thrust on Social Development.

MISSION

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

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 52.5 Million Tonnes by 2020.
- 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
OF
56th Annual General Meeting
of
NMDC LIMITED
(CIN : L13100AP1958GOI001674)

Date : 29th September, 2014
Day : Monday
Time : 1130 hrs
Venue : Grand Ball Room
Hotel Taj Krishna
Road No.1, Banjara Hills
Hyderabad - 500 034

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Notice

Notice is hereby given that the 56th Annual General Meeting (AGM) of NMDC Limited will be held at 1130 hours on Monday, the 29th September, 2014 at Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad -500 034 to transact the following business:

A. ORDINARY BUSINESS:

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

To receive, consider and adopt the Statement of Profit & Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.

2. To confirm the payment of interim dividends on equity shares for the year 2013-14.
3. To appoint a Director in place of Shri Narendra K. Nanda (DIN: 02455894), who retires by rotation and being eligible, offers him-self for re-appointment.
4. To appoint a Director in place of Shri S. Thiagarajan (DIN: 02721001), who retires by rotation and being eligible, offers him-self for re-appointment.
5. To appoint a Director in place of Shri Subimal Bose (DIN: 03570144), who retires by rotation and being eligible, offers him-self for re-appointment.
6. To appoint a Director in place of Shri Rabindra Singh (DIN: 03641126), who retires by rotation and being eligible, offers him-self for re-appointment.
7. To appoint a Director in place of Shri Vinod Kumar Thakral (DIN: 00402959), who retires by rotation and being eligible, offers him-self for re-appointment.

8. To appoint a Director in place of Shri Syedain Abbasi (DIN: 01790604), who retires by rotation and being eligible, offers him-self for re-appointment.
9. To appoint a Director in place of Shri S.J. Sibal (DIN: 03626423), who retires by rotation and being eligible, offers him-self for re-appointment.
10. To appoint a Director in place of Dr. Noor Mohammad (DIN: 02703408), who retires by rotation and being eligible, offers him-self for re-appointment.
11. To appoint a Director in place of Shri Vinai Kumar Agarwal (DIN: 00233282), who retires by rotation and being eligible, offers him-self for re-appointment.
12. To appoint a Director in place of Shri Mahesh Shah (DIN: 00405556), who retires by rotation and being eligible, offers him-self for re-appointment.

13. Remuneration of Statutory Auditors

In terms of the Section 142 of the Companies Act, 2013, the remuneration of Auditors of Government Companies, appointed by Comptroller and Auditor General of India, shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Hence, it is proposed that the members may authorise the Board to fix the remuneration of the Statutory Auditors of the Company for the year 2014-15, as may be deemed fit.

B. SPECIAL BUSINESS:

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

"RESOLVED THAT

Shri Narendra Kothari (DIN: 06393713), who was appointed as Additional Director be and is hereby appointed as Director of the Company, on the existing terms of his appointment, who is liable to retire by rotation."

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

"RESOLVED THAT

Shri Narendra Kothari (DIN: 06393713), Director of the Company, be and is hereby appointed as Chairman-cum-Managing Director of the Company on the existing terms of his appointment, who is liable to retire by rotation."

16. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

"RESOLVED THAT

Pursuant to Section 14 & 149 and other applicable provisions of the Companies Act, 2013, and subject to approval of the Government, approval be and is hereby accorded to increase the number of Directors from Sixteen (16) to Eighteen (18) by amending the existing Articles of Association of the Company.

RESOLVED FURTHER THAT

The word 'Sixteen' be and is hereby amended as 'Eighteen' in the Article No. 73 of the Articles of Association of the Company".

By Order of the Board



(Kumar Raghavan)
Company Secretary &
Executive Director

Place : Hyderabad
Date : 12.08.2014

Copy to:

1. All Members
2. All Directors
3. Statutory Auditors

Encls:

1. Notes to Notice including E-voting instructions at Note No.25.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business.
3. Proxy Form
4. Attendance Slip.

Notes to the Notice

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form should be deposited at the Registered Office of the Company not later than Forty-Eight Hours (48 hours) before the time of commencement of the Meeting. Blank proxy form is attached.
2. Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business, as set out above is annexed hereto.
3. 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.
4. Brief resume of the Directors seeking re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 20th September, 2014 to Monday, the 29th September, 2014 (both days inclusive).
6. During the year, department of Disinvestment, Government of India has offered upto 1, 98, 23,580 equity shares of face value of Re.1/- each to the eligible employees of the Company at a discounted price of Rs.141.10 per equity share. In response to the said offer, 280 shares were transferred from the holding of President of India to the eligible employee, who participated in the offer.
7. During the year, the Company had paid two interim dividends @ Rs.3/- each and Rs.5.50p each, on the paid-up equity share of Re.1/- each of the company in November 2013 and February 2014 respectively totaling to Rs.3370.00 crore on the nominal value of the paid-up equity shares of the Company to the Members.
8. Share transfer documents and all correspondence relating thereto, should be addressed to the Share Transfer Agent of the Company M/s Aarthi Consultants Pvt Ltd., D.No. 1-2-285, Domalguda, Hyderabad - 500 029. Phone Nos. 040-27638111/ 27634445, Fax No. 040-27632184, Email : info@arthiconsultants.com, ims@nmdc.co.in, Web site : www.arthiconsultants.com
9. Members are requested to address all correspondence relating to divestment of 33,22,43,200 equity shares of the Company made by Government of India in the month of March, 2010 to the Registrars to the Issue M/s. Karvy Computershare Pvt, Ltd., Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad -500 081, Tel: 040-23420815, Fax: 040-23431551, Email: nmdc.ipo@karvy.com/ einward.ris@karvy.com. Website: www.karvy.com.
10. The Company has designated an exclusive e-mail ID called: ims@nmdc.co.in for redressal of shareholders'/investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above e-mail address.
11. Members holding shares in electronic form may please note that the bank account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.

12. Reserve Bank of India (RBI) is providing ECS facility for payment of dividend in select cities. Members holding shares in physical form are advised to submit particulars of their bank account, viz., names and address of the branch of bank, 9 digit MICR code of the branch, type of account and account number to M/s. Aarhi Consultants Private Ltd.
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.gov.in.
14. Pursuant to section 124 and 125 of the Companies Act, 2013, the unpaid/unclaimed amount of Final Dividend declared on 31.08.2007 for the financial year 2006-07, 1st interim dividend declared on 25.10.2007 and 2nd interim dividend declared on 30.01.2008 for the financial year 2007-08 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 30.09.2014, 24.11.2014 and 28.02.2015 respectively. Members who have not en-cashed their dividend warrants pertaining to the said year(s) may approach the Company or its Share Transfer Agent for obtaining payment thereof.
15. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to M/s. Aarhi Consultants Private Ltd or the Company to enable them to incorporate the same in the dividend warrant.
16. Members desirous of obtaining any information/clarification(s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of the Meeting to the Company Secretary at the Registered Office of the Company, so that the same may be attended to appropriately.
17. The Annual Accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the holding and subsidiary companies, desirous of seeking such information. Further, Annual Accounts of the subsidiary companies will also be kept for inspection, by any investor, at the Registered Office of the Company as well as at the Registered Office of the subsidiary companies, during its business hours.
18. Members who have not en-cashed their dividend warrants within its validity period may write to the Company at its Registered Office or M/s. Aarhi Consultants Private Ltd, Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
19. In terms of provisions of the Companies Act, 2013 nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares on individual name are advised to avail of the nomination facility Form No. 2B in their own interest. Blank form can be had from M/s. Aarhi Consultants Private Ltd on request. Members holding shares in dematerialized form may contact their respective DPs for registration of nomination.
20. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agent, M/s. Aarhi Consultants Private Ltd., for consolidation.
21. Pursuant to provisions of the Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is to be fixed by the Company in the Annual General

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Meeting. The General Meeting may authorize the Board to fix up an appropriate remuneration of Auditors for the year 2014-15 after taking into consideration the increase in volume of work and pertaining inflation, etc.

22. In terms of Clause 35B of the Listing Agreement, Company has made arrangements for providing e-voting platform to the shareholders of the Company for e-voting purpose through Central Depository Services (India) Limited (CDSL), an authorised Agency of Ministry of Corporate Affairs (MCA), Government of India.
23. The e-voting period begins on 22nd September, 2014 (9.00 a.m. IST) and ends on 24th September, 2014 (6.00 p.m. IST). The voting rights shall be proportionate to their shares as on 22.08.2014.
24. Members are requested:
 - (i) To bring their copies of Annual Report and Attendance Slip duly completed and signed at the meeting.
 - (ii) To quote their Folio/DP & Client Identification No. in all correspondence.
 - (iii) Not to bring brief case, bags, eatables, cell phone etc. as they are prohibited inside the meeting Hall for security reasons.
 - (iv) To notify immediately any change of their address and bank particulars to the Company or its Share Transfer Agent, in case shares are held in physical form.

AND

In case their shares are held in dematerialized form, information should be passed on directly to their respective Depository Participants and not to the Company/ Share Transfer Agent, without any delay.

- (v) To note that no gift will be distributed at the meeting.
25. The instructions for members for voting electronically are as under:

In case of members receiving e-mail:

 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "NMDC Limited" from the drop down menu and click on "SUBMIT".
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field. Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit client id. For example : CDSL Account Holder name is Rahul Mishra and Demant A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. And NSDL Account Holder name is Rahul Mishra and Demant A/c No. is IN300000 12345678 then default value of PAN is 'RA12345678'.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant NMDC Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) To sl. no. (xvii) Above to cast vote.
- (B) The voting period begins on 22nd September, 2014 (9:00 a.m. IST) and ends on 24th September, 2014 (6:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.08.2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members as on 22.08.2014, who have not exercised their vote electronically, may cast their vote physically during the poll conducted at the time of Annual General Meeting on 29th September, 2014.
- (C) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22.08.2014.
- (D) Mr.S S Marthi, Practicing Company Secretary (Membership No.FCS 1989), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (E) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any , forthwith to the Chairman of the Company.
- (F) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
- (G) The results declared along with Scrutinizer's Report shall be placed on the Company's website: www.nmdc.co.in, STA's website: www.aarthiconsultants.com and on the website of CDSL www.cdslindia.com within two days of the passing of the resolutions at the AGM of the Company on 29th September, 2014 and communicated to the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited(NSE), and other stock exchanges, where the shares of the Company are listed.
- (H) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (I) In case of any clarification(s) / grievance(s) connected with electronic voting, you may contact Mr.Wenceslaus Furtado, Deputy Manager at the designated email Id : wenceslausf@cdslindia.com or on the following telephone No.022-22728588.

Brief Resume of the Directors

Name	SHRI NARENDRA K. NANDA	SHRI S. THIAGARAJAN
Date of Birth & Age	28.07.1960 & 54 years	30.12.1954 & 59 years
Date of Appointment	01.12.2008	09.07.2009
No. of shares held in NMDC	320	Nil
Qualifications	<ul style="list-style-type: none"> i) B.Tech.(Mining) from ISM, Dhanbad. ii) M.Tech. (By Research) from ISM, Dhanbad in Mining Engg. 	<ul style="list-style-type: none"> i) Bachelor of Science ii) Chartered Accountant
Expertise in specific functional area	<ul style="list-style-type: none"> ● Qualified Engineer for mine plan preparation. ● Expert in the field of blasting and slope stability in large opencast mines. ● Qualified System Analyst for opencast mines and project monitoring. ● Expert in the field of mineral processing, particularly beneficiation of low grade iron ore. ● Expert in merger and acquisition activities. Can lead team to successful acquisition and diversification. ● Expert in Long-term Strategic Planning and Project Implementation including 3 MTPA Steel Plant on a formal integration to mining. 	<p>As Finance Director of NMDC, statutorily responsible for timely submission of financial statements of the Company to the statutory authorities / share holders.</p> <p>Expertise in</p> <ul style="list-style-type: none"> i) Corporate tax management. ii) Project appraisal and financing. iii) Financial concurrence to proposals for revenue and capital items for existing and new projects as per the special requirements of a PSU. iv) Optimum deployment of company's cash resources in various investment opportunities / CAPEX avenues. v) Formulation of strategies with regard to critical issues such as product pricing, evacuation, M&A etc. vi) Interaction with domestic & international investors & representing the company in various investor / analyst forums or conferences.
Directorship held in other Companies	<ul style="list-style-type: none"> i) J&K Mineral Development Corpn. Ltd. ii) NMDC-CMDC Ltd. iii) Krishnapatnam Railway Co. Ltd. iv) NMDC-SARL. v) Legacy Iron Ore Ltd. vi) NMDC Power Ltd. vii) Jharkhand National Mineral Development Corporation Ltd. viii) Kopano-NMDC Minerals (Pty) Ltd. 	<ul style="list-style-type: none"> i) J&K Mineral Development Corporation Ltd. ii) Legacy Iron Ore Limited iii) NMDC-CMDC Limited iv) NMDC Power Limited v) Jharkhand National Mineral Development Corporation Ltd. vi) Kopano-NMDC Minerals (Pty) Ltd.
Memberships / Chairmanship of Committees across all Public Companies	<ul style="list-style-type: none"> i) Member, Audit Committee, NMDC. ii) Member, Share Transfer Committee, NMDC Ltd. 	<ul style="list-style-type: none"> i) Member, Share Transfer Committee, NMDC Limited ii) Member Shareholders' / Investors' Grievance Committee, NMDC Ltd.

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Name	SHRI SUBIMAL BOSE	SHRI RABINDRA SINGH
Date of Birth & Age	20.10.1954 & 59 years	08.08.1955 & 59 years
Date of Appointment	17.06.2011	01.10.2011
No. of shares held in NMDC	320	Nil
Qualifications	i) B. Tech. (Hons.) (Mining) Year 1978. IIT, Kharagpur ii) 1st Class Mines Manager Certificate of Competency (Restricted)	i) B.A. (Hons.) ii) P.G. Diploma in Personnel Management iii) P.G. Diploma in Social Work (Labour Welfare)
Expertise in specific functional area	<ul style="list-style-type: none"> ● Prior to joining NMDC, held various positions in Mining Departments of M/s Cement Corporation of India Ltd. ● 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. ● As a General Manager of Projects, was responsible for overall operation, production, execution, direction and control of the Projects. 	<p>Prior to joining NMDC, Shri Rabindra Singh was Executive Director (P&A), Steel Authority of India Limited (SAIL), Bokaro Steel Plant, Bokaro.</p> <p>He has about 36 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 Organisation, Raw Materials Division and also Durgapur Steel Plant.</p>
Directorship held in other Companies	i) Legacy Iron Ore Limited ii) Jharkhand National Mineral Development Corporation Limited	Neelachal Ispat Nigam Ltd.
Memberships / Chairmanship of Committees across all Public Companies	i) Member, Share Transfer Committee, NMDC Ltd. ii) Member, Shareholders' / Investors' Grievance Committee, NMDC Ltd.	Nil

Name	SHRI VINOD KUMAR THAKRAL	SHRI SYEDAIN ABBASI
Date of Birth & Age	02.07.1956 & 58 years	29.01.1967 & 47 years
Date of Appointment	07.06.2013	18.10.2012
No. of shares held in NMDC	Nil	Nil
Qualifications	M.A. - Political Science	M.A. - Modern Indian History
Expertise in specific functional area	Shri Vinod Kumar Thakral is a senior IAS officer, Government of India. Presently serving as the Additional Secretary & Financial Advisor, Ministry of Steel, Government of India. He has about 32 years of experience in administration & has served in various capacities / positions in the Government.	Shri Syedain Abbasi is a Senior IAS Officer, Government of India. Presently serving as the Joint Secretary, Ministry of Steel, Government of India. He has about 23 years of experience in administration & has served in various capacities / positions in the Government.
Directorship held in other Companies	<ul style="list-style-type: none"> i) Government Director, SAIL ii) Government Director, KIOCL iii) Government Director, RINL iv) Government Director, MECON Ltd. 	Government Director, MECON India Ltd.
Memberships / Chairmanship of Committees across all Public Companies	Nil	Nil

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Name	SHRI S.J. SIBAL	Dr. NOOR MOHAMMAD
Date of Birth & Age	30.09.1950 & 63 years	30.07.1951 & 63 years
Date of Appointment	28.12.2011	26.11.2012
No. of shares held in NMDC	100	Nil
Qualifications	<ul style="list-style-type: none"> i) B.Sc. (Hons.), Mining Engineering ii) 1st Class Manager's Competency Certificates for Coal & Metalliferrous Mines. 	<ul style="list-style-type: none"> i) Ph.D. - Economics ii) M.Sc. - Administrative Sciences & Development Problems iii) M.Sc. - Physics iv) M.A. - Economics
Expertise in specific functional area	Mr. 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, is dedicated to maintaining a reputation built on quality, service, and uncompromising ethics.	Dr. Noor Mohammad retired from Indian Administrative Service on 31.07.2011. He has more than 35 years of vast experience in administration and he has held various senior positions in the Government of Uttar Pradesh as well as in the Central Government. He retired as Secretary, National Disaster Management Authority.
Directorship held in other Companies	<ul style="list-style-type: none"> i) Northern Coal Fields Ltd. ii) C-FARM (Sec. 25 Company) iii) Hindustan Zinc Ltd. 	Coal India Limited (CIL)
Memberships / Chairmanship of Committees across all Public Companies	<ul style="list-style-type: none"> i) Advisor, HZL (Vedanta Enterprises) ii) Member, Audit Committee, NMDC Ltd. 	<ul style="list-style-type: none"> i) Chairman, Investors Grievance Redressal Committee, CIL ii) Member, Audit Committee, CIL iii) Member, Audit Committee, NMDC Ltd.

Name	SHRI VINAI KUMAR AGARWAL	SHRI MAHESH SHAH
Date of Birth & Age	30.10.1950 & 63 years	25.12.1952 & 61 years
Date of Appointment	26.11.2012	26.11.2012
No. of shares held in NMDC	Nil	Nil
Qualifications	<ul style="list-style-type: none"> i) B.Sc. ii) B.E. - Civil 	<ul style="list-style-type: none"> i) B.Com. ii) LL.B iii) F.C.A. (Fellow Chartered Accountant), Institute of Chartered Accountants of India, New Delhi. iv) F.C.S. (Fellow Company Secretary), Institute of Company Secretaries of India, New Delhi. v) F.C.M.A. (Fellow of Institute of Cost Accountants of India), Institute of Cost Accountants of India, Kolkata.
Expertise in specific functional area	<p>Shri Vinai Kumar Agarwal was Managing Director of RITES Ltd. from April 2004 to October 2010. Shri Agarwal holds Bachelor of Engineering in Civil Discipline from University of Roorkee (IIT Roorkee). He served in RITES and Indian Railways in various capacities covering various areas such as Consultancy and Project Management, Constructing and Operating Rail Company in India and abroad. He has approximately over 38 years of experience in Construction and Maintenance of Rail Network, Buildings, Bridges.</p>	<p>Shri Mahesh Shah, Former President of Institute of Company Secretaries of India and Institute of Cost Accountants of India. He is Fellow Member of Institute of Chartered Accountant of India, Institute of Company Secretaries of India and Institute of Cost Accountants of India. He has more than 35 years experience in the areas of Law, Accounts, Taxation, Costing and Financial Management.</p>
Directorship held in other Companies	<ul style="list-style-type: none"> i) Independent Director, KIOCL ii) Independent Director, Dredging Corporation of India 	<ul style="list-style-type: none"> i) Inter Corporate Financiers & Consultants Ltd. ii) Power Grid Corporation of India Ltd.
Memberships / Chairmanship of Committees across all Public Companies	<ul style="list-style-type: none"> i) Member, Audit Committee, KIOCL. ii) Member, Audit Committee, Dredging Corporation of India. iii) Member, Audit Committee, NMDC Ltd. 	<ul style="list-style-type: none"> i) Chairman, Audit Committee, NMDC Ltd. ii) Chairman, Shareholders'/Investors Grievance Committee, NMDC Ltd.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

SPECIAL BUSINESS**Item No.14 & 15: Appointment of Shri Narendra Kothari as Director and Chairman-cum-Managing Director of Company**

In line with the Government of India orders, Shri Narendra Kothari, CMD was 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, 2013 as Additional Directors he holds office up to the date of AGM only, therefore, it is proposed to appoint him as Director and Chairman-cum-Managing Director of the Company at this Annual General Meeting.

The Brief Bio-Data of Shri Narendra Kothari, CMD is given below:

Name	SHRI NARENDRA KOTHARI
Date of Birth & Age	13.12.1955 & 58 years
Date of Appointment	21.04.2014
No. of shares held in NMDC	Nil
Qualifications	B.E. (Metallurgy)
Expertise in specific functional area	Shri Kothari was the CEO of IISCO Steel Plant, Burnpur, Steel Authority of India Limited (SAIL) since October 2012. He held various important positions in SAIL as Executive Director of Chairman Secretariat, Coal Import Group, etc. Shri Kothari had been instrumental in streamlining numerous projects of SAIL and has worked extensively in the field of steel making process in India and abroad.
Directorship held in other Companies	<ol style="list-style-type: none"> 1. Chairman, J&K Mineral Development Corporation Ltd. 2. Chairman, NMDC-CMDC Ltd. 3. Chairman, Jharkhand National Mineral Development Corporation Ltd. 4. Director, International Coal Ventures (Pvt) Ltd.
Memberships / Chairmanship of Committees across all Public Companies	Chairman, Share Transfer Committee, NMDC

Considering the above, the Board of Directors of the Company recommends 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 re-appointment / appointment.

Item No. 16: Amendment to Article No. 73 of Article of Association.

The proposed amendment is necessary in view of the New Companies Act, 2013 which stipulates that the Maximum Directors can be Fifteen (15) only. However, Act further provides that a number of Directors can be increased beyond fifteen with approval of the Shareholders of the Company.

Further, in order to meet the requirement of the Steel Division and to head the upcoming Steel Plant at Nagarnar, a Director post was considered which is under consideration of Government besides existing Functional Directors.

As per the Listing Agreement the Independent Directors shall be 50% of the total Directors on the Board, to comply the Corporate Governance. Accordingly, the present Directors Sixteen (16) would increase to Eighteen (18).

Considering the above, the Board of Directors of the Company recommends 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 re-appointment / appointment.

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



(Kumar Raghavan)
Company Secretary &
Executive Director

Place : Hyderabad
Date : 12.08.2014

BRIEF PROFILE OF NMDC BOARD MEMBERS

I. FUNCTIONAL DIRECTORS

1. SHRI NARENDRA KOTHARI, CMD, NMDC LIMITED



Shri Narendra Kothari assumed charge as Chairman-cum-Managing Director of NMDC Limited on 21 April 2014.

Shri Kothari was the CEO of IISCO Steel Plant, Burnpur, Steel Authority of India Limited (SAIL) since October, 2012. He held various important positions in SAIL as Executive Director of Chairman Secretariat, Coal Import Group etc.

Shri Kothari had been instrumental in streamlining numerous projects of SAIL and has worked extensively in the field of steel making process in India and abroad.

Shri Kothari is a B.E. in Metallurgy and has gained rich experience over the years.

2. SHRI NARENDRA K. NANDA, DIRECTOR (TECHNICAL), NMDC LIMITED



Shri Narendra K. Nanda, Director was appointed as Director (Technical), NMDC Limited w.e.f. 1st December, 2008. He graduated in B.Tech. (Mining) from prestigious Indian School of Mining (ISM), 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".

After working in Hindustan Copper Ltd., Malanjkhand and ACC Ltd., in Haryana, Shri Nanda joined NMDC in the year 1989. Because of his varied experience in copper, limestone, iron ore and initial training in coal mines, he has risen to the post of Director (Technical) in the year 2008. He has been conferred with the awards like (i) 'Eminent Engineer' award by Institution of Engineers, Bhilai (ii) 'The IME Journal Golden Jubilee Award' for his contribution to iron ore mining, processing and infusing new technologies and (iii) prestigious award - Abheraj Baldota Memorial Award of 'Mining Engineer of the Year' for 2010 by Mining Engineers Association of India. (iv) Steeles Award-2013(for excellence in Project Management) & (v) SAGAT Award of Excellence 2013.

Shri Nanda specializes in mine operation and mine development and spent 20 years in production related activity, before getting elevated as Director (Technical). He has proficiency in project planning & 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 as abroad.

Shri Nanda is a Fellow Member of Institution of Engineers and Fellow Member of Mining, Geological, Metallurgical Institute of India. Shri Nanda is also the Chairman of Legacy Iron Ore Ltd., a company in

Australia, where NMDC is the major shareholder. He was Chairman of the National Committee on Mining of Confederation of Indian Industries (CII) from 2010-2011.

He is also the Vice-President in the Governing Council of Global Compact Network India (GCNI) and also Chairman, GCNI, Hyderabad Chapter. He is also Vice Chairman of Kopano-NMDC Minerals Pty. Ltd., the Joint Venture Company of NMDC in South Africa. He is also Vice President, Southern and Western Zone of MGMI. He is Chairman, Mining Engineers Association of India (MEAI), Hyderabad Chapter.

As Director (Technical) Shri Nanda is looking after, Research & Development, 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 2016.

Shri Nanda was also held Additional Charge of Chairman-cum-Managing Director of the Company (NMDC), w.e.f. 1st January 2012 till 24th May 2012.

Recent Papers submitted:

1. Paper titled 'Mergers & Acquisitions vis-à-vis Global Mining Industry' submitted to World Mining Congress.
2. Paper on 'Indian Iron Ore Mining Industry and Future Prospects' presented in 4th Asian Mining Congress.
3. Professor S.K. Bose Memorial Lecture at ISM, Dhanbad on 19.04.2012 on "Sustainable Mining & Environment".

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 34 years. Over the years, he has held various positions in the discipline of Finance in various projects of the company to reach the helm as Head of Finance Department at the corporate office in the year 2004 and subsequently as Director (Finance) of the Company in 2009.

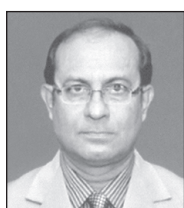
He holds a Bachelor's of Science degree and is a Chartered Accountant. In addition to his core profession, his long tenure and experience in various production projects of the company has added to his abilities to have an integrated and holistic view on various financial, non financial and technical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

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

investor / analyst relations post divestment of 20% of equity of GOI to public. As a member of various committees, he has extensively contributed to issues such as product pricing, overseas acquisitions, risk management 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 Ltd. and Kopano-NMDC Minerals (Pty) Ltd.

4. SHRI SUBIMAL BOSE, DIRECTOR (PRODUCTION), NMDC LIMITED



Shri S. Bose, aged 59 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 33 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. Prior to joining Cement Corporation of India Ltd., he worked for a short while in Ingersoll Rand (India) Ltd. and Sandvik Asia Ltd.

5. 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 36 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 NOMINEE DIRECTORS

1. SHRI VINOD KUMAR THAKRAL, ADDITIONAL SECRETARY AND FINANCIAL ADVISOR, MINISTRY OF STEEL.



Shri Vinod Kumar Thakral is a senior IAS officer, Government of India presently serving as the Additional Secretary & Financial Advisor, Ministry of Steel, Government of India. He has about 32 years of experience in administration & has served in various capacities / positions in the Government.

2. SHRI SYEDAIN ABBASI, JOINT SECRETARY, MINISTRY OF STEEL.



Shri Syedain Abbasi is a senior IAS Officer, Government of India presently serving as the Joint Secretary, Ministry of Steel, Government of India. He has about 23 years of experience in administration & has served in various capacities / positions in the Government.

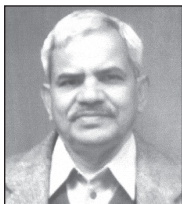
III. INDEPENDENT DIRECTORS

1. SHRI S.J. SIBAL



Mr. S.J. Sibal, aged 63 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, is dedicated to maintaining a reputation built on quality, service, and uncompromising ethics.

2. DR. NOOR MOHAMMAD



Dr. Noor Mohammad retired from Indian Administrative Service on 31.07.2011. He is a Post Graduate in Physics, Economics and Development Issues. He has more than 35 years of vast experience in administration and he has held various senior positions in the Government of Uttar Pradesh as well as in the Central Government. He retired as Secretary, National Disaster Management Authority. He held important positions like Member Secretary, NCR Planning Board, Chief Electoral Advisor UNDP, Kabul, International Election Commissioner, Afghanistan, Deputy Election Commissioner, Election Commission of India and Chief Electoral Officer, Uttar Pradesh and Principal Secretary of various departments in U.P.

He worked as government nominee on the Board of Directors of a number of U.P. State Corporations and also Chennai Metro Rail Corporation. In addition, he worked as Chairman Association of Municipalities and Development Authorities, Chairman, U.P. Waqf Development Corporation, Managing Director, U.P. Waqf Development Corporation and Managing Director, U.P. Minorities Financial and Development Corporation where he made manifest contributions.

At present, he is independence limits in Coal India Ltd also wherein he serves as Chairman, Investors' Grievance Redressal Committee; Member, Audit Committee and Member, CSR Committee.

3. SHRI VINAI KUMAR AGARWAL



Shri Vinai Kumar Agarwal was the Managing Director of RITES Ltd. from April 2004 till his retirement in October 2010. He holds a Bachelor of Science Degree and Bachelors Degree in Engineering (Civil) from I.I.T. (Roorkee). Prior to his appointment as Managing Director, he was Divisional Railway Manager, Indian Railways. He also served as Executive Director and National Project Director for U.N. Funded Projects, Ministry of Railways. in various capacities in the commercial / project management / marketing / contracts disciplines. He has approximately 38 years of experience in the fields Project Management & Execution, Quality Control, Design & Engineering. While working as Managing Director, RITES Ltd. he was awarded the prestigious "Stevie International Business Awards, 2008" for 'Best Executive in Asia (Subcontinent), Australia and New Zealand'.

4. SHRI MAHESH SHAH



Shri Mahesh Shah, Former President of Institute of Company Secretaries of India and Institute of Cost Accountants of India. He is Fellow Member of Institute of Chartered Accountant of India, Institute of Company Secretaries of India and Institute of Cost Accountants of India. He has more than 35 years experience in the areas of Law, Accounts, Taxation, Costing and Financial Management.



NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.
(CIN : L13100AP1958GOI001674)

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)		
Registered Address		
Email ID		
Folio No./Client ID		
DP ID		No. of Shares
I/We, being a member/members of above named Company, hereby appoint:		
1. Name		
Address		
Email ID		Signature
Or failing him/her		
2. Name		
Address		
Email ID		Signature
Or failing him/her		
3. Name		
Address		
Email ID		Signature

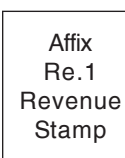
As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company, to be held on Monday, 29th September, 2014 at 11.30 a.m. at Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For*	Against*
	Ordinary Business		
1.	Adoption of Audited Accounts, Directors' and Auditors' Reports there on:		
2.	To confirm the payment of interim dividends on equity shares for the year 2013-14.		
3.	Re-appointment of Shri Narendra K. Nanda (DIN: 02455894), who retires by rotation and being eligible, offers him-self for re-appointment.		
4.	Re-appointment of Shri S. Thiagarajan (DIN: 02721001), who retires by rotation and being eligible, offers him-self for re-appointment.		
5.	Re-appointment of Shri Subimal Bose (DIN: 03570144), who retires by rotation and being eligible, offers him-self for re-appointment.		
6.	Re-appointment of Shri Rabindra Singh (DIN: 03641126), who retires by rotation and being eligible, offers him-self for re-appointment.		
7.	Re-appointment of Shri Vinod Kumar Thakral (DIN: 00402959), who retires by rotation and being eligible, offers him-self for re-appointment.		
8.	Re-appointment of Shri Syedain Abbasi (DIN: 01790604), who retires by rotation and being eligible, offers him-self for re-appointment.		
9.	Re-appointment of Shri S.J. Sibal (DIN: 03626423), who retires by rotation and being eligible, offers him-self for re-appointment.		
10.	Re-appointment of Dr. Noor Mohammad (DIN: 02703408), who retires by rotation and being eligible, offers him-self for re-appointment.		
11.	Re-appointment of Shri Vinai Kumar Agarwal (DIN: 00233282), who retires by rotation and being eligible, offers him-self for re-appointment.		
12.	Re-appointment of Shri Mahesh Shah (DIN: 00405556), who retires by rotation and being eligible, offers him-self for re-appointment.		
13.	To authorise the Board to fix the remuneration of Statutory Auditors for the year 2014-15		
	Special Business		
14.	To appoint Shri Narendra Kothari (DIN: 06393713), as Director of the Company, on the existing terms of his appointment, who is liable to retire by rotation."		
15.	To appoint Shri Narendra Kothari (DIN: 06393713), as Chairman-cum-Managing Director of the Company on the existing terms of his appointment, who is liable to retire by rotation."		
16.	To amend the Article No.73 to increase the maximum number of Directors from 'Sixteen' to 'Eighteen'.		

Signed this _____ day of _____ 2014

Signature of Proxy _____

Signature of Member _____



Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of Members, not exceeding fifty, and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

* It is optional to put an 'X' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she deems appropriate.



NMDC Limited

Registered Office : Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.
(CIN : L13100AP1958GOI001674)

ATTENDANCE SLIP 56th 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 56th Annual General Meeting of Shareholders of NMDC Ltd at Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad-500 034 on Monday the 29th day of September, 2014 at 1130 hours.

Please tick in the Box

Equity Shareholder

Proxy

Equity Shareholder's Signature

Proxy's Signature

Notes:

1. Equity Shareholders / Proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue of the meeting.
2. Equity Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting place.



Bhoomi Poojan of Caster ECR Building at NISP. Foundation stone laid by Shri G. Mohan Kumar, Secretary (Steel), MoS in presence of Shri Narendra Kothari, CMD; Shri Narendra K. Nanda, Director (Tech.) and other officials of NMDC.



NMDC received the 'Best Company Award' under the Mining Category of the prestigious 'Dun & Bradstreet Corporate Awards 2014'. Shri Narendra Kothari, CMD, NMDC received the award from Dr. Arun Shourie, Journalist and Former World Bank Economist.



NMDC Limited

(A Government of India Enterprise)

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

CIN : L13100AP1958GOI001674

Website : www.nmdc.co.in

FORM A

COVERING LETTER OF THE ANNUAL AUDIT REPORT

TO BE FILED WITH THE STOCK EXCHANGES

1	Name of the Company	NMDC LIMITED
2	Annual financial statements for the year ended	31-MAR-2014
3	Type of audit observation	UN-QUALIFIED
4	Frequency of observation	Not applicable
5	<p>Signed by :</p> <p>i) Narendra Kothari Chairman Cum Managing Director</p> <p>ii) S.Thiagarajan Director (Fin)</p> <p>iii) Mahesh Shah Audit Committee Chairman</p> <p>iv) Auditors For Venugopl & Chenoy Chartered Accountants FRN NO: 004671S</p> <p>(P.V.Srihari) Partner M. No: 21961</p> 