

एन एम डी सी



NMDC

# एन एम डी सी लिमिटेड NMDC Limited

(भारत सरकार का उद्यम) (A GOVT. OF INDIA ENTERPRISE)

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए, कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 028.

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

नैगम पहचान संख्या / Corporate Identity Number : L13100TG1958 GOI 001674

No. 18(1)/2021- Sectt

6<sup>th</sup> September 2021

1) The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	2) National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
3) The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata – 700001	

Dear Sir / Madam,

**Sub: 63<sup>rd</sup> Annual Report of NMDC Limited for the F.Y. 2020-21 along with Notice of Annual General Meeting**

**Ref: Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; NSE Symbol: NMDC; BSE Scrip Code: 526371**

Please find attached the 63<sup>rd</sup> Annual Report of NMDC Limited for the F.Y. 2020-21 along with Notice of 63<sup>rd</sup> Annual General Meeting (AGM) of the Company scheduled to be held on Thursday the 30<sup>th</sup> September 2021 at 11.30 (A.M.) hours IST through video conferencing ("VC") / Other Audio Visual Means ("OAVM").

The 63<sup>rd</sup> Annual Report 2020-21 along with the notice is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The 63<sup>rd</sup> Annual Report 2020-21 along with the notice has been uploaded on the website of the Company: [www.nmdc.co.in](http://www.nmdc.co.in).

Thanking you

Yours faithfully,  
For NMDC Limited

**A S Pardha Saradhi**  
Company Secretary

Encl: A/a



एनएमडीसी



NMDC

75  
Azadi Ka  
Amrit Mahotsav

A Commitment to Unearth Value  
**A Resolve of Steel to Perform**



**63<sup>rd</sup>**  
**Annual Report**  
**2020-21**

**#AtmaNirbharBharat**





Shri Faggan Singh Kulaste, Hon'ble Union Minister of State for Steel and Rural Development Govt. of India reviews performance of NMDC Limited



Union Minister of State for Steel, Shri Faggan Singh Kulaste visits Bailadila Mines of NMDC

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<b>Financial Statements</b>	Standalone Statements		<b>Regd. Office:</b> NMDC Limited "Khanij Bhavan", 10-3-311/A, Castle Hills Masab Tank, Hyderabad - 500 028 Telangana State CIN : L13100TG1958GOI001674 Website : www.nmdc.co.in
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# FY21 HIGHLIGHTS

**8** %

YOY Increase in Production  
341.50 LT

**6** %

YOY Increase in Sales  
332.52 LT

**31** %

YOY Increase in  
Revenue from Operations  
₹ 15370 Cr

**25** %

YOY Increase in  
Avg. Sales Realisation  
₹ 4581/T

**45** %

YOY Increase in PBT  
₹ 8902 Cr

**73** %

YOY Increase in PAT  
₹ 6253 Cr

₹ **102**

BVPS

₹ **20.62**

EPS

**76** %

RoCE as against 48% in FY20

**21** %

ROE/RONW

# CHAIRMAN'S MESSAGE



“Your company continues to aggressively pursue capacity augmentation and technology up-gradation initiatives across its projects for quantum increase in output and improve overall efficiency”



Dear Shareholder

I hope you and your dear ones have been able to complete the COVID 19 vaccination schedule and continue to stay safe. Thank you for staying invested in NMDC Ltd – India's largest merchant iron ore producer.

FY21 has been a landmark year for us with respect to production, sales and turnover considering the challenges faced due to covid pandemic. Donimalai Iron Ore Mine of NMDC Ltd has also resumed mining operations since 18.02.2021. Another significant event during the year has been that the Board of Directors at its 539th meeting held on 13.07.2021 inter alia, approved the Scheme of Arrangement between the Company and NMDC Steel Limited and their respective creditors and shareholders, entailing inter-alia demerger of NISP.

FY21 was challenging for the entire world due to COVID 19 pandemic. India having one of the largest populations in the world, was most affected after the United States. Yet on all per million parameters such as positive cases and casualties, India was the most resilient. Stepping into FY22 after overcoming the second wave of the pandemic, the Nation wide vaccination drive is making the country immune as well as enabling economic recovery. However, we must continue to be vigilant and follow covid appropriate behaviour to end this pandemic.

The pandemic of Covid-19 & lockdowns across the country in Q1 FY'21 had impacted the demand for steel. Most of the downstream industries were closed or operated at low capacity. Under the impact of low demand & economic slowdown across the globe, future plans of various industries including iron & steel had been impacted severely. However, quick recovery of iron ore & steel demand in the international market, especially from China, the domestic Iron & Steel industry have recovered fast from the impact of COVID. Your company has undertaken the vaccination drive for its employees, their family members and contract associates across its projects and units. Despite the first and second waves of the pandemic, our company has been able to achieve excellent physical performance through our continual push towards higher volumes. The

company achieved production of 34.15 MT and sales of 33.25 MT during the year.

Driven by strategic imperatives, NMDC has forayed into pellet making and the integrated steel plant at Nagarnar. The 3 MTPA steel plant with state-of-the-art technologies, is in an advanced stage of construction and getting ready for its commissioning of various units progressively. The Plant will be producing an impressive array of products viz. HR Plates, API - 5L Quality Plates, HR Sheets, HR Coils, High Carbon Steel, Silicon Steel and Automotive Steel. We are already operating a Minehead based 1.2 MTPA pellet plant in Donimalai. In addition a 15 MTPA Slurry pipeline from Bachel to Jagdalpur, Beneficiation Plant at Bachel including a 2 MTPA Pellet Plant at Nagarnar are under construction.

We continue to aggressively pursue our capacity augmentation and technology up-gradation initiatives across our sites. During the year we commissioned additional screening line up-gradation of existing conveyor at Kirandul. Additionally, the Screening Plant III of Kirandul, Doubling of KK Line between Kirandul and Jagdalpur, additional screening line and up-gradation of existing downhill conveyor at Dep-5 Bachel are progressing. Multiple projects for capacity expansion are also being envisaged at locations to increase our output and efficiency.

NMDC is the first-ever CPSE to implement the state-of-the-art Enterprise Resource Planning (ERP) solution on SAP S/4 HANA in January 2021. The implementation project known as "KALPATRU" has the distinction of being the largest of its kind and with all Core SAP modules being implemented. ERP solutions have been implemented with minimal or no disruptions to business activity. Implementation was planned within 18 months and Go-live was achieved in 21 months despite Covid-19 challenges.

NMDC has also embarked on a journey of digital transformation and is in process of implementing a Fleet Management system, automatic sampling, development of a vision enhancement system for foggy weather and 3D volumetric laser scanner which will improve

productivity, efficiency and safety.

**Mineral Exploration:** The company continues to explore potential mining blocks at various locations in India and abroad. Exploratory drilling of 17,712.50 mts against the MoU target of 17,500 mts has been achieved during 2020-21 to establish additional resources in multiple states & enhance the life of Mines for better quality control. Details of the locations and mineral blocks are given in the Directors' Report.

**Highlights of the Financial Performance:** During the year our turnover for the year under review was Rs.15,370 crores as against Rs. 11,699 crores in the CPLY – an increase of 31.38 %. The Company achieved a record turnover for the 4th Quarter and also Annual Turnover. Both are highest since inception. Profit before tax (PBT) from continuing operations was Rs. 8,901 crores compared to Rs. 6,123 crores in the CPLY – an increase of 45.37 %. Profit after tax (PAT) was Rs. 6,253 crores compared to Rs. 3,610 crores in the CPLY – an increase of 73.21%.

**Human Resources:** At NMDC, our human capital and business share a bond of co-creation, we enable them to rise to their best and in turn, they help us to drive excellence. Augmenting the quality of human capital not only motivates employees but also fosters innovation thereby increasing the competitive advantage of your company. We continue to progress on our Human Resource initiatives and Industrial relations.

NMDC has fostered a culture that rewards continuous learning, collaboration and talent for the organization to be future-ready and to meet the challenges posed by ever-changing market realities. Capability building of the workforce is achieved by combining formal learning with vigorous on-the-job development, coaching and feedback which has led to executives and workmen improving their performance and advancing their careers in significant ways. Corporate HRD has organized 24Nos of Customized in House Training Programmes covering 624 Executives during 2020-21, 29 Nos of External Training Programmes covering 181 executives on various subjects.

**Social Commitment:** NMDC takes pride in transforming people and societies through community engagement, infrastructure building, creating massive educational infrastructure and providing health services.

Contributing to social development is engraved in our vision. Our social objectives are aimed at improving the quality of life of people in general and the socio-economic environment in and around our mining locations. During the year we spent close to 160 crore on various social development activities. Education, Health & Hygiene, skill development and Livelihood developments programmes were the key areas of our social interventions. Particulars of our CSR initiatives are detailed in this report.

**Going forward:** The demand for steel has shrunk 14.8 per cent sequentially in the June quarter, largely due to lockdowns. Due to the second wave of the pandemic construction activities were impacted. However, with the pandemic under control and economic activities along with the Government of India's focus on infrastructure and construction sectors, the steel demand is expected to touch the pre-covid days in the coming quarters.

We expect the recent pricing volatilities in iron ore to stabilise along with the increase in global demand for steel. The World Steel Association (world steel) forecast that global steel demand will climb 5.8% in 2021 to reach 1.874 billion metric tons (mt). Demand will further grow by 2.7% in 2022 to reach 1.925 billion mt.

At NMDC we have the required operational agility to absorb the cyclical volatilities in the iron ore and steel sector and stay ahead on a growth trajectory.

Thank you and stay safe.

Jai Hind

**Sumit Deb**

Chairman and Managing Director



# ABOUT US

NMDC Ltd., a Navratna PSE under Ministry of Steel, Govt. of India is the single largest producer of iron ore in India owns and operates highly merchandized iron ore mines in CG & Karnataka. NMDC is considered to be one of the low-cost producers of iron ore in the world. It also operates the only merchandized diamond mine in India at Panna, MP. The company is diversifying into steel making and has undertaken several capital intensive projects to modernise and increase capacities to retain its domestic leadership and has also forayed overseas successfully.

## Our Products

### IRON ORE

**Baila ROM:** 10 mm to 150 mm size with Fe 65.5%.

**Baila lump:** 6.3 mm to 40 mm size with Fe 65.5%

**DR CLO:** 10 mm to 40 mm size with Fe 67%.

**10-20 mm Baila Sized Lump:** 10-20 mm with Fe 65.5%

**Baila Fine:** -10mm with Fe 64%.

**Doni lump:** 6.3 mm to 31.5 mm size with Fe 65%.

**Kumaraswamy Lump:** 6.3 mm to 31.5 mm size with Fe 64.5%.

**10-20 mm sized Kumaraswamy Lump:** 6.3 mm to 31.5 mm size with Fe 64.5%.

**Doni Fines:** - 10 mm with Fe 64%.

**Kumaraswamy Fine:** -10 mm with Fe 64%.

**Slimes:** Produced during wet screening of iron ore having nearly less than 0.5 mm size and mostly less than 61%Fe. Suitable for pellet making



**Iron ore pellets:** Produced at Donimalai with around 64% Fe.



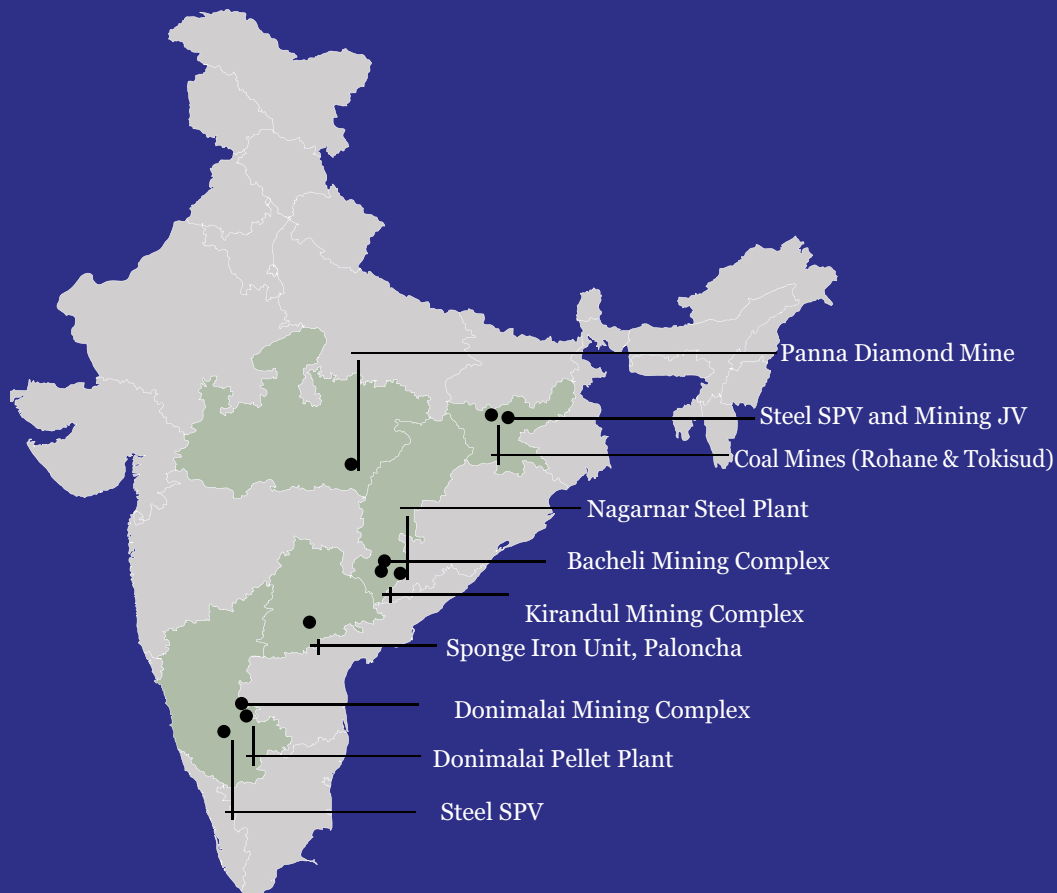
**Rough Diamonds**







## OUR GEOGRAPHICAL FOOT PRINTS



### Mozambique

26% stake in ICVL which owns coking coal deposit in Mozambique.

ICVL had acquired Rio Tinto Coal Mozambique (RTCM) by which ICVL has 65% ownership in Benga Coal Project and 100% interest in Zambeze, Tele East and other coal exploration projects.

### Australia

92.32% stake in Legacy Iron Ore Limited, ASX listed entity based in Perth, Australia.

Legacy is presently carrying out exploration in its 21 exploration tenements in Western Australia in Iron Ore, Gold, Tungsten and Base metals.

# 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.

## 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.

Setting up of Steel Plant at Nagarnar.

## 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 stakeholders.

## Micro Objectives

### Achieve growth by:

- (a) Expansion of existing mines
- (b) Operating new mines fully owned by NMDC or in Joint Venture

Give thrust to exploration and exploitation of iron ore and other strategic & critical minerals.

To maintain environment protection.

To conserve mineral resources through scientific mining.

To maintain high level of customer satisfaction.

To improve the quality of life of people in general and socio economic environment in and around the mines in particular.



# HOW WE CREATE VALUE

## OUR INPUTS

### 6 Capitals

#### Financial Capital:

Profit Making PSU.

Strong Balance Sheet.

#### Operation/Business Capital

3 Iron Ore Mines and 1 Diamond Mine.

#### Intellectual Capital

60 years of legacy capabilities and unique processes.

#### People Capital

Experienced Board of Directors, Senior Management and Staff.

#### Environment Capital

Environment Friendly Mining

#### Relationship Capital

Ministry of Steel

Central and State Govt. Authorities

Customers

Suppliers

Investors

Society



NMDC is engaged in mining of iron ore which is crucial for the steel industry. NMDC produces around 35 million tonnes per annum of iron ore from three mechanized mining complexes, two in Chhattisgarh and one in Karnataka which supply ore in the form of lumps and fines for production to various steel industries using blast furnace / DRI route.

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

## KEY STRENGTHS

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

## What we do



Exploration & Estimation

Development & Excavation

Processing & Beneficiation

Loading & Despatch

Marketing & Sales

Contributing to Society

## OUR VALUE CHAIN



Exploration & Estimation



Development & Excavation



Processing & Beneficiation



Loading & Despatch



Marketing & Sales



Contributing to Society

## ECONOMIC AND SOCIAL OUTPUTS

Turnover

₹ **15,370** crores

R&D Expenses

₹ **26.45** crores

CSR Spent

₹ **158.62** crores

Employee Benefit Expenses

₹ **1082** crores

Dividend

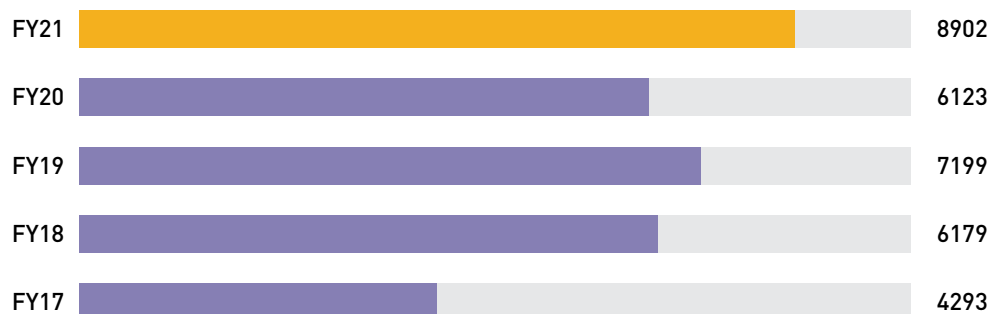
₹ **2274** crores

# FINANCIAL HIGHLIGHTS

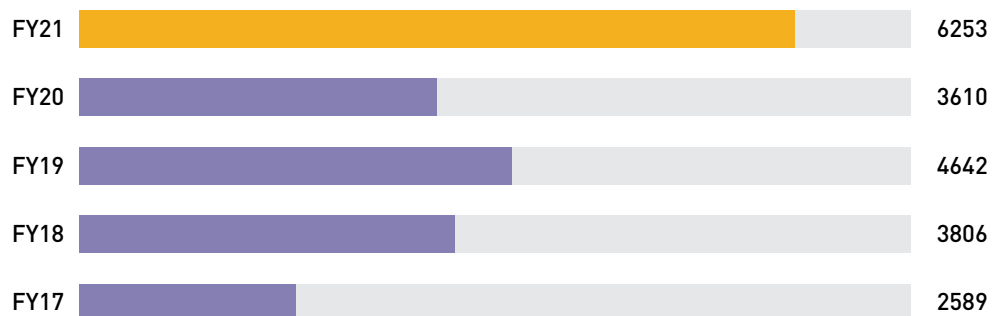
## Turnover (₹ Crore)



## PBT (₹ Crore)

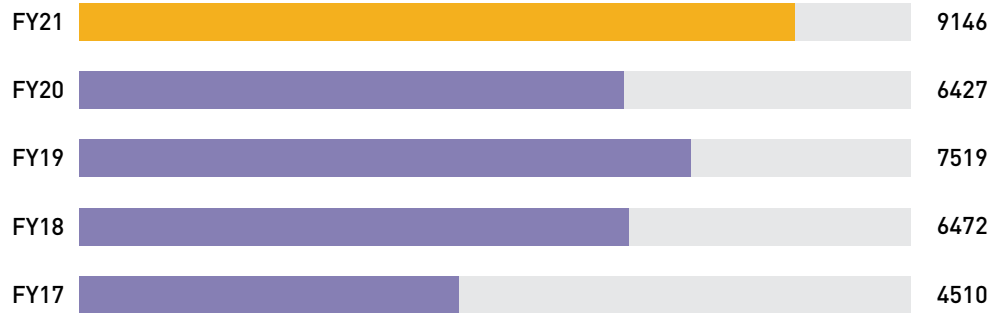


## PAT (₹ Crore)

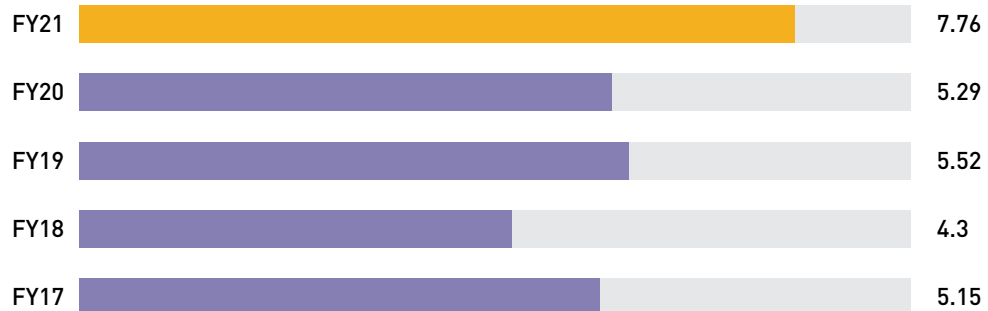




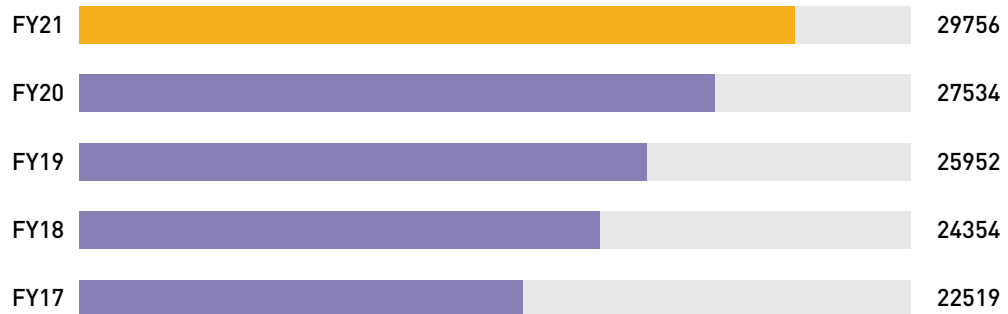
## EBITDA (₹ Crore)



## Dividends Distributed (₹ Per Share)



## Networth (₹ Crore)



# BOARD OF DIRECTORS



**Shri Sumit Deb**  
Chairman and Managing Director

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## FUNCTIONAL DIRECTORS

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**Shri Amitava Mukherjee**  
Director (Finance)



**Shri Alok Kumar Mehta**  
Director (Commercial)



**Shri Somnath Nandi**  
Director (Technical)

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## GOVERNMENT NOMINEE DIRECTORS

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



**Smt. Sukriti Likhi, IAS**  
Director, NMDC Ltd., and Additional Secretary &  
Financial Advisor, Ministry of Steel

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## CHIEF VIGILANCE OFFICER

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**Shri Vineet Pandey, IRSEE**  
Chief Vigilance Officer (Addl. Charge)

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## COMPANY SECRETARY

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**Shri A.S. Pardha Saradhi**  
Chief General Manager and Company Secretary



## SENIOR MANAGEMENT



**M. Shiva Shunmuganathan**  
Executive Director  
(Corporate Affairs)  
New Delhi



**Prasant Dash**  
Executive Director  
NISP, Jagdalpur



**B. Sahoo**  
Executive Director  
(PC & S)  
Head Office, Hyderabad



**S. Surender**  
Executive Director  
(Engineering and Projects)  
Head Office, Hyderabad



**A.K. Prajapati**  
Executive Director  
Coal Division, Ranchi



**A.K. Padhy**  
Executive Director  
(Commercial)  
Head Office, Hyderabad



**R. Govindarajan**  
Executive Director  
Kirandul



**V. Ajit Kumar**  
Chief General Manager  
Slurry Pipeline Project  
NISP, Jagdalpur



**Dilip Kumar Mohanty**  
Chief General Manager  
(Operations)  
NISP, Jagdalpur



**M. Jayapal Reddy**  
Chief General Manager  
(Resource Planning)  
Head Office, Hyderabad



**K. Praveen Kumar**  
Chief General Manager  
(Per & Law)  
Head Office, Hyderabad



**K.S.N. Murthy**  
Chief General Manager  
(Estate & Arbitration)  
Head Office, Hyderabad



**Sanjeev Sahi**  
Chief General Manager  
Donimalai



**Pranab Kumar Mazumdar**  
Chief General Manager  
Bacheli



**P. Laxman Rao**  
Chief General Manager  
(Projects)  
Head Office, Hyderabad



**J.P. Singh**  
Chief General Manager  
(Materials Management)  
Head Office, Hyderabad



**Suresh Kumar Jain**  
Chief General Manager  
DMP, Panna



**Pankaj Kumar Sharma**  
Chief General Manager  
GEC, Raipur



**B. Mohan Kumar**  
Chief General Manager  
(Materials Management)  
Head Office, Hyderabad

# CORPORATE SOCIAL RESPONSIBILITY





# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 63<sup>rd</sup> Annual Report on the performance of your Company, together with the Audit Report and Financial Statements for the year ended 31<sup>st</sup> March 2021 and the Report thereon by the Comptroller and Auditor General of India.



## STATE OF COMPANY AFFAIRS & PERFORMANCE HIGHLIGHTS

During the year under review, the Company has recorded turnover of Rs.15,370 crores, achieved Profit Before Tax (PBT) of Rs. 8,901 crores and achieved Profit after Tax (PAT) of Rs.6,253 crores.

The major performance highlights are summarized as under:-

- The company achieved production of 34.15 MT and sales of 33.25 MT.
- Turnover for the year under review was Rs.15,370 crores as against Rs. 11,699 crores in the previous financial year 2019-2020 – an increase of 31.38 %. The Company achieved a record turnover for the 4th Quarter and also in Annual Turnover, both are highest since inception.
- Profit before tax (PBT) from continuing operations was Rs. 8,902 crores compared to Rs. 6,123 crores in the previous financial year 2019-2020 – an increase of 45.37 %.
- Profit after tax (PAT) was Rs. 6,253 crores compared to Rs. 3,610 crores in the previous financial year 2019-20 – an increase of 73.21 %.
- NMDC recorded Profit before Tax (PBT) of Rs 4,266 crore and Profit after Tax (PAT) of Rs 2,838 crore in the 4<sup>th</sup> quarter of FY21, a 188% & 708% respective growth over the 4th quarter of CPLY. The Company has registered highest ever PBT & PAT both in any quarter since inception.

- Net worth of the Company stood at Rs.29,756 crores as on 31.03.2021 – 8.07 % higher than the previous financial year 2019-2020 to Rs. 27,534 crore.
- The Company declared an Interim Dividend of Rs.7.76 per share for FY 2020-2021.
- Capital expenditure of Rs. 2,176.15 crore has been incurred during the year under review.
- Completed Buyback of 13,12,43,809 equity shares of Re 1/- each @ Rs. 105/- per share.
- The Board of Directors at its 539th meeting held on 13.07.2021 inter alia, approved the Scheme of Arrangement between the Company and NMDC Steel Limited and their respective creditors and shareholders, entailing **inter-alia** demerger of NISP.
- Donimalai Iron Ore Mine of NMDC Ltd. has resumed mining operations since 18.02.2021.
- Ministry of Steel, Government of India, has sold 21,95,02,378 (7.49%) equity shares @ Rs.165/- per share and raised an aggregate net amount of Rs. 3651.37 crores.

### Scheme of Arrangement between NMDC Limited and NMDC Steel Limited and their respective shareholders and creditors (Demerger of NISP).

The Board of Directors at its 532<sup>nd</sup> meeting has inter alia accorded in-principle approval for demerger of NMDC Iron & Steel Plant (NISP), Nagarnar.



A 100% subsidiary company by the name NMDC Steel Ltd. having its registered office at Nagarnar, CG has been incorporated on 02.01.2015 as a Private Limited Company. The transfer of NISP shall be by way of a scheme of demerger into the wholly owned subsidiary company as incorporated by the name NMDC Steel Ltd.

The Board of Directors at its 539th meeting held on 13.07.2021 inter alia, approved pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, and / or any statutory modification(s) or re-enactment thereof to the Scheme of Arrangement between the Company and NMDC Steel Limited and their respective creditors and shareholders, entailing **inter-alia** demerger of the Demerged Undertaking (as defined under the Scheme) of the Company into Resulting Company on a going concern basis, as per the terms and conditions mentioned in the Scheme.

#### Rationale for the Scheme of Arrangement

Government of India has charted a road map to augment India's steel production to 300 MTPA by 2030. To fulfill this vision, green-field steel plants are being promoted through Special Purpose Vehicles ("SPVs") in mineral rich states of Chhattisgarh, Jharkhand, Karnataka and Odisha. It has been envisaged that the SPV being set up at these states would act as a facilitator and developer for the steel plant. It would acquire the required land, obtain statutory clearances for setting up the plant, organize water & power allocation for the site, along with dedicated raw material supply agreement. On completion of the above activities, the SPV would invite for suitable investor/s, who would construct, develop and operate the steel plant.

As part of expansion, value addition and forward integration programme, and also in consonance with the desire of the Government of India and Government of Chattisgarh, NMDC Limited is setting up a 3 MTPA capacity Greenfield integrated steel plant ("NMDC Iron & Steel Plant" or "NISP") at Nagarnar, located 16 km from Jagdalpur in Chhattisgarh state.

The decision to construct the NISP was taken keeping in view with linkage with iron ore reserves and availability of investable surplus. NISP has progressed significantly further than the other Steel SPVs. The only difference is that NISP is being developed and constructed within NMDC Limited as opposed to being developed in an SPV. Also, NMDC Vision 2025, whilst mentioning forward integration has specifically stated that its role would be that of a developer for steel plants and at suitable time invite investors to commission and operate the plants. NMDC is therefore considering proposed scheme to add more value to Company's stakeholders by demerging NISP into separate company and subsequently inviting investor.

To this effect, in October 2020, the Cabinet Committee on Economic Affairs gave its 'in-principle' approval to the demerger of NISP from NMDC Limited and strategic disinvestment of the NMDC Steel Limited by selling entire Government of India stake in the NMDC Steel Limited to a strategic buyer.

Accordingly, to achieve the above objective, the Board of Directors of the NMDC Limited have decided to make requisite applications and/or petitions before the Ministry of Corporate Affairs, Government of India under Sections 230 to 232 of the 2013 Act (hereinafter defined) and other applicable provisions for the sanction of the Scheme.

The broad contours of the scheme of demerger are briefly outlined as under:-

- **Appointed Date:** April 01, 2021 or any such other date as may be decided by the Ministry of Corporate Affairs, Government of India ("MCA");
- **Effective Date:** Date on which the certified copies of the order of the MCA sanctioning the Scheme are filed with the concerned Registrar of Companies;
- **Scheme: Transfer of Demerged Undertaking:** Under the Scheme, the NMDC Iron & Steel Plant at Nagarnar, Chhattisgarh ("Demerged Undertaking") shall be demerged from NMDC Limited ("NMDC") into NMDC Steel Limited ("NSL"), which is currently a wholly owned Subsidiary of NMDC;
- **Scheme: Transfer of Assets and Liabilities:** All assets and liabilities of the Demerged Undertaking, except certain assets/liabilities as specified under the Scheme, will be transferred to NSL at book value appearing in accounts of NMDC on the Appointed Date;
- **Consideration:** As a consideration for transfer of Demerged Undertaking to NSL, NSL shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of NMDC, whose names appear in the register of members as on the Record Date (defined below), 1 (One) equity share of NSL of INR 10 each fully paid-up for every 1 (One) equity shares held in NMDC of INR 1 each fully paid-up. No cash consideration will be paid to NMDC on account of the transfer of Demerged Undertaking and related assets / liabilities. Accordingly, demerger of the Demerged Undertaking from NMDC into NSL will be tax neutral on NMDC as NMDC will not receive any cash consideration;
- **Record Date:** Date to be fixed by the Board of Directors of NSL and NMDC for determining the shareholders of the NMDC to whom fully paid up equity shares of the NSL will be issued pursuant to the Scheme;



- **Increase in Authorized Share Capital:** Upon the Scheme becoming effective, the authorized share capital of NSL will automatically stand increased to INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores);
- **Cancellation of existing shares of NSL:** All the existing shares of NSL, currently held by NMDC, shall stand cancelled;
- **Mirror Shareholding:** After the Scheme becomes effective, the shareholding of NSL will 'mirror' that of NMDC; Accordingly, upon the scheme being effective, the issued, subscribed and fully paid-up equity share capital of the resulting company, NMDC Steel Ltd. shall be 293,06,05,850 equity shares of INR 10/- to reflect the same / equal number of equity shares as NMDC and mirror shareholding pre the proposed demerger.
- **Listing:** The new shares of NSL which are issued and allotted to the shareholders of NMDC shall be listed on BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited, after obtaining the requisite approvals;
- **Employees:** All staff / workmen / employees engaged or employed in relation to Demerged Undertaking as identified by the board of NMDC shall be deemed to have become staff / workmen / employees of NSL from the Appointed Date;
- **Shared Assets:** NMDC and NSL shall enter into shared services agreements and long-term supply agreement, as may be necessary, on terms and conditions that may be agreed between the NMDC and NSL and on payment of consideration on an arm's length basis and which is in the ordinary course of business;
- **Costs, Charges and Expenses:** All costs, charges, taxes including duties, levies and all other expenses, if any of NMDC and NSL, arising out of or incurred in connection with implementing this Scheme, shall be borne by NMDC;
- **Conduct of Business:** From the Appointed Date and up to the Effective Date, NMDC shall be deemed to have been carrying on and shall carry on business and activities with respect to the Demerged Undertaking, for and on account of, and in trust for NSL.

The Scheme of Arrangement has been filed with National Stock Exchange, Bombay Stock Exchange and Calcutta Stock Exchange.

**(B) Granting extension of ML no.2396 in respect of Donimalai for 20 years from 04.11.2018 to 03.11.2038 as per the provision of the Mineral (Mining by Government Company) Rules, 2015**

Government of Karnataka issued letter no. CI 78 MMM 2016 dated 2.11.2018 granting extension of ML no.2396



in respect of Donimalai for 20 years from 4.11.2018 to 3.11.2038 as per the provision of the Mineral (Mining by Government Company) Rules, 2015. However, it imposed a condition of 'payment of an amount 80% of the average sale value as published by IBM from time to time on despatch of iron ore being payable along with the royalty and all other applicable taxes'.

The impact of the said additional condition makes NMDC's mining operation at Donimalai unviable. The matter was internally discussed and also discussed at the Board level. Legal opinions were sought from Attorney General for India Shri KK Venugopal and Shri BP Acharya, Sr. Advocate and former Advocate General of the State of Karnataka. Both have opined that the condition being imposed by the Government of Karnataka is without the authority of law.

The matter was taken up with the Government of Karnataka at various levels, including the Chief Minister of the State by CMD. In spite of continuous follow-up, no positive response has come from the Government of Karnataka. Pending the decision on the representation by the Karnataka Govt., the operations have been temporarily suspended. In the circumstances, NMDC was left with no other remedy than approaching the Hon'ble High Court of Karnataka by filing a Writ Petition; and as directed, the WP No. 53514 of 2018 was filed on 29.11.2018.

After hearing the arguments of both the parties, the Division Bench of Hon'ble High Court of Karnataka on 26-02-2019, reserved the matter for judgment. The Division Bench of the Hon'ble High Court of Karnataka, Bangalore pronounced the judgement on 10.07.2019. The operative portion of the Order is as under:-

#### Quote

- i) Writ Petition is allowed;
- ii) The condition imposed to levy premium equivalent to 80% of average sale price of iron ore published by the Indian Bureau of Mines while extending the period of lease vide Communication / Order No.CI 78 MMM 2016 dated 02.11.2018 passed by the Secretary Department of Commerce & Industries, Govt. of Karnataka as amended by Corrigendum No.CI 78MMM 2016 dated 15.11.2018 and intimating the same through the letter No.DMG/MLS/ML-2396/2018-19/6360 dated 23.11.2018 passed by the Director, Department of Mines & Geology, Bengaluru is set aside.

No Costs.

#### Unquote

The Company addressed a letter to the Chief Secretary to Government of Karnataka & Hon'ble Chief Minister of Karnataka requesting them to intervene and direct the officials concerned to execute Mining lease deed extension of Donimalai Iron Ore Mine in compliance of the judgement of Hon'ble High Court of Karnataka

dated. 10-07-2019. The Government of Karnataka issued a letter withdrawing the approval of extension of mine lease period by 20 years accorded vide letter No. CI 78 MMM 2016 dated: 12.11.2018 and Corrigendum dated: 15.11.2018 immediately and auction the said block ML. No. 2396.

Aggrieved by the above withdrawal letter dt. 17.08.2019, NMDC filed Revision Application before the Hon'ble Mines Tribunal, Ministry of Mines, New Delhi, challenging the Order / Letter No. CI 78 MMM 2016 dated 17.8.2019 issued by Govt. of Karnataka withdrawing the extension of Mining Lease No.2396 of Donimalai Iron Ore Mine, granted earlier vide its orders dated 02.11.2018 / 15.11.2018 for a period of 20 years w.e.f. 04.11.2018 to 03.11.2038.

The Hon'ble Mines Tribunal, issued letter no. 13/02/2019/ RC-I dated 20.08.2019 to both parties NMDC & GoK fixing the hearing on 21.08.2019. Despite the letter dt. 20.08.2019 issued by Revisionary Authority & Joint Secretary, Ministry of Mines informing Government of Karnataka that NMDC had filed a Revision Petition under Section 30 of MMDR Act 1957 ( Amended Act 2015), and fixing of hearing in the matter on 21.08.2019 Government of Karnataka issued Notification & NIT dated. 20.08.2019 for auction of Donimalai Iron ore mine ML 2396.

NMDC made submissions before the RA & JS, Ministry of Mines on 21-08-2019 and after the submissions made by NMDC, Hon'ble Mines Tribunal ordered as under:

#### **"Accordingly the impugned order dated 17.8.2019 and any consequent action thereon are stayed"**

In the meanwhile, Ministry of Mines, Government of India issued notification substituting the word "shall" in place of word "may" in the Sub Rule 2 of Rule 3 and Sub Rule 3 of Rule 4 of Mineral (Mining by Government company) Rules, 2015. In view of the Notification issued by Ministry of Mines, Gol, substituting the word "may" with "shall" in Mineral (Mining by Government Company) Rules 2015, CMD, NMDC addressed letters to Hon'ble Chief Minister of Karnataka requesting for execution of Mining Lease deed of Donimalai Mines ML No.2396 at the earliest, to avoid further Revenue loss to Gol, GoK and also for ensuring uninterrupted Iron Ore supplies to the Steel Industry. However, there is no action from Govt. of Karnataka till date.

Government of Karnataka is yet to file its Counter before the Hon'ble Mines Tribunal. Hon'ble Mines Tribunal informed all parties that the hearing in the RA application filed by NMDC will be held on 26.02.2020. However, later the same was postponed to 04.03.2020. During the hearing held before Mines Tribunal on 04.03.2020, the representative of Government of Karnataka sought adjournment of hearing to 24.03.2020 by informing the Tribunal that the Ld. Addl. Advocate General of State of Karnataka would be appearing on behalf of State of Karnataka and also filing its counter.

### Present Status:

The Donimalai Iron Ore Mines (ML-2396) resumed the mining operations on 18.02.2021 based on the order dated 15.02.2021 of Department of Mines & Geology, Govt. of Karnataka which was issued subsequent to the amendments dated 27.09.2019 to the Mineral (Mining by Government Company) Rule, 2015.

Subsequently, Govt. of India has amended the MMDR Act vide Notification dated 28.03.2021 and as per 5<sup>th</sup> schedule under Section 21 the additional amount on grant or extension of Mining Lease payable by NMDC is "Equivalent to one hundred and fifty percent of the royalty payable" which amounts to 22.5% of additional royalty to be paid and the same has been complied.

### Impact of the Hon'ble Supreme Court of India Judgement with reference to the Writ Petition (Civil) No.114/2014 dated 02.08.2017

- i) The Company has been legally advised that there is no impact of the Hon'ble Supreme Court of India Judgement with reference to the Writ Petition (Civil) No.114/2014 dated 02.08.2017 on NMDC. However, in case it is found applicable to NMDC at a later date, it may impact the profits of the Company. Meanwhile, the Bailadila Projects of NMDC have received the Show Cause Notices dated 31.07.2018 from District Collector Dantewada as to why NMDC should not be asked to deposit an amount of Rs.7,241.35 crores as compensation as calculated by Collector based on the above judgement. NMDC has been asked to submit its response by 31.08.2018. As per the legal opinion received, the above compensation is not applicable to NMDC and hence NMDC will seek legal recourse and contest before the Collector, Dantewada and other appropriate authorities. The company has contested the Show Cause Notice with District collector, South Bastar, Dantewada.
- ii) On 26.09.2019, State Government issued revised show cause notices mentioning reassessed

penalties for an amount of Rs. 1623.44 Crores. In this regard, once again, NMDC Ltd. did not accept the penalties imposed by the revised show cause notices.

- iii) Collector – Dantewada issued final demand notices on 15.11.2019 for an amount of Rs. 1390.03 Crores and Rs. 233.41 Crores towards EC Capacity violation and proposed production violation as per approved Mining Plan / Scheme respectively, i.e. total Rs. 1623.44 Crores.
  - (a) NMDC deposited an amount of Rs. 600 Crores on 10.12.2019 under protest to the Chhattisgarh State Govt.,
  - (b) NMDC filed two Writ Petitions (Civil), being No. WPC/612/2020 and WPC/616/2020 challenging validity of demand notices dated 15/11/2019 on the allegation of extraction of iron ore in excess to the environmental clearance capacity during 2000-2017, have been filed at Bilaspur High Court, C.G. on 22.01.2020. The following reliefs have been sought from the Hon'ble High Court –
    - to issue a writ of certiorari or any other appropriate writ order or direction, declaring the levy of penalty and compensation vide impugned demand notice dated 15-11-2019 as illegal, without jurisdiction and violative of Article 19(1)(g) and Article 246 of the Constitution of India.
    - to allow the present writ petition by setting aside the impugned notice dated 15/11/2019 for demand of penalty and compensation towards excess production over the Environment Clearance Capacities.
    - any other relief as deem fit and proper by Hon'ble High Court in the facts and





circumstances of the petition may kindly be passed.

- (c) When the matter was listed for hearing on 19.02.2020, the Hon'ble Court after hearing both counsels directed as under:-
- As prayed, list both the cases on 12<sup>th</sup> March, 2020.
  - Considering the fact that the petitioner has already deposited more than 600 crore rupees pursuant to the demand notice made, no coercive step further shall be taken against the petitioner till 12<sup>th</sup> March, 2020.
  - The respondents are directed to produce the statistics as regards the production of the petitioner exceeding the capacity on 12<sup>th</sup> March, 2020.

- iv) A revision application No. 138102 / 2020 challenging validity of demand notices dated 15/11/2019 on the allegation of extraction of iron ore in excess to the proposed production quantity as per approved Mining Plan / Scheme during 2000-2017, has been filed before Hon'ble Mines Tribunal, Ministry of Mines, Govt. of India, New Delhi on 24.01.2020. The following prayers have been made in the revision application –
- to set aside the demand of penalties, towards the alleged excess production above the proposed production in the approved Mining Plan / Scheme, since the same is without jurisdiction, illegal, arbitrary, violative of principles of natural justice and ultravires the provisions of MMDR Act - 1957;
  - pass such other orders as Hon'ble Tribunal deems fit under the facts and circumstances of the case, in the interest of justice and in the public interest.

#### **Present Status:**

NMDC is pursuing the matter.

#### **Impact of Covid-19 Pandemic**

##### **(a) Production**

The production performance of NMDC Ltd. during Q1 of FY 2020-21 (April-2020 to June-2020) is impacted by 18.23 lakh tones due to Covid-19 restriction as compared to the same period in last year (FY 19-20)

##### **(b) Commercial**

The GOI had enforced a countrywide lockdown to contain the spread of COVID-19 which led to the shut-down of economic activities. Impact of this lockdown was primarily seen during the Q1 of FY 20-21. Despite relaxation extended to iron and steel sector under the Essential Services Act, most of the steel makers undertook production at reduced capacities and secondary sector were completely shut-down. This led to a drastic reduction of iron ore demand and accordingly NMDC sales got adversely affected to the tune of 26% (23.94 LT) over Q1 of FY 19-20. Despite the challenges, NMDC's iron ore sales recovered in the subsequent quarters and registered an overall growth of 5% in FY 20-21 compared to FY 19-20.

##### **(c) Finance**

The COVID-19 had a marginal impact on the operations of the company due to the lock down in the country during the period from April 2020 to June 2020. There has been a loss of around 18.23 LT of production and 23.94 LT of Sales of Iron Ore during Financial Year 2020-21 (from April 2020 to June 2020). This has resulted in a loss in sales revenue of around Rs.737 crores and PBT of Rs.317 crores.



#### (d) Steps taken to fight Covid

##### 1. Preventive Measures at Workplace

To ensure the safety and well-being of employees and their families of NMDC, COVID Guidelines have been issued and NMDC is undertaking the following preventive measures at workplace -

- Thermal Screening: NMDC has installed thermal scanners at entry points to read the temperature of employees and has also distributed masks and sanitizers to employees and security personnel.
- Mist Fog Sanitation: NMDC has deployed the latest technology to ensure safety in the office premises. The corporate office is sanitized twice a day using the mist fog disinfectant technique.
- Work from Home Provision: Consultants, Trainees, Pregnant Women and Employees on Contract have been asked to work from home for the interim.
- 50% Workforce Policy: NMDC had a 50% workforce policy for its regular employees who alternate between working from home and office. The timings are staggered to accommodate social distancing.

##### 2. Contribution to the Healthcare Facilities: Supplying Oxygen

Public Service is our duty and amidst the severe second wave of the pandemic, we are dedicated to assist the administration in fighting the resurgence of COVID-19. During the third week of April, 2021, NMDC Integrated Steel Plant handed over 270 large oxygen cylinders to the Bastar District Administration. The 270 cylinders supplied by NMDC have a capacity of 46.7 litres each which makes this batch equivalent to around 850 oxygen cylinders of normal use.

Earlier to this, NMDC contributed Rs.60 lakh to COVID-19 designated district hospital of Ballari, Karnataka which was spent on procuring beds and oxygen line extension.



##### 3. Intensive Vaccination Drives

The road to recovery has been and will be built on the resistance and resilience of the frontline workers who refuse to lose heart even at the peak of the crisis. NMDC is happy to report that all our healthcare workers across project sites have been successfully vaccinated.

We are now conducting intensive vaccination drives to administer the COVID-19 vaccine to all our eligible employees, as per the guidelines of the Ministry of Health and Family Welfare.

##### 4. Social Media COVID Awareness Campaigns

To ensure a streamlined flow of COVID communication between NMDC and its internal and external stakeholders, we are running the following campaigns on our Social Media channels -

- #UniteToFightCorona: In line with the campaign to fight COVID-19, NMDC is raising awareness on the 'Do's and Don't's' during the second wave of the pandemic. In one of the posts, NMDC informed its stakeholders about the importance of prorning for self-care with a detailed guide for the same.
- Busting Myths: NMDC is taking measures to fight misinformation regarding the second wave of COVID-19 by urging users to trust authentic sources for news about the virus.
- #TikaUtsav: NMDC encouraged all eligible citizens to get vaccinated and promoted the Prime Minister's call of "Dawaibhi, Kadaibhi" through the TikaUtsav campaign on our social media.

##### 5. COVID awareness through display of posters and hoardings

To create awareness on COVID-19, among external and internal stakeholders of NMDC, Posters and hoardings are displayed at inside and outside premises of NMDC with various captions

Apart from above measures, NMDC strengthened its project hospitals by providing more Oxymeters, Ventilators, PPE Kits, COVID-test kits etc.





## PHYSICAL PERFORMANCE

### Production

Product	Achievement		Percentage of change
	2019-2020	2020-2021	
Iron Ore (Million tonnes)	31.49	34.15	(+) 8.45 %
Diamond (Carats)	28,537	13,681	(-) 52.06 %
Pellets (Tonnes)	1,10,481	83,751	(-) 24.19 %

### SALES OF IRON ORE

Particulars	Physical (in Million Tones)		% of change	Value (Rs. in crore)		% of change
	Achievement			Achievement		
	2019-20	2020-21		2019-20	2020-21	
Domestic	29.07	30.96	(+) 6.50 %	9,995.82	13,484.01	(+) 34.90 %
Export through MMTC	2.44	2.29	(-) 6.15 %	1,573.18	1,749.69	(+) 11.22 %
Total Sales	31.51	33.25	(+) 5.52 %	11,569.00	15,233.70	(+) 31.68 %

### Other Sales

Products	Achievement	
	2019-20	2020-21
a) <b>Diamond</b>		
Sales (carats)	33,723	22,249
Value (Rs. in crore)	34.29	21.10
b) <b>Sponge Iron</b>		
Sales (tonnes)	1,943.88	-
Value (Rs. in crore)	4.39	-
c) <b>Wind Power</b>		
Sales (lakh units)	1.59	1.52
Value (Rs. in crore)	5.39	5.17
d) <b>Pellet (In WMT)</b>		
Sales (In WMT)	85,793	92,773
Value (Rs. in crore)	55.55	73.50

## FINANCIAL PERFORMANCE

### Operating Results

Parameter	Achievement		Percentage of change
	2019-2020	2020-2021	
Profit Before Tax (PBT) (Rs. in crore)	6,123	8,901	(+) 45.37 %
Profit After Tax (PAT) (Rs. in crore)	3,610	6,253	(+) 73.21 %
Net Worth (Rs. in crore)	27,534	29,756	(+) 8.07 %
Book value per share (Rs.)	89.92	101.53	(+) 12.91 %
Earnings per Share (Rs.)	11.79	20.62 (*)	(+) 74.89 %

(\*) Adjusted on account of buyback)

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



## Profit & Dividend

During the year under review, your Company has earned profit before tax from continuing operations of Rs.8901 crores on a turnover of Rs.15,370 crores in comparison with previous year's achievement of Rs.6,123 crores and Rs.11,699 crores respectively.

The Company has declared Interim Dividend for FY 2020-21 @ Rs. 7.76 per share in the month of March 2021 involving an outgo of Rs.2,274.15 crores. The share of Government with equity stake of 68.29 % is Rs.1,553 crores.

## TRANSFER TO RESERVES

The company proposed to transfer Rs.3,900 crore from net profit to General Reserve.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT: NIL**

## DEPOSITS

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

## NON-CONVERTIBLE DEBENTURES (NCDS)

During the year under review, the company issued Non-Convertible Debentures (NCDs) having a tenure of five years for Rs. 523.80 Crore in Aug.2020 with coupon rate of @ 7.3% p.a. on private placement basis.

## INTERNAL CONTROL SYSTEMS W.R.T. FINANCIAL STATEMENTS

Necessary disclosure in respect of Internal Control Systems and their adequacy has been made in Annexure-C to the Independent Auditors' Report dated 22<sup>nd</sup> June, 2021 which forms part of the Annual Report.

### (a) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Necessary details in this regard have been disclosed in the financial statements.

### (b) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES DISCLOSURES

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

### (c) MAINTENANCE OF COST RECORDS

Section 148(1) of the Companies Act, 2013 specifies the provisions of maintenance of Cost Records of the company. The company is maintaining such records as per Rule 4(2) of the Companies (Cost Records and Audit) Rules 2014 under both regulatory and non-regulatory services.

### (d) STATUTORY AUDITOR'S REPORT

The Audit Report for both Standalone and Consolidated Financial Statements for the year 2020-21 is unmodified and does not contain any qualification, reservation or adverse remark.

**34.15** MT

Iron ore production

**33.25** MT

Total sales

## NEW PROJECTS & BUSINESS DIVERSIFICATIONS:

In line with the Vision plan of augmenting its Production & Evacuation capacity, technology upgradation, diversification & value-added products, NMDC has taken up many ambitious projects. Some of the projects have been completed and others are nearing completion. Action for new projects have been initiated. During the financial year 2020-21, the details of Projects undertaken by NMDC are summarized as under:

### A. Ongoing Projects:

1. Screening Plant III – Kirandul Complex
2. Slurry Pipeline Project which includes facilities like 15 MTPA Slurry Pipeline from Bacheli to Nagarnar along with 2.0 MTPA Ore Processing Plant at Bacheli and 2.0 MTPA Pellet Plant at Nagarnar
3. Doubling of KK line between Kirandul & Jagdalpur
4. Additional Screening Line & up gradation of existing downhill conveyor at Dep-5, Bacheli.

### B. Projects in pipeline:

1. Screening Plant II- Donimalai Complex

### C. Project / Schemes Commissioned

1. Additional Screening Line & up gradation of existing conveyor at Kirandul.

## Projects / Schemes for capacity expansion

To augment the production and to improve the quality of product mix from Bailadila Sector, the schemes like SP-III Kirandul, relocating Crushing Plant of Dep.14 & 11/C and Downhill conveyor, additional screening lines in Bacheli & Kirandul, Rapid Wagon Loading System (RWLS) etc. are envisaged. Waste mining and increase in evacuation capacity being a major area of focus for enhancing the life of mines, the schemes like beneficiation plant at Bacheli & Kirandul and Slurry pipeline from Bacheli to Nagarnar has also been taken up.

In screening Plant-III, Kirandul project the site work in packages like site development package, Construction Power and MRSS packages are in progress. Other packages like Dry circuit package, Wet circuit package etc. are at different stages of tendering process.

Additional Screening Line & up gradation of existing conveyor at Kirandul was commissioned in Jan'2021 and PG tests were also completed.

The upcoming scheme in Donimalai Complex includes a Second Screening Plant of 10.0 MTPA capacity for handling the ROM from Donimalai & Kumaraswamy mines in addition to the existing Screening Plant. Statutory clearances for 10.0 MTPA Screening Plant-II is awaited.

## Projects / Schemes to enhance evacuation capacity

To augment the evacuation capacity from Bailadila sector, many projects & schemes are taken up like doubling of KK line.

Doubling of KK line between Kirandul & Jagdalpur (150.462 kms) is being executed by Railways as a deposit work & funded by NMDC and is in advance stage. 45.50 kms line between Jagdalpur & Silakjhor and 7.32 kms line between Dantewada & Gidam were commissioned during FY 2017-18 and opened to traffic. 9.2 kms line between Silakjhor and Kumharsodra was commissioned during FY 2018-19 and 12.2 kms line between Kumharsodra and Kaklur was commissioned during FY 2020-2021 and opened to traffic. 11 kms line between Gidam and Dabpal is completed during March 2021 and Inspection of Commissioner of Railway Safety (CRS) is awaited for commissioning. Works are in progress in other reaches. Doubling between Dabpal – Kawargaon – Kaklur (21 kms) & Dantewada and Kamalur (12.35 kms) are expected completion in FY 2021-22. Doubling between Kirandul - Bacheli – Bhansi (20.13 kms) & between Bhansi and Kamalur (12.43 kms) are expected completion in FY 2022-23.

NMDC has taken up an ambitious project of laying Slurry pipeline from Bailadila to Nagarnar and further up to Visakhapatnam. The Capacity of the line is 15 MTPA and this will be associated with facilities like beneficiation plants at Kirandul & Bacheli, pellet plant at Nagarnar. The slurry pipeline between Bailadila to Nagarnar is being executed by NMDC. Laying of slurry pipeline between Bacheli and Nagarnar is taken up in Phase-1 implementation. A GEoI is issued for identifying the partners for execution of Slurry Pipeline from Nagarnar to Vizag on JV mode.



**The capex achievement against steel plant during the FY 2020-21 is Rs.1625 crore and expenditure incurred so far is Rs.18,536 crore.**





Regarding Right of Use (ROU) for laying the Slurry pipe line between Bachel & Nagarnar, Gazette notification under Section 6(1) of P & MP Act, 1962 was published on 04.12.2020.

Site development works of Ore Processing Plant (OPP) at Bachel and Pellet Plant at Nagarnar are completed along with soil investigation studies. Works orders are already issued for packages like Main Receiving Substation, Slurry Pumping system, Slurry pipeline laying and Enabling works of Ore Processing Plant and work is in progress at site.

Tendering process for technology packages is in progress for OPP at Bachel, Pellet plant at Nagarnar.

### **Solar Power Projects**

As a part of Govt. thrust to tap renewable energy sources, 1 MW capacity grid connected Roof Top Solar (RTS) power plants are installed and commissioned in the month of July-2019 in various production units of NMDC (Bailadila Iron Ore Mine, Kirandul Complex & Bachel Complex and Donimalai Iron Ore Mine, Donimalai Complex). All the RTS power plants are in operation since then. With this, NMDC has joined other major corporates in harnessing solar power which has assumed a greater significance in recent times.

### **Steel Plant Project at Nagarnar, Chhattisgarh:**

The progress of steel plant project at Nagarnar is inching towards its construction completion stage and reaching its commissioning phase.

The power requirement for operation of the plant is already made available at various sub-stations to ensure its supply to different facilities / units. Railway connectivity to the plant to take care of initial inward & outward movement of materials and water pipelines & pumping arrangement from intake point to plant for operational requirement is also ready for use.

Project has obtained statutory clearances which includes Consent To Operate (CTO), Factory licences for different packages, IBR approvals for Power & Blowing Stations and Coke Oven Plant, Water drawal permission, Explosive permission, etc. as a preparedness for commissioning of steel plant.

Conducting cold trail, Preliminary Acceptance Test, etc. of individual as well as integrated test of equipment under various Technological packages are in progress as pre-commissioning activities.

The capex achievement against steel plant during the FY 2020-21 is Rs.1625 crore and expenditure incurred so far is about Rs.18,536 crore.

### **Initiatives for Technological upgradation**

1. Development of Vision Enhancement System for Foggy weather for Bailadila Complex (In Collaboration with CSIR-CIMFR)

To overcome the production loss due to foggy weather in the mine where visibility will be around 1 to 2 meters during monsoon season, NMDC and CSIR- CIMFR has made an agreement on 22.07.2019 for R&D collaborative project “Development of Vision Enhancement System for Foggy Weather” at BIOM Bachel Complex Deposit 5 with total project cost of Rs.509.75 Lakhs of which Rs 230.51 lakhs was funded by Ministry of Electronics and Information Technology (MeitY) for technology development.

“Vision Enhancement System” is an intelligent driver assistance technique for effective visualization of haul road i.e. dump truck transportation path in the mine as well as loading / unloading areas during foggy weather. This system uses advanced analytics, artificial intelligence and image processing techniques for real-time video processing, surveillance of HEMM, object detection, proximity warning using RADAR and GNSS. The system helps in improving production, productivity and safety in opencast mines. Trials are being done in two dumpers after installation for operation during foggy weather.

2. Fleet Management System for BIOM Bachel & Kirandul Complex

As part of digital transformation to set the legacy in mining sector and increase efficiency, productivity and safety, State of the Art Technology driven Fleet Management System (FMS) is being implemented for BIOM Bachel Complex and BIOM Kirandul Complex.

Fleet Management solution includes complete software and hardware structure which is designed for online monitoring and control of tracking devices, installed on the vehicle being used for carrying out production activity in the mine. The effective outputs from the system are available to the user(s) online for quick monitoring and decision making also long-term statistical reports can be extracted for long-term management, planning and integration with ERP (SAP HANA). The features of the system are High & Low Precision Guidance System, Proximity Awareness, Health Monitoring, Fuel Management, Tire Pressure & Temperature, Fatigue Monitoring and Crusher Management.

3. 3D Volumetric laser scanner system for BIOM Bachel, Kirandul Complex and BIOM Donimalai.

As part of digital transformation in mining sector and to increase the efficiency, productivity, storage of historic data in easily retrievable format, 3D volumetric scanner system is proposed to be introduced in all NMDC mines to measure the volume of iron ore stockpiles for effective stockpile management with remote monitoring and data processing services.

3D volumetric scanner system uses laser scanning to create 3D surface model of mining area by delivering millions of accurate 3D points (mm level accuracy) with high density. Precision targeting is obtained on account of very low beam divergence of laser. 3D scanner can be used for efficient open pit and topographical surveys, measuring all visible surfaces irrespective of texture, granularity, or color and for displacement of mining benches & waste dump. Accurate measurement can be obtained even in dusty environment.

4. Fully Automated dispatch Iron ore Sampling and Analysing System for BIOM, Bachel, Kirandul Complex and DIOM Donimalai

In order to reduce customer dissatisfaction, eliminate human errors in collection, preparation and analysis of samples, transparency & accuracy in quality analysis, digitalization, storage and retrieval of large records along with integration in ERP (SAP HANA) and also as part of overall ramp up in production & dispatch of iron ore the proposal has been taken up and is in the process of implementation at all iron ore mines of NMDC. The salient features of the system are:-

- Robot based fully automated sample preparation & Analysis lab with no manual interference for ore Quality analysis.
- Falling stream sampling system with linear falling stream sampler.
- Infrared fully automated drying oven.
- Fully automated WD XRF analyzer..
- Sample through put per day – 120 (three shifts)
- High accuracy fused bead analysis.
- Fully Expandable / Upgradable laboratory based on requirements..
- Control system with PLC, HMI and SAP integration.
- Redundant Servers, PLC, SCADA, networking and power supply with 150 Hours of remote support per year.
- Moisture Analyzer for all samples.
- Dust extraction system.
- Bagging machine with Bar Code Printer.

This proposal is one of kind in its category for implementation in India.

5. Up gradation of PLC to Process Control System for Crushing Plant & Loading Plant of DIOM, Donimalai

As part of digital transformation in mining sector and to increase the efficiency, productivity, storage of historic data in easily retrievable format, improve reliability of operation, having diagnostics,

centralized control and integration with other plants & ERP (SAP HANA) PLC is being up graded to process control / process automation / process expert system. The proposed system has the following main features and benefits:-

- It is a complete solution for automation and control, power monitoring, motor control, drives as well as a common operating and monitoring platform to monitor and control the process and support energy efficiency with high availability, Hot-Standby, Parallel redundant control system, 24 x 7 online support and wireless backup.
- The centralized control system & room to monitor the operations of Crushing, Screening & Loading plants. .
- Close monitoring of the status & diagnostics of various equipment including safety and Operational interlocks.
- Integration of existing equipment/ instruments.
- “Energy Management System” (EMS) for continuous monitoring of electrical parameters and management.
- “Asset Management System” (AMS) for monitoring the major components of system.
- Detailed Management Information System (MIS) reports like plant availability, effective utilization, Target Vs Achievement, energy consumption and break down analysis **achievable through dash board** type of reporting.

6. Installation of 4 x 25kwp grid Interactive roof top solar power plants for Kailash Nagar Barrack of CISF, Camp office Dep-11/C, Time office Dep-11B & Service center Dep-14 of BIOM, Kirandul Complex.

Harnessing of Non-Polluting renewable energy resources to control green house gases is receiving importance from Government of India. The solar mission , which is part of the National Action Plan on Climate change has been set up to promote the development and use of solar energy for power generation and other uses with the ultimate objective of making solar energy competitive with fossil based energy options.

As part of this green initiative, an action has been taken by NMDC for increasing the consumption of renewable power in different work areas of the mine. As such office buildings in the mine have been proposed with grid interactive hybrid solar roof top power plants with monitoring stations which are in the final stages of award for implementation.

## OVERSEAS PROJECTS / NMDC GLOBAL

### Australia

#### Legacy Iron Ore, Perth, Australia

Legacy Iron Ore Ltd is an ASX listed entity based in Perth, Australia with a focus on Gold, Iron ore and base metals. NMDC has 90.05% equity in the company.

Legacy is holding 21 exploration tenements in Gold, Iron Ore, Base Metals & Tungsten in Western Australia. Legacy has 60% interest in Mt Bevan Iron Ore Project which has a JORC compliant Indicated and Inferred resource of 1.17 billion tonnes magnetite. Mt Bevan tenement also has potential for nickel-copper mineralisation. Currently exploration drilling & mining study is being carried out mainly in Gold Targets (Mt. Celia) to get the confidence & complete the feasibility study.

Legacy's major gold focus lies in the South Laverton region ((Mt. Celia, Yilgangi, Sunrise Bore) and base metals focus lies in the Koongie Park region of Western Australia. South Laverton's Mt Celia Gold project has identified two gold occurrences namely Kangaroo Bore and Blue Peter deposits. Recently completed resource estimation (June'21) at Kangaroo Bore, Blue Peter & Margot Finds deposits based on additional drilling, have resulted in significant increase of total indicated & inferred resources. Revised total gold resource is 6.96 mn tonnes @ 1.38 g/tonne for 309,000 Oz of metal, out of which 155,200 Oz are indicated resource metal (50%). The majority of the indicated resource is within the upper

150 m & therefore considered acceptable to open pit mining. This estimate is based on drilling completed up to early 2021. Additional drilling has been carried out since this period.

In FY'2021, legacy has completed 7272 mts of drilling in Gold/ Nickle tenements. Legacy has raised a capital of 3.15 mn AUD through sale of shares @ 2 cents per share ( a total of 157,500,000 fully paid ordinary shares to numerous sophisticated and exempt investors). NMDC stake in Legacy has reduced from 92.32 to 90.05 % after this private placement.

The Company is working towards development of the Mt Celia projects including the Kangaroo Bore and Blue Peter deposits, and for further pre-feasibility work.

#### International Coal Ventures Pvt. Ltd. (ICVL)

ICVL, a joint venture company of SAIL, RINL & NMDC, acquired a coking/thermal coal mine in Mozambique in 2014 and operation of the same was taken over by ICVL. NMDC holds 26% stake in ICVL. Benga Mine, one of the operational asset of ICVL, has produced about 1.38 MT tons in FY'21 (Both low ash & high ash). Mining was hampered from 1<sup>st</sup> May'2020 to 17<sup>th</sup> Aug'2020 (3.5 months) due to Covid lockdown.

#### Exploring opportunities in Battery Raw materials

NMDC has reviewed its International Strategy and identified Battery Raw Materials as one of the prospective areas for exploring opportunities in addition to Gold.

### Leases for minerals

#### In Chhattisgarh

#### Iron Ore

#### Extension of Bailadila Iron Ore Mining Leases:

Your Company has got extension for the five Iron Ore Mining leases a for further period of 20 years under Rule (3) of Mineral (Mining by Government Company) Rules, 2015. The forest clearance for all the Mining Leases also got extended. The details are as under:-

Sl. No.	Name of Mining Lease	Area in Ha	Date of grant of extension of ML	Date of execution of lease	ML Validity	FC validity (co-terminus with lease period)
1	Bailadila Deposit-11 (A,B & C)	874.924	03/05/2018	14/12/2018	10/09/2037	10/09/2037
2	Bailadila Deposit-14	322.368	17/12/2019	10/01/2020	11/09/2035	11/09/2035
3	Bailadila Deposit-14NMZ	506.742	17/12/2019	10/01/2020	06/12/2035	06/12/2035
4	Bailadila Deposit-5	540.05	17/12/2019	10/01/2020	10/09/2035	10/09/2035
5	Bailadila Deposit-10	309.340	17/12/2019	10/01/2020	10/09/2035	10/09/2035



## Extension of Mining Leases in Karnataka:

### Extension of Mining Lease of Donimalai Iron Ore Mine [ML No. 2396] for 20 years from 04.11.2018 to 03.11.2038:

While renewing the Mining Lease of Donimalai Iron Ore Mine (DIOM), GoK had imposed a condition to pay a premium of 80% on the average sale value in addition to existing statutory payments which is not as per the provisions of the MMDR Act -1957 and Mineral (Mining by Government Company) Rules, 2015. NMDC requested GoK to reconsider its decision.

Since there was no positive response GoK, NMDC suspended its operations from 4th November 2018 and moved to the Hon'ble High Court of Karnataka praying for a suitable direction in the matter. The Hon'ble High Court of Karnataka in its judgement dated 10th July 2019 has passed an order setting aside the condition imposed for levying 80 % premium. On the basis of the judgement, NMDC has requested the State Govt. to consider the execution of Lease Deed of Donimalai Mine.

The GoK issued an Order dated 17.08.2019 withdrawing the approval for extension of the Donimalai mining lease and with a direction to the Director of DMG to auction the said block. In this regard, the Company on 19.08.2019 filed 'Revision application' before The Hon'ble Mines Tribunal, Government of India. Meanwhile, the State Government issued a notification dated 20.08.2019 inviting tender for auction of the Donimalai Mining block. On 21.08.2019 Hon'ble Mines Tribunal heard the submissions and stayed the Order dated 17.08.2019 issued by the Government of Karnataka withdrawing the extension of lease and any consequent action thereon until the next date of hearing.

On 28.08.2020, a high-level meeting was conducted at Bengaluru between the Hon'ble Chief Minister of Karnataka and Union Minister of Coal & Mines, where CMD – NMDC Ltd. and senior officers of Centre and State Governments are also attended. In the meeting it was decided to extend the Mining Lease of Donimalai Iron Ore Mine with a temporary premium of 22.5 % of the average sale value published by IBM. It was also decided in the meeting that Ministry of Mines, GoI will review the "Mineral (Mining by Government Company) Rules, 2015" for suitable amendments to decide the additional amount payable apart from the royalty / other statutory levies in respect of Mining Leases of Government Companies granted prior to 12.01.2015 and a High-Level Committee shall be constituted to examine the modalities in this respect.

Subsequently, on 29.11.2020, Ministry of Mines, Government of India given its approval for extension of Mining Lease of Donimalai Iron Ore Mine in terms of the proceeding of the meeting held on 28/08/2020. On 01.12.2020, Government of Karnataka, permitted NMDC to commence mining operations, as an interim measure with immediate effect at Donimalai Iron Ore Mine for

which NMDC shall unconditionally pay to the State Government 22.5% of the IBM Sale Price (for Karnataka) apart from the Royalty and other statutory levies.

On 17.12.2020, Govt. of Karnataka ordered for execution of conditional mining lease deed of Donimalai Iron Ore Mine with effect from 03.11.2018 for a period of 04 years or till the implementation of High-Level Committee report, whichever is earlier.

Subsequently on representation of NMDC Ltd., on 10.02.2021 Govt. of Karnataka issued a modified order for execution of conditional mining lease deed for a period of 20 years i.e., up-to 03.11.2038 subject to the conditions in the Govt. Order dated: 01.12.2020 and 17.12.2020. NMDC executed the conditional Mining Lease deed on 12.02.2021 and same has been registered on 16.02.2021.

Donimalai Iron Ore Mine of NMDC Ltd. has resumed mining operations since 18.02.2021.

Further, it may be noted that Govt. of India has amended the MMDR Act – 1957 on 28.03.2021 and as per amended provisions all such Government companies or corporations whose mining lease has been extended after the commencement of the MMDR Amendment Act, 2015, shall pay such additional amount as specified in the Fifth Schedule of the Act for the mineral produced after the commencement of the MMDR Amendment Act, 2021. For such Mining Leases of Iron Ore an additional amount equivalent to 150 percent of the royalty will be payable. The additional amount shall be in addition to royalty, payment to the District Mineral Foundation and National Mineral Exploration Trust or any other statutory payment.

### Kumaraswamy Iron Ore Mine, Bellary – Karnataka

The Mining lease deed was registered on 14/7/2020 for a validity up-to 22/10/2022. Application, in terms of Mineral (Mining by Government Company) Rules – 2015, for extension of Mining Lease for another period of 20 years has been submitted to the State Government on 23.02.2021.



### **Mining Lease of DMP, Panna – Madhya Pradesh**

Mineral Resources Department, Govt. of Madhya Pradesh, vide its order dated 20/2/2020 extended the supplementary Mining lease for Diamond Mining Project, Panna for further period of 20 years i.e. from 01/07/2020 to 30/06/2040. The Mining lease deed for the same had been registered on 22/6/2020.

Obtained validity extension of Forest clearance on 6/1/2021 for 74.018 Ha for a period from 1/7/2020 to 30/6/2040. State Wildlife Board meeting held on 14/1/2021 and Standing committee of NBWL meeting held on 18/2/2021 for renewal / extension of wildlife permission for 20 years beyond 31/12/2021 to MOEF&CC subject to approval of Hon'ble Supreme Court.

Interim Appeal filed on 26/3/2021 before Hon'ble Supreme Court for obtaining approval of Court.

### **Bailadila Deposit No.1 & 3**

Your Company has filed Writ Petition before the Hon'ble High Court of Delhi against allotment of Deposit-I to Tata Steel & PL of Deposit-3 to ESSAR Steels. The Writ Petitions are being heard before the Hon'ble High Court of New Delhi.

### **Exploration Works:**

#### **Exploratory Drilling in Iron Ore Working Mines of NMDC:**



Your company has carried out exploratory drilling of 17,712.50mts exploratory drilling against the MoU target of 17,500 mts during 2020-21 through GEC, Raipur to establish the additional resources & enhance the life of Mines and for better quality control.

### **Mineral blocks applied for reservation:**

#### **In Jharkhand**

##### **Iron ore:**

##### **Sasangda**

The JNMDC (JV Company of NMDC 60% & JSMD 40%) has been incorporated at Ranchi. JNMDC was granted PL for iron ore & Manganese in Sasangda NE area for a period of 3 years. Detailed Geological mapping and topographical survey completed. Due to delay in obtaining forest clearance, drilling could not commence in the lease period. As suggested by MoM, GOI, JNMDC submitted the proposal to the Secretary, Dept of Industries Mines & Geology, GoJ, for reservation of Sasangda Iron ore and Manganese deposit under Section 17A(2A) of MM(D&R) Amendment Act 2015 for grant of Prospecting and Exploitation. The matter is being pursued with Govt. of Jharkhand for reservation.

##### **Ghatkuri**

Your Company has submitted a proposal to the Secretary, Dept. of Industries Mines & Geology, Govt. of Jharkhand for reservation of Ghatkuri Iron ore deposit, West Singhbhum District, under Section 17A(2A) of MM(D&R) Amendment Act 2015 for Prospecting and Mining operation in favour of JNMDC. On 01.02.2021 Company requested Addl. Sec. MoS, GOI to take up the matter with MOEF &CC for exempting the Ghatkuri Iron Ore area from conservation zone and keep it under Mining Zone so that this block can be reserved for JNMDC. The Matter is being pursued with GoJ and MoS, GOI.

##### **M/s M L Jain & Sons and M/s R Mc Dill Co Pvt. Ltd**

The JV Company JNMDC) has submitted application for reservation of identified block by clustering mining Leases of M/s M L Jain & Sons and M/s R Mc Dill Co Pvt. Ltd (Total Area 312.43 Ha) in favour of JNMDC for Prospecting and Mining operation under section 17A(2A) of MM(DR) Amendment Act-2015. On 30-04-2020 Commissioner, West Singhbhum, Chaibasa recommended that the above mining leases can be reserved to JNMDC for prospecting and Mining operations. The matter is being pursued with Govt. of Jharkhand for reservation.

##### **Gold Block In Jharkhand**

Your Company submitted application to the Secretary – cum- Commissioner, DMG, GoJ to reserve 24.80 Sq. Km. area in Kuchai Tehsil, District Saraikela-Kaswan, Jharkhand, under Section 17A (2A) of MM(D&R) Amend. Act, 2015 for prospecting and mining operation of Gold & associated minerals. The matter is being pursued with Govt. of Jharkhand for reservation.

### **Tambadungri Block for Copper & various minerals in Jharkhand**

Your Company submitted the proposal to the Secretary-cum-Commissioner, Dept. of Mines & Geology, Govt. of Jharkhand for reservation of Tambadungri block, Saraikela-Kharswan district over an area of 16.70 sq. kms for prospecting and mining operation of Copper, Nickel, cobalt and molybdenum minerals under Section 17A(2A) of MM(D&R) Amendment Act 2015. The matter is being pursued with Govt. of Jharkhand for reservation.

### **In Karnataka**

#### **Iron ore**

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

In addition, your company has applied for 3 blocks contiguous to Donimalai ML under reservation route for prospecting and mining operations.

Your Company requested Ministry of Steel, Govt of India vide letter dated 20-06-2020 to take up the matter with Ministry of Mines, Govt. of India for reservation

of Ramandurg Iron ore deposit (area - 5.17 sq. km) in favour of NMDC Ltd under section 17A(1A) of MM(D&R) Act,1957. Matter is being pursued with Govt. of Karnataka and Govt. of India.

### **Lithium Block, Raichur district, Kaarnataka**

Your company has submitted a proposal to the Director, DMG, Govt of Karnataka to reserve 24.95 Sq. Km. area for lithium and other associated elements in Raichur District, Karnataka under Section 17A (2A) of MM (D&R) Amendment Act, 2015 for grant of prospecting and mining operation.

Sr. Geologist, DMG, Raichur has submitted his recommendation to Director, DMG, GoK on 20/02/2021 for reservation of applied area in Raichur Dist. for NMDC for Prospecting and Mining Operations. The matter is being pursued with DMG, Govt. of Karnataka for reservation.

### **In Odisha**

#### **Iron & Manganese Ore**

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





### **In Madhya Pradesh under Tripartite MoU:**

Your Company has signed a Tripartite MoU among GoMP (MRD, through DGM), MPSMCL & NMDC for geological and geophysical exploration in various Districts of M.P. Based on this, Govt. of Madhya Pradesh issued Gazette Notifications for 3 iron ore prospective blocks, 20 diamond prospective blocks and 1 prospective block for various minerals which are applied under MoU for exploration and subsequent reservation.

### **Iron Ore Prospective Blocks:**

#### **Sidhi Block in Sidhi & Singrauli, Districts**

- a) Geological mapping and Geochemical Mapping completed in the identified 5 potential sub-blocks. NMDC completed Geophysical Surveys and topographical survey and planned for core drilling in One Block to establish the quantity and grade. Obtained the forest permission for drilling in the same block. Tender has been issued for drilling which is in process to identify a suitable party to carry out exploratory drilling.
- b) After carrying out Geophysical survey, Geological mapping and surface geochemical sampling, NMDC has identified two low grade iron ore blocks.
- c) **Diamond Prospective Blocks (3 Large Blocks, 5 Small Blocks and 12 Additional Blocks): The status of exploration is as under:-**
  - After carrying out Remote Sensing studies in collaboration with NRSC, processing of Aeromagnetic data & studies and geophysical studies & Geochemical studies, NMDC identified anomalous areas & diamond target areas for further exploration. Applications submitted for forest permission to carry out exploratory drilling in 8 blocks. APCCF (LM), Bhopal granted permission for drilling in 5 blocks. Tender issued and is in process to identify suitable agency to carryout exploratory drilling.

### **Prospective block for various minerals:**

After Remote Sensing Studies and detailed Geological traverses one Ferro -Manganese block identified in Jabalpur -Katni Block. Large scale geological mapping, surface Geochemical Mapping, Ground Geophysical Survey (Magnetic survey) and Topographical survey completed in the block. Application submitted to Forest department for obtaining forest permission to carryout exploratory core drilling planned to establish the quantity and grade. Matter is being pursued with forest dept., Govt. of M.P.

Govt. of M.P. granted working permission for reconnaissance survey for various minerals in Jabalpur, Katni and Mandla Districts and NMDC identified areas for Manganese, Ferro-Manganese and Bauxite for further exploration.

### **In Andhra Pradesh**

Your Company has submitted two applications, one for Ramgiri prospective block for Iron Ore in Anantapur district and Peravali-Betapalli Gold block in Kurnool & Anantapur districts for reservation under Section 17A (2A) of MMDR Amendment Act, 2015 for Prospecting & Mining. Matter is being pursued with DMG, Govt. of A.P.

### **Maharashtra**

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

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

Your company as a National Exploration Agency (NEA) was allocated 5 Mineral Blocks (2 iron ore blocks in Jharkhand & Maharashtra and 3 Gold blocks 2 in Karnataka & 1 in M.P.) by Ministry of Mines, GoI for carrying out regional (G4) level exploration under NMET. NMDC has completed the exploration of all the five blocks and submitted the Geological Reports successfully to NMET Technical Committee. NMDC submitted the invoices for 5 blocks to NMET, MoM, GoI for cost reimbursement. NMET, MoM, GoI reimbursed the exploration cost of 204.49 lakhs to NMDC for three blocks. The reimbursement of exploration cost for the balance two blocks is in the process by NMET, MoM, GoI.

### **Mineral e-auction for acquisition of Mineral Blocks:**

Your Company has become the preferred bidder for Chigargunta-Bisanatham gold block for grant of Mining Lease (ML area 263.01 Ha.), A.P. through e-auction route with a final price offer of 38.25%. NMDC requested Govt. of Andhra Pradesh to issue the LOI to enable NMDC for taking further course of action. DMG, GoAP informed NMDC that after clearance of W.P., the Lol will be issued. As sought by DMG, GoAP, NMDC submitted the revalidated BG of Rs. 2.48nCrores to DMG, GoAP on 22.02.2021 for a period of two years w.e.f. date of Issue.

NMDC filed Implead Application no. 1 of 2021 on 01/03/2021 to add / implead proposed party i.e. NMDC Limited as respondent no.5 in the Writ Petition No. 15965/2018. Implead Application No. 1 of 2021 still pending. The matter is being pursued with Govt. of Andhra Pradesh for issuing LOI in favour of NMDC at the earliest.

### **NMDC - CMDC Limited (NCL) a JV Company of NMDC Limited & CMDC Ltd:**

NMDC-CMDC Ltd (NCL), is a subsidiary of NMDC Ltd. with equity share holding of NMDC Ltd. and CMDC Ltd. in the ratio of 51:49. The present Mining Lease Grant status of both the deposits are as follows:

#### **Reservation of Bailadila Iron ore Deposit No.4, Dantewada, Chhattisgarh**

Ministry of Mines, Govt. of India has reserved Bailadila Iron Ore Deposit-4 an area of 646.596 ha in favour of NMDC- CMDC Limited (NCL) under sub-section (1A) of section 17 A of the MM(DR) Act- 1957 vide their Gazette Notification no. 697(E) Dated- 30-09-2019 for Prospecting & Mining operations. NCL on 28/08/2020 has requested Govt. of Chhattisgarh for incorporation of revised coordinates and compartment area of Deposit-4 in the Letter of Intent (LOI) for grant of mining lease. Notification obtained from Ministry of Mines for amendment in co-ordinates of Bailadila Deposit-4 of NMDC-CMDC Ltd on 18/2/2021. LOI for grant of mining lease for Deposit-4 issued by MRD, Chhattisgarh on 26-06-2021.

#### **Bailadila Iron Ore Deposit No.13**

State Government of Chhattisgarh, vide its order no. F3-84/05/12 dated: 07/01/2017, granted the Mining lease of Bailadila Iron Ore Dep-13 for Iron Ore in village Kirandul, Tehsil - Bachel, Distt. - South Bastar Dantewada (CG) for 50 years in favor of NMDC Ltd. and Lease deed for the same has been executed on 10/01/2017.

As per JV agreement dated 27th March 2007 by and between CMDC and NMDC Ltd., mining lease for Bailadila Iron Ore Deposit No.13, had to be transferred in the name of NMDC - CMDC Limited (NCL) and then NCL would undertake all the required steps for development and operations of the Mine. Further, Mining lease Grant Order No. F3-84/95/12 dated 07/01/2017, in respect of Deposit No.13 issued by State Government of Chhattisgarh, stipulate that "after the execution of the lease deed, NMDC will transfer the Mining Lease to the JV Company "NMDC-CMDC Ltd."

Mineral Resource Department, Government of Chhattisgarh, has issued an order No. F 3-84/1995/12, dated: 06/11/2017 for transferring the mining Lease of Bailadila Iron Ore Deposit-13 in favor of NMDC-CMDC Ltd. Mining Lease of Deposit-13 has been transferred in favor of NMDC-CMDC Ltd. on 04.12.2017.

On 02.07.2018 M/s. Adani Enterprises Limited had been declared as successful bidder for appointment as MDO for Bailadila Iron Ore Deposit-13.

A strike commenced on 07.06.2019 (ended on 12.06.2019) by nearby villagers, protesting against MDO and demanding enquiry against FRA certificate issued by Gram Sabha. District Collector, Dantewada vide Order No. 300/Reader/2019 dt.11.06.2019 issued orders to stop all project activities of Dep-13.

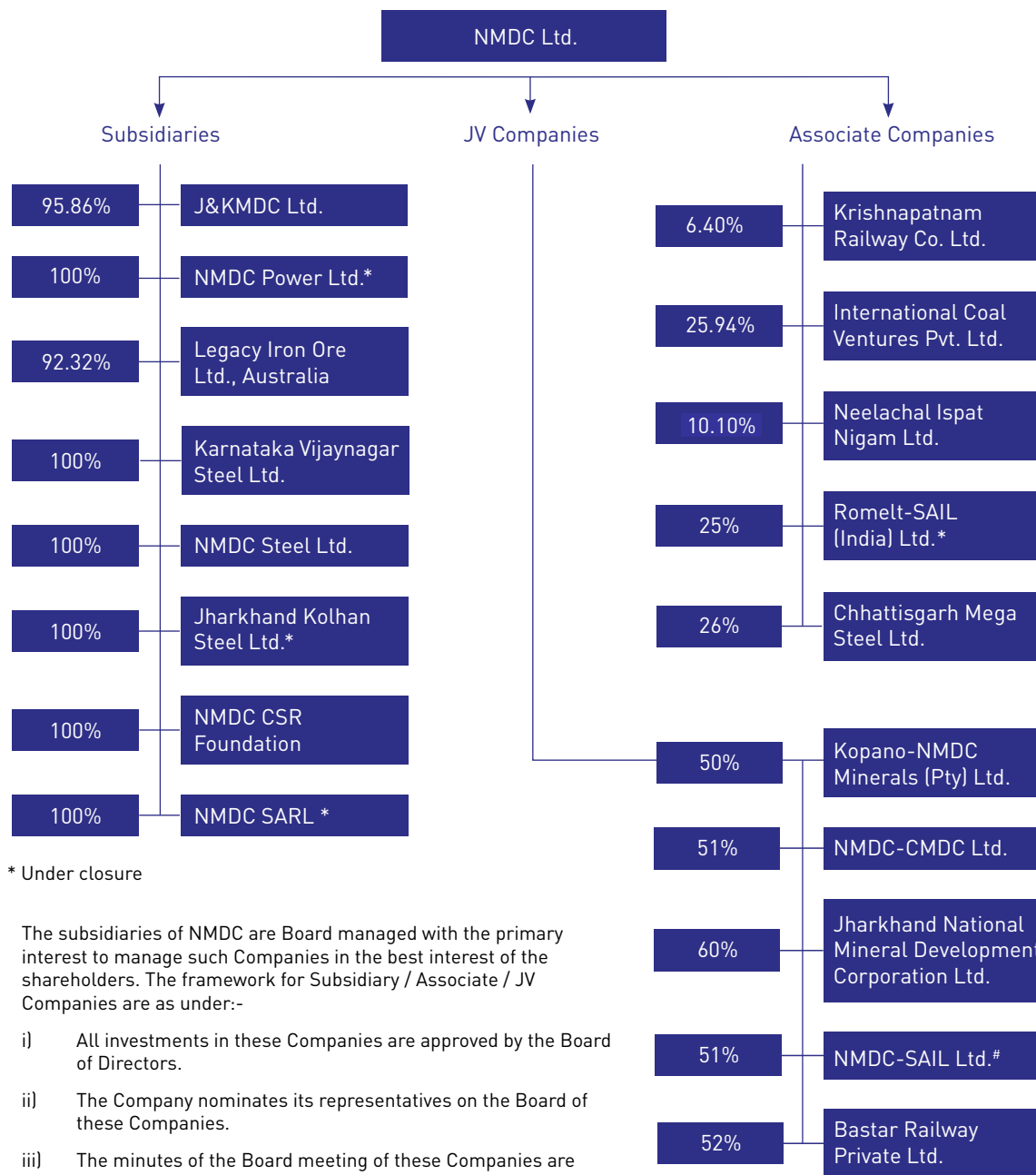
#### **Reservation of Baloda- Belmundi Diamond Block in Chhattisgarh in favour of NCL:**

NMDC-CMDC Ltd (NCL), a JV company has submitted the proposal to Secretary MRD, Chhattisgarh for reservation of Baloda - Belmundi Diamond block under section 17A(2A) of MM (D&R) Amendment Act,2015 in favour of NCL for Prospecting and Mining operation of Diamond. Secretary, MRD, GoCG vide his letter dated 14/12/2020 requested Secretary, Ministry of Mines, Govt of India seeking approval for reservation of Baloda-Belmundi Diamond Block for NMDC-CMDC Ltd. for prospecting and mining operation for a period of 5 years under section 17 A (2) MM (D&R) Amendment Act, 2015. As sought by Ministry of Steel, Govt of India, NMDC has submitted reply to MoS, Gol regarding comments / recommendation on the instant proposal for the above block on 31-08-2021.



## SUBSIDIARY / ASSOCIATE / JOINT VENTURE (JV) COMPANIES MONITORING FRAMEWORK

- a) NMDC has 8 subsidiaries and stake in 5 Associate and 5 JV Companies. The names of these Companies and percentage of NMDC stake in these companies are as follows:



- b) The subsidiaries of NMDC are Board managed with the primary interest to manage such Companies in the best interest of the shareholders. The framework for Subsidiary / Associate / JV Companies are as under:-
- All investments in these Companies are approved by the Board of Directors.
  - The Company nominates its representatives on the Board of these Companies.
  - The minutes of the Board meeting of these Companies are placed before the Board of NMDC Limited.

### Notes:

- Subsidiary / Associate / Joint Venture Companies have been categorized in line with disclosures as made in the financial statements.
  - A step down Subsidiary Company of NMDC-SAIL Ltd. by the name Chhattisgarh Mining Ventures Ltd. was incorporated on 08/11/2016. Govt. of India, Ministry of Corporate Affairs vide its letter dated 30.01.2020 inter alia, communicated that pursuant to sub-section (5) of section 248 of the Companies Act, 2013, the name of M/s Chhattisgarh Mining Ventures Ltd. has been struck off by Registrar of Companies and the said company is dissolved.
- # Govt. of India, Ministry of Corporate Affairs vide its letter dated 16.08.2021 inter alia, communicated that pursuant to sub-section (5) of section 248 of the Companies Act, 2013, the name of M/s NMDC-SAIL Ltd. has been struck off by Registrar of Companies and the said company is dissolved.



## ENVIRONMENT MANAGEMENT:



NMDC is in the process of obtaining Environmental Clearance (EC) under EIA Notification 2006 for Regularization of Environmental Clearance (from EIA 1994 to EIA 2006) for BIOM, Deposit-11 ML (11.30 MTPA ROM Iron Ore and 2.7 MTPA waste excavation) and Amendment for existing EC of 14/11C by excluding 11C part (1.5 MTPA Iron Ore Production). EIA/EMP report, Form-II & Questionnaire uploaded in PARIVESH Portal on 11.3.2021 for Deposit-11ML. Addendum EIA/EMP report and Form-4 uploaded in PARIVESH Portal on 11.3.2021 for obtaining EC from MoEF&CC. The Environment Appraisal Committee (EAC) meeting is now awaited.

Your company also obtained Regularization of Environmental Clearance (from EIA Notification 1994 to EIA 2006) for Kumaraswamy Iron Ore Mine (7 MTPA ROM Iron Ore and 1.6 MTPA of waste excavation) from MoEF&CC on 25.1.2021.

Your company obtained Terms of reference (ToR) for capacity expansion of KIOM from existing 7 MTPA to 10 MTPA Iron ore production and waste excavation from 1.6 MTPA to 6.25 MTPA from MoEF&CC on 23.3.2021.

Your company also obtained Transfer of EC for Tokisud North Coal (2.32 MTPA (ROM) –cum- coal washery (2.32 MTPA ROM) from MOEF&CC on 9/2/2021 and corrigendum on 1.4.2021 mentioning the capacity as 2.32 MTPA from erstwhile lease holder of M/s. Essar Power M.P. Ltd.

Further, your company also obtained Validity Extension of Environmental Clearance for Augmentation of Screening Plant and associated facilities (12 MTPA) for BIOM, Dep-14/11C & 11B from MoEF&CC on 1/12/2020, The EC is now valid up to 4/11/2023.

Your Company has got valid operating consents from State Pollution Control Boards for all production

projects. The Company obtained renewal of Consent to Operate under Air (Prevention & Control of Pollution) Acts 1981 and Water (Prevention & Control of Pollution) Act 1974 for the following Projects:

- Bailadila Deposit-10: Renewal obtained on 10/7/2020 for a period of 5 years valid up to 31/5/2025.
- Bailadila Deposit-11A: Renewal obtained on 5/9/2020 for a period of one year valid up to 4.9.2021.
- Bailadila Deposit-14/11C: Renewal obtained on 31/12/2020 for a period of 2 years valid up to 31/12/22.
- NISP, Nagarnar: Renewal of consent obtained on 10/9/2020 for a period of one year valid up to 31/08/2021.
- Diamond Mine, Panna: Renewal obtained on 18/6/2020 for Processing Plant valid upto 31/10/2021.

Your company also obtained Authorization under Hazardous Waste Management & Transboundary movement Rules 2016 from CECB for Bailadila Deposit-5 for handling 100 KL used oil on 30/09/2020 for a period of 5 years valid up to 2/8/2025.

Your company also obtained stage-1 Forest clearance from MoEF&CC, Regional Office, Nagpur on 24.11.2020 for diversion of 7.116 Ha of forestland for associated facilities for Iron Ore Beneficiation Plant at Bacheli for Iron Ore Beneficiation Plant, Bacheli. Final Forest clearance was obtained for Slurry Pipeline Project for 83.831 Ha forest land from MoEF&CC, RO, Nagpur on 20/11/2020.

Your company obtained Final Forest clearance from MOEF&CC, RO, Nagpur on 27/11/2020 for diversion of 2.733 Ha for construction of road from Loading plant, Bacheli to Kirandul main road.

Your company also obtained permission of CG State Forest Dept for felling of 159 no.s of trees for construction of electrical sub-station at Kirandul in Dep-14 NMZ Mining Lease on 11.5.2020. Obtained permission for felling of 7811 no.s of trees in 36.870 Ha in Deposit-10 ML for mining purpose on 5.4.2021

Your company obtained validity extension of Forest clearance on 6/1/2021 for 74.018 Ha in forest land in supplementary mining lease from 1/7/2020 to 30/6/2040 [co-terminus the extended lease period] from Forest Deptt, Bhopal.

Hon'ble Supreme Court appointed monitoring committee meeting was held on 4/9/2020. As per State Wildlife Board meeting held on 14/1/2021, PCCF (WL)/CWLW recommended the proposal of Panna DMP on 30/01/2021 for renewal / extension of wildlife permission for 20 years beyond 31/12/2020 to MOEF&CC subject to approval of Hon'ble Supreme Court.

As per Standing committee of National Board for Wildlife meeting held on 18/2/2021, committee recommended the proposal subject to compliance of conditions (approval of Hon'ble Supreme Court of India) stipulated by CWLW and NTCA. The recommendations were communicated vide letter dated 11/3/2021 to Pr. Secretary Forests, Bhopal by MoEF&CC. Further, interlocutory application (I.A) filed on 26/3/2021 before Hon'ble Supreme Court for obtaining approval of Supreme Court

Your Company has signed an MoU with DFO, Dantewada on 1/2/21 for implementation of R&R / EMP works at Kirandul complex at a total cost of Rs.1,615 lakhs as per the recommendation of ICFRE, Dehradun.

Environmental protection and ecological restoration works include plantation in and around the lease areas, construction and repair of buttress walls, check dams, check bunds, garland drains, rainwater harvesting pits, broadcasting of grass seeds and laying of geo-coir matting on the inactive waste dumping sites are being implemented.

Your Company is carrying out environmental monitoring studies covering all environmental attributes, ground water quality & water levels through recognized laboratories. The studies indicated that all environmental parameters are found well within the limits.

#### **Sustainable Development (SD) Performance**

Under S.D. programme, a Sewage Treatment Plant with SBR technology at Bachelia at a cost of Rs.6.61 Cr has been constructed. Similar treatment plant at Kirandul at a cost of Rs 8.0 Cr for treatment of domestic effluents is under construction stage. NMDC won Greentech award with 4 first prizes and 2 second prizes in various categories. Every year Carbon Footprint studies are being conducted for disclosure of Greenhouse Gas Emissions under Carbon Disclosure Project (CDP).

#### **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 are being 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. Mine Level Tripartite Safety Committee Meeting of Donimalai Complex (DIOM & KIOM) was conducted on

08.01.2021. Mine Level Tripartite Safety Committee Meeting of Bailadila Iron Ore Mine, Kirandul Complex and Bailadila Iron Ore Mine, Bachelia Complex was conducted through virtual mode on 21.12.2020 and 22.12.2020 respectively. Mine Level Tripartite Safety Committee Meeting of Diamond Mining Project, Panna was conducted on 06.02.2021.

Corporate Level Tripartite Safety Committee Meetings are being held regularly once in a year at Head Office. 30th Corporate Level Tripartite Safety Committee Meeting of Bailadila Iron Ore Mines / Diamond Mining Project and Donimalai Iron Ore Mine / Kumarswamy Iron Ore Mine was conducted thru virtual mode on 09.02.2021, due to Covid-19 pandemic.

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 100000 man days worked for the year 2020-21 is 3.69 and 16.64 for the year 2019-20.

#### **Integrated Management System (IMS)**

Comprising of Quality Management System (QMS) - ISO 9001:2015; Environmental Management System (EMS) - ISO 14001:2015; Occupational Health & Safety Management System (OHSMS) - OHSAS 18001:2007 & Social Accountability - SA 8000:2014 Certification Standards.

All the NMDC Production Projects viz. BIOM, KC; BIOM, BC; DIOM; KIOM; DMP, Panna including R & D Centre are accredited with Integrated Management System (IMS)

#### **OHS Activities:**

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

Periodical Medical Examination under statute is carried out regularly in all the projects.

#### **Safety Management System:**

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

#### **IMPLEMENTATION OF INTEGRITY PACT:**

With the objective of improving transparency in procurement, NMDC had entered into MOU with Transparency International India for implementation of Integrity Pact Programme during September 2007. NMDC is the first Mining Navratna Company which entered into Integrity Pact Programme in the year 2007.

Initially, the threshold value for procurement & contracts for entering into the Integrity Pact have been fixed as follows:-

Contracts : Rs. 50.00 crores  
Procurements : Rs. 15.00 crores

To widen the coverage of procurements / contracts under Integrity Pact, the threshold limits have been revised during 2009 as under:

Contracts : Rs. 20.00 crores  
Procurements : Rs. 10.00 crores

Subsequently, to cover majority of cases under Integrity Pact, the threshold limits have been reduced to Rs.1.00 crore for procurements / contracts w.e.f September 2018. During 2020-21, 85 tenders valuing Rs.1092 crores were covered under this category.

#### Transparency in procurements handled

In order to enhance transparency in procurements & increasing competitiveness, your company adopted the following modes of tendering:-

#### ➤ e-Procurement:

- All procurements of value above Rs.2 lakh are tendered through e-mode at HO & Projects. Reverse e-auctions are conducted for high value spares & consumables, wherever possible, by declaring upfront in the tender document
- Broad basing of vendors done for high value items viz. Milled Ferro Silicon, Crusher Spares, Under Carriage parts of Excavators, TCRR bits, conveyer belts and plant items which resulted in substantial savings in cost.

➤ **Mode of Tendering:** Efforts are continuously taken to minimize proprietary & single tender purchases. Instead, open/global tenders are resorted to by giving generalized specifications & drawings, wherever possible or with OEM Part Numbers. Single Tender / Proprietary purchases have been reduced from Rs.1579.15 lakhs (85 cases) during 2017-18 to Rs.287.67 lakhs (34 cases) during 2018-19 and Rs.271.85 lakhs (26 cases) during 2019-20 and Rs.3975.96 Lakhs (33 cases) during 2020-21.

➤ **Pre-qualifying conditions:** PQC for conveyor belts & HEM equipments tenders have been revisited and a structured PQCs have been made keeping in view wider participation.

➤ **GeM Portal:** Procurement through GeM portal as per the guidelines of GOI, is being done for the Materials which are available in the GeM Portal. **Total 948 orders valuing Rs. 39.00 crores were placed during the year 2020-21.**

➤ **CPP Portal:** MM Dept. is posting tenders in the CPP portal except Single tender and proprietary items. All the bidders approaching through CPP portal for entering in NMDC are invited for registration with NMDC or conducting trial with NMDC for ensuring their quality product.

#### NMDC'S R&D CENTRE AT HYDERABAD



NMDC R&D centre is dedicated to undertake product and technology development projects related to ores, minerals and steel making to maintain its excellence in process performance. R&D centre has made significant contribution not only to NMDC operating projects but also to Indian industries and is recognized by Department of Scientific and Industrial Research (DSIR). R&D centre undertakes works related to mineral processing, flow sheet development, mineralogical studies, material handling & storage, metallurgical studies of iron ore and coal, chemical analysis etc. It is a pioneer in the field of beneficiation and continuously working for development of dry beneficiation technology for different ores and minerals. It is endowed with state of art laboratory equipment to analyze different minerals, coals, metals and non-metals. For further details reference may be made to Annexure-II attached to the Directors' Report.

#### GLOBAL EXPLORATION CENTRE, RAIPUR

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

#### IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

During the year, NMDC effectively continued its efforts to implement and comply with the Official Language Policy



of the Government of India in its headquarters, projects and units.

Parangat Hindi training continued through team's app following all safety measures in view of the COVID-19 pandemic. So far 09 batches of Parangat training have successfully been completed. Hindi workshops were organized online every quarter in headquarters and various projects during the year. Official Language Implementation Committee meetings were held online every quarter in headquarters as well as at projects.

An National Seminar of Official Language Officers was organized on 18th March, 2021 at NMDC Headquarters, Hyderabad under the aegis of Ministry of Steel. The seminar was organized on the subjects of (1) Simplification of Hindi as official language and (2) Development Journey of Hindi as official language of the Union. The seminar was attended by officials from Ministry of Steel, Ministry of Home Affairs, Department of Official Language, Central Hindi Training Institute, Member Secretaries of TOLICs, and Steel PSUs.

Workshop on Memory Based Translation Software "Kanthastha" was organized at NMDC Headquarters, Hyderabad on 9th March, 2021 under the aegis of Government of India, Department of Official Language. The workshop was attended by Officers from member offices of Town Official Language Implementation Committee (Undertaking), Hyderabad-Secunderabad and Official Language Officers of NMDC Headquarters as well as Member Secretaries of various Town Official Language Committees.

Hindi Fortnight was organized through digital mode at NMDC Headquarters. Messages of CMD were circulated through social media like Twitter, Facebook, YouTube. Online competitions were organized. Hindi functions were also organized in the projects.

The official language house journal "Khanij Bharati" of the headquarters was published. Various Hindi/bilingual/trilingual magazines namely Baila Samachar, Bachel Samachar, Doni Samachar, Hira Samachar were also published from the projects. "Sarjana" and "Takaniki Kshitij" magazines were published from the Kirandul Project.

Official Language Technical Seminars were organized at Bailadila Iron Ore Mine, Kirandul Complex, Diamond Mining Project Panna and SIU, Paloncha.

Diamond Mining Project, Panna organized various programmes for implementation of Official Language as convener of Town Official Language Implementation Committee.

Head Office of NMDC Ltd was declared the winner Rajbhasha Kirti Puraskar (Third) for PSUs in "C" region

for the Year 2019-20. NMDC shall be getting Rajbhasha Kirti award for the third year consecutively.

Head Office of NMDC Ltd was declared the winner of the first prize "Rajbhasha Shield" for the year 2019-20 in the category of medium sized undertakings for excellent implementation of Official Language by Town Official Language Implementation Committee (Undertaking), Hyderabad-Secunderabad. NMDC shall be getting this award for the fifth year consecutively.

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

The company has taken the following steps to procure goods and services from MSE firms, MSE SC/ST & Women entrepreneurs. NMDC has conducted exclusive MSE SC / ST vendor meets at its projects in Chhattisgarh and Karnataka to understand the tender process and our requirement. NMDC has participated in the various vendor meets organised by Ministry of Micro, Small & Medium Enterprises in association with FICCI. Besides NMDC has organised 04 Nos. Vendor Meets / programmes at various places in total during 2020-21. NMDC interacted with prospective MSE entrepreneurs encouraging them for supply of goods for various plants at Bailadila & Donimalai.

For encouraging MSE SC/ST firms, exclusive trials are being conducted and after successful trials the firms are given tender enquiry in Limited Tender.

Moreover, against the qualification criteria in tenders we have not received any complaint / request with regard to relaxing tender terms & conditions. For the last 3 years NMDC is achieving the targets as per Public Procurement Policy. The results of 2020-21 are given below:-

Category of MSE Firm	Norms	Achievement
Procurement from MSE firms	25%	32.97%
Procurement from SC / ST MSE firms	4%	4.12%
Procurement from Women Entrepreneurs MSE firms	3%	3.05%

NMDC also received the Best Performer under the Navratna Category during the year 2019 for our exemplary work towards promotion of SC/ST entrepreneurs based on the performance parameters namely (i) procurement from SC/ST entrepreneurs, (ii) No. of Vendor Development Programs for SC/ST and (iii) Number of SC/ST entrepreneurs benefitted as per the data uploaded on Sambandh Portal.

## MANPOWER

### Employee-Employer relations

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

### Scheduled Castes & Scheduled Tribes

01 candidates belonging to Scheduled Caste was appointed in the year 2020-21 against 10 posts filled by direct recruitment.

### Strength of SCs & STs as on 31<sup>st</sup> March 2021

1. Total number of employees: 5569
2. Scheduled Castes amongst them: 855
3. Scheduled Tribes amongst them: 1393
4. Backward class employees: 1094
5. Physically challenged employees: 101

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

NIL

### Staff Welfare activities

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

### Promotion of Sports

Various sporting activities, both indoor and outdoor, for employees and for the wards of employees were held in different Projects and at Corporate Office during the year apart from promoting sports events under CSR.

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

No complaint has been received and no case has been filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 during the financial year 2020-2021.

## HUMAN RESOURCES DEVELOPMENT

At NMDC Limited, our human capital and business share a bond of co-creation and we enable them to rise to their best and in turn they help us to drive excellence. Augmenting the quality of human capital not only motivates your employees but also fosters innovation and thereby increasing the competitive advantage of your company.

Your Company's workforce is thriving due to which, business flourishes, and the economic value thus generated can then be transferred back to the employees.

NMDC is not only as good as its people but its human capital is a measure of the financial value the employees bring in, through their competencies, capabilities, and experience. The essence of human capital lies in the understanding that every employee is unique and that there is constant scope for maximizing their strengths and developing their potentials through continual investments in them.

At NMDC Limited, we devise effective growth paths through unique Learning and Development platforms of engagements which not only help raise productivity, but also inspire passion. We engage with our employees at regular intervals with a host of interventions which enable them to rise through access to the right tools of learning, skill enhancement, and creative stimulus.



NMDC's Learning Architecture is designed to create a strong and integrated culture of learning — as well as a common language that allows us to speak as one NMDC across all Projects, regional Offices and HO — as part of our strategy. Our goal is to leverage learning as a strategic tool that continually supports our employees and our growth across the country.

Learning and Development initiatives offered during 2020-21 were aligned with Business Goals. Despite the pandemic, the on-going core programmes were revitalized to reflect the emerging capability requirements. In addition to core programmes, customized e-learning programmes were also offered to address the needs expressed by businesses, aimed at building specific capabilities at various levels of the organization.

Corporate HRD has Organised 24Nos of Customized In House Training Programmes covering 624 Executives during 2020-21, 29 Nos of External Training Programmes covering 181 executives on various subjects, No executive was sent abroad for Foreign Training Programmes / AMP/Visits due to COVID-19 pandemic and governmental directives.

### Strengthening of Quality Circles:

Strengthened the Quality Circles Movement in NMDC, by giving more thrust on Quality Circles activities by adding 5% more QCs this year. We have bagged 15 Gold Awards in CCQC. 15 QCs participated in NCQC and bagged 2 Par Excellence Award, 10 Excellent Category Awards and 3 Distinguish Meritorious Award

### LMS (Learning Management System)

Designed "Gyan Jyoti" Portal, which is a **Knowledge Management Portal** for smooth implementation of Knowledge Management Framework across the Organization

Web Based Learning Initiatives during COVID times

Organized 58 Nos of Web Based Learning Initiatives during COVID times

### E- Learning Programmes

Keeping in mind the spread of Covid 19, NMDC has Purchased 100 Nos of comprehensive world class e-learning Licenses through Udemy which offers comprehensive self-paced learning options. The e-learning modules are actively used to complement the class room training to ensure blended learning to the participants

### "SAMANVAY" - Knowledge Management Framework

Department of Public Enterprises (DPE) has developed Common Knowledge Management Portal "Samanvay" for all CPSEs to generate a platform for all CPSEs to collaborate and learn. The Knowledge Management Portal (<https://samanvay.cpse.in>) was smoothly implemented in NMDC Limited on which we can share our Best Practices, Case Studies, tacit knowledge, breakthrough innovations etc. This portal also has a separate section on Infrastructure facilities such as R&D, Training, and Equipment etc which can be shared with other CPSEs.

**A cross functional Committee is constituted to ensure smooth implementation of Knowledge Management Framework "Samanvay" across the Organization.**

### Talent Management

- Corporate HRD has drawn a plan to conduct various Training Programmes on Talent Management.
- Customised Online Executive Education Programme on "Communication and Presentation Skills" For NMDC Executives is organized by ISB, Hyderabad during 2020-21.

### "YOU THRIVE" - Employee Engagement Initiatives for Young Executives

You thrive Annual Business Quiz- Organization level is organized through Microsoft Teams and Video Conferencing Mode on 17<sup>th</sup> & 19<sup>th</sup> October 2020. Winners are Team from DMP, Panna & Runners are Team from BIOM, Kirandul

### Training of NISP Employees

Organised six days On site Training Programme of "Train the Trainers Module" on "Making Safety as a Way of Life - The NMDC Way"" covering 20 Nos of NMDC Executives

### Learning from Each Other (LEO) Workshops

These workshops are planned provide a structured process for sharing of best practices between PSUs by facilitating learning from experience. The aim of these workshops were to share the best practices, methods and techniques followed by Various PSU Organizations in specific identified areas and learn tools and techniques to sustain these practices through interaction with each other. Senior executives of PSUs and experts in related areas interacted with participants in these workshops. Action is under progress

### Culture Building & Happiness through Learning Workshops

COVID-19 has thrown unprecedented challenges before us alongside Fear, Stress & Anxiety. To overcome and tackle this, happiness programme was conducted by NMDC for the employees not only to be better equipped to identify the level of happiness within organisation and help colleagues understand why happiness is worthwhile goal.

These programmes equipped our people to support engagement and productivity within NMDC and strengthen their sense of belonging, purpose, meaning and satisfaction -not only at the offices but in their life as a whole

### Skill Development Training:



NMDC and NSDC has entered into MoU on 31.12.2019 for imparting training and RPL certification for 400 employees in mining and steel sector. NSDC regretted the implementation of projects due to operational challenges on ground especially during pandemic. MoU



got cancelled due to pandemic and physical training could not be done by NSDC. Now, NMDC is going to enter MoU with for 1600 employees for 4 years (400 each each) to be trained from FY 2020-21 to FY 2023-24.

Company is also playing a pivotal role to support the National Skill Development Mission through active participation in the activities of Skill Council for Mining Sector (SCMS) and providing Training and Recognition of Prior Learning (RPL) in all Projects.

**Rewards & Recognition for HRD initiatives (2020-21):**

1. ISTD Special Commendation Award for the 'National Award for Innovative Training Practices' category for the year 2018-19.
2. NMDC was conferred winner of 9<sup>th</sup> Annual Greentech HR award 2020 for outstanding achievements in "Training and Excellence" category by Genentech.
3. NMDC was conferred 2<sup>nd</sup> Prize for innovative training practices at National level for the year 2019-2020 by ISTD, New Delhi.
4. NMDC was also conferred a cash prize of INR 30,000 by ISTD, New Delhi towards 2<sup>nd</sup> Prize for 2019-2020.

**VIGILANCE**

Vigilance department has taken several initiatives during the year. Emphasis was laid on adequate checks and balances in the form of well-defined systems and procedures. Various programmes were conducted for awareness on vigilance matters for the employees of the Corporation. The vigilance functionaries at the projects have conducted regular training classes for the employees on vigilance matters. Executives of the Vigilance Department were nominated for training/ workshops being organized in India.

The systems and procedures including the document handling, maintenance of records are done to ensure that the Vigilance Department is conforming to the Quality Management Systems as per ISO 9001:2015 Standards.

Vigilance Department in NMDC has upgraded to ISO 9001:2015 standards of Quality Management System (QMS). In this regard, a work order has been issued to M/s Vexil Business Process Services Private Limited, Delhi for certification. Accordingly, Surveillance Audit was conducted by M/s Vexil on 18.01.2021. and ISO certificate valid up to 5<sup>th</sup> Feb 2022.

During the year (April'2020 – March 2021), 47 surprise checks, 59 regular inspections, was conducted by Vigilance Department. Complaints received were taken up for investigation and necessary suggestions for system improvement/ disciplinary action wherever required were recommended. During the period, 4 major penalties were imposed. A total recovery of 65.38lacs was made during the financial year.

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

NMDC has adopted the Integrity Pact since November 2007. As per the suggestions given by Vigilance Department, the threshold value has been decreased to 1.0 Crore w.e.f. 07.09.2018 for both Procurement and Contracts as against the earlier threshold limit of Rs. 20 crores in case of Civil works and Contracts and Rs. 10 crores in case of Procurement on approval of NMDC Board. The Integrity Pact has been entered into 339 contracts with a value of Rs. 26046.91 Crores. All the contracts wherein the Integrity Pact was to be signed as per the threshold limit was adhered to and more than 90% of the total values of the contracts are covered under Integrity Pact.

To ensure transparency in vigilance works, rotational transfers of vigilance officers were carried out and new officers were inducted in Vigilance department.

A Vigilance Review-cum-Coordination meeting for the last quarter of 2020-21 was called by CVO during 8th



& 9th Feb, 2021 at Head Office, Hyderabad. The said meeting was attended by all the Vigilance Officers posted at Head Office and Projects like Kirandul, Bachel, Donimalai, Panna & NISP. Project-wise presentations were made and matters pertaining to vigilance inspections and system improvements recommended / implemented etc. were discussed. Few common matters were also discussed in open-house wherein all VOs exchanged their views and gave valuable suggestions. Earlier meetings were held through virtual mode in view of Covid-19 pandemic.

In pursuance of CVC directions / guidelines received during the month of August / September 2020, a 02 days module and Road map for imparting training on preventive vigilance separately for Induction level (new entrants) and Mid-career level Executives were drawn up and was integrated with our HRD's regular training plan. The said training programs on Preventive Vigilance is being arranged every month at NMDC in compliance of CVC guidelines, covering Induction level and mid-career level executives of HO, ROs and all Projects. Keeping in view the present scenario of the pandemic, the sessions for training on PV has been arranged through Hybrid mode, i.e., through class room mode at few locations like Head office and through online relay under the concept of extended classrooms at remote locations & Projects.

Till the end of Year 2020-21, a total of 02 Nos. of Training modules on PV was planned & arranged for Induction level and which was attended by 36 No. of Induction level executives, whereas, 11 No. of training modules on PV was planned / arranged for Mid-Career level and which was attended by 248 No. of mid-career level executives.

#### **System improvements undertaken / implemented During the Year 2020-21**

As per the Action Plan, surprise and regular checks were conducted besides the study of files. Irregularities and omissions under the provisions of the rules are identified and improvements in the systems are suggested wherever required. Based on the observations of Vigilance, recoveries from the contractor's bills, for not conforming to the contractual terms were suggested.

The initiatives/system improvements studies/ suggestions/recommendations made during the period are briefed as below:-

1. **Test Certificate for Mechanical Strength of Mobile Lighting Towers:** Circular was issued in the tender of the Lighting towers to ensure the quality, tenderers shall submit requisite test Certificate in relevant IS codes for high mast and Type Test certificate for the Mechanical strength, stability and wind loads from the Govt. Laboratory for the towers along with their offer.
2. **Time bound reply for CTEO's observations:** Circular regarding the time frames for submission of the reply by Technical Department and preparation of reply to CTEO by Vigilance department were fixed to

speed up the process.

3. **System improvements related to contract labour payments:** Contractors have to submit a copy of bank statement/pass books/online PDF statement as a proof of contract labour monthly wages to executing department /personal department before submitting final bill to IR section to improve the transparency.
4. **System improvement in Open Tender Enquiries** have been implemented by bringing about transparency in all stages of tendering process, uploading of open tenders in CPP Portal and providing separate payment channel / portal for collection of tender document fee / EMD amount and ensuring refund of EMD within 15 days time.
5. **System improvements in Pre – Contract Award Process:** System improvement in Pre-Contract Award Process has been done to avoid the lapses in execution of the contract by ensuring scrutinization of all the requisite clearances from Revenue, Forest and other statutory authorities before issue of work order to avoid any future litigation / arbitration.
6. **Reduction of detention charges and shunting charges during despatch:** As per suggestion of Vig. dept., supervision of the dispatch activities at loading plant, drop test for CLO (Iron ore) siding wagon loader has been conducted in presence of customer representatives and improved the supervision at site of Loading resulting in reduction of detention and shunting charges approx. 40%
7. **System improvement in issue and consumption of the HSD records:** Review of digital signatures of the officers who are authorized to draw the fuel from the central stores periodically to avoid the unauthorized consumption and issue of the POL and HSD
8. **Banning of negotiation with lowest bidder:** Vigilance dept. has studied the cases of negotiations held with L1 bidder during the tender process and has advised to avoid negotiations with L1 bidder in order to improve the transparency of the system.
9. **Improvement in the quality control of the civil works:** To improve the quality of the civil works, the records of hindrance, free-issue and other site and statutory registers shall be verified by the concerned Engineer-Incharges and HODs as per the norms without fail. Also digitalization of records is also proposed by the Vigilance dept. which is under implementation.
10. **Rotation of officials working in sensitive posts:** As per CVC guidelines, the persons holding sensitive posts and long standing were identified and rotated during the year 2019-20. A total of 145 No. of officials were rotated / transferred out.

11. **System improvement** has been done in Sample preparation of iron ore by mechanical methods in place manual methods in one of the out sourced Mines (KIOM) of the NMDC.
12. **Constitution of Standing Committee for quality assurance of construction projects** – to maintain the quality assurance in the construction projects of NMDC a committee was nominated consisting of experts of the relevant fields as per the recommendations of the vigilance department.

#### **Vigilance Awareness Week**

As per the directives of Central Vigilance Commission, the Vigilance Awareness Week for 2020(VAW-2020) was observed in NMDC Ltd. from 27.10.2020 to 02.11.2020 on the theme “सतर्क भारत, समृद्ध भारत – Satark Bharat, Samridh Bharat (Vigilant India, Prosperous India)”.

On the Inaugural day of VAW-2020, Integrity Pledge for organisation was administered to all employees by Shri Sumit Deb, CMD through virtual mode across all the Projects/R&D & Regional Offices(ROs) of NMDC Ltd. located in the states of Chhattisgarh, Karnataka, Madhya Pradesh, Andhra Pradesh, Jharkhand & New Delhi.

Various activities including sensitization programmes and individual/inter-departmental competitions like Slogan writing, Essay writing, Elocution, Quiz competition, inter-departmental House-keeping competition and Drawing of e-posters on the VAW theme were arranged for the employees during the Vigilance Awareness Week-2020. In addition to the conduct said regular activities, around sixteen areas/activities were also covered during VAW-2020, the list of which was provided by the CVC with a direction to take up those areas/activities in campaign mode.

Precautions as per COVID-19 guidelines were strictly taken during the observance of Vigilance Awareness

Week -2020 and most of the events/activities during VAW-2020 was arranged through On-Line mode, as far as possible.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 with respect to Directors Responsibility Statement it is hereby confirmed that:-

- (a) in the preparation of the annual accounts for the financial year ended 31.03.2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DECLARATION ON MEETING THE CRITERIA OF INDEPENDENCE AS PER THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

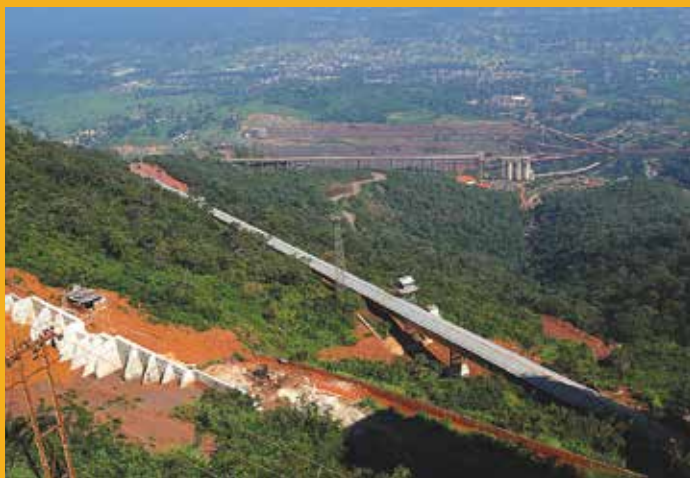
The Board of NMDC is not having Independent Director in FY 2021-22 as on the date of report. The company being Government Company, the power to appoint Directors (including Independent Directors) vests with Govt. of India.

#### **COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

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

#### **NUMBER OF BOARD MEETINGS HELD**

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





## NMDC STRATEGIC MANAGEMENT PLAN (NMDC VISION 2025).

A long-term strategic management plan (SMP), 'Vision 2025' has been formulated which envisages iron ore production capacity of 67 MTPA. This expansion plan includes brownfield expansion of existing mines and developing greenfield mines in partnership with Chhattisgarh Mineral Development Corporation. A joint venture of NMDC & CMDC (NCL) is in process of starting operations from Dep-13 Iron Ore Mine in the Bailadila Region. The Government of Chhattisgarh has notified the allocation of Dep-4 to NMDC in Sep'19 for prospecting and mining operations.

The pandemic of Covid-19 & lockdowns across the country in Q1 FY'21 had impacted the demand for steel in short. Most of the downstream industries were closed or operated at low capacity. Under the impact of low demand & economic slow down across the globe, future plans of the various industries including iron & steel had been impacted severely. However, quick recovery of steel & iron ore demand in the international market, especially from China, the domestic Iron & Steel industry have recovered fast from the impact of Covid. Although the plan of NMDC has been derailed due to the impact of two waves of Covid-19, NMDC is also reviewing its long-term plan based on the situation that arises after reaching the new normal and increase in demand & growth in the iron & steel industry. As per National Steel Policy, the country has envisaged increasing its steel production capacity to 300 MTPA by FY'31. The wide range of continuing infrastructure projects could support growth in steel demand to reach our envisaged target of per capita steel consumption of 158 Kg by FY'31 in the long term. NMDC is actively pursuing an Iron Ore Production ramp-up plan to further increase its iron ore production capacity to 100 MTPA by FY'30 from its existing mines and further to 100MTPA from the acquisition of new mines through the reservation route.

In the financial year 2020-21, the Company has progressed significantly on various activities to enhance its production capacity from 43 MTPA to 46 MTPA and there is also progress in the construction of the fifth line in Screening Plant Dep-5 & up-gradation of the downhill conveyor system in BIOM Bachel Complex. Rapid Wagon Loading System (RWLS-I) and New Screening Plant (SP-III) at BIOM Kirandul Complex are under construction. Further, NMDC is planning to enhance the EC capacities of mines in the mining complexes of Bailadila and Donimalai.

To augment the evacuation capacity from the Bailadila sector, many projects & schemes are being taken up like doubling of KK line, Rowghat-Jagdarpur line, Slurry Pipeline, etc. Doubling of KK line is being executed by Railways as deposit work. Section I Jagdarpur to Silakjhor 45.5 km of the railway line has been completed

& opened for traffic. 26% of section II between Kirandul to Gidam (52.228 Kms) is also completed. Further 84% of works in Section III between Gidam and Silakjhor has been completed. Overall progress is 72% with the commissioning of 74 kms & the project is likely to be completed by FY'23. The completion of this project will augment the evacuation capacity of the Bailadila sector through the Railway line from 28 MTPA to 40 MTPA.

Activities for Phase-1 of Slurry Pipe Line including 2 MTPA capacity Ore Processing Plant (OPP) at Bachel, 15 MTPA capacity Slurry Pipeline System (130 km) from Bachel to Nagarnar and 2 MTPA capacity Pellet Plant at Nagarnar, has also been initiated. The work has been divided into 10 packages, out of which 3 packages namely Site Levelling work for Pellet Plant at Nagarnar, Ore processing plant at Bachel & Geo Tech investigation (BP-03) at Bachel has been completed. Five more packages have been awarded & work is in progress. The remaining 2 packages are in the advance tendering process. The project is likely to be completed by June 2023.

Further, NMDC has been allocated with 2 Coal Blocks-Tokisud North & Rohne, in Jharkhand. NMDC is in the process of appointing an MDO for the operation of Tokisud North coal block & will start the operation near future through MDO.

Besides the expansion plan, the SMP also envisaged the introduction of systemic interventions in six strategic transformation areas - Business, Operations, Sustainability, Capital Projects, Human Resource and IT. NMDC has implemented an ERP system across all projects & steel plant in FY'21, License-to-Operate (the computer-based model in which all the statutory approvals will be brought under one umbrella). Implementation of Mines Transport Surveillance System (MTSS)- Weighbridge automation/ Virtual Fencing/ Geo-Fencing/ GPS/ Proximity Warning Device for dumpers/ CCTV Surveillance/ Wireless Networking has been completed at Donimalai and will be implemented across all Mines in a phased manner based on the success of the system. NMDC has further taken initiatives to venture into fleet management system, automatic (robotic) sampling & analysis system, vision enhancement system, conveyor monitoring system and 3D Volumetric and Laser Scanner System to enhance its digital strength.

NMDC is publishing Sustainability Report as per the Global Reporting Initiative (GRI) Standards, capturing initiatives taken by NMDC over the years in Economic, Environmental and Social aspects. As the world is now traversing more uncertainty than ever, NMDC is focusing on building sustainable and resilient businesses to survive in the long run and made a meaningful contribution to the battle against climatic change through increasing investing environment, social and governance(ESG) initiatives.

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

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

		upto
i)	Shri N. Baijendra Kumar, CMD	31.07.2020
ii)	Shri Vijoy Kumar Singh, Govt. Nominee Director	04.11.2020
iii)	Shri Ashok Kumar Angurana, Independent Director	15.11.2020
iv)	Shri D. Kuppuramu, Independent Director	16.03.2021

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

		w.e.f.
i)	Shri Sumit Deb, CMD	01.08.2020
ii)	Shri Shashank Priya, Govt. Nominee Director	17.12.2020
iii)	Shri Somnath Nandi, Director (Technical)	18.12.2020

The Board places on record its deep appreciation for the valuable contribution made by Shri N. Baijendra Kumar, Shri Vijoy Kumar Singh, Shri Ashok Kumar Angurana and Shri D. Kuppuramu during their tenure on the Board of the Company.

## AUDIT

### a. Statutory Auditors

On the advice of the Comptroller and Auditor General of India, New Delhi, your Company appointed the following firms of Chartered Accountants as Statutory Auditors of the Company for the year 2020-2021

Sl.No.	Unit	Statutory Auditors
1	Head Office R & D Center SIU & Consolidation	M/s SAGAR & ASSOCIATES Chartered Accountants House No.6-3-244/5 Saradadevi Street, Premnagar, Hyderabad Telangana: 500 004
2	Kiradul Complex Bachel Complex NISP, Jagdalpur Vizag Office	M/s AGASTI & ASSOCIATES Chartered Accountants Gurunanak Nagar Durg Chhatishgarh:- 491 001
3	Donimalai Complex	M/s YOGANANDH & RAM LLP Chartered Accountants Third Floor, Shri Narasimha Nilaya No. 263/1, Second Cross, T. Mariappa Road Second Block, Jayanagar, Bengaluru Karnataka : 560 011

4	4 Panna Project	M/s Neeraj Prakash & Associates Chartered Accountants 328/208, Lukerganj Purosottam Kunj Near Dr. Banerjee, Allahabad Uttarpradesh : 211 001
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### b. Cost Auditors

M/s B Mukhopadhyay & Co, Cost Accountants B 20, Amarabati, Sodepur Kolkata – 700 110.

### c. Secretarial Auditors

M/s D. Hanumanta Raju & Co. Company Secretaries B-13, F1, P.S. Nagar Vijaynagar Colony Hyderabad – 500 057

## IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

All the provisions of the RTI Act 2005 are being complied with by the Company. In order to ensure timely disposal of RTI applications, PIOs have been appointed in each of NMDC's Units. A close monitoring of the RTI applications received is done to ensure that the replies are sent in time.

The details of RTI applications received in Head Office and all the Units of the Company during the period 01.04.2020 to 31.03.2021 are as follows:

Month	No of Applications received	Information Provided	Rejected
	(Pending As on 01.04.2020) 5		
April 2020		6	
May 2020	9	7	
June 2020	9	10	
July 2020	12	9	
August 2020	14	11	
September 2020	40	7	
October 2020	20	41	
November 2020	18	21	
December 2020	31	20	
January 2021	27	38	
February 2021	14	21	
March 2021	9	8	(Pending As on 01.04.2020) 4
<b>TOTAL</b>	<b>209</b>	<b>199</b>	

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE – NIL**

**AWARDS RECEIVED BY THE COMPANY**

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

1. NMDC Received Public Relations Society of India (PRSI) National Awards 2020 for Best PSU implementing CSR (3rd Prize) and Annual Report (2nd Prize) in virtual mode by Uttarakhand Governor, Union Education Minister and PRSI President.
2. NMDC awarded Greentech Environment Award (Winner) and 4 first prizes and 2 second prizes in various categories including 1st prize in Overall Performance category in Mines Environment and Mineral Conservation Week.
3. NMDC, has been honoured with 'National HR BEST Practices Award 2019' by the National Institute of Personal Management (NIPM) at Hyderabad
4. NMDC conferred with two coveted awards for its excellence in unique CSR initiatives at Apex India CSR Excellence Awards – 2019 at Hyderabad.
5. Kirandul Complex of NMDC has been conferred with the Platinum Award in metal & mining sector by Apex India Foundation for its commitment to promote education under its CSR initiatives at Hyderabad.
6. NMDC was awarded the Business Leader of the Year, PSU sector in organizational category for CSR Initiatives (Social Development) and the Best CSR Practices category, at the World CSR Day & Congress at Mumbai.
7. "Rajbhasha Kirti" award - for implementation of Rajbhasha in "C" region. This was the third time in a row that NMDC has been selected for Rajbhasha Kirti award.
8. NMDC has been declared winner of Rajbhasha Shield -First Prize for implementation of Rajbhasha by Town Official Language Implementation Committee, Hyderabad-Secunderabad (Undertakings). NMDC has bagged First prize for the Fifth Year in a row.

**VIGIL MECHANISM**

NMDC being a PSU, the guidelines of Central Vigilance Commission (CVC) are applicable which provides adequate safeguard against victimization of the employees. The Board of Directors at its 451st meeting held on 20.09.2012 approved the internal Whistle Blower Policy of NMDC. NMDC has effectively implemented its internal Whistle Blower Policy under CVO NMDC, the designated Nodal Officer for the purpose.

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

**Buyback of Equity Shares of the Company 2020-21 (3<sup>rd</sup> Series)**

The Board of Directors of the Company at its meeting held on 10<sup>th</sup> November 2020 approved buyback of not exceeding 13,12,43,809 (Thirteen Crore Twelve Lakh Forty Three Thousand Eight Hundred Nine) fully paid-up equity shares of face value of Re. 1/- each (representing 4.29% of the total number of fully paid-up equity shares in the paid-up share capital of the Company) at a price of Rs. 105/- (Rupees **One Hundred Five** only) per equity share payable in cash for an aggregate consideration not exceeding Rs. 1378,05,99,945/- (Rupees One Thousand Three Hundred Seventy Eight Crore Five Lakh Ninety Nine Thousand Nine Hundred and Forty Five only) (excluding transaction costs) being 5.00% and 5.05% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited standalone and consolidated financial statements of the Company, respectively for the financial year ended 31<sup>st</sup> March 2020, from all the existing shareholders / beneficial owners of Equity Shares as on the record date i.e. 23<sup>rd</sup> November 2020 on a proportionate basis through a Tender Offer route. The Buyback was within the statutory limits of 10% of the aggregate of fully paid up share equity capital and free reserves of the Company under the Board of Directors approval route.

Public Announcement dated 11<sup>th</sup> November 2020 was published in newspapers on 12<sup>th</sup> November 2020. The Draft Letter of Offer (DLOF) dated 19<sup>th</sup> November 2020 was filed with SEBI on 19<sup>th</sup> November 2020 for observations. The Letter of Offer dated 12<sup>th</sup> December 2020 was sent electronically to the registered email id's of the Shareholders as on record date. Buyback offer opened on 17<sup>th</sup> December 2020 and closed on 31<sup>st</sup> December 2020.

The details of valid bids considered by the Registrar to the Buyback offer are summarized as under:

Category of Investor	Number of Equity Shares reserved in Buyback	Number of Valid Bids	Number of Equity Shares validly tendered	Number of Equity Shares accepted	% Response
Reserved category for Small Shareholders	1,96,86,572	240	32,165	32,165	0.16
General category of other Shareholders	11,15,57,237	15	13,12,85,789	13,12,11,644	117.68
<b>Total</b>	<b>13,12,43,809</b>	<b>255</b>	<b>13,13,17,954</b>	<b>13,12,43,809</b>	<b>100.06</b>



All valid bids were considered for the purpose of acceptance in accordance with the Buyback Regulations. The total number of Equity Shares bought back under the Buyback Offer are 13,12,43,809 at a price of Rs.105/- per Equity Share. The total cash outflow in the Buyback of Equity Shares is 1378,05,99,945/- (Rupees One Thousand Three Hundred Seventy Eight Crore Five Lakh Ninety Nine Thousand Nine Hundred Forty Five only) (excluding transaction costs viz. brokerage, advisor's fees, intermediaries fees, public announcement publication fees, filing fees, turnover charges, applicable taxes inter alia including Buyback taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses). Government of India received Rs. 1377,28,18,710/- (Gross consideration) out of the buyback transaction.

The settlement of all valid bids was completed on 8<sup>th</sup> January 2021. The extinguishment of 13,12,43,809 Equity Shares accepted under the Buyback has been completed on 11<sup>th</sup> January 2021. The equity share paid-up capital of the Company post Buyback is Rs. 293,06,05,850 (pre buyback paid-up capital was Rs. 306,18,49,659). Post completion of the Buyback, the share of Govt. of India (Promoters of the Company) in NMDC stands at 68.29%.

#### Offer for Sale (OFS) in F.Y. 2021-22

Pursuant to the Offer for Sale (OFS), the President of India (acting through and represented by the Ministry of Steel, Government of India), the Promoter of NMDC Limited sold equity shares aggregating to 21,95,02,378 (no.s) on 6<sup>th</sup> July 2021 and 7<sup>th</sup> July 2021 representing 7.49% of the paid-up equity share capital of the Company. The Floor Price for the Offer was Rs. 165.00 per equity share. The Transaction value of the OFS is of Rs. 3651,37,22,349.08. Post completion of the said OFS, the equity stake of the Promoter in NMDC Limited stands reduced from 68.29% to 60.80% as on 8<sup>th</sup> July 2021.

#### Employee OFS in F.Y. 2021-22:

In accordance with the approval given by Alternative Mechanism on 5<sup>th</sup> July 2021, the President of India, acting through Ministry of Steel, Government of India offered up to 89,08,907 equity shares of face value of Re.1/- each to the eligible employees of the Company at a price Rs.165.50 per equity share. Accordingly, the Promoter of

NMDC Limited sold 1,47,942 (no.s) equity shares to the eligible employees of the Company on 20<sup>th</sup> July 2021 at an offer price of Rs. 165.50 per equity share. Transaction value of the Employee OFS is of Rs. 2,44,84,401.00. Post completion of the employee OFS, the equity stake of the Promoter in NMDC Limited stands reduced from 60.80% to 60.79% as on 23<sup>rd</sup> July 2021.

#### FORMAL ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS.

NMDC being a Government Company, the terms and conditions of appointment and remuneration of Functional Directors and Independent Directors are determined by the Government through its administrative Ministry, Ministry of Steel.

In terms of notification dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, Govt. of India, Government Companies have been exempted from applicability of some of the provisions /sections of the Companies Act, 2013 inter alia Sub-sections (2),(3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration.

#### IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board at its 442<sup>nd</sup> meeting held on 19.01.2012 has approved the Risk Assessment and Risk Mitigation Policy / Enterprise Risk Management (ERM) of the Company. Accordingly, the Company has constituted a Board level Risk Management Committee comprising of Functional Directors (excluding CMD). The Company as a part of its current Risk Management Policy has identified top 15 Risks That Matters (RTMs) and documented Mitigation Plan / Strategy for the same

During the year under review, four meetings of the Board level Risk Management Committee were held.

#### DIVIDEND DISTRIBUTION POLICY

The Board of Directors has approved Dividend Distribution Policy which has been uploaded in the website of the company under the link <https://www.nmdc.co.in/Docs/Dividend%20Distribution%20Policy.pdf>.

#### ERP IMPLEMENTATION

NMDC is the first ever CPSE to implement the state-of-the-art Enterprise Resource Planning (ERP) solution





on SAP S/4 HANA in January 2021. The implementation project known as “KALPATRU” has the distinction of being the largest of its kind and with all Core SAP modules implemented. The business objective for SAP implementation-related digital transformation was to provide end-to-end integrated business application solutions across all functions of Production, Maintenance, Procurement, Inventory, Finance, Sales and HR Management of NMDC. This implementation was complex and business critical as it was to be implemented in a Big-Bang methodology i.e. all modules at all locations in one go by incorporating many peripheral processes like Health, Environment & Safety, Treasury & Risk Management, Document Management, Manufacturing Interface, Dashboard and Analytics etc.

All core modules of ERP have been implemented along with industry solutions for Mining. Industry solutions for Steel will be fully implemented once the Steel plant starts operations. ERP solutions have been implemented with minimal or no disruptions to business activity. Implementation was planned within a period of 18 months and Go-live was achieved in 21 months in spite of Covid-19 challenges.

This planned Digital ERP Transformation will enable NMDC to improve decision-making and respond faster to customer needs with access to real-time data. It will also help NMDC utilize the insights from SAP into integrating and consolidating all business processes end-to-end thereby substantially improving productivity and operational efficiency.

The new ERP system will serve as a backbone for further digital initiatives in NMDC. This robust platform will further enable NMDC to expand its solution landscape by adopting new age solutions around Mobility, Analytics, Robotics, Process Automation, IOT, IT/OT Integration, Artificial Intelligence in the near future.

#### REPORT ON MANAGEMENT DISCUSSIONS AND ANALYSIS

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

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

#### CORPORATE GOVERNANCE

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

#### ANNUAL RETURN UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013.

Pursuant to Section 92(3) of the Companies Act, 2013, Annual Return in Form MGT-7 is hosted on the Company’s website and weblink for the same is <https://www.nmdc.co.in/Financial%20Information/Default.aspx>

#### BUSINESS RESPONSIBILITY REPORT

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

#### SECRETARIAL AUDIT REPORT

In terms of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed M/s D. Hanumanta Raju & Co, Company Secretaries, Hyderabad as the Secretarial Auditors to conduct Secretarial Audit of the Company for the FY ended on 31st March 2021. The Secretarial Audit Report in Form MR -3 pursuant to Section 204(1) of the Companies Act, 2013 and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is placed at Annexure-V to this Report.

The observations of the Secretarial Auditors are relating to the composition of the Board of Directors with respect to the requisite number of Independent Directors of the Company, Constitution of the committees and quorum for the meetings, which is not as per the requirements of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 during the financial year 2020-21.

In this regard it is stated that NMDC Limited being a Central Public Sector Enterprise under administrative control of Ministry of Steel, Govt. of India and as per Articles of Association, the President of India shall

appoint all members on the Board of Directors. The present composition of the Board of NMDC Ltd. consists of five (5) Functional Directors including CMD and two (2) Government Nominee Directors. Accordingly, the Board of NMDC has no Independent Director as on date. 8 (Eight) posts of Independent Directors; Includes vacancy of at least one woman Independent Director needs to be filled in by Ministry of Steel, Govt. of India. All the observations are due to not having requisite number of Independent Directors. The Company is regularly following up with Ministry of Steel, Govt. of India for appointment of requisite number of Independent Directors on the Board of the Company. The Board of the Company has also been informed in this regard at regular intervals.

#### **GLOBAL COMPACT – COMMUNICATION ON PROGRESS**

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

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

#### **REPORT ON CSR ACTIVITIES**

Report in terms of the Companies (Corporate Social Responsibility Policy) Rules, 2021 is at **Annexure-VIII**. The Report on CSR inter alia, outlines details of CSR Policy and various CSR initiatives of the company for the year under review.

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

Details to be provided in the Annual Report in terms of

recommendations made by the Committee on Papers laid on the Table (Rajya Sabha) in its 150<sup>th</sup> Report is enclosed at **Annexure-IX**.

#### **ACKNOWLEDGEMENT**

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

Your Directors acknowledge the support extended by the valued and esteemed international and domestic customers, Shareholders stakeholders, MMTC, Chennai Port Trust, Visakhapatnam Port Trust, Railways and other Departments of the Central and State Governments. We believe that our long-term success is dependant on our domestic customer relationship and responsiveness. We will do everything possible to provide our customers better, timely and value added services.

The success of your Company is due to the commitment and dedicated efforts of the managers and employees at all levels. Your Directors place on record their appreciation and also acknowledge the support and co-operation of All India NMDC Workers' Federation and their members for the smooth functioning of the Company's operations.

**SUMIT DEB**

Chairman and Managing Director

Place : New Delhi

Date : 12.08.2021





## ANNEXURE – I

# MANAGEMENT DISCUSSION & ANALYSIS REPORT FOR THE YEAR 2020-21

## 1. NMDC: An overview

### 1.1 Introduction

**NMDC Limited, operating in the Mining and Mineral sector since November 1958, is one of the highest profit-making 'Navratna' public sector companies under the Ministry of Steel. NMDC has extensive experience in the exploration of a variety of minerals including iron ore, copper, rock phosphate, limestone, dolomite, gypsum, bentonite, magnesite, diamond, tin, tungsten, graphite, beach sands etc.**

**NMDC Ltd is the largest iron ore mining company in India, with an average annual production of over 33 MT over the last 5 years.** With iron-ore production of around 34.15 million tonnes in FY'21, it contributed to around 29% of domestic production (excluding captive iron ore production). At an average of 64% Fe, NMDC sells one of the best grade Iron ore globally. The company has tailored its iron products like DR CLO, Iron ore lumps, Iron ore Fines, Sized ore, Low-grade fines to suit the requirement of Integrate steel Plants, Sponge Plants and Pellet Plants. Apart from the sale of ore in the domestic market, NMDC also supplies ore to Japan & South Korea under long-term agreements with the two countries.

NMDC has added 3 MTPA capacity in FY'21 & has plans to increase the production capacity from its three mining complexes from the existing 46 MTPA to 67 MTPA in the near future to meet the growing requirements of iron ore of the Indian Steel Sectors. In the long term NMDC is actively pursuing an Iron Ore Production ramp-up plan to further increase its iron ore production capacity to 100 MTPA by FY'30 from its existing mines and further to 100 MTPA from the acquisition of new mines through the reservation route. The Company is also focused to diversify from the existing business of exploration and mining. NMDC has invested in the construction of a 3 MTPA integrated steel

plant in Jagdalpur (Chhattisgarh) and a 1.2 MTPA pellet plant in Donimalai (Karnataka). NMDC has also ventured into the mining of coal through the allocation of two coal blocks in Jharkhand on a nomination basis by the Government of India. NMDC is planning to start Tokisud North Coal Mine in Jharkhand in FY'22.

**The company immensely focuses on productivity improvement as well as cost optimization which results in high profitability for the organization.** NMDC has made the highest ever revenue of 15370 crores, with a growth of 31% over last year. NMDC recorded a Profit (before tax) of ₹ 8901 crores in FY'21 and a net worth of ₹ 29,756 crores (as of 31<sup>st</sup> March 2021). **NMDC has a strong history of rewarding investors with an average dividend payment of around 560 % in the last 5 years, which is testimony to consistently create value for its stakeholders.**

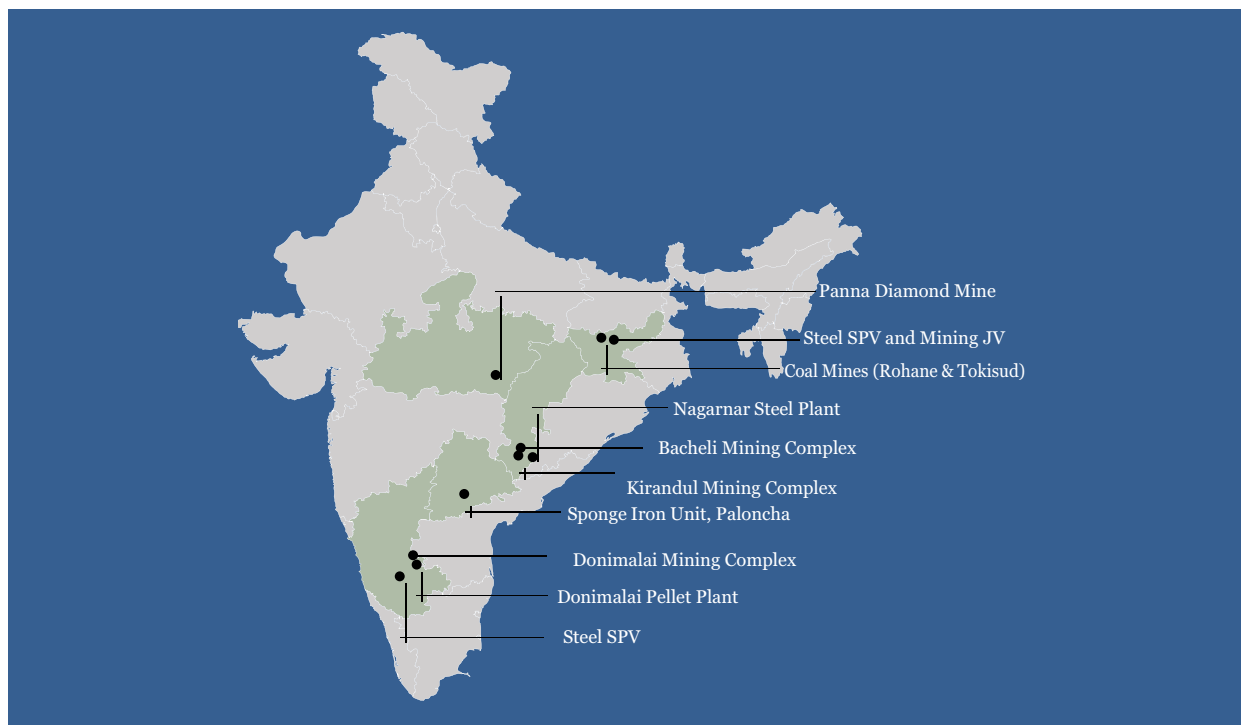
NMDC continues to pursue policies and programmes to deliver long-term value to all its stakeholders. NMDC has also invested substantially in the socio-economic development of the local communities, especially near its mining projects.

### 1.2 Operating Projects

NMDC operates three highly-mechanised iron ore mine complexes in the states of Chhattisgarh and Karnataka. Two of the complexes are located in Dantewada (Chhattisgarh) namely Kirandul Complex and Bachel Complex, that produce around 26 MTPA. The third complex in Bellary (Karnataka), namely, Donimalai Iron Ore Complex produces 14 MTPA (from the two pits-Kumaraswamy & Donimalai). NMDC also has a 1.2 MTPA pellet plant at Donimalai.

NMDC also operates the Diamond Mining Project, Panna (M.P.), which is the only mechanized diamond mine in Asia.

Apart from the above, NMDC has wide presence across the country as shown in the map.



### 1.3 Global Presence

- NMDC has a majority stake of 90.05% in Legacy Iron Ore Limited, an ASX listed entity based in Perth, Australia which has iron ore (magnetite), gold, nickel, base metal and tungsten interests (21 tenements) in Western Australia.
- International Coal Ventures Limited (ICVL), a joint venture company of SAIL, NMDC and RINL, acquired a coking / thermal coal mine in Mozambique in 2014 and took over the operation. NMDC holds a 26% stake in ICVL. Benga Mine, one of the operational assets of ICVL, has produced about 1.38 MT tons ore in FY'21 (Both low ash & high ash) compared to 1.78 MT production in FY'20. Mining was hampered for ~3.5 months due to Covid lockdown.
- NMDC has closed its operations (exploration works) at gold leases in Tanzania due to unsatisfactory results.

### 1.4 Growth plan

- NMDC has made a comprehensive plan to enhance iron ore production capacity to 67 MTPA to meet the growing requirements of iron ore of the Indian Steel sector. The strategy focuses on growth largely through brownfield expansion of existing mines and improving the evacuation infrastructure.

- NMDC is also actively pursuing an Iron Ore Production ramp-up plan to further increase its iron ore production capacity to 100 MTPA by FY'30 from its existing mines and further to 100 MTPA from the acquisition of new mines through the reservation route.
- NMDC also envisages expanding through the development of Deposit-13 & Deposit-4 (greenfield projects), under a Joint Venture company of NMDC Limited and Chhattisgarh Mineral Development Corporation (NCL).
- NMDC is in the process of setting up a slurry pipeline, along with associated beneficiation plant & pellet plant, in phases for economical transportation of iron ore to locations from where the pellets /ore can be supplied to the industry. Land acquisition for the slurry pipeline is in an advanced stage.
- Efforts to increase evacuation capacity through doubling of Kirandul-Kothavalasa (KK) line is also in full swing and few completed sections have been opened for traffic. Out of 150 km of planned doubling of railway line, 72% work has already been completed.
- NMDC has developed an intermediate iron ore stockyard at Kumarmaranga in Chhattisgarh for uninterrupted supplies to customers. This stockpile will be operationalised soon.

- NMDC is pursuing the allocation of new iron ore deposits both through participation in auction and reservation through government dispensation route (section 17A(2A) of the revised MMDR Act, 2015) for further expansion in capacity.
- NMDC had emerged as a preferred bidder for Chigargunta-Bisanatham gold block, Andhra Pradesh in the auction process conducted in July'18, for which activities will be initiated post-issuance of LOI.
- **Ministry of Coal has allocated two Coal Blocks namely Tokisud North Coal block & Rohne Coal Block on 17<sup>th</sup> March 2020 for commercial sale & captive purpose.** NMDC is in final stage of appointing MDO for Tokisud North Coal Block and planned to start its operations in FY'22.
- NMDC is in the advanced stages of setting up a 3.0 MTPA greenfield Steel Plant at Nagarnar in Chhattisgarh, which is expected to operationalize in FY'22. The commissioning of the integrated steel plant got delayed due to the pandemic. NMDC has also forayed into pellet-making through the setting up of a 1.2 MTPA pellet plant at Donimalai. Another 2 MTPA pellet plant is in the process of being set up at Nagarnar, Chattisgarh.

#### 1.5 Exploration & Reserve Estimation:

NMDC has a **dedicated exploration wing at Raipur**, fully equipped to undertake the exploration of minerals. NMDC has conducted more than 17,712 meters of core drilling in FY'21, at existing mines. NMDC is also conducting exploration in different blocks of iron ore, manganese, gold & diamond in M.P., Maharastra, Jharkhand etc under NMET & MOU route. Besides, it has also established a well-equipped **Centre for Geostatistics** and has a **remote sensing lab** at Corporate Office, Hyderabad. NMDC has full-fledged mine planning wings at Corporate office as well as at project sites for orebody modeling, reserve estimation, pit design & scheduling, with advanced software like Surpac, Whittle & Mineshed.

#### 1.6 Research & Development:

NMDC operates a **state-of-the-art Research & Development (R&D) Centre** at Hyderabad, which has been declared as a "Centre of Excellence" by the United Nations Industrial Development Organisation (UNIDO). The R&D Centre undertakes different projects to mitigate the operational challenges of different units of NMDC and provide solutions in terms of improvement in the system or change in technology, to achieve a continual enhancement in its processes & operations. The

Centre provides solutions to external agencies as well. NMDC holds 21 patents for its innovations at R&D centre. Recently, 04 Nov'2020, NMDC has launched NICE (NMDC Innovation & Incubation Centre) in collaboration with i-TIC foundation, IIT, Hyderabad.

## 2. Industry Structure and Developments Market Environment:

### 2.1 Economy:

#### 2.1.1 Global:

- World has faced unprecedented impact of the Covid-19 pandemic affecting the lives of people across the globe, triggering the worst recession since the Great Depression with a negative global growth of -3.2% in 2020. Following last year's collapse, the global economy is experiencing an exceptionally strong but uneven recovery. While advanced economies are rebounding, many of the world's poorest countries are being left behind, and much remains to be done to reverse the pandemic's staggering human and economic costs.
- Global growth is set to reach 6 percent in 2021—its strongest post-recession pace in 80 yrs—in part underpinned by steady but highly unequal vaccine access. Advanced economies growth prospects have improved by 0.5%, while downward revision for emerging market and developing economies, significantly for emerging Asia. For 2022, projected global growth is 4.9%.
- Advance economies has vaccinated their population at a faster pace compared to emerging market economies creating divide in two regions & uneven recovery. Divergences in policy support are a second source of the deepening divide. Advance economies have continued sizable fiscal support in 2021 for pandemic related measures and more fiscal support is anticipated in 2022, especially in USA & EU. On the other hand, in emerging market and developing economies most fiscal measures expired in 2020.
- Constrained demand and supply chain bottlenecks are putting upward pressure on prices leading to high inflation. However, this temporary inflation is expected to subside to pre-pandemic ranges in advance economies in 2022. But inflation is expected to remain elevated into 2022 in some emerging market and developing economies, with continued food price pressures and currency depreciations—creating yet another divide.



- One important avenue to bolster trade is to reduce the costs of cross-border trading. These costs currently double the price of traded goods over domestic goods and far exceed the costs of tariffs alone. Measures to lower trade costs include simplifying burdensome border procedures, improving transport infrastructure and governance, enabling greater competition in shipping, logistics, and wholesale and retail trade, lowering trade barriers, and ensuring greater transparency and predictability of trade policy.
- The global outlook remains highly uncertain, with major risks around the path of the pandemic and the possibility of financial stress amid large debt loads. Further, recovery is uncertain unless Covid will be beaten by vaccine at global level.

#### Overview of World Economic Outlook Projections

Region/Country	Y-o-Y (% age change)					
			Projections		Difference from Apr'20 projections	
	2019	2020	2021	2022	2021	2022
World	2.8	-3.2	6.0	4.9	0.0	0.5
Advanced Economies	1.6	-4.6	5.6	4.4	0.5	0.8
US	2.2	-3.5	7.0	4.9	0.6	1.4
EU	1.8	-6.0	4.7	4.4	0.3	0.5
UK	1.4	-9.8	7.0	4.8	1.7	-0.3
Canada	1.9	-5.3	6.3	4.5	1.3	-0.2
Emerging market & developing economies	3.7	-2.1	6.3	5.2	-0.4	0.2
Russia	2.0	-3.0	4.4	3.1	0.6	-0.7
China	6.0	2.3	8.1	5.7	-0.3	0.1
India	4.0	-7.3	9.5	8.5	-3.0	1.6
Brazil	1.4	-4.1	5.3	1.9	1.6	-0.7

Source: IMF

#### 2.1.2 India

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India has the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

However, the impact of Covid pandemic & measures taken by the Government to contain the spread of the Covid-19 pandemic have had a denting impact on economic activities

& has derailed the normal growth trend for India in FY'21. As per the Central Statistics Office (CSO), the Indian economy (real GDP at constant 2011-12 price) is estimated to ₹ 135.13 lakh crore in 2020-21, as against the First Revised Estimate of GDP for the year 2019-20 of ₹ 145.69 lakh crore. The growth in GDP during 2020-21 is estimated at -7.3 percent as compared to 4.0 percent in 2019-20. GDP at Constant (2011-12) Prices in Q4 of 2020-21 is estimated at ₹ 38.96 lakh crore, as against ₹ 38.33 lakh crore in Q4 of 2019-20, showing a growth of 1.6 percent.

The 'Mining and Quarrying' sector was also not very promising & has shown a fall of -8.5% in FY'21 against previous years' negative growth of -2.5%, in terms of GVA numbers. The Index of Industrial Production (IIP) of Mining registered a fall of -7.8%

percent during 2020-21 as compared to 1.6% growth during 2019-20. Similarly, the Index of Industrial Production of Metallic Minerals has observed a sharp fall of -15.8% in 2020-21 as compared to a growth of 13.9% in 2018-19. However, Q4 2021 has observed a sharp recovery and IIP of Mining & Metallic Minerals shown a growth of -0.1% & 3.6% respectively.

The economy was gradually turning towards recovery until the deadly COVID-19 second wave hit India in April'21 & has delayed India's recovery. Although substantial spending by the government, private investments, goods exports & improving business sentiments provided the biggest boost to growth in Q4 of FY'21, the worrying trend is a fall in consumption spending, mostly due to health and financial anxieties. With more COVID-19 variants emerging across the world and certain mutations suggesting variants of concern, which is driving the sluggish consumer spending, the country needs effective policies to address the risks & gain consumer confidence and thereby, boost spending.

Some of the recent initiatives taken by the Government which can boost the economy are:

- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced ₹ 15,000 crore (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for the second tranche of EUR 150 million (US\$ 182.30 million) for the Pune Metro Rail project.
- According to an official source, as of June 2021, 29 companies have registered under the ₹ 12,195 crore (US\$ 1.64 billion) production linked incentive scheme for the telecom sector.
- For the implementation of the Agriculture Export Policy, Government approved an outlay ₹ 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmer's income by 2022.

The country is also progressing towards huge infrastructure investments in the coming years. Addressing the nation from the Red

Fort, Hon'ble Prime Minister Shri Narendra Modi has announced -- Gati Shakti Project, an ambitious project for infrastructure building worth ₹ 100 lakh crore – which will take the country towards accelerated progress in the next 25 years. Further, India is expected to attract an investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and has plans to increase its renewable energy capacity to 175 gigawatts (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

As indicated by provisional estimates released by the National Statistical Office (NSO), India posted a V-shaped recovery in the second half of FY21. As per the Reserve Bank of India's (RBI) estimates, India's real GDP growth is projected at 9.5% in FY22; which includes the growth of 18.5% in Q1, 7.9% in Q2, 7.2% in Q3 and 6.6% growth in the Q4.

Initiatives being taken by the government to increase the spending on infrastructure development with a plan to increase public health spending to 2.5% of the GDP by 2025 will boost the Indian economy as well as the iron & steel sector in the near future and outlook for the iron ore sector is positive & strong in near future.

## 2.2 Iron Ore Industry Outlook:

### Global: Steel & Iron Ore

- After a turmoil in the first half of 2020 in the iron & steel industry across the globe under the impact of Covid-19 & strict lockdowns, the industry has shown a sharp recovery by the initiatives taken by governments in different countries to curb the growth of Covid-19 & support the economy by increasing the spendings, especially in infrastructure. Construction activity in China has shown some unexpected resilience mainly due to financial stimulus into infrastructure projects by Government to boost the economy & in turn steel demand. Steel use in China expanded while it contracted in the rest of the world and 2020 ended with only a minor contraction in world steel demand.
- Total world crude steel production was 1877.5 MT in 2020 with a marginal growth

from last year's production of 1874.4 MT. China contributed to 1064.8 MT in 2020 with a growth of about 7% from 995.4 MT in 2019. However, the rest of the world has seen a fall in production of crude steel by 7.5% reaching to 812.7 MT in 2020.

- With the increase in demand for steel from developed economies post-pandemic & continuous increase in demand from China, steel prices have increased significantly in Q1 2021-22 and leading to an increase in demand for iron ore. Although the supply of iron ore from Brazil has improved, trade tensions between China & Australia have added up to the red-hot prices of iron ore. Iron ore prices for the benchmark 62% index were hovering around \$215-220/t during June-July'21.
- Iron ore prices have seen a sharp correction in the last 1 month with the price falling from the level of \$220/ t to \$136/t (from July end to Aug end) for benchmark 62% Fe index. The fall in prices is mainly due to high Brazilian shipments coupled with steel production cuts in China under environmental restrictions. However, prices of steel have not seen any major correction in the recent past due to an increase in demand from developed nations after recovery from Covid as well as demand for steel for increased infrastructure spending by various governments.
- In the EU, flash flooding, particularly in Germany, has resulted in steel companies being unable to fulfill orders. Damage at mills appears minor, but transport and distribution links have been impacted. This supply disruption has provided support to steel prices in the near term. US end-user steel demand fundamentals remain robust and will remain strong in short term. The current production level is still lagging demand, which leaves room for further upside in steel production and imports in H2. If the demand & prices of steel will not cool down in near future, it will provide buoyant support to iron ore demand & prices.
- Climate change will equally influence the iron & steel industry. Apart from China, the decarbonization of the European steel industry is gaining pace. ArcelorMittal announced that it plans for its Spanish Sestao EAF to use ~50% fossil-free H-DRI and become zero carbon emissions by 2025 at this location. The industry is also focused on substantially improve efficiency, maximizing scrap use and developing breakthrough technologies to curb down carbon emission.

- Global crude steel production is forecasted to increase by around 6% year-on-year to reach about 1990 MT in 2021, despite production cuts in China under the impact of environmental sustainability. Steel demand & production will remain buoyant in 2022 & will observe marginal growth over 2021. However, the production of crude steel & hot metal will follow a negative trend in long term under the impact of environmental concerns. Chinese crude steel production is expected to increase by 4.9% in 2021 & 0.3 % in 2022.
- Even if Chinese steel demand remains subdued, lackluster seaborne iron ore supply is likely to keep iron ore prices at elevated levels over the next few months. It is projected that prices for iron ore will stabilize between \$120-140/t for the rest of the year due to a bearish outlook from the property and infrastructure sectors. Prices will fall further in the coming years with the increase in supply from new capacity addition and prices will float around \$ 80-90/t in long term.
- Pandemic has accelerated some key trends, which will bring about shifts in steel demand. The iron & steel industry will see exciting opportunities from rapid developments through digitization and automation, infrastructure initiatives, reorganization of urban centers and energy transformation.

#### India:

- Indian crude steel & iron ore production had observed a significant fall in Q1 FY'21 due to surge in covid & imposed lockdown by Government. Apart from the impact of Covid-19, iron ore production capacity was also affected by the delay in the start of auctioned mine post expiry of leases in March-2020, most of which could not start production till Q2 FY'21. However, it has revived significantly with strong economic support from the government & strong demand for iron ore & steel in the international market, especially in China. Domestic iron ore production in Q4 of FY'21 has reached the level of production of 66 MT, same as Q4 FY'20, due to increase in production of existing mines & start of production from auctioned mines, supported by various majors taken by the government to meet the domestic iron ore demand.
- Production of Iron Ore in India was about 203 MT in FY'21, which was 16.5% lower than that of FY'20. Further, the export of ore from the country has increased exponentially



& reached approx. 46.4 MT during the year FY'21, which was 85% higher than that of the preceding year's export of 25.13 MT, mainly due to the high demand for low-grade ore from China during the year.

- Indian steel demand from the construction and automotive sectors saw an uptick amid the relaxation of lockdowns in several regions in the recent past. However, overall steel demand remained stable in June'21 with lower manufacturing steel demand being the spoilsport. Steel production grew by 3% in June against May on the back of soaring exports, but export momentum will slow down in the coming months. Crude steel production for FY'22 is projected to increase by 10-15% over FY'21 (103 MT) to reach the level of 115-120 MT due to strong domestic demand for infrastructure development initiatives by the government, further supported by international demand.
- The Government of Odisha has initiated the auction of eight more iron ore blocks in the current year with total estimated reserves of 800Mt. Leases of two working mines in Odisha, namely Koira of Essel Mining and Thakurani-B of Sarada Mines Pvt. Ltd., with a total production capacity of about 10Mtpa will expire in August 2021 & will also be put up for auction after the expiry of leases. Additionally, Chhattisgarh state is planning to auction eight iron ore blocks during the year, estimated reserves of which are yet to be published.
- Indian exports have been remarkably strong Jan-June, 2021, backed by high seaborne prices, improving domestic supply and subdued domestic demand – particularly in Q1 FY'22. Also, major steel mills have been better placed for export options compared to secondary steel producers. Seaborne prices will support low-grade ore being exported from India for the rest of the year. High-grade export volumes are expected to fall in 2021. It is expected that India will export about 40-45 MT of iron ore in 2021
- Domestic demand is expected to be firm for the rest of the year, subject to the pandemic remaining under control. India's iron ore supply position has eased considerably after ramping up production of the mines auctioned last year; & no major supply constraints are expected in near future to meet the domestic demand. New mines being auctioned in Odisha will further add up the capacity apart from the expansion plan of existing miners.

- Indian iron ore production is likely to grow in line with domestic steel production, which is envisaged to reach 300 MTPA of crude steel capacity by FY'31. NMDC is bullish on the growth prospects of India's steel industry with its competitive advantages and the impetus being given by the government to the steel sector. Growth in domestic steel demand in all key sectors, such as infrastructure, housing, automobile, etc. is envisaged to support domestic demand. Further, the impetus of government in new-age technologies will add up to the infrastructure requirements & in turn increased the demand for steel & iron ore. At the same time, global demand in the near future will also support the domestic players. Further, the increase in demand for high-grade ore and the price of iron ore in the international market is expected to support NMDC in improving its performance in terms of quantity as well as EBITDA margins.

### 3. NMDC – Opportunities & Threats

#### a) Opportunities

- i) Envisaged growth in domestic steel production on account of the factors mentioned below would lead to higher demand for Iron Ore in the country:
  - Government impetus on increasing spending on developing infrastructure for various sectors will support the demand of steel & iron ore. Growth potential in steel-intensive sectors such as housing, infrastructure, automotive, rail & road, consumer durables in the coming years.
  - High demand for Steel & Iron ore in the international market, especially from China.
  - Government initiatives for Self-Reliant India creating new avenues & set-up of new industries leading to demand in steel
  - Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. This will further add up with the government initiatives for 100% FDI.
  - The government envisages bringing India's GDP to US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization,

favorable demographics, and reforms that will create demand for steel in the domestic market.

- Increase in demand for high-grade ore worldwide considering environmental concerns. NMDC's iron ore is one of the best grades of ore in the world.
- Continuous thrust by the government to use domestically manufactured iron and steel products in government procurement.
- Further capacity addition by steel players in near future, along with planned commissioning of NMDC's steel plant in Nagarnar.
- The re-start of Donimalai has further added the 7 MT production capacity apart from the 3 MT capacity addition at Kirandul.

- ii) Prices of iron ore in the international market will remain under upward pressure in the near term, which will increase the demand for domestic ore.
- iii) Allocation of Rs. 50,000 Crore for developing coal evacuation infrastructure, under Self Reliant India initiative by Government will help in both Steel & Coal Business of NMDC
- iv) NMDC, being one of the agencies nominated to undertake exploration activities is investing to intensify exploration for mapping of minerals across the country, which could open new avenues for the company to grow.
- v) The introduction of a seamless composite exploration-cum-mining-cum-production regime will help in catering to new mines under reservation/ auction.
- vi) Development of market-driven pricing i.e. pricing index could be a win-win situation for mining companies and end consumers and will streamline the calculation methodology leading to reducing the financial burden on leaseholders.

#### b) Threats

- i) Demand for Iron Ore may fall in the international market in long term due to the initiatives taken by various countries to cut steel production to reduce the carbon footprint.
- ii) New iron ore leases being being auctioned will add up the capacity of production leading to increase in supply of iron ore and increase the competition in the market. Further, capacity expansion by various captive & non-

captive players will further increase the iron ore supply.

- iii) Removal of distinction between captive and non-captive mines will allow the sale of surplus unused minerals in the market by captive miners will create pressure on the supply-demand scenario of the market. Government has also allowed the captive steel players to sale upto 50% of their iron ore, after meeting their own requirement will further add up to the competition.
- iv) Backward integration by Steelmakers into iron ore mining after the start of auctioned mines will affect the demand from the customers of the Company.
- v) Entry of new private payers in Iron ore & Coal Sector, under new policies of the government, will increase the competition for NMDC & reduce the demand of NMDC ore in the market.
- vi) Government has imposed a premium of 22.5% for all the iron ore mines, except Kumarswamy, renewed in recent past will impact the EBITDA margin of the company.
- vii) Indian iron ore industry will continue to be uncompetitive on a global level due to higher rates of royalty and other levies such as DMF, NMET, Export duty etc. as well as significantly higher logistic costs.
- viii) Increasing regulatory pressure on environment, health & safety and sustainability.
- ix) Threat of non-renewal of Donimalai iron ore leases or renewal with a high premium will affect the balance sheet of NMDC.
- x) Disturbances due to Maoist activities in Bailadila region from where the majority of NMDC's production comes. At the same time, the location of Bailadila has a logistic disadvantage.

It would be pertinent to note that the iron ore mining industry in India is expected to witness enhanced competition over the next few years due to new mines coming in operations after next trench of auction. We have also observed that few players have surrendered the auctioned mines or could not start, probably due to high premium quoted in auction in 2019-20. The premium offered by bidders during next trench of auction will play an important role to decide the market dynamics. It will be relevant to keep a watch that how a merchant player will manage it's costing after paying a huge premium in the auction.

On the one hand, domestic iron ore production is on the rise, with expectation to increase of production this year upto 245-255 MT. On the other, with domestic steelmakers acquiring mines through auction as the option to integrate backward, the market for merchant miners may be affected adversely in the medium to long-term. In the medium term, the impact of Corona will still be visible & demand will be sluggish under the effect of health issue & falling economy.

NMDC's business would continue to be affected by developments impacting the demand-supply scenario & price fluctuations of iron ore in both the global and domestic markets.

#### 4. Segment-wise or Product-wise performance

##### 4.1 Physical Performance of NMDC

Details	2016-17	2017-18	2018-19	2019-2020	2020-2021
<b>Production:</b>					
Production of Iron Ore WMT (In lakh tonnes)	340.05	355.76	323.61	314.89	341.50
Production of Sponge Iron (tonnes)*	5,474.11	NIL	2,475.37	NIL	NIL
Production of Diamonds (carats)	35,635.99	39,393.72	38,148.77	28,537.23	13,681.01
Production Pellets (in tonnes)		58,070	1,15,622.89	1,10,481.19	83,751.32
<b>Sales:</b>					
Sale of Iron Ore (in lakh tonnes)	356.21	360.75	323.56	315.14	332.52
Sale of Diamonds (carats)	25,631.46	33,175.34	29,345.54	33,722.90	22,248.84
Sale of Sponge Iron (tonnes)	8,579.42	Nil	495.58	1,943.88	NIL
Sale of Pellets (tonnes)		42,948	1,12,010	85,793	92,773

##### 4.2 Financial Performance of NMDC

(₹ in Cr.)

Details	2016-17	2017-18	2018-19	2019-2020	2020-21
Sale of Iron Ore	8,708.90	11,490.93	11,997.98	11,569.00	15,233.70
Sale of Diamonds	41.91	35.17	38.86	34.29	21.10
Sale of Wind Power	7.48	6.50	5.51	5.39	5.17
Sale of Sponge Iron	13.13	0.00	0.94	4.39	NIL
Sales- Pellet	0.00	25.40	76.52	55.55	73.50
Sales - Others	58.22	56.91	32.86	30.59	36.59
<b>Turnover</b>	<b>8,829.64</b>	<b>11,614.91</b>	<b>12,152.67</b>	<b>11,699.21</b>	<b>15,370.06</b>
EBITDA	4,509.86	6,472.13	7,518.91	6,426.69	9,146.27
PBT	4,293.68	6,179.66	7,199.06	6,123.48	8,901.10
PAT	2,589.14	3,805.88	4,642.11	3,610.12	6,253.05
Dividend	1,313.02	1,676.86	1,690.14	1,619.72	2,274.15
Dividend as % of PAT	51%	44%	36%	45%	36%

#### 5. Outlook for NMDC

NMDC proposes to augment its production capacity of iron ore to 67 million tonnes by FY'25. It has also embarked on value addition projects by setting up a 1.2 MTPA pellet plant utilizing slimes in Karnataka and a 3.0 MTPA integrated steel plant in Chhattisgarh. NMDC-CMDC Limited (NCL), a JV company of NMDC Limited & CMDC Limited, will also start production from Dep-13 through MDO in the near future. Dep-4 has been also allocated to NMDC in Sep'19, which will add further value to NMDC production & profit numbers. NMDC has also developed an intermediate stockpile at Kumarmaranga near Jagdlapur to ensure an uninterrupted supply of ore to the customers. To augment evacuation capacity, NMDC is supporting on Doubling of K-K line (Kirandul-Kotvatsala), Rowghat-Jagdalpur line, Slurry Pipeline, etc

To diversify further its business, NMDC is planning to start one of the Coal Mine, namely Tokisud North, Jharkhand in FY'22. NMDC will also start actions to operationalize the other allocated Coal Block, Rohne, in the next 2-3 years. NMDC also participated in the auction of the Gold mine & declared as preferred bidder for Chigugunta-Bisanatham Gold Block in A.P. NMDC will take action to start the gold mine after LOI will be issued by the state government.

NMDC has recently prepared its Internationalisation Strategy to venture into various identified minerals & geographies & will continue to look for opportunistic assets based on the recommendation & strategy in the formulated report.

NMDC is committed to focusing on maintaining cost competitiveness in the global and domestic markets in a scenario where prices are expected to remain subdued. Further, NMDC is taking various initiatives towards automation & digitization of its operation to further improve its cost competitiveness.

Along with robust strategic planning to support its growth agenda, NMDC continues to enhance organizational capabilities and other enablers to achieve its short-term and long-term objectives.

## 6. Risks and Concerns

NMDC is exposed to sharp fluctuations in demand for its products and volatility in prices. Falling prices of iron ore, specially in international market will support the import by the steel players & exert pressure on domestic supply & prices.

Introduction of Auction rule has increased risks for NMDC as its major customers have acquired captive mines in mineral-rich states, mainly JSW & AM-NS. Both JSW & AM-NS has already started production from newly acquired mines & planned to increase it further in the near future. New tranches of auction is likely to add further capacity of iron ore to steel players as well as other merchant players in near future. This is likely to adversely impact the market for NMDC over the medium to long term.

Kumarswamy mine is due for extension of lease in Oct'22, which will again impact the EBITDA of the company.

One of the major risks that NMDC is facing is the disturbances due to Maoist activities in Bailadila region. The Company is in contact with the Government agencies at all levels for support and protection of its employees and installations.

Although NMDC is entering in to Coal Mining, the opening of the Coal sector for Commercial mining will increase the competition for NMDC in the short

to medium term.

Timely enhancement of evacuation capacity in line with production plans also remains a potential risk. This could impact production and inventory levels for NMDC.

## 7. Internal control systems and their adequacy

Necessary disclosure in respect of Internal Control Systems and their adequacy has been made in Annexure-C to the Independent Auditors' Report dated 22<sup>nd</sup> June, 2021 which forms part of the Annual Report.

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

During the year under review, the Company's revenue from operations increased by 31.38% from ₹ 11,699 crores to ₹ 15,370 crores mainly on account of:

- Increase in Iron ore Sales quantity by 5.52 % from 315.14 Lakh Tons to 332.52 Lakh Tons.
- Realization was higher by 24.79% during this period from ₹ 3,671/- per ton to ₹ 4,581/- per ton.

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

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

The human capital of NMDC has been its key driving factor and its greatest asset. The company has made concerted efforts in keeping the workforce highly engaged and motivated.

On one hand, continuous improvement is made to improve the quality of life at the townships with investments in parks, community halls, up-gradation/construction of new quarters, clubs, gymnasium, facilities for different sports such as tennis, badminton, table-tennis, cricket, etc. NMDC has also taken revisions in various welfare measures & advance from time to time. It also focuses on various types of insurances beneficial to the employees. To give a further support to retired employees, NMDC has launched medical insurance facility for wider coverage of hospitals.

During Covid time, NMDC has taken various initiative to give the health & safety of the employees utmost priority. Apart from supporting the employees in various sanitaisation & health measures, Ex-Gratia of Rs 15 Lakhs for deceased employees' family has been also started, which is over and above the existing facility of payment of last Basic + DA every month for family of deceased employees.



On the other hand, training and skill up-gradation forms an important area where assessment is first made to understand employee needs and concerns and then, appropriate training programmes are organized throughout the year. Even during Covid time, NMDC continued its training programmes through Web-based learning initiatives. To enhance the training further, NMDC has initiated the process of purchasing 100 comprehensive world-class E-Learning Licenses through M/s Udemy. NMDC has further associated with reputed institutes like IIM, IIT and ISB for imparting training.

NMDC has also started happiness building initiative by imparting specific training in line with IKIGAI, on happy workplace. As a result of the all-round measures being taken by the company, attrition from NMDC has been marginal, despite remote locations of the NMDC mines.

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 All India NMDC Workers Federation (AINMDCWF) in this regard are praiseworthy.

Keeping in view the various diversification projects viz. Steel Plant and Pellet Plant, & expansion of existing projects, the company has taken initiative to train /retrain its existing manpower and also to go for fresh induction.

Further, about 10 executives have been recruited in Finance in FY'21. All were provided on-the-job and off-the-job training in order to prepare them for taking up the challenges of working in NMDC's production projects, upcoming Steel Plant as well as any new venture that Company may like to take up. The further recruitment process is in progress for upcoming projects.

During the last five years, the number of people on rolls as on 31<sup>st</sup> March is as follows:

2016-17	:	5,572
2017-18	:	5,382
2018-19	:	5,887
2019-20	:	5,739
2020-21	:	5,569

#### 10. Details of significant changes in Key Financial Ratios:

Details of significant changes (i.e. changes in 25% or more as compared to the immediately previous financial year in key financial ratios:

i)	Debtors Turnover Ratio	There is no significant change in the ratio
ii)	Inventory Turnover	There is no significant change in the ratio
iii)	Interest Coverage Ratio	232 ₹ 22.63 crore as interest upto March.2021 on 5years NCDs issued for ₹ 523.80 crore in Aug.2020 with coupon rate of @ 7.3% P.A.
iv)	Current Ratio	There is no significant change in the ratio 0.02
v)	Debt Equity Ratio	5 years NCDs issued for ₹ 523.80 crore in Aug.2020 with coupon rate of @ 7.3% P.A
vi)	Operating Profit Margin (%)	There is no significant change in the ratio
vii)	Net Profit Margin (%)	Current year 40.68% (P.Y. 30.86%), Increase in Iron Ore Price by 25%
vi1iii)	Return on Net Worth (%)	Current Year 21.01 % (P.Y 13.11%) Increase in PAT BY 73.21%
Or Sector Specific equivalent ratios as applicable		NIL

#### 11. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof (For Standalone Basis)

	2020-2021	2019-2020	(% of Change)
Net Worth (₹ In crore)	29,756	27,534	(+) 8.07 %
PAT (₹ in crore)	6,253	3,610	(+) 73.21 %
Return on Net Worth	21.01(%)	13.11(%)	

Interim Dividend paid during the current year ₹ 7.76 per share, total consideration of ₹ 2,274.15 crore.

#### 12. Sustainability

NMDC has invested in 'Sustainability' right since its

inception. It is on this account that NMDC has been able to create a favorable business environment in the areas it operates and has got a social license to operate in one of the remote & highly sensitive areas. NMDC has developed a strong local understanding of community concerns and local sensitivities. NMDC takes numerous steps to protect & enrich the environment. NMDC's efforts in sustainability have been rewarded with a 5-star rating to its mechanized mines from the Indian Bureau of Mines.

NMDC is publishing its Sustainability Report as per the Global Reporting Initiative (GRI) Standards, capturing initiatives taken by NMDC over the years in Economic, Environmental and Social aspects. NMDC Ltd. has shortlisted as a Finalist for ASRA (Asia Sustainability Reporting Awards) -Singapore.

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

### 12.1 Environment:

- The environmental monitoring studies are conducted through recognized laboratories of MoEFCC/ CPCB, covering all environmental parameters. Based on the results of monitoring studies, it is concluded that all environmental parameters are well within the limits during FY 20-21. A total of six Continuous Ambient Air Quality Monitoring Stations (CAAQMS) have been installed at Bachel project (2 nos), Kirandul project (2 nos) and Donimalai Project (2 nos) for recording of Ambient air quality parameters such as PM10, PM2.5, SO2, NOx and CO in real time.
- Every year Carbon Footprint studies are being conducted for disclosure of Greenhouse Gas Emissions in Carbon Disclosure Project (CDP). Water audit was conducted at all the production projects for evaluation of water consumption. The recommendations of the audit are being implemented by replacing the worn out and leaking pumps. Apart from this regular maintenance of water appurtenances is being done.
- Sustainable Mining Initiative audit is being done at all Iron Ore Mining projects of NMDC and recommendation are being implemented to obtain 5-star rating for all mines given by IBM, Ministry of Mines, Gol.
- The R&R works suggested by M/s Indian Council of Forest Research and Education (ICFRE, Dehradun) in the Environmental Management and Reclamation & Rehabilitation Plan for Kirandul Complex,

Chhattisgarh and in Donimalai Complex, Karnataka are under implementation stage.

- R&D works in the field of air, water, solid waste etc. are being undertaken by engaging institutes of repute such as ISM Dhanbad, NIT – Raipur and VNIT – Nagpur.
- Water Audit is conducted at regular intervals at all projects of NMDC and recommendations of audit are being implemented to conserve water and to improve the efficiency of motors / pumps, arrest leakages, etc.
- The environmental pollution control works are undertaken such as de-silting of check dams / check bunds, tailing dams, construction of buttress walls at toe of waste dumps and geo-coir matting for stabilization of waste rock dumps.
- About 96 no.s wells are being monitored at NMDC projects to monitor underground water level, which also covers the quality analysis in all 4-seasons of the year. Studies are revealed that there has been an increasing trend in the ground water due to hydraulic loading by the existing check dams and check bunds. Limited usage of ground water and continuous recharge has also helped in the process.
- NMDC has set-up Sewage Treatment Plant (STP) with advanced treatment technology (Sequential Batch Reactor) at Bachel (2 MLD) for treatment of domestic waste water. STP works are in progress at Kirandul (3 MLD) & Donimalai (3 MLD) townships. The treated water will be reused for green belt development.
- A total of 20,000 saplings planted in the FY 2020-21 in and around the boundary of all the NMDC projects. Since inception of Mining activities in Bailadila and Karnataka, more than 25.20 Lakh trees have been planted in and around leases of NMDC Limited. NMDC is actively contributing funds to Government of Chhattisgarh flagship programme "Hariyar Chhattisgarh" for undertaking roadside tree plantation in the state of C.G by CGRWV Limited.

### 12.2 Health & Safety

Health & Safety continue to be our priority with employees & contractual workmen at our projects adhering to the SOPs & safety norms. NMDC appreciate that safety is a journey & is committed to continually improve its performance and set high standards.

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 for carrying safety inspections.

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 and the recommendations are implemented.

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.

In order to ensure that safety systems are up to date & also comply with the latest safety regulations, a cross-project internal safety audit has been started in NMDC. Safety Management system has been implemented in all our mines. Risk Assessment studies are being conducted regularly.

NMDC provides extensive safety training programmes to inculcate safety habits & mindset at work to its employees. Behavioral-based safety training is also given to the employees.

The severity Rate for the year 2020–21 is 3.69

(Severity Rate = Mandays lost per 100000 Mandays worked).

#### **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.

NMDC strives to ensure that workers are not exposed to occupational hazards that negatively affect their health. NMDC also has well equipped hospitals with capable medical teams available 24/7 to support the health & well being of the workers & the surrounding community.

### **12.3 Corporate Social Responsibility**

- **CSR is raison d'être of NMDC and not just a part of business strategy.** NMDC's CSR programmes are carried out in areas which are remote, backward and face serious law and order problems due to left-wing extremism. The area is among the most backward regions of India and inhabited predominantly by Scheduled Tribes and Scheduled caste population who are poor, underprivileged, deprived, suffer malnutrition and devoid of support for their socio-economic needs. It is only because of its strong focus on social responsibility programmes aiming at enhancing the quality of life of the local communities that NMDC has been successfully mining in these areas.
- NMDC is the model PSE in the field of CSR and its model of stakeholder consultation mechanism for implementation of its CSR has been recommended by Department of Public Enterprises, Government of India for emulation by all other CPSEs.
- The Company is investing substantially in promoting education, development of physical infrastructure, providing healthcare services & clean drinking water along with imparting technical skill sets aimed at enhancing employability & income generation etc. among other initiatives primarily in surrounding areas of its operations.
- Apart from the above, NMDC has been at the forefront of CPSEs contributing to the fight against COVID-19 pandemic by assisting Govt. Authorities in the States, wherein it operates or has Units/Establishments.

Detailed disclosure on CSR forms part of the Annual Report.

# ANNEXURE – II

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

### About NMDCs' R&D Centre:

NMDC R&D centre is committed to maintain its excellence in undertaking product and technology development projects related to ore and minerals through continual improvement in process performance for enhanced customer's satisfaction. R&D centre has the capability and capacity to undertake project associated to mineral beneficiation & processing, mineralogical studies, material handling and storage, metallurgical studies of iron ore and coal, chemical analysis etc.

R&D Centre extends its vital support to NMDC's existing and upcoming projects. Expertise of R&D centre is also being extensively used by other organizations (in both public and private sector) engaged in iron ore, coal and other allied sectors globally.

The R&D centre is endowed with state of art laboratory equipments to analyze different minerals, coal, metal and non-metals. Some of the facilities includes XRD, WD-XRF, ICP-AES, GFAAS, SEM, RUL, CS, Pilot coke oven, Blast furnace simulation (Softening & melting furnace), Dilatometer & Plastometer, TGA, Dry air & APIC Jig, WHIMS, Ring shear tester, Abrasion tester, Vickers hardness tester, Advanced Rheometer, Friction angle tester, Zeta potential, Automatic mineral analyzer, Stereo microscope, Batch & Pilot plant facilities for Mineral processing and Agglomeration.

NMDC R&D publishes half yearly newsletter (Issue 3 & 4) for propagating its technical activities. It has implemented Integrated Management System comprising ISO 9001: 2015 (Quality Management System), ISO 14001: 2015 (Environment Management System), OHSAS 18001: 2007 (Occupational Health and Safety Assessment System) and SA 8000: 2014 (Social Accountability).

R&D centre is also recognized by Department of Scientific and Industrial Research (DSIR). The Chemical laboratory has been accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL ISO 17025:2017) in the field of chemical analysis.

The thrust of NMDC Limited's R&D Centre is towards

- Conservation of Energy:
  - Utilization of SMS slag and other iron & steel waste
  - Minimizing the production loss due to

flowability related issues in handling and storage of bulk solids (like iron ore, coal, flyash etc)

- Utilization of microwave heating in iron ore pellet making
- Technology Absorption:
  - Development of Vision Enhancement System for foggy Weather at Bachel
  - Beneficiation and Up-gradation of high ash coal
  - Development of technology for dry processing and beneficiation
  - Development of technologies for utilization of mine waste

Apart from the above thrust areas, R&D centre also undertakes collaborative projects with reputed organizations and institutes across the globe having expertise in the field of waste utilization, mining, beneficiation and other allied areas.

### NMDCs' Innovation & Incubation Program (NICE) for Promoting Start-Ups:

"Startup India" is a flagship initiative of the Government of India, intended to catalyze startup culture and build a strong and inclusive ecosystem for innovation and entrepreneurship in India. In tune with "Startup India" initiative, NMDC has decided to support the budding startup companies to nurture new ideas and concepts. After studying the various entrepreneurial eco systems existing in the country, NMDC has established NMDC Innovation & Incubation Centre (NICE) in association with i-TIC Foundation at IIT- Hyderabad premises, with a focus to nurture and incubate start-up companies with new and innovative ideas in Deep Technology.

i-TIC Foundation, IIT Hyderabad (i-TIC), is a registered society, hosted by Indian Institute of Technology Hyderabad which has established the Technology Business Incubator (TBI).

NMDC contributes up to Rs 10 Crore for this five-year joint incubation program to support at least 15 start-ups. The objective of the program is to promote the spirit of Innovation and Entrepreneurship in the country. The program offers working space, maker's lab, networking with mentors & experts apart from financial support to start-ups. The program was launched on 04<sup>th</sup>



November 2020 by CMD, NMDC in presence of Directors of NMDC and IIT Hyderabad. A dedicated website was created and launched for the NICE program (www.niceprogram.in). Five (05) start-ups for grants program and 05 for fellowship program were selected initially by a designated committee (PRC). These start-ups and fellowship program started working under the umbrella of NMDC Innovation & Incubation Centre.

**Development of research equipment under Aatma Nirbhar Bharat:-**

NMDC R&D Centre has indigenously developed an automatic sliding friction angle testing equipment in association with M/s Instrument Focus, Mumbai. This test equipment is customized to accurately find critical transfer chute angles with different liners to handle Iron ore and other minerals simulating field conditions. Data generated from this equipment will be helpful in the design of new transfer chutes and also retrofitting of existing ones used in bulk material handling.

Various research projects completed by R&D Centre:

**1.0 Projects of NMDC Mines/Projects**

- i) Development of vision enhancement system for foggy weather at Bachel (In collaboration with CSIR-CIMFR) .
- ii) Testing with VSI and HPGR for comparative crushing data of iron ore fines from Donimalai / Kumaraswamy for beneficiation plant , Donimalai.
- iii) Evaluation of indigenous wear liner to be used in NMDC mines- An import substitution initiative for ATMANIRBHAR BHARAT.
- iv) Study on physical, metallurgical & flowability properties of coking coal sample received from NISP, Nagarnar.
- v) Physical and metallurgical characterization of iron ore samples received from Bailadila sector.
- vi) Various samples received for characterization and chemical analysis from Investigation department.

**2.0 In-house Developmental Research Projects**

- i) **Conservation of Energy:**
  - 1. Development of iron ore pellet from Kumaraswamy fines suitable for gas based DRI process.
  - 2. Utilization of microwave heating in iron ore pellet making.
  - 3. Utilization of mining waste (Slime) to produce Bricks / Tiles.

- 4. Investigation on the effect of temperature on the rheological properties of iron ore slurry.

**ii) Technology Absorption:**

- 1. Beneficiation studies with high ash coal sample
- 2. Study on SMS slag and exploring it prospect in agriculture
- 3. Study of making of value added product from slimes/tailings

**3.0 Collaborative Programmes under progress**

Collaborating Institutes	Title and Nature of Work
CSIRO, Australia	Characterization and beneficiation studies on laterite/ goethite iron ore. Development of dry beneficiation technology for processing of hydrated iron ore.
IIT, Bhubaneswar	Optimization of Silos, Bins and Hoppers design through modeling, primarily intended for Iron ore storage (Completed in October 2020).
CSIR-IMMT, Bhubaneswar	<ul style="list-style-type: none"> <li>i. Modeling &amp; Optimization of high concentration Iron ore fines/Concentrate slurry pipe line for Indian Iron Ore Processing Industry (Completed in March 2021).</li> <li>ii. Development of application of Nano Iron oxide obtained from blue dust in energy &amp; sensors devises</li> <li>iii. Dry beneficiation of Iron ore and coal using VSK Separator</li> </ul>
NIT-Raipur	Study on improvement of potability of ground water in surrounding area of mines
CSIR-CIMFR	Development of Vision enhancement system for foggy weather

**4.0 Patents filed in 2020-21**

In FY 2020-21, NMDC R&D centre has filed 04 patents in the area of waste utilization, lean grade iron ore beneficiation, dry beneficiation techniques etc and the list is enclosed. R&D centre had succeeded in one of the dry beneficiation techniques using compressed air and is exploring the future possibilities of this technique in the area of mineral beneficiation.

- i) A Novel process for production of Iron ore concentrate suitable for Pelletisation using Multi Gravity Separator (App No: 202041023681 dated 05-06-2020)
- ii) Process development for production of Iron ore concentrate suitable for Pelletisation using Floatex Density Separator (App No: 202041023874 dated 08-06-2020)
- iii) A novel method for beneficiation of high ash coal (App No:202041054643 dated 16-12-2020)
- iv) A process for making of bricks from overburden (lean iron ore) of Bachel iron ore mines (App No: 202141004136 dated 30-01-2021)

#### 5.0 R&D Investment

Year	Investment on R&D (₹ Crs)			Turnover (₹ Crs)	[%] of Turnover	Profit after tax (₹ Crs)	[%] of PAT
	Revenue	Capital	Total				
2016-2017	20.30	1.47	21.77	8,830	0.25	2,589	0.84
2017-2018	22.03	3.10	25.13	11,615	0.22	3,806	0.66
2018-2019	23.81	7.50	31.31	12,153	0.26	4,642	0.68
2019-2020	23.79	7.00	30.79	11,699	0.26	3,610	0.87
2020-2021	27.40	1.80	29.20	15,370	0.20	6,253	0.47

#### 6.0 Foreign Exchange earning @ out go.

- i) Foreign Exchange Earning NIL
- ii) Foreign Exchange outgo ₹ 15.45 crore

## ANNEXURE – III

# REPORT ON CORPORATE GOVERNANCE

### 1. A brief statement on Company's philosophy on code of Governance

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

### 2. Board of Directors

As on 31<sup>st</sup> March 2021, the Board of NMDC comprises of Chairman and Managing Director, four Whole time / Functional Directors and two Government Nominee Directors.

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

##### Whole-time / Functional Directors

- i) Shri Sumit Deb, Chairman and Managing Director (w.e.f. 01.08.2020)
- ii) Shri P.K. Satpathy, Director (Production)
- iii) Shri Amitava Mukherjee, Director (Finance)
- iv) Shri Alok Kumar Mehta, Director (Commercial)
- v) Shri Somnath Nandi, Director (Technical) (w.e.f. 18.12.2020)
- vi) Shri Sumit Deb, Director (Personnel) (upto 31.07.2020)
- vii) Shri N. Baijendra Kumar, IAS, Chairman and Managing Director (upto 31.07.2020)

##### Government of India Nominee Directors

- i) Smt. Rasika Chaube Additional Secretary, Ministry of Steel
- ii) Shri Vijoy Kumar Singh, Financial Advisor, Addl. Charge (upto 04.11.2020)
- iii) Shri Shashank Priya, Financial Advisor, Addl. Charge (w.e.f. 17.12.2020)

### Independent Directors (Non-Executive)

- i) Shri Ashok Kumar Angurana (upto 15.11.2020)
- ii) Shri D. Kuppuramu (upto 16.03.2021)

The Chairman-Cum-Managing Director and Functional Directors are appointed by Government of India for a period of five years or till the age of superannuation or until further orders whichever is earlier. The Directors are initially appointed by the Board as Additional Directors in terms of the provisions of the Companies Act, 2013 and thereafter by the shareholders in the Annual General Meeting. The appointment may, however, be terminated by either side on three months notice or on payment of three months salary in lieu thereof.

Government Nominee Directors representing Ministry of Steel, Government of India retire from the Board on ceasing to be official of Ministry of Steel, Government of India.

Non Executive Directors (Independent) are normally appointed for a tenure of 3 years by Govt. of India.

#### b. BOARD MEETINGS

##### Board Meeting Procedure:

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

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

Information placed before the Board of Directors

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

- Annual Operating Plans and Budgets and any updates.

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

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

Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM Attended
1	Shri Sumit Deb, Chairman and Managing Director (w.e.f. 01.08.2020)	5	5	YES
2	Shri P.K. Satpathy, Director (Production)	8	8	YES
3	Shri Amitava Mukherjee, Director (Finance)	8	8	YES
4	Shri Alok Kumar Mehta, Director (Commercial)	8	8	YES
5	Shri Sumit Deb, Director (Personnel) (upto 31.07.2020)	3	3	NA
6	Shri Somnath Nandi, Director (Technical) (w.e.f. 18.12.2020)	3	3	NA
7	Smt. Rasika Chaube, Govt. Nominee Director	8	8	NO
8	Shri N. Baijendra Kumar, IAS Chairman and Managing Director (upto 31.07.2020)	3	3	NA
9	Shri Vijoy Kumar Singh, Govt. Nominee Director (upto 04.11.2020)	4	4	NO
10	Shri Shashank Priya, Govt. Nominee Director (w.e.f. 17.12.2020)	3	3	NA
11	Shri Ashok Kumar Angurana, Independent Director (upto 15.11.2020)	5	5	YES
12	Shri D. Kuppuramu, Independent Director (upto 16.03.2021)	7	7	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 Board Directorship* Excluding NMDC)	Committee Membership#	Committee Chairpersonship # (Excluding NMDC)	Names of Listed entity and category of directorship
1	Shri Sumit Deb, Chairman and Managing Director (w.e.f. 01.08.2020)	3	--	--	--
2	Shri P.K. Satpathy, Director (Production)	5	--	--	--
3	Shri Amitava Mukherjee, Director (Finance)	5	--	--	--
4	Shri Alok Kumar Mehta, Director (Commercial)	6	--	--	--



Sl. No.	Name of the Director	No. of Directorship and Committee Membership / Chairmanship			
		Other Board Directorship* Excluding NMDC)	Committee Membership#	Committee Chairpersonship # (Excluding NMDC)	Names of Listed entity and category of directorship
5	Shri Sumit Deb, Director (Personnel) (upto 31.07.2020)	2	--	--	--
6.	Shri Somnath Nandi, Director (Technical) (w.e.f. 18.12.2020)	1	--	--	--
7.	Smt. Rasika Chaube, Govt. Nominee Director	1	--	--	--
8	Shri N. Bajendra Kumar, IAS Chairman and Managing Director (upto 31.07.2020)	2	--	--	--
9	Shri Vijoy Kumar Singh, Govt. Nominee Director (upto 04.11.2020)	6	--	--	SAIL, KIOCL Govt. Nominee Director
10	Shri Shashank Priya, Govt. Nominee Director (w.e.f. 17.12.2020)	12	2	--	SAIL, KIOCL, BHEL, HMT, MMTC, STC Govt. Nominee Director
11	Shri Ashok Kumar Angurana, Independent Director (upto 15.11.2020)	--	--	--	--
12	Shri D. Kuppuramu, Independent Director (upto 16.03.2021)	--	--	--	--

**Notes:**

\* Directorship held by Directors on all other Boards

# Committee membership is in line with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the year 2020-21, eight (8) Board meetings were held, the details of which are given below:

Sl.No.	Board Meeting Sl. No.	Board Meeting Date	Board Strength	No. of Directors Present
1	529	30.05.2020	9	9
2	530	16.06.2020	9	9
3	531	30.07.2020	9	9
4	532	27.08.2020	8	8
5	533	10.11.2020	8	7
6	534	08.02.2021	8	8
7	535	11.03.2021	8	8
8	536	24.03.2021	7	7

Brief Resume / profiles of the Directors appointed / re-appointed and expertise in specific functional areas forms part of the Annual Report.

e. Directors are not inter se related to each other.

f. No. of Equity Shares of the Company held by Directors as on 31<sup>st</sup> March, 2021.

S.No.	Name of the Director	No. of Shares of the Company
1	Shri Sumit Deb, Chairman and Managing Director (w.e.f. 01.08.2020)	NIL
2	Shri P.K. Satpathy, Director (Production)	320
3	Shri Amitava Mukherjee, Director (Finance)	NIL
4	Shri Alok Kumar Mehta, Director (Commercial)	NIL
5	Shri Somnath Nandi, Director (Technical) (w.e.f.18.12.2020)	NIL
6	Smt. Rasika Chaube, Govt. Nominee Director	NIL
7	Shri N. Bajendra Kumar, IAS, Chairman and Managing Director (upto 31.07.2020)	NIL
8	Shri Vijoy Kumar Singh, Govt. Nominee Director (w.e.f. 17.03.2020)	NIL
9	Shri Shashank Priya, Govt. Nominee Director (w.e.f. 17.12.2020)	NIL
10	Shri Ashok Kumar Angurana, Independent Director (upto 15.11.2020)	NIL
11	Shri D. Kuppuramu, Independent Director (upto 16.03.2021)	NIL

g. Web link of Familiarization Programme:

<https://www.nmdc.co.in/Financial%20Information/Default.aspx>

h. Chart or matrix setting out skills/expertise/competence of the Board of Directors:

NMDC being a Government Company under the control of its administrative Ministry viz. Ministry of Steel, the Board members are appointed / reappointed by the Administrative Ministry. The skills / expertise / competence as required in the context of business and areas pertaining to the company is identified by Govt. of India and accordingly selection of Directors on the Board is made by Govt as per its own procedures and rules.

S.No.	Name of the Director	Existing Skills / expertise / competence
1	Shri Sumit Deb, Chairman and Managing Director (w.e.f. 01.08.2020)	Management, Personnel, HR, Comml.
2	Shri P.K. Satpathy, Director (Production)	Mining
3	Shri Amitava Mukherjee, Director (Finance)	Finance, Costing, Taxation
4	Shri Alok Kumar Mehta, Director (Commercial)	Commercial, Marketing & Projects
5	Shri Somnath Nandi, Director (Technical) (w.e.f.18.12.2020)	Steel, Projects
6	Smt. Rasika Chaube, Govt. Nominee Director	IDAS officer
7	Shri N. Bajendra Kumar, IAS, Chairman-cum-Managing Director (upto 31.07.2020)	IAS Officer
8	Shri Vijoy Kumar Singh, Govt. Nominee Director (w.e.f. 17.03.2020)	IAS Officer
9	Shri Shashank Priya, Govt. Nominee Director (w.e.f. 17.12.2020)	IRS Officer
10	Shri Ashok Kumar Angurana, Independent Director (upto 15.11.2020)	Retired IAS Officer
11	Shri D. Kuppuramu, Independent Director (upto 16.03.2021)	Social service, CSR & Rural Development

i. Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management:

The Board of NMDC is not having Independent Director in FY 2021-22 as on the date of report.

**j Detailed reasons for the resignation of an independent director who resigns before the expiry of his / her tenure along with a confirmation by such director that there are no other material reasons other than those provided:**

Shri D. Kuppuramu, Independent Director vide his letter dated 15.03.2021 (received by the company on 17.03.2021) has tendered his resignation from the Board citing personal reasons. The Board at its meeting held on 24.03.2021 inter alia, noted the resignation as tendered by Shri D. Kuppuramu

**3. Audit Committee**

**i. Brief description of terms of reference**

The role of the Audit Committee shall include the following:-

- ⊙ Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ⊙ Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ⊙ Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- ⊙ Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - o Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - o Changes, if any, in accounting policies and practices and reasons for the same;
  - o Major accounting entries involving estimates based on the exercise of judgment by management;
  - o Significant adjustments made in the financial statements arising out of audit findings;
  - o Compliance with listing and other legal requirements relating to financial statements;
  - o Disclosure of any related party transactions;

o Modified opinion(s) in the draft audit report.

- ⊙ Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- ⊙ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- ⊙ Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- ⊙ Approval or any subsequent modification of transactions of the Company with related parties;
- ⊙ Scrutiny of inter-corporate loans and investments;
- ⊙ Valuation of undertakings or assets of the Company, wherever it is necessary;
- ⊙ Evaluation of internal financial controls and risk management systems;
- ⊙ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ⊙ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- ⊙ Discussion with internal auditors of any significant findings and follow-up thereon;
- ⊙ Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- ⊙ Discussion with statutory auditors before the audit commences, about the

nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- ⊙ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ⊙ To review the functioning of the Whistle Blower mechanism;
- ⊙ Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- ⊙ To review the follow up action on the audit observations of the C&AG audit.
- ⊙ To review the follow up action taken on the recommendations of Committee on Public Undertakings of the Parliament.
- ⊙ Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- ⊙ Review all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.
- ⊙ Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- ⊙ Consider and review the following with the independent auditor and the management:
  - o The adequacy of internal controls including computerized information system controls and security;
  - o Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- ⊙ Consider and review the following with the management, internal auditor and the independent auditor:
  - o Significant findings during the year, including the status of previous audit recommendations.
  - o Any difficulties encountered

during audit work including any restrictions on the scope of activities or access to required information.

- ⊙ Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- ⊙ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### ii. Composition, names of Members and Chairperson

The Audit Committee consists of the following Directors:

- ⊙ Shri Ashok Kumar Angurana, Independent Director and Chairman (upto 15.11.2020)
- ⊙ Shri Alok Kumar Mehta, Director (Commercial) and Member
- ⊙ Shri D. Kuppuramu, Independent Director and Member (upto 16.03.2021)
- ⊙ Shri Somnath Nandi, Director (Technical) w.e.f. 08.01.2021
- ⊙ The Company Secretary acts as the Secretary to the Audit Committee pursuant to Regulation 18(1)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ⊙ Director (Finance), Representatives of Statutory Auditors, Internal Auditors, Functional Directors, besides, Head of Finance and Executives of other Departments are invited on need basis.

#### iii. Meetings and attendance during the year

During the year under report, 5 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	115	29.05.2020	3	3
2	116	16.06.2020	3	3
3	117	30.07.2020	3	3
4	118	27.08.2020	3	3
5	119	10.11.2020	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 Ashok Kumar Angurana, Independent Director & Chairman (upto 15.11.2020)	5	5
2	Shri Alok Kumar Mehta, Director (Commercial) (w.e.f. 01.06.2019)	5	5
3	Shri D. Kuppuramu, Independent Director & Member (upto 16.03.2021)	5	5

4. Nomination, Remuneration & HR Committee

(a) Brief description of terms of reference:

The Board of Directors at its 411<sup>th</sup> 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 430<sup>th</sup> meeting held on 01.02.2011 re-constituted the Remuneration Committee. In compliance with Section 178 of the Companies Act, 2013, the Board at its 474<sup>th</sup> meeting held on 30.05.2014 reconstituted the Remuneration Committee as Nomination & Remuneration Committee. The said Committee has been renamed as "Nomination, Remuneration & HR Committee.

The scope, powers and terms of reference of the Nomination and Remuneration Committee are as per the directives issued by DPE, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 etc.

(b) Composition of the Nomination, Remuneration & HR Committee is as under:

S.No.	Name of the Director
1	Shri Ashok Kumar Angurana, Independent Director & Member (upto 15.11.2020)

(c) Meetings and attendance during the year:

During the year under review, no meeting of the Nomination, Remuneration & HR Committee was held.

(d) Performance Evaluation

Performance Evaluation Criteria for Independent Directors: Necessary disclosures made in Directors' Report.

5. Shareholders'/Investors' Grievance/Stakeholders Committee

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

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

Sl. No.	Meeting No.	Meeting Date	Strength of Audit Committee	No. of Members Present
1	45	29.05.2020	3	3
2	46	07.08.2020	3	3
3	47	10.11.2020	3	3
4	48	06.02.2021	3	3

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

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

M/s Karvy Fintech Pvt. Ltd., Hyderabad was appointed as Registrar to the offer for sale by Government of India. All grievances / complaints relating to offer for sale made by Government of India are exclusively dealt by M/s Karvy Fintech Pvt. Ltd., Hyderabad.

- (a) Name of the Non-Executive Director heading the Committee – Shri D. Kuppuramu (w.e.f.16.11.2019 and upto 16.03.2021)
- (b) Name and designation of the Compliance Officer: Shri A.S. Pardha Saradhi, Company Secretary
- (c) Number of shareholders complaints received during the financial year - 09
- (d) Number of complaints not solved to the satisfaction of the shareholders - Nil.
- (e) Number of pending complaints - Nil.
- (f) During the year, under SCORES, 06 investor complaints were received & resolved and no complaint was pending as on 31.03.2021.

#### 6. 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 (Production)

#### (c) Meetings and attendance during the year

During the year under review, four meetings of the Board level Risk Management Committee were held.

Sl. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Director (Production)	4	4
2	Director (Finance)	4	3
3	Director (Commercial)	4	4
4	Director (Technical)	2	2
5	Director (Personnel) - upto 31.07.2020	1	1

- ii) Director (Finance)
- iv) Director (Commercial)

Company Secretary acts as Secretary to the Committee.

During the year under report, NIL meetings of the Committee were held

#### 7. Risk Management Committee

##### (a) Brief description of terms of reference

The Board at its 442nd meeting held on 19.01.2012 has approved the Risk Assessment and Risk Mitigation Policy / Enterprise Risk Management (ERM) of the Company. The terms of reference of the Risk management Committee is outlined in Risk Assessment and Risk Mitigation Policy / Enterprise Risk Management (ERM) of the Company.

##### (b) Composition, name of members and chairperson

The following Functional Directors are members of the Risk Management Committee:-

1. Director (Production)
2. Director (Finance)
3. Director (Commercial)
4. Director (Technical)
5. Director (Personnel) - upto 31.07.2020

Director (Production) chairs the Risk Management Committee.

## 8. Remuneration of Directors

NMDC being a Government Company, the terms and conditions of appointment and remuneration of Functional Directors are determined by the Government through its administrative Ministry, Ministry of Steel. Non-executive Part-time Official Directors (Independent) do not draw any remuneration. The non-executive Directors are paid sitting fee as approved by the Board within the ceiling fixed under the Companies Act, 2013 and as per the guidelines issued by the Government of India. The Company has not adopted any mechanism for performance evaluation criteria for Independent Directors.

The details of remuneration paid to Functional Directors during the financial year 2020-21 are as follows:

(₹in lakhs)

Sl. No.	Name of the Director	Salary & Perquisites as per Section 17(1) & (2) of Income Tax Act, 1961	Retirement & Other Benefits	Total
1	Shri. Sumit Deb Director (CMD)	57.55	6.48	64.03
2	Shri P.K Satpathy Director (Production)	73.35	7.37	80.72
3	Shri. Amitava Mukherjee Director (Finance)	43.75	6.59	50.34
4	Shri. Alok Kumar Mehta Director (Commercial)	61.04	6.38	67.42
5	Shri. Somnath Nandi Director (Technical)	11.13	1.55	12.68
6	Shri N. Baijendra Kumar CMD (up to 31.07.2020)	14.41	30.87	45.28
	<b>Total</b>	<b>261.23</b>	<b>59.24</b>	<b>320.47</b>

### Notes:-

1. The Salary of Whole Time Directors is governed by pay scales and rules of the Government. No variable incentive is being paid to Directors except Performance Related Pay being paid to them on annual basis as per DPE guidelines
2. Notice period of 3 months or salary in lieu thereof is required for severance from the service.
3. The Company has not introduced any stock option scheme.
4. The remuneration does not include the provision made on actuarial valuation of retirement benefit schemes and provision made for post retirement medical benefits as the same is not separately identifiable for individual Directors.

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

S.No.	Name of the Director	Sitting Fees (in ₹)
1	Shri D Kuppuramu	5,35,000
2	Shri. Ashok Kumar Angurana	4,50,000
	<b>Total</b>	<b>9,85,000</b>

### Notes:-

During the year under review, the part-time Directors (Independent Directors) were paid sitting fees of ₹ 30,000/- per meeting. In respect of Board level Committee Meeting, sitting fees was ₹ 25,000/- per meeting. Govt. Directors and Functional Directors are not paid sitting fees for attending the meeting of the Board or any Committee meeting thereof.

#### 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.

### 9. General Body Meetings

#### (a) Location and time where last three AGMs held.

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

AGM No.	Venue	Date & time	Special Resolutions passed
60 <sup>th</sup> AGM	Hotel Marigold, Hyderabad	26.09.18 at 1130 hrs	---
61 <sup>st</sup> AGM	The Park, Hyderabad	30.08.19 at 1130 hrs	---
62 <sup>nd</sup> AGM	Video Conferencing	29.09.20 at 1130 hrs	Yes *

\*Authorization to offer, issue and allot secured or unsecured non-convertible debentures (NCDs) or bonds on private placement aggregating Rs.5,000 crores.

- (b) Whether any special resolution passed in the previous 3 AGMs – Yes.
- (c) whether any special resolution passed last year through postal ballot – details of voting pattern – Nil
- (d) person who conducted the postal ballot exercise – NA
- (e) whether any special resolution is proposed to be conducted through postal ballot – NA
- (f) procedure for postal ballot – NA

### 10. Means of communication

#### Quarterly Results:

The Company publishes quarterly Un-audited / Annual Audited financial results through leading National Daily Commercial / Economic newspapers and also Local language Daily newspapers including Hindi Daily newspaper.

These results are also posted on Company's website: [www.nmdc.co.in](http://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, Corporate Investor Presentation etc.

In addition, the Company communicates major achievements and important events taking place in the Company through Press, Electronic Media and also on its Website. Presentation made to institutional investors / analysts are uploaded on Company's website. Conference call conscripts are also uploaded on the website of the company.

### 11. General Shareholders Information

#### (a) AGM date, time and venue

The 63<sup>rd</sup> AGM of the Company shall be held on 30<sup>th</sup> September 2021 at 1130 hrs. via Video Conferencing(VC)/ Other Audio Visual means (OAVM) in line with General Circulars issued by Ministry of Corporate Affairs/SEBI as per details and process set out in the Notice convening the meeting

#### Webcast of the AGM :

Members will be provided with a facility to attend the 63<sup>rd</sup> AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned for **Access to NSDL e-Voting system** in point no. 40 (IV) of Notes to Notice - "**The instructions for shareholders for remote e-voting and joining General Meeting**". After successful login, Member can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against Company name. Members are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.

#### (b) Financial Year: 1st April – 31st March

#### (c) Dividend Payment date:

- (i) Dividends as declared were paid within 30 days of declaration as per the provisions of the Companies Act, 2013.



(ii) Details of interim dividend paid during the year under review are as under: (₹ in crores)

Particulars	GOI Share	Others	Total Dividend	% of Share Capital
Interim Dividend	1,553.01	721.14	2,274.15	776
Final*	-	-	-	-
<b>Total</b>	<b>1,553.01</b>	<b>721.14</b>	<b>2,274.15</b>	<b>529</b>
Previous Year (Including Final Dividend)	1,128.13	491.59	1619.72	529

\* No final dividend was recommended by the Board.

Date of Book Closure: from 25/09/2021 to 30/09/2021 (both days inclusive)

**d. Listing on Stock Exchanges**

Equity shares of NMDC Limited are listed on the following Stock Exchanges:-

- (i) Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI – 400 001
- (ii) National Stock Exchange of India Ltd.  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex,  
Bandra (E),  
MUMBAI - 400 051
- (iii) Calcutta Stock Exchange Ltd.  
7, Lyons Range,  
KOLKATA - 700 001

Listing Fees for the year 2021-22 has been paid to the three Stock Exchanges.

**e. Stock Code:**

Sl.No.	Name of the Stock Exchange where Company's equity shares are listed	Security Code / Symbol
i)	BSE Ltd., Mumbai	526371
ii)	National Stock Exchange of India Ltd., Mumbai	NMDC
iii)	The Calcutta Stock Exchange Ltd., Kolkata	24131

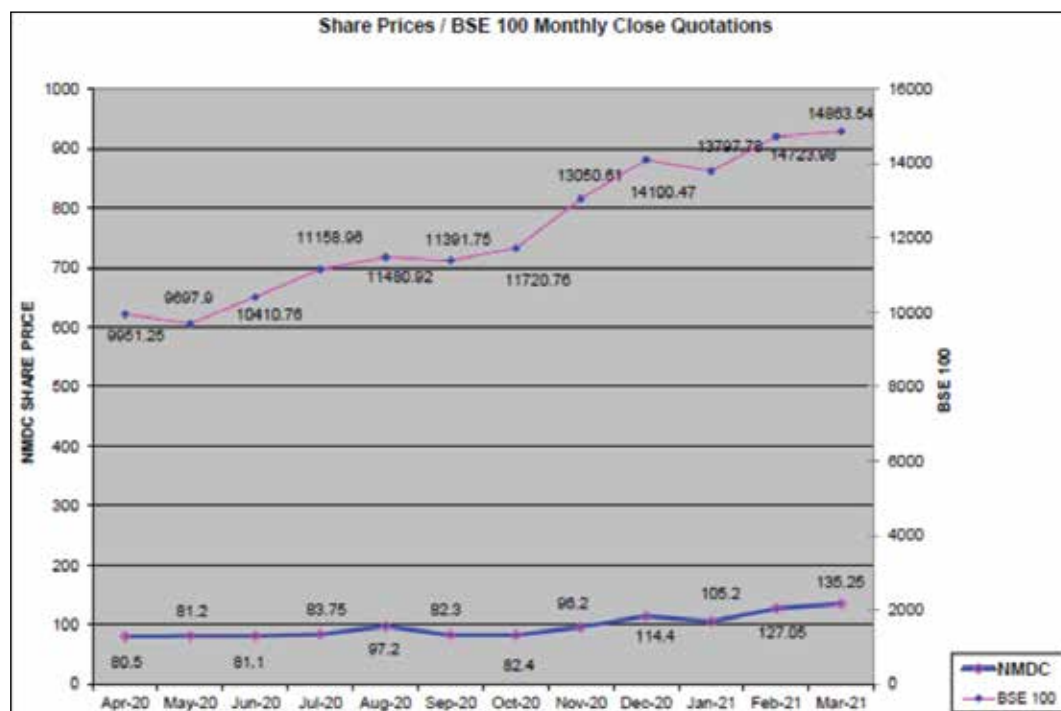
**f. Market price data: High, Low during each month in the last financial year**

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

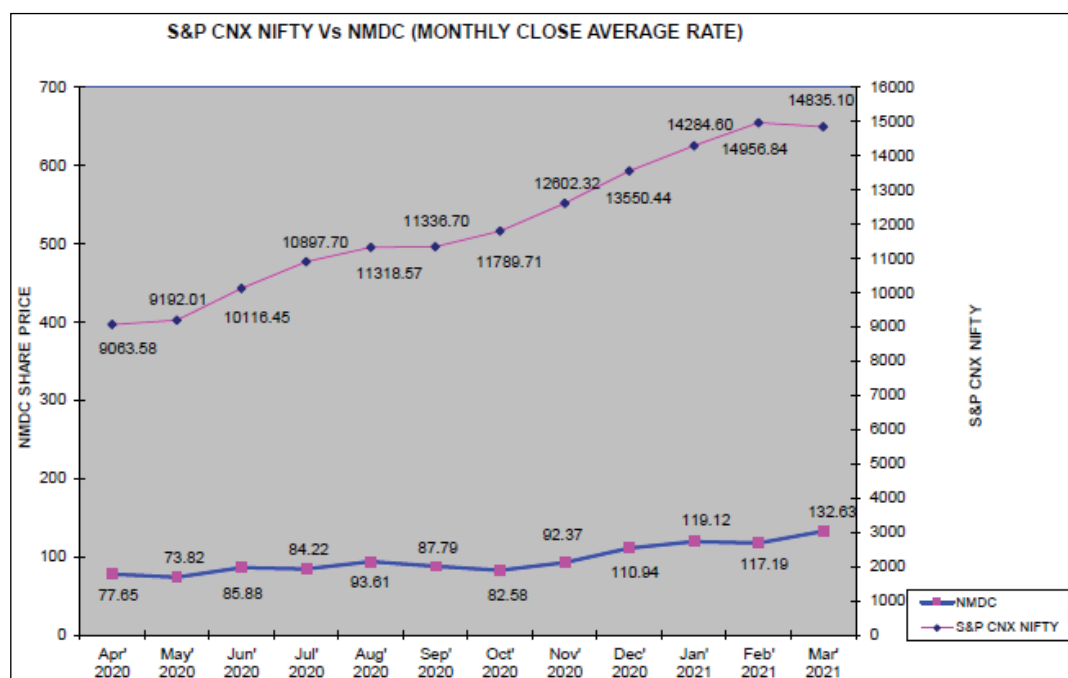
Month and Year	BSE		NSE	
	Highest	Lowest	Highest	Lowest
Apr-20	86.25	71.85	86.30	71.85
May-20	82.1	69.9	82.10	69.85
Jun-20	94.9	79.7	94.90	79.60
Jul-20	88.6	80.1	88.50	80.50
Aug-20	108.9	83.75	109.40	83.60
Sep-20	99.35	75.6	99.40	75.60
Oct-20	87.1	78.05	87.20	77.95
Nov-20	98.95	81.85	99.00	81.80
Dec-20	120.7	96	120.80	95.90
Jan-21	130.5	104.25	130.50	104.25
Feb-21	131.4	103.6	131.40	103.65
Mar-21	139.9	122.05	139.90	122.00

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

(i) BSE / Sensex and NMDC Share Price



(ii) NIFTY and NMDC Share Price



h. In case the securities are suspended from trading, the directors report shall explain the reason thereof – NA

i. Registrar & Share Transfer Agent

The Company has appointed Aarthi Consultants Pvt. Ltd., Hyderabad as Share Transfer Agent for looking

after the works relating to share transfer/transmission etc., and dematerialization / rematerialization of shares of the Company with CDSL and NSDL.

**j. Share Transfer System**

The Company has a Share Transfer Committee comprising of Chairman-cum-Managing Director, Director (Production), Director (Finance) and Director (Commercial) and Company Secretary which considers the request for Transfer / Transmission of shares, rematerialization, 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.

**k. Distribution of Shareholding:**

**(i) Shareholding Pattern of the Company as on 31.03.2021**

Category (i)	Category of shareholder (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Shareholding as a % of total no. of shares [calculated as per SCRR, 1957](viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrant) (x)
								No. of Voting Rights			Total as a % of (A+B+C)	
								Class eg:X*	Class eg:Y	Total		
(A)	Promoter & Promoter Group	1	2001283891	0	0	2001283891	68.29	2001283891	0	2001283891	68.29	0
(B)	Public	315658	929321959	0	0	929321959	31.71	929321959	0	929321959	31.71	0
(C)	Non Promoter-Non Public											
(C1)	Shares underlying DRs	0	0	0	0	0	N.A	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>315659</b>	<b>2930605850</b>	<b>0</b>	<b>0</b>	<b>2930605850</b>	<b>100</b>	<b>2930605850</b>	<b>0</b>	<b>2930605850</b>	<b>100</b>	<b>0</b>

\*X = Equity

**(ii) Distribution of Shareholding by size as on 31.03.2021**

SL NO	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	311642	98.73	82816685	82816685	2.83
2	5001 - 10000	2127	0.67	15704755	15704755	0.54
3	10001 - 20000	932	0.30	13352137	13352137	0.46
4	20001 - 30000	283	0.09	6985325	6985325	0.24
5	30001 - 40000	128	0.04	4462686	4462686	0.15
6	40001 - 50000	108	0.03	5007600	5007600	0.17
7	50001 - 100000	162	0.05	11621267	11621267	0.40
8	100001 & Above	277	0.09	2790655395	2790655395	95.22
	<b>Total:</b>	<b>315659</b>	<b>100.00</b>	<b>2930605850</b>	<b>2930605850</b>	<b>100.00</b>

## (iii) Top ten shareholders of the Company as on 31.03.2021

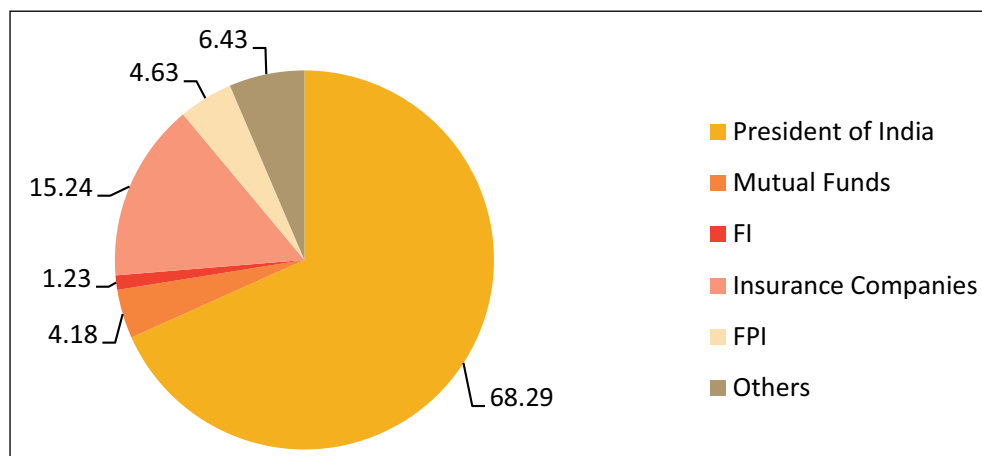
Sl. No.	Shareholder	No. of Shares	%	Group	Category
1	PRESIDENT OF INDIA	2001283891	68.29	Pro	Central Government/ State Government(s)
2	LIFE INSURANCE CORPORATION OF INDIA	394591074	13.46	Pub	Insurance Companies
3	NIPPON LIFE INDIA TRUSTEE LTD- A/C NIPPON INDIA ARBITRAGE FUND	67901044	2.32	Pub	Mutual Funds
4	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE DIVIDEND YIELD FUND	25061456	0.86	Pub	Mutual Funds
5	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	20287358	0.69	pub	Insurance Companies
6	STATE BANK OF INDIA	11780466	0.4	Pub	Financial Institutions/ Banks
7	CANARA BANK-MUMBAI	11069767	0.38	Pub	Financial Institutions/ Banks
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	11057024	0.38	Pub	Foreign Portfolio Investor
9	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	9997143	0.34	Pub	Foreign Portfolio Investor
10	LSV EMERGING MARKETS EQUITY FUND LP	8184300	0.28	Pub	Foreign Portfolio Investor
	<b>TOTAL :</b>	<b>2561213523</b>	<b>87.4</b>		

## (iv) Geographical Distribution of Shareholders as on 31.03.2021

Sl No	city	No. of Share Holders	% to Total	No. of Shares	% to Total
1	AHMEDABAD	13012	4.03	6245401	0.21
2	BANGALORE	15455	4.78	9409771	0.32
3	BHUBANESWAR	1102	0.34	498744	0.02
4	CHANDIGARH	1223	0.38	614620	0.02
5	CHENNAI	11813	3.66	14921121	0.51
6	GUWAHATI	808	0.25	447964	0.02
7	HYDERABAD	13589	4.21	6130348	0.21
8	JAIPUR	6110	1.89	2108733	0.07
9	KANPUR	1791	0.55	464664	0.02
10	KOLKATA	13617	4.22	20346197	0.69
11	MUMBAI	46200	14.30	780891473	26.65
12	NAGPUR	2088	0.65	795153	0.03
13	NEW DELHI	19460	6.02	2023726720	69.05
14	PATNA	1690	0.52	1757727	0.06
15	TRIVANDRUM	900	0.28	331292	0.01
16	OTHERS	174147	53.91	61915922	2.11
	<b>TOTAL</b>	<b>323005</b>	<b>100.00</b>	<b>2930605850</b>	<b>100.00</b>



(v) Shareholding Profile as on 31.03.2021



l. 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, 4<sup>th</sup> Floor  
Kamala Mills Compound  
Senapati Bapat Marg  
Lower Parel, Mumbai - 400 013
- (ii) Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers  
28<sup>th</sup> Floor, Dalal Street  
Mumbai - 400 023

No. of Shares held in dematerialized and physical mode as on 31<sup>st</sup> March, 2021 are as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in NSDL	2795964737	95.41
Held in dematerialized form in CDSL	134544894	4.59
Physical	96219	0.00
<b>Total:</b>	<b>2930605850</b>	<b>100.00</b>

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

n. Commodity price risk or foreign exchange risk and hedging activities.

NMDC Export iron ore to Japan / S. Korean steel mills through MMTC (Canalizing agent) under Long Term Agreement based on Union Cabinet approval from time to time. Export prices are fixed on quarterly basis and payment against exports are remitted in Indian rupee by MMTC to the Company which, constitutes a small percentage of NMDC's total turnover. However, commodity (iron

ore) price risk does exist due to volatility in international market, but due to quarterly based pricing, risk is mitigated to some extent. Hedging activities are not undertaken by NMDC.

o. Plant / Mine Locations:

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

- a. Bailadila Iron Ore Mine  
Kirandul Complex  
P.O. Kirandul  
Distt: Dantewada (Chhattisgarh)
- b. Bailadila Iron Ore Mine  
Bachel Complex

- P.O. Bachel  
Dist: Dantewada (Chattisgarh)
- c. Donimalai Complex:-  
(a) Donimalai Iron Ore Mine  
(b) Kumaraswamy Iron Ore Mine  
(c) Pellet Plant  
Dist: Bellary - 583 118, Karnataka
- d. Diamond Mining Project  
Majhgawan  
Panna - 488 001 (MP)
- e. Sponge Iron Unit, NMDC Limited  
SILL Campus,  
Paloncha - 507 154  
Dist. Khammam (Telangana)
- p. Address for Correspondence:**  
NMDC Limited  
Regd. Office: 10-3-311/A  
Khanij Bhavan,  
Castle Hills, Masab Tank  
Hyderabad - 500 028  
E-mail: ims@nmdc.co.in
- q. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**
- During the current financial year company has borrowed an amount of Rs 523.80 Crore by issuing Unsecured Non-Convertible Debentures. Further company has availed fund and non-fund based limit. Credit Rating for the instruments are as below
- Fund and Non Fund Based Limits:**
- a) Fund Based Limit (India Ratings & Research) IND AAA Stable/IND A1+ (for INR 0.5 Billion)
- b) Non-Fund Based Limit (India Ratings & Research) IND AAA Stable/IND A1+ (for INR 24.5 Billion)
- Unsecured Non-Convertible Debentures:
- a) India Ratings & Research – IND AAA/ RWN (for INR 50 Billion)
- b) ICRA - [ICRA] AAA placed on rating watch with developing implication (for INR 50 Billion)
- 12. Other Disclosures:**
- (a) Disclosures on materially significant related party transactions that may have potential
- conflict with the interests of listed entity at large – Nil
- (b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;
- Penalties/Punishment/Compounding of offences:
- Fines levied by the Stock Exchanges as per SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/12 dated 22<sup>nd</sup> January 2020:
- 1) Notices received in the financial year 2020-2021:**
- a. The Company is in receipt of BSE email and NSE notice 8th September 2020 for non-compliance with the provisions of Regulation 17(1) and Regulation 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for the quarter ended 31st March 2020, imposing a fine of ₹ 3,63,440/- including GST payable to each exchange.
- b. The Company is in receipt of BSE email and NSE notice dated 20<sup>th</sup> August 2020 for non-compliance with the provisions of Regulation 17(1) and Regulation 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for the quarter ended 30<sup>th</sup> June 2020, imposing a fine of ₹ 7,51,660/- including GST payable to each exchange.
- c. The Company is in receipt of BSE email and NSE notice dated 17<sup>th</sup> November 2020, for non-compliance with the provisions of Regulation 17(1) and Regulation 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for the quarter ended 30<sup>th</sup> September 2020, imposing a fine of ₹ 7,59,920/- including GST payable to each exchange.
- d. The Company is in receipt of BSE email and NSE notice dated 15<sup>th</sup> February 2021 for non-compliance with the provisions of Regulation 17(1) and Regulation 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for the quarter ended 31<sup>st</sup> December 2020, imposing a fine of ₹ 7,59,920/- including GST payable to each exchange.
- 2) Notices received in the financial year 2021-2022:**
- (a) The Company is in receipt of BSE email dated 17<sup>th</sup> May 2021 for non-compliance with the provisions of Regulations

17(1), 17(2A), 18(1), 19(1)/19(2), 20(2)/(2A) of SEBI (LODR) Regulations, 2015 for the quarter ended 31<sup>st</sup> March 2021, imposing a fine of Rs. 9,62,880/- including GST payable to BSE.

- (b) The Company is in receipt of BSE email dated 20th August 2021 for non-compliance with the provisions of Regulations 17(1), 17(2A), 18(1), 19(1)/19(2), 20(2)/(2A) of SEBI (LODR) Regulations, 2015 for the quarter ended 30th June 2021, imposing a fine of Rs. 12,04,780/- including GST payable to BSE.

The Company has replied to BSE and NSE requesting condonation of fine on the grounds that being a Central Public Sector Enterprise under administrative control of Ministry of Steel, Govt. of India and as per Articles of Association, the President of India shall appoint all members on the Board of Directors. The letters/ emails received from BSE and NSE were placed before the Board of Directors of the Company in its meetings for their comments / advise. Comments / Advise made by the Board has been informed to the exchanges. The Company is regularly following up with Ministry of Steel, Govt. of India for appointment of requisite number of Independent Directors on the Board of the Company.

Waiver of fine levied pursuant to SEBI circular SEBI/HO/CFD/CMD/ CIR/P/2018/77 dated 3rd May 2018 for non-compliance with SEBI Listing Regulations:

- i) NSE waived off fines for non-compliance with Regulation 17 of SEBI Listing Regulations for the quarters ended 31st March 2019, 30th June 2019, 30th September 2019 and 31st December 2019.
- ii) BSE waived off fines for non-compliance with Regulation 17 and 19 of SEBI Listing Regulations for the quarters ended 31st March 2019, 30th June 2019, 30th September 2019, 31st December 2019, 31st March 2020, 30th June 2020, 30th September 2020 and 31st December 2020.

- (c) Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel has been

denied access to the audit committee;

NMDC being a PSU, the guidelines of Central Vigilance Commission (CVC) are applicable which provides adequate safeguard against victimization of the employees. The Board of Directors at its 451st meeting held on 20.09.2012 approved the internal Whistle Blower Policy of NMDC. NMDC has effectively implemented its internal Whistle Blower Policy under CVO NMDC, the designated Nodal Officer for the purpose. No personnel has been denied access the Audit Committee in respect of Whistle Blower Mechanism.

- (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements – Necessary disclosure has been made.
- (e) Web link where policy for determining 'material' subsidiaries is disclosed;  
<https://www.nmdc.co.in/corporategovernance.aspx>
- (f) Web link where policy on dealing with related party transactions;  
<https://www.nmdc.co.in/corporategovernance.aspx>
- (g) Disclosure of commodity price risks and commodity hedging activities – Necessary disclosure has been made.
- (h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Nil
- (i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority – CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS - Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed at Annexure-III(A)
- (j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations – Not Applicable

- (k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part – Rs.1.01 crore.
- (l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- number of complaints filed during the financial year – Nil
  - number of complaints disposed of during the financial year – Nil
  - number of complaints pending as on end of the financial year – Nil
- (m) 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.
- (n) Items of expenditure debited in books of accounts, which are not for the purposes of the business.  
Nil.
- (o) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.  
Nil
- (p) Details of Administrative and Office expenses as a percentage of total expenses was 3.45%.

**13. Non-compliance of any requirement of corporate governance report with reasons thereof shall be disclosed.**

NMDC being a Central Public Sector Enterprise under administrative control of Ministry of Steel, Govt. of India and as per Articles of Association, the President of India shall appoint all members on the Board of Directors. The present composition of the Board of NMDC Ltd. consists of five (5) Functional Directors including CMD and two (2) Government Nominee Directors. Accordingly, the Board of NMDC has no Independent Director as on date. 8 posts of Independent Directors; Includes vacancy of at least one woman Independent Director needs to be filled in by Ministry of Steel, Govt. of India. In absence of Independent Director on the Board of NMDC, the company is non-compliant with the following:-

- Non-compliance with composition of the Board.
- Non-Compliance with appointment of women Independent Director.
- Non-compliance with composition of Audit Committee, Nomination, Remuneration and HR Committee and Stakeholders Relationship Committee.

The Company is regularly following up with Ministry of Steel, Govt. of India for appointment of requisite number of Independent Directors on the Board of the Company. The Board of the company has also been informed in this regard at regular intervals.

**14. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.**

In respect of discretionary requirements as prescribed in Part-E of Schedule-II to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the extent of compliance are as under:

**A. The Board:**

The Chairman cum Managing Director of the Company is the Chairman of the Board. Therefore, there is no need for maintenance of a separate Chairman's office.

**B. Shareholder Rights:**

The Quarterly Financial Results of the Company are published widely in leading newspapers. The said results are also hosted on the website of the Company.

**C. Modified opinion(s) in Audit Report:**

The Audit Report for both standalone and consolidated Financial Statements for the FY 2019-20 is unmodified. The Company always



aims to present financial statements with unmodified audit opinion.

**D. Reporting of Internal Auditor:**

Necessary mechanism / framework in respect of reporting of Internal Auditor directly to Audit Committee is being explored.

**E. 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.

15. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report – Necessary disclosure has been made in the section on Corporate Governance.
16. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management

A copy of the Code of Conduct of Board of Directors and Senior Management is posted on the website of the Company. Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed at **Annexure-III (B)**.

17. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

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

**18. Compliance Certificate of CEO and CFO**

As required in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Compliance Certificate duly signed by CEO, NMDC [CMD], Director (Finance) and CFO, NMDC has been taken on record by the Board.

**19. Disclosures with respect to demat suspense account/ unclaimed 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 Schedule-V Part F of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, disclosures with respect to unclaimed suspense account are as follows:-

Sl. No.	Particulars	NSDL		CSDL	
		Shareholders	Equity Shares	Shareholders	Equity Shares
1	Opening balance as on 01.04.2010	403	46,400	174	24,460
2	Requests received during the year 2010-11	361	41,760	174	24,460
3	Requests resolved during the year	361	41,760	174	24,460
4	Pending as on 31.03.2011	42	4,640	Nil	Nil
5	Requests received during the year 2011-12	8	1,100	Nil	Nil
6	Pending as on 31.03.2012	34	3,540	Nil	Nil
7	Requests received during the year 2012-13	7	1,060	Nil	Nil
8	Pending as on 31.03.2013	27	2,480	Nil	Nil
9	Requests received during the year 2013-14	Nil	Nil	Nil	Nil
10	Pending as on 31.03.2014	27	2480	Nil	Nil
11	Requests received during the year 2014-15	1	320	Nil	Nil
12	Pending as on 31.03.2015	26	2160	Nil	Nil
13	Requests resolved during the year 2015-16	0	0	Nil	Nil
14	Pending as on 31.03.2016	26	2160	Nil	Nil
15	Requests resolved during the year 2016-17	3	320	Nil	Nil
16	Pending as on 31.03.2017	23	1840	Nil	Nil
17	Requests resolved during the year 2017-18	0	0	Nil	Nil
16	Pending as on 27.03.2018 *	23	1840	Nil	Nil

\* The pending shares of 1840 were transferred to IEPF account on 27.03.2018.

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

**20(a). Transfer of Dividend and corresponding Ordinary Shares to the Investor Education and Protection Fund**

During the financial year 2020-21, unclaimed dividend for the financial year 2012-13 2nd Interim, Final & 2013-14 1st interim dividend aggregating Rs.44,59,938/- and the corresponding 8,061 Ordinary Shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund established by the Central Government (IEPF), pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2012-13 2nd Interim, Final & 2013-14 1st Interim dividend and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF5. This Form can be downloaded from the website of the IEPF Authority www.iepf.gov.in, the access link of which is also available on the Company's corporate website nmhc.co.in under the section 'Investor Relations'.

The unclaimed dividend for the undernoted years and the corresponding shares will be transferred by the Company to IEPF in accordance with the schedule given below. Communication has been sent to the concerned Shareholders advising them to write to the Investor Service Centre of the Company (ISC) to claim their dividend. Notices in this regard have also been published in newspapers. Details of such unclaimed dividend and corresponding shares are available on the Company's corporate website under the section 'Investor Relations'.

Financial Year	Dividend Identification No.	Date of declaration of Dividend	Total Dividend (₹)	Unclaimed Dividend as on 31.03.2021		Due date for transfer to IEPF
				₹	%	
2013-14	2013-14 2 <sup>nd</sup> Interim	10.02.2014	21805953617.00	2406217	0.011035	19.03.2021
2014-15	2014-15 1 <sup>st</sup> Interim	31.10.2014	11894148000.00	1521330	0.012791	07.12.2021
2014-15	2014-15 2 <sup>nd</sup> Interim	06.02.2015	16850063857.00	1790855	0.010628	15.03.2022
2014-15	2014-15 Final	29.09.2015	5154142052.00	828342	0.016071	05.11.2022
2015-16	2015-16 1 <sup>st</sup> Interim	12.02.2016	37664819874.00	5415097	0.014377	21.03.2023
2015-16	2015-16 2 <sup>nd</sup> Interim	19.03.2016	5947091716.00	1505116	0.025308	26.04.2023
2016-17	2016-17 Interim	07.03.2017	13130168437.00	2533441	0.019295	13.04.2024
2016-17	2016-17 Final	22.09.2017	3163890474.00	717315	0.022672	29.10.2024
2017-18	2017-18 Interim	26.03.2018	13604741375.00	2828247	0.020789	02.05.2025
2018-19	2018-19 Interim	12.03.2019	16901412082.00	3661195	0.021662	18.04.2026
2019-20	2019-20 Interim	06.02.2020	16197198449.00	3410806	0.021058	15.03.2027
2020-21	2020-21 Interim	11.03.2021	22741509724.00	0	0	16.04.2028

**(b) 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@nmhc.co.in,  
info@aarthicconsultants.com  
Web site : www.aarthicconsultants.com  
Contact Person: Mr. G. Bhaskara Murthy, General Manager

**(c) 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 Fintech Pvt. Ltd. at the following address:**

Karvy Fintech Pvt. Ltd.  
Karvy Selenium, Tower B,  
Plot No.31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad – 500 032  
Tel: 040-23420815  
Fax: 040-23431551  
Email: nmhc.ip@karvy.com  
Contact Person: Mr. M. Murali Krishna, General Manager

**(d) Investor Relation Cell:**

The Investor Relation Cell is also looked after by

the Board & Company Affairs Department. The Company organizes Investors / Analysts / Brokers meet / Conference Call as per requirement. Corporate Presentation, details of provisional production & sales, prices of iron ore and other material information are informed to Stock Exchanges and are uploaded on the Company's website.

**(e) Nodal Officer for coordinating with IEPF Authority – Company Secretary, NMDC Limited**

**(f) Name of Debenture Trustee with full contact details:**

Beacon Trusteeship Ltd  
4C & D, Siddhivinayak Chambers,  
Gandhi Nagar, Opp. M.I.G. Cricket Club,  
Bandra (East), Mumbai - 400 051.  
T +91 (0)22 2655 8759  
W <https://beacontrustee.co.in>

## **21. NMDC's Code for Prevention of Insider Trading**

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 and its amendments, the Board of NMDC has approved the Internal Code of Conduct for Prevention of Insider Trading in dealing with Securities of NMDC Limited. The Code is framed with an aim that the employees of the Company and his/her Dependents shall not derive any benefit or assist others to derive any benefit from the access to and possession of Price Sensitive Information about the Company which is not in the public domain.

## **22. Meeting of Non-official (Independent) Directors**

In compliance with DPE vide Office Memorandum No. F. No. 16(4)/2012-GM dated 28th Dec 2012 and Companies Act, 2013 a separate meeting of Non-official (Independent) Directors was held on 10.11.2020.

## ANNEXURE-III(A)

Office:  
B-13, F-1, P.S. Nagar  
Vijayanagar Colony, Hyderabad - 500 057  
Phone : (0) 91-40-23340985, 23347946,  
23341212, 23341213.  
e-mail : dhr300@gmail.com, dhr300@yahoo.com  
website : www.dhanumantarajuandco.com



**DATLA HANUMANTA RAJU**  
B.COM., LL.B., PGDT, M.B.A., FCS  
PARTNER

**D. HANUMANTA RAJU & CO.**  
COMPANY SECRETARIES

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
NMDC LIMITED  
Khanij Bhavan,  
10-3-311/A, Castle Hills,  
Masab Tank, Hyderabad  
Telangana - 500 028

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NMDC LIMITED having CIN: L13100TG1958GOI001674 and having its registered office at Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad, Telangana - 500 028 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Pradip Kumar Satpathy	07036432	13/12/2014
2.	Mrs. Rasika Chaube	08206859	24/08/2018
3.	Mr. Amitava Mukherjee	08265207	20/11/2018
4.	Mr. Alok Kumar Mehta	07474850	01/06/2019



**D. HANUMANTA RAJU & CO,  
COMPANY SECRETARIES**

**NMDC LIMITED**

5.	Mr. Shashank Priya	08538400	17/12/2020
6.	Mr. Sumit Deb	08547819	01/09/2019
7.	Mr. Somnath Nandi	08859169	18/12/2020

As the Company is a Central Public Sector Enterprise under administrative control of Ministry of Steel and Government of India, the President of India appoints all members of the Board. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Hyderabad  
Date: 12.08.2021**



**For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES**

**CS DATLA HANUMANTA RAJU  
PARTNER**

**FCS: 4044 CP NO: 1709  
UDIN: F004044C000773307**



## **ANNEXURE - III(B)**

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

In compliance with Regulation 26(3) read with Schedule-V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of the Board and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31<sup>st</sup> March 2021.

Place: New Delhi  
Date : 12.08.2021

**Sumit Deb**  
**Chairman and Managing Director**

## ANNEXURE-III(C)

Office:  
B-13, F-1, P.S. Nagar  
Vijayanagar Colony, Hyderabad - 500 057  
Phone : (0) 91-40-23340985, 23347946,  
23341212, 23341213.  
e-mail : dhr300@gmail.com, dhr300@yahoo.com  
website : www.dhanumantarajuandco.com



**CS DATLA HANUMANTA RAJU**  
B.COM., LL.B., PGDT, M.B.A., FCS  
PARTNER

**D. HANUMANTA RAJU & CO.**  
**COMPANY SECRETARIES**

### CERTIFICATE

TO  
THE MEMBERS OF  
NMDC LIMITED

On account of COVID – 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and based on our examination of the records of the company shared to us via e-mail pertaining to the compliance of conditions of Corporate Governance by **NMDC Limited** (*"the Company"*), for the year ended on March 31, 2021, as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*"Listing Regulations"*) for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations and DPE Guidelines, *except for having the requisite number of Independent Directors and Woman Independent Director on its Board and constitution of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.*

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE: HYDERABAD  
DATE : 12.08.2021

For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES



  
**CS D.HANUMANTA RAJU**  
PARTNER  
FCS: 4044, CP NO: 1709  
UDIN: F004044C000773340

## ANNEXURE – IV

# BUSINESS RESPONSIBILITY REPORT

### Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L13100TG1958G0I001674		
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, 2020 – March 31, 2021		
7.	Sector(s) that the Company is engaged in (industrial activity code-wise): The Company is engaged in exploration and production of Iron Ore along with Diamond, production and sale of Sponge Iron and generation and sale of Wind Power.			
	Description	Group	Class	Sub Class
	Mining of Iron Ore	071	0710	07100
	Mining of Diamond	089	0899	08991
	Manufacture of Sponge Iron	241	2410	24102
	Electric power generation (wind)	351	3510	35106
	Iron Ore Pellets	241	2410	24101
8.	List three key products/services that the Company manufactures/provides (as in balance sheet): Iron Ore, Diamond and Pellets			
9.	Total number of locations where business activity is undertaken by the Company Number of National Locations : Four (4) - Chhattisgarh , Karnataka, Madhya Pradesh and Andhra Pradesh			
10.	Markets served by the Company – Local/State/National/International: NMDC serves the National market and also the International market by exporting iron ore to countries like Japan and South Korea.			

### Section B: Financial Details of the Company

1.	Paid up Capital (INR)	293.07 crores
2.	Total Turnover (INR) (Total Income)	15,370 crores
3.	Total profit after taxes (INR)	6,253 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax.	₹ 158.62 crores. [(2.53% on CY profits) (2.44% of average PBT of three preceding years)]

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

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

#### Focus Areas

##### Prime Focus Areas

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

- Health & Nutrition
- Rural Development Projects
- Ensuring Environmental Sustainability
- Sustainable Natural Resource Management

Other Focus Areas

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

**Section C: Other Details**

**1. Does the Company have any Subsidiary Company / Companies?**

Yes. NMDC has following Indian subsidiary companies, viz;

- J&KMDC Limited
- NMDC Power Limited
- Karnataka Vijaynagar Steel Limited
- NMDC Steel Limited
- Jharkhand Kolhan Steel Limited
- NMDC CSR Foundation

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

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

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

No.

**Section D: Business Responsibility Information**

**1. Details of Director / Directors responsible for BR**

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

DIN Number	07036432
Name	Shri P.K. Satpathy
Designation	Director (Production)

**b) Details of the BR head**

S.No	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Shri A.S. Pardha Saradhi
3	Designation	Company Secretary
4	Telephone number	040-23538757
5	Email-id	cs_pardha@nmdc.co.in

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

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

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Business 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	Business should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

No	Questions	Business ethics	Product responsibility	Wellbeing of Employees	Stakeholder engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer relations
1	Do you have policy/policies for	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate link for the policy to be viewed online	Y <sup>i</sup>	Y <sup>ii</sup>	Y <sup>iii</sup>	Y <sup>iv</sup>	Y <sup>v</sup>	Y <sup>vi</sup>	Y <sup>vii</sup>	Y <sup>viii</sup>	Y <sup>ix</sup>
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 <sup>#</sup>	Y <sup>#</sup>	Y <sup>#</sup>	Y <sup>^</sup>	Y <sup>#</sup>	Y <sup>^</sup>	Y <sup>#</sup>	Y <sup>#</sup>	Y <sup>#</sup>

\* All the policies are embedded and aligned to ISO 14001:2004 (Environmental management systems), ISO 9001:2008



(Quality management systems) and OHSAS 18001:2007 (Occupational health and safety), United Nations Global Compact, Corporate Environmental Policy and CSR policy.

# The comprehensive Studies commissioned by NMDC aimed at developing a clearer understanding of the impact of NMDC's CSR activities is at finalization stage. The relevant Reports w.r.t Impact Assessment & Social Audit were placed before NMDC's Board level CSR & Sustainability Committee for their perusal and feedback thereon. The relevant Reports are likely to be finalized and submitted to NMDC by September 2021. NMDC has published its CSR Policy and also publishes monthly update on all CSR activities on its website.

(i) Memorandum of understanding between NMDC Ltd. and Transparency International (India) TII

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

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

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

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

(viii) [https://www.nmdc.co.in/CSR\\_Policy.aspx](https://www.nmdc.co.in/CSR_Policy.aspx)

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

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

# Internal; ^ External

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

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

### 3. Governance related to BR:

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

NMDC assesses its BR performance on regular basis. Also, the Chairman-cum-Managing Director of NMDC communicates the performance of the NMDC on the ten principles of the International framework 'United Nations Global Compact' annually.

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

NMDC has published its second Sustainability Report "Expanding Horizons" as per the Global Reporting Initiative (GRI) Standards. The report captures the initiatives taken by NMDC over the years in Economic, Environmental and Social aspects. The report also ushers in a new resolve in the organization to take Sustainable Development to greater heights. The report highlights the efforts done by NMDC in transforming people and societies in the vicinities of its operating mines. Please see the below hyperlink for more information on NMDC Sustainability Report

[https://www.nmdc.co.in/Docs/NMDC-Sustainability/NMDC\\_Sustainability\\_Report\\_2018%20Final.pdf](https://www.nmdc.co.in/Docs/NMDC-Sustainability/NMDC_Sustainability_Report_2018%20Final.pdf)

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

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

## Section E: Principle-wise Performance

### Principle 1: Ethics, transparency and accountability

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

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

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

About 9 shareholder complaints have been received in the financial year 2020-21 and all of them have been successfully resolved. NMDC has formulated its Whistle Blower Policy to achieve the highest possible standards of ethical, moral and legal business conduct and also to strengthen its commitment to open and transparent communication.

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

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

NMDC adopted sustainable mining practices and production processes for all its three products viz; Iron Ore, Diamond and Sponge Iron. It ensures to implement appropriate environmental measures in all its mining operation to protect and safeguard the environmental parameters such as air, water, land, noise and biodiversity.

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

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

Company has a well-defined CSR policy run by the CSR department for peripheral and community development. The CSR team consults the local community around its mining belts and identifies the major focus areas for implementing various CSR activities. It has contributed to the society by implementing activities like roads, bridges, building of residential schools and hostels, operating 'hospitals on wheels, conducting medical camps and providing free treatment to local tribal's, electrification of villages and many more such initiatives.

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

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

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

NMDC utilize optimum consumption of resource such as electricity, fuel oil, lubricant oil, raw material and water. The targets are fixed for specific consumption of resource usage. The achievements of the same

are reviewed in internal and external audits of quality and environment management system. Water and energy audits are conducted at all project sites. These audits also help to identify and prioritize energy efficient technological measures and savings opportunities.

The specific energy consumption at the project sites is seen to be improving with the implementation of few of the energy efficient measures. Even though the specific water consumption is low as compared to electricity, NMDC implementing water conservation and management measures by installing secondary waste water treatment systems at most of the project sites. The treated water is recycled and reused for various purposes.

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

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

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

NMDC Projects at Bailadila and Panna is concluding Rate Contract for transportation of all incoming and outgoing materials from Projects and vice versa. All the material is transported as per transportation Rate Contract terms & conditions and complete procedure is followed for sustainable sourcing (transportation).

Present Rate Contract at Bailadila Project and Panna is with the following 02 Firms:

- 1) M/s ARC Limited-Bacheli
- 2) M/s Balan Trasport-Bacheli

NMDC Donimalai is concluding transportation Rate Contract with other Transporters available at Donimalai site or area and they are concluding Rate Contract for Donimali Project. Approximate value of both the transportation Rate Contract at Bailadila & Panna and Donimali Complex is around ₹ 7.0 Crore.

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

The company has taken various steps to procure goods and services from MSE firms as well as MSE SC/ST Entrepreneurs and Women Entrepreneurs. The achievement of Procurement from MSME firms are as below:

Sl. No.	From 1 <sup>st</sup> April 2020 to 30 <sup>th</sup> March 2021	Value in ₹ lakhs	Targets 2020-21
I	Total annual procurement	51401.86	
I(A)	Total annual procurement after deductions	20545.72	
II	Total value of Procurement from MSEs (including MSEs owned by SC/ST Entrepreneurs)	6773.45	
III	% of Procurement from MSEs out of total procurement at I(A)	32.97%	25%
IV	Procurement from SC/ST Entrepreneurs	845.61	
V	% of Procurement from SC/ST Entrepreneurs out of total annual procurement at I(A)	4.12%	4%
VI	Procurement from WOMEN Entrepreneurs	627.44	
VII	% of Procurement from WOMEN Entrepreneurs out of Total Annual Procurement at I(A)	3.05%	3%

Due to the continuous efforts made by projects, various MSE meets specially for SC/ST Category were arranged at projects sites as well as in various cities as detailed below:

Sl. No.	Project	Place of meeting	Date of meeting
1.	Bailadila Projects	Raipur	06 <sup>th</sup> & 07 <sup>th</sup> Nov'20
2.	Head Office	Hyderabad	17 <sup>th</sup> Dec'20
3.	Bailadila Projects	Bilaspur	18 <sup>th</sup> Mar'21

As a result of the above efforts following increase is recorded in no. of MSE as well as SC/ST MSE firms against each project:

Sl No.	Description	Kirandul		Bachel		Donimalai		Panna	
		2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
1	No. of MSE Firms	251	505	332	389	231	255	64	85
2	No. of MSE SC/ST Firms	17	17	18	20	12	13	2	3
3	No. of MSE Women firms	11	18	9	09	15	18	7	9

#### Procurement through GeM Portal:

As per directives of Ministry, the Company tried its level best to procure maximum items available in GeM through GeM portal. Details are furnished below:

	2019-20	2020-21
No. of Orders	1017	948
Total Value of Orders (₹ Crores)	16.00	38.97

Above details shows that due to continuous efforts of MM department value of total orders placed through GeM portal has been increased from Rs. 16.00 Crores to Rs.38.97 Crores.

Further, we have started to float Custom Bids through GeM Portal for the nonavailable items as per GeM Authority instruction and same has been communicated to all NMDC Projects, which will improve to procure maximum items through GeM.

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

Yes, NMDC employs safe, scientific and environment friendly methods of mining and mineral processing. It strives to apply the 3R policy (reduce, re-use and recycle) to its waste management plan with the aim of avoiding potentially harmful environmental and social impacts, during both the operational and post-closure phases.

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

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

1. Please indicate the total number of employees (as on 31.03.2021):

Total: 5569 Category wise breakup is shown below:

Executives: 1458, Jr. Officers: 89, Workmen: 4022

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

Contract Labour: 10709

On Contract basis at NISP: 666

3. Please indicate the number of permanent women employees:

There are 357 permanent women employees.

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

There are 101 permanent employees with disabilities

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

Yes,

- Majority of the unions at project level have formed an independent apex body called All India NMDC workers federation (AINMDCWF).

- Supervisors have their own association (NMDC Supervisors' Association) at unit level and at corporate level.
- Executives have their own association (NMDC Officers' Association) at unit level and at the corporate level.

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

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

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

There have been nil complaints with regard to child labour, forced labour, involuntary labour, discriminatory employment and sexual harassment in the FY 2020-21. The requisite information in the prescribed proforma is furnished hereunder:-

Sl.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

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

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

The percentage of employees given Safety and Skill Up-gradation Training for the FY 2020-21:

Sl.No.	Particulars	Percentage	
		Safety Training	Skill Upgradation Training
1	Permanent Employees	19.91	7.80
2	Permanent Women Employees	0	1.32
3	Casual / Temporary / Contractual Employees	31.68	0.46
4	Employees with disabilities	7.32	1.22

**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 stakeholders for the purpose of stakeholder engagements. The key categories are as below:

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

NMDC engages with the identified stakeholders and communicates its major CSR initiatives in different forms and considers the feedback in planning future initiatives.

**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 baseline surveys conducted as the part of its CSR policy objectives and through consultation with State Authorities.



**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, most of the major CSR activities implemented by NMDC have benefitted the disadvantaged, vulnerable and marginalized stakeholders and are given below:

- During the academic year 2020-21, 40 Tribal girl students under the 'NMDC Balika Siksha Yojana', were given sponsorship for Nursing Courses, which is a unique initiative in State of Chhattisgarh to benefit Tribal girls of Bastar Division.
- Continued operation of NMDC Shiksha Shayog Yojana- A scheme providing Scholarships to upto 18,000 SC/ST students for encouraging them to pursue education beyond 8th class up to Graduation.
- Support to Mid-Day Meal Scheme to provide nutritious & wholesome meals in Govt. Schools around Donimalai mines, Karnataka, covering 8000 students.
- NMDC is continuing with the successful implementation of the Bailadila Kamdhenu programme in partnership with the State Authorities of Chhattisgarh- a milk dairy farm at Chalki Para in Dantewada District. Besides providing employment to 24 local dairy farming families, it has also empowered around 48 women in these families in terms of providing income generation opportunities. Besides this, the initiative had a positive impact on the surrounding communities through supply of nutritious A 2 cow milk.
- Initiated establishment of Vermicompost unit, Poultry Unit, Goatry Unit and Mushroom Unit in partnership with State Govt. of Chhattisgarh in Sukma District.

**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 owes allegiance to the constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity, also encompasses the fundamental human rights as envisioned in the Universal Declaration of Human rights. It stands committed to protecting human rights in its workplaces and of its subsidiaries. Also

a separate committee for redressal of grievances of women employees in particular has been constituted.

**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 2020-21.

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

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

Businesses should respect, protect, and make efforts to restore the environment. The environmental management at NMDC is governed by its Corporate Environmental Policy. The policy extends to NMDC and its subsidiaries.

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

Yes, NMDC understands and recognizes the implications that climate change would have on its business, environment and community. NMDC has framed policies around the climate change and other global environmental challenges. It stands committed in promoting greater environmental responsibility in mining and processing of minerals for sustainable development. The environmental management at NMDC is governed by its Corporate Environmental Policy. The Policy outlines its commitment to prevention and control of environmental pollution, conserve the natural resources, monitor and ensure compliance, continual environmental performance improvement, safeguarding the environment, educating its employees and communities about the environmental commitments and applying proven management practices to prevent or mitigate negative environmental impacts.

NMDC believes that Greenhouse gas emissions are one of the key concerns of "cost to environment" for modern business, it wishes to embark on low carbon growth trajectory in its operations. NMDC measures, records, calculate and reports its GHG's every financial year. The possible mitigation measures proposed for the thrust areas of mining, mechanical and electrical services are being looked into for abatement. Also, NMDC being a signatory to the 'United Nations Global Compact, it reports its environmental performance annually under the

defined principles of UNGC. The hyperlinks to view the Corporate Environmental Policy and UNGC principles are given below

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

<https://www.nmdc.co.in/Handlers/DownloadCommunicationOnProgress.ashx?ID=c2ad9ca5-9f62-4e0f-a3d3-7e345ea8bb8b>

[https://www.nmdc.co.in/Docs/Environment/Carbon%20Foot%20Print%20first%20Climate%20Report%202018-19\\_06.08.19.pdf](https://www.nmdc.co.in/Docs/Environment/Carbon%20Foot%20Print%20first%20Climate%20Report%202018-19_06.08.19.pdf)

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

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

NMDC project sites are certified to Integrated Management System including SA-8000: 2008 and as a part of requirements of EMS carries out aspect-impact studies for all the activities and operations for identification of critical activities for setting objectives and targets. The system is audited biannually through third party auditors (apart from the periodic audits carried out by certified internal auditors) to verify adequacy and effectiveness of the system and to identify changes if any required in objectives, targets and management plan.

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

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

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

Yes, NMDC being a signatory to UNGC, it stands committed in encouraging the development of environment-friendly technologies along with its Corporate Environmental Policy. Also, NMDC's

research and development Centre has earned rare distinction of competence of undertaking technology development mission related to efficient mineral processing. To know more about the initiatives, please see the hyperlink given below:)

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

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

Yes. All emissions & wastes generated by NMDC are monitored on a regular basis and are within permissible limits as specified by CPCB/SPCB. Also, the returns are filed regularly to the statutory authorities as per requirement. To know more about the initiatives, please see the hyperlink given below:)

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

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

Regional Officer, Chhattisgarh Environment Conservation Board has filed a complaint under section 41, 43 & 47 of Water Act 1974 against NMDC, Kirandul Project in Hon'ble court of Bachel on 3/12/2016. The matter is under sub-judice.

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

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

Yes. NMDC is a member of various trade and chambers / associations. Few of the major ones are listed below:

- Federation of Indian Mineral Industries, New Delhi (FIMI)
- Skill Council for Mining Sector (SCMS)
- Mining Engineers Association of India (MEAI)
- The Mining, Geological & Metallurgical Institute of India (MGMI)
- Indian Institute of Mineral Engineers (IIME)
- All India Management Association, New Delhi
- Federation of Indian Chamber of Commerce and Industry, New Delhi
- Standing Conference of Public Enterprises, New Delhi
- Confederation of Indian Industry (CII)
- Indian Iron and Steel Sector Skill Development Council

- Federation of Indian Export Organization, Chennai
- The Associated Chambers of Commerce & Industry of India)
- Global Compact, UN

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

Yes, following are the broad areas:

- Sustainable Mining Practices
- Energy Conservation
- Inclusive Development)

**Principle 8: Businesses should support inclusive growth and equitable development**

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

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

**Literacy and Education**

- NMDC's Siksha Sahayog Yojana
- NMDC Balika Siksha Yojana
- Operation of Polytechnic College at Dantewada
- Operation of ITIs at Dantewada and Nagarnar
- Operation of Residential School at Nagarnar

**Health Care**

- Free medical treatment at Project hospitals
- Hospital on Wheels (How) – providing health services in remote villages, operating 13 Vans (10 in Bellary in Karnataka & 3 in Bailadila in Chhattisgarh) covering 165 villages in Chhattisgarh & Karnataka.
- NMDC has partnered with the Govt. of Chhattisgarh for installation of solar power-based electrification facility in health centers and providing solar maternity cum mother care kits in health centers of 6 Districts of Bastar division.
- NMDC has provided support to Sri Satya Sai Sanjeevani Hospital, Naya Raipur, for setting up a 500 KW Solar Power Plant and thereby

save resources for extending Cardiac care to more needy children.

- Construction of Shelters and providing other necessary facilities for attendants in District Hospital Dantewada
- Financial support to reduce the prevalence of Malnutrition & Anemia among children and Adolescent girls & women of reproductive age group in Bastar Division
- Drilling and installation of 115 Handpumps in High API (Animal Parasite Index) 94 villages of Bijapur
- Initiative for addressing the issue of malnutrition among children in Chhattisgarh.

**NMDC's contribution towards Fight against COVID-19**

Besides making a Corporate donation of Rs.150.00 Crore to the PM CARES FUND, NMDC continued with its commitment to contribute to the National effort COVID 19 pandemic NMDC has taken up the following initiatives:

- Partnered with Govt. of Chhattisgarh with a financial assistance of Rs. 10.00 Crore to overcome the disaster arising out of the COVID19 pandemic
- Assisted in the setting up of COVID19 treatment infrastructural facilities at the Vijayanagar Institute of Medical Sciences (VIMS) Bellary
- NMDC provided a financial assistance to the District Administration, Bellary District, Karnataka for setting up COVID -19 treatment facilities in the District Hospital, Bellary by acquisition of Cots and disposable Rexin Sheets and beds.
- As a contribution to the National vaccination programme initiated by the Govt. of India, NMDC has provided Cold Chain Equipment for storage of COVID19 vaccinations in the states of Chhattisgarh & Telangana in the form of Deep Freezers, Ice line Refrigerators and walk-in Coolers

**Rural Development & Infrastructure**

- Construction of Road, Bridges and culverts in un approachable roads for travelling 108 Muktanjali Ambulance and Mahtari Express in Bijapur District
- Construction of 200 mtrs. CC road and 2 Km. culvert in Bijapur District
- Construction of Colony & providing basic infrastructural facilities such as Roads, water, electricity etc. in Dantewada District

- Installation of transformers and extension of electricity line in various villages of Bijapur District

**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 State / District Authorities and NITI AAYOG registered non-governmental organization (NGO's) 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 partnering organization.

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

Yes, a comprehensive Impact assessment Study connected with the CSR Programme of the Company was commissioned in 2018-19, the relevant Reports are likely to be finalized and submitted to NMDC by September 2021.

**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 Rs.158.62 Crores on development projects as under in FY 2020-21 broadly under the following heads, which also form part of Schedule VII of the Companies Act.

(1) Education (2) Drinking Water (3) Health and Hygiene (4) Free Medical Treatment (5) Nutrition (6) Infrastructure (7) Skill Development (8) Rural Development (9) Sanitation (10) Environment.

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

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

NMDC takes all the requisite measures to ensure that its community development initiatives are successfully adopted by the community by way of initiating dialogue with the community to assess their need and by seeking a firm & written commitment from the beneficiary stakeholders during the pre-implementation consultation/need assessment process w.r.t. post implementation maintenance and up keep of the infrastructure

and support to instill a sense of ownership among the beneficiaries for initiating the activity. Hence, sustainability has become an integral part of NMDC's CSR initiatives.

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

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

Commercial Department receive complaints pertaining to quality of the products and some time about shortages. As soon as complaints are received, the same is being forwarded to respective departments / projects for corrective measures / redressal. There are no complaints pending at our end as of end of FY 2020-21.

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

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

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

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

No case is pending against NMDC as at the end of financial year 2020-21.

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

No consumer survey has been carried out in FY 2020-21. However, regular customer meets are being conducted at Hyderabad / Raipur/NMDC Projects to assess customer satisfaction trends

**Cautionary Statement**

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

# ANNEXURE-V

Office:  
B-13, F-1, P.S. Nagar  
Vijayanagar Colony, Hyderabad - 500 057  
Phone : (0) 91-40-23340985, 23347946,  
23341212, 23341213.  
e-mail : dhr300@gmail.com, dhr300@yahoo.com  
website : www.dhanumantarajuandco.com



**CS DATLA HANUMANTA RAJU**  
B.COM., LL.B., PGDT, M.B.A., FCS  
PARTNER

**D. HANUMANTA RAJU & CO.**  
COMPANY SECRETARIES

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2021

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members,  
**NMDC LIMITED.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NMDC LIMITED** (a Navaratna PSU) (hereinafter called the company) holding CIN: L13100TG1958GOI001674 and having its Registered Office at Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500 028. Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Due to lockdown on account of COVID – 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company which were shared with us electronically and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;





- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - (Not applicable to the Company during the period of audit);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - (Not applicable to the Company during the period of audit);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the period of audit);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) Other laws **specifically** applicable to the company include:
- A. Mines Act, 1952 and Mines Rules, 1955
  - B. Mines and Minerals (Development and Regulation) Act, 1957
  - C. Metallic Ferrous Mines Regulations, 1961
  - D. Indian Electricity Rules, 1956,
  - E. MCR (Mineral Concession Rules), 1960
  - F. Forest Conservation Act, 1980
  - G. Wild Life Act, 1977
  - H. The Explosives Act, 1884
  - I. The Explosives Rules, 2008
  - J. Indian Boilers Act, 1923
  - K. Central Electricity Authority Regulations, 2010
  - L. Welfare Cess Fund



We have also examined compliance with the applicable clauses of the following:

- (i) Standards issued Secretarial by "The Institute of Company Secretaries of India"
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited (NSE), the Calcutta Stock Exchange Limited(CSE)

*During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:*

- *There is no Woman Independent Director on the Board of the Company.*
- *The Company should have at least half of the Board as Independent Directors if the Chairman is an Executive Director. It has been observed that the Company is having 7(Seven) Directors on its Board as on 31.03.2021 including 5 (Five) Executive and 2 (Two) Non Executive Directors. The Company is yet to appoint 7 (Seven) Independent Directors including one Woman Independent Director.*
- *The Company had convened the Board Meeting on 24<sup>th</sup> March, 2021 without the presence of Independent Director.*
- *The constitution of Audit Committee of the Company is not as per the regulations of SEBI LODR and it is observed that:*
  - *for the quarter ended 31.12.2020 committee comprises of only one executive director and only one independent director.*
  - *for the quarter ended 31.03.2021 committee comprises of only two executive directors.*
- *The constitution of Nomination and Remuneration Committee of the Company is not as per the Regulations of SEBI LODR for the year 2020-21 due to the non appointment of sufficient number of independent directors and it is observed that consequent to cessation of all the members of the committee from the Board of the Company, this committee ceased to exist for the quarters ended 31.12.2020 and 31.03.2021.*
- *The Company had only 2 (Two) Executive directors as members in the Stakeholders Relationship Committee for Quarters ended 31.12.2020 and 31.03.2021*

**We further report that**

The Board of Directors of the Company is constituted with Executive and Non-Executive Directors. However, the appointment of Independent Directors is not as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the Provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under



review were carried out in compliance with the provisions of the Act. In terms of Articles of Association of the Company all appointments to the Board are made by Government of India.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the period under review:**

National Stock Exchange of India Limited imposed on the Company a fine of Rs. 26,34,940/- including GST and BSE Limited had imposed a fine of Rs. 35,97,820/- including GST for non compliance with the requirements pertaining to the composition of the Board of Directors as per Regulation 17(1), quorum of Board meetings as per Regulation 17(2A), constitution of Audit Committee as per Regulation 18(1), constitution of Nomination and Remuneration Committee as per Regulation 19(1) & 19(2), constitution of Stakeholder Relationship Committee as per Regulation 20(2) & 20(2A) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Company had replied to the Stock Exchanges on the said matter stating that it is a Central Public Sector Enterprise (CPSE) under the administrative control of Ministry of Steel, Government of India. As per Article 74(b) of the Articles of Association of the Company, inter alia, the President of India shall appoint all members of the Board of Directors. After considering the facts of the case and the Company's representation, Stock Exchanges have waived the fines levied for non compliance under SEBI (LODR) Regulations, 2015.

**PLACE: HYDERABAD  
DATE: 12.08.2021**

**For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES**



*D. Hanumanta Raju*  
**CS D.HANUMANTA RAJU  
PARTNER  
FCS: 4044, CP NO: 1709  
UDIN: F004044C000773331**

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



**'Annexure A'**

To  
The Members,  
NMDC LIMITED.

Our report of even Date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the Company.

PLACE: HYDERABAD  
DATE: 12.08.2021

For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES



*D. Hanumanta Raju*

CS D.HANUMANTA RAJU  
PARTNER

FCS: 4044, CP NO: 1709  
UDIN: F004044C000773331

# ANNEXURE-VI

## GLOBAL COMPACT – COMMUNICATION ON PROGRESS

ED/EPS/GC/03

28<sup>th</sup> June, 2021

Dear Stakeholders,

The **United Nations Global Compact**, is a call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals. Launched in 2000, it is the largest corporate sustainability initiative in the world with over 12000 signatories based in more than 145 countries. The UN Global Compact enjoys the support of the United Nations General Assembly and has additionally been recognized in a number of other inter-governmental contexts. UN Global Compact continues to play a vital role with regard to strengthening the capacity of the United Nations to partner strategically with the private sector.

The Global Compact Network India works towards mainstreaming the ten universally acceptable principles in business activities around the world, catalyzing action in support of broader UN goals, such as the Millennium Development Goals (MDGs). At present, the India network ranks among the top 3, out of the 101 local networks in the world, and has emerged as the largest corporate citizenship and social responsibility organization in the country with a pan Indian membership.

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.

While setting the tone for the post 2015 development agenda within the Indian context, I reiterate NMDC's commitment to the cause of UN Global Compact.

With warm regards,

Yours sincerely

**Sumit Deb**  
Chairman-cum-Managing Director



**Principle 1: Business should support and respect the protection of internationally proclaimed human rights.**

**Commitment**

Being a company registered in India, 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, their spouses, dependent parents and dependent children below 25 years age, get medical care for a nominal life-time membership.

**Safety**

- Being basically a mining organization, NMDC attaches great importance for safety of the employees. In its mining projects, NMDC has its own Training Centre's equipped with the infrastructure as required under the Mines Vocational Training Rules. These centre's 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 Centre's 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.

**Performance during the year 2020-2021**

- NMDC is providing complete health care to its employees and the members of their families.
- The injury frequency rate was 4.68.
- Housing has been extended to all its employees. In addition, house building advances were given to 06 employees (cumulatively to 2313 employees)
- Training coverage is 59.33% of employees. Training mandays as % of working mandays is 3.01.
- Basic education has been extended to 100% of the employees' children.
- Recognizing the meritorious service rendered by the employees, NMDC has awarded suitable mementos to (a) 44 employees (cumulatively 8188) who have rendered 20 years' service; (b) 126 employees (cumulatively 6857) who have rendered 25 years' service; (c) 118 employees (cumulatively 6127) who have rendered 30 years' service (d) 48 employees (cumulatively 2163) who have rendered

35 years' service by organizing suitable function.

- 136 employees (cumulatively 5496) who retired from the Company were given service certificates and suitable mementos during farewell parties, specially arranged in their honour, in appreciation of their service to NMDC. 115 employees (cumulatively 2448) who retired after putting in 30 years' service in Government/ PSUs were awarded special mementos.

**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 2020-2021

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 2020-2021

- All the workmen are subject to collective bargaining agreements and the supervisors and executives are governed by understanding/ consultations.
- No man days 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.

**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.
- The Personnel Manual is available in the Intranet site for reference.
- 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 2020-2021

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 2020-2021

- 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 organizations 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 2020-2021

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, 2021 the manpower position was:

- |                             |               |
|-----------------------------|---------------|
| • Total number of employees | 5569          |
| • Scheduled Caste employees | 855 (15.35%)  |
| • Scheduled Tribe employees | 1393 (25.01%) |
| • Backward Class employees  | 1094 (19.64%) |
| • Men : Women ratio         | 6:84          |

#### 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-5,10/11A, Bailadila Deposit-14/11C and 11B, Donimalai Iron Ore Project and Diamond Mining Project, Majhgawan, Panna have accreditation with Integrated Management System including SA-8000. 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, Corporate Social Responsibility 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 through recognised environmental laboratories of MoEFCC/CPCB.
- Detailed Bio diversity conservation studies, carbon foot print, Energy audits, Water audit, SMI audit, etc.
- Environment up gradation works like afforestation at project sites, participating in C.G. Hariyar programme, reclamation of waste rock dumps.
- Disaster Management Plans for the tailing dams at the projects. Industrial Risk insurance for tailing dams constructed at NMDC projects.
- Protection measures for explosives' magazines at the projects. Public Liability Insurance towards handling explosives and other hazardous material.

#### **Actions**

- A separate department for environment management, headed by a General Manager has been positioned to extensively monitor and effectively implement environment management programmes.
- Separate Cells at production projects have been set up with qualified and experienced Environment Scientists/Engineers.
- Expert organizations in the area are being 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, check dams, digging contour trenches, biological reclamation of waste rock dumps, etc. to minimize land erosion. Various soil bio-engineering and dump stabilisation measures terrace dumping, geo-coir matting is being taken up to ensure minimum surface run off in the neighbouring forest and water bodies.
- Effluent Treatment Plant for treating effluents from service centres, Sewage Treatment Plant, Auto shops, etc to avoid water pollution.
- Sewage Treatment Plants with SBR technology have been constructed at Bachel and proposed to be constructed at Kirandul and Donimalai for treatment of township domestic wastewater.
- 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 landscaping.
- Regular maintenance of Heavy Earth Moving Machineries and OCSL Plant equipment and adopting good housekeeping practices there by reducing noise pollution.
- Monitor all environmental parameters such as PM10, PM2.5, SO2, NOx, CO, Fugitive dust emissions in ambient air, water quality as per IS standards, discharge water from auto shops and service centres, tailing dam discharge water etc., on regular basis following the statutory acts and their amendments of the GoI viz.,
- Continuous Ambient Air Quality Monitoring Stations (CAAQMS) have been installed at mines. The results are recorded live and results are available on CPCB website.
- Regular monitoring of ground water levels and quality by engaging laboratories of repute.
- 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.
- Scientific stabilization of all the passive waste rock dumps and mined out areas.

### Performance during the year 2020-21

#### Environmental clearance:

1. Bailadila Iron Ore Deposit-11 ML (11.30 MTPA ROM iron ore): EIA/EMP report finalized and uploaded in Parivesh on 11/3/2021 (validation under EIA 2006 notification)
2. Kumaraswamy Iron Ore Mine (7.00 MTPA ROM Iron ore): Environmental clearance obtained from MoEF&CC on 25/1/2021 for 7.0 MTPA Iron ore and 1.6 MTPA waste excavation (validation under EIA 2006 notification).
3. Capacity expansion of Kumaraswamy iron ore mine from 7 to 10 MTPA Iron ore and waste excavation from 1.6 to 6.25 MTPA: Terms of Reference obtained from MOEF&CC on 23/3/2021 for preparation of EIA/EMP report.
4. Tokisud North Coal block: Transfer of EC obtained from MOEF&CC on 9/2/2021 from erstwhile lease holder of M/s. Essar Power M.P. Ltd.
5. Screening Plant-III, Kirandul: On 1/12/2020, Validity extension of Environmental clearance obtained up to 4/11/2023 from MOEF&CC.

#### Forest clearance:

1. Iron Ore Beneficiation Plant, Bachel: Stage-1 Forest clearance obtained from Regional Office, MOEF&CC, Nagpur on 24/11/2020 for diversion of 7.116 Ha forest land for conveyor gallery:
2. Slurry Pipeline Project: Final Forest clearance obtained for 83.831 ha forest land from MoEF&CC, RO, Nagpur on 20/11/2020.
3. Road diversion, Bachel: Final Forest clearance obtained from MOEF&CC, RO, Nagpur on 27/11/2020 for diversion of 2.733 Ha for road from Loading plant, Bachel to Kirandul main road.
4. Tree felling permission: Obtained on 11/5/2020 for construction of Electrical Sub-Station at Kirandul in Deposit-14 NMZ Mining Lease.

#### Consent to operate approvals:

1. Deposit-10: Renewal obtained on 10/07/2020 for a period of 5 years upto 31/5/2025.
2. Deposit-11A: Renewal obtained on 5/9/2020 for a period of one year.

3. Deposit-14/11C: Renewal obtained on 31/12/2020 for a period of 2 years from 1/1/201 to 31/12/22.
4. NISP, Nagarnar: Renewal of consent obtained on 10/9/2020 for a period of one year from 13/09/2020 to 31/08/2021.
5. Dimond Mine, Panna: Renewal obtained on 18/6/2020 for Diamond Processing Plant up to 31/10/2021 from MPPCB, Bhopal.
6. Renewal of authorizations under Hazardous waste: Obtained authorization for handling 100 KL used oil for Deposit-5 Project on 30/09/2020 for a period of 5 years up to 2/8/2025.

#### R&R Works by ICFRE:

1. MOU signed with DFO, Dantewada on 1/2/21 for implementation of R&R / EMP works at Kirandul complex at a total cost of Rs.1,615/- lakhs.
2. R&R / EMP report finalized for Bailadila Deposit-11A by ICFRE, Dehradun.
3. Work order issued on 28/03/2021 to ICFRE, Dehradun for preparation of R&R / EMP for Bachel complex (Deposit-5 & 10 Mining Leases) at a total cost of Rs.69.05 lakhs.

#### Diamond Mining Project, Panna:

1. Obtained validity extension of Forest clearance on 6/1/2021 for 74.018 Ha in forest land in supplementary mining lease from 1/7/2020 to 30/6/2040 (co-terminus the extended lease period) from Forest Deptt, Bhopal.
2. Hon'ble Supreme Court appointed monitoring committee meeting was held on 4/9/2020.
3. State Wildlife Board meeting held on 14/1/2021 and PCCF (WL)/CWLW recommended the proposal of Panna DMP on 30/01/2021 for renewal / extension of wildlife permission for 20 years beyond 31/12/2021 to MOEF&CC subject to approval of Hon'ble Supreme Court.
4. Standing committee of National Board for Wildlife meeting held on 18/2/2021 wherein committee recommended the proposal subject to compliance of conditions (approval of Hon'ble Supreme Court of India) stipulated by CWLW and NTCA which was communicated vide letter dated 11/3/2021 to Pr. Secretary Forests, Bhopal by MoEF&CC.
5. I.A filed on 26/3/2021 before Hon'ble Supreme Court for obtaining approval of Court.

**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 sustainable 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 is 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 has implemented IMS covering ISO 14001: EMS, 9001 and OSHAS 180001 and SA-8000 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.
- Copies of the Environmental Policy Distributed/ displayed printed of the company among its employees and local communities.

#### Performance during the year 2020-21

- As against the permissible limit of 80 microns per cu m of SO<sub>2</sub> and Nox in ambient air, the values actually encountered at NMDC's mines were less than 30 microns per cu.m and carbon monoxide were 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 off 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 stairs,

- Prevent and control environmental pollution due to mining and associated activities by adopting safe, scientific and environmentally 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.

#### Sustainable Development Performance

- Under S.D. programme, construction of Sewage Treatment Plant with SBR technology at Bacheli at a cost of Rs.6.61 Cr has been constructed. Siilar treatment plant at Kirandul at a cost of Rs 8.0 Cr for treatment of domestic effluents is under construction stage.
- NMDC has planted more than 2.5 Million trees in and around its mining leases in Bailadila region in Chhattisgarh State. In the year 2018-19, total 1.3

Lakhs saplings were planted in and around the mining lease area of production projects of NMDC Limited. Apart from that, NMDC has contributed an amount of Rs.14.15 Cr to CG state flagship 'Chhattisgarh Harihar Tree Plantation Programme' in the FY 2020-21. Total amount released till date is Rs.69.15 Cr.

- Every year Carbon Footprint studies are being conducted for disclosure of Greenhouse Gas Emissions in Carbon Disclosure Project (CDP).
- Every year the Company is undertaking environmental pollution control work such as de-silting of check dams / check bunds, tailing dams, construction of buttress walls at toe of waste dumps and geo-coir matting on waste rock dumps for stabilization of dumps.
- M/s Indian Council of Forest Research and Education, Dehradun has prepared the EMP and Rehabilitation & Reclamation Plan for waste dumps, mined out areas, surface water pollution measures, etc for Kumarswamy and Donimalai Iron Ore Mine and Bailadila Iron Ore Complex. The studies have been successfully completed for Deposit 14 ML, Deposit 11B and 11C of Kirandul Complex. In this regard, an MoU has been signed on 1/2/21 with Dantewada Forest Division for carrying out the R&R works mentioned in the report for an amount of Rs.16.15 Crore. The total cost of implementation of civil and biological works under R&R works at Donimalai and Kumarswamy Mines is Rs.120 Crores for a period of 20 years. The works include construction of check dams / check bunds, tailing dams, construction of buttress walls at toe of waste dumps etc.
- In order to gainfully utilize slimes (low grade rejects), beneficiation & Pellet plant has been set up in Karnataka at the mine site itself. Larger scale similar plant is being set up in Bailadila sector also along with 15 MTPA slurry pipeline, which is a green and a cost-effective way of iron ore transportation.
- Indian Council for Forestry Research and Environment (ICFRE) was engaged for carrying out R&R and Environment Management studies at Kirandul and Donimalai projects. The protection measures suggested are being implemented at Kirandul and Donimalai Projects.
- Recently, NMDC engaged Visveswaraya National Institute of Technology (VNIT), Nagpur for conducting a study on 'Metal Ion Contamination in mine run off' in Bailadila Iron Ore. The sample collection work has been done successfully. Work is under progress.
- Water audit was conducted at all the production projects for evaluation of water consumption.

The recommendations of the audit are being implemented by replacing the worn out and leaking pumps. Apart from this regular maintenance of water appurtenances is being done. This will reduce the wastage of water and ensure optimum water use.

- SMI audit was done at all Iron Ore Mining projects of NMDC and recommendation are being implemented to obtain 5-star rating for all mines. 5 mines of NMDC in the Bailadila region (Chhattisgarh) and Kumarswamy Iron Ore Mine (Karnataka) during the year 2018 received the 5-star rating given by IBM, Ministry of Mines, Gol.

**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. Vigilance officers have been deputed at all NMDC production projects, NISP and Corporate office.
- 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 Studies 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 veracity of complaint / source information.
- All the executives of the Corporation have to submit Annual Property Returns every year as on 31st December.
- Foreign travels by employees are monitored.
- Continuously following up for updating/reviewing of Manuals.

#### Actions

- Various Studies were carried out by vigilance officers at different locations/area. The reports received were discussed in detail and improvements in systems / procedures were suggested wherever required.
- Surprise and regular checks were carried out in every quarter during the year. The deficiencies and deviations wherever noticed were brought to

the knowledge 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.
- Many system improvements such as maintaining of asset registers at Head office and Projects in respect of movable assets, Monitoring of Sensitive areas and installation of CCTV equipments, 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., were taken up as part of preventive vigilance.
- Vigilance Awareness week 2020 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 during the week.
- No. of Training Programmes were conducted for Employees / Executives Trainees on preventive vigilance.
- System for lodging of online complaints and submission of Annual Property Returns through online mode by all the executives is in place.
- The Vigilance Department recommends for rotation of staff posted in sensitive posts in order to ensure that no vested interests are developed.
- Engineering Works Manual in place and put on NMDC website.
- Contracts Manual in place and put on NMDC website.
- Materials Management Manual in place. The Manual is under updation.
- NMDC Recruitment and Promotion Policy – 2018 is in place and put on NMDC website.
- Fraud Prevention Policy and NMDC Whistle Blower Policy is in place.

#### Performance during the year 2020-21

Vigilance department had taken several initiatives during the year. Emphasis was laid on adequate checks and balances in the form of well-defined systems and procedures. Various programmes were conducted for awareness on vigilance matters for the employees of the Corporation. The vigilance functionaries at the projects have conducted regular training classes for the employees on the vigilance matters. Executives of Vigilance Department were nominated for training / workshops being organized in India.

The systems and procedures including the document

handling, maintenance of records is done so as to ensure that the Vigilance Department is conforming to the Quality Management Systems as per ISO 9001:2015 Standards.

Vigilance Department in NMDC has upgraded to ISO 9001:2015 standards of Quality Management System (QMS). In this regard, a work order has been issued to M/s Vexil Business Process Services Private Limited, Delhi for certification. Accordingly, Surveillance Audit was conducted by M/s Vexil on 18.01.2021. and ISO certificate valid up to 5th Feb 2022.

During the year (April 2020 – March 2021), 47 surprise checks, 59 regular inspections, was conducted by Vigilance Department. Complaints received were taken up for investigation and necessary suggestions for system improvement/ disciplinary action wherever required were recommended. A total recovery of 65.38 lacs was made during the financial year.

As part of the implementation of “Leveraging of Technology for transparency” in all the transactions, details of contracts concluded above Rs. 10 lakhs, all works awarded on nomination basis, single tender basis above Rs. 1 lakh, information regarding bill payments to the contractors, etc. are provided on the company’s website. Efforts to encourage e-procurement, e-tender & e-auction are being made continuously.

NMDC has adopted the Integrity Pact since November 2007. As per the suggestions given by Vigilance Department, the threshold value has been decreased to 1.0 Crore w.e.f. 07.09.2018 for both Procurement and Contracts as against the earlier threshold limit of Rs. 20 crores in case of Civil works and Contracts and Rs. 10 crores in case of Procurement on approval of NMDC Board. The Integrity Pact has been entered into 339 contracts with a value of Rs. 26046.91 Crores. All the contracts wherein the Integrity Pact was to be signed as per the threshold limit was adhered to and more than 90% of the total values of the contracts are covered under Integrity Pact.

To ensure transparency in vigilance works, rotational transfers of vigilance officers were carried out and new officers were inducted in Vigilance department.

A Vigilance Review-cum-Coordination meeting for the last quarter of 2020-21 was called by CVO during 8th & 9th Feb, 2021 at Head Office, Hyderabad. The said meeting was attended by all the Vigilance Officers posted at Head Office and Projects like Kirandul, Bachel, Donimalai, Panna & NISP. Project-wise presentations were made and matters pertaining to vigilance inspections and system improvements recommended / implemented etc. were discussed. Few common matters were also discussed in open-house wherein all VOs exchanged their views and gave valuable suggestions. Earlier meetings were held through virtual mode in view of Covid-19 pandemic.

In pursuance of CVC directions / guidelines received during the month of August / September 2020, a 02 days module and Road map for imparting training on Preventive Vigilance (PV) separately for Induction Level (new entrants) and Mid-career level Executives were drawn up and was integrated with our HRD's regular training plan. The said training programs on Preventive Vigilance is being arranged every month at NMDC in compliance of CVC guidelines, covering Induction level and mid-career level executives of HO, ROs and all Projects. Keeping in view the present scenario of the pandemic, the sessions for training on PV has been arranged through Hybrid mode, i.e., through class room mode at few locations like Head office and through online relay under the concept of extended classrooms at remote locations & Projects.

Till the end of Year 2020-21, a total of 02 Nos. of Training modules on PV was planned & arranged for Induction level and which was attended by 36 No. of Induction level executives, whereas, 11 No. of training modules on PV was planned / arranged for Mid-Career level and which was attended by 248 No. of mid-career level executives.

#### **SYSTEM IMPROVEMENTS UNDERTAKEN / IMPLEMENTED DURING THE YEAR 2020-21**

As per the Action Plan, surprise and regular checks were conducted besides the study of files. Irregularities and omissions under the provisions of the rules are identified and improvements in the systems are suggested wherever required. Based on the observations of Vigilance, recoveries from the contractor's bills, for not conforming to the contractual terms were suggested.

The initiatives/system improvements studies/ suggestions/recommendations made during the period are briefed as below: -

13. **Test Certificate for Mechanical Strength of Mobile Lighting Towers:** Circular was issued in the tender of the Lighting towers to ensure the quality, tenderers shall submit requisite test Certificate in relevant IS codes for high mast and Type Test certificate for the Mechanical strength, stability and wind loads from the Govt. Laboratory for the towers along with their offer.
14. **Time bound reply for CTEO's observations:**  
Circular regarding the time frames for submission of the reply by Technical Department and preparation of reply to CTEO by Vigilance department were fixed to speed up the process.
15. **System improvements related to contract labour payments:**  
Contractors have to submit a copy of bank statement/pass books/online PDF statement as a proof of contract labour monthly wages to

executing department /personal department before submitting final bill to IR section to improve the transparency.

16. **System improvement in Open Tender Enquiries** have been implemented by bringing about transparency in all stages of tendering process, uploading of open tenders in CPP Portal and providing separate payment channel / portal for collection of tender document fee / EMD amount and ensuring refund of EMD within 15 days time.
17. **System improvements in Pre – Contract Award Process:**  
System improvement in Pre-Contract Award Process has been done to avoid the lapses in execution of the contract by ensuring scrutinization of all the requisite clearances from Revenue, Forest and other statutory authorities before issue of work order to avoid any future litigation / arbitration.
18. **Reduction of detention charges and shunting charges during despatch :**  
As per suggestion of Vig. dept., supervision of the dispatch activities at loading plant, drop test for CLO (Iron ore) siding wagon loader has been conducted in presence of customer representatives and improved the supervision at site of Loading resulting in reduction of detention and shunting charges approx. 40%
19. **System improvement in issue and consumption of the HSD records:**  
Review of digital signatures of the officers who are authorized to draw the fuel from the central stores periodically to avoid the unauthorized consumption and issue of the POL and HSD
20. **Banning of negotiation with lowest bidder:**  
Vigilance dept. has studied the cases of negotiations held with L1 bidder during the tender process and has advised to avoid negotiations with L1 bidder in order to improve the transparency of the system.
21. **Improvement in the quality control of the civil works**  
To improve the quality of the civil works, the records of hindrance, free-issue and other site and statutory registers shall be verified by the concerned Engineer-Incharges and HODs as per the norms without fail. Also digitalization of records is also proposed by the Vigilance dept. which is under implementation.
22. **Rotation of officials working in sensitive posts:** As per CVC guidelines, the persons holding sensitive posts and long standing were identified and rotated during the year 2020-21.



23. **System improvement** has been done in Sample preparation of iron ore by mechanical methods in place manual methods in one of the out sourced Mines (KIOM) of the NMDC.

24. **Constitution of Standing Committee for quality assurance of construction projects** – to maintain the quality assurance in the construction projects of NMDC a committee was nominated consisting of experts of the relevant fields as per the recommendations of the vigilance department.

#### **Vigilance Awareness Week**

As per the directives of Central Vigilance Commission, the Vigilance Awareness Week for 2020(VAW-2020) was observed in NMDC Ltd. from 27.10.2020 to 02.11.2020 on the theme “सतर्क भारत, समृद्ध भारत – Satark Bharat, Samriddh Bharat (Vigilant India, Prosperous India)”.

On the Inaugural day of VAW-2020, Integrity Pledge for organisation was administered to all employees by Shri Sumit Deb, CMD through virtual

mode across all the Projects/R&D & Regional Offices (ROs) of NMDC Ltd. located in the states of Chhattisgarh, Karnataka, Madhya Pradesh, Andhra Pradesh, Jharkhand & New Delhi.

Various activities including sensitization programmes and individual/inter-departmental competitions like Slogan writing, Essay writing, Elocution, Quiz competition, inter-departmental House-keeping competition and Drawing of e-posters on the VAW theme were arranged for the employees during the Vigilance Awareness Week-2020. In addition to the conduct said regular activities, around sixteen areas/activities were also covered during VAW-2020, the list of which was provided by the CVC with a direction to take up those areas/activities in campaign mode.

Precautions as per COVID-19 guidelines were strictly taken during the observance of Vigilance Awareness Week -2020 and most of the events/ activities during VAW-2020 was arranged through On-Line mode, as far as possible.

# ANNEXURE-VII

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES (FORM AOC-1)

### Part "A": Subsidiaries

Information in respect of each subsidiary to be presented with amounts in ₹

Sl.No	Particulars	Details							
1		1	2	3	4	5	6	7	8
2	Name of the subsidiary	J&K Mineral Development Corporation Limited Jammu	NMDC SARL* Madagascar	NMDC Power Limited, Hyderabad	Legacy Iron Ore Limited, Perth, Australia	Karnataka Vijaynagar Steel Limited, Karnataka	NMDC Steel Limited, Chhattisgarh	Jharkhand Kolhan Steel Limited, Jharkhand	NMDC CSR Foundation(**), Hyderabad
3	Date since when subsidiary was acquired	19.05.1989	27.07.1999	12.12.2011	20.04.2007	29.12.2014	02.01.2015	24.09.2015	10.05.2018
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April- March	Jul-June	April- March	April- March	April- March	April- March	April- March	April- March
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Rupees	MGA	Rupees	AUD656.98	Rupees	Rupees	Rupees	Rupees
6	Share Capital	297,400,300	1,000,000	5,500,000	4,237,359,409	1,000,000	600,000	1,600,000	20,000,000
7	Reserves & Surplus	(210,015,968)		(819,367)	(2,876,360,936)	(13,139,527)	(591,835)	(1,027,380)	30,169,884
8	Total Assets	323,454,576	764,072,266	4,718,393	1,379,370,705	6,408,512,635	39,015	602,120	69,371,560
9	Total Liabilities	235,031,952	763,072,266	37,760	15,587,620	6,420,652,162	30,850	29,500	19,201,676
10	Investments								
11	Turnover								
12	Profit before taxation	(13,460,394)		(11,913)	(36,985,540)	(6,785,640)	(72,317)	(55,876)	(38,957,933)
13	Provision for taxation								
14	Profit after taxation	(13,460,394)		(11,913)	(36,985,540)	(6,785,640)	(72,317)	(55,876)	(38,957,933)
15	Proposed Dividend								
16	% of Shareholding	95.86%	100%	100%	90.05%	100%	100%	100%	100%

\* Amount is taken as MGA

\*\* NMDC CSR Foundation is a Not-for-Profit company (incorporated under Sec 8 of Companies Act, 2013). The company is not being considered for consolidation in preparation of Consolidated Financial statements as per Ind-AS 110

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - All the subsidiary companies are yet to commence operations

2. Names of subsidiaries which have been liquidated or sold during the year

3. Names of subsidiaries which have been under voluntary liquidation: i) NMDC Power Limited, Hyderabad ii) Jharkhand Kolhan Steel Limited, Jharkhand

**Part "B": Associates and Joint Ventures**

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

Name of Associates/Joint Ventures	Associates						Joint Venture			
	International Coal Ventures (Pvt) Ltd.	Neelachal Ispat Nigam Limited	Krishnapatnam Railway Company Limited	Chhatishgarh Mega Steel Limited	Romelt-Sail (India) Limited	* Kopano-NMDC Minerals (Proprietary) Limited	NMDC CMDC Limited, Raipur	Jharkhand National Mineral Development Corporation Limited, Ranchi	Bastar Railway Pvt. Limited	NMDC-SAIL Limited
1. Latest audited Balance Sheet Date	31.03.2021	31.03.2020	31.03.2021	31.03.2019	02.09.1999	28.2.2018	31.03.2021	31.03.2021	31.03.2021	31.03.2019
2. Shares of Associate/ Joint Ventures held by the company on the year end	376,357,143	74,799,878	40,000,000	13,000	105,000	50	98,347,236	6,000	152,674,600	-
3. Date on which the Associate or Joint Venture was associated or acquired	14.01.2009	08.12.2004	13.10.2006	14.7.2016	02.09.1999	01.09.2010	19.06.2008	06.08.2012	05.05.2016	23.05.2016
4. Amount of Investment in Associates / Joint Venture	3,763,571,430	1,005,997,560	400,000,000	130,000	1,050,000	324	983,472,360	60,000	1,526,746,000	-
Extent of Holding %	25.94%	10.10%	6.40%	26%	25%	50%	51%	60%	52.00%	0%
5. Description of how there is significant influence										
6. Reason why the associate / joint venture is not consolidated										
7. Networth attributable to share holding as per latest audited Balance sheet (Rs. In Crore)	590.51	(259.04)	35.08	0.0008	-	-	94.09	[0.04]	153.19	0
8. Profit /Loss for the year										
i. Considered in Consolidation										
ii. Not Considered in Consolidation										

1. Names of associates or joint ventures which are yet to commence operations.

· International Coal Ventures (Pvt) Ltd. - Post acquisition of Benga Mines ICVL has been deemed to have commenced business.

· Neelachal Ispat Nigam Ltd. - Commenced operations. ( Un-Audited Accounts as on 31.3.2020)

· Romelt-SAIL (India) Ltd. - Under closure.

· NMDC-SAIL Ltd. - Closed.

· Chhatishgarh Mega Steel Limited. - Under closure.

· Kopano-NMDC Minerals (Pty) Ltd. - Yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year- NIL

\*3. Accounts of 2017-18 was considered for consolidation of accounts based on un-audited results.

## ANNEXURE-VIII

### ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN BOARD'S REPORT

Format For the Annual Report on CSR Activities to be included in the Board's Report for Financial Year Commencing on after 1<sup>st</sup> Day of April 2020

#### 1. Brief outline on CSR Policy of the Company

NMDC has been continuously refining the CSR Policy and Strategy to meet the ever-changing needs of the stakeholders and the aspirations of the country to become a fully developed society. As part thereof NMDC has revised its CSR Policy which outlines its commitment through Vision, Mission, Objectives, Scope, Guiding Principles, Coverage, Mechanism, Process, Focus Areas, Fund allocation & Expenditure, Planning & Implementation, Monitoring & Evaluation and Reporting & MIS and got approved by the Board on 08.02.2021 and the same is uploaded on the NMDC website (<https://www.nmdc.co.in//Docs/CSR/CSR%20Policy.pdf>) for a transparent and effective communication on various facets of its CSR activities to the stakeholders, partner organizations and all the concerned individuals or agencies.

#### 2. Composition of CSR Committee

Due to non-availability of Independent Director(s),

since January 2021, the constitution of CSR & Sustainability Committee is awaited.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.

Web link for CSR Policy on NMDC's website is given below: <https://www.nmdc.co.in//Docs/CSR/CSR%20Policy.pdf>

web link for list of CSR activities approved and the expenditure incurred during the year is as follows: <https://www.nmdc.co.in/CSR/Default.aspx>

4. Provide the details of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules 2014, and amount required for set off for the financial year, if any

Sl.No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off from preceding financial years (in ₹)
1	2017-18	48.33 Cr.	None
2	2018-19	70.15 Cr.	None
3	2019-2020	82.18 Cr.	None
	<b>Total</b>	<b>200.66</b>	<b>NIL*</b>

\*NMDC proposes not to exercise this option for the time being

#### 6. Average net profit of the company as per section 135 (5).

The average net profit of the preceding three years is ₹ 6499.95 Crore

#### 7. (a) Two percent of average net profit of the company as per section 135 (5)

₹ 130.00 Crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years  
Nil

(c) Amount required to be set off for the financial year, if any  
None-NMDC proposes not to exercise this option for the time being

(d) Total CSR obligation for the financial year (7a+7b-7c)  
₹ 130.00 Cr.

#### 8.(a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the FY (in ₹)	Amount Unspent (in ₹)				
	Total Amt. transferred to Unspent CSR Account as per section 135(6)		Amt. transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
2020-21	NA	-	NA	-	-

# APPENDIX - I

8 (b) Details of CSR amount spent against ongoing projects for the financial year

1	2	3	4	5		6	7	8	9	10	11	
				Location of the Project							Mode of Implementation through Implementing Agency	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project Duration*	Amt. Allocated for the Project (Budget)	Amt. spent in the current financial Yr.	Amt. transferred to unspent CSR account for the project as per Section 135(6)	Mode of Implementation Direct (Yes/No)	Name	CSR Registration No.
1	Scholarship Scheme	(ii)	Yes	CG	Bastar Division	More than 3 Years**	600.00	337.86		YES	Apollo Health & Education Research Foundation Hyderabad	
2	Balika Shiksha Yojana	(iii)	Yes	CG	Bastar Division	More than 3 Years**	175.00	160.19		NO	N.A.	
3	Free treatment at Project Hospitals across NMDC Solar	(i)	Yes	CG, KTK & MP	Dantewada, Bastar, Bellary & Panna	More than 3 Years**	1141.23	788.61		YES		
4	Electrification related works in Health Centers	(i)	Yes	CG	Bijapur	1 year	358.97	179.48		YES#		
5	Construction of Gaurav Path	(x)	Yes	CG	Dantewada	3 years	530.00	513.34		YES#		
6	Other CSR Projects completed during the year	Various schedule VII activities	Local & other areas both	Across India	Across India	0 to more than 3 years	27239.95	8529.03		Direct / Other implementation partners	Various Implementing Agencies	N.A.
<b>GRAND TOTAL</b>							<b>30040.15</b>	<b>10508.51</b>				

\*Project duration w.r.t. the activities approved before 22.01.21 are mentioned as per existing approval. Compliance with the Ministry of Corporate Affairs (MCA) notification dated 22.01.21 shall be affected in the year 2021-22 and the same shall be reported accordingly from the relevant year.

\*\* W.r.t. direct works which are under implementation since long, it has been mentioned as more than three years. However, Compliance with the Ministry of Corporate Affairs (MCA) notification dated 22.01.21 shall be affected in the year 2021-22 and the same shall be reported accordingly from the relevant year.

# These activities have been taken up in partnership with the State Authorities. Since, the MCA notification dated 22.01.21 doesn't envisage such a mode of implementation this note is submitted for information.



## APPENDIX - II

### 8 (c) Details of CSR amount spent against other than ongoing projects for the financial year

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amt. spent for the project* (Cumulative)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Chhattisgarh Hariyar Kosh	(iv)	Yes	CG	Raipur	1415.00	Yes#		
2	Contribution to MukhyaMantri Suposhan Nidhi- CG	(i)	Yes	CG	All over CG Dist.	1400.00	Yes#		
3	Contribution to Chhattisgarh & Karnataka Govt. for fighting Covid 19 pandemic	(i)	Yes	CG, KTK & TS	All over CG Dist & Bellary	1135.00	Yes#		
4	Operation of Astha Gurukul at Jawanga, a residential school for children affected by naxal related violence and SC/ST/OBC and other underprivileged students from local communities	(ii)	Yes	CG	Dantewada	400.00	Yes#		
5	Fin. assistance under "Ujar- 100" scheme to 100 bright children for pursuing higher education	(ii)	Yes	CG	Dantewada	300.00	Yes#		
6	Construction of Medical Drugs Godown & Electrification works at District Hospital Sukma	(i)	Yes	CG	Sukma	109.00	Yes#		
7	Other CSR Projects completed during the year	Various schedule VII activities	Local& other areas both	Across India	Across India	2359.32	Direct /Other implementation partners	Various Implementing Agencies	N.A.
<b>GRAND TOTAL</b>						<b>7118.32</b>			

# These activities have been taken up in partnership with the State Authorities. Since, the MCA notification dated 22.01.21 doesn't envisage such a mode of implementation this note is submitted for information.

Note: \*The amount spent is the cumulative amount including the amount spent during the current financial year. Out of the total cumulative expenditure of Rs.7118.32 lakh, an amount of Rs.5353.31 lakh pertains to expenditure incurred during 2020-21 & balance Rs.1765.01 lakh pertains to expenditure incurred in the previous year(s) on these activities.

- (d) Amount spent in Administrative Overheads  
Not Applicable
- (e) Amount spent on impact assessment, if applicable  
NIL
- (f) Total Amount spent for the Financial Year (8b+8c+8d+8e)  
₹ 158.62 Cr.
- (g) Excess amount for set off, if any  
₹ 28.62 Cr.

S.No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135 (5)	130.00 Cr.
(ii)	Total amount spent for the Financial Year	158.62 Cr.
(iii)	Excess amount spent for the financial year (ii)-(i)	28.62
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years (ii)-(iv)	-

9.(a) Details of unspent CSR amount for the preceding three financial years:

S.No.	Preceding Financial Year	Amt. transferred to unspent CSR account for the project as per Section 135(6)	Amt. spent in the reporting financial Yr.	Amt. transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
				NIL			
<b>Total</b>							

## APPENDIX - III

### 9(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration*	Total amount allocated for the Project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the Project
1	02192012002	Operation of Astha Gurukul at Jawanga	2019-20	1 year	400.00	80.00	400.00	Completed
2	02152011002	Fin.assistance for pursuing higher education to 100 bright children of District under scheme "Ujjar-100" an amount of Rs.75,000 per year for four years course @ Rs.3.00 lakh per student	2019-20	1 year	300.00	60.00	300.00	Completed
3	03192022002	Upgradation works in PHC and Sub Health Centre, special care for patients provided fruits, nutritious diet and full facilities accomodation for patient relatives/accompanies and supply of CT Scan machine for Dantewada & Geedam Block	2019-20	1 year	200.00	23.90	198.90	Completed
4	01192081001	Contribution to MukhyaMantri Suposhan Nidhi- CG	2019-20	1 year	1400.00	1400.00	1400.00	Completed
5	01191021002	Financial assistance for purchase of equipments & Mobile Cancer detection Vehicle - Grace Cancer Foundation	2019-20	1 year	150.00	139.80	139.80	Completed
6	05172032003	Construction of 2 Km CC Road from Ranjitpura to Navalhetti	2017-18	3 years	434.00	258.03	431.63	Completed
7	01182042001	Chhattisgarh Hariyar Kosh	2019-20	1 year	1415.00	1415.00	1415.00	Completed
8	02192022013	Solar Electrification at Health Centre at Sukma District	2019-20	1 year	487.93	195.17	195.17	Ongoing
9	04182032005	Various development works in affected Gram Panchayats	2018-19	2 years	200.00	17.20	126.43	Ongoing
10	Multiple activities	Other CSR Projects	0 to more than 3 years		61090.09	10172.58	32803.28	Ongoing/ Completed
	<b>GRAND TOTAL</b>				<b>66077.02</b>	<b>13761.68</b>	<b>37410.21</b>	

\*Project duration w.r.t. the activities approved before 22.01.21 are mentioned as per existing approval. Compliance with the Ministry of Corporate Affairs (MCA) notification dated 22.01.21 shall be affected in the year 2021-22 and the same shall be reported accordingly from the relevant year.

Note: Direct works which are under implementation since long do not form part of this format.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset -wise details)

**N.A**

- (a) Date of creation or acquisition of capital asset (s)
- (b) Amount of CSR spent for creation or acquisition of capital asset
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5)

NA

**Chairman & Managing Director**

## ANNEXURE-IX

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

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

Details of the vigilance cases for the FY 2020-21

Opening balance as on 01.04.2020	Vigilance cases received during 01.04.2020 to 31.03.2021	Disposed off	Balance
NIL	01	NIL	01

- II. Status of Pending CAG Paras and Management Replies

	Name of the Audit Para	Brief of the Para	Reporting status
1	Para No. 14.1 of C&AG no 13 of 2013	Idle Investment of Rs.65.55 crore Failure to secure forest clearance led to idling of the entire investment of Rs. 65.55 cr made on wind energy farm for over 24 months and consequential non-realization' of revenue of Rs.13.20 crore.	<p>Regarding raising claim for compensation from Suzlon Energy Ltd (SEL) for the non-operating period and other claims: The Sole Arbitrator issued arbitral award dated 14.12.2018 in favor of NMDC. The gist of Arbitral Award is mentioned hereunder: The claim of the claimant (i.e. NMDC's) is allowed to the extent of Rs. 24,80,45,513/- (Rs. 17,80,65,695/- being principal and Rs. 6,99,79,818/- being the interest from 22.08.2014 to 31.01.2018) with interest @ 12 percent per annum thereon from 1st February 2018 till the date of realization. The counter claim of the respondent (Suzlon) is allowed to the extent of Rs. 5,21,69,898/- (Rs. 4,61,68,051/- being the principal and Rs. 60,01,847/- being the interest from 01.01.2017 to 31.01.2018) with interest @ 12 percent per annum thereon from 01.02.2018 till the date of realization. On review of the above award NMDC has requested M/s Suzlon vide letter dated 21.02.2019 to pay an amount of Rs. 19.58 Crores towards net amount receivable from M/s Suzlon [i.e. NMDC Claim allowed of Rs. 24.80 Crores minus Suzlon Claim allowed of Rs. 5.22 Crores] along with interest @ 12% PA from 01.02.2018 till date of settlement. Notice of intimation regarding challenge of Arbitral award received from "Counsel of M/s Suzlon Energy Ltd (SEL)" vide letter of SEL dated 12.03.2019. NMDC has filed an execution petition before the Honorable Commercial Court –City Civil court, Hyderabad on 26.11.2019, seeking execution of award based on the verification of assets details presently held by Suzlon in four locations i.e. Pondicherry, Coimbatore, Padubidri &amp; Anantpur. Last ATN : The execution petition for execution of the award dated 15.12.2018 has been filed before Hon'ble Additional Chief Judge cum Commercial Court, Hyderabad and same was numbered as Sl. no 6182 of 2019. The section office of the Hon'ble Additional Chief Judge cum Commercial Court, Hyderabad has sought for some additional information, i.e. Bank Statement to number the Commercial Petition and to verify if the Bank Account of M/s Suzlon is in operation and is having money to freeze the same. The file is kept pending by Hon'ble Commercial Court for want of the said additional information. NMDC has been informed to furnish the said information. On receiving the information, the matter will be filed in the court and said Execution Petition will be numbered and consequential steps will be taken.</p>



	Name of the Audit Para	Brief of the Para	Reporting status
2	Para no: 15.2 of CAG Report no 9 of 2017.	Avoidable Expenditure of Rs.34.34 cr towards Interest on delayed payment of Royalty. Failure of the company to compute royalty correctly and pay the same on timely basis during the period from 2009-10 to 2011-12 resulted in avoidable payment of interest amounting to Rs.34.34 cr in Mar'16.	<p>The company has filed writ petition no: 9859/2017 dated 4th Mar 2017 in the Hon'ble High Court of Karnataka challenging the demand notice issued by the Director, Mines and Geology Department, Bangalore demanding the interest on the alleged delayed payment of royalty.</p> <p>The Honorable High Court of Karnataka directed for listing the matter on 27th March 2018 and further adjourned to 26th April 2018.</p> <p>On 26th April 2018, Director, DMG has informed to Honorable High Court of Karnataka that he will convene a meeting with NMDC on 3rd May 2018.</p> <p>Later, DMG has convened meetings on 03.05.2018 &amp; 16.05.2018 with NMDC and asked NMDC to submit certain information/records.</p> <p>NMDC submitted the documents and requested to waive off the interest. It was informed by Director, DMG, Bangalore that since NMDC is a PSU, they will peruse the issue in detail and pass suitable orders accordingly.</p> <p>During the hearing dated 29.11.2018, the Govt. Advocate has made submissions in the Hon'ble Court of Karnataka, that the orders need to be passed by Respondent (i.e. DMG). Accordingly, the matter was adjourned and directed to be listed in the month of January 2019.</p> <p>During the hearing on 21.01.2019, the Counsel of Govt. of Karnataka informed the Hon'ble Court that the Director of Karnataka had passed the order on the representations of NMDC on 07.12.2018 and rejected the request of NMDC. Accordingly, NMDC has to file a fresh Writ Petition challenging the orders dated 07.12.2018.</p> <p>The Standing Counsel informed to Hon'ble Court that as there is no change in the stand of Govt. of Karnataka, there is no need to file a fresh Writ Petition.</p> <p>The matter was adjourned and directed to be listed after 2 weeks.</p> <p>The case was listed for hearing on 23.04.2019. During the hearing, NMDC's Panel Advocate has informed that Government Advocate has requested to take up the case after summer vacation i.e. on 27.05.2019. The Hon'ble court has accepted the same and passed suitable order accordingly.</p> <p>Hon'ble High Court of Karnataka in their order dated 06.06.2019 has cancelled/ disposed the writ petition filed by NMDC Ltd and also granted liberty to NMDC to challenge the order passed by Respondent on 07.12.2018. Writ Petition filed by NMDC with Hon'ble High Court of Karnataka on 25.10.2019.</p> <p>The writ petition filed by NMDC is numbered as WP no 51121/2019. The same has been listed for preliminary hearing on 17.01.2020, however adjourned up to 25.02.2020, then up to 31.03.2020 and later up to 19.06.2020.</p> <p>Last ATN: Govt Advocate has sought time for filing statement of objections. The Hon'ble Court granted and proposed to list the matter for hearing on 02.07.2020. However, the matter/case could not be listed for hearing on 02.07.2020 because of COVID-19 pandemic. The case is still not listed for hearing due to COVID-19 pandemic.</p>

Sl No	Name of the Audit Para	Brief of the Para	Reporting status								
3	Para no 3.3.3 of CAG Report 7 of 2020.	<p>Schedule IV (III) (3) of the Companies Act 2013 states that the independent Directors should strive to attend all the meetings of Board of Directors and Board Committees of which he/she was a member. Some of the Independent Directors, however did not attend some of the meetings. The following table shows the number of such independent Directors who did not attend even attend eighty per cent of the meetings</p> <p>Table 3.3: Independent Directors who did not attend eighty percent of the Board/Committee meetings</p> <table border="1"> <thead> <tr> <th>Sl. No</th> <th>Name of CPSE</th> <th>No of Independent Directors who did not attend even 80 per cent of Board meetings</th> <th>No of independent Directors who did not attend even 80 per cent of Board Committee meetings</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>NMDC Limited</td> <td>3</td> <td>1</td> </tr> </tbody> </table>	Sl. No	Name of CPSE	No of Independent Directors who did not attend even 80 per cent of Board meetings	No of independent Directors who did not attend even 80 per cent of Board Committee meetings	1	NMDC Limited	3	1	<p>A statement showing attendance of the Independent Directors present in the Board meeting and Sub committee meetings like (i) Audit Committee meetings, (ii) Nomination, Remuneration &amp; HR Committee meetings, (iii) Shareholders/Investors Grievance committee meetings during the year 2018-19 is placed at Annexure-I.</p> <p>As per the above Annexure, it is observed that Independent Directors have participated in various Board and Sub-Committee meetings held during the Financial Year 2018-19. The absenteeism of the Independent Directors was due to exigencies in other work/assignments.</p> <p>Accordingly, since maximum Independent Directors have participated in all the above meetings as per the availability, Audit may be requested not to pursue the para further.</p>
Sl. No	Name of CPSE	No of Independent Directors who did not attend even 80 per cent of Board meetings	No of independent Directors who did not attend even 80 per cent of Board Committee meetings								
1	NMDC Limited	3	1								
4	Para no 3.3.4 of CAG Report 7 of 2020.	<p>Attending General Meetings of the Company.</p> <p>Schedule IV (III) (5) of the Companies Act, 2013 states that Independent Directors shall strive to attend the General Meetings of the Company.</p> <p>Table 3.4 indicates the listed CPSEs where Independent Directors did not attend the general meetings of the Company.</p> <p>Table 3.4: Independent Directors who did not attend General Meetings</p> <table border="1"> <thead> <tr> <th>Sl no</th> <th>Name of the CPSE</th> <th>No of Independent Directors who did not attend General Meeting</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>NMDC Limited</td> <td>1</td> </tr> </tbody> </table>	Sl no	Name of the CPSE	No of Independent Directors who did not attend General Meeting	1	NMDC Limited	1	<p>A statement showing the attendance sheet of Independent Directors present in the Annual General Meeting (AGM) of NMDC during the year 2018-19 is placed at Annexure-II.</p> <p>As per the above annexure, it is observed that maximum numbers of Independent Directors have attended the AGM during the Financial year 2018-19 (6 nos. of Directors out of total 7nos). The absenteeism of the Independent Director was due to exigencies in other work/ assignments.</p> <p>Accordingly, since maximum Independent Directors have participated in the Annual General Meeting (AGM) as per the availability, Audit may be requested not to pursue the para further.</p>		
Sl no	Name of the CPSE	No of Independent Directors who did not attend General Meeting									
1	NMDC Limited	1									

# TEN YEAR PERFORMANCE

(₹ In crore)

	Ind_AS 2020-2021	Ind_AS 2019-2020	Ind_AS 2018-19	Ind_AS 2017-18	Ind_AS 2016-17	Ind_AS 2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	
<b>Operating Statistics:</b>												
<b>Production</b>												
1	Iron Ore (WMT) (in lakh tonnes)	341.50	314.89	323.61	355.76	340.05	285.74	304.41	300.25	271.84	272.60	251.55
2	Diamonds (Carats)	13,681.01	28,537.23	38,148.77	39,393.72	35,635.99	35,558.31	35,085.44	37,081.70	31,533.39	18,043.44	10,865.93
3	Sponge Iron (in tonnes)	-	-	2,475.37	-	5,474.11	6,614.26	28,993.96	29,734.36	36,289.00	37,259.54	38,962.00
4	Pellets(in Tonnes)	83,751.32	110,481.19	115,622.89	58,070							
<b>Sales</b>												
1	Iron Ore (WMT) (in lakh tonnes)	332.52	315.16	323.56	360.75	356.21	288.39	305.16	305.00	262.74	273.01	263.15
2	Diamonds (Carats)	22,248.84	33,722.90	29,345.54	33,175.34	25,631.46	36,682.93	38,788.58	43,487.63	17,863.00	8,085.00	18,421.22
3	Sponge Iron (in tonnes)	-	1,943.88	495.58	-	8,579.42	8,364.52	25,191.38	30,572.34	37,600.00	33,732.00	39,775.00
4	Pellets(in Tonnes)	92,773.65	85,793.07	112,010	42,948	-						
<b>Financial Statistics:</b>												
<b>Income</b>												
1	Sales Iron Ore	15,233.70	11,569.00	11,997.98	11,490.93	8,708.90	6,327.93	12,197.69	11,899.52	10,558.71	11,167.56	11,285.33
i)	Sales Sponge Iron	-	4.39	0.94	-	13.13	13.14	48.09	56.01	73.50	65.93	62.75
ii)	Sales Diamonds	21.10	34.29	38.86	35.17	41.91	52.61	50.06	49.85	28.51	9.84	12.88
iii)	Sale of Power	5.17	5.40	5.51	6.50	7.48	6.30	5.96	1.05	-	-	4.48
iv)	Sales Others	0.01	0.43	0.52	0.74	0.38	1.78	8.75	5.91	5.60	1.36	-
v)	Sales of Pellet	73.50	55.55	76.52	25.40							
vi)	Income from services	36.58	30.16	32.34	56.17	57.84	55.51	45.86	45.86	37.95	17.20	3.50
2	Sales: Other Products and Services (i to vi)	136.36	130.22	154.69	123.98	120.74	129.34	158.72	158.68	145.56	94.33	83.61
3	Net Revenue from Operation	15,370.06	11,699.22	12,152.67	11,614.91	8,829.64	6,457.27	12,356.41	12,058.20	10,704.27	11,261.89	11,368.94
4	Other Income	349.88	513.79	588.30	519.73	908.81	1,809.25	2,265.40	2,094.52	2,238.87	2,016.49	1,205.70
<b>PROFIT</b>												
1	EBBITDA	9,146.27	6,426.69	7,518.91	6,472.13	4,509.86	4,374.21	9,930.07	9,865.98	9,616.84	10,891.12	9,848.69
2	Depreciation	227.83	294.38	278.89	256.04	196.18	216.60	162.23	104.93	138.52	130.17	121.52
3	Interest	16.81	9.88	40.32	37.10	20.76	65.59	-	1.85	13.20	1.48	
4	PBT	8,901.63	6,122.43	7,198.42	6,178.99	4,292.92	4,092.02	9,767.84	9,759.20	9,465.12	10,759.47	9,727.17
5	Taxes	2,316.59	1,555.33	2,752.48	2,141.39	1,619.92	1,566.06	3,345.98	3,339.12	3,122.75	3,494.08	3,227.95
6	PAT	6,253.05	3,610.12	4,642.11	3,805.88	2,589.14	2,712.22	6,421.86	6,420.08	6,342.37	7,265.39	6,499.22
7	Dividend	2,274.15	1,619.72	1,690.14	1,676.86	1,313.01	4,361.19	3,389.83	3,370.01	2,775.30	1,784.12	1,308.35
8	Dividend % of PAT	36%	45%	36%	44%	51%	161%	53%	52%	44%	25%	20%
<b>FINANCIAL POSITION</b>												
1	Equity (*)	293.07	306.19	306.19	316.39	316.39	396.47	396.47	396.47	396.47	396.47	396.47
2	Reserves & Surplus	29,463.07	27,227.76	25,645.34	24,037.44	22,202.55	28,721.12	31,935.27	29,591.83	27,114.49	24,009.89	18,818.05
3	Gross Fixed Assets	4,795.71	4,479.41	3,681.38	3,368.53	2,406.26	2,170.98	2,944.65	2,769.91	2,581.95	2,388.12	2,272.82
4	Net Fixed Assets (*)	3,118.45	3,016.73	2,720.69	2,671.70	1,952.81	1,918.45	1,333.69	1,362.28	1,264.66	1,188.80	1,099.26
5	Other Assets(intangible)	-	-	-	-	-	-	5.37	5.37	6.24	10.07	14.45
6	Capital Work-in-Progress	17,128.10	15,501.20	13,792.45	12,519.90	11,831.36	9,722.88	7,710.03	5,276.89	3,236.09	1,494.16	677.17
7	Current Assets	10,548.12	6,874.30	7,963.98	8,839.45	8,584.95	18,764.55	23,889.76	23,861.19	25,592.18	23,195.21	19,171.56
8	Current Liabilities	5,532.60	2,776.60	3,062.06	3,541.17	2,571.92	3,200.32	1,989.00	1,340.82	3,235.68	2,105.13	1,780.72
9	Deferred Tax Asset	408.28	397.06	582.73	385.71	453.36	263.17	[98.40]	[107.25]	[104.49]	[100.09]	[102.88]
10	Net Worth	29,756.14	27,533.95	25,951.53	24,353.83	22,518.94	29,117.59	32,326.37	29,982.93	27,504.72	24,396.29	19,200.07
11	Book value per share (Rs.) (*)	101.53	89.92	84.76	76.97	71.17	73.44	81.54	75.62	69.37	61.53	48.43
12	Earning per share (Rs.) (*)	20.62	11.79	14.70	12.03	7.22	6.84	16.20	16.19	16.00	18.33	16.39
13	Valued added per emp (Rs. In lakhs)	212.46	155.11	173.89	167.76	117.46	86.89	182.23	178.54	159.04	167.10	159.05

(\*) 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

(\*) Includes ROU Assets

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF NMDC LIMITED, HYDERABAD FOR THE YEAR ENDED 31  
MARCH 2021**

The preparation of financial statements of NMDC Limited, Hyderabad for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NMDC Limited, Hyderabad for the year ended 31 March 2021 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 143(6)(b) of the Act.

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

*M. S. Subrahmanyam*

24/08/21

**(M. S. Subrahmanyam)**

**Director General of Commercial Audit  
Hyderabad**

**Place: Hyderabad  
Date: 24 August 2021**

# INDEPENDENT AUDITOR'S REPORT

To  
The Members  
NMDC Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **NMDC Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash flow statement for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, other

comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How our audit addressed the key audit matter
1	<p><b>Capital Work-in progress (NISP):</b> (Refer Note No.2.2, 2.2.1 &amp; 2.2.2 of the standalone financial statements)</p> <p>Capital Work-in progress (CWIP) as on 31.03.2021 in the books of the unit is Rs.16,414.30 Crores, out of which Incidental expenditure during Construction (IEDC) amounts to Rs.2212.14 Crores.</p> <p>Since the amount involved is substantial and the original schedule date of completion has passed, inappropriate classification of IEDC could result in material misstatement of CWIP and hence this is a key audit matter.</p>	<p>Our audit procedures included the following:</p> <p>We obtained an understanding and evaluation of the system of internal control over the capital work in progress with reference to identification and testing of key controls.</p> <p>We have assessed the progress of the project and examined the management view on delay in project completion.</p> <p>We also assessed the intention and ability of the management to carry forward and bring the asset to its state of intended use.</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment of Capital Work in Progress of NISP.</p>



Sr. No	Key Audit Matter	How our audit addressed the key audit matter
2	<p><b>Trade Receivables from Monitoring Committee:</b> (Refer Note No.2.8.1 &amp; 2.34.5 of the standalone financial statements)</p> <p>As at 31st March 2021, current financial assets in respect of trade receivables includes receivables from monitoring committee as specified in aforesaid notes.</p> <p>Trade receivables from Monitoring committee is a key audit matter due to the size of the receivable and involvement of management judgement in determining the impairment provision</p>	<p>Our audit procedures included the following: We analyzed the ageing of trade receivables.</p> <p>We obtained the list of long outstanding receivables from the monitoring committee and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support these conclusions.</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment and presentation of trade receivables and impairment provision thereof.</p>
3	<p><b>Mine Closure Obligation (MCO):</b> (Refer Note-1(x) and Note no. 2.14.3 to the standalone financial statement)</p> <p>The company creates Mine closure obligation(MCO) liability based on the present cost of closure of mining project of the latest mine. The rate of closure arrived at based on such cost is uniformly applied to other mines for arriving at the total MCO liability.</p> <p>The matter was considered to be a key audit matter because there is estimate involved as per management's policy</p>	<p>Our audit procedures included the following: We have reviewed the recommendations of the committee for mine closure obligations.</p> <p>We have reviewed the methodology to arrive at the liability for mine closure obligation at a rate per MT on the cumulative RoM quantity for mine closure obligations.</p> <p>We have verified the arithmetical accuracy of the mine closure obligation provision based on the recommendation of the committee.</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in Mine closure obligation provision</p>
4	<p><b>Investment in Legacy Iron Ore Ltd., Australia (LIOL)</b> (Refer Note No. 2.4.1 &amp; 2.34.11 of the standalone financial statements)</p> <p>The Company accounts for equity investments in subsidiaries, associates and joint ventures at cost (subject to impairment assessment) and other investments at fair value.</p> <p>The company has equity investments in LIOL as referred in above notes.</p> <p>The accounting for investments in LIOL is a Key Audit Matter as the determination of recoverable value for impairment assessment/fair valuation involves significant management judgement.</p>	<p>Our audit procedures included the following: We performed inquiries of management about the current market conditions supporting the evaluation of potential impairment indicators, tested the key assumptions used, and performed procedures on LILO's stage of exploration.</p> <p>We evaluated the review conducted by LILO on the Exploration and Evaluation assets for impairment and the conclusion derived after testing of compliance of certain critical conditions.</p> <p>We have also considered the averment that the Market capitalization is more than its Net asset</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the carrying value of equity investments in LIOL</p>

#### Emphasis of Matter

We draw your attention to the followings forming part of the financial statements without modifying our opinion in respect of:

- i. Note No: 2.34.6, regarding show cause notice having been served on Baildilla project by the District collector, South Bastar, Dantewada pursuant to judgment of Honorable Supreme court of India with the demand of Rs.1,623.44 Crores against which company has paid an adhoc amount of Rs.600 Crores under protest and filed

writ petition in the Hon'ble High court of Bilaspur, Chhattisgarh and a Revision application with Mines Tribunal, Ministry of mines, Government of India and disclosure of contingent liability as mentioned in the said note.

- ii. Note No: 2.34.12, regarding test of impairment of investment and Loan to Neelachal Ispat Nigam Ltd (NINL), Cabinet Committee on Economic Affairs (CCEA) had accorded in principle approval for strategic disinvestment of 100% shareholding of NMDC and other Public Sector Undertakings

(PSUs) along with transfer of Management control to a Strategic Buyer and as per the loan agreement dated 30th December 2019, the loan amount outstanding along with interest shall be paid back to NMDC as first charge from the disinvestment proceeds as per the applicable laws before payment of other liabilities of NINL. As such no impairment of investment and Loan to NINL is felt necessary as explained in the said note.

- iii. Note No.2.1.1 (point 6 of additional notes), regarding the migration from legacy system (oracle-based FAS) to ERP(SAP) package in a phased manner and accounting thereof as explained in the note. The unaudited financial results as on 31-12-2020 were migrated into ERP(SAP) and reconciled. As per the information and explanation provided by the management, migration audit will be conducted on completion of integration of all the modules.
- iv. Note No:2.34.2, regarding the demerger of NMDC Iron & Steel Plant (NISP) which is in progress.

Our opinion is not modified in respect of these matters.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity

of the Company in accordance with the Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter

should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statements and other financial information of 6 branches included in the accompanying standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 26,857.46 Crores as at March 31, 2021 and total revenues of Rs. 15,453.98 Crores for the year ended on that date. The financial statements and other financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors. Our opinion is not qualified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit we report that;
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) The provisions of Section 164(2) of the Act, in respect of disqualification of directors are not applicable to the company, being a Government company in terms of notification

- no:- G.S.R.463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure -A”.
- h) With respect to the other matters to be included in the auditor’s report in accordance with the requirements of Section 197(16) of the Act, as amended:
- We are informed that the provisions of section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the company, being a Government Company, in terms of Ministry of Corporate Affairs notification no- G.S.R.(E) 5th June 2015.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 2.31 to the financial statements
- ii. The company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of books and records of the company as we consider appropriate and according to the information and explanations given to us, in “Annexure-C” on the directions issued by the Comptroller & Auditor General of India.

For Sagar & Associates  
Chartered Accountants  
(Firm’s Registration No: 003510S)

D. Manohar  
Partner

Place: Hyderabad  
Date: 22.06.2021

Membership No.029644  
UDIN: 21029644AAABT6081

## “ANNEXURE – A” TO THE AUDITORS’ REPORT

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of NMDC Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of NMDC Limited (“the Company”) as of March 31st, 2021 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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



## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sagar & Associates  
Chartered Accountants  
(Firm's Registration No: 003510S)

D. Manohar  
Partner

Place: Hyderabad  
Date: 22.06.2021

Membership No.029644  
UDIN: 21029644AAABT6081

## “ANNEXURE – B” TO THE AUDITORS’ REPORT

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

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are physically verified by the management over a period of three years. In our opinion the periodicity of the physical verification is reasonable having regard to the size of the company and the nature of fixed assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company as to whether the title deeds of immovable properties are held in the name of the company, our observations are listed below:

Sr. No.	Description of Leasehold Land Property	Area in Acres/ Hectares	Gross Block (Amount in `) as on 31.03.2021	Issues* (if any)
<b>KIRANDUL</b>				
<b>LAND LEASE HOLD (General)</b>				
1.	Land Lease Hold Dep-14 Mines	322.368 Hectares	41,31,186	Unit Holds Possession Letter issued by Joint Secretary, Mining resources Department Raipur.
2.	Land Lease Hold Dep-14 Non Mining	506.742 Hectares	66,49,906	Unit Holds Possession Letter issued by Joint Secretary, Mining resources Department Raipur.
3.	Land Lease Hold of Dep No. 14 For Float Ore	317.79 Hectares	1	Unit Holds Possession Letter issued by Chief Secretary, Mining resources Dept.M.P.
4.	Land Lease Hold Dep-11C Mines & Fine Ore Dump	122.619 Hectares	21,84,430	No documents were made available for our verification, therefore we are unable to comment.
5.	Cap. of 11B Expenditure Dep-11B Mines	-	1,19,13,706	No documents were made available for our verification, therefore we are unable to comment.
6.	Stamp Duty & Registration Charges For 14ML	-	3,66,994	Unit Holds Challan No. 5805085 on dated 28.08.2007 for the amt. paid.
7.	Stamp Duty & Registration Charges For 14NML	-	6,76,128	Unit Holds Challan No. 5804857 on dated 28.08.2007 for the amt. paid.
8.	Add. Stamp Duty & Registration Charges For 11ML	-	41,944	Unit Holds Challan No. 5805150 on dated 28.08.2007 for the amt. paid.
9.	Mining Lease of Dep-14	17.81 Hectares	57,31,352	No documents were made available for our verification, therefore we are unable to comment.
10.	Add. NPV Charges 14ML	-	24,29,62,127	Unit Holds Deposit of amt. as recorded in minutes of meeting dated. 18.08.2015.
11.	Additional NPV Charges for 11ML	-	82,15,53,636	Unit Holds Deposit of amt. as mentioned in letter of GM for 11ML forest clearance.
12.	Addl. Stamp Duty for 14ML	-	61,60,499	Unit Holds e-Stamp dated 18.09.2015.
13.	Addl. Registration Fee 14ML	-	46,20,374	Unit Holds Challan No. 329067 dated 18.09.2015.
14.	Add Reg fees 14NML	-	60,68,860	Unit Holds Challan No.12329241 dated 01.01.2016.
15.	Addl. Stamp Duty for 14NML	-	80,91,813	Unit Holds e-Stamp dated 01.01.2016.
16.	Addl. Stamp Duty for 14NMZ	-	47,58,30,738	Unit Holds Deposit of Amt. on dated 21.08.2015 as mentioned in letter of GM for 14NMZ forest clearance.

Sr. No.	Description of Leasehold Land Property	Area in Acres/ Hectares	Gross Block (Amount in `) as on 31.03.2021	Issues* (if any)
17.	Stamp duty of lease hold land 11ML	874.924 hectares	34,50,12,057	Unit holds the payment receipt.
18.	Reg fees of leasehold land 11ML	874.924 hectares	25,87,59,044	Unit holds the payment receipt.
19.	Application fees of leasehold land 11ML	874.924 hectares	32,07,075	Unit holds the payment receipt.
20.	Reg. Fees of LeaseHold Land -14ML(12.09.2015 TO 11.09.2035)	322.368 hectares	39,40,42,045	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
21.	Stamp Duty Fee Of Lease Hold Land-14ML	322.368 hectares	52,53,89,460	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
22.	Reg. Fee Of Lease Hold Land -14nmz(07.12.2015 To 06.12.2035)	506.742 hectares	39,65,57,615	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
23.	Stamp Duty Fee Of Lease Hold Land -14nmz (07.12.2015 To 06.12.2035)	506.742 hectares	52,87,43,553	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
<b>LAND LEASE HOLD (Social Amenities)</b>				
1	Land Lease Hold (for Town Ship) Type li Qtr. In Kirandul	20.81 Hectares	Nil	No documents were made available for our verification, therefore we are unable to comment.
<b>Land Free Hold (General)</b>				
1.	Land- Area in Bachelipargana	1.00 Acre	338	No documents were made available for our verification; therefore we are unable to comment.
2.	Land- Area in Bachelipargana (Kameli Kala)	2.10 Acres	557	No documents were made available for our verification, therefore we are unable to comment.
3.	Land- Area in Bachelipargana (PoroKameli)	3.27 Acres	1,341	No documents were made available for our verification, therefore we are unable to comment.
4.	Land- Area in Bachelipargana	2.58 Acres	958	No documents were made available for our verification, therefore we are unable to comment.
5.	Land- Area in Bachelipargana	0.09 Acre	31	No documents were made available for our verification, therefore we are unable to comment.
6.	Land- Area in Bachelipargana	0.80 Acre	212	No documents were made available for our verification, therefore we are unable to comment.
7.	Land- Area in Bachelipargana	0.22 Acre	58	No documents were made available for our verification, therefore we are unable to comment.
8.	Land- Area in Bachelipargana	5.44 Acres	2,216	No documents were made available for our verification, therefore we are unable to comment.
9.	Land- Area in KodenarPargana	1.03 Acres	419	No documents were made available for our verification, therefore we are unable to comment.
10.	Land- Area in KodenarPargana	0.65 Acre	271	No documents were made available for our verification, therefore we are unable to comment.
11.	Land- Area in Kirandul Pargana	0.93 Acre	514	No documents were made available for our verification, therefore we are unable to comment.
12.	Land- Area in Kirandul Pargana	11.50 Acres	8,525	No documents were made available for our verification, therefore we are unable to comment.
13.	Land- Area in Kirandul Pargana	2.20 Acres	1,866	No documents were made available for our verification, therefore we are unable to comment.
14.	Land- Area in Kirandul Pargana	4.59 Acres	3,090	No documents were made available for our verification, therefore we are unable to comment.
15.	Land- Area in BadaBachelipargana	1.46 Acres	384	No documents were made available for our verification, therefore we are unable to comment.

Sr. No.	Description of Leasehold Land Property	Area in Acres/ Hectares	Gross Block (Amount in `) as on 31.03.2021	Issues* (if any)
16.	Land- Area in BadaBachelipargana	1.35 Acres	355	No documents were made available for our verification, therefore we are unable to comment.
17.	Land- Area in BadaBachelipargana	0.32 Acre	158	No documents were made available for our verification, therefore we are unable to comment.
18.	Land- Area in BadaBachelipargana	0.70 Acre	433	No documents were made available for our verification, therefore we are unable to comment.
19.	Land- Area in BadaBachelipargana	1.40 Acres	663	No documents were made available for our verification, therefore we are unable to comment.
20.	Land- Area in BadaBachelipargana	1.81 Acres	477	No documents were made available for our verification, therefore we are unable to comment.
21.	Land- Area in BadaBachelipargana	1.07 Acres	382	No documents were made available for our verification, therefore we are unable to comment.
22.	Land- Area in Bachelipargana	4.27 Acres	1,140	No documents were made available for our verification, therefore we are unable to comment.
23.	Land- Area in PadapurPargana	1.00 Acre	263	No documents were made available for our verification, therefore we are unable to comment.
24.	Land- Area in PadapurPargana	1.00 Acres	1,580	No documents were made available for our verification, therefore we are unable to comment.
25.	Land- Area in PadapurPargana	1.06 Acres	279	No documents were made available for our verification, therefore we are unable to comment.
26.	Land- Area in PadapurPargana	1.22 Acres	321	No documents were made available for our verification, therefore we are unable to comment.
27.	Land- Area in KodenarPargana	3.48 Acres	916	No documents were made available for our verification, therefore we are unable to comment.
28.	Land- Area in Jagdalpur	5.823 Hectares	1,05,778	No documents were made available for our verification, therefore we are unable to comment.
29.	Land for Accumulation of Slimes	39.58 Acres	7,09,502	No documents were made available for our verification, therefore we are unable to comment.
30.	Land at Madadi VIL	15.79 Acres	4,46,722	No documents were made available for our verification, therefore we are unable to comment.
<b>Land Free Hold (Social Amenities)</b>				
1	Land Freehold in Kirandul Pargana	47.18 Acres	22,569	No documents were made available for our verification, therefore we are unable to comment.
2	Land Freehold (Construction of 100 Permanent Type-C Qtrs)	75.90 Acres	46,200	No documents were made available for our verification, therefore we are unable to comment.
3	Land Free Hold for Construction of K.V. School Near PraleoshVidyalaya	21.62 Acres	22,39,610	No documents were made available for our verification, therefore we are unable to comment.
4	BUILDINGS (Social Amenities)		Gross Block - 82,66,98,273 Net Block- 75,30,08,091	Documents for construction have been verified. However, these buildings have been over the above land for which no title deeds have been made available for verification.
<b>BACHELI</b>				
<b>LAND LEASE HOLD (General)</b>				
1	Land Magazine Building & Service Centre. Location : Hiltop	755.27 Acres	Nil	The Unit holds Possession Letter Dated 24.01.1977 M.P. Govt. gazette Notification dated 07.06.1977

Sr. No.	Description of Leasehold Land Property	Area in Acres/ Hectares	Gross Block (Amount in `) as on 31.03.2021	Issues* (if any)
2	Land acquisition for Screening Plant	470 Acres	Nil	No documents were made available for verification; therefore we are unable to comment.
3	Land acquisition for Intake arrangement Location-Bacheli	28.13 Acres	Nil	Original Sale Deed is available for Private Land of 14.13Acres (i.e. 5.718Hec.). Mutation of Land in favour of NMDC is under process with Tehsildar, Bacheli. However, paper for 14Acres Govt. Land not available.
4	Mining Lease of DEP.-05	1334.463 Acres	53,99,96,215	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
5	Mining Lease of DEP.-10	764.379 Acres	29,89,00,815	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
6	Mining Lease of DEP.- 10(FO)	352.858 Acres	13,91,64,937	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
7	Mining Lease of DEP.-11A	764.379 Acres	38,45,514	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
8	Land for SankiniNalla W/supply scheme for 10 & 11 a proj.	2 Hectares	1,03,528	No documents were made available for verification; therefore we are unable to comment.
9	Land for SankiniNalla W/supply scheme for 10 & 11 a proj.	3 Hectares	Nil	No documents were made available for verification; therefore we are unable to comment.
10	Land acquired for Central workshop Location : Bacheli	23.39 Acres	62,594	The Unit Holds Possession Letter of Lease Deed Dated 19.07.1991 From TahsildarBastar M.P.
11	Stamp Duty and Registration charges for Mining Lease renewal of Deposit 5 upto 10.09.2035		153,07,77,029	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
12	Mining Lease Renewal of deposit 11A (stamp duty, registration fees application fees)		3,84,79,242	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
13	Stamp Duty and Registration charges for mining lease renewal of Deposit 10 upto 10.09.2035		69,42,48,381	The Unit holds Possession Letter Issued by Mining Officer District South Bastar, Dantewada.
<b>LAND LEASEHOLD TOTAL</b>			<b>324,55,78,255</b>	
<b>LAND FREEHOLD (General)</b>				
1	Land for Bhansi Camp Location : Bacheli	Under recon-ciliation	7,840	Khasra Documents for Holding available
2	Land acquired for Const. Of Intake water supply to Screening-Plant Location : Bacheli	14 Acres	18,987	No documents were made available for our verification; therefore we are unable to comment.
3	Value of Private Land from Adivasi for Pipe Line from Nerli Dam to Screening-Plant. Location : Bacheli	1.54 Acres	7,375	No documents were made available for our verification; therefore we are unable to comment.
4	Value of Pvt. Land for Oxidation-Pond Location : Bacheli	17.77Acres	13,294	Sale Deed for the Land 17.77 Acres (i.e. 7.191Hect) available; Mutation is under process with Tehsildar.



Sr. No.	Description of Leasehold Land Property	Area in Acres/ Hectares	Gross Block (Amount in `) as on 31.03.2021	Issues* (if any)
5	4 Acres land for Rly Siding at Bachel Location : Bachel	4.00 Acres	5,502	Original Sale Deed is available, Mutation application for Land is under process with Tehsildar.
6	Land acquired from Adivasi for Tailing Dam near Parapur	81.35 Acres	2,11,395	Attested copy of Sale Deed obtained from Registrar, Dantewada is available; Mutation application is under process with Tehsildar.
7	Acquisition of Land for Tailing Dam and diff of Amt. paid vide JV NO/1246 1/88.	Under Reconciliation	30,635	No documents were made available for our verification; therefore we are unable to comment.
8	Forest Land for Uniflowrly. Dispatch system	4.94Acres	12,40,000	Ministry of Env. And Forest (MOEF) issued Letter No. 8B/007/2002/FCW/1313 dated 07.06.2002 is available.
<b>TOTAL</b>			<b>15,35,028</b>	
1	<b>BUILDINGS ( General )</b>		Gross Block - 39,69,21,329 Net Block - 31,74,01,053	No documents were made available for our verification; therefore we are unable to comment.
<b>Land lease Hold (Social Amenities)</b>				
1	Land for Bhansi Base Camp Location : Bachel	30.00 Acres	Nil	The Unit holds Possession Letter Dated 03.06.1966 M.P. Govt. Gazette Notification Dated 03.06.1966
2	Land for Bachel town - Ship (Lease paid to DFO & cost of stamp for regn.	200.00 Acres	Ni	The Unit holds Possession Letter Dated 20.06.1976 M.P. Govt. Gazette Notification Dated 09.02.1976
3	Land for Bailadila Estate at Jagdalpur Location : Jagdalpur	10.00 Acres	Ni	No documents were made available for our verification; therefore we are unable to comment.
4	Land for Operation Township at Hill Top Location : Hilltop	307.06Acres	Ni	Copy of Gazette Notification issued by issued by Madhya Pradesh Govt. Dated 07.06.1977 de-notifying the area is available.
<b>TOTAL</b>			<b>0.00</b>	
1	<b>BUILDINGS(Social Amenities )</b>		Gross Block - 106,60,03,214 Net Block - 96,89,82,032	No documents were made available for our verification; therefore we are unable to comment.
<b>PANNA</b>				
<b>LAND: FREEHOLD GENERAL</b>				
1	Land	NA	2,68,392	No measurement details and documents available
2	Plot No. 1236/3 Land at Panna	2.063 Acres	5,176	No comments could be offered for the reason no document were made available for our verification.
3	Plot No. 76/2 Land at Panna	1.821 Acres	3,304	No comments could be offered for the reason no document were made available for our verification.
4	Plot No. 1237/2 Land at Panna	2.063 Acres	7,370	No comments could be offered for the reason no document were made available for our verification.
5	Plot No. 1236/2 Land at Panna	15.873Acres	30,085	No comments could be offered for the reason no document were made available for our verification.

Sr. No.	Description of Leasehold Land Property	Area in Acres/ Hectares	Gross Block (Amount in `) as on 31.03.2021	Issues* (if any)
<b>NISP</b>				
<b>LAND: FREEHOLD GENERAL</b>				
1	Land at villages Nagarnar, kasturi, Amaguda & Maganpur	289 Acres	7,27,58,374	Freehold land in favour of NMDC Ltd., Nagarnar. Possession Letter issued by (Kabja Praman Patra) Tahasildar, Jagdalpur
2	Land at villages Bhamani	1.82 Acres	1,36,380	Freehold land in favour of NMDC Ltd., Nagarnar. Possession Letter issued by (Kabja Praman Patra) Tahasildar, Jagdalpur
3	Land at villages Nagarnar, Bijaput, Upanpal, Kasturi, Amaguda, Madpal, Chokawada&Maganpur	318.74 Acres	88,08,16,636	Freehold land in favour of NMDC Ltd., Nagarnar. Possession Letter issued by (Kabja Praman Patra) Tahasildar, Jagdalpur
4	Karanpur	0.42 Acres	13,26,750	Freehold land in favour of NMDC Ltd., Nagarnar. Possession Letter issued by (Kabja Praman Patra) Tahasildar, Jagdalpur
5	Land at villages Nagarnar, Bijaput, Upanpal, Kasturi, Amaguda, Madpal, Chokawada&Maganpur	145.95 Acres	Not finalized	104.41 Freehold land for which allotment letter issued by GM, DIC in 2001. 41.54 freehold land allotted by district collector to GM, DIC in 2010 for construction of steel plant
<b>LAND: LEASEHOLD GENERAL</b>				
1	Land at Chokawada village	7.2 Acres	26,31,600	Leasehold land in favour of NMDC Ltd., Nagarnar for 30 years w.e.f 2010. Possession letter issued by (KabjaPramanPatra) Tahasildar, Jagdalpur
2	Land at village Dhanpunji	20.28 Acres	3,41,51,520	Leasehold land in favour of NMDC Ltd., Nagarnar for 30 years w.e.f 2010. Possession letter issued by (KabjaPramanPatra) Tahasildar, Jagdalpur
3	Dhanpunji	6.26 Acres	80,45,352	Leasehold land for 30 years, w.e.f 2010 for which allotment letter issued by Upper Secretary, Raipur
4	Nagarnar	9.6 Acres	7,00,000	Freehold land for which allotment letter was issued from GM DIC in 2001. Later, the matter has been challenged in Hon. HC of CG, Bilaspur, and decision is pending.
5	Jhanj, Raipur	0.60 Acres	69,02,294	Leasehold land for which possession letter has been issued by Raipur Development Authority
6	Kopaguda, Garavandkala	22.49 Acres	Not finalized	Leasehold land for 30 years, w.e.f 2010 for which allotment letter issued by Upper Secretary, Raipur
<b>HEAD OFFICE</b>				
1	R&D Centre (Leased Premises)	0.12 Acres	Nil	Lease period completed but lease agreement to be extended.
<b>PALONCHA</b>				
1	SIU NMDC Ltd, Paloncha	11.35 Acres	Nil	Not yet registered
2	SIU NMDC Ltd, Paloncha	2.08 Acres	Nil	During the survey 2.08 Acres found shortage out of 10.43 Acres is pending confirmation from APIIC.
Regional Office, Visakhapatnam				
1	2000560: Land Lease hold (General)  Land Magazine Building & Service Centre, Location: Hilltop  20000010 – Land Free hold (General)	3021.35 Sq Mtrs	Nil	Lease taken from VPT & Renewed upto 01.01.2044

Sr. No.	Description of Leasehold Land Property	Area in Acres/ Hectares	Gross Block (Amount in `) as on 31.03.2021	Issues* (if any)
1	Land purchased from APIDC for UPFO Plant, Vizag	11.24 Acre	67,30,900	Copy of the Document available at Vizag Office (Original at Head Office, Hyderabad)
2	Land acquired for construction of Office Cum Guest House, Vizag	2419 Sq Yards	63,32,376	Copy of the Document available at Vizag Office (Original at Head Office, Hyderabad)
3	Land purchased at Kolkata for Office Building, Kolkata	4000 Sq Feet	10,21,48,346	Copy of the Document available at Vizag Office (Original at Head Office, Hyderabad)

(2)(a) The management has conducted the physical verification of inventory at reasonable Intervals.

(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

- (3) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of clause (3) (iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.
- (4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable.
- (5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (6) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act. Company is generally maintaining proper cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (7) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, except the following:
- i. Donimalai Unit does not collect/remit GST on
    - a. Liquidated damage / penalty collected from the suppliers and
    - b. Interest received from Monitoring Committee.
  - ii. Also the branch could not deduct/remit TDS on commission charges levied by Monitoring Committee
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

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

Unit	Name of Statute	Nature of Dues	Period	Forum where Dispute is Pending	Amount (In ₹ Crore)
Kirandul	Nagar Palika, Kirandul	Export tax	1995-96, 1996-97 2008-09 to 2020-21	Hon'ble High Court of Bilaspur	5.85
	Nagar Palika, Kirandul	Interest on Export tax	1995-96, 1996-97 2008-09 to 2020-21	Hon'ble High Court of Bilaspur	12.94
	Nagar Palika, Kirandul	Conservancy Tax	1997-98 to 2005-06 2014-15 to 2017-18	Hon'ble High Court, Bilaspur	0.79
	Nagar Palika, Kirandul	Property Tax	2013-14 to 2016-17	Hon'ble High Court, Bilaspur	74.4
	The Finance Act, 1994	Service Tax	2017 – 2018	CESTAT, New delhi	0.65
	MP Commercial Tax Act	Commercial Act	2002-03, 2005-06, 2008-09	Dy. Commissioner of Commercial Tax (Appeal)	1.6
	Goods & Services Tax	GST	2017-18 to 2019-20	Hon'ble High Court, Bilaspur	8.85
	DFO, Dantewada and State of Chhattisgarh	Forest Permit Fee	14.06.2002 to 31.10.2012	Bilaspur bench of Hon'ble High Court, Chhattisgarh	63.29
	MMDR Act	Common Cause Notice	2018-19	Hon'ble High Court, Bilaspur	317.47
Donimalai	Karnataka Forest Act 1963	Forest Development Tax	2008-09 to 2010-11	Hon'ble Supreme Court of India	243.69
	Central Excise, Customs and Service Tax	Service tax on services provided to CISF	2012 – 13 to 2017-18	Commissioner of Central Excise (Appeals)	0.27
	Central Excise, Customs and Service Tax	Service Tax on LD and penalty	2013 – 14 to 2017-18	Commissioner of Central Excise (Appeals)	0.96
	Indirect taxes and customs	Trans-1 Credit	FY 2017-18	Super indent of central tax (CGST), Hospet	0.49
Panna	Commercial Tax	Sales & Entry tax	2016 – 2017	DCIT, Sagar	0.05
	Commercial Tax	Sales & Entry tax	2013-14	DCIT, Sagar	0.23
Bachel	Nagar Palika, Kirandul	Export tax	March-2010 to March-2020	Hon'ble High Court of Chhattisgarh	1.27
	Nagar Palika, Kirandul	Interest on export tax	March-2010 to March-2020	Hon'ble High Court of Chhattisgarh	1.54
	Nagar Palika, Kirandul	Property tax	2015-16	Hon'ble High Court of Chhattisgarh	24.85
	Finance Act' 1994	Service tax	2017-18	Joint Commissioner Raipur Commissionerate	1.43
	Finance Act' 1994	Service Tax refund on freight related to export	July-2012 to June 2014 and Interest thereon upto 31.03.2021	Service tax appellate tribunal	69.23
	Finance Act' 1994	Service tax under RCM on CISF service	2013-14 to 2016-17	Commissioner(Audit), Raipur	3.68
	Goods & Service Tax	Interest on GST for DMF and NMET	1.7.2017 to 31.03.2020	GST Authority	21.14
	Commercial Tax Dept	Trans-1 Credit	2017	Director(C) GST	0.13
		Entry Tax Payable on Purchases	2013-14	Commissioner, Commercial Tax	2.48
DFO, Dantewada and State of Chhattisgarh	Forest permit fees	14.06.2002 to 31.10.2012	Hon'ble High Court of Chhattisgarh	80.51	
MMDR Act	Common Cause Notice	2018-2019	Hon'ble High Court of Chhattisgarh	705.97	
RO Vizag	The Finance Act, 1994	Service Tax	2007-2008 to 2011- 2012 and Interest upto 31.03.2021	Service Tax –Vishakapatam Sales Tax-Hyderabad	3.14

- (8) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans and borrowing to any financial institution, banks, government or dues to debenture holders.
- (9) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company
- (10) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (11) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (12) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (15) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sagar & Associates**  
**Chartered Accountants**  
(Firm's Registration No: 003510S)

D. Manohar  
Partner  
Membership No.029644  
UDIN: 21029644AAABT6081

Place: Hyderabad  
Date: 22.06.2021



## “ANNEXURE – C” TO THE AUDITORS’ REPORT

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

Report on the Directions of the Comptroller and Auditor General of India required under sub section 5 of Section 143 of the Companies Act, 2013 (“the Act”)

S No.	Point	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company had an ERP System upto 31 December 2020 to process all the accounting transactions. From 01 January 2021, the company has migrated from legacy system (oracle-based FAS) to SAP-ERP package in a phased manner.
2	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Not Applicable
3	Whether funds received /receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Not Applicable

For Sagar & Associates  
Chartered Accountants  
(Firm's Registration No: 003510S)

D. Manohar  
Partner  
Membership No.029644  
UDIN: 21029644AAABT6081

Place: Hyderabad  
Date: 22.06.2021

# BALANCE SHEET

As at 31<sup>st</sup> March 2021

(₹ In Crore)

Particulars	Note No.	Figures as at the end of current reporting year 31st March 2021	Figures as at the end of previous reporting year 31st March 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property plant & equipment	2.1.1	2,670.66	2,610.26
b) Right- of -Use Assets	2.1.2	6.62	6.58
c) Capital work-in- progress	2.2	17,076.68	15,471.56
d) Other intangible assets	2.3	441.17	399.89
e) Intangible assets under development	2.4	51.42	29.64
f) Financial assets			
i) Investments	2.4.1	984.88	985.59
ii) Loans	2.4.2	901.16	866.16
g) Deferred tax assets (Net)	2.5	408.28	397.06
h) Other non-current assets	2.6	3,695.91	3,502.90
<b>Total non-current assets</b>		<b>26,236.78</b>	<b>24,269.64</b>
<b>Current Assets :</b>			
a) Inventories	2.7	921.72	723.51
b) Financial assets			
i) Trade receivables	2.8.1	2,139.89	2,223.71
ii) Cash and cash equivalents	2.8.2	408.67	60.87
iii) Bank balances other than (ii) above	2.8.3	5,397.34	2,331.47
iv) Other financial assets	2.8.4	300.09	370.93
c) Current tax assets (Net)	2.9	257.04	429.15
d) Other current assets	2.10	1,122.74	734.00
e) Assets held for disposal	2.11	0.63	0.66
<b>Total current assets</b>		<b>10,548.12</b>	<b>6,874.30</b>
<b>Total Assets</b>		<b>36,784.90</b>	<b>31,143.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	2.12	293.07	306.19
b) Other equity	2.13	29,463.07	27,227.76
<b>Total equity</b>		<b>29,756.14</b>	<b>27,533.95</b>
<b>Liabilities</b>			
<b>Non- Current Liabilities</b>			
a) Financial liabilities			
i) Borrowings	2.14.1	546.43	-
ii) Other Financial liabilities	2.14.2	4.57	5.51
b) Provisions	2.14.3	945.16	827.88
<b>Total non-current liabilities</b>		<b>1,496.16</b>	<b>833.39</b>
<b>Current Liabilities</b>			
a) Financial liabilities			
i) Borrowings	2.15.1	1,448.04	565.57
ii) Trade payables	2.15.2		
a) Total Outstanding dues of Micro Enterprises and Small Enterprises		12.66	15.25
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		347.60	210.30
iii) Other financial liabilities	2.15.3	1,775.39	1,219.34
b) Other current liabilities	2.16	1,850.91	543.67
c) Provisions	2.17	98.00	222.47
<b>Total current liabilities</b>		<b>5,532.60</b>	<b>2,776.60</b>
<b>Total liabilities</b>		<b>7,028.76</b>	<b>3,609.99</b>
<b>Total equity and liabilities</b>		<b>36,784.90</b>	<b>31,143.94</b>

Significant Accounting Policies and notes on accounts : 1 & 2

Subject to our Report of even date  
For M/s Sagar & Associates  
Chartered Accountants  
Firm Regn No: 003510S

For and on behalf of the Board

(CA D MANOHAR)  
Partner  
Membership No: 029644

(AMITAVA MUKHERJEE)  
Director (Finance)

(SUMIT DEB)  
Chairman-cum -Managing Director

Place : Hyderabad  
Dated : 22<sup>nd</sup> June 2021

(A S PARDHA SARADHI)  
Company Secretary

# STATEMENT OF PROFIT AND LOSS

For Year Ended 31<sup>st</sup> March 2021

(₹ In Crore)

Particulars	Note No	Figures for the current reporting year 31st March 2021	Figures for the previous reporting year 31st March 2020
I. Revenue from operations	2.18	15,370.06	11,699.22
II. Other Income	2.19	349.88	513.79
<b>III. Total Income (I+II)</b>		<b>15,719.94</b>	<b>12,213.01</b>
<b>IV. Expenses :</b>			
Consumption of raw materials	2.20	42.01	36.48
Consumption of stores & spares		257.41	243.15
Changes in inventories of finished goods/work in progress	2.21	(161.81)	(53.83)
Employee benefit expense	2.22	1,081.81	1,046.83
Power and electricity	2.23	110.79	114.70
Repairs & maintenance	2.24	135.87	156.86
Royalty & other levies		2,969.38	2,096.29
Selling expenses	2.25	695.27	702.43
Finance cost	2.26	16.81	9.88
Depreciation and amortization expense	2.1 & 2.3	227.83	294.38
Other expenses	2.27	1,443.47	1,345.92
<b>Total expenses</b>		<b>6,818.84</b>	<b>5,993.09</b>
V. Profit before exceptional items and tax (III-IV)		8,901.10	6,219.92
VI. Exceptional items (Income)/Expenditure	2.28	-	96.44
<b>VII. Profit before tax (V-VI)</b>		<b>8,901.10</b>	<b>6,123.48</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII-VIII)</b>		<b>8,901.10</b>	<b>6,123.48</b>
X. Tax expense :			
(1) Current year	2.29	2,316.46	1,555.59
(2) Earlier years (net)		343.20	771.32
(3) Deferred tax	2.29	(11.21)	185.66
		2,648.45	2,512.57
XI. Profit for the year from continuing operations (X-XI)		6,252.65	3,610.91
XI. Profit/(Loss) from discontinued operations		0.53	(1.05)
XII. Tax expense of discontinued operations	2.29	0.13	(0.26)
XIII Net Profit/(loss) from discontinued operations(XI-XII)		0.40	(0.79)
<b>XIV Profit for the year (X-XIII)</b>		<b>6,253.05</b>	<b>3,610.12</b>
<b>Other Comprehensive Income</b>			
(i) Item that will not be reclassified to profit or loss (Re-measurements of post-employment benefit obligations)		(74.95)	(100.28)
(ii) Income tax relating to these items	2.29	18.86	25.24
<b>XV Other Comprehensive income net of tax</b>		<b>(56.09)</b>	<b>(75.04)</b>
<b>Total Comprehensive income for the year (XIV + XV)</b>		<b>6,196.96</b>	<b>3,535.08</b>
(Comprising Profit (Loss) and Other Comprehensive Income for the year)			
<b>Earnings per equity share (for continuing operation)</b>			
i) Basic	2.32.6	20.62	11.79
ii) Diluted	2.32.6	20.62	11.79
<b>Earnings per equity share (for discontinued operation)</b>			
i) Basic	2.32.6	-	-
ii) Diluted	2.32.6	-	-
<b>Earnings per equity share (for discontinued &amp; continuing operation)</b>			
i) Basic	2.32.6	20.62	11.79
ii) Diluted	2.32.6	20.62	11.79

Significant Accounting Policies and notes on accounts : 1 & 2

Subject to our Report of even date

For and on behalf of the Board

For M/s Sagar & Associates

Chartered Accountants

Firm Regn No: 003510S

(CA D MANOHAR)

Partner

Membership No: 029644

(AMITAVA MUKHERJEE)

Director (Finance)

( SUMIT DEB )

Chairman-cum -Managing Director

Place : Hyderabad

Dated : 22<sup>nd</sup> June 2021

(A S PARDHA SARADHI)

Company Secretary

# STATEMENT OF CHANGES IN EQUITY

For Year Ended 31<sup>st</sup> March 2021

a) Equity Share Capital (₹ In Crore)

	Note.no.	Amount
Balance as at 1st April 2019	2.12	306.19
Changes in Equity share capital		-
<b>Balance as at 31st March 2020</b>	<b>2.12</b>	<b>306.19</b>
Changes in Equity share capital (*)		(13.12)
<b>Balance as at 31st March 2021</b>		<b>293.07</b>

(\*) Buyback of Equity shares refer to note No. 2.12

b) Other Equity - 2.13

Particulars	General Reserve	Retained earnings	CRR	OCI	Total
<b>Balance as at 1st April 2019</b>	<b>23,967.06</b>	<b>1,630.56</b>	<b>90.28</b>	<b>(42.56)</b>	<b>25,645.34</b>
Profit for the year		3,610.12			3,610.12
Other Comprehensive Income net of tax				(75.04)	(75.04)
Interim dividend (2019-20)		(1,619.72)			(1,619.72)
DDT on Interim dividend (2019-20)		(332.94)			(332.94)
Transfer to General Reserve	1,500.00	(1,500.00)			-
<b>Total</b>	<b>1,500.00</b>	<b>157.46</b>	<b>-</b>	<b>(75.04)</b>	<b>1,582.42</b>
<b>Balance as at 31st March 2020</b>	<b>25,467.06</b>	<b>1,788.02</b>	<b>90.28</b>	<b>(117.60)</b>	<b>27,227.76</b>
<b>Balance as at 1st April 2020</b>	<b>25,467.06</b>	<b>1,788.02</b>	<b>90.28</b>	<b>(117.60)</b>	<b>27,227.76</b>
Profit for the year		6,253.05			6,253.05
Transfer to Capital Redemption Reserve (CRR)	(13.12)		13.12		-
Buyback of shares (including transaction charges)	(1,687.50)				(1,687.50)
Other Comprehensive Income net of tax				(56.09)	(56.09)
Interim dividend (2020-21)		(2,274.15)			(2,274.15)
Transfer to General Reserve	3,900.00	(3,900.00)			-
<b>Total</b>	<b>2,199.38</b>	<b>78.90</b>	<b>13.12</b>	<b>(56.09)</b>	<b>2,235.31</b>
<b>Balance as at 31st March 2021</b>	<b>27,666.44</b>	<b>1,866.92</b>	<b>103.40</b>	<b>(173.69)</b>	<b>29,463.07</b>

Subject to our Report of even date  
For M/s Sagar & Associates  
Chartered Accountants  
Firm Regn No: 003510S

(CA D MANOHAR)  
Partner  
Membership No: 029644

Place : Hyderabad  
Dated : 22<sup>nd</sup> June 2021

For and on behalf of the Board

(AMITAVA MUKHERJEE)  
Director (Finance)

(SUMIT DEB)  
Chairman-cum -Managing Director

(A S PARDHA SARADHI)  
Company Secretary

# CASH FLOW STATEMENT

For Year Ended 31<sup>st</sup> March 2021

(₹ In Crore)

Particulars	Figures as at the end of current reporting year 31st March 2021	Figures as at the end of previous reporting year 31st March 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before income tax from		
Continued Operations	8,901.10	6,123.48
Discontinued Operations	0.53	(1.05)
<b>Profit before income tax including discontinued operations</b>	<b>8,901.63</b>	<b>6,122.43</b>
Adjustments for non cash/non operational expenses:		
Depreciation & amortisation expense	227.83	294.38
Loss on disposal of property, plant & equipment	0.74	(0.02)
Expenditure on enabling facilities	147.79	229.91
Provision for bad & doubtful advances	234.47	211.78
Interest Income classified as investing cash flow	(238.77)	(367.42)
Finance Costs	16.81	9.88
<b>Operating Profits before working capital changes</b>	<b>9,290.50</b>	<b>6,500.94</b>
Adjustments for working capital changes:		
(Increase)/Decrease in trade receivables	(150.65)	(1,010.98)
(Increase)/Decrease in inventories	(198.21)	(57.34)
(Increase)/Decrease in other financial assets	61.43	(10.33)
(Increase)/Decrease loans to employees and related parties	(28.06)	(68.06)
(Increase)/Decrease in other non current assets	(572.31)	(710.74)
(Increase)/Decrease in other current assets	38.68	(321.06)
(Increase)/Decrease in assets held for disposal	0.03	(0.15)
Increase/(Decrease) in trade payables	134.71	22.81
Increase/(Decrease) in provisions	97.12	51.75
Increase/(Decrease) employee benefit obligations	(160.58)	113.73
Increase/(Decrease) in other financial liabilities	(0.75)	84.64
Increase/(Decrease) in other current liabilities	1,306.30	(237.59)
<b>Cash generated from operations</b>	<b>9,818.21</b>	<b>4,357.62</b>
Income Taxes paid	(2,487.68)	(2,304.68)
<b>Net Cash Flow from operating activities</b>	<b>7,330.53</b>	<b>2,052.94</b>



# CASH FLOW STATEMENT (CONT...)

For Year Ended 31<sup>st</sup> March 2021

(₹ In Crore)

Particulars	Figures as at the end of current reporting year 31st March 2021	Figures as at the end of previous reporting year 31st March 2020
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	(1,598.05)	[2,399.02]
Purchase of investments	0.71	[46.27]
Interest received	241.24	406.22
Investment in term deposits with more than three months	(3,035.41)	1,761.80
<b>Net Cash Flow from investing activities</b>	<b>(4,391.51)</b>	<b>[277.27]</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount paid on buyback of Shares (including transaction charges)	(1,700.62)	-
(Repayment)/Proceeds from borrowings	1,428.90	201.42
Deposits paid towards LCs and BGs (towards non fund based facilities)	(29.59)	7.69
Interest paid	(16.63)	[9.70]
Dividends paid (including tax thereon and net off balances for unpaid dividends)	(2,273.28)	(1,952.54)
<b>Net Cash Flow from financing activities</b>	<b>(2,591.22)</b>	<b>[1,753.13]</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>347.80</b>	<b>22.54</b>
Cash & Cash equivalents at the beginning of the year	60.87	38.33
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>408.67</b>	<b>60.87</b>
<b>Details of the Cash and Cash Equivalents (Note No. 2.8.2)</b>		
Cash in hand	0.01	-
On Current Accounts	407.66	60.87
On Deposit Accounts (Original Maturity less than 3 months)	1.00	-
<b>Total Cash &amp; Cash equivalents at the end of the year</b>	<b>408.67</b>	<b>60.87</b>
Restricted Cash Balance	-	-

Subject to our Report of even date

For M/s Sagar & Associates

Chartered Accountants

Firm Regn No: 003510S

(CA D MANOHAR)

Partner

Membership No: 029644

Place : Hyderabad

Dated : 22<sup>nd</sup> June 2021

For and on behalf of the Board

(AMITAVA MUKHERJEE)

Director (Finance)

(SUMIT DEB)

Chairman-cum -Managing Director

(A S PARDHA SARADHI)

Company Secretary

# NOTES

## 1. Significant accounting policies

### 1.1 Basis of preparation

#### (a) Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2020 and other relevant provisions of the Act.

#### (b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii) Defined benefit and other long-term employee benefits.

#### (c) Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest crore except share and per share data.

#### (d) Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the

estimates are revised and in any future periods affected.

### 1.2 Summary of significant accounting policies

#### i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

#### ii. Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

#### iii. Investment in Subsidiaries, Joint Venture and Associates.

Investment in Subsidiaries, Joint Ventures and Associates are measured at cost. Dividend income is recognised when its right to receive the dividend is established".

#### iv. Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair

value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the company has transferred its right to receive/extinguish its obligation to pay cash flow from such financial instruments.

**a) Non-derivative financial assets**

**Financial assets at amortized cost**

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and

subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.

**b) Non-derivative financial liabilities**

**Financial liabilities at amortized cost**

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

**v. Property plant and equipment:**

**a) Recognition and measurement:**

Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use the previous GAAP value as deemed cost at 1 April 2015, the date of transition.

**Depreciation:** Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis. Depreciation is charged

on pro-rata basis on additions / disposals of assets during the year. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Fixed Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

**b) Treatment of Enabling Assets:**

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

**vi. Intangible assets :**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Mining rights are accounted as Intangible assets and amortised over the period of life of the mining lease.

**vii. Inventory**

- a) Raw materials, Stores and spares (including loose tools and implements), work in process and finished products are valued at lower of cost and net realizable value of the respective units.
- b) The basis of determining the cost is
  - Raw materials: Weighted average cost
  - Stores and spares: Weighted average cost
  - Stores in Transit: At cost
  - Work in process and finished goods: Material cost plus appropriate share of labour, related overheads and levies.
- c) In case of identified Obsolete/ Surplus/Non-moving items necessary provision is made and charged to revenue.
- d) Stationery, Medical, Canteen, School Stores, Cotton Waste, Hospital Stores and Lab stores (excluding for R & D Lab) charged off to Revenue on procurement.
- e) No credit is taken in respect of stock of run of mine ore, embedded ore, Iron ore slimes.

## viii. Impairment

### a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR.

When estimating the cash flows, an entity is required to consider:

- i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the



relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**ix. Employee benefits**

**a) Payments under Employees' Family Benefit Scheme:**

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

**b) Gratuity & Provident fund:**

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

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.

**c) Pension Fund**

Defined contributions to NMDC Employees' Contributory Pension Scheme are made on accrual basis at a rate as approved from time to time to a fund which is administered by a separate Trust.

**d) 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.

**e) Other Benefits :**

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

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

**x) Provisions**

All the provision are recognized as per Ind AS 37. Provisions (including mine closure) are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

**xi) Revenue recognition:**

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of

cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

All revenue from sale of goods is recognised at a point in time. Revenue from wind power and services is recognised over time.

The timing of transfer of control in case of sale of goods varies depending upon individual transfer terms of the contract.

**Export sales:** In Export sales control passes to the customer on the date of Bill of Lading.

**Domestic sales:** Control passes to the customer on the date of delivery which is generally the forwarding note (rail dispatches)/ lorry receipt/ delivery challan. However, in case of spot auction under electronic mode, control passes to the customer on conclusion of the auction and receipt of money.

**Obsolete stores & scrap:** Control passes to the customer on the date of realisation.

**Contract asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liability**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made

or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**xii) Finance income and expense**

Finance income consists of interest income on funds invested, dividend income and gains on the disposal of Fair value through profit and loss account financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Dividend income is recognized in the statement of profit and loss on the date the Company's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

**xiii) Income tax**

Tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**a) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and

liability simultaneously.

**b) Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**xiv) Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued

upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**xv) Borrowing costs**

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

**xvi) Government grants:**

Grants from the government are recognised when there is reasonable assurance that:(i) the Company will comply with the conditions attached to them; and (ii) the grant will be received. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset. Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

Grant related to income are presented as part of profit or loss, as a deduction to the related expenses.

**xvii) Lease:**

- a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
- b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee.
- c. The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.
- d. Low Value leases up to Rs.20 lakhs p.a. per lease and Short term leases of 12 months or less are fully charged to expense.

**xviii) Exploration and Evaluation:**

Exploration and evaluation expenditure comprise costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. . All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditure are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**xix) Stripping cost:**

**Development stripping cost:**

Overburden and other mine waste material removed during the initial development of a mine in order to access mineral deposit are capitalized as Intangible Asset. Amortization of the same is done based on the life estimated by the management.

**Production stripping cost:**

During the Production phase, the stripping activity cost is charged to revenue to the extent the benefit from the stripping activity is realized in the form of inventory produced.

To the extent the benefit is improved access to ore, the entity shall recognise these costs as a non-current asset ie Stripping Activity Asset, if and only if all the following conditions are met:

- a. It is probable that the future economic benefits associated with the stripping activity will be realized.

- b. The component of the ore body for which access has been improved can be identified; and
- c. The costs relating to the stripping activity associated with the improved access can be reliably measured.

To the extent the current period stripping ratio exceeds the planned stripping ratio as per mine plan, shall be considered as "Stripping Activity Asset"

The "Stripping Activity Asset" is subsequently depreciated on a unit of production basis over the life of the identified component of the ore body that become more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and impairment loss, if any.

**xx) Prepaid Expenses:**

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

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

The value of error and omissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/ expenses exceeds 1.00% of the previous year turnover of the company.

Subject to our Report of even date

For and on behalf of the Board

For M/s Sagar & Associates  
Chartered Accountants  
Firm Regn No: 003510S

(CA D MANOHAR)  
Partner  
Membership No: : 029644

(AMITAVA MUKHERJEE)  
Director (Finance)

(SUMIT DEB)  
Chairman-cum- Managing Director

Place : Hyderabad  
Dated : 22<sup>nd</sup> June 2021

(A S PARDHA SARADHI)  
Company Secretary

■ Note - 2.1.1 : PROPERTY, PLANT & EQUIPMENT

(₹ In Crore)

ASSETS	GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK			
	As at 1st Apr, 2020	Additions during the year	Ded/Adj during the year	Transfer to/from	Internal transfer	As at 31st March 2021	As at 1st Apr, 2020	For the year	Asset Impairment	Deductions/ adjustments	Transfer to/from	upto 31st March 2021	As at 31st March 2021	As at 31st March 2020
<b>A. General</b>														
Land :														
- Free hold	271.88	-	-	-	-	271.88	-	-	-	-	-	-	271.88	271.88
- Lease hold	6.56	-	(0.57)	-	-	5.99	1.54	0.34	(0.37)	-	-	1.51	4.48	5.02
Buildings	319.06	6.44	-	-	-	325.50	44.00	12.52	-	-	-	56.52	268.98	275.06
Plant & Machinery	1,319.30	10.73	(10.84)	-	0.03	1,319.22	282.82	66.39	(10.75)	-	-	338.49	980.73	1,036.48
Heavy Mobile Equipmt.	587.90	19.03	(11.04)	-	(0.42)	595.47	302.17	55.70	(11.06)	-	-	346.72	248.75	285.73
Furniture & fittings	16.63	1.07	0.02	-	-	17.72	8.58	1.93	0.04	-	-	10.55	7.17	8.05
Vehicles	35.04	8.27	0.30	(0.03)	0.39	43.97	17.72	4.73	0.34	(0.03)	-	22.82	21.15	17.32
Office Equipment	63.81	11.38	(1.80)	(0.06)	-	73.33	36.60	9.95	(1.73)	(0.05)	-	44.77	28.56	27.21
<b>Others :</b>														
Roads, bridges etc.	152.56	3.50	-	-	-	156.06	92.07	15.84	(0.02)	-	-	107.89	48.17	60.49
Dams, Wells & Pools	11.99	2.12	-	-	-	14.11	2.13	0.70	-	-	-	2.83	11.28	9.86
Adit & tunnel	1.76	0.29	-	-	-	2.05	0.02	0.04	-	-	-	0.06	1.99	1.74
Railway sidings	34.34	-	-	-	-	34.34	16.75	2.58	-	-	-	19.33	15.01	17.59
Locomotives	54.92	35.06	-	-	-	89.98	6.15	4.38	-	-	-	10.53	79.45	48.77
Electrical Installations	285.28	5.44	(0.41)	-	-	290.31	101.48	27.54	(0.29)	-	-	128.73	161.58	183.80
Sanitary & W. S. Installations	32.33	1.63	-	-	-	33.96	5.19	1.42	-	-	-	6.61	27.35	27.14
<b>TOTAL 'A'</b>	<b>3,193.36</b>	<b>104.96</b>	<b>(24.34)</b>	<b>(0.09)</b>	<b>-</b>	<b>3,273.89</b>	<b>917.22</b>	<b>204.06</b>	<b>(23.84)</b>	<b>(0.08)</b>	<b>(0.14)</b>	<b>1,097.36</b>	<b>2,176.53</b>	<b>2,276.14</b>
Previous year 2019-20	2,969.30	234.74	(10.50)	(0.18)	-	3,193.36	683.27	241.67	(10.07)	(0.14)	-	917.22	2,276.14	2,286.03
<b>B. Social Facilities</b>														
Land :														
- Free hold	0.29	-	-	-	-	0.29	-	-	-	-	-	-	0.29	0.29
- Lease hold	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	314.27	167.84	-	-	-	482.11	23.60	7.83	-	-	-	31.43	450.68	290.67
Plant & Machinery	5.44	0.10	-	-	-	5.54	0.47	0.22	-	-	-	0.69	4.85	4.97
Furniture & fittings	11.30	1.32	(0.15)	(0.01)	-	12.46	4.36	1.18	0.04	(0.04)	-	5.54	6.92	6.94
Vehicles	1.99	0.17	-	-	-	2.16	0.98	0.24	-	-	-	1.22	0.94	1.01



(₹ In Crore)

ASSETS	GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK			
	As at 1st Apr, 2020	Additions during the year	Ded/Adj during the year	Transfer to/from	Internal transfer	As at 31st March 2021	As at 1st Apr, 2020	For the year	Asset Impairment	Deductions/ adjustments to/from	Transfer to/from	upto 31st March 2021	As at 31st March 2021	As at 31st March 2020
Office Equipment	28.96	4.57	(4.67)	0.10	-	28.96	18.89	3.77	-	(4.43)	0.12	18.35	10.61	10.07
Others :	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads, bridges etc.	8.39	0.18	-	-	-	8.57	3.21	0.77	-	-	-	3.98	4.59	5.18
Cess fund quarters	6.57	-	-	-	-	6.57	0.85	0.15	-	-	-	1.00	5.57	5.72
Dams, Wells & Pools	0.96	-	(0.01)	-	-	0.95	0.07	0.14	-	-	-	0.21	0.74	0.89
Electrical Instaln.	4.69	1.34	-	-	-	6.03	1.88	0.53	-	-	-	2.41	3.62	2.81
Sanitary & W.S.Instlns.	6.83	0.02	-	-	-	6.85	1.26	0.27	-	-	-	1.53	5.32	5.57
Cess fund other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL 'B'</b>	<b>389.69</b>	<b>175.54</b>	<b>(4.83)</b>	<b>0.09</b>	<b>-</b>	<b>560.49</b>	<b>55.57</b>	<b>15.10</b>	<b>-</b>	<b>(4.39)</b>	<b>0.08</b>	<b>66.36</b>	<b>494.13</b>	<b>334.12</b>
Previous year 2019-20	309.61	81.24	(1.34)	0.18	-	389.69	41.15	14.11	0.88	(0.71)	0.14	55.57	334.12	268.46
<b>TOTAL 'A + B'</b>	<b>3,583.05</b>	<b>280.50</b>	<b>(29.17)</b>	<b>-</b>	<b>-</b>	<b>3,834.38</b>	<b>972.79</b>	<b>219.16</b>	<b>-</b>	<b>(28.23)</b>	<b>-</b>	<b>1,163.72</b>	<b>2,670.66</b>	<b>2,610.26</b>
Previous year 2019-20	3,278.91	315.98	(11.84)	-	-	3,583.05	724.42	255.78	3.37	(10.78)	-	972.79	2,610.26	2,554.49

■ Note - 2.1.1 : RIGHT OF USE ASSETS

General:

Assets	GROSS BLOCK			AMORTISATION BLOCK			NET BLOCK				
	As at 1st April, 2020	Additions/ Adjustments	Deductions/ Adjustments	Internal Transfer	As at 31st March 2021	As at 1st April, 2020	For the Year	Deductions/ adjustments transfer	As at 31st March 2021	As at 31st March 2020	
Land (SP-RO- Vizag)	0.53	-	(0.06)	-	0.59	0.48	0.11	-	0.59	-	0.05
<b>Buildings</b>											
Delhi - PTI- Building	7.41	-	-	-	7.41	0.88	0.78	-	1.66	5.75	6.53
Delhi - KG Marg	0.26	-	-	-	0.26	0.26	-	-	0.26	-	-
Surya Kiran Building	-	-	-	-	-	-	-	-	-	-	-
REGIONAL OFFICE- Vizag	-	1.19	-	-	1.19	-	0.32	-	0.32	0.87	-
<b>TOTAL</b>	<b>8.20</b>	<b>1.19</b>	<b>(0.06)</b>	<b>-</b>	<b>9.45</b>	<b>1.62</b>	<b>1.21</b>	<b>-</b>	<b>2.83</b>	<b>6.62</b>	<b>6.58</b>
Previous year	8.20	-	-	-	8.20	-	1.62	-	1.62	6.58	-
<b>Social Amenities:</b>											
Buildings	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous year	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>8.20</b>	<b>1.19</b>	<b>(0.06)</b>	<b>-</b>	<b>9.45</b>	<b>1.62</b>	<b>1.21</b>	<b>-</b>	<b>2.83</b>	<b>6.62</b>	<b>6.58</b>
Previous year	8.20	-	-	-	8.20	-	1.62	-	1.62	6.58	-

## NON-CURRENT ASSETS

### ■ Note: 2.2 Capital Work in Progress

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Construction work in progress	14,555.12	13,429.44
Add : Impairment reversed/ (provided)		
Construction Stores	2.32	1.77
Capital Assets in stores awaiting installation or in transit	53.94	65.69
Less : Provision	-	-
	53.94	65.69
Expenditure incidental to construction awaiting allocation (See note 2.2.2)	2,465.30	1,974.66
<b>Total</b>	<b>17,076.68</b>	<b>15,471.56</b>

### Note - 2.2.1: Movement of Capital work in progress

(₹ In Crore)

Particulars	Construction Work in Progress	Construction Stores	Capital asset in stores awaiting installation or in transit	Expenditure incidental to construction awaiting allocation	Total
Year ended 31st March 2020					
Gross carrying amount	12,433.34	1.86	53.22	1,304.03	13,792.45
Additions	1,191.81	4.60	89.50	696.69	1,982.60
Disposals/Capitalisation to PPE	195.71	4.69	77.03	26.06	303.49
Closing gross carrying amount	13,429.44	1.77	65.69	1,974.66	15,471.56
Accumulated amortization					
Amortization charge during the year					
Closing accumulated amortization	-	-	-	-	-
Closing net carrying amount	13,429.44	1.77	65.69	1,974.66	15,471.56
Year ended 31st March 2021					
Gross carrying amount					
Opening gross carrying amount	13,429.44	1.77	65.69	1,974.66	15,471.56
Additions	2,881.24	4.42	69.62	490.64	3,445.92
Disposals/Capitalisation to PPE	1,755.56	3.87	81.37	-	1,840.80
Closing gross carrying amount	14,555.12	2.32	53.94	2,465.30	17,076.68
Accumulated amortization					
Amortization charge during the year					
Closing accumulated amortization	-	-	-	-	-
Closing net carrying amount	14,555.12	2.32	53.94	2,465.30	17,076.68

Note : 2.2.2 Expenditure Incidental to Construction Awaiting Allocation

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>a. Opening balance</b>	1,974.65	1,304.03
<b>b. Net Expenditure incurred during the year</b>		
Consumption of stores and spares	0.22	-
Employee Benefit expense :		
Salaries, Wages & Bonus	152.12	147.55
Contribution to Provident fund, EPS, DLI	8.08	6.79
Contribution to Gratuity fund	4.33	5.91
Staff Welfare expenses	13.29	16.35
	177.82	176.60
Power, Electricity & Water	69.11	64.59
Repairs and Maintenance	64.38	5.91
Depreciation and amortisation	14.87	12.48
<b>Other expenses :</b>		
Rent, Insurance, Rates and taxes	4.62	7.04
Interest on Borrowing	22.63	-
Payment to auditors : As auditors	0.06	0.06
Payment to auditors : For Other Services	0.05	0.04
Reimbursement of expenses	-	0.01
	27.36	7.15
Travelling and Conveyance expenses	0.51	2.65
Consultancy expenditure	46.15	24.38
CISF/Security expenditure	6.27	5.85
Environmental Development	0.02	-
Other expenditure	90.03	405.46
	<b>496.74</b>	<b>705.07</b>
Less : Recoveries/Income		
Interest Received	4.95	7.18
Other income	1.14	1.20
Total (b)	<b>490.65</b>	<b>696.69</b>
Sub-total (a+b)	2,465.30	2,000.72
Less : Amount allocated to Fixed assets/ Capital W I P	-	26.06
<b>Total</b>	<b>2,465.30</b>	<b>1,974.66</b>

## Note 2.3 INTANGIBLE ASSETS

(₹ In Crore)

ASSETS	GROSS BLOCK			AMORTISATION BLOCK			NET BLOCK			
	As at 1st Apr, 2020	Additions during the year	Ded/ Adj during the year	As at 31st March 2021	As at 1st Apr 2020	For the year	Deductions/ adjustments	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
GENERAL										
Computer software	8.24	0.05	-	8.29	6.35	1.15	-	7.50	0.79	1.89
Mining rights	879.92	74.22	(10.55)	943.59	481.92	21.29	-	503.21	440.38	398.00
<b>Total</b>	<b>888.16</b>	<b>74.27</b>	<b>(10.55)</b>	<b>951.88</b>	<b>488.27</b>	<b>22.44</b>	<b>-</b>	<b>510.71</b>	<b>441.17</b>	<b>399.89</b>
Previous Year 2019-20	402.47	485.69		888.16	236.27	252.00		488.27	399.89	166.20

### Additional notes to 2.1,1, 2.3 and 2.4 : PPE (Property Plant and Equipment) , Intangible Assets and Intangible Assets under Development.

- Lease hold land measuring 3021.35 sq.mtrs. (previous year 3021.35 sq.mtrs.) is taken from Vizag Port Trust Authorities for construction of Regional Office building for a period of 30 years i.e. up to 01.01.2044. Action is on hand to execute the lease deed. However, rent have been accounted till 31.03.2021.
- The Extent of land of **184.30** hectares taken over from CG Government, which is in favor of 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.
- Formal agreements / Transfer deeds remain to be executed in respect of the following:
  - Renewal of Mining Leases at Deposit 10 (Float Ore).
  - Lease deeds in respect of parts of land for township at Bachel Complex, Kirandul Complex and Panna Project.
  - Mining lease to the extent of 33.58 hectares (Mining area) and 19.42 hectares (Plant area) of Silica Sand Plant near Lalapur (Allahabad).
  - Lease in respect of a portion of the total land at R&D Center measuring 9.12 acres has expired during Feb 07 (6.66 acres) and the balance in Feb 2010 (2.46 acres). The process of renewal of the lease is under progress.
  - Provisional allotment letters were issued for the land allotted by M/s APIIC at Industrial park, Paloncha to the extent of 13.43 acres.

However, on physical survey found only 11.35 acres of land. No effect is given in books, pending confirmation from M/s APIIC.

- Land to the extent of 26.39 acres was purchased at Patancheru, Hyderabad through the Official Liquidator from Allwyn Watches Ltd. However, on physical survey found only 24.23 acres of land and registration for 24.23 acres of the land has been executed in the name of NMDC.
- Land at Raipur to the extent of 57,432.99 Sq. Ft. has been acquired from Chhattisgarh Housing Board, however as per the actual land measurement taken by surveyor the total land comes to 62,205.96 Sq. Ft. The registration formalities are in the process for the total land.

- Reconciliation of Depreciation and Amortisation as per Statement of Profit and Loss:

		(₹ In Crore)	
Note no	Particulars	2020-21	2019-20
2.1	Depreciation on PPE	219.16	255.78
2.1	Impairments of PPE	-	3.37
2.3	Amortisation of Intangible Assets	22.44	252.00
2.1.2	Amortisation of ROU Assets	1.21	1.62
	<b>Total</b>	<b>242.81</b>	<b>512.77</b>
2.2.2	Transferred to IEDC	(-) 14.87	(-) 12.48
2.28	Shown under Exceptional item	-	(-)205.82
2.33.8	Transferred to Discontinue Operation	(-)0.11	(-)0.09
	<b>Depreciation and amortisation as per Statement of Profit and Loss</b>	<b>227.83</b>	<b>294.38</b>

5. Mining Lease of Donimalai : Ref. 2.34.8)  
Donimalai Iron Ore Mine of NMDC Ltd. Has resumed mining operations since 18.02.2021.
6. Project "KALPATARU", the Enterprise Resource Planning (ERP), an integrated system with core modules i.e. Production Planning (PP), Plant Maintenance (PM), Material Management (MM), Human Capital Management (HCM), Finance & Controlling (FICO), Sales & Distribution (SD), Project System (PS), Quality Management (QM), Employee Health & Safety (EHS) etc. is implemented in phased manner in respect of Mining Business. Further, amount paid to vendors for ERP implementation is shown as CWIP as ERP implementation is in final UAT testing stage as on 31 March 2021.
7. During the year 2020-21 a review of residual and useful life of PPE was done and as per the review there is no change recommended. The Useful life of all the PPE is as per schedule II except for the following PPE whose life as given under is determined as per technical assessment.

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

■ **Note: 2.4 Intangible assets under development**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Intangible assets under development	51.42	29.64
<b>Total</b>	<b>51.42</b>	<b>29.64</b>

**Note : 2.4.1 Investments**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>In Equity Shares:</b>		
<b>Investments in Subsidiary Companies carried at cost :</b>		
<b>Trade &amp; Quoted at cost:</b>		
i) 576,72,53,980 (Previous year 576,72,53,980) Equity shares fully paid up in Legacy Iron Ore Ltd. Australia, No face value in Australia	214.70	168.53
<b>Unquoted at cost:</b>		
i) 28,51,002 (previous Year 28,51,002) Equity shares of ₹100 each fully paid up in Subsidiary company J &K MDC Ltd., Jammu.	28.51	28.51
Less: Investment deration	28.51	28.51
	-	-
ii) 41,85,590 (previous Year 41,85,590) Equity shares) of FMG 2500/- each fully paid up in wholly owned subsidiary company NMDC SARL, Madagaskar	7.20	7.20
Less: Investment deration	7.20	7.20
	-	-
iii) 5,50,000 (Previous Year 5,50,000 ) Equity shares of ₹10/- each fully paid up in NMDC Power Ltd.	0.55	0.55
Less: Investment deration	0.55	-
	-	0.55
iv) 1,00,000 (Previous Year 1,00,000) equity shares of ₹10/- each fully paid up in Karnataka Vijayanagar Steel Limited (KVSL)	0.10	0.10
v) 60,000 (previous year 60,000) equity shares of Rs10/- each fully paid up in NMDC Steel Limited (NSL)	0.06	0.06
vi) 1,60,000 (previous year 60,000) equity shares of ₹10/- each fully paid up in Jharkhan Kolhan Steel Limited (JKSL)	0.16	0.16
Less: Investment deration	0.16	-
	-	0.16
vii) 20,00,000 (previous year 20,00,000) equity shares of 10 each in NMDC CSR Foundation (NCF)	2.00	2.00
<b>Investment in Joint Ventures :</b>		
<b>Unquoted at cost:</b>		
i) 9,83,47,236 (Previous Year 9,83,47,236) Equity shares of Rs 10/- each fully paid up in NMDC CMDC Ltd.	98.35	98.35
ii) 6,000 (Previous year 6,000) equity shares of ₹10/- each in Jharkhand National Mineral Development Corporation Ltd. (JNMDC)	0.01	0.01
iii) 15,26,74,600 (previous year 15,26,74,600) equity shares of ₹10/- each in Bastar Railway Pvt. Ltd. (BRPL)	152.67	152.67



Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
iv) 50 (Previous year 50) equity shares of South african Rand 1/- each in <b>Kopano-NMDC Minerals (Proprietary) Limited</b> (₹ 324/- only)	-	-
Less: Investment deration	-	-
v) 25,500 (previous year 25,500) equity shares of ₹10/- each in <b>NMDC-SAIL Ltd.</b>	0.03	0.03
Less: Investment deration	0.03	0.03
	-	-
<b>Investments in Associates :</b>		
<b>Unquoted at cost:</b>		
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: Investment deration	0.11	0.11
	-	-
ii) 37,63,57,143 (Previous year 37,63,57,143) Equity shares of ₹10/- each fully paid in International Coal Ventures (P) Ltd.	376.36	376.36
iii) 4,00,00,000 (P.Y 4,00,00,000) equity shares of Rs 10/- each in fully paid up in Krishnapatnam Railway Co. Ltd.	40.00	40.00
iv) 7,47,99,878 (previous year 7,47,99,878) equity shares of ₹ 10/- each fully paid up in NINL, Bhubaneswar	100.60	100.60
v) 13,000 (previous year 13,000) equity shares of ₹10/- each fully paid up in Chhattisgarh Mega steel Ltd	0.01	0.01
<b>Unquoted shares in co-operative societies</b>		
i) 150 Shares (previous year 150 Shares) of ₹ 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 ₹ 10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bachelī ₹5,000/- (previous year Rs 5,000/-)	-	-
iii) 25 Shares (previous year 25 Shares) of ₹100/- each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai ₹2,500/- (previous year Rs 2,500/-)	-	-
	0.02	0.02
<b>Total</b>	<b>984.88</b>	<b>985.59</b>
1. Aggregate amount of Quoted Investments	214.70	214.70
(Market value of quoted Investments)	321.25	53.10
2. Aggregate amount of Unquoted Investments	806.74	806.71
3. Aggregate amount of provision for diminution in value of investments:	36.56	35.85

**Note: 2.4.2 : Loans**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Loans to employees and outsiders	30.11	23.85
Loan to Subsidiaries	723.58	701.78
Deposit with Others	147.47	140.53
<b>TOTAL</b>	<b>901.16</b>	<b>866.16</b>
i) Considered Good, Secured	30.11	23.85
ii) Considered Good, Unsecured	871.05	842.31
iii) Which have significant increase in Credit risk	-	-
iv) Credit Impaired	-	-

Note: With respect to the accounting policy note no. 1. (b) ii, the long term Loans & advances to employees was to be measured at amortised cost. The same was carried out and considering the materiality, no effect has been made in the accounts.

**Note: 2.5 Deferred tax assets (Net)**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>A. Deferred tax assets :</b>		
1. Provision for bad & doubtful debt and advances	606.44	548.75
2. Intangible Assets	(15.40)	26.52
3. Asset retirement obligation and spares	4.39	4.68
4. Investments	9.20	9.02
5. Others	37.14	35.86
<b>Total Deferred Tax Assets</b>	<b>641.77</b>	<b>624.83</b>
<b>B. Deferred tax liabilities :</b>		
1. Related to PPE	(231.82)	(226.11)
2. Right-of-use Assets	(1.67)	(1.66)
<b>Total Deferred Tax Liabilities</b>	<b>(233.49)</b>	<b>(227.77)</b>
<b>Net Deferred Tax Assets</b>	<b>408.28</b>	<b>397.06</b>

**Note: 2.6 Other Non-Current Assets**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Capital Advances (*)	465.25	417.13
ITC Receivables	1,586.64	1,517.93
Mines Closure Fund with Life Insurance Corporation	859.20	801.26
Other Advances (**)	784.82	766.58
<b>Total</b>	<b>3,695.91</b>	<b>3,502.90</b>

(\*) Capital Advances includes an amount of ₹ 4.57 crore ( P.Y ₹ 30.12 crore) towards doubling of railway lines between Jagdalpur and Ambagoan , also included payment of ₹ 241.27 crore towards Tokisud Coal Block and payment of ₹ 72.62 crore towards Rohne Coal Block.

(\*\*) Includes an amount of ₹ 600 crore (P.Y. ₹ 600 crore), paid to South Bastar Dantewada under protest against the demand notice for Common Cause.

## ■ Note: 2.7 Inventories

(As Valued and Certified by the Management)

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Raw materials</b>	-	
Iron Ore	4.44	1.03
Lime Stone	0.09	0.36
Bentolite	0.27	0.27
<b>Total R M</b>	<b>4.80</b>	<b>1.66</b>
<b>Work-in-Process :</b>		
Pellets	3.29	1.85
Diamonds	-	-
Sponge Iron	0.93	0.93
<b>Total WIP</b>	<b>4.22</b>	<b>2.78</b>
<b>Finished Goods:</b>		
Iron Ore	672.47	504.14
Sponge Iron	0.01	0.01
Pellets	27.25	28.12
Diamonds & Precious Stones	39.17	46.27
<b>Total Finished Goods</b>	<b>738.90</b>	<b>578.54</b>
Inventories are valued at cost or NRV whichever is lower.		
<b>Total (A)</b>	<b>747.92</b>	<b>582.98</b>

## ■ Note: 2.7 Inventories

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Stores &amp; Spares</b>	172.19	140.42
<b>Loose tools and Implements</b>	1.61	0.11
<b>Total (B)</b>	<b>173.80</b>	<b>140.53</b>
<b>G. Total (A+B)</b>	<b>921.72</b>	<b>723.51</b>
1. Stores and Spares include:		
a) Stores-in-transit	3.65	11.76
b) Obsolete stores & spares valued at Re1 per unit of their original value of ₹3.22 crore [previous year ₹3.75 crore]	0.01	0.01

**Notes: 2.8.1 Trade Receivables**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021		Figures as at the end of 31st March 2020	
Trade receivables outstanding for a period exceeding six months from the due date of payment	2,480.99		2,615.33	
Other trade receivables	2,043.33		1,770.89	
<b>Total(*)</b>	<b>4,524.32</b>		<b>4,386.22</b>	
Less: Provision for bad & doubtful trade receivables	17.87		17.87	
Less: Provision for bad & doubtful (Monitoring Committee)	2,366.56		2,144.64	
Total Provision	2,384.43	2,139.89	2,162.51	2,223.71
<b>TOTAL</b>		<b>2,139.89</b>		<b>2,223.71</b>
Break-up security details :				
i) Considered good, Secured		-		0.06
ii) Considered good, Unsecured		2,139.89		2,223.65
iii) Which have significant increase in Credit Risk				
iv) Credit impaired		2,384.43		2,162.51

(\*) Trade Receivables includes ₹ 3,242.51 crore (Previous year ₹ 2,434.79 crore) dues from Monitoring Committee.

**Notes: 2.8.2 Cash And Cash Equivalents**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021		Figures as at the end of 31st March 2020	
Cash in hand	0.01		-	
<b>Balance with Banks</b>				
on current Accounts	407.66		60.87	
On Deposit Accounts	1.00		-	
(Original Maturity less than 3 months)				
<b>Total</b>	<b>408.67</b>		<b>60.87</b>	

**Notes: 2.8.3 Bank Balances Other than Note no. 2.8.2**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021		Figures as at the end of 31st March 2020	
Balances with bank on 'Deposits accounts ( Original maturity more than 3 months but less than 12 months ) (*)	5,358.13		2,322.72	
Balances with banks for Unpaid Dividend	3.64		2.77	
Balance with banks TDS on DIVIDEND - F.Y 2020-21	34.51		-	
Bank deposits offered as security for Bank guarantees and letter of credit	1.06		5.98	
<b>Total</b>	<b>5,397.34</b>		<b>2,331.47</b>	

(\*) Fixed Deposits of ₹ 2138 crore (P.Y ₹ 637.50 crore) pledged for availing OD Facilities.

**Note: 2.8.4 Other Financial Assets**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Related Parties</b>		
Advances to Directors	-	0.08
Advances to Subsidiaries/ JV's/ Associates	68.37	65.78
Less: Provision	16.62	13.86
	51.75	51.92
<b>Employees and outsiders</b>		
Advances to Employees and outsiders	194.92	233.42
<b>Interest Accrued</b>		
Accrued interest on deposits with banks	27.80	27.65
Accrued interest on Other	3.42	6.04
<b>Other Receivables</b>	22.20	51.82
<b>Total</b>	<b>300.09</b>	<b>370.93</b>

**Note: 2.9 Current Tax Asset (Net)**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Advance Income tax & TDS	4,444.26	6,724.51
Less : Provision	4,187.22	6,295.36
	257.04	429.15
<b>Total</b>	<b>257.04</b>	<b>429.15</b>

**Note: 2.10 Other Current Assets**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Advances to Employee and outsiders (*)	888.60	440.76
Less: Provision for bad and doubtful advances	8.54	3.98
	880.06	436.78
ITC Receivables	242.68	297.22
<b>Total</b>	<b>1,122.74</b>	<b>734.00</b>

(\*) Current year includes

i) Advance paid towards Royalty, DMF, NMET and Cess for Rs. 415.18 crore.

ii) Advance received by Monitoring Committee on behalf of NMDC Rs. 161.62 crore against advance auction.

■ **Note: 2.11 Assets Held for Disposal**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Assets held for disposal	0.63	0.66
<b>Total</b>	<b>0.63</b>	<b>0.66</b>

■ **Note: 2.12 Equity Share Capital**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Authorised:		
400,00,00,000 Equity Shares of Re. 1/- each (Previous year 400,00,00,000 Equity Shares of Re.1/- each)	400.00	400.00
<b>Issued, Subscribed &amp; Paid up:</b>		
Opening Balance	306.19	306.19
3,06,18,49,659 Equity Shares of Re.1/- each fully paid up (Previous year 3,06,18,49,659 of Re.1/- each fully paid)		
<b>Add: issue of shares during the year</b>		
Less: Buyback of shares during the year		
13,12,43,809 (Previous year Nil Equity shares of Re.1/- each fully paid up )	13.12	-
2,93,06,05,850 Equity Shares of Rs.1/- each fully paid up (Previous year 3,06,18,49,659 of Rs.1/- each fully paid )	293.07	306.19
<b>Total</b>	<b>293.07</b>	<b>306.19</b>

**Addl. Notes :**

- 1) No new shares were issued, during the current year.
- 2) Board of Directors of the company in its meeting held on 10th November 2020 approved buyback of 13,12,43,809 equity shares @ Rs 105/- for an aggregate consideration of Rs.1,378.06 crore. The process of buyback was completed by 8th January 2021. The buyback offer was fully subscribed.
- 3) Terms/Rights attached to equity shares :  
The company has only one class of equity shares having par value of Re.1/- each and each holder of equity shares is entitled to one vote per share.
- 4) The details of shares in the company held by each shareholder holding more than 5% shares :

Name of the Share holder	31st March 2021		31st March 2020	
	%of Holding	No. of Shares	%of Holding	No. of Shares
i) President of India	68.29	2,001,283,891	69.65	2,132,453,593
ii ) LIC of India (incl all schemes)	13.46	394,591,074	12.89	394,591,074



■ Note: 2.13 Other Equity

(₹ In Crore)

Particulars	General Reserve	Retained earnings	CRR	OCI	Total
Balance as at 1st April 2019	23,967.06	1,630.56	90.28	(42.56)	25,645.34
Profit for the year		3,610.12			3,610.12
Other Comprehensive Income net of tax				(75.04)	(75.04)
Interim dividend (2019-20)		(1,619.72)			(1,619.72)
DDT on Interim dividend (2019-20)		(332.94)			(332.94)
Transfer to General Reserve	1,500.00	(1,500.00)			-
<b>Total</b>	<b>1,500.00</b>	<b>157.46</b>	<b>-</b>	<b>(75.04)</b>	<b>1,582.42</b>
Balance as at 31st March 2020	25,467.06	1,788.02	90.28	(117.60)	27,227.76
Balance as at 1st April 2020	25,467.06	1,788.02	90.28	(117.60)	27,227.76
Profit for the year		6,253.05			6,253.05
Transfer to Capital Redemption Reserve (CRR)	(13.12)		13.12		-
Buyback of shares (including transaction charges)	(1,687.50)				(1,687.50)
Other Comprehensive Income net of tax				(56.09)	(56.09)
Interim dividend (2020-21)		(2,274.15)			(2,274.15)
Transfer to General Reserve	3,900.00	(3,900.00)			-
<b>Total</b>	<b>2,199.38</b>	<b>78.90</b>	<b>13.12</b>	<b>(56.09)</b>	<b>2,235.31</b>
Balance as at 31st March 2021	27,666.44	1,866.92	103.40	(173.69)	29,463.07

## NON-CURRENT LIABILITIES

### Note 2.14.1 Borrowings (Non Current)

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
7.30% Non Convertible Debentures Series - 1	523.80	
Interest Accrued on 7.30% Non Convertible Debenture Series - 1	22.63	-
Total	546.43	-

### Note 2.14.2 Other Financial Liabilities (Non- Current)

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Lease Liabilities	4.57	5.51
Total	4.57	5.51

### Note: 2.14.3 Provisions (Non- Current)

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Employee Benefits :</b>		
Long Service Reward	47.54	27.38
Mine closure obligation	897.62	800.50
Total	945.16	827.88

### Note: 2.15.1 Borrowings

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Loan against FDs (*)	1,448.04	565.57
Total	1,448.04	565.57

(\*) Over Drafts availed by pledging Fixed Deposits is ₹ 2138 crore (P.Y ₹ 637.50 crore)

### Note: 2.15.2 Trade Payables

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Total outstanding dues of micro and small enterprises	12.66	15.25
Other than micro and small enterprises	347.60	210.30
Total	360.26	225.55

Disclosure Relating to Micro and Small Enterprises	31st March 2021	31st March 2020
i) (a). The principal amount remaining unpaid to the supplier as at the end of the year	12.66	15.25
ii) (b). The interest due on the above amount, remaining unpaid to the supplier as at the end of the year	Nil	Nil
iii) the amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

**Note: 2.15.3 Other Financial Liabilities**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Unpaid Dividend	3.64	2.77
Deposits from Suppliers, Contractors and Others	308.43	169.66
Capital Creditors	982.59	427.53
Other financial Liabilities	480.73	619.38
<b>Total</b>	<b>1,775.39</b>	<b>1,219.34</b>

**Note : 2.16 Other Current Liabilities**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Contract Liabilities</b>	606.59	202.95
<b>Other Payables</b>	154.39	121.08
(like withholding and other taxes payable, amounts payable to employees and others)		
<b>Statutory Dues (**)</b>	1,089.93	219.64
<b>Total</b>	<b>1,850.91</b>	<b>543.67</b>

(\*) Advance deposited by customers with Monitoring Committee (on behalf of NMDC) ₹ 161.62 crore against advance auction

(\*\*) Current year includes an amount of ₹ 784.26 crore as liability, for Royalty, DMF, NMET - ₹ 673.12 crore and for 22.5% Addition Royalty - ₹ 111.14 crore

### Note: 2.17 Provisions

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Employee Benefits :		
i) Long Service Reward	2.50	2.99
ii) Provision for gratuity, leave salary, family benefit scheme and post employment medical benefits	92.81	216.97
Provisions for de-commissioning liability (ARO Obligation )	2.69	2.51
<b>Total</b>	<b>98.00</b>	<b>222.47</b>

### Note: 2.18 Revenue from Operations

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Sale of Products :		
a) Iron Ore		
i) Export through MMTC	1,749.69	1,573.18
ii) Domestic		
Basic price	10,914.92	8,167.22
Royalty	1,960.16	1,395.96
Development Cess	52.92	43.21
Forest Permit Fee	35.28	32.99
District Mineral Fund (DMF)	467.40	334.16
National Mineral Exploration Trust (NMET)	53.33	22.28
<b>Total Domestic Sales</b>	<b>13,484.01</b>	<b>9,995.82</b>
<b>Total Iron Ore Sales</b>	<b>15,233.70</b>	<b>11,569.00</b>
b) Sponge Iron	-	4.39
c) Diamonds	21.10	34.29
d) Sale of Power	5.17	5.40
e) Sale of Services	36.58	30.16
f) Sale of Pellets	73.50	55.55
g) Other operating revenue	0.01	0.43
<b>Total</b>	<b>15,370.06</b>	<b>11,699.22</b>

### Note: 2.19 Other Income

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
a) Interest Income:		
i) Deposits with Banks	155.96	288.13
ii) Others	82.81	79.29
	238.77	367.42
b) Gain in Exchange	0.01	0.09
c) Profit on sale/adjustment of assets	0.26	0.77
d) Profit on sale of Current investments( MF)	19.66	41.98
e) Other non operating income	91.18	103.53
<b>Total</b>	<b>349.88</b>	<b>513.79</b>

■ **Note: 2.20 Consumption of Raw Materials**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Iron ore	41.16	35.00
Coal	-	-
Lime Stone	0.45	0.68
Internal handling of raw materials	0.40	0.80
<b>Total</b>	<b>42.01</b>	<b>36.48</b>

■ **Note: 2.21 Changes in Inventories of Finished Goods and Work in Progress**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Work-in-process:</b>		
Balance as at the beginning of the Year	2.79	14.01
Less: Balance as at close of the Year	4.22	2.79
	(1.43)	11.22
<b>Finished Goods:</b>		
Balance as at the beginning of the Year	550.41	500.68
Less: Balance as at close of the Year	711.66	550.41
	(161.25)	(49.73)
<b>Finished Goods: (Pellets)</b>		
Balance as at the beginning of the Year	28.12	12.80
Less: Balance as at close of the Year	27.25	28.12
	0.87	(15.32)
<b>Total</b>	<b>(161.81)</b>	<b>(53.83)</b>

■ **Note: 2.22 Employee Benefit Expense**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Salaries, Wages & Bonus	806.20	797.50
Contribution to Provident fund and other funds		
Provident Fund, FPS & DLI	51.17	51.49
Pension Fund	36.95	33.48
Group Gratuity Fund	11.47	20.90
Staff Welfare Expenses	176.02	143.46
<b>Total</b>	<b>1,081.81</b>	<b>1,046.83</b>

■ **Note: 2.23 Power, Electricity and Water Charges**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Power charges	91.79	92.63
Electricity charges	15.61	19.14
Water charges	3.39	2.93
<b>Total</b>	<b>110.79</b>	<b>114.70</b>

■ **Note: 2.24 Repairs & Maintenance**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Buildings	30.36	17.47
Plant and Machinery	38.08	60.74
Vehicles	1.78	0.82
Others	65.65	77.83
<b>Total</b>	<b>135.87</b>	<b>156.86</b>

■ **Note: 2.25 Selling Expense**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Railway freight	293.88	301.94
Export duty	182.55	158.37
Infrastructure Development cess	29.11	24.03
Environmental Development cess	29.11	24.03
Other selling expenses	160.62	194.06
<b>Total</b>	<b>695.27</b>	<b>702.43</b>

■ **Note: 2.26 Finance Cost**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
i) Interest on Short term Borrowings (*)	10.13	3.27
ii) Interest - Others	6.50	6.43
iii) Interest on deposit from contractors, suppliers & others	0.18	0.18
<b>Total</b>	<b>16.81</b>	<b>9.88</b>

(\*)The Short term Borrowings is for meeting working capital requirement.

■ **Note: 2.27 Other Expenses**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Rent	2.41	2.02
Insurance	7.69	4.59
Rates & Taxes	3.44	4.39
Directors' Travelling expenses	0.46	2.94
Directors' Sitting Fees	0.10	0.23
Payment to Auditors:		
As audit Fee	0.46	0.42
For taxation matters	0.03	0.03
For Management Services	0.03	0.01
For Other Services	0.38	0.18
For reimbursement of expenses	0.01	0.09
	<b>0.91</b>	<b>0.73</b>



Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Loss on sale/adjustment of Assets	1.00	0.75
Miscellaneous losses written off	0.20	4.33
Provision for doubtful debts/advances	234.47	211.78
Mine closure Obligation	97.10	51.75
Raising and Transportation	52.73	52.95
Local Area Development ( Towards SPV in Karnataka)	221.92	188.06
Entertainment	1.40	2.32
Donations	150.00	10.00
Travelling & Conveyance	21.63	34.99
Advertisement & Publicity	12.37	21.17
Postage, Telephone & Telex	4.37	5.46
Stationery & Printing	2.34	3.03
Consultancy charges	17.15	17.05
CISF/Security guards	191.28	173.91
Safety expenses	0.34	1.15
Corporate Social Responsibility (*)	158.62	199.99
Loss in Exchange variation (net)	0.06	0.06
Environmental Development	36.33	41.40
Other expenses	77.36	80.96
Expenditure on enabling facilities for the company	147.79	229.91
<b>Total</b>	<b>1,443.47</b>	<b>1,345.92</b>
(*) CSR Expenditure During the Year	158.62	199.99
CSR Expenditure as per Statutory obligation	130.00	117.80
CSR Expenditure made Voluntarily	28.62	82.19

#### ■ Note: 2.28 Exceptional Items

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Expenditure		
i) Depreciation on PPER, Amortisation of the of Miming rights, (refer note no.2.34.12)	-	205.82
ii) Risk & Hardship allowance payable to CISF from 01.03.2009 to 31.03.2019 (*)	-	68.01
Total Expenditure	-	273.83
Less: Income		
iii) Withdrawl of Prov. For Service Tax on Royalty & Int. thereon (Ref. Note no. 2.34.1)	-	177.39
Total Expenditure/(Income)	-	96.44

(\*) There was a demand from CISF for payment of 'Risk and Hardship allowance for the periods 2009 onwards. An amount of ₹ NIL (₹ 68.01 Cr previous year) provided in the accounts pertaining to previous years is shown under exceptional items above.

## ■ Note: 2.29 Tax Expenses

Reconciliation of Effective Tax rate and Statutory tax Rate as on 31st March 2021

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>CURRENT TAX</b>		
Current Tax on profit for the year	2,297.73	1,530.09
Adj. of current tax for prior period	343.20	771.32
<b>Total current tax expenses</b>	<b>2,640.93</b>	<b>2,301.41</b>
<b>DEFERRED TAX</b>		
Decrease/(increase) in deferred tax assets	(32.34)	261.24
Decrease/(increase) in deferred tax liabilities	21.13	(65.96)
<b>Total deferred tax expenses/(benefit)</b>	<b>(11.21)</b>	<b>195.28</b>
<b>Total Expenditure</b>	<b>2,629.72</b>	<b>2,496.69</b>

Particulars	Amount ₹ In crore	Tax - ₹ In crore	Tax %
Accounting profit before tax from continuing operations	8,901.10		
Profit/(loss) before tax from discontinued operations	0.53		
Accounting profit before income tax	8,901.63		
Tax at Income tax rate(INR in crore)/Income tax rate(%)		2240.36	25.168
Tax effect of amount not deductible in calculating taxable income			
CSR exp.	158.62	39.92	0.448
Prov. For bad & doubtful exp.	234.47	59.01	0.663
Change in Depreciation	(146.37)	(36.84)	(0.414)
OCI due to Actuarial Gain/Loss	(74.95)	(18.86)	(0.212)
Deduction U/S 80G	150.00	37.75	0.424
Other items	(93.82)	(23.61)	(0.265)
<b>Taxable income</b>	<b>9,129.58</b>		
<b>Current Tax on Profit for the year</b>	<b>2,297.73</b>	<b>2,297.73</b>	<b>25.812</b>

## NOTE 2.30 ADDITIONAL INFORMATION

(₹ In Crore)

	Figures as at the end of 31st March 2021		Figures as at the end of 31st March 2020	
<b>2.30.1. Value of imports calculated on CIF basis:</b>				
i. Components & Spare parts		2.22		14.57
ii. Capital Goods		2.94		71.43
<b>2.30.2. Expenditure in foreign currency:</b>				
i. Consultancy charges		-		0.16
ii. Others		4.28		23.58
<b>2.30.3. Particulars of consumption of raw material</b>				
Raw material	Value	Percentage	Value	Percentage
a) Imported	-	-	-	-
b) Indigenous	42.01	100.00	36.48	100.00
	42.01	100.00	36.48	100.00
<b>2.30.4. Particulars of consumption of Stores &amp; spares:</b>				
Components & spare parts (including consumable stores)	Value	Percentage	Value	Percentage
a) Imported	6.01	2.33	9.50	3.91
b) Indigenous	251.40	97.67	233.65	96.09
	257.41	100.00	243.15	100.00
<b>2.30.5. Foreign Exchange earnings :</b>				
	-	-	-	-

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

### A. Contingent liabilities

(₹ In Crore)

Particulars	As at 31-Mar-2020	Additions	Deletions	As at 31-Mar-2021
<b>1.1 Claims against the company not acknowledged as debts consisting of:</b>				
A Disputed claims under Property tax, Export tax, Conservancy Tax, Sales tax, Service Tax, Income tax etc.,	2,339.91	62.50	3.91	2,398.50
B Claims by contractors under arbitration				
i. On capital account	882.41	48.72	15.54	915.59
ii. On revenue account	-	-	-	-
C Other claims on company not acknowledged as debts	409.46	84.78	128.42	365.82
Total	3,631.78	196.00	147.87	3,679.91
		<b>31-Mar-2021</b>		<b>31-Mar-2020</b>
<b>1.2 Contingent liability on bills discounted/ LCs/BG's</b>		1,269.30		985.41

The Company has issued letter of comfort in favour of International Coal Venture (P) Limited (ICVL) in furtherance for providing Corporate Guarantee of US\$ 30 Mn by them to EXIM Bank on behalf of Minas De Benga Limitada, Mozambique (Borrower), a downstream operating subsidiary of ICVL, New Delhi in respect of short term working capital loan. The said letter of comfort does not in any way constitute the guarantee or security by the Company of the duties of the borrower to meet its obligation under the said facility.

### 1.3 Income Tax Act.

An amount of ₹ 30.26 crore pertain to income tax dispute on the issue of depreciation on intangible assets for the A.Y 2015-16 and A.Y 2016-17 is included under contingent liability.

### 1.4: Disputed claims under ‘ Karnataka Forest Act:

Government of Karnataka had introduced Forest Development Tax (FDT), to pay @ 12% on the sale value of iron ore with effect from 27.08.2008. NMDC preferred an appeal before Hon’ble High Court of Karnataka and the court passed an interim order directing the Company to pay 50% of FDT, consisting of 25% in cash and balance 25% in the form of Bank Guarantee. As against the total FDT demand of Rs.487.27 Crore (from August 2008 to Sep-2011), the Company has deposited an amount of Rs 121.84 Crore (25%) in cash which has been shown as amount recoverable and submitted a bank guarantee for similar amount. An amount of Rs. 365.43 Crore (balance 50% amount of Rs. 243.69 Crore plus 121.84 Crore paid and accounted as amount recoverable) is included under disputed claims at 1.1.A. The amount of Rs. 121,84 Crore for which BG was given is included under contingent liability on BGs’ at 1.2.

Hon’ble High Court of Karnataka vide order dated 03.12.2015 has quashed the orders of Government of Karnataka levying the FDT and ordered refund of the tax collected within three months and accordingly the Company has lodged refund claims. However, Government of Karnataka has filed a Special Leave Petition with Hon’ble Supreme Court of India, challenging the orders of Hon’ble High Court of Karnataka. Hon’ble Supreme Court of India has accepted the same and imposed stay on refund of the FDT amount.

Meanwhile Karnataka State Govt. had enacted Karnataka Forest (Amendment) Act 2016 vide Gazette notification dated 27.07.2016. The amendment substituted the word ‘Tax’ in the principal act to ‘Fee’ w.e.f 16th day of Aug 2008. Based on this the Monitoring Committee had started billing the Forest Development Fee in its invoices. Meanwhile consumers in Karnataka had filed separate Writ Petitions in Hon’ble High Court of Karnataka on the above. Karnataka High Court vide its order dated 20th Sept. 2016, had ordered that State Govt may restrain from collecting FDF during the pendency of the writ petition, subject to the condition of furnishing bank guarantee in respect of 25% of the demand in relation to future transactions. Karnataka State Govt. had approached Hon’ble Supreme Court on this. Hon’ble Supreme Court vide its order dated 13.02.2017 modified the order of High Court of Karnataka and ordered for payment of 50% of the demanded amount and furnish Bond for balance amount.

The amount billed by the monitoring committee amounting to Rs.93.85 crore towards FDF has been accounted under sales revenue during the Financial year 2017-18. As, the Karnataka High Court vide its judgement dated 4th October 2017 has declared the Karnataka Forests (Amendment) Act, 2016 which was introduced for collection of Forest Development Fee (FDF) as unconstitutional, No FDF was collected nor paid with effect from 5th October 2017.

### B. Commitments: (INR in crore)

(₹ In Crore)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
1.1 Estimated Amount of contracts remaining to be executed on Capital account	4,846.63	3,924.56
1.2 Other commitments- commitments to subsidiaries and JV	Nil	Nil

## 2.32 DISCLOSURES UNDER ACCOUNTING STANDARDS

### 2.32.1 EMPLOYEE BENEFITS AS PER Ind - AS-19

#### GENERAL DESCRIPTION OF DEFINED/CONTRIBUTORY BENEFIT PLANS :

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

#### OTHER DISCLOSURES :

##### i) Provident fund :

The company has conducted Actuarial valuation of its PF trust and the trust do not have any deficit as on 31st March 2021.

##### ii) Other defined benefit plans :

(₹ In Crore)

Particulars	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
<b>A. Changes in the present value of obligation as on</b>						
<b>31st March 2020</b>						
Present value of obligation at the beginning of the year	325.76	170.96	12.07	459.67	46.16	21.67
Interest cost	24.92	13.08	-	35.16	-	-
Current service cost	21.18	53.16	-	30.87	-	-
Past service cost	-	-	-	-	-	-
Benefits paid/payable	[38.99]	[19.56]	[0.72]	[57.33]	[8.11]	[2.29]
Actuarial gain/loss on obligation	26.67	6.48	2.42	57.91	[1.36]	10.99
<b>Present value of obligation at the end of the period</b>	<b>359.54</b>	<b>224.12</b>	<b>13.77</b>	<b>526.28</b>	<b>36.69</b>	<b>30.37</b>

(₹ In Crore)

Particulars	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
<b>31st March 2021</b>						
Present value of obligation at the beginning of the year	359.54	224.12	13.77	526.28	36.69	30.37
Interest cost	23.46	15.25	-	35.79	-	-
Current service cost	9.44	25.50	-	28.20	-	-
Past service cost	-	-	-	-	-	-
Benefits paid/payable	(28.96)	(0.32)	(0.57)	(36.53)	(7.90)	(3.13)
Actuarial gain/loss on obligation	(6.51)	(26.99)	5.53	38.47	14.64	22.80
<b>Present value of obligation at the end of the period</b>	<b>356.97</b>	<b>237.56</b>	<b>18.73</b>	<b>592.21</b>	<b>43.43</b>	<b>50.04</b>
<b>B. Changes in the fair value of the Plan Assets as on</b>						
<b>31st March 2020</b>						
Fair value of plan assets at the beginning of the year	315.89	169.04	39.51	444.27	36.45	-
Expected return on plan assets	24.17	11.54	2.80	30.54	2.22	-
Contributions	10.21	1.93	-	15.40	9.71	-
Benefits paid/payable	(38.99)	(19.56)	(0.72)	(57.33)	(8.11)	-
Actuarial gain/loss on plan assets	(3.64)	-	-	-	(0.01)	-
<b>Fair value of plan assets at the end of the period</b>	<b>307.64</b>	<b>162.95</b>	<b>41.59</b>	<b>432.88</b>	<b>40.26</b>	<b>-</b>
<b>31st March 2021</b>						
Fair value of plan assets at the beginning of the year	307.64	162.95	41.59	432.88	40.26	-
Expected return on plan assets	19.95	4.25	2.85	36.91	3.78	-
Contributions	50.49	61.18	-	93.40	-	-
Benefits paid/payable	(28.96)	(0.32)	(0.57)	(36.53)	(7.90)	-
Actuarial gain/loss on plan assets	(0.01)	-	-	-	-	-
<b>Fair value of plan assets at the end of the period</b>	<b>349.11</b>	<b>228.05</b>	<b>43.87</b>	<b>526.66</b>	<b>36.14</b>	<b>-</b>
<b>C. Amounts recognised in the Balance sheet as on</b>						
<b>31st March 2020</b>						
Present value of the obligations at the end of the year	359.54	224.12	13.77	526.28	36.69	30.37
Fair value of plan assets at the end of the year	307.64	162.95	41.59	432.88	40.26	-
<b>Liability(+)/Asset (-) recognised in the balance sheet</b>	<b>51.90</b>	<b>61.17</b>	<b>(27.82)</b>	<b>93.40</b>	<b>(3.57)</b>	<b>30.37</b>
<b>31st March 2021</b>						
Present value of the obligations at the end of the year	356.97	237.56	18.73	592.21	43.43	50.04
Fair value of plan assets at the end of the year	349.11	228.05	43.87	526.66	36.14	-
<b>Liability(+)/Asset (-) recognised in the balance sheet</b>	<b>7.86</b>	<b>9.51</b>	<b>(25.14)</b>	<b>65.55</b>	<b>7.29</b>	<b>50.04</b>



(₹ In Crore)

Particulars	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
<b>D. Amounts recognised in the Statement of P&amp;L for the period ended</b>						
<b>31st March 2020</b>						
Current service cost	21.18	53.16	-	30.87	-	-
Past service cost	-	-	-	-	-	-
Interest cost	24.92	13.08	-	35.16	-	-
Expected return on plan assets	(24.17)	(11.54)	(2.80)	(30.54)	(2.22)	-
Net actuarial gain/loss recognised in the year (OCI)	30.31	6.48	2.42	57.91	(1.35)	10.99
<b>Total</b>	<b>52.24</b>	<b>61.18</b>	<b>(0.38)</b>	<b>93.40</b>	<b>(3.57)</b>	<b>10.99</b>
<b>31st March 2021</b>						
Current service cost	9.44	25.50	-	28.20	-	-
Past service cost	-	-	-	-	-	-
Interest cost	23.46	15.25	-	35.79	-	-
Expected return on plan assets	(19.95)	(4.25)	(2.85)	(36.91)	(3.78)	-
Net actuarial gain/loss recognised in the year (OCI)	(6.50)	(26.99)	5.53	38.47	14.64	22.80
<b>Total</b>	<b>6.45</b>	<b>9.51</b>	<b>2.68</b>	<b>65.55</b>	<b>10.86</b>	<b>22.80</b>

**E. PRINCIPAL ACTUARIAL ASSUMPTIONS :**

DESCRIPTION	2020-2021	2019-2020	2018-2019
i. Discount Rate	6.86%	6.80%	7.65%
ii. Mortality Rate	LIC 1994-96 ultimate	LIC 1994-96 ultimate	LIC 1994-96 ultimate
iii. Medical Cost Trend rates	5%	5%	5%
iv. Withdrawal rate	1% to 3%	1% to 3%	1% to 3%
iv. Future salary increase	6.50%	6.50%	6.50%

- i) The discount rate adopted above is based on market yields at the balance sheet date on government bonds.
- ii) In line with the report of the 3rd Pay Revision Committee, the ceiling of gratuity enhanced from ₹10 lakhs to ₹20 lakhs for provision of gratuity

**F. Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :

**a) Gratuity**

(₹ In Crore)

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2021	31/3/ 2021	31/3/ 2020	31/3/ 2020
A Effect of 1% Change in the Assumed Discount Rate	328.37	390.44	332.79	390.51
1. Effect on DBO	(8.00)	9.40	(7.44)	8.61
A Effect of 1% Change in the Assumed Salary Rate	367.23	346.73	378.69	339.16
2. Effect on DBO	2.90	(2.90)	5.33	(5.67)
A Effect of 1% Change in the Assumed Attrition Rate	359.76	353.92	380.67	336.07
3. Effect on DBO	0.80	(0.90)	5.88	(6.53)

**b) Accrued Leave Salary**

(₹ In Crore)

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2021	31/3/ 2021	31/3/ 2020	31/3/ 2020
A Effect of 1% Change in the Assumed Discount Rate	208.71	247.31	197.03	238.89
1. Effect on DBO	(7.90)	9.20	(8.89)	10.47
A Effect of 1% Change in the Assumed Salary Rate	247.08	208.58	245.71	191.48
2. Effect on DBO	9.10	(7.90)	13.62	(11.46)
A Effect of 1% Change in the Assumed Attrition Rate	227.11	225.92	234.33	195.98
3. Effect on DBO	0.20	(0.30)	8.36	(9.37)

**c) Post Retirement Medical Facilities**

(₹ In Crore)

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2021	31/3/ 2021	31/3/ 2020	31/3/ 2020
A Effect of 1% Change in the Assumed Discount Rate	534.39	661.92	471.79	591.41
1. Effect on DBO	(9.76)	11.77	(10.36)	12.38
A Effect of 1% Change in the Assumed Salary Rate	648.11	541.92	593.92	470.28
2. Effect on DBO	9.44	(8.49)	12.85	(10.64)

**(G) Defined benefit liability**

The weighted average duration of the defined benefit obligation is 13.61 years for Leave encashment benefit, 14.07 years for gratuity scheme as on 31 March 2021. The expected maturity analysis of gratuity and compensated absences is as under :

	Less than a year	Between 2 - 5 years	between 5 -10 years	Over 10 years	Total
<b>31 March 2021</b>					
Gratuity scheme	33.54	99.00	162.47	61.96	356.97
Accrued leave salary	19.88	62.33	109.76	45.59	237.56
Post retirement medical benefits	28.20	127.62	244.81	126.03	526.66
Total	81.62	288.95	517.04	233.58	1,121.19

The weighted average duration of the defined benefit obligation is 13.30 years for Leave encashment benefit, 10.60 years for gratuity scheme as on 31 March 2020. The expected maturity analysis of gratuity and compensated absences is as under :

	Less than a year	Between 2 - 5 years	between 5 -10 years	Over 10 years	Total
<b>31 March 2020</b>					
Gratuity scheme	24.97	93.16	81.14	160.27	359.54
Accrued leave salary	8.68	40.26	43.75	131.43	224.12
Post retirement medical benefits	34.03	125.75	132.35	140.75	432.88
Total	67.68	259.17	257.24	432.45	1,016.54

## 2.32.2. Segment Reporting as per Ind - AS-108

### A. Basis for segmentation

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The company has two reportable segments, as described below, which are the company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the company's Board reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the company's reportable segments:

### B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), segment revenue and segment capital employed as included in the internal management reports that are reviewed by the board of directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

#### Reportable Segments

##### Business Segments

(INR Crore)

	Iron Ore		Pellets , Other Minerals & Services		Other reconciliation items		Grand Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
<b>1.REVENUE</b>								
External Sales	15,233.71	11,569.01	135.94	129.64	0.41	0.57	15,370.06	11,699.22
Inter-Segment Sales	-	(0.11)	-	-	-	0.11	-	-
Total Revenue	15,233.71	11,568.90	135.94	129.64	0.41	0.68	15,370.06	11,699.22
<b>2. RESULT</b>								
Segment Result	9,261.86	6,135.20	(131.46)	(131.73)	(188.90)	11.10	8,941.50	6,014.57
Unallocated Corporate Exps							(261.83)	(249.68)
Operating Profit							8,679.67	5,764.89
Finance Cost							(16.81)	(9.88)
Interest Income							238.77	367.42
Income Taxes							(2,648.58)	(2,512.31)
<b>Net Profit</b>							<b>6,253.05</b>	<b>3,610.12</b>
<b>3. OTHER INFORMATION</b>								
Segment Assets	7,590.76	6,960.21	579.28	615.67	28,206.58	23,171.00	36,376.62	30,746.88
Segment Liabilities	2,672.84	1,340.40	39.27	35.17	4,316.65	2,234.42	7,028.76	3,609.99
Additions to assets during the year :								
Tangible Assets	69.45	218.37	3.07	0.77	207.98	96.84	280.50	315.98
Intangible Assets	72.87	484.78	1.37	-	0.03	0.91	74.27	485.69
ROU Assets	-	-	-	-	1.19	8.20	1.19	8.20
Depreciation, Amortisation and Impairment expenses during the year	179.73	240.01	35.06	40.46	13.04	13.91	227.83	294.38
Impairment reversal/provided	-	-	-	-	-	-	-	-
Non-Cash expenses other than Depreciation & amortization	226.66	214.44	0.02	0.04	7.99	1.63	234.67	216.11

## Geographical Segments

### Sales Revenue by location of Customers:

(INR Crore)

	Curr. Year	Prev. Year
Revenue from External customers		
- Domestic	13,620.37	10,126.04
- Export : Through MMTC	1,749.69	1,573.18
<b>Total</b>	<b>15,370.06</b>	<b>11,699.22</b>

### Assets by Geographical Location:

(INR Crore)

Location	Carrying amount of		Additions to Tangible and	
	Segment Assets		Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chattisgarh	24,147.85	22,612.35	250.35	587.39
Telangana & Andhra Pradesh	9,540.60	6,183.07	6.79	10.36
Others	2,688.17	1,951.46	97.63	203.92
<b>Total</b>	<b>36,376.62</b>	<b>30,746.88</b>	<b>354.77</b>	<b>801.67</b>

## Note No. 2.32.3 Disclosures – Revenue (Ind AS 115)

### a) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contract with customers

(₹ In Crore)

Segment	Year ended 31st March 2021	Year ended 31st March 2020
	INR crores	INR crores
<b>Type of goods or service</b>		
<b>Sale of goods</b>		
-Iron ore	15,233.70	11,569.00
-Sponge iron	-	4.39
-Diamonds	21.10	34.29
-Sale of pellets	73.50	55.55
-Sale of power	5.17	5.40
<b>Sale of services</b>		
-Sale of services	36.58	30.16
<b>Others</b>		
Other operating revenue	0.01	0.43
<b>Total revenue from contracts with customers</b>	<b>15,370.06</b>	<b>11,699.22</b>
India	13,620.37	10,126.04
Outside India	1,749.69	1,573.18
<b>Total revenue from contracts with customers</b>	<b>15,370.06</b>	<b>11,699.22</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	15,328.31	11,663.66
Services transferred over time	41.75	35.56
<b>Total revenue from contracts with customers</b>	<b>15,370.06</b>	<b>11,699.22</b>

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment reporting

	31st March 2021		31st March 2020	
	Sale of goods	Sale of services	Sale of goods	Sale of services
<b>Revenue</b>				INR crores
External customer	15,333.48	36.58	11,669.06	30.16
Inter-segment	-	-	(0.11)	-
Inter-segment adjustment and elimination	-	-	(0.11)	-
<b>Total revenue from contracts with customers</b>	<b>15,333.48</b>	<b>36.58</b>	<b>11,669.06</b>	<b>30.16</b>

**b) Contract balances** (₹ In Crore)

	31st March 2021	31 March 2020 (Restated)	01 April 2020 (Restated)
	INR crores	INR crores	INR crores
Trade receivables	2,139.89	2,223.71	-
Contract assets	-	-	-
Contract liabilities	606.59	202.95	-

Trade receivables are non-interest bearing . In March 2021, ₹ 2,384.43 crore (March 2020: ₹ 2162.51 crore) was recognised as provision for expected credit losses on trade receivables.

Contract assets are generally recognised in case of supply of services only when the receipt of money is conditional on milestone even after satisfaction of performance obligation. In case of sale of goods, directly receivable is recognised as company has unconditional right to payment from the moment performance obligation is satisfied.

Contract liabilities includes advance received from customer which will be adjusted towards supply of goods or services.

**c) Significant accounting judgements, estimates and assumptions**

The Company applied the following judgement that significantly affect the determination of the amount and timing of revenue from contract with customers:

Determining method to estimate variable consideration and assessing the constraint

Contract price for sale of goods is subject to adjustment towards difference in goods composition than what was agreed and forex gain or loss, which results in variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with adjustment towards difference in goods composition then what was agreed and forex gain or loss, given the large number of possible outcome under such contracts.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

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

**I. Review of Accounting Policies**

**a. Property Plant and Equipment: Intangible Assets (Accounting Policy No. 1(1.2)(vi))**

To have a better clarity on treatment of investment in subsidiaries, Joint Ventures and associates, the existing policy has been revised as under,

“Investment in subsidiaries, Joint Ventures and associates are measured at cost. Dividend income is recognised when its right to receive the dividend is established”.

The said revision has nil impact on the financials of the company.

**b. Depreciation: (at para V (a) Property plant & Equipment of 1.2. summary of Significant Accounting policies)**

With the introduction of ERP w.e.f 01.01.2021 and to amend the existing accounting policy, in line with IndAS-16 i.e calculating depreciation from the date the asset is available for use till the date the asset is de-recognised or classified as held for sale, whichever is earlier, management has taken a decision to revise the method of calculation from the financial year 2020-21.

“Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis. Depreciation is charged on pro-rata basis on additions / disposals of assets during the year. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date”.

The said revision has an impact ₹ 0.55 crore on the financials of the company.

**2.32.5 : Related Party Disclosures (IndAS-24)-:**

**i) List of related parties**

(₹ In Crore)

A. Subsidiaries	Country of incorporation	No. of Shares Hold	Holding as at	
			March 31, 2021	March 31, 2020
Legacy Iron Ore Limited	Australia	576,72,53,980	90.05%	92.32%
J & K Mineral Development Corporation Limited	India	28,51,002	95.86%	95.86%
NMDC Power Limited (*)	India	5,50,000	100%	100%
Karnataka Vijaynagar Steel Limited	India	1,00,000	100%	100%
NMDC Steel Limited	India	60,000	100%	100%
Jharkhand Kolhan Steel Limited (*)	India	1,60,000	100%	100%
NMDC-SARL, Madagaskar (Under closure)	Africa	41,85,590	100%	100%
NMDC-CSR Foundation	India	20,00,000	100%	100%
<b>B. Joint Ventures</b>				
Kopano-NMDC Minerals(Proprietary) Limited	South Africa	50	50%	50%
Jharkhand National Mineral Development Corporation Ltd.	India	6,000	60%	60%
NMDC-CMDC Ltd., Raipur	India	9,83,47,236	51%	51%
NMDC-SAIL Ltd. (**)	India	25,500	51%	51%
Bastar Railway Pvt. Ltd.	India	15,26,74,600	52%	52%
<b>C. Associates</b>				
Romelt-Sail(India) Limited(*)	Africa	1,05,000	25%	25%
International Coal Ventures (Pvt.) Ltd.	India	37,63,57,143	25.94%	25.94%
Krishnapatnam Railway Company Ltd.	India	4,00,00,000	6.40%	6.40%
Neelachallspat Nigam Ltd	India	7,47,99,878	10.10%	10.10%
Chhattisgarh Mega Steel Ltd.	India	13,000	26%	26%

(\*) Under Closure

(\*\*) Closed



**D: Key Management Personnel: (Directors) as on 31/03/2021****Directors :**

1.	Shri Sumit Deb	CMD
2.	Shri P K Satpathy	Director (Production)
3.	Shri Amitava Mukherjee	Director (Finance)
4.	Shri. Alok Kumar Mehta	Director (Commercial)
5.	Shri Somnath Nandi	Director (Technical)

**Company Secretary :**

Sri A.S Pardha Saradhi

**ii. RELATED PARTY TRANSACTIONS:**

INR in crore

**INVESTMENTS IN SUBSIDIARIES:**

(₹ In Crore)

INVESTMENTS IN SUBSIDIARIES:	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
Legacy Iron Ore Limited	214.70	-	-	214.70
J&K Mineral Development Corporation	28.51	-	-	28.51
NMDC Power Limited	0.55	-	0.55	-
Karnataka Vijaynagar Steel Limited	0.10	-	-	0.10
NMDC Steel Limited	0.06	-	-	0.06
Jharkhand Kolhan Steel Limited	0.16	-	-	0.16
NMDC-SARL Madagaskar (under closure)	7.20	-	-	7.20
NMDC-CSR Foundation	2.00	-	-	2.00
<b>Sub total</b>	<b>253.28</b>	<b>-</b>	<b>0.55</b>	<b>252.73</b>
Investment Deration- J&KMDC	28.51	-	-	28.51
Investment Deration- NMDC- SARL	7.20	-	-	7.20
Investment (Winding up) Deration- NPL	-	-	0.55	0.55
Investment Deration- JKSL	-	-	0.16	0.16

**LOANS AND ADVANCES IN SUBSIDIARIES:**

(₹ In Crore)

	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
J&K Mineral Development Corporation	19.51	2.58	-	22.09
Karnataka Vijaynagar Steel Limited	641.78	0.21	-	641.99
NMDC CSR	0.01	-	0.01	-
<b>Sub total</b>	<b>661.30</b>	<b>2.79</b>	<b>0.01</b>	<b>664.08</b>
Advances Deration- J&KMDC	13.86	2.65	-	16.51

**INVESTMENTS IN JOINT VENTURE COMPANIES (including advance against equity)**

(₹ In Crore)

	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
Kopano-NMDC Minerals (Proprietary) Limited (₹ 324/-)	-	-	-	-
Jharkhand National Mineral Development Corporation Ltd	0.01	-	-	0.01
NMDC-CMDC Ltd, Raipur	98.35	-	-	98.35
NMDC-SAIL Ltd	0.03	-	-	0.03
Bastar Railway Pvt Ltd	152.67	-	-	152.67
<b>Sub total</b>	<b>251.06</b>	<b>-</b>	<b>-</b>	<b>251.06</b>
Investment Deration- NMDC-SAIL Ltd	0.03	-	-	0.03

**LOANS AND ADVANCES TO JOINT VENTURES:**

(₹ In Crore)

	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
Kopano-NMDC Minerals (Proprietary) Limited (₹ 324/-)	0.10	-	-	0.10
Jharkhand National Mineral Development Corporation Ltd	0.06	0.01	-	0.07
NMDC-CMDC Ltd, Raipur	46.10	-	-	46.10
<b>Sub total</b>	<b>46.26</b>	<b>0.01</b>	<b>-</b>	<b>46.27</b>
Advances Deration- Kopano NMDC	-	0.10	-	0.10

**INVESTMENT IN ASSOCIATE COMPANIES:(including advance against equity):**

(₹ In Crore)

	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
Romelt-SAIL (India) Limited	0.11	-	-	0.11
International Coal Ventures (Pvt) Ltd	376.36	-	-	376.36
Krishnapatnam Railway Company Ltd	40.00	-	-	40.00
Chhattisgarh Mega Steel Ltd	0.01	-	-	0.01
Neelachal Ispat Nigam Ltd	100.60	-	-	100.60
<b>Sub total</b>	<b>517.08</b>	<b>-</b>	<b>-</b>	<b>517.08</b>
Investment Deration- Romelt-SAIL Ltd	0.11	-	-	0.11

**LOANS AND ADVANCES TO ASSOCIATE COMPANIES:**

(₹ In Crore)

	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
Neelachal Ispat Nigam Ltd	60.00	21.60	-	81.60
<b>Sub total</b>	<b>60.00</b>	<b>21.60</b>	<b>-</b>	<b>81.60</b>

Aggregate amount of unquoted investments Gross ₹806.74 crore and net ₹770.18 crore (Previous year Gross ₹806.72 crore and net ₹770.87 crore)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Key Management Personnel:</b>		
Key Managerial Personnel Remuneration	3.66	5.41

The Company has so far deposited an amount of ₹639.61 Crore (previous year 639.61 crore) with Karnataka Industrial Area Development Board (KIADB) for acquisition of land for setting up of Steel plant at Karnataka and an amount of ₹0.21 crore towards security and repair maintenance during the current year (₹2.17 Crore was spent for fencing the land during the year 2018-19). The amount of ₹641.99 Crore is included under Advances to Subsidiaries under the note 2.4.2.

As the possession certificate for Land is received capitalised in the books of KVSL during the Financial year 2017-18.

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

(₹ In Crore)

Particulars	Year ended	
	31-MAR-2021	31-MAR-2020
1. Profit after Tax (INR in Crore)	6,253.05	3,610.12
2. No of Equity shares	293,06,05,850	306,18,49,659
3. Nominal value per Equity share (Rs)	1	1
4. Basic and Diluted Earnings per share (Rs) (*)	20.62	11.79

Note: (\*) The earnings per share (EPS) of current year ended 31st March 2021 has been adjusted on account of buyback.

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

2.32.8 Discontinuing Operations (IndAS-105) :

### Silica Sand Project, Lalapur

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.

#### On screening Plant:

Board of director in its 525th meeting held on 10th December 2019 approved the termination of Screening Plant operation located at Vizag.

Details are as below:

(₹ In Crore)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
<b>Silica Sand Project, Lalapur</b>		
Carrying value of Assets	0.29	0.29
Carrying value of liabilities	0.88	0.73
<b>Screening Plant -Vizag</b>		
Carrying value of Assets	0.86	0.86
Carrying value of liabilities	0.29	0.29

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

(₹ In Crore)

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
<b>A. Revenue</b>		
Revenue from operations	-	-
Other income	2.54	0.00
<b>Total Revenue</b>	<b>2.54</b>	<b>0.00</b>
<b>B. Expenses</b>		
Power, Electricity and Water	0.27	0.25
Repairs and Maintenance	0.08	0.00
Depreciation & Amortisation	0.11	0.09
Other expenses	1.55	0.71
<b>Total Expenses</b>	<b>2.01</b>	<b>1.05</b>
<b>C. Profit(+)/Loss(-) from discontinued operations before tax [A-B]</b>	<b>0.53</b>	<b>[1.05]</b>

### 2.32.9 Intangible Assets (IndAS-38) : R&D

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is ₹27.40 crore (previous year ₹23.79 crore), including expenditure of ₹0.95 crore (previous year ₹0.64 crore) on feasibility studies.

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

(₹ In Crore)

Head of account	2020-2021	2019-2020
Consumption of Stores and Spares	0.16	0.35
Power, Electricity & Water	0.76	0.62
Employee benefit expense	17.04	14.92
Repairs and Maintenance	0.59	0.49
Other expenditure	5.68	4.28
Depreciation & Amortisation	2.84	3.85
<b>Total expenditure</b>	<b>27.07</b>	<b>24.51</b>
Less : Other income	0.62	1.36
<b>Total net R&amp;D expenditure</b>	<b>26.45</b>	<b>23.15</b>

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are ₹1.80 crore. (Previous year ₹7.00 crore).

### 2.32.10 Joint Ventures (IndAS- 28 ) Jointly Controlled entities:

Sl no	Name of the Joint Venture	Country of Incorporation	Proportion of ownership 2020-2021	Proportion of ownership 2019-2020
1	Kopano-NMDC Minerals (Proprietary) Limited (*)	South Africa	50%	50%
2	NMDC CMDC Limited, Raipur	India	51%	51%
3	Jharkhand National Mineral Development Corporation Limited, Ranchi	India	60%	60%
4	NMDC SAIL Ltd (**)	India	51%	51%
5	Bastar Railway Pvt Ltd	India	52%	52%

(\*) Under Closure

(\*\*) Closed

### 2.32.11 Impairment of Assets (IndAS – 36):

The impairment of assets has been reviewed during the year in respect of the following cash generating units, included under the segment 'Other Minerals and Services'. The Assets considered for impairment in this financial year is Nil:

(₹ In Crore)

Unit	Year of impairment	Impaired Amount as on 01-04-2020	Adjustments during 2020-2021			Impaired Amount as on 31-03-2021
			Reversal	Deletion	Addition	
SSP, Lalapur	2005-06	12.54	--	-	--	12.54
SAF Plant at Sponge Iron Unit	2004-05	15.48	-	-	-	15.48
SIIL	2019-2020	3.37	-	-	-	3.37

- 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.
- 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.
- In case of SIIL plant, Impairment is based on the assessed receivable value.
- Earlier, as per the MMDR Amendment Act, 2015, Supplementary Mining Lease of Panna was extended for a period of 50 years from the initial grant i.e. upto 30.06.2020. Consequently, Forest Clearance was extended upto lease validity as per MoEF&CC Circular dated 01.04.2015. After extension of supplementary mining lease by Government of Madhya Pradesh upto 30.06.2040, the Forest Clearance has also been extended upto 30th June 2040 vide letter no. F-5-11/2021/10-3 dated 6th January 2021 issued by Forest Department, Madhya Pradesh. However, the operation is stalled for want of wildlife clearance

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

Necessary details in regard to provisions have been disclosed in notes 2.14.3,2.17& 2.31.

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

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

(₹ In Crore)

Name of the Subsidiary	Maximum Balance outstanding	
	As at 31-Mar-2021	As at 31-Mar-2020
J&K Mineral Development Corporation Limited, Jammu (*)	22.09	19.51
NMDC Power Ltd, Hyderabad	-	-
Jharkhand Kolhan steel Limited	-	-
Karnataka Vijayanagar Steel Limited	641.99	641.78
NMDC Steel Limited	-	-
NMDC CSR	-	0.01
Total		661.30
* Advances derated / Provision made during the year	16.51	13.86
Name of the Joint Venture	Maximum Balance outstanding	
	As at 31-Mar-2021	As at 31-Mar-2020
Kopano-NMDC Minerals (Proprietary) Limited(*)	0.10	0.10
Jharkhand National Mineral Development Corporation Ltd.	0.07	0.06
NMDC-CMDC Ltd., Raipur	46.10	46.10
Bastar Railway Pvt. Ltd.	-	-
Total	46.27	46.26
* Advances derated / Provision made during the year	0.10	

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

1.33.3 : Loans to Associate Companies

(₹ In Crore)

Name of the Associates	Maximum Balance outstanding	
	As at 31-Mar-2021	As at 31-Mar-2020
Neelachal Ispat Nigam Ltd	81.60	60.00
Total	81.60	60.00

No Loans and Advances were given to the Associate Companies except the above company.

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

## ■ 2.34. Others:

### 2.34.1 Income Tax :

- a) After completion of the assessment for the A.Y. 2018-19 NMDC has received a demand for ₹ 363.02 Crores on 12.05.2021. NMDC has filed an appeal before the CIT(A) against the demand. The demand of ₹ 363.02 Crores is shown under earlier years tax expenses in the accounts of F.Y. 2020-21. The net impact in earlier tax expenses, including adjustment pertaining to other cases, is ₹ 343.20 Crore.
- b) The current Tax assets (net) (note no. 2.5) includes an amount of ₹ 248.35 crore of receivable from Income Tax Department under Vivad Se Vishwas (VsV), towards settlement of all disputed Income tax cases upto assessment year 2017-18.

### 2.34.2 Enabling Facilities:

During the year an amount of ₹24.51 crore and ₹123.30 crore is utilised by Railways for the doubling of Railway line between Jagdalpur to Ambagaon and Kirandul to Jagdalpur respectively and the total amount of ₹147.81 crore is included in "Other Expenses".

### 2.34.3 Disinvestment of NISP:

The Government of India has accorded in principle approval for strategic disinvestment of Nagarnar Steel Plant on 27th October 2016. Core Group of Secretaries for Disinvestment (CGD) in its meeting held on 3rd June 2019 and 28th November 2019 has approved to follow the demerger route for the strategic disinvestment of NISP.

The Board of Directors of the company at their meeting held on 27th August 2020, inter-alia, have accorded in-principal approval to the proposal of demerge of NMDC Iron & Steel Plant (NISP), Nagarnar, Chhattisgarh.

### 2.34.4 Property, Plant & Equipment (PPE)

As per Ind AS 16 items such as spare parts, stand by equipment and service equipment are to be capitalized when they meet the definition of PPE and are expected to be used for more than one accounting year. After review of the inventory values and its consumption patterns in the major production Units, Company based on materiality has fixed a threshold limit of ₹20 Lakhs for such spare parts, stand by equipment and service equipment meeting the definition of PPE. On issue of said PPE, the WDV is allowed to be depreciated over the life of the main asset or the life of the equipment whichever is less.

### 2.34.5 NMET:

As per the Gazette Notification dated 27th March 2015 enacting the Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 and subsequent

notifications dated 14th Aug 2015 for contribution of National Mineral Exploration Trust (NMET), the Company was required to pay 2% of royalty towards NMET with effect from 12th Jan 2015 respectively.

The Hon'ble High Court of Bilaspur in its judgement dated 24.11.2017 clarified that contribution towards NMET shall be payable w.e.f. 14.8.2015, the date of promulgation of NMET Rules plus constitution of NMET Trust.

With regard to NMET, Company has made the payment w.e.f 12.01.2015. As per the Hight Court judgement the units in state of Chattisgarh the payments made from 12.01.2015 till 13.08.2015 are recognised under Amount Recoverable to be adjusted from future payments to State Government.

### 2.34.6 Dues from Monitoring Committee- Donimalai complex in Karnataka:

The total trade receivables from Monitoring Committee as on 31st March 2021 is 3,242.52 crore. This includes regular dues of ₹875.96 crore and ₹2,344.38 crore towards 10% of sales proceeds retained by Monitoring Committee for the period from 4th October 2011 to 31st March 2021 pending directions from Hon'ble Sumpreme Court and ₹22.18 crore longs pending dues for which company has made a total provision of ₹2,366.56 crore

### 2.34.7 Common Cause Judgement for Bailadila Sector:

The Company had received Show Cause Notices dated 31 .07.2018 from Dist. Collector, South Bastar Dantewada as to why NMDC should not be asked to deposit an amount of ₹7,241.35 crore as compensation as calculated by Collector based on the Hon'ble Supreme Court Common Cause Judgement related to Orissa Iron ore mines (Writ Petition Civil No 114 of 2014 dated 2nd August 2017). The Company had been contesting the Show Cause Notices with Dist. Collector, South Bastar Dantewada on the ground that the said judgement is not applicable to NMDC .

Meanwhile, revised showcause notices dated 26.09.2019 were received for a revised amount of ₹1,623.44 Crore from Dist. Collector, South Bastar, Dantewada, to be replied within 21 days of notice. NMDC while reiterating the fact of non-applicability of the Hon'ble Supreme Court Judgement in the state of Chhattisgarh, has sought time for replying to the show cause notices. Further to above, Dist. Collector, South Bastar, Dantewada had issued Demand notices dated 15/11 /2019 for the amount of ₹ 1,623.44 Crore (Bachel - ₹ 1,131.97 Crore & Kirandul ₹ 491.47 Crore) asking to deposit the amount within 15 days. As the Mining Leases of the company in the State of Chhattisgarh were expiring on 31 .3.2020 and due for renewal , the Company has paid an adhoc amount of ₹ 600 Crore under protest and filed writ petitions in the Hon'ble High Court of Bilaspur, Chhattisgarh and a Revision application with Mines Tribunal, Ministry of



mines, Government of India, New Delhi praying to set aside the demand notices.

Hon'ble High Court of Bilaspur has heard the WPs on 19.02.2020 and sought certain clarifications from the respondent and directed 'no coercive action till 12.3.2020 and listed the case for 12.3.2020. However due to COVID-19 situation, no further hearings could take place. Revision application with Mines Tribunal, Ministry of Mines, Government of India New Delhi is also under hearing.

The demand amount of ₹1,623.44 crores has been shown under 'Contingent Liabilities'.

#### **2.34.8 Mining Lease of Donimalai:**

The Government of Karnataka, while renewing the lease of NMDC's Donimalai Iron Ore Mine, has imposed a new condition asking for a premium of 80% on the average sale value. As the demand of the State Govt. is not as per the provisions of the MMDR Act 2015 and Mineral (Mining by Government Company) Rules, 2015, the company requested the Govt. to reconsider its decision.

Since there was no positive response from the State Govt, the company has suspended its operations from 4th November 2018 and moved to the Hon'ble High Court of Karnataka praying for a suitable direction in the matter. The Hon'ble High Court of Karnataka in its judgement dated 10th July 2019 has passed an order setting aside the condition imposed for levying 80% premium. On the basis of the judgement, NMDC has requested the State Govt. to consider the execution of Lease Deed of Donimalai Mine.

The Government of Karnataka issued an Order dated 17.08.2019 withdrawing the approval for extension of the Donimalai mining lease and with a direction to the Director of DMG to auction the said block. In this regard, the Company on 19.8.2019 filed 'Revision application' before The Hon'ble Mines Tribunal, Government of India. Meanwhile, the State Government issued a notification dated 20.08.2019 inviting tender for auction of the Donimalai Mining block. On 21.08.2019 Hon'ble Mines Tribunal heard the submissions and stayed the Order dated 17.08.2019 issued by the Government of Karnataka withdrawing the extension of lease and any consequent action thereon until the next date of hearing.

On 28.08.2020, a high-level meeting was conducted at Bengaluru between the Hon'ble Chief Minister of Karnataka and Union Minister of Coal & Mines, in the presence of the CMD-NMDC Ltd. And senior officers of Centre and State Governments. In the meeting it was decided to extend the Mining Lease of Donimalai Iron Ore Mine with a temporary premium of 22.5% of the average sale value published by IBM. It was also decided in the meeting that Ministry of Mines, Govt will review the "Mineral (Mining by Government Company) Rules, 2015" for suitable amendments to decide the additional amount

payable apart from the royalty/ other statutory levies in respect of Mining Leases of Government Companies granted prior to 12.01.2015 and a High- Level Committee shall be constituted to examine the modalities in this respect.

Subsequently, on 29.11.2020, Ministry of Mines, Government of India given its approval for extension of Mining Lease of Donimalai Iron Ore Mine in terms of the proceeding of the meeting held on 28.08.2020. On 01.12.2020, Government of Karnataka, permitted NMDC to commence mining operations, as an interim measure with immediate effect at Donimalai Iron Ore Mine for which NMDC shall unconditionally pay to the State Government 22.5% of the IBM Sale Price (for Karnataka) apart from the Royalty and other statutory levies.

On 17.12.2020, Govt. of Karnataka ordered for execution of conditional mining lease deed of Donimalai Iron Ore Mine with effect from 03.11.2018 for a period of 04 years or till the implementation of High-Level committee report, whichever is earlier.

Subsequently on representation of NMDC Ltd., on 10.02.2021 Govt. of Karnataka issued a modified order for execution of conditional mining lease deed for a period of 20 years i.e., up to 03.11.2038 subject to the conditions in the Govt. Order dated 01.12.2020 and 17.12.2020. NMDC executed the conditional Mining Lease deed on 12.02.2021 and same has been registered on 16.02.2021.

Donimalai Iron Ore Mine of NMDC Ltd. Has resumed mining operations since 18.02.2021.

Further, it may be noted that Govt. of India has amended the MMDR Act-1957 on 28.03.2021 and as per amended provisions all such Government companies or corporations whose mining lease has been extended after the commencement of the MMDR Amendment Act, 2015, shall pay such additional amount as specified in the Fifth Schedule of the Act for the mineral produced after the commencement of the MMDR Amendment Act,2021. For such Mining Leases of Iron Ore an additional amount equivalent to 150 percent of the royalty will be payable. The additional amount shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration Trust or any other statutory payment.

#### **2.34.9 Closure of SPVs':**

The following SPVs are under the liquidation process and current status are as follow:

- i) NMDC Power Limited (NPL) is under voluntary liquidation and application is filed with NCLT on 25th March 2021.
- ii) Jharkhand Kolhan Steel Limited (JKSL) is under voluntary liquidation.

The investments in the Subsidiaries are de-rated and accounted in the current financial year.

- iii) In respect of Joint Venture i.e. Kopano -NMDC Minerals (Proprietary) Limited, South Africa, the board recommended for voluntary closure, accordingly the investment in the JV is being derated during the current year.

#### 2.34.10 Allotment of Coal Block

##### Tokisud North Coal Mine

Ministry of Coal declared NMDC as a successful allottee for Tokisud North coal mine, in Jharkhand, on 16.12.2019. Allotment Agreement is signed on 24.12.2019 and Allotment order issued on 17.08.2020.

NMDC paid the fixed Cost of Rs.224.77 crore & upfront amount of Rs.16.20 crore and submitted a Bank guarantee of Rs.71.09 crore Pending execution of lease deed, all the amounts paid up to 31.3.2021 are included under Capital Advances (Note 2.6)

##### Rohne Coal Mine

Ministry of Coal declared NMDC as a successful allottee for Rohne Coal Mine, in Jharkhand, on 17.03.2020. Allotment Agreement of the coal mine is signed on 17.02.2021 and allotment order issued on 18.06.2021.

NMDC paid the fixed Cost of Rs.39.46 crore & upfront amount of Rs.33.15 crore and submitted a Bank guarantee of Rs.405.17 crore Pending execution of lease deed, all the amounts paid up to 31.3.2021 are included under Capital Advances (Note 2.6)

#### 2.34.11 Sale of Iron Ore to Pellet Plant at Kumaraswamy, Karnataka:

Due to restrictions imposed in Karnataka for purchase/sale of iron ore, Pellet Plant is purchasing iron ore fines from NMDC, DIOM/ KIOM through E-auction conducted by Monitoring Committee. As per the terms of the conditions of acceptance letter issued by Monitoring committee and as per the guidelines given by Hon'ble Supreme Court of India, Pellet plant is paying Basic value, Royalty Value and bulk permit fee value to MC and GST amount to NMDC Donimalai account. After receipt of GST amount from Pellet Plant, DIOM/KIOM is issuing advance receipt confirming the receipt of GST from Pellet Plant along with necessary statutory Documents to MC in the prescribed format. Based on the advance receipt issued by DIOM/KIOM, Monitoring Committee is issuing bulk permit to Pellet Plant for lifting of materials. DIOM/KIOM is raising Tax invoice on Pellet Plant for the dispatched quantity, showing it as sales and also paying GST to Government.

Simultaneously, Pellet Plant is recognizing the same as purchases and availing input credit. The above procedure is followed due to Compulsion made by MC as they have denied permission for Pellet Plant to lift the Iron Ore without participating in auction and accordingly, separate GST registration is also taken as per MC instructions.

However, the entry for un-realized profit on sale of Iron Ore to Pellet Plant is accounted.

#### 2.34.12 Review for Impairment of Investment in Legacy Iron Ore Ltd, Australia (LIOL):

The total investment of the Company in LIOL is Rs. 214.70 cr as on 31.3.2021. This is 90.05% of the total shareholding of the Company. This investment in Legacy was reviewed for impairment with reference to Ind AS 36.

It is noted that the period of exploration is not expired and exploration activity are being continued and the company has not reached the stage of establishing the commercial viability of the tenements.

Legacy Iron Ore Limited is an active exploration company with a diverse portfolio. For an exploration company, the future cash flows are from the exploration tenements which have been recognised as assets i.e., Exploration and Evaluation (E&E) Assets. LIOL has E&E assets of Rs. 77.38 crores as on 31.3.2021. LIOL has reviewed these E&E assets for impairment and concluded that there is no indication for impairment of E&E assets after testing the compliance of the following conditions:

1. The rights to tenure of the area of interest are current; and
2. The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale;
3. Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

LIOL is systematically exploring all the exploration tenements that are at varying levels of exploration potential and maturity. The company plans to continue exploration in all the above tenements and does not intend to surrender the current list of tenements.

Further the quoted price of LIOL share in AUX as on 31.3.2021 is \$0.014 with a market capitalisation of \$89.67 million. The market capitalisation of the company is more than its net assets of \$23.89m as on 31.3.21. NMDC's share of Market cap @ 90.05% amounts to approx. Rs.449.76 cr (\$80.74) which is more than the investment of Rs. 214.70 cr in LIOL.

In view of above no impairment of the Investment in LIOL is felt necessary for the current FY 21.

### 2.34.13 Neelachal Ispat Nigam Ltd (NINL) disinvestment:

Cabinet Committee on Economic Affairs (CCEA) had accorded in principle approval for strategic disinvestment of 100% shareholding of MMTC, NMDC, Mecon, BHEL, IPICOL and OMC in Neelachal Ispat Nigam Ltd (NINL) along with transfer of Management control to a Strategic Buyer. Department of Investment and Public Asset Management (DIPAM) had already appointed a transaction advisor, Legal advisor and asset valuer for strategic disinvestment shareholding in NINL. However, the issue of Request for Proposal (RFP) for strategic sale could not take place due to COVID-19 situation in the country.

NMDC holds total exposure of Rs.182.20 crores in the form of Equity investment of Rs.100.60 Crores and a Loan of Rs.81.60 Crores and interest there on of Rs.6.87 crore as on 31.3.2021. The shareholding of NMDC in NINL is also being put up for strategic disinvestment and the entire value of Rs.189.07 Crores is expected to be recovered. Further, as per the loan agreement dated 30th December 2019, the loan amount outstanding along with interest shall be paid back to NMDC as first charge from the disinvestment proceeds as per the applicable laws before payment of other liabilities of NINL.

In view of above, no impairment of the investment in NINL was felt necessary as on 31.3.2021.

### 2.34.14 Impact due to amendment in MMDR Act :

Govt. of India has amended the MMDR Act 1957 on 28.03.2021 and as per the amended provisions all such Government companies or corporations whose mining lease has been extended after the commencement of the MMDR Amendment Act 2015, shall pay such additional amount as specified in the Fifth Schedule of Act for the mineral produced after the commencement of the MMDR Act 2021. For such Mining Leases of Iron Ore an additional amount equivalent to 150% of the Royalty will be payable. The additional amount shall be in addition to royalty or payment to the District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET) or any other statutory payment. This amendment is applicable w.e.f 28.3.2021.

This amendment is applicable to all the Iron Ore Mines of NMDC except Kumarswamy Iron Ore Mines at Karnataka wherein the lease was extended before the commencement of MMDR Amendment Act 2015.

The impact of this amendment on the current financials is Rs. 149 cr only which is included under Royalty and other levies.

### 2.34.15 CSR Expenditure :

- a) Gross amount required to be spent by the company during the year is Rs. 130.00 crore (2% of the last three years average PBT Rs. 6,499.95 crore), (Previous Year Rs. 117.80 crore (2% of the last three years average PBT Rs. 5,890.82 crore).
- b) Amount spent during the year on account of CSR activities is Rs. 158.62 crore.( Previous Year Rs.199.99 crore)

Particular	In Cash	Yet to be paid in Cash	Total
1. Construction/acquisition of any assets	-	-	-
2. On purpose other than (1) above	158.62	-	158.62

### 2.34.16 General:

- i. The company owns certain office space at New Delhi. It is not the company's intention to hold the property for a long term for capital appreciation nor for rental purpose. Hence the same is not treated as Investment Property and included under PPE.
- ii. Some of the balances appearing under Trade receivables, Trade payables, advances, Security deposits and other payables are subject to confirmations.
- iii. Figures for the previous year have been regrouped/ rearranged wherever considered necessary so as to confirm to the classification of the current year.

Note. No. 2.34.17 : Fair Value Measurement

₹ In crore

Financial instruments by category

	As at 31st March 2021			As at 31st March 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Trade receivables			2,139.89			2,223.71
Cash and cash equivalents			408.67			60.87
Other bank balances			5,397.34			2,331.47
Loans			901.16			866.16
Other financial assets			300.09			370.93
Total	-	-	9,147.15	-	-	5,853.14
Financial liabilities						
Borrowings			1,448.04			565.57
Trade payables			360.26			225.55
Other financial liabilities			1,775.39			1,219.34
Total	-	-	3,583.69	-	-	2,010.46

- (1) Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31st March 2021, and 1st April 2020, respectively, are not included.
- (2) Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31st March 2021, and 1st April 2020, respectively, are not included.

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

Note No: 2.34.18 Financial Risk Management

a) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis and Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of deposits with differing maturities & committed borrowing facilities to facilitate the day today working capital requirements.
Market risk- currency risk	Imports giving rise to foreign currency payables*	-	-

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks.

(a) Trade receivables

The Company sales are generally based on advance payments and through LC's. The trade receivables in the books are mainly on account of credit sales to M/s RINL Limited, CPSE under the Ministry of Steel and the Sales of Iron Ore in the State of Karantaka which is through Monitoring Committee (MC) appointed by Hon'ble Supreme Court of India.

Expected credit loss for trade receivables under simplified approach is detailed as per the below tables

Year ended 31st March 2021

₹ In crore

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	2,043.33	196.16	2,284.83	4,524.32
Expected loss rate	6.14%	48.79%	94.68%	52.70%
Expected credit losses (loss allowance provision)	125.51	95.70	2,163.22	2,384.43
Carrying amount of trade receivables (net of impairment)	1,917.82	100.46	121.61	2,139.89

Year ended 31st March 2020

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	1,769.24	412.97	2,204.01	4,386.22
Expected loss rate	4.23%	27.13%	89.64%	49.30%
Expected credit losses (loss allowance provision)	74.77	112.05	1,975.69	2,162.51
Carrying amount of trade receivables (net of impairment)	1,694.47	300.92	228.32	2,223.71

iii. Reconciliation of loss allowance provision - trade receivables

Loss allowance on 1st April 2019	1,958.15
Changes in loss allowance	204.36
Loss allowance on 31st March 2020	2,162.51
Changes in loss allowance	221.92
Loss allowance on 31st March 2021	2,384.43

The impairment provisions for trade receivables disclosed above are based on assumptions about risk of default and expected loss rates.

(b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with DPE guidelines & Company's policy. Investments of surplus funds are made only with scheduled commercial banks having a minimum networth of Rs 500 Crore within limits assigned to each bank and Debt based mutual funds of public sector AMCs. The limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**B. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company has taken fund based limits with banks to meet its short term financial obligations.

**i. Financing arrangements**

The Company has access to the following undrawn borrowing facilities at the end of reporting period

₹ in crore

	31st March 2021	31st March 2020
Flexible rate		
Expiring within one year (bank overdraft and other facilities)	585.50	510
Working capital Limits with Banks	635.00	130

**ii. Maturities of financial liabilities**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in crore

Year ended 31 March 2021	On demand	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	-	1,448.04	-	-	-	-	1,448.04
Trade payables	536.74	63.32	-	-	-	-	600.06
Other financial liabilities	500.34	250.21	236.57	642.10	-	-	1,629.22
	1,037.08	1,761.57	236.57	642.10	-	-	3,677.32
Year ended 31 March 2020	On demand	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	-	565.57	-	-	-	-	565.57
Trade payables	63.21	68.14	92.82	1.38	-	-	225.55
Other financial liabilities	424.32	625.29	108.54	61.19	-	-	1,219.34
	487.53	1,259.00	201.36	62.57	-	-	2,010.46



### C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) Foreign currency risk

Since majority of the company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies is minimal and hence no sensitivity analysis is presented.

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company quite often bridges its short term cash flow mismatch by availing working capital loans from banks against its fixed deposits. Such loans have a very short tenure and the interest rate on such loans is based upon the rates offered by banks on fixed deposits, increased by a few basis points. Since the interest rates on fixed deposits are fixed, the company does not have any interest rate risk on such loans availed on a loan to loan basis.

The Company's exposure to interest rate risk is minimal and hence no sensitivity analysis is presented.

### Note No. : 2.34.19 Capital Management

#### a) Risk management

The primary objective of the Company's capital management is to maximise the shareholder value. The Company's objectives when managing the capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors and senior management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

For the purpose of the Company's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders the company and NCDs for Rs. 523.80 crore issued during the current year as on 31st March 2021.

#### b) Dividends

₹ In crore

	31st March 2021	31st March 2020
(i) Equity shares		
Final dividend for the year ended 31st March 2021 of Rs.Nil (31st March 2020: NIL) per equity share.	-	-
Interim dividend for the year ended 31st March 2021 of Rs. 7.76 (31st March 2020: Rs 5.29) per fully paid share	2,274.15	1,619.72

₹ In crore

Particulars	31st March 2021	31st March 2020
Net Debt (excluding short term) (*)	546.43	0
Total equity	29,756.14	27,533.95
Net debt to equity ratio	0.02	-

(\*) Debt included NCDs issued for Rs. 523.80 crore and accrued interest on NCD Rs. 23.63 crore


**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NMDC LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of consolidated financial statements of NMDC Limited for the year ended on 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on these financial statements under Section 143 read with Section 129(4) of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 June 2021.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of NMDC Limited for the year ended on 31 March 2021 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of NMDC Limited, subsidiaries, associate companies and jointly controlled entities listed in Annexure-I, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure-II for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to the subsidiary Legacy Iron Ore Limited, Perth, Australia and joint venture Kopano-NMDC Minerals (Proprietary) Limited, South Africa being private entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditors nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 143(6)(b).

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

  
24/08/21

**(M. S. Subrahmanyam)  
Director General of Commercial Audit  
Hyderabad**

**Place: Hyderabad  
Date: 24 August 2021**

**Annexure I**

NIL

## Annexure II

### Subsidiaries

1. NMDC Power Limited, Hyderabad
2. NMDC Steel Limited, Hyderabad
3. NMDC CSR Foundation
4. Karnataka Vijaynagar Steel Limited, Bangalore
5. J&K Mineral Development Corporation Limited, Jammu
6. Jharkhand Kolhan Steel Limited, Ranchi

### Joint Ventures

1. Bastar Railways Private Limited
2. NMDC SAIL Limited
3. NMDC CMDC Limited, Raipur
4. Jharkhand National Mineral Development Corporation Limited, Ranchi
5. International Coal Ventures (Pvt) Limited, New Delhi

### Associate Companies

1. Krishnapatnam Railway Company Limited, Secunderabad
2. Chhattisgarh Mega Steel Limited
3. Nilachal Ispat Nigam Limited, Bhubaneswar

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
NMDC Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of NMDC Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated statement of Profit and Loss, (including Other Comprehensive income), the consolidated statement of changes in Equity and the consolidated cash flows statement for the year ended on that date and the notes to the Consolidated Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, joint ventures and associates as referred to in sub-paragraph (a) and (b) of the "Other Matters" paragraph given below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India (Ind AS), of the consolidated state of affairs of the Group as at March 31, 2021, their

consolidated profit, consolidated total Comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Jointly controlled entities and Associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Considering the requirement of Standard on Auditing (SA 600) on "Using the work of Another Auditor" including materiality, below Key Audit Matters have been reproduced from the Independent Auditors' Report on the audit of Standard Financial Statements of the Holding Company.

Sr. No	Key Audit Matter	How our audit addressed the key audit matter
1	<p><b>Capital Work-in progress (NISP):</b> (Refer Note No.2.2, 2.2.1 &amp; 2.2.2 of the consolidated financial statements)</p> <p>Capital Work-in progress (CWIP) as on 31.03.2021 in the books of the unit is Rs.16414.30 Crores, out of which Incidental expenditure during Construction (IEDC) amounts to Rs.2212.14 Crores.</p> <p>Since the amount involved is substantial and the original schedule date of completion has passed, inappropriate classification of IEDC could result in material misstatement of CWIP and hence this is a key audit matter.</p>	<p>Our audit procedures included the following:</p> <p>We obtained an understanding and evaluation of the system of internal control over the capital work in progress with reference to identification and testing of key controls.</p> <p>We have assessed the progress of the project and examined the management view on delay in project completion.</p> <p>We also assessed the intention and ability of the management to carry forward and bring the asset to its state of intended use.</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment of Capital Work in Progress of NISP.</p>



Sr. No	Key Audit Matter	How our audit addressed the key audit matter
2	<p><b>Trade Receivables from Monitoring Committee:</b> (Refer Note No.2.8.1 &amp; 2.35.5 of the consolidated financial statements)</p> <p>As at 31st March 2021, current financial assets in respect of trade receivables includes receivables from monitoring committee as specified in aforesaid notes.</p> <p>Trade receivables from Monitoring committee is a key audit matter due to the size of the receivable and involvement of management judgement in determining the impairment provision</p>	<p>Our audit procedures included the following: We analyzed the ageing of trade receivables.</p> <p>We obtained the list of long outstanding receivables from the monitoring committee and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support these conclusions.</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment and presentation of trade receivables and impairment provision thereof.</p>
3	<p><b>Mine Closure Obligation (MCO):</b> (Refer Note-1(x) and Note no. 2.14.3 to the consolidated financial statements)</p> <p>The company creates Mine closure obligation(MCO) liability based on the present cost of closure of mining project of the latest mine. The rate of closure arrived at based on such cost is uniformly applied to other mines for arriving at the total MCO liability.</p> <p>The matter was considered to be a key audit matter because there is estimate involved as per management's policy</p>	<p><b>Our audit procedures included the following:</b></p> <p>We have reviewed the recommendations of the committee for mine closure obligations.</p> <p>We have reviewed the methodology to arrive at the liability for mine closure obligation at a rate per MT on the cumulative RoM quantity for mine closure obligations.</p> <p>We have verified the arithmetical accuracy of the mine closure obligation provision based on the recommendation of the committee.</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in Mine closure obligation provision</p>

#### Emphasis of Matter

We draw your attention to the following matters in the Notes to the Consolidated Financial Statements:

- i. Note No: 2.35.6, regarding show cause notice having been served on Baildilla project by the District collector, South Bastar, Dantewada pursuant to judgment of Honorable Supreme court of India with the demand of Rs.1623.44 Crores against which company has paid an adhoc amount of Rs.600 Crores under protest and filed writ petition in the Hon'ble High court of Bilaspur, Chhattisgarh and a Revision application with Mines Tribunal, Ministry of mines, Government of India and disclosure of contingent liability as mentioned in the said note.
- ii. Note No.2.1.1 (point 6 of additional notes), regarding the migration from legacy system (oracle-based FAS) to ERP(SAP) package in a phased manner and accounting thereof as explained in the note. The unaudited financial results as on 31-12-2020 were migrated into ERP(SAP) and reconciled. As per the information and explanation provided by the management, migration audit will be conducted on completion of integration of all the modules.

- iii. Note No:2.35.2, regarding the demerger of NMDC Iron & Steel Plant (NISP) which is in progress.  
Our opinion is not modified in respect of these matters.

#### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report related to the Consolidated Financial Statements but does not include the Consolidated Financial Statements and our auditor's report there on. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act, that give a true

and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- a. We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of Rs. 640.85 crores as at 31st March, 2021 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. 40.05 Crores for the year ended 31st March, 2021 as considered in the consolidated financial statements, in respect of two associates whose financial statements/ financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
- b. We did not audit the financial statements/financial information of four subsidiaries whose financial statements/financial information reflect total assets of Rs. 170.35 Crores as at 31st March, 2021 and total revenues of Rs. (5.06) Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/(loss) of Rs. (10.88) Crores for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of two associates and three jointly controlled entities, whose financial statements/financial information have not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the

consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements/ financial information are not material to the Group.

- c. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the matters as stated in para a and b above, with respect to our reliance on the work done and the reports of the other auditors, the financial statement/financial information certified by the Holding Company's Management and the adjustments made to the comparative Consolidated Financial Statements.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, jointly controlled entities and associates as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- e. Being a Government Company, pursuant to the Notification No. GSR 463 (E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) Of Section 164 of the Act are not applicable to the Holding Company, its Subsidiaries, Joint Ventures and Associates. Further, on the basis of the information and explanation received from the Holding Company's Management, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.1
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities- Refer Note 2.32 to the consolidated financial statements.
- (ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For Sagar & Associates  
Chartered Accountants  
(FRN.003510S )

D. Manohar  
Partner

Hyderabad  
Date: 22.06.2021

Membership No.029644  
UDIN: 21029644AAAABU7263

## “ANNEXURE – I” TO THE AUDITORS’ REPORT

(Referred to in paragraph(h) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Financial Statements of NMDC Limited on the Consolidated Financial Statements for the year ended March 31,2021.)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the Consolidated Financial Statements of NMDC Limited as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to Consolidated Financial Statements of NMDC Limited (hereinafter referred as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred as “the Group”) and its Jointly controlled entities and Associates as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and

maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

As per our attached report of even dated.

For Sagar & Associates  
Chartered Accountants  
(FRN.003510S)

D. Manohar  
Partner

Hyderabad  
Date: 22.06.2021

Membership No.029644  
UDIN: 21029644AAAABU7263

# CONSOLIDATED BALANCE SHEET

As at 31<sup>st</sup> March 2021

(₹ In Crore)

Particulars	Note No.	Figures as at the end of current reporting year 31st March 2021	Figures as at the end of previous reporting year 31st March 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
a) Property, plant & equipment	2.1.1	3,313.92	3,253.87
b) Right-of-Use Assets	2.1.2	7.02	7.08
c) Capital work-in-progress	2.2	17,106.51	15,500.22
d) Goodwill		93.89	93.89
e) Other intangible assets	2.3	518.57	454.66
f) Intangible assets under development	2.4	51.42	29.64
<b>Financial assets</b>			
i) Investments	2.4.1	874.90	910.10
ii) Loans	2.4.2	259.17	224.38
h) Deferred tax assets (Net)	2.5	408.28	397.07
i) Other non-current assets	2.6	3,695.91	3,502.90
<b>Total non-current assets</b>		<b>26,329.59</b>	<b>24,373.81</b>
<b>Current Assets :</b>			
a) Inventories	2.7	921.72	723.51
<b>Financial assets</b>			
i) Trade receivables	2.8.1	2,139.89	2,223.71
ii) Cash and cash equivalents	2.8.2	464.10	105.57
iii) Bank balances other than (ii) above	2.8.3	5,397.72	2,331.89
iv) Other financial assets	2.8.4	292.61	365.40
c) Current tax assets (Net)	2.9	257.05	429.24
d) Other current assets	2.10	1,126.48	740.64
e) Assets held for disposal	2.11	0.63	0.66
<b>Total current assets</b>		<b>10,600.20</b>	<b>6,920.62</b>
<b>Total Assets</b>		<b>36,929.79</b>	<b>31,294.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	2.12	293.07	306.19
b) Other Equity	2.13	29,590.98	27,366.88
<b>Equity attributable to owners of NMDC Ltd</b>		<b>29,884.05</b>	<b>27,673.07</b>
<b>Non-controlling interest</b>		<b>13.54</b>	<b>8.05</b>
<b>Total equity</b>		<b>29,897.59</b>	<b>27,681.12</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	2.14.1	546.43	-
ii) Other Financial liabilities	2.14.2	4.70	5.83
b) Provisions	2.14.3	945.41	827.96
<b>Total non-current liabilities</b>		<b>1,496.54</b>	<b>833.79</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	2.15.1	1,448.04	565.57
ii) Trade payables	2.15.2		
a) Total Outstanding dues of Micro Enterprises and Small Enterprises		12.66	15.25
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		348.12	210.65
iii) Other financial liabilities	2.15.3	1,776.04	1,220.02
b) Other current liabilities	2.16	1,852.24	545.25
c) Provisions	2.17	98.56	222.78
<b>Total current liabilities</b>		<b>5,535.66</b>	<b>2,779.52</b>
<b>Total liabilities</b>		<b>7,032.20</b>	<b>3,613.31</b>
<b>Total equity and liabilities</b>		<b>36,929.79</b>	<b>31,294.43</b>

Significant Accounting Policies and notes on accounts: 1 & 2

Subject to our Report of even date  
For M/s Sagar & Associates  
Chartered Accountants  
Firm Regn No: 003510S

For and on behalf of the Board

(CA D MANOHAR)  
Partner  
Membership No: 029644

(AMITAVA MUKHERJEE)  
Director (Finance)

(SUMIT DEB)  
Chairman-cum -Managing Director

Place : Hyderabad  
Dated : 22nd June 2021

(A S PARDHA SARADHI)  
Company Secretary



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for Year Ended 31<sup>st</sup> March 2021

(₹ In Crore)

Particulars	Note No	Figures for the current reporting year 31st March 2021	Figures for the previous reporting year 31st March 2020
I. Revenue from operations	2.18	15,370.06	11,699.22
II. Other Income	2.19	351.60	514.36
<b>III. Total Income (I+II)</b>		<b>15,721.66</b>	<b>12,213.58</b>
<b>IV. Expenses :</b>			
Consumption of raw materials	2.20	42.01	36.48
Consumption of Stores & Spares		257.41	243.15
Changes in inventories of finished goods/ Work in progress	2.21	(161.81)	(53.83)
Employee benefit expense	2.22	1,085.24	1,049.36
Power and electricity	2.23	110.82	114.73
Repairs & maintenance	2.24	136.02	156.95
Royalty & other Levies		2,969.38	2,096.29
Selling Expenses	2.25	695.27	702.43
Finance cost	2.26	16.81	9.88
Depreciation and amortisation expense	2.1 & 2.3	228.54	294.93
Other expenses	2.27	1,446.45	1,351.74
<b>Total expenses</b>		<b>6,826.14</b>	<b>6,002.11</b>
V. Profit before exceptional items and tax (III-IV)		8,895.52	6,211.47
VI. Exceptional items (Income)/Expenditure	2.28	-	96.44
<b>VII. Profit before tax (V-VI)</b>		<b>8,895.52</b>	<b>6,115.03</b>
VIII. Tax expense :			
(1) Current year	2.29	2,316.46	1,555.59
(2) Earlier years (net)		343.20	771.47
(3) Deferred tax	2.29	(11.21)	185.66
		2,648.45	2,512.72
IX. Profit for the year from continuing operations (VII-VIII)		6,247.07	3,602.31
X. Profit/(Loss) from discontinued operations		0.53	(1.05)
XI. Tax expense of discontinued operations	2.29	0.13	(0.26)
XII. Profit/(Loss) from discontinued operations(X-XI)		0.40	(0.79)
XIII. Profit for the year (IX+XII)		<b>6,247.47</b>	<b>3,601.52</b>
XIV. Share of non controlling interest (Loss)		(0.37)	(0.33)
XV. Share of Profit/(Losses) of Associates		29.17	(28.56)
<b>XVI. Profit after adjusting minority interest and share of loss of Associates (XIII-XIV+XV)</b>		<b>6,277.01</b>	<b>3,573.29</b>
<b>Other Comprehensive Income</b>			
Item that will not be reclassified to profit or loss Re-measurements of post-employment benefit obligations		(139.32)	(20.49)
Income tax relating to these items	2.29	18.86	25.24
B(i) Item that will be reclassified to profit or loss		(0.62)	2.24
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XVII. Other Comprehensive income (Net of tax)</b>		<b>(121.08)</b>	<b>6.99</b>
<b>XVIII. Total Comprehensive income for the year (XVI-XVII)</b>		<b>6,155.93</b>	<b>3,580.29</b>
<b>Profit is attributable to :</b>			
Owners of the parent		6,276.64	3,572.96
Non Controlling Interest		(0.37)	(0.33)
		<b>6,277.01</b>	<b>3,573.29</b>
<b>Other Comprehensive Income/(Expenses) attributable to:</b>			
Owners of the parent		(121.08)	6.99
Non Controlling Interest		-	-
		<b>(121.08)</b>	<b>6.99</b>
<b>Total Comprehensive attributable to:</b>			
Owners of the parent		6,155.56	3,579.96
Non Controlling Interest		(0.37)	(0.33)
		<b>6,155.93</b>	<b>3,580.29</b>
<b>Earnings per equity share (for continuing operation)</b>			
i) Basic	2.33.5	20.70	11.76
ii) Diluted	2.33.5	20.70	11.76
<b>Earnings per equity share (for discontinued operation)</b>			
i) Basic	2.33.5	-	-
ii) Diluted	2.33.5	-	-
<b>Earnings per equity share (for discontinued &amp; continuing operation)</b>			
i) Basic	2.33.5	20.70	11.76
ii) Diluted	2.33.5	20.70	11.76

Significant Accounting Policies and notes on accounts: 1 & 2

Subject to our Report of even date  
For M/s Sagar & Associates  
Chartered Accountants  
Firm Regn No: 0035105

For and on behalf of the Board

(CA D MANOHAR)  
Partner  
Membership No: 029644

(AMITAVA MUKHERJEE)  
Director (Finance)

(SUMIT DEB)  
Chairman-cum -Managing Director

Place : Hyderabad  
Dated : 22nd June 2021

(A S PARDHA SARADHI)  
Company Secretary

# STATEMENT OF CHANGES IN EQUITY

For Year Ended 31<sup>st</sup> March 2021

a) Equity Share Capital (₹ In Crore)

	Note.no.	Amount
Balance as at 1st April 2019	2.12	306.19
Changes in Equity share capital		-
Balance as at 31st March 2020	2.12	306.19
Changes in Equity share capital		(13.12)
Changes in Equity share capital (*)		293.07

(\*) Buyback of Equity shares refer to note No. 2.12

b) Other Equity - 2.13

Particulars	Reserve & Surplus						
	General Reserve	Retained earnings	CRR	OCI	Capital Reserve	Total Owners Equity	Non-controlling interest
Balance as at 1st April 2019	23,967.06	1,397.32	90.28	44.91	238.24	25,737.81	13.89
Profit for the year		3,573.29				3,573.29	(0.33)
Capital Reserve					-	-	
Other Comprehensive Income net of tax				9.47		9.47	0.40
Interim Dividends (2019-20)		(1,619.72)				(1,619.72)	
DDT -Interim Dividends (2019-20)		(332.94)				(332.94)	
Foreign Exchange Translation Reserve (OCI)				(1.76)		(1.76)	(0.05)
Adjustment on consolidation		0.73				0.73	(5.86)
Transfer to General Reserve	1,500	(1,500)				-	
Total	1,500	121.36	-	7.71	-	1,629.07	(5.84)
Balance as at 31st March 2020	25,467.06	1,518.68	90.28	52.62	238.24	27,366.88	8.05
Balance as at 1st April 2020	25,467.06	1,518.68	90.28	52.62	238.24	27,366.88	8.05
Profit for the year		6,277.01				6,277.01	(0.37)
Other Comprehensive Income net of tax				(121.08)		(121.08)	
Transfer to Capital Redemption Reserve (CRR)	(13.12)		13.12			-	
Buyback of shares (including transaction charges)	(1,687.50)					(1,687.50)	
Interim Dividends (2020-21)		(2,274.15)				(2,274.15)	
Foreign Exchange Translation Reserve (OCI)				27.60		27.60	3.07
Adjustment on consolidation		2.34		(0.12)		2.22	2.79
Transfer to General Reserve	3,900.00	(3,900.00)				-	
Total	2,199.38	105.20	13.12	(93.60)	-	2,224.10	5.49
Balance as at 31st March 2021	27,666.44	1,623.88	103.40	(40.98)	238.24	29,590.98	13.54

Subject to our Report of even date

For M/s Sagar & Associates

Chartered Accountants

Firm Regn No: 003510S

(CA D MANOHAR)

Partner

Membership No: 029644

Place : Hyderabad

Dated : 22nd June 2021

For and on behalf of the Board

(AMITAVA MUKHERJEE)

Director (Finance)

(SUMIT DEB)

Chairman-cum -Managing Director

(A S PARDHA SARADHI)

Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March 2021

(₹ In Crore)

Particulars	Figures as at the end of current reporting year 31 March 2021	Figures as at the end of previous reporting year 31 March 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before income tax from		
Continued Operations	8,895.52	6,115.03
Discontinued Operations	0.53	(1.05)
<b>Profit before income tax including discontinued operations</b>	<b>8,896.05</b>	<b>6,113.98</b>
Adjustments for non cash/non operational expenses:		
Depreciation & amortisation expense	228.54	294.93
(Profit)/Loss on disposal of property, plant & equipment	0.74	(0.02)
Expenditure on enabling facilities	147.79	229.91
Provision for bad & doubtful advances	234.31	211.78
Interest Income classified as investing cash flow	(239.14)	(367.72)
Finance Costs	16.81	9.88
<b>Operating Profits before working capital changes</b>	<b>9,285.10</b>	<b>6,492.74</b>
Adjustments for working capital changes:		
(Increase)/ Decrease in trade receivables	(150.49)	(1,010.98)
(Increase)/Decrease in inventories	(198.21)	(57.34)
(Increase)/Decrease in other financial assets	63.30	(7.30)
(Increase)/Decrease loans to employees and related parties	(27.85)	(68.06)
(Increase)/Decrease in other non current assets	(144.89)	(710.74)
(Increase)/Decrease in other current assets	(385.84)	(323.57)
(Increase)/Decrease in assets held for disposal	0.03	(0.15)
Increase/(Decrease) in trade payables	134.88	23.11
Increase/(Decrease) in provisions	97.12	51.75
Increase/(Decrease) employee benefit obligations	(243.39)	168.35
Increase/(Decrease) in other financial liabilities	(0.77)	85.04
Increase/(Decrease) in other current liabilities	1,305.86	(237.28)
<b>Cash generated from operations</b>	<b>9,734.85</b>	<b>4,405.57</b>
Income Taxes paid	(2,468.74)	(2,279.60)
<b>Net Cash Flow from operating activities</b>	<b>7,266.11</b>	<b>2,125.97</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	(1,622.11)	(2,403.49)
Purchase of investments	99.61	(81.43)
Interest received	241.69	406.45
Investment in term deposits with more than three months	(3,035.47)	1,765.71
<b>Net Cash Flow from investing activities</b>	<b>(4,316.28)</b>	<b>(312.76)</b>

# CONSOLIDATED CASH FLOW STATEMENT (CONT...)

For Year Ended 31<sup>st</sup> March 2020

(₹ In Crore)

Particulars	Figures as at the end of current reporting year 31 March 2021	Figures as at the end of previous reporting year 31 March 2020
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount paid on buyback of Shares (including transaction charges)	(1,700.62)	-
(Repayment)/Proceeds from borrowings*	1,428.90	201.42
Deposits paid towards LCs and BGs (towards non fund based facilities)	(29.49)	7.69
Interest paid	(16.81)	(9.88)
Dividends paid (including tax thereon and net off balances for unpaid dividends)	(2,273.28)	(1,952.54)
<b>Net Cash Flow from financing activities</b>	<b>(2,591.30)</b>	<b>(1,753.31)</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>358.53</b>	<b>59.90</b>
Cash & Cash equivalents at the beginning of the year	105.57	45.67
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>464.10</b>	<b>105.57</b>
<b>Details of the Cash and Cash Equivalents (Note no. 2.82.2)</b>		
Cash in hand	0.01	-
On Current Accounts	411.71	64.33
On Deposit Accounts (Original Maturity less than 3 months)	52.38	41.24
Ear Marked Balance	-	-
<b>Total Cash &amp; Cash equivalents at the end of the year</b>	<b>464.10</b>	<b>105.57</b>
Restricted Cash Balance	-	-

Subject to our Report of even date  
For M/s Sagar & Associates  
Chartered Accountants  
Firm Regn No: 003510S

For and on behalf of the Board

(CA D MANOHAR)  
Partner  
Membership No: 029644

(AMITAVA MUKHERJEE)  
Director (Finance)

(SUMIT DEB)  
Chairman-cum -Managing Director

Place : Hyderabad  
Dated : 22nd June 2021

(A S PARDHA SARADHI)  
Company Secretary

# NOTES

## 1. Significant accounting policies

### 1.1 Basis of preparation

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2020 and other relevant provisions of the Act.

#### (b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii. Defined benefit and other long-term employee benefits.

#### (c) Functional and presentation currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest crore except share and per share data.

#### (d) Use of estimates and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### (e) Principles of Consolidation

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

- i) The consolidated financial statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.
- ii) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as specified in Indian Accounting Standard 110 – "Consolidated Financial Statements".
- iii) Investments in Associates/Joint Ventures are accounted for using equity method as per Indian Accounting Standard 28 – "Investments in Associates and Joint Ventures"
- iv) Investments in Joint Operations are accounted for using the proportionate consolidate method as per Ind AS 111 'Joint Arrangements'.
- v) The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- vi) Non controlling interest in net profit/loss of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company
- vii) Non controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately

from liabilities and equity of the Company's shareholders.

- viii) The financial statements of Legacy Iron Ore Ltd, Australia have been prepared in accordance with Australian Accounting Standards and the relevant Australian Laws and also on accrual basis and according to the historical cost basis assuming the company is a going concern and converted in Indian Rupees considering as non-integral operation as per Indian Accounting Standard 21 - "The Effects of Changes in Foreign Exchange Rates" for the purpose of Consolidated Financial Statements.

## 1.2 Summary of significant accounting policies

### i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

### ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

### iii) Investment in subsidiaries and joint venture

Investment in subsidiaries, Joint Ventures and associates are measured

at cost. Dividend income is recognised when its right to receive the dividend is established".

### iv) Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the company has transferred its right to receive/extinguish its obligation to pay cash flow from such financial instruments.

#### a) Non-derivative financial assets

##### Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding



They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.

**b) Non-derivative financial liabilities**

**Financial liabilities at amortized cost**

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

**v) Property plant and equipment:**

**a) Recognition and measurement:**

Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply

the optional exemption to use the previous GAAP value as deemed cost at 1 April 2015, the date of transition.

**Depreciation:** Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis. Depreciation is charged on pro-rata basis on additions / disposals of assets during the year. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Fixed Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase

**b) Treatment of Enabling Assets:**

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

**vi) Intangible assets:**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Mining rights are accounted as Intangible assets and amortised over the period of life of the mining lease.

**vii) Inventory**

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

b) The basis of determining the cost is

**Raw materials:** Weighted average cost

**Stores and spares:** Weighted average cost

**Stores in Transit:** At cost

**Work in process and finished goods:** Material cost plus appropriate share of labour, related overheads and levies

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

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

e) No credit is taken in respect of stock of run of mine ore, embedded ore, Iron ore slimes.

**viii) Impairment**

**a) Financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is

a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**b) Non-financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non

financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**ix) Employee benefits**

**a) Payments under Employees' Family Benefit Scheme:**

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

the basis of actuarial valuation and the amount is administered by a separate Trust.

**b) Gratuity & Provident fund:**

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

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.

**c) Pension Fund**

Defined contributions to NMDC Employees' Contributory Pension Scheme are made on accrual basis at a rate as approved from time to time to a fund which is administered by a separate Trust.

**d) 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.

**e) Other Benefits :**

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

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit

obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

**x) Provisions**

All the provision are recognized as per Ind AS 37. Provisions (including mine closure) are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

**xi) Revenue recognition:**

Revenue from contracts with customers is recognized when control of the

goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

All revenue from sale of goods is recognised at a point in time. Revenue from wind power and services is recognised over time.

The timing of transfer of control in case of sale of goods varies depending upon individual transfer terms of the contract.

**Export sales:** In Export sales control passes to the customer on the date of Bill of Lading.

**Domestic sales:** Control passes to the customer on the date of delivery which is generally the forwarding note (rail dispatches)/ lorry receipt/ delivery challan. However, in case of spot auction under electronic mode, control passes to the customer on conclusion of the auction and receipt of money.

**Obsolete stores & scrap:** Control passes to the customer on the date of realisation.

#### **Contract asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### **Contract liability**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **xii) Finance income and expense**

Finance income consists of interest income on funds invested, dividend income and gains on the disposal of Fair value through profit and loss account financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

#### **xiii) Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**a) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**b) Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred

income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**xiv) Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**xv) Borrowing costs**

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occurs. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

**xvi) Government grants**

Grants from the government are recognised when there is reasonable assurance that:(i) the Company will comply with the conditions attached to them; and (ii) the grant will be received. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an



asset, it is recognized as income over the expected useful life of the asset. Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

Grant related to income are presented as part of profit or loss, as a deduction to the related expenses.

#### **XVII) Lease:**

- a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
- b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee.
- c. The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.
- d. Low Value leases up to Rs.20 lakhs p.a. per lease and Short term leases of 12 months or less are fully charged to expense.

#### **XVIII) Exploration and Evaluation:**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;

- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditure are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

#### **In respect of legacy Iron Ore Ltd.**

Mineral tenements are carried at cost, less accumulated impairment loss. Mineral exploration and evaluation is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest or sale of that area of interest, or exploration and evaluation activities have not reached a stage of that area of interest or exploration and evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations on or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area of interest are written off in full against profit in the year in which the decision to abandon that area is made. A regular review is undertaken

of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**XIX) Stripping cost:**

**Development stripping cost:**

Overburden and other mine waste material removed during the initial development of a mine in order to access mineral deposit are capitalized as Intangible Asset. Amortization of the same is done based on the life estimated by the management.

**Production stripping cost:**

During the Production phase, the stripping activity cost is charged to revenue to the extent the benefit from the stripping activity is realized in the form of inventory produced.

To the extent the benefit is improved access to ore, the entity shall recognise these costs as a non-current asset ie Stripping Activity Asset, if and only if all the following conditions are met:

- a. It is probable that the future economic benefits associated with the stripping activity will be realized.
- b. The component of the ore body for which access has been improved can be identified; and

- c. The costs relating to the stripping activity associated with the improved access can be reliably measured.

To the extent the current period stripping ratio exceeds the planned stripping ratio as per mine plan, shall be considered as "Stripping Activity Asset"

The "Stripping Activity Asset" is subsequently depreciated on a unit of production basis over the life of the identified component of the ore body that become more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and impairment loss, if any.

**XX) Prepaid Expenses:**

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

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

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

Subject to our Report of even date  
**For M/s Sagar & Associates**  
Chartered Accountants  
Firm Regn No: 003510S

**(CA D MANOHAR)**  
Partner  
Membership No: 029644

Place : Hyderabad  
Dated : 22nd June 2021

For and on behalf of the Board

**(AMITAVA MUKHERJEE)**  
Director (Finance)

**(A S PARDHA SARADHI)**  
Company Secretary

**(SUMIT DEB)**  
Chairman-cum -Managing Director

### ■ Note - 2.1.1 : PROPERTY, PLANT & EQUIPMENT

(₹ In Crore)

ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK				
	As at 1st Apr, 2020	Additions during the year	Ded/Adj during the year	Transfer to/from	Internal transfer	As at 31st March 2021	Upto 1st Apr, 2020	For the year	Asset Impairment	Deductions/ adjustments to/from	Upto 31st March 2021	As at 31st March 2021	As at 31st March 2020
A. General													
Land :													
- Free hold	913.84	-	-	-	-	913.84	0.06	-	-	-	0.06	913.78	913.78
- Lease hold	6.56	-	[0.57]	-	-	5.99	1.54	0.34	-	[0.37]	1.51	4.48	5.02
Buildings	319.06	6.44	-	-	-	325.50	44.00	12.52	-	-	56.52	268.98	275.06
Plant & Machinery	1,319.30	10.73	[10.84]	-	0.03	1,319.22	282.81	66.39	-	[10.75]	338.48	980.74	1,036.49
Heavy Mobile Equipmt.	587.90	19.03	[11.04]	-	[0.42]	595.47	302.16	55.70	-	[11.06]	346.71	248.76	285.74
Furniture & fittings	17.19	1.14	0.16	-	-	18.49	9.13	1.95	-	0.17	11.25	7.24	8.06
Vehicles	35.03	8.27	0.30	[0.03]	0.39	43.99	17.72	4.73	-	0.34	22.85	21.14	17.31
Office Equipment	64.72	11.47	[1.70]	[0.06]	-	74.49	37.36	9.98	-	[1.62]	45.72	28.77	27.36
Others :	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads, bridges etc.	154.73	3.50	-	-	-	158.23	92.61	16.27	-	[0.02]	108.86	49.37	62.12
Dams, Wells & Pools	11.99	2.12	-	-	-	14.11	2.13	0.70	-	-	2.83	11.28	9.86
Adit & tunnel	1.76	0.29	-	-	-	2.05	0.02	0.04	-	-	0.06	1.99	1.74
Railway sidings	34.34	-	-	-	-	34.34	16.75	2.58	-	-	19.33	15.01	17.59
Locomotives	54.92	35.06	-	-	-	89.98	6.15	4.38	-	-	10.53	79.45	48.77
Electrical Installations	285.28	5.44	[0.41]	-	-	290.31	101.47	27.54	-	[0.29]	128.72	161.59	183.81
Sanitary & W. S. Installations	32.33	1.63	-	-	-	33.96	5.19	1.42	-	-	6.61	27.35	27.14
<b>TOTAL 'A'</b>	<b>3,838.95</b>	<b>105.12</b>	<b>[24.10]</b>	<b>[0.09]</b>	<b>-</b>	<b>3,919.97</b>	<b>919.10</b>	<b>204.54</b>	<b>-</b>	<b>[23.60]</b>	<b>1,100.04</b>	<b>2,819.92</b>	<b>2,919.85</b>
Previous Year 2019-20	3,614.39	234.78	[10.22]	[0.18]	-	3,838.95	684.22	242.14	2.49	[9.75]	919.10	2,919.85	2,930.17
B. Social Facilities													
Land :													
- Free hold	0.29	-	-	-	-	0.29	-	-	-	-	-	0.29	0.29
- Lease hold	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	314.27	167.84	-	-	-	482.11	23.60	7.83	-	-	31.43	450.68	290.67
Plant & Machinery	5.44	0.10	-	-	-	5.54	0.47	0.22	-	-	0.69	4.85	4.97
Furniture & fittings	11.17	1.32	[0.15]	[0.01]	-	12.34	4.31	1.18	-	0.04	5.53	6.81	6.86
Vehicles	1.99	0.17	-	-	-	2.16	0.97	0.24	-	-	1.21	0.95	1.02

ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK			
	As at 1st Apr, 2020	Additions during the year	Ded/Adj during the year	Transfer to/from Internal transfer	As at 31st March 2021	Upto 1st 1st Apr, 2020	For the year	Asset Impairment	Deductions/ adjustments to/from	Upto 31st March 2021	As at 31st March 2020	As at 31st March 2021
Office Equipment	28.71	4.57	(4.67)	0.10	28.61	18.67	3.78	-	(4.42)	18.03	10.58	10.04
Others :												
Roads, bridges etc.	8.39	0.18	-	-	8.57	3.21	0.77	-	-	3.98	4.59	5.18
Cess fund quarters	6.57	-	-	-	6.57	0.85	0.15	-	-	1.00	5.57	5.72
Dams, Wells & Pools	0.96	-	-	(0.01)	0.95	0.07	0.14	-	-	0.21	0.74	0.89
Electrical Instaln.	4.69	1.34	-	-	6.03	1.88	0.53	-	-	2.41	3.62	2.81
Sanitary & W.S Instlns.	6.83	0.02	-	-	6.85	1.26	0.27	-	-	1.53	5.32	5.57
<b>TOTAL 'B'</b>	<b>389.31</b>	<b>175.54</b>	<b>(4.83)</b>	<b>0.09</b>	<b>560.02</b>	<b>55.29</b>	<b>15.11</b>	<b>-</b>	<b>(4.38)</b>	<b>66.02</b>	<b>494.00</b>	<b>334.02</b>
Previous Year 2019-20	309.41	81.24	(1.34)	0.18	389.31	41.07	14.08	0.88	(0.74)	55.29	334.02	268.34
<b>TOTAL 'A + B'</b>	<b>4,228.26</b>	<b>280.66</b>	<b>(28.93)</b>	<b>-</b>	<b>4,479.99</b>	<b>974.39</b>	<b>219.65</b>	<b>-</b>	<b>(27.98)</b>	<b>1,166.06</b>	<b>3,313.92</b>	<b>3,253.87</b>
Previous Year 2019-20	3,923.80	316.02	(11.56)	-	4,228.26	725.29	256.22	3.37	(10.49)	974.39	3,253.87	3,198.51

Note 2.1.2 : RIGHT-OF USE ASSETS

General:	GROSS BLOCK				AMORTISATION BLOCK				NET BLOCK			
	As at 1st April, 2020	Additions/ Adjustments	Deductions/ Adjustments	Internal Transfer	As at 31st March 2021	As at 1st April, 2020	For the Year	Deductions/ adjustments	Internal transfer	As at 31st March 2021	As at 31st March 2020	
<b>Assets</b>												
Land	1.14	-	(0.17)	-	1.31	0.58	0.33	-	-	0.91	0.40	0.55
Buildings	7.41	-	-	-	7.41	0.88	0.78	-	-	1.66	5.75	6.53
Delhi - PTI- Building	0.26	-	-	-	0.26	0.26	-	-	-	0.26	-	-
Delhi - KG Marg Surya Kiran Building	-	1.19	-	-	1.19	-	0.32	-	-	0.32	0.87	-
<b>TOTAL</b>	<b>8.81</b>	<b>1.19</b>	<b>(0.17)</b>	<b>-</b>	<b>10.17</b>	<b>1.72</b>	<b>1.43</b>	<b>-</b>	<b>-</b>	<b>3.15</b>	<b>7.02</b>	<b>7.08</b>
Previous year	8.80	-	-	-	8.80	-	1.72	-	-	1.72	7.08	-
Social Amenities:												
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>8.81</b>	<b>1.19</b>	<b>(0.17)</b>	<b>-</b>	<b>10.17</b>	<b>1.72</b>	<b>1.43</b>	<b>-</b>	<b>-</b>	<b>3.15</b>	<b>7.02</b>	<b>7.08</b>
Previous year	8.80	-	-	-	8.80	-	1.72	-	-	1.72	7.08	-

(₹ In Crore)

## NON-CURRENT ASSETS

### ■ Note: 2.2 CAPITAL WORK IN PROGRESS

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Construction work in progress	14,584.95	13,458.10
Add : Impairment reversed/ (provided)	-	-
Construction Stores	2.32	1.77
Capital Assets in stores awaiting installation or in transit	53.94	65.69
Less : Provision	-	-
	53.94	65.69
Expenditure incidental to construction awaiting allocation (See note 2.2.2)	2,465.30	1,974.66
<b>Total</b>	<b>17,106.51</b>	<b>15,500.22</b>

#### Note - 2.2.1 : Movement of Capital work in progress

(₹ In Crore)

Particulars	Construction Work in Progress	Construction Stores	Capital asset in stores awaiting installation or in transit	Expenditure Incidental to construction awaiting allocation	Total
<b>Year ended 31 March 2020</b>					
Opening gross carrying amount	12459.79	1.86	53.22	1304.03	13818.90
Additions	1194.02	4.60	89.50	696.69	1984.81
Disposals/Capitalisation to PPE	195.71	4.69	77.03	26.06	303.49
Closing gross carrying amount	13458.10	1.77	65.69	1974.66	15500.22
Accumulated amortisation					
Amortisation charge during the year					
Closing accumulated amortisation	0.00	0.00	0.00	0.00	0.00
Closing net carrying amount	13458.10	1.77	65.69	1974.66	15500.22
<b>Year ended 31 March 2021</b>					
Opening gross carrying amount	13458.10	1.77	65.69	1974.66	15500.22
Additions	2882.41	4.42	69.62	490.64	3447.09
Disposals/Capitalisation to PPE	1755.56	3.87	81.37	0.00	1840.80
Closing gross carrying amount	14584.95	2.32	53.94	2465.30	17106.51
Accumulated amortisation					
Amortisation charge during the year					
Closing accumulated amortisation	0.00	0.00	0.00	0.00	0.00
Closing net carrying amount	14584.95	2.32	53.94	2465.30	17106.51

Note : 2.2.2 EXPENDITURE INCIDENTAL TO CONSTRUCTION AWAITING ALLOCATION

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
a. Opening balance	1,974.65	1,304.03
b. Net Expenditure incurred during the year		
Consumption of stores and spares	0.22	-
Employee Benefit expense :		
Salaries, Wages & Bonus	152.12	147.55
Contribution to Provident fund, EPS, DLI	8.08	6.79
Contribution to Pension Fund	-	-
Contribution to Gratuity fund	4.33	5.91
Staff Welfare expenses	13.29	16.35
	177.82	176.60
Power, Electricity & Water	69.11	64.59
Repairs and Maintenance	64.38	5.91
Depreciation and amortisation	14.87	12.48
Other expenses :		
Rent, Insurance, Rates and taxes	4.62	7.04
Interest on Borrowing	22.63	-
Payment to auditors : As auditors	0.06	0.06
Payment to auditors : For Other Services	0.05	0.04
Reimbursement of expenses	-	0.01
Travelling and Conveyance expenses	0.51	2.65
Consultancy expenditure	46.15	24.38
CISF/Security expenditure	6.27	5.85
Environmental Development	0.02	-
Other expenditure	90.03	405.46
	496.74	705.07
Less : Recoveries/Income		
Interest recived	4.95	7.18
Other income	1.14	1.20
Total (b)	490.65	696.69
Sub-total (a+b)	2,465.30	2,000.72
Less : Amount allocated to Fixed assets/ Capital W I P	-	26.06
<b>Total</b>	<b>2,465.30</b>	<b>1,974.66</b>



■ Note -2.3 : INTANGIBLE ASSETS

(₹ In Crore)

ASSETS	GROSS BLOCK				AMORTISATION BLOCK				NET BLOCK	
	As at 1st Apr-20	Additions during the year	Ded/Adj during the year	As at 31st March 2021	As at 1s Apr 2020	For the year	Deductions/ adjustments	Up to 31st March 2021	As at 31st March 2021	As at 31st March 2020
Goodwill	93.89	-	-	93.89	-	-	-	-	93.89	93.89
Total	93.89	-	-	93.89	-	-	-	-	93.89	93.89
Previous Year 2019-2020	93.89			93.89	-			-	93.89	93.89
<b>GENERAL</b>										
Computer software	8.23	0.05	-	8.28	6.35	1.15	-	7.50	0.78	1.88
Mining rights	934.70	86.33	(0.03)	1,021.00	481.92	21.29	-	503.21	517.79	452.78
Total	942.93	86.38	(0.03)	1,029.28	488.27	22.44	-	510.71	518.57	454.66
Previous Year 2019-2020	456.28	489.18	(2.53)	942.93	236.27	252.00	-	488.27	454.66	548.55
Total	1,036.82	86.38	(0.03)	1,123.17	488.27	22.44	-	510.71	612.46	313.90
Previous Year 2019-2020	550.17	489.18	(2.53)	1,036.82	236.27	252.00	-	488.27	548.55	213.71

**Additional notes to 2.1,1, 2.3 and 2.4 : PPE (Property Plant and Equipment) , Intangible Assets and Intangible Assets under Development.**

1. Lease hold land measuring 3021.35 sq.mtrs. (previous year 3021.35 sq.mtrs.) is taken from Vizag Port Trust Authorities for construction of Regional Office building granted for a period of 30 years i.e. up to 01.01.2044. Action is on hand to execute the lease deed. However, the rents have been accounted till 31.03.2021.
2. The Extent of land of **184.30** hectares taken over from CG Government, which is in favor of District Industries Centre, Jagdalpur for construction of Steel Plant near Nagarnar has not been brought into the books as the amount payable is not ascertainable in the absence of any demand from the concerned authorities.
3. Formal agreements / Transfer deeds remain to be executed in respect of the following:
  - (a) Renewal of Mining Leases at Deposit 10 (Float Ore).
  - (b) Lease deeds in respect of parts of land for township at Bachel Complex, Kirandul Complex and Panna Project.
  - (c) Mining lease to the extent of 33.58 hectares (Mining area) and 19.42 hectares (Plant area) of Silica Sand Plant near Lalapur (Allahabad).

- (d) Lease in respect of a portion of the total land at R&D Center measuring 9.12 acres has expired during Feb 07 (6.66 acres) and the balance in Feb 2010 (2.46 acres). The process of renewal of the lease is under progress.
- (e) Only Provisional allotment letters were issued for the land to the extent of 13.43 acres allotted by M/s APIIC at Industrial park, Paloncha. However, on physical survey found only 11.35 acres of land. No effect is given in books, pending confirmation from M/s APIIC.
- (f) Land to the extent of 26.39 acres was purchased at Patancheru, Hyderabad through the Official Liquidator of land belongs to Allwyn Watches Ltd. However, on physical survey found only 24.23 acres of land and registration for 24.23 acres of the land has been executed in the name of NMDC.
- (g) Land at Raipur to the extent of 57,432.99 Sq. Ft. has been acquired from Chhattisgarh Housing Board, however as per the actual land measurement taken by surveyor the total land comes to 62,205.96 Sq. Ft. The registration formalities are in the process for the total land.

4. Reconciliation of Depreciation and Amortisation as per Statement of Profit and Loss: (₹ In Crore)

Note no	Particulars	2020-2021	2019-2020
2.1	Depreciation on PPE	219.65	256.22
2.1	Impairment of PPE	-	3.37
2.3	Amortisation of Intangible Assets	22.44	252.01
2.1.2	Amortisation of ROU Assets	1.43	1.72
	Total	243.52	513.32
2.2.2	Transferred to IEDC	(-)14.87	(-)12.48
2.28	Shown under Exceptional Item	-	(-) 205.82
2.33.7	Transfer to Discontinue Operation	(-) 0.11	(-) 0.09
	Depreciation, amortisation and Impairment as per Statement of Profit and Loss	228.54	294.93

5. Mining Lease of Donimalai : Ref. 2.34.8)

Donimalai Iron Ore Mine of NMDC Ltd. Has resumed mining operations since 18.02.2021.

6. Project "KALPATARU", the Enterprise Resource Planning (ERP), an integrated system with core modules i.e. Production Planning (PP), Plant Maintenance (PM), Material Management (MM), Human Capital Management (HCM), Finance & Controlling (FICO), Sales & Distribution (SD), Project System (PS), Quality Management (QM), Employee Health & Safety (EHS) etc. is implemented in phased manner in respect of Mining Business. Further, amount paid to vendors for ERP implementation is shown as CWIP as ERP implementation is in final UAT testing stage as on 31 March 2021.

7. During the year 2020-21 a review of residual and useful life of PPE was done and as per the review there is no change recommended. The Useful life of all the PPE is as per schedule II except for the following PPE whose life as given under is determined as per technical assessment adopted.

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

■ **Note: 2.4 Intangible assets under development**

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Intangible assets under development	51.42	29.64
<b>Total</b>	<b>51.42</b>	<b>29.64</b>

**Note : 2.4.1 INVESTMENTS**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>In Equity Shares:</b>		
<b>Investments in Subsidiary Companies :</b>		
<b>Trade &amp; Unquoted at cost:</b>		
i) 41,85,590 (previous Year 41,85,590) Equity shares) of FMG 2500/- each fully paid up in wholly owned subsidiary company NMDC SARL, Madagascar	7.20	7.20
Less: Investment deration	7.20	7.20
ii) 5,50,000 (Previous Year 5,50,000 ) Equity shares of ₹10/- each fully paid up in NMDC Power Ltd.	0.55	-
Less: Investment deration	0.55	-
iii) 20,00,000 (previous year 20,00,000) equity shares of 10 each in NMDC CSR Foundation (NMDC CSR)	2.00	2.00
<b>Investment in Joint Ventures :</b>		
<b>Unquoted at cost:</b>		
i) 50 (Previous year 50) equity shares of South african Rand 1/- each in Kopano-NMDC Minerals (Proprietary) Limited (₹324/- only)	-	-
Less: Investment deration	-	-
ii) 9,83,47,236 (Previous Year 9,83,47,236) Equity shares of ₹10/-	94.09	95.24
iii) 15,26,74,600 (previous year 19,56,500) equity shares of ₹10/- each fully paid up in Bastar Railway Pvt. Ltd. (BRPL)	153.19	152.77
iv) 25,500 (previous year 25,500) equity shares of ₹10/- each fully paid up in NMDC-SAIL Ltd.	0.03	0.03
Less: Investment deration	0.03	0.03
	-	-
v) 6,000 (Previous year 6,000) equity shares of ₹10/- each fully paid up in Jharkhand National Mineral Development Corporation Ltd.	-	-
<b>Investments in Associates :</b>		
<b>Unquoted at cost:</b>		
i) 105,000 (previous year 105,000) Equity shares) of ₹10/- each fully paid up in Romelt SAIL India Ltd., New Delhi	0.03	0.11
Less: Investment deration	0.03	0.11
	-	-
ii) 37,63,57,143 (Previous year 33,63,57,143) Equity shares of ₹10/- each fully paid in International Coal Ventures (P) Ltd.	590.51	614.83
iii) 4,00,00,000 (P.Y 4,00,00,000) equity shares of ₹10/- each in Krishnapatnam Railway Co. ltd fully paid	35.08	45.23

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
iv) 7,47,99,878 (previous year 7,47,99,878) equity shares of ₹10/- each fully paid up in NINL, Bhubaneswar (*)	-	-
v) 13,000 (previous year Nil) equity shares of ₹10/- each in Chhatishgarh Mega steel Ltd	0.01	0.01
<b>Non-trade and unquoted shares in co-operative societies</b>		
i) 150 Shares (previous year 150 Shares) of ₹ 1,000/- each fully paid up in Whole-sale Consumers Co-operative Stores, Kirandul ₹1,50,000 [Previous year ₹1,50,000]	0.02	0.02
ii) 500 Shares (previous year 500 Shares) of ₹ 10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bachelī ₹5,000 (previous year ₹5,000)	-	-
iii) 25 Shares (previous year 25 Shares) of ₹100 each fully paid up in NMDC Employees Co-operative Society Ltd, Donimalai ₹2,500 (previous year ₹2,500)	-	-
	0.02	0.02
<b>Total</b>	<b>874.90</b>	<b>910.10</b>
1. Aggregate amount of Quoted investments (Market value of quoted Investments)	-	-
2. Aggregate amount of Unquoted Investments	880.15	915.43
3. aggregate amount of provision for diminution in value investments	7.81	7.34

(\*)The investment in NINL has become NIL since 2016-17 after adjustment of losses of NINL to the extent of NMDC share as per equity method of accounting.

**Note: 2.4.2 : Loans**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Loans to employees & outsiders	30.11	23.85
Loan to Subsidiaries	81.59	60.00
Deposit with Others	147.47	140.53
<b>TOTAL</b>	<b>259.17</b>	<b>224.38</b>
i) Considered Good, Secured	30.11	23.85
ii) Considered Good, Unsecured	147.47	140.53
iii) Which have significant increase in Credit risk	-	-
iv) Credit Impaired	-	-

Note: With respect to the accounting policy note no. 1. (b) ii, the long term Loans & advances to employees was to be measured at amortised cost. The same was carried out and considering the materiality, no effect has been made in the accounts.

■ **Note: 2.5 Deferred tax assets (Net)**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>A. Deferred tax assets :</b>		
1. Provision for bad & doubtful debts	606.44	548.75
2. Intangible Assets	(15.40)	26.52
3. Asset retirement obligation and spares	4.39	4.68
4. Investments	9.20	9.02
5. Others	37.14	35.87
<b>Total Deferred Tax Assets</b>	<b>641.77</b>	<b>624.84</b>
<b>B. Deferred tax liability :</b>		
1. Related to PPE	(231.82)	(226.11)
2. Accrued expenses	(1.67)	(1.66)
<b>Total Deferred Tax Liability</b>	<b>(233.49)</b>	<b>(227.77)</b>
<b>Net Deferred Tax Assets</b>	<b>408.28</b>	<b>397.07</b>

■ **Note 2.6 : Other non-current Assets**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Capital Advances (*)	465.25	417.13
ITC Receivables	1,586.64	1,517.93
Mines Closure Fund with Life insurance Corporation	859.20	801.26
Other Advances (**)	784.82	766.58
<b>Total</b>	<b>3,695.91</b>	<b>3,502.90</b>

(\*) Capital Advances includes an amount of ₹ 4.57 crore ( P.Y ₹ 30.12 crore) towards doubling of railway lines between Jagdalpur and Ambagoan , Also included payment of ₹ 241.07 crore towards Tokisud Coal Block and payment of ₹ 72.62 crore towards Rohne Coal Block.

(\*\*) Includes an amount of ₹ 600 crore (P.Y. ₹ 600 crore), paid to South Bastar Dantewada under protest against the demand notice for Common Cause.

## CURRENT ASSETS

### ■ Note: 2.7 INVENTORIES

(As Valued and Certified by the Management)

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Raw materials</b>		
Iron Ore	4.44	1.03
Lime Stone	0.09	0.36
Bentolite	0.27	0.27
	<b>4.08</b>	<b>1.66</b>
<b>Work-in-Process :</b>		
Pellets	3.29	1.85
Diamonds	-	-
Sponge Iron	0.93	0.93
	<b>4.22</b>	<b>2.78</b>
<b>Finished Goods:</b>		
Iron Ore	672.47	504.14
Sponge Iron	0.01	0.01
Pellets	27.25	28.12
Diamonds & Precious Stones	39.17	46.27
<b>Total Finished Goods</b>	<b>738.90</b>	<b>578.54</b>
<b>Total</b>	<b>747.92</b>	<b>582.98</b>
<b>Stores &amp; Spares</b>	<b>172.19</b>	<b>140.42</b>
<b>Loose tools and Implements</b>	<b>1.61</b>	<b>0.11</b>
<b>Total</b>	<b>173.80</b>	<b>140.53</b>
<b>G. Total</b>	<b>921.72</b>	<b>723.51</b>
Inventories are valued at cost or NRV whichever is lower.		
1. Stores and Spares include:		
a) Stores-in-transit	3.65	11.76
b) Obsolete stores & spares valued at Re1 per unit of their original value of ₹3.22 crore (previous year ₹3.75 crore )	0.01	0.01

### Notes: 2.8.1 Trade Receivables

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Trade receivables outstanding for a period exceeding six months from the due date of payment	2,480.99	2,615.33
Other trade receivables	2,043.33	1,770.89
<b>Total (*)</b>	<b>4,524.32</b>	<b>4,386.22</b>
Less: Provision for bad & doubtful trade receivables	17.87	17.87
Less: Provision for bad & doubtful (Monitoring Committee)	2,366.56	2,144.64
<b>Total Povision</b>	<b>2,384.43</b>	<b>2,162.51</b>
	<b>2,139.89</b>	<b>2,223.71</b>
<b>TOTAL</b>	<b>2,139.89</b>	<b>2,223.71</b>
<b>Break-up security details</b>		
i) Considered good, Secured	-	0.06
ii) Considered good, Unsecured	2,139.89	2,223.65
iii) Which have significant increase in Credit Risk	-	-
iv) Credit impaired	2,384.43	2,162.51

(\*) Trade Receivables includes ₹3,242.51 crore (Previous year ₹2,434.79 crore) dues from Monitoring Committee.



**Notes: 2.8.2 Cash and cash equivalents**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Cash in hand	0.01	-
<b>Balance with Banks</b>		
on current Accounts	411.71	64.33
On Deposit accounts ( Original maturity less than 3 months )	52.38	41.24
<b>Total</b>	<b>464.10</b>	<b>105.57</b>

**Notes : 2.8.3 Bank Balances other than (ii) above**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Balance with bank on 'Deposits Accounts ( original maturity more than 3 months but less than 12 months. (*)	5,358.51	2,323.04
Balance with bank for Unpaid Dividend	3.64	2.77
Balance with banks TDS on DIVIDEND - F.Y 2020-21	34.51	-
Bank deposits offered as security for Bank guarantees and letter of credit	1.06	6.08
<b>Total</b>	<b>5,397.72</b>	<b>2,331.89</b>

(\*) Fixed Deposits of ₹2138 crore (P.Y ₹637.50 crore) pledged for availing OD Facilities.

**Note: 2.8.4 Other Financial Assets**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Related Parties</b>		
Advances to Directors	-	0.08
Advances to Subsidiaries/ Jv's/ Associates	46.28	46.28
Less: Prov. Made	2.76	-
	43.52	46.28
<b>Employees and outsiders</b>		
Advances to Employees and outsiders	195.64	233.42
<b>Interest Accrued</b>		
Accrued interest on deposits with banks	27.82	27.75
Accrued interest on Other	3.42	6.04
Other Receivables	22.21	51.83
<b>Total</b>	<b>292.61</b>	<b>365.40</b>

**Note: 2.9 Current Tax Asset (Net)**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Advance Income tax & TDS	4,444.27	6,724.60
Less : Provision	4,187.22	6,295.36
	257.05	429.24
<b>Total</b>	<b>257.05</b>	<b>429.24</b>

■ **Note: 2.10 Other Current Assets**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Advances to Employee and outsiders	888.60	441.42
Less: Provision for bad and doubtful advances	8.54	3.98
Net	880.06	437.44
Current Investments	3.58	5.89
ITC Receivables	242.84	297.31
<b>Total</b>	<b>1,126.48</b>	<b>740.64</b>

(\*) Current year includes

- Advance paid towards Royalty, DMF, NMET and Cess for ₹ 415.18 crore.
- Advance received by Monitoring Committee on behalf of NMDC ₹ 161.62 crore against advance auction.

■ **Note: 2.11 Assets Held for disposal**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Assets held for disposal (*)	0.63	0.66
<b>Total</b>	<b>0.63</b>	<b>0.66</b>

■ **Note: 2.12 Equity Share Capital**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Authorised:		
400,00,00,000 Equity Shares of Re. 1/- each (Previous year 400,00,00,000 Equity Shares of Re.1/- each)	400.00	400.00
Issued, Subscribed & Paid up:		
306,18,49,659 Equity Shares of Re.1/- each fully paid up (Previous year 30,61,849,659 Re.1/- each fully paid )	306.19	306.19
13,12,43,809 (Previous year Nil Equity shares of Re.1/- each fully paid up )	13.12	-
2,93,06,05,850 Equity Shares of Rs.1/- each fully paid up (Previous year 3,06,18,49,659 of Rs.1/- each fully paid )	293.07	306.19

**Addl. Notes :**

- No new shares were issued, during the current year.
- Board of Directors of the company in its meeting held on 10th November 2020 approved buyback of 13,12,43,809 equity shares @ Rs 105/- for an aggregate consideration of ₹1,378.06 crore. The process of buyback was completed by 8th January 2021. The buyback offer was fully subscribed.
- Terms/Rights attached to equity shares :  
The company has only one class of equity shares having par value of Re.1/- each and each holder of equity shares is entitled to one vote per share.
- The details of shares in the company held by each shareholder holding more than 5% shares :

Name of the Share holder	31st March 2021		31st March 2020	
	% of shareholding	Number of shares	% of shareholding	Number of shares
i) President of India	68.29	2,001,283,891	69.65	2,132,453,593
ii) LIC of India (incl all schemes)	13.46	394,591,074	12.89	394,591,074

■ Note: 2.13 Other Equity

(₹ In Crore)

Particulars	Reserve & Surplus						
	General Reserve	Retained earnings	CRR	OCI	Capital Reserve	Total Owners Equity	Non-controlling interest
Balance as at 1st April 2019	23,967.06	1,397.32	90.28	44.91	238.24	25,737.81	13.89
Profit for the year		3,573.29				3,573.29	(0.33)
Capital Reserve					-	-	
Other Comprehensive Income net of tax				9.47		9.47	0.40
Interim Dividends (2019-20)		(1,619.72)				(1,619.72)	
DDT -Interim Dividends (2019-20)		(332.94)				(332.94)	
Foreign Exchange Translation Reserve (OCI)				(1.76)		(1.76)	(0.05)
Adjustment on consolidation		0.73				0.73	(5.86)
Transfer to General Reserve	1,500	(1,500)				-	
<b>Total</b>	<b>1,500</b>	<b>121.36</b>	<b>-</b>	<b>7.71</b>	<b>-</b>	<b>1,629.07</b>	<b>(5.84)</b>
Balance as at 31st March 2020	25,467.06	1,518.68	90.28	52.62	238.24	27,366.88	8.05
Balance as at 1st April 2020	25,467.06	1,518.68	90.28	52.62	238.24	27,366.88	8.05
Profit for the year		6,277.01				6,277.01	(0.37)
Other Comprehensive Income net of tax				(121.08)		(121.08)	
Transfer to Capital Redemption Reserve (CRR)	(13.12)		13.12			-	
Buyback of shares (including transaction charges)	(1,687.50)					(1,687.50)	
Interim Dividends (2020-21)		(2,274.15)				(2,274.15)	
Foreign Exchange Translation Reserve (OCI)				27.60		27.60	3.07
Adjustment on consolidation		2.34		(0.12)		2.22	2.79
Transfer to General Reserve	3,900.00	(3,900.00)				-	
<b>Total</b>	<b>2,199.38</b>	<b>105.20</b>	<b>13.12</b>	<b>(93.60)</b>	<b>-</b>	<b>2,224.10</b>	<b>5.49</b>
Balance as at 31st March 2021	27,666.44	1,623.88	103.40	(40.98)	238.24	29,590.98	13.54

## NON-CURRENT LIABILITIES

### Note 2.14.1 Borrowings (Non Current)

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
7.30% Non Convertible Debentures Series - 1	523.80	
Interest Accrued on 7.30% Non Convertible Debenture Series - 1	22.63	-
<b>Total</b>	<b>546.43</b>	<b>-</b>

### Note 2.14.2 Other Financial Liabilities (Non- Current)

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Lease Liabilities	4.70	5.83
<b>Total</b>	<b>4.70</b>	<b>5.83</b>

### Note: 2.14.3 Provisions (Non- Current)

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Employee Benefits :</b>		
Gratuity	0.09	0.07
Accrued leave	0.02	0.01
Long Service Reward	47.69	27.38
Mine closure obligation	897.62	800.50
<b>Total</b>	<b>945.41</b>	<b>827.96</b>

### Note: 2.15.1 Borrowings

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Loan against FDs (*)	1,448.04	565.57
<b>Total</b>	<b>1,448.04</b>	<b>565.57</b>

(\*) Over Drafts availed by pledging Fixed Deposits is ₹ 2138 crore (P.Y ₹ 637.50 crore)

### Note: 2.15.2 Trade & Other Payables

(₹ In Crore)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Total outstanding dues of micro and small enterprises	12.66	15.25
Other than micro and small enterprises	348.12	210.65
<b>Total</b>	<b>360.78</b>	<b>225.90</b>

DISCLOSURE RELATING TO MICRO AND SMALL ENTERPRISES

i) (a). The principal amount remaining unpaid to the supplier as at the end of the year	12.66	15.25
i) (b). The interest due on the above amount, remaining unpaid to the supplier as at the end of the year	Nil	Nil
ii) the amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

**Note: 2.15.3 Other Financial Liabilities**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Unpaid Dividend	3.64	2.77
Deposits from Suppliers, Contractors	308.43	169.66
Capital Creditors	982.82	427.77
Other financial Liabilities	481.15	619.82
<b>Total</b>	<b>1,776.04</b>	<b>1,220.02</b>

**Note : 2.16 Other Current Liabilities**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Contract Liabilities[*]</b>	606.59	202.95
<b>Other Payables</b>	154.66	121.33
(like withholding and other taxes payable, amounts payable to employees and others)		
<b>Statutory Dues[**]</b>	1,090.99	220.97
<b>Total</b>	<b>1,852.24</b>	<b>545.25</b>

[\*] Advance deposited by customers with Monitoring Committee (on behalf of NMDC) ₹ 161.62 crore against advance auction.

[\*\*] Current year includes an amount of ₹ 784.26 crore as liability, for Royalty, DMF, NMET - ₹ 673.12 crore and for 22.5% Addition Royalty - ₹ 111.14 crore

### ■ Note: 2.17 Provisions

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Employee Benefits :		
Accrued leave	0.50	0.28
Long service reward	2.50	2.99
Provision for gratuity, leave salary, family benefit scheme and post employment medical benefits	92.87	217.00
Provisions for de-commissioning liability (ARO Obligation)	2.69	2.51
<b>Total</b>	<b>98.56</b>	<b>222.78</b>

### ■ Note: 2.18 Revenue from operations

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Sale of Products :		
Iron ore :		
Export through MMTC	1,749.69	1,573.18
Domestic		
Basic price	10,914.92	8,167.22
Royalty	1,960.16	1,395.96
Development Cess	52.92	43.21
Forest Permit Fee	35.28	32.99
District Mineral Fund (DMF)	467.40	334.16
National Mineral Exploration Trust (NMET)	53.33	22.28
Total Domestic	13,484.01	9,995.82
Total Iron Ore Sales	15,233.70	11,569.00
Sponge Iron	-	4.39
Diamonds	21.10	34.29
Sale of Power	5.17	5.40
Sale of Services	36.58	30.16
Sales of Pellets	73.50	55.55
Other operating revenue	0.01	0.43
<b>Total</b>	<b>15,370.06</b>	<b>11,699.22</b>

### ■ Note: 2.19 Other Income

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Interest Income:		
On Deposits with Banks	156.33	288.43
Others	82.81	79.29
	239.14	367.72
Gain in Exchange	0.01	0.09
Profit on sale/adjustment of assets	0.26	0.77
Profit on sale of Current investments( MUF)	19.66	41.98
Other non operating income	92.54	103.81
<b>Total</b>	<b>351.60</b>	<b>514.36</b>



■ **Note: 2.20 Consumption of Raw Materials**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Iron ore	41.16	35.00
Coal	-	-
Lime Stone	0.45	0.68
Internal handling of raw materials	0.40	0.80
<b>Total</b>	<b>42.01</b>	<b>36.48</b>

■ **Note: 2.21 Changes in inventories of finished goods and work in progress**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
<b>Work-in-process:</b>		
Balance as at the beginning of the Year	2.79	14.01
Less: Balance as at close of the Year	4.22	2.79
	(1.43)	11.22
<b>Finished Goods:</b>		
Balance as at the beginning of the Year	550.41	500.68
Less: Balance as at close of the Year	711.66	550.41
	(161.25)	(49.73)
<b>Finished Goods: (Pellets)</b>		
Balance as at the beginning of the Year	28.12	12.80
Less: Balance as at close of the Year	27.25	28.12
	0.87	(15.32)
<b>Total</b>	<b>(161.81)</b>	<b>(53.83)</b>

■ **Note: 2.22 Employee Benefit Expense**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Salaries, Wages & Bonus	808.78	799.61
Contribution to Provident fund and other funds		
Provident Fund, FPS & DLI	51.43	51.70
Pension Fund	36.95	33.48
Group Gratuity Fund	11.47	20.90
Staff Welfare Expenses	176.61	143.67
<b>Total</b>	<b>1,085.24</b>	<b>1,049.36</b>

■ **Note: 2.23 Power, Electricity And Water Charges**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Power charges	91.79	92.63
Electricity charges	15.64	19.17
Water charges	3.39	2.93
<b>Total</b>	<b>110.82</b>	<b>114.73</b>

■ **Note: 2.24 Repairs & Maintenance**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Buildings	30.36	17.47
Plant and Machinery	38.08	60.74
Vehicles	1.78	0.82
Others	65.80	77.92
<b>Total</b>	<b>136.02</b>	<b>156.95</b>

■ **Note: 2.25 Selling Expense**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Railway freight	293.88	301.94
Export duty	182.55	158.37
Infrastructure Development cess	29.11	24.03
Environmental Development cess	29.11	24.03
Other selling expenses	160.62	194.06
<b>Total</b>	<b>695.27</b>	<b>702.43</b>

■ **Note: 2.26 Finance Cost**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
i) Interest on Short term Borrowings	10.13	3.27
ii) Interest - Others	6.50	6.43
iii) Interest on deposit from contractors, suppliers & others	0.18	0.18
<b>Total</b>	<b>16.81</b>	<b>9.88</b>

(\*)The Short term Borrowings is for meeting working capital requirement.

■ **Note: 2.27 Other Expenses**

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Rent	2.78	2.64
Insurance	7.94	4.79
Rates & Taxes	3.44	4.39
Directors' Travelling expenses	0.46	2.95
Directors, Sitting Fees	0.34	0.45
Payment to Auditors:		
As audit Fee	0.64	0.58
For taxation matters	0.03	0.03
For Management Services	0.03	0.01
For Other Services	0.38	0.18
For reimbursement of expenses	0.01	0.09
	<b>1.09</b>	<b>0.90</b>

Loss on sale/adjustment of Assets	1.00	0.75
Miscellaneous losses written off	0.20	4.33
Provision for doubtful debts/advances	234.31	211.78
Mine closure Obligation	97.10	51.75
Raising and Transportation	52.73	52.95
Local Area Development ( Towards SPV in Karnataka)	221.92	188.06
Entertainment	1.40	2.32
Donations	150.00	10.00
Travelling & Conveyance	21.68	35.32
Advertisement & Publicity	12.37	21.17
Postage, Telephone & Telex	4.43	5.52
Stationery & Printing	2.36	3.04
Consultancy charges	18.04	20.31
CISF/Security guards	191.67	174.11
Safety expenses	0.34	1.15
Corporate Social Responsibility(*)	158.62	199.99
Loss in Exchange variation (net)	0.06	0.06
Environmental Development	36.33	41.40
Other expenses	78.04	81.71
Exp. On Enabling Assets for the compnay	147.79	229.91
<b>Total</b>	<b>1,446.45</b>	<b>1,351.74</b>
(*) CSR Expenditure During the Year	158.62	199.99
CSR Expenditure as per Statutory obligation	130.00	117.80
CSR Expenditure made Voluntarily	28.62	82.19

#### ■ Note: 2.28 Exceptional Items

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Expenditure:		
i) Depreciation on PPER, Amortisation of the of Miming rights, [refer note no.2.34.12]	-	205.82
ii) Risk & Hardship allowance payable to CISF from 01.03.2009 to 31.03.2019 (*)	-	68.01
<b>Total Expenditure</b>	<b>-</b>	<b>273.83</b>
Less:		
iii) Withdrawl of Prov. For Service Tax on Royalty & Int. thereon [Ref. Note no. 2.34.1]	-	177.39
<b>Total Expenditure/ (Income)</b>	<b>-</b>	<b>96.44</b>

(\*)There was a demand from CISF for payment of 'Risk and Hardship allowance for the periods 2009 onwards. An amount of Rs 68.01 crore provided in the accounts pertaining to previous years is shown under exceptional items above.

## ■ Note: 2.29 Tax Expenses

Reconciliation of Effective Tax rate and Statutory tax Rate as on 31st March 2021

(₹ In Crore)

PARTICULARS	Figures as at the end of 31st March 2021		Figures as at the end of 31st March 2020
	Income	Expenditure	
<b>CURRENT TAX</b>			
Current Tax on profit for the year		2,297.73	1,530.09
Adj. of current tax for prior period		343.20	771.47
<b>Total current tax expenses</b>		<b>2,640.93</b>	<b>2,301.56</b>
<b>DEFERRED TAX</b>			
Decrease/(increase) in deferred tax assets		(32.34)	261.24
Decrease/(increase) in deferred tax liabilities		- 21.13	(65.96)
<b>Total deferred tax expenses/(benefit)</b>		<b>- (11.21)</b>	<b>195.28</b>
<b>Total Expenditure</b>		<b>2,629.72</b>	<b>2,496.84</b>

Particulars	Amount ₹ In crore	Tax - ₹ In crore	Tax %
Accounting profit before tax from continuing operations	8,895.52		
Profit/(loss) before tax from discontinued operations	0.53		
Accounting profit before income tax	8,896.05		
Tax at Income tax rate/Income tax rate		2,238.96	25.168
Tax effect of amount not deductible in calculating taxable income			
CSR exp.	158.62	39.92	0.449
Prov. For bad & doubtful exp.	234.47	59.01	0.663
Change in Depreciation	(146.37)	(36.84)	(0.414)
Provision for deration of inv. and advance	(74.95)	(18.86)	(0.212)
Investment allowance	150.00	37.75	0.424
Other items	(93.82)	(23.61)	(0.265)
Taxable income	9,124.00		
Current Tax on Profit for the year	2,296.33	2,296.33	25.813

## ■ NOTE 2.30 ADDITIONAL INFORMATION

(₹ In Crore)

	Figures as at the end of 31st March 2021		Figures as at the end of 31st March 2020	
	Value	Percentage	Value	Percentage
<b>2.30.1. Value of imports calculated on CIF basis:</b>				
i. Components & Spare parts	2.22		5.71	
ii. Capital Goods	2.94		50.88	
<b>2.30.2. Expenditure in foreign currency:</b>				
i. Consultancy charges	-		-	
ii. Others	4.28		1.27	
<b>2.30.3. Particulars of consumption of raw material</b>				
Raw material				
a) Imported	-	-	-	-
b) Indigenous	42.01	100	49.08	100
	42.01	100	49.08	100

2.30.4. Particulars of consumption of Stores & spares:				
Components & spare parts (including consumable stores)	Value	Percentage	Value	Percentage
a) Imported	6.01	2.33	8	3.02
b) Indigenous	251.40	97.67	256.97	96.98
	257.41	100.00	264.97	100.00
2.30.5. Foreign Exchange earnings :				
	-	-	-	-

#### 2.31.1 :Related Party Disclosures (IndAS-24):-

##### i) List of related parties

(₹ In Crore)

A. Subsidiaries	Country of incorporation	No. of Shares Held	Holding as at	
			March 31, 2021	March 31, 2020
Legacy Iron Ore Limited	Australia	576,72,53,980	90.05%	92.32%
J & K Mineral Development Corporation Limited	India	28,51,002	95.86%	95.86%
NMDC Power Limited (*)	India	5,50,000	100%	100%
Karnataka Vijaynagar Steel Limited	India	1,00,000	100%	100%
NMDC Steel Limited	India	60,000	100%	100%
Jharkhand Kolhan Steel Limited(*)	India	1,60,000	100%	100%
NMDC-SARL, Madagaskar(Under closure)	Africa	41,85,590	100%	100%
NMDC CSR Foundation	India	20,00,000	100%	100%
[*] Under Voluntary Liquidation				
<b>B. Joint Ventures</b>				
Kopano-NMDC Minerals(Proprietary) Limited (*)	South Africa	50	50%	50%
Jharkhand National Mineral Development Corporation Ltd.	India	6,000	60%	60%
NMDC-CMDC Ltd., Raipur	India	9,83,47,236	51%	51%
NMDC-SAIL Ltd. (*)	India	25,500	51%	51%
Bastar Railway Pvt. Ltd.	India	15,26,74,600	52%	52%
[*] Closed				
<b>C. Associates</b>				
Romelt-Sail(India) Limited (*)	Africa	1,05,000	25%	25%
International Coal Ventures (Pvt.) Ltd.	India	37,63,57,143	25.94%	25.94%
Krishnapatnam Railway Company Ltd.	India	4,00,00,000	6.40%	6.40%
Neelachallspat Nigam Ltd	India	7,47,99,878	10.10%	10.10%
Chhattisgarh Mega Steel Ltd.	India	13,000	26%	26%

#### D: Key Management Personnel: (Directors) as on 31/03/2021

##### Directors :

- Shri Sumit Deb CMD
- Shri P K Satpathy Director(Production)
- Shri Amitava Mukherjee Director (Finance)
- Shri Alok Kumar Mehta Director (Commercial)
- Shri Somanth Nandi Director (Technical)

##### Company Secretary :

Sri A.S Pardha Saradhi

- i) The consolidated financial statements are drawn by considering unaudited financial statements of the above-mentioned subsidiaries for the year ended 31/03/2021 except Karnataka Vijaynagar Steel Limited (KVSL)
- ii) In respect of Associate companies, the consolidated financial statements are drawn by considering the unaudited financial statements for the period ending 31/03/2021 except ICVL (P) Ltd and M/s Chhatishgarh Mega Steel Limited.
- iii) In respect of Joint Venture i.e. Kopano -NMDC Minerals (Proprietary) Limited, South Africa, the consolidated financial statements are drawn by considering the latest available unaudited financial statements up to 28th Feb 2018 In respect of other joint ventures companies, the consolidated financial statements are drawn by considering the unaudited financial statements for the period ending 31/03/2021.
- iv) NMDC Power Limited (NPL) is under voluntary liquidation and application is filed with NCLT. The financials for the company have been prepared upto 28th Dec.2020 and liquidation accounts for the period from 28th Dec.2020 to 23rd March 2021.As the Application is already filed with NCLT, the same is not considered for consolidation.
- v) Jharkhand Kolhan Steel Limited (JKSL) are under voluntary liquidation. The financials for the company have been prepared upto 18th Feb.2021 and the same is considered for consolidation.
- vi) NMDC has infused ₹1.62 crore (Previous year Rs. Nil crore) in NMDC CSR Foundation (NCF ) a not-for -profit company. NMDC CSR Foundation is a Not-for-Profit company (incorporated under Sec 2 (7) of Companies Act, 2013. The company is not being considered for consolidation in preparation of Consolidated Financial statements as per Ind-AS 110.

**2.31.2 The following subsidiary/JV/Associate companies are not consolidated for the following reasons:**

- a) The accounts of the subsidiary company i.e. NMDC SARM, Madagascar as the company is under closure and in the process of winding up.
- b) The accounts of the associate Company Romelt-SAIL (India) Limited, New Delhi as the company is in the process of winding up and suffers from significant impairment in its ability to transfer funds to the investor.

**ii. RELATED PARTY TRANSACTIONS**

INR in crore

**Investment in Joint Venture Companies (including advance against equity)**

	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
Kopano-NMDC Minerals (Proprietary) Limited (₹ 324/-)	-	-	-	-
Jharkhand National Mineral Development Corporation Ltd	0.01	-	-	0.01
NMDC-CMDC Ltd, Raipur	98.35	-	-	98.35
NMDC-SAIL Ltd	0.03	-	-	0.03
Bastar Railway Pvt Ltd	152.67	-	-	152.67
Sub total	251.06	-	-	251.06
Investment Deration- NMDC-SAIL Ltd	0.03	-	-	0.03

**LOANS AND ADVANCES TO JOINT VENTURES:**

(₹ In Crore)

	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
Kopano-NMDC Minerals (Proprietary) Limited (₹ 324/-)	0.10	-	-	0.10
Jharkhand National Mineral Development Corporation Ltd	0.06	-	-	0.07
NMDC-CMDC Ltd, Raipur	46.10	-	-	46.10
Sub total	46.26	0.01	-	46.27
Advances Deration- Kopano NMDC	-	0.10	-	0.10



**INVESTMENT IN ASSOCIATE COMPANIES: (including advance against equity):** (₹ In Crore)

	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
Romelt-SAIL (India) Limited	0.11	-	-	0.11
International Coal Ventures (Pvt) Ltd	376.36	-	-	376.36
Krishnapatnam Railway Company Ltd	40.00	-	-	40.00
Chhattisgarh Mega Steel Ltd	0.01	-	-	0.01
Neelachallspat Nigam Ltd	100.60	-	-	100.60
Sub total	517.08	-	-	517.08
Investment Deration- Romelt-SAIL Ltd	0.11	-	-	0.11

**LOANS AND ADVANCES TO ASSOCIATE COMPANIES:** (₹ In Crore)

	OB 1.4.2020	Additions	Deletions	CB 31.3.2021
Neelachal Ispat Nigam Ltd	60.00	21.60	-	81.60
Sub total	60.00	21.60	-	81.60

(₹ In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Key Management Personnel:</b>		
Key Managerial Personnel Remuneration	3.66	5.41

**2.31. Contingent liabilities and Commitments (to the extent not provided for)**
**A. Contingent liabilities** (₹ In Crore)

Particulars	As at 31 <sup>st</sup> March 2020	Additions	DeletionsW	As at 31 <sup>st</sup> March 2021
<b>1.1 Claims against the company not acknowledged as debts consisting of:</b>				
A Disputed claims under Property tax, Export tax, Conservancy Tax, Sales tax, Service Tax, Income tax etc.,	2,339.91	62.50	3.91	2,398.50
B Claims by contractors under arbitration				
i. On capital account	882.41	48.72	15.54	915.59
ii. On revenue account	-			-
C Other claims on company not acknowledged as debts	410.89	83.54	128.42	366.01
Total	3,633.21	194.76	147.87	3,680.01
	<b>31<sup>st</sup> March 2021</b>		<b>31<sup>st</sup> March 2020</b>	
1.2 Contingent liability on bills discounted/ LCs/BG's		1269.30		985.51
1.3 a. Corporate Guarantee of USD 30 million submitted to EXIM bank on behalf of ICVL Maruritius in respect of short term working capital loan		58.67		58.67
b. Corporate Guarantee by NINL to MMTC Ltd for Rs 945 crore- (Company y share 12.87% )		Nil		NIL

The Company has issued letter of comfort in favour of International Coal Venture (P) Limited (ICVL) in furtherance for providing Corporate Guarantee of US\$ 30 Mn by them to EXIM Bank on behalf of Minas De Benga Limitada, Mozambique (Borrower), a downstream operating subsidiary of ICVL, New Delhi in respect of short term working capital loan. The said letter of comfort does not in any way constitute the guarantee or security by the Company of the duties of the borrower to meet its obligation under the said facility.

### 1.3 Income Tax Act.

An amount of ₹ 30.26 crore pertain to income tax dispute on the issue of depreciation on intangible assets for the A.Y 2015-16 and A.Y 2016-17 is included under contingent liability.

### 1.4: Disputed claims under 'Karnataka Forest Act:

Government of Karnataka had introduced Forest Development Tax (FDT), to pay @ 12% on the sale value of iron ore with effect from 27.08.2008. NMDC preferred an appeal before Hon'ble High Court of Karnataka and the court passed an interim order directing the Company to pay 50% of FDT, consisting of 25% in cash and balance 25% in the form of Bank Guarantee. As against the total FDT demand of ₹487.27 Crore (from August 2008 to Sep-2011), the Company has deposited an amount of ₹ 121.84 Crore (25%) in cash which has been shown as amount recoverable and submitted a bank guarantee for similar amount. An amount of ₹ 365.43 Crore (balance 50% amount of ₹ 243.69 Crore plus 121.84 Crore paid and accounted as amount recoverable) is included under disputed claims at 1.1.A. The amount of ₹ 121,84 Crore for which BG was given is included under contingent liability on BGs' at 1.2.

Hon'ble High Court of Karnataka vide order dated 03.12.2015 has quashed the orders of Government of Karnataka levying the FDT and ordered refund of the tax collected within three months and accordingly the Company has lodged refund claims. However, Government of Karnataka has filed a Special Leave Petition with Hon'ble Supreme Court of India, challenging the orders of Hon'ble High Court of Karnataka. Hon'ble Supreme Court of India has accepted the same and imposed stay on refund of the FDT amount.

Meanwhile Karnataka State Govt. had enacted Karnataka Forest (Amendment) Act 2016 vide Gazette notification dated 27.07.2016. The amendment substituted the word 'Tax' in the principal act to 'Fee' w.e.f 16th day of Aug 2008. Based on this the Monitoring Committee had started billing the Forest Development Fee in its invoices. Meanwhile consumers in Karnataka had filed separate Writ Petitions in Hon'ble High Court of Karnataka on the above. Karnataka High Court vide its order dated 20th Sept. 2016, had ordered that State Govt may restrain from collecting FDF during the pendency of the writ petition, subject to the condition of furnishing bank guarantee in respect of 25% of the demand in relation to future transactions. Karnataka State Govt. had approached Hon'ble Supreme Court on this. Hon'ble Supreme Court vide its order dated 13.02.2017 modified the order of High Court of Karnataka and ordered for payment of 50% of the demanded amount and furnish Bond for balance amount.

The amount billed by the monitoring committee amounting to ₹93.85 crore towards FDF has been accounted under sales revenue during previous year. As, the Karnataka High Court vide its judgement dated 4th October 2017 has declared the Karnataka Forests (Amendment) Act, 2016 which was introduced for collection of Forest Development Fee (FDF) as unconstitutional, No FDF was collected nor paid with effect from 5th October 2017.

## B. Commitments: (INR in crore)

(₹ In Crore)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
1.1 Estimated Amount of contracts remaining to be executed on Capital account	4,846.63	3,924.56
1.2 Other commitments- commitments to subsidiaries and JV	Nil	Nil

## 2.32 DISCLOSURES UNDER ACCOUNTING STANDARDS

### 2.32.1 EMPLOYEE BENEFITS AS PER Ind - AS-19

#### GENERAL DESCRIPTION OF DEFINED/CONTRIBUTORY BENEFIT PLANS :

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

#### OTHER DISCLOSURES :

##### i) Provident fund :

The company has conducted Actuarial valuation of its PF trust and the trust do not have any deficit as on 31st March 2021.

##### ii) Other defined benefit plans :

(₹ In Crore)

Particulars	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
<b>A. Changes in the present value of obligation as on</b>						
<b>31st March 2020</b>						
Present value of obligation at the beginning of the year	325.76	170.96	12.07	459.67	46.16	21.67
Interest cost	24.92	13.08	-	35.16	-	-
Current service cost	21.18	53.16	-	30.87	-	-
Past service cost	-	-	-	-	-	-
Benefits paid/payable	(38.99)	(19.56)	(0.72)	(57.33)	(8.11)	(2.29)
Actuarial gain/loss on obligation	26.67	6.48	2.42	57.91	(1.36)	10.99
<b>Present value of obligation at the end of the period</b>	<b>359.54</b>	<b>224.12</b>	<b>13.77</b>	<b>526.28</b>	<b>36.69</b>	<b>30.37</b>
<b>31st March 2021</b>						
Present value of obligation at the beginning of the year	359.54	224.12	13.77	526.28	36.69	30.37

Particulars	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
Interest cost	23.46	15.25	-	35.79	-	-
Current service cost	9.44	25.50	-	28.20	-	-
Past service cost	-	-	-	-	-	-
Benefits paid/payable	(28.96)	(0.32)	(0.57)	(36.53)	(7.90)	(3.13)
Actuarial gain/loss on obligation	(6.51)	(26.99)	5.53	38.47	14.64	22.80
<b>Present value of obligation at the end of the period</b>	<b>356.97</b>	<b>237.56</b>	<b>18.73</b>	<b>592.21</b>	<b>43.43</b>	<b>50.04</b>
<b>B. Changes in the fair value of the Plan Assets as on</b>						
<b>31st March 2020</b>						
Fair value of plan assets at the beginning of the year	315.89	169.04	39.51	444.27	36.45	-
Expected return on plan assets	24.17	11.54	2.80	30.54	2.22	-
Contributions	10.21	1.93	-	15.40	9.71	-
Benefits paid/payable	(38.99)	(19.56)	(0.72)	(57.33)	(8.11)	-
Actuarial gain/loss on plan assets	(3.64)	-	-	-	(0.01)	-
<b>Fair value of plan assets at the end of the period</b>	<b>307.64</b>	<b>162.95</b>	<b>41.59</b>	<b>432.88</b>	<b>40.26</b>	<b>-</b>
<b>31st March 2021</b>						
Fair value of plan assets at the beginning of the year	307.64	162.95	41.59	432.88	40.26	-
Expected return on plan assets	19.95	4.25	2.85	36.91	3.78	-
Contributions	50.49	61.18	-	93.40	-	-
Benefits paid/payable	(28.96)	(0.32)	(0.57)	(36.53)	(7.90)	-
Actuarial gain/loss on plan assets	(0.01)	-	-	-	-	-
<b>Fair value of plan assets at the end of the period</b>	<b>349.11</b>	<b>228.05</b>	<b>43.87</b>	<b>526.66</b>	<b>36.14</b>	<b>-</b>
<b>C. Amounts recognised in the Balance sheet as on</b>						
<b>31st March 2020</b>						
Present value of the obligations at the end of the year	359.54	224.12	13.77	526.28	36.69	30.37
Fair value of plan assets at the end of the year	307.64	162.95	41.59	432.88	40.26	-
<b>Liability(+)/Asset (-) recognised in the balance sheet</b>	<b>51.90</b>	<b>61.17</b>	<b>(27.82)</b>	<b>93.40</b>	<b>(3.57)</b>	<b>30.37</b>
<b>31st March 2021</b>						
Present value of the obligations at the end of the year	356.97	237.56	18.73	592.21	43.43	50.04
Fair value of plan assets at the end of the year	349.11	228.05	43.87	526.66	36.14	-
<b>Liability(+)/Asset (-) recognised in the balance sheet</b>	<b>7.86</b>	<b>9.51</b>	<b>(25.14)</b>	<b>65.55</b>	<b>7.29</b>	<b>50.04</b>

Particulars	Gratuity	Accrued Leave Salary	Settlement Allowance	Post retirement medical facilities	Family Benefit Scheme	Long Service Award
<b>D. Amounts recognised in the Statement of P&amp;L for the period ended</b>						
<b>31st March 2020</b>						
Current service cost	21.18	53.16	-	30.87	-	-
Past service cost	-	-	-	-	-	-
Interest cost	24.92	13.08	-	35.16	-	-
Expected return on plan assets	(24.17)	(11.54)	(2.80)	(30.54)	(2.22)	-
Net actuarial gain/loss recognised in the year (OCI)	30.31	6.48	2.42	57.91	(1.35)	10.99
<b>Total</b>	<b>52.24</b>	<b>61.18</b>	<b>(0.38)</b>	<b>93.40</b>	<b>(3.57)</b>	<b>10.99</b>
<b>31st March 2021</b>						
Current service cost	9.44	25.50	-	28.20	-	-
Past service cost	-	-	-	-	-	-
Interest cost	23.46	15.25	-	35.79	-	-
Expected return on plan assets	(19.95)	(4.25)	(2.85)	(36.91)	(3.78)	-
Net actuarial gain/loss recognised in the year (OCI)	(6.50)	(26.99)	5.53	38.47	14.64	22.80
<b>Total</b>	<b>6.45</b>	<b>9.51</b>	<b>2.68</b>	<b>65.55</b>	<b>10.86</b>	<b>22.80</b>

**E. PRINCIPAL ACTUARIAL ASSUMPTIONS :**

DESCRIPTION	2020-2021	2019-2020	2018-2019
i. Discount Rate	6.86%	6.80%	7.65%
ii. Mortality Rate	LIC 1994-96 ultimate	LIC 1994-96 ultimate	LIC 1994-96 ultimate
iii. Medical Cost Trend rates	5%	5%	5%
iv. Withdrawal rate	1% to 3%	1% to 3%	1% to 3%
iv. Future salary increase	6.50%	6.50%	6.50%

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

ii) In line with the report of the 3rd Pay Revision Committee, the ceiling of gratuity enhanced from Rs.10 lakhs to Rs.20 lakhs for provision of gratuity

**F. Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :

a) Gratuity (₹ In Crore)

DESCRIPTION	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2021	31/3/ 2021	31/3/ 2020	31/3/ 2020
A Effect of 1% Change in the Assumed Discount Rate	328.37	390.44	332.79	390.51
1. Effect on DBO	(8.00)	9.40	(7.44)	8.61
A Effect of 1% Change in the Assumed Salary Rate	367.23	346.73	378.69	339.16
2. Effect on DBO	2.90	(2.90)	5.33	(5.67)
A Effect of 1% Change in the Assumed Attrition Rate	359.76	353.92	380.67	336.07
3. Effect on DBO	0.80	(0.90)	5.88	(6.53)

b) Accrued Leave Salary

DESCRIPTION	Accrued Leave Salary			
	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2021	31/3/ 2021	31/3/ 2020	31/3/ 2020
A Effect of 1% Change in the Assumed Discount Rate	208.71	247.31	197.03	238.89
1. Effect on DBO	(7.90)	9.20	(8.89)	10.47
A Effect of 1% Change in the Assumed Salary Rate	247.08	208.58	245.71	191.48
2. Effect on DBO	9.10	(7.90)	13.62	(11.46)
A Effect of 1% Change in the Assumed Attrition Rate	227.11	225.92	234.33	195.98
3. Effect on DBO	0.20	(0.30)	8.36	(9.37)

c) Post Retirement Medical Facilities

DESCRIPTION	1% Increase	1% Decrease	1% Increase	1% Decrease
	31/3/ 2021	31/3/ 2021	31/3/ 2020	31/3/ 2020
A Effect of 1% Change in the Assumed Discount Rate	534.39	661.92	471.79	591.41
1. Effect on DBO	(9.76)	11.77	(10.36)	12.38
A Effect of 1% Change in the Assumed Salary Rate	648.11	541.92	593.92	470.28
2. Effect on DBO	9.44	(8.49)	12.85	(10.64)

(G) Defined benefit liability

(₹ In Crore)

The weighted average duration of the defined benefit obligation is 13.61 years for Leave encashment benefit, 14.07 years for gratuity scheme as on 31 March 2021. The expected maturity analysis of gratuity and compensated absences is as under :

DESCRIPTION	Less than a year	Between 2 - 5 years	between 5 -10 years	Over 10 years	Total
<b>31 March 2021</b>					
Gratuity scheme	33.54	99.00	162.47	61.96	356.97
Accrued leave salary	19.88	62.33	109.76	45.59	237.56
Post retirement medical benefits	28.20	127.62	244.81	191.58	592.21
Total	81.62	288.95	517.04	299.13	1,186.74

The weighted average duration of the defined benefit obligation is 13.30 years for Leave encashment benefit, 10.60 years for gratuity scheme as on 31 March 2020. The expected maturity analysis of gratuity and compensated absences is as under :

DESCRIPTION	Less than a year	Between 2 - 5 years	between 5 -10 years	Over 10 years	Total
<b>31 March 2020</b>					
Gratuity scheme	24.97	93.16	81.14	160.27	359.54
Accrued leave salary	8.68	40.26	43.75	131.43	224.12
Post retirement medical benefits	34.03	125.75	132.35	234.15	526.28
Total	67.68	259.17	257.24	525.85	1,109.94

### 2.33.2. Segment Reporting as per Ind - AS-108

#### A. Basis for segmentation

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The company has two reportable segments, as described below, which are the company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the company's Board reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the company's reportable segments:

#### B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), segment revenue and segment capital employed as included in the internal management reports that are reviewed by the board of directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

#### Reportable Segments

##### Business Segments

(₹ In Crore)

	Iron Ore		Other Minerals & Services		Other reconciliation items		Grand Total	
	Current	Previous	Current	Previous	Current	Previous	Current	Previous
<b>1. REVENUE</b>								
External Sales	15,233.71	11,569.01	135.94	129.64	0.41	0.57	15,370.06	11,699.22
Inter-Segment Sales	-	(0.11)	-	-	-	0.11	-	-
Total Revenue	15,233.71	11,568.90	135.94	129.64	0.41	0.68	15,370.06	11,699.22
<b>2. RESULT</b>								
Segment Result	9,258.16	6,130.89	(132.81)	(135.38)	(189.43)	10.61	8,935.92	6,006.12
Unallocated Corporate Exps							(261.83)	(249.68)
Operating Profit							8,674.09	5,756.44
Finance Cost							(16.81)	(9.88)
Interest Income							238.77	367.42
Income Taxes							(2,648.58)	(2,512.46)
Non-controlling Interest							0.37	0.33
Share of associates							29.17	(28.56)
Net Profit							6,277.01	3,573.29
<b>3. OTHER INFORMATION</b>								
Segment Assets	7,607.88	6,945.73	561.03	599.00	28,352.60	23,352.63	36,521.51	30,897.36
Segment Liabilities	2,674.67	1,341.91	40.79	36.92	4,316.74	2,234.48	7,032.20	3,613.31
Additions to assets during the year :								
Tangible Assets	69.61	218.41	3.07	0.77	207.98	96.84	280.66	316.02
Intangible Assets	84.99	488.28	1.37	-	0.02	0.90	86.38	489.18
ROU Assets	0.00	0.00	-	-	1.19	8.20	1.19	8.20
Depreciation and Amortisation expenses during the year	180.01	240.13	35.06	40.46	13.47	14.34	228.54	294.93
Impairment reversal/provided	-	-	-	-	-	-	-	-
Non-Cash expenses other than Depreciation & amortization	226.66	214.44	0.02	0.04	7.83	1.63	234.51	216.11



## Geographical Segments

### Sales Revenue by location of Customers:

(₹ In Crore)

	Curr. Year	Prev. Year
Revenue from External customers		
- Domestic	13,620.37	10,126.04
- Export : Through MMTC	1,749.69	1,573.18
<b>Total</b>	<b>15,370.06</b>	<b>11,699.22</b>

### Assets by Geographical Location:

(₹ In Crore)

Location	Carrying amount of		Additions to Tangible and	
	Segment Assets		Intangible Assets	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Chattisgarh	24,164.98	22,597.87	250.35	587.39
Telangana & Andhra Pradesh	9,668.37	6,348.03	6.79	10.36
Others	2,688.17	1,951.46	109.90	207.45
<b>Total</b>	<b>36,521.51</b>	<b>30,897.36</b>	<b>367.04</b>	<b>805.20</b>

## Note No. 2.33.3

### Disclosures – Revenue (Ind AS 115)

#### a) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contract with customers

(₹ In Crore)

Segment	Year ended	
	31-Mar-21	31-Mar-20
<b>Type of goods or service</b>		
<b>Sale of goods</b>		
-Iron ore	15,233.70	11,569.00
-Sponge iron	-	4.39
-Diamonds	21.10	34.29
-Sale of pellets	73.50	55.55
-Sale of power	5.17	5.40
<b>Sale of services</b>		
-Sale of services	36.58	30.16
<b>Others</b>		
Other operating revenue	0.01	0.43
<b>Total revenue from contracts with customers</b>	<b>15,370.06</b>	<b>11,699.22</b>
India	13,620.37	10,126.04
Outside India	1,749.69	1,573.18
<b>Total revenue from contracts with customers</b>	<b>15,370.06</b>	<b>11,699.22</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	15,333.48	11,669.06
Services transferred over time	41.75	35.56
<b>Total revenue from contracts with customers</b>	<b>15,375.23</b>	<b>11,704.62</b>

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment reporting

(₹ In Crore)

	31-Mar-21		31-Mar-20	
	Sale of goods	Sale of services	Sale of goods	Sale of services
<b>Revenue</b>				
External customer	15,333.48	36.58	11,669.06	30.16
Inter-segment	(0.11)	-	(0.11)	-
Inter-segment adjustment and elimination	(0.11)	-	(0.11)	-
<b>Total revenue from contracts with customers</b>	<b>15,333.48</b>	<b>36.58</b>	<b>11,669.06</b>	<b>30.16</b>

**b) Contract balances**

(₹ In Crore)

	31-Mar-21	31 March 2020 (Restated)	01 April 2020 (Restated)
	INR crores	INR crores	INR crores
Trade receivables	2,139.89	2,223.71	-
Contract assets	-	-	-
Contract liabilities	606.59	202.95	-

Trade receivables are non-interest bearing. In March 2021, ₹ 2384.43 crore (March 2020: ₹ 2162.51 crore) was recognised as provision for expected credit losses on trade receivables.

Contract assets are generally recognised in case of supply of services only when the receipt of money is conditional on milestone even after satisfaction of performance obligation. In case of sale of goods, directly receivable is recognised as company has unconditional right to payment from the moment performance obligation is satisfied.

Contract liabilities includes advance received from customer which will be adjusted towards supply of goods or services.

**2.33.4: Accounting policies, change in Accounting Estimates and Errors (As per Ind-AS 8):****I. Review of Accounting Policies****a. Investment in Subsidiaries and Joint Ventures (Accounting Policy No. 1(1.2)(iii))**

To have a better clarity on treatment of investment in subsidiaries, Joint Ventures and associates, the existing policy has been revised as under,

“Investment in subsidiaries, Joint Ventures and associates are measured at cost. Dividend income is recognised when its right to receive the dividend is established”.

The said revision has nil impact on the financials of the company.

**b. Depreciation: (at para V (a) Property plant & Equipment of 1.2. summary of Significant Accounting policies)**

With the introduction of ERP w.e.f 01.01.2021 and to amend the existing accounting policy, in line with IndAS-16 i.e calculating depreciation from the date the asset is available for use till the date the asset is de-recognised or classified as held for sale, whichever is earlier, management has taken a decision to revise the method of calculation from the financial year 2020-21.

“Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis. Depreciation is charged on pro-rata basis on additions / disposals of assets during the year. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date”.

The said revision has an impact ₹ 0.55 crore on the financials of the company.

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

(₹ In Crore)

Particulars	Year ended	
	31st March 2021	31st March 2020
1. Profit after Tax (Rs Crore)	6,277.01	3,573.29
2. No of Equity shares	29306,05,850	306,18,49,659
3. Nominal value per Equity share (Rs)	1	1
4. Basic and Diluted Earnings per share (Rs) (*)	20.70	11.67

Note: (\*) The earnings per share (EPS) of current year has been adjusted on account of buyback.

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

**2.33.7 Discontinuing Operations (IndAS-105) :**

**Silica Sand Project, Lalapur:**

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.

**On screening Plant:**

Board of director in its 525th meeting held on 10th December 2019 approved the termination of Screening Plant operation located at Vizag.

Detailed are as below:

(₹ In Crore)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
<b>Silica Sand Project, Lalapur</b>		
Carrying value of Assets	0.29	0.29
Carrying value of liabilities	0.88	0.73
<b>Screening Plant -Vizag</b>		
Carrying value of Assets	0.86	0.86
Carrying value of liabilities	0.29	0.29

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

(₹ In Crore)

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
<b>A. Revenue</b>		
Revenue from operations		
Other income	2.54	0.00
<b>Total Revenue</b>	<b>2.54</b>	<b>0.00</b>
<b>B. Expenses</b>		
Power, Electricity and Water	0.27	0.25
Repairs and Maintenance	0.08	0.00
Depreciation and amortisation	0.11	0.09
Other expenses	1.55	0.71
<b>Total Expenses</b>	<b>2.01</b>	<b>1.05</b>
<b>C. Profit(+)/Loss(-) from discontinued operations before tax (A-B)</b>	<b>0.53</b>	<b>(1.05)</b>

**2.33.8 Intangible Assets (IndAS-38) : R&D**

The Research & Development expenditure, charged to Statement of Profit & Loss during the year is ₹27.40 crore (previous year ₹23.79 crore), including expenditure of ₹0.95 crore (previous year ₹0.64 crore) on feasibility studies..

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

(₹ In Crore)

Head of account	2019-2021	2018-2020
Consumption of Stores and Spares	0.16	0.35
Power, Electricity & Water	0.76	0.62
Employee benefit expense	17.04	14.92
Repairs and Maintenance	0.59	0.49
Other expenditure	5.68	4.28
Depreciation & Amortisation	2.84	3.85
Total expenditure	27.07	24.51
Less : Other income	0.62	1.36
<b>Total net R&amp;D expenditure</b>	<b>26.45</b>	<b>23.15</b>

During the year, at R&D unit, the additions to tangible assets (except land and buildings) are ₹1.80 crore. (Previous year ₹7.00 crore).

### 2.33.9 Joint Ventures (IndAS-28 ) Jointly Controlled entities:

Sl no	Name of the Joint Venture	Country of Incorporation	Proportion of ownership 2019-20	Proportion of ownership 2018-19
1	Kopano-NMDC Minerals (Proprietary) Limited (*)	South Africa	50%	50%
2	NMDC CMDC Limited, Raipur	India	51%	51%
3	Jharkhand National Mineral Development Corporation Limited, Ranchi	India	60%	60%
4	NMDC SAIL Ltd (*)	India	51%	51%
5	Bastar Railway Pvt Ltd	India	52%	52%

(\*) Closed

### 2.33.10 Impairment of Assets (IndAS – 36):

The impairment of assets has been reviewed during the year in respect of the following cash generating units, included under the segment 'Other Minerals and Services'. The Assets considered for impaired in this financial year is Nil:

INR in crore

Unit	Year of impairment	Impaired Amount as on 01-04-2020	Adjustments during 2020-2021			Impaired Amount as on 31-03-2021
			Reversal	Deletion	Addition	
SSP, Lalapur	2005-06	12.54	--	-	--	12.54
SAF Plant at Sponge Iron Unit	2004-05	15.48	-	-	-	15.48
SIIL	2019-2020	3.37	0	0	3.37	3.37

- 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.
- 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.
- In case of SIIL plant, Impairment is based on the assessed receivable value.
- Earlier, as per the MMDR Amendment Act, 2015, Supplementary Mining Lease of Panna was extended for a period of 50 years from the initial grant i.e. upto 30.06.2020. Consequently, Forest Clearance was extended upto lease validity as per MoEF&CC Circular dated 01.04.2015. After extension of supplementary mining lease by Government of Madhya Pradesh upto 30.06.2040, the Forest Clearance has also been extended upto 30th June 2040 vide letter no. F-5-11/2021/10-3 dated 6th January 2021 issued by Forest Department, Madhya Pradesh. However, the operation is stalled for want of wildlife clearance.

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

Necessary details in regard to provisions have been disclosed in notes 2.14.3,2.17& 2.32.

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

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

Name of the Subsidiary	Maximum Balance outstanding	
	As at 31-Mar-2021	As at 31-Mar-2020
	INR. in crore	
J&K Mineral Development Corporation Limited, Jammu (*)	22.09	19.51
NMDC Power Ltd, Hyderabad	-	-
Jharkhand Kolhan steel Limited	-	-
Karnataka Vijayanagar Steel Limited	641.99	641.78
NMDC Steel Limited	-	0.01
Total	664.08	661.30
* Advances derated /Provision made during the year	16.51	13.86

Name of the Joint Venture	Maximum Balance outstanding	
	As at 31-Mar-2021	As at 31-Mar-2020
	INR in crore	
Kopano-NMDC Minerals(Proprietary) Limited	0.10	0.10
Jharkhand National Mineral Development Corporation Ltd.	0.06	0.05
NMDC-CMDC Ltd., Raipur	46.10	46.10
Bastar Railway Pvt. Ltd.	-	-
Total	46.26	46.25
* Advances derated / Provision made during the year	0.10	-

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

### 2.34.3: Loans to Associate Companies

Name of the Associates	Maximum Balance outstanding	
	As at 31-Mar-2021	As at 31-Mar-2020
	INR in crore	
Neelachal Ispat Nigam Ltd	81.60	60.00
Total	81.60	60.00

No Loans and Advances were given to the Associate Companies except the above company.

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

## ■ 2.35. Others:

### 2.35.1 Enabling Facilities:

During the year an amount of ₹24.51 crore and ₹ 123.30 crore is utilised by Railways for the doubling of Railway line between Jagdalpur to Ambagaon and Kirandul to Jagdalpur respectively and the total amount of ₹ 147.81 crore is included in "Other Expenses".

### 2.35.2 Disinvestment of NISP:

The Government of India has accorded in principle approval for strategic disinvestment of Nagarnar Steel Plant on 27th October 2016. Core Group of Secretaries for Disinvestment (CGD) in its meeting held on 3rd June 2019 and 28th November 2019 has approved to follow the demerger route for the strategic disinvestment of NISP.

The Board of Directors of the company at their meeting held on 27th August 2020, inter-alia, have accorded in-principal approval to the proposal of demerger of NMDC Iron & Steel Plant (NISP), Nagarnar, Chhattisgarh.

### 2.35.3 Property, Plant & Equipment (PPE)

As per Ind AS 16 items such as spare parts, stand by equipment and service equipment are to be capitalized when they meet the definition of PPE and are expected to be used for more than one accounting year. After review of the inventory values and its consumption patterns in the major production Units, Company based on materiality has fixed a threshold limit of Rs 20 Lakhs for such spare parts, stand by equipment and service equipment meeting the definition of PPE. On issue of said PPE, the WDV is allowed to be depreciated over the life of the main asset or the life of the equipment whichever is less.

### 2.35.4 NMET:

SAs per the Gazette Notification dated 27th March 2015 enacting the Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 and subsequent notifications dated 14th Aug 2015 for contribution of National Mineral Exploration Trust (NMET), the Company was required to pay 2% of royalty towards NMET with effect from 12th Jan 2015 respectively.

The Hon'ble High Court of Bilaspur in its judgement dated 24.11.2017 clarified that contribution towards NMET shall be payable w.e.f. 14.8.2015, the date of promulgation of NMET Rules plus constitution of NMET Trust.

With regard to NMET, Company has made the payment w.e.f 12.01.2015. As per the High Court judgement the units in state of Chattisgarh the payments made from 12.01.2015 till 13.08.2015 are recognised under Amount Recoverable to be adjusted from future payments to State Government.

### 2.35.5 Dues from Monitoring Committee- Donimalai complex in Karnataka:

The total trade receivables from Monitoring Committee as on 31st March 2021 is 3,243.07 crore. This includes regular dues of Rs 876.51 crore and ₹ 2344.40 crore towards 10% of sales proceeds retained by Monitoring Committee for the period from 4th October 2011 to 31st March 2021 pending directions from Hon'ble Sumpreme Court and Rs 22.18 crore longs pending dues for which company has made a total provision of ₹ 2,366.58 crore

### 2.35.6 Common Cause Judgement for Bailadila Sector:

The Company had received Show Cause Notices dated 31 .07.2018 from Dist. Collector, South Bastar Dantewada as to why NMDC should not be asked to deposit an amount of ₹7,241.35 crore as compensation as calculated by Collector based on the Hon'ble Supreme Court Common Cause Judgement related to Orissa Iron ore mines ( Writ Petition Civil No 114 of 2014 dated 2nd August 2017). The Company had been contesting the Show Cause Notices with Dist. Collector, South Bastar Dantewada on the ground that the said judgement is not applicable to NMDC .

Meanwhile, revised showcause notices dated 26.09.2019 were received for a revised amount of Rs 1,623.44 Crore from Dist. Collector, South Bastar, Dantewada, to be replied within 21 days of notice. NMDC while reiterating the fact of non-applicability of the Hon'ble Supreme Court Judgement in the state of Chhattisgarh, has sought time for replying to the show cause notices. Further to above, Dist. Collector, South Bastar, Dantewada had issued Demand notices dated 15/11 /2019 for the amount of Rs 1,623.44 Crore (Bacheli - Rs 1,131.97 Crore & Kirandul Rs 491.47 Crore) asking to deposit the amount within 15 days. As the Mining Leases of the company in the State of Chhattisgarh were expiring on 31 .3.2020 and due for renewal , the Company has paid an adhoc amount of Rs 600 Crore under protest and filed writ petitions in the Hon'ble High Court of Bilaspur, Chhattisgarh and a Revision application with Mines Tribunal, Ministry of mines, Government of India , New Delhi praying to set aside the demand notices.

Hon'ble High Court of Bilaspur has heard the WPs on 19.02.2020 and sought certain clarifications from the respondent and directed 'no coercive action till 12.3.2020 and listed the case for 12.3.2020. However due to COVID-19

situation, no further hearings could take place. Revision application with Mines Tribunal, Ministry of Mines, Government of India New Delhi is also under hearing.

The demand amount of Rs 1,623.44 crores has been shown under 'Contingent Liabilities'.

### **2.35.7 Mining Lease of Donimalai:**

The Government of Karnataka, while renewing the lease of NMDC 's Donimalai Iron Ore Mine, has imposed a new condition asking for a premium of 80% on the average sale value. As the demand of the State Govt. is not as per the provisions of the MMDR Act 2015 and Mineral (Mining by Government Company) Rules, 2015, the company requested the Govt. to reconsider its decision.

Since there was no positive response from the State Govt, the company has suspended its operations from 4th November 2018 and moved to the Hon'ble High Court of Karnataka praying for a suitable direction in the matter. The Hon'ble High Court of Karnataka in its judgement dated 10th July 2019 has passed an order setting aside the condition imposed for levying 80 % premium. On the basis of the judgement, NMDC has requested the State Govt. to consider the execution of Lease Deed of Donimalai Mine.

The Government of Karnataka issued an Order dated 17.08.2019 withdrawing the approval for extension of the Donimalai mining lease and with a direction to the Director of DMG to auction the said block. In this regard, the Company on 19.8.2019 filed 'Revision application' before The Hon'ble Mines Tribunal, Government of India. Meanwhile, the State Government issued a notification dated 20.08.2019 inviting tender for auction of the Donimalai Mining block. On 21.08.2019 Hon'ble Mines Tribunal heard the submissions and stayed the Order dated 17.08.2019 issued by the Government of Karnataka withdrawing the extension of lease and any consequent action thereon until the next date of hearing.

On 28.08.2020, a high-level meeting was conducted at Bengaluru between the Hon'ble Chief Minister of Karnataka and Union Minister of Coal & Mines, in the presence of the CMD-NMDC Ltd. And senior officers of Centre and State Governments. In the meeting it was decided to extend the Mining Lease of Donimalai Iron Ore Mine a temporary premium of 22.5% of the average sale value published by IBM. It was also decided in the meeting that Ministry of Mines, Govt will review the "Mineral (Mining by Government Company) Rules, 2015" for suitable amendments to decide the additional amount payable apart from the royalty/ other statutory levies in respect of Mining Leases of Government Companies granted prior to 12.01.2015 and a High- Level Committee shall be constituted to examine the modalities in this respect.

Subsequently, on 29.11.2020, Ministry of Mines, Government of India given its approval for extension of Mining Lease of Donimalai Iron Ore Mine in terms of the proceeding of the meeting held on 28.08.2020. On 01.12.2020, Government of Karnataka, permitted NMDC to commence mining operations, as an interim measure with immediate effect at Donimalai Iron Ore Mine for which NMDC shall unconditionally pay to the State Government 22.5% of the IBM Sale Price (for Karnataka) apart from the Royalty and other statutory levies.

On 17.12.2020, Govt. of Karnataka ordered for execution of conditional mining lease deed of Donimalai Iron Ore Mine with effect from 03.11.2018 for a period of 04 years or till the implementation of High-Level committee report, whichever is earlier.

Subsequently on representation of NMDC Ltd., on 10.02.2021 Govt. of Karnataka issued a modified order for execution of conditional mining lease deed for a period of 20 years i.e., up to 03.11.2038 subject to the conditions in the Govt. Order dated 01.12.2020 and 17.12.2020. NMDC executed the conditional Mining Lease deed on 12.02.2021 and same has been registered on 16.02.2021.

Donimalai Iron Ore Mine of NMDC Ltd. Has resumed mining operations since 18.02.2021.

Further, it may be noted that Govt. of India has amended the MMDR Act-1957 on 28.03.2021 and as per amended provisions all such Government companies or corporations whose mining lease has been extended after the commencement of the MMDR Amendment Act, 2015, shall pay such additional amount as specified in the Fifth Schedule of the Act for the mineral produced after the commencement of the MMDR Amendment Act,2021. For such Mining Leases of Iron Ore an additional amount equivalent to 150 percent of the royalty will be payable. The additional amount shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration Trust or any other statutory payment.

### **2.35.8 Closure of SPVs :**

The following SPVs are under the liquidation process and current status are as follow:

- i) NMDC Power Limited (NPL) is under voluntary liquidation and application is filed with NCLT on 25th March 2021.



- ii) Jharkhand Kolhan Steel Limited (JKSL) is under voluntary liquidation.  
The investments in the Subsidiaries are de-rated and accounted in the current financial year.
- iii) In respect of Joint Venture i.e. Kopano -NMDC Minerals (Proprietary) Limited, South Africa, the board recommended for voluntary closure, accordingly the investment in the JV is being derated during the current year.

### 2.35.9 Allotment of Coal Block:

#### Tokisud North Coal Mine

Ministry of Coal declared NMDC as a successful allottee for Tokisud North coal mine, in Jharkhand, on 16.12.2019. Allotment Agreement is signed on 24.12.2019 and Allotment order issued on 17.08.2020.

NMDC paid the fixed Cost of ₹224.77 crore & upfront amount of ₹16.20 crore and submitted a Bank guarantee of ₹ 71.09 crore Pending execution of lease deed, all the amounts paid up to 31.3.2021 are included under Capital Advances (Note 2.6)

#### Rohne Coal Mine

Ministry of Coal declared NMDC as a successful allottee for Rohne Coal Mine, in Jharkhand, on 17.03.2020. Allotment Agreement of the coal mine is signed on 17.02.2021 and allotment order issued on 18.06.2021.

NMDC paid the fixed Cost of ₹ 39.46 crore & upfront amount of ₹ 33.15 crore and submitted a Bank guarantee of ₹ 405.17 crore Pending execution of lease deed, all the amounts paid up to 31.3.2021 are included under Capital Advances (Note 2.6)

### 2.35.10 Sale of Iron Ore to Pellet Plant at Kumaraswamy, Karnataka:

Due to restrictions imposed in Karnataka for purchase/sale of iron ore, Pellet Plant is purchasing iron ore fines from NMDC, DIOM/ KIOM through E-auction conducted by Monitoring Committee. As per the terms of the conditions of acceptance letter issued by Monitoring committee and as per the guidelines given by Hon'ble Supreme Court of India, Pellet plant is paying Basic value, Royalty Value and bulk permit fee value to MC and GST amount to NMDC Donimalai account. After receipt of GST amount from Pellet Plant, DIOM/KIOM is issuing advance receipt confirming the receipt of GST from Pellet Plant along with necessary statutory Documents to MC in the prescribed format. Based on the advance receipt issued by DIOM/KIOM, Monitoring Committee is issuing bulk permit to Pellet Plant for lifting of materials. DIOM/KIOM is raising Tax invoice on Pellet Plant for the dispatched quantity, showing it as sales and also paying GST to Government.

Simultaneously, Pellet Plant is recognizing the same as purchases and availing input credit. The above procedure is followed due to Compulsion made by MC as they have denied permission for Pellet Plant to lift the Iron Ore without participating in auction and accordingly, separate GST registration is also taken as per MC instructions.

However, the entry for un-realized profit on sale of Iron Ore to Pellet Plant is accounted.

### 2.35.11 CSR Expenditure:

- a) Gross amount required to be spent by the company during the year is ₹ 130.00 crore (2% of the last three years average PBT ₹ 6,499.95 crore), (Previous Year ₹ 117.80 crore (2% of the last three years average PBT ₹ 5,890.82 crore).
- b) Amount spent during the year on account of CSR activities is ₹ 158.62 crore. ( Previous Year ₹199.99 crore)

₹ in crore

Particular	In Cash	Yet to be paid in Cash	Total
1. Construction/acquisition of any assets	-	-	-
2. On purpose other than (1) above	158.62	-	158.62

### 2.35.12 General:

- i) The company owns certain office space at New Delhi. It is not the company's intention to hold the property for a long term for capital appreciation nor for rental purpose. Hence the same is not treated as Investment Property and included under PPE.
- ii) The goodwill of ₹ 93.89 crore is tested for impairment and concluded that as the project is still in exploration stage, it is too early to consider impairment loss on goodwill.
- iii) Some of the balances appearing under Trade receivables, Trade payables, advances, Security deposits and other payables are subject to confirmations.

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

**Note. No. 2.35.16 : Fair Value Measurement**

**Financial instruments by category**

	As at March 21			As at March 20		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Trade receivables			2,139.89			2,223.71
Cash and cash equivalents			464.10			105.57
Other bank balances			5,397.72			2,331.89
Loans			259.17			224.38
Other financial assets			292.61			365.40
<b>Total</b>	-	-	<b>8,553.49</b>	-	-	<b>5,250.95</b>
Financial liabilities						
Borrowings			1,448.04			565.57
Trade payables			360.78			225.90
Other financial liabilities			1,776.04			1,220.02
<b>Total</b>	-	-	<b>3,584.86</b>	-	-	<b>2,011.49</b>

(1) Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2021, and 31 March 2020, respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2021, and 31 March 2020, respectively, are not included.

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

**Note No: 2.35.17 Financial Risk Management**

**a) Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis and Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of deposits with differing maturities & committed borrowing facilities to facilitate the day today working capital requirements.
Market risk- currency risk	Imports giving rise to foreign currency payables*	-	-

#### A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks.

##### (a) Trade receivables

The Company sales are generally based on advance payments and through LC's. The trade receivables in the books are mainly on account of credit sales to M/s RINL Limited, CPSE under the Ministry of Steel and the Sales of Iron Ore in the State of Karantaka which is through Montoring Committee (MC) appointed by Hon'ble Supreme Court of India.

Expected credit loss for trade receivables under simplified approach is detailed as per the below tables

#### Year ended 31 March 2021

(₹ In Crore)

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	2,043.33	196.16	2,284.83	4,524.32
Expected loss rate	6.14%	48.79%	94.68%	52.70%
Expected credit losses (loss allowance provision)	125.51	95.70	2,163.22	2,384.43
Carrying amount of trade receivables (net of impairment)	1,917.82	100.46	121.61	2,139.89

#### Year ended 31 March 2020

(₹ In Crore)

Ageing	< 6 months	6-12 months	>12 months	Total
Gross carrying amount	1,769.24	412.97	2,204.01	4,386.22
Expected loss rate	4.23%	27.13%	89.64%	49.30%
Expected credit losses (loss allowance provision)	74.77	112.05	1,975.70	2,162.51
Carrying amount of trade receivables (net of impairment)	1,694.47	300.92	228.31	2,223.71

#### iii. Reconciliation of loss allowance provision - trade receivables

(₹ In Crore)

Loss allowance on 1 April 2019	1,958.15
Changes in loss allowance	204.36
Loss allowance on 31 March 2020	2,162.51
Changes in loss allowance	221.92
Loss allowance on 31 March 2021	2,384.43

The impairment provisions for trade receivables disclosed above are based on assumptions about risk of default and expected loss rates.

### **(b) Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with DPE guidelines & Company's policy. Investments of surplus funds are made only with scheduled commercial banks having a minimum networth of Rs 500 Crore within limits assigned to each bank and Debt based mutual funds of public sector AMCs. The limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### **B. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company has taken fund based limits with banks to meet its short term financial obligations.

### **i. Financing arrangements**

The Company has access to the following undrawn borrowing facilities at the end of reporting period

	31 March 2021	31 March 2020
Flexible rate		
Expiring within one year (bank overdraft and other facilities)	585.50	510
Working capital Limits with Banks	635.00	130

### **ii. Maturities of financial liabilities**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

"Year ended 31 March 2021"	On demand	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	-	1,448.04	-	-	-	-	1,448.04
Trade payables	537.26	63.32	-	-	-	-	600.58
Other financial liabilities	500.99	250.21	236.57	642.10	-	-	1,629.87
	1,038.25	1,761.57	236.57	642.10	-	-	3,678.49

"Year ended 31 March 2020"	On demand	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	-	565.57	-	-	-	-	565.57
Trade payables	63.21	68.49	92.82	1.38	-	-	225.90
Other financial liabilities	424.32	626.01	108.54	61.19	-	-	1,220.06
	487.53	1,260.07	201.36	62.57	-	-	2,011.53

### **C. Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(i) Foreign currency risk**

Since majority of the company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies is minimal and hence no sensitivity analysis is presented.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company quite often bridges its short term cash flow mismatch by availing working capital loans from banks against its fixed deposits. Such loans have a very short tenure and the interest rate on such loans is based upon the rates offered by banks on fixed deposits, increased by a few basis points. Since the interest rates on fixed deposits are fixed, the company does not have any interest rate risk on such loans availed on a loan to loan basis.

The Company's exposure to interest rate risk is minimal and hence no sensitivity analysis is presented.

**Note No. : 2.35.18 Capital Management****a) Risk management**

The primary objective of the Company's capital management is to maximise the shareholder value. The Company's objectives when managing the capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors and senior management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

For the purpose of the Company's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders the company and NCDs for ₹ 523.80 crore issued during the current year as on 31st March 2021.

**b) Dividends**

(₹ In Crore)

	31 March 2021	31 March 2020
<b>(i) Equity shares</b>		
Final dividend for the year ended 31 March 2021 of ₹ Nil (31 March 2020: NIL) per equity share.	-	-
Interim dividend for the year ended 31 March 2021 of ₹ 7.76 (31 March 2020: Rs 5.29) per fully paid share	2,274.15	1,619.72
<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Net Debt (excluding short term)	546.43	0
Total equity	29,897.59	27,681.12
Net debt to equity ratio	0.02	-

(\*) Debt included NCDs issued for ₹ 523.80 crore and accrued interest on NCD ₹ 23.63 crore

# NOTICE

Notice is hereby given to the Members of **NMDC Limited** that the 63<sup>rd</sup> Annual General Meeting (AGM) of the Company will be held on Thursday the 30<sup>th</sup> September 2021 at 11.30 (A.M.) hours IST through video conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

## A. ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2021 together with the reports of the Board of Directors’, Statutory Auditors and Comptroller and Auditor General of India thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2021 together with the reports of Statutory Auditors and Comptroller and Auditor General of India thereon and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolutions as an **Ordinary Resolutions**:

(a) **“RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2021 together with the reports of the Board of Directors’, Statutory Auditors and Comptroller and Auditor General of India thereon as circulated to the Members be and are hereby considered and adopted.”

(b) **“RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2021 together with the reports of Statutory Auditors and Comptroller and Auditor General of India thereon as circulated to the Members be and are hereby considered and adopted.”

2. To approve and ratify the payment of Interim Dividend of ₹ 7.76 ps. per equity share of Re. 1.00 each already paid for the financial year 2020-21 and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the recommendation of the Board of Directors, Interim dividend of ₹ 7.76 ps. per equity share of Re. 1.00 each already paid for the financial year 2020-21 be and is hereby approved and ratified.”

3. To appoint a Director in place of Shri Amitava Mukherjee, Director (Finance) (DIN: 08265207), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Amitava Mukherjee, Director (Finance) (DIN: 08265207), who retires by rotation at this meeting and being eligible, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

4. To appoint a Director in place of Smt. Rasika Chaube, Govt. Nominee Director, (DIN: 08206859), who retires by rotation and being eligible, offers herself for re-appointment and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Smt. Rasika Chaube, Govt. Nominee Director, (DIN: 08206859), who retires by rotation at this meeting and being eligible, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

5. To authorize the Board of Directors for fixing the remuneration of Statutory Auditors for the financial year 2021-22.

In terms of the Section 139 read with Section 142 of the Companies Act, 2013, the remuneration of Auditors of Government Companies, who are appointed by the Comptroller and Auditor-General of India, shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Hence, it is proposed that the Members may authorize the Board of Directors for fixing the remuneration of the Statutory Auditors of the Company for the financial year 2021-22,

and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013, the Board of Directors of the Company be and are hereby authorized to determine and fix the remuneration, including out-of-pocket expenses, if any, of the Statutory Auditors of the Company, as may be appointed by the Comptroller and Auditor General of India, and as per the terms and conditions of their appointment, for the Financial Year 2021-22.”

**B. SPECIAL BUSINESS:**

6. To appoint Shri Somnath Nandi (DIN: 08859169) as Director (Technical) of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Shri Somnath Nandi (DIN: 08859169) who was appointed as Director (Technical) of the Company, in terms of Order No. 3(3)/2019-BLA dated 16<sup>th</sup> December 2020 issued by Government of India, Ministry of Steel, from the date of his assumption of charge of the post i.e., 18<sup>th</sup> December 2020, till the date of his superannuation (31<sup>st</sup> December 2022), or until further orders, whichever is earlier, and subsequently who has been appointed as an Additional Director and Director (Technical) on the Board of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose Shri Somnath Nandi as a candidature for the office of Director, be and is hereby appointed as Director (Technical) of the Company pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, and is liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts, deeds, things, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To appoint Smt Sukriti Likhi (DIN: 01825997) as Government Nominee Director of the

Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Smt Sukriti Likhi (DIN: 01825997), Additional Secretary and Financial Advisor, Ministry of Steel, who was appointed as Government Nominee Director of the Company with effect from 23<sup>rd</sup> April 2021 and until further orders, in terms of Ministry of Steel, Government of India’s order No. 1/16/2015-BLA dated 23<sup>rd</sup> April 2021, and subsequently who has been appointed as an Additional Director and Government Nominee Director on the Board of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose Smt Sukriti Likhi as a candidate for the office of Director of the Company be and is hereby appointed as Government Nominee Director of the Company pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, and is liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts, deeds, things, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To ratify the remuneration of the Cost Auditors of the Company for the financial year 2021-22 and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 6.00 lakhs (excluding travelling, out-of-pocket expenses plus GST) payable to M/s B. Mukhopadhyay & Co., Cost Accountants, having office at B-20, Amarabati, Sodepur, Kolkata – 700110, West Bengal, appointed as the Cost Auditors by the Board of Directors of the Company for conducting the audit of the cost records



of the Company and providing Cost Audit Report, and all such reports, annexures, records, documents etc., for the financial year 2021-22, that may be required to be prepared and submitted by the Cost Auditors under applicable statute.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, things, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board

**A.S. Pardha Saradhi**  
Company Secretary  
Membership No: FCS 10808

Place: New Delhi  
Date: 12<sup>th</sup> August 2021

**Copy to:**

1. All Members
2. All Directors
3. Auditors

**Enclosures:**

1. Notes to Notice.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business to be transacted at the Meeting.
3. A copy of the 63<sup>rd</sup> Annual Report of the Company for the year 2020-21.

## NOTES TO NOTICE:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its General Circular No. 02/2021 dated 13<sup>th</sup> January 2021 read with other previous MCA General Circulars no. 20/2020 dated 5<sup>th</sup> May 2020, No. 14/2020 dated 8<sup>th</sup> April 2020 and No. 17/2020 dated 13<sup>th</sup> April 2020 (collectively referred to as "MCA Circulars"), permitted Companies to hold Annual General Meeting ("AGM") through video conferencing ("VC") / Other Audio Visual Means ("OAVM"), without physical presence of the Members at a common venue subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars, applicable provisions of the Companies Act, 2013 ("Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for 63<sup>rd</sup> AGM shall be the Registered Office of the Company at 10-3-311/A, Khanij Bhavan, Castle Hills, Masab Tank, Hyderabad - 500028, Telangana.
2. As per the Companies Act, 2013, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and, a proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 15<sup>th</sup> January 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 has been uploaded on the website of the Company: [www.nmdc.co.in](http://www.nmdc.co.in), and can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and is also available on the website of NSDL - [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
4. Institutional / corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorisation letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to attend the AGM through VC/OAVM and to vote on their behalf. The said resolution/ authorisation letter shall be sent to the Scrutinizer by e-mail through its registered email address to [thr300@gmail.com](mailto:thr300@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional investors are encouraged to attend and vote at the meeting through VC/OAVM.
5. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses, as set out above is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to [ims@nmdc.co.in](mailto:ims@nmdc.co.in)
6. Details of the Directors seeking appointment / re-appointment at the 63<sup>rd</sup> AGM as mandated under Regulation 36(3) and Regulation 26(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of the Notice.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> September 2021 to 30<sup>th</sup> September 2021 (both days inclusive).
8. During the financial year, the Company declared and paid interim dividend @ ₹ 7.76 ps per Equity Share of Re. 1.00 each amounting to ₹ 2,274.15 crores.
9. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
10. Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to the Registrar and Share Transfer Agent of the Company M/s Aarthi Consultants Pvt Ltd., D.No. 1-2-285, Domalguda, Hyderabad - 500 029. Phone Nos. 040-27638111/27634445, Fax No. 040-27632184, Email: [ims@nmdc.co.in](mailto:ims@nmdc.co.in), [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com), Website: [www.aarthiconsultants.com](http://www.aarthiconsultants.com).
11. Members holding shares in electronic form may

- please note that the bank account details and 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 requested to intimate changes, if any, pertaining to their name, registered postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, type of the bank and account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held by them in electronic form and to M/s Aarthi Consultants Private Ltd., the Registrar and Share Transfer Agent in case the shares are held by them in physical form.
12. 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 KFin Technologies Private Limited (Karvy Computershare Pvt., Ltd.,) Karvy Selenium, Tower- B, Plot No. 31 & 32, Financial district, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana, Tel: 040- 67161500, Fax: 040-23001153, Email: nmhc.ipo@karvy.com/ einward.ris@kfintech.com Website: www.kfintech.com.
  13. The Company has designated an exclusive e-mail ID: imsd@nmhc.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.
  14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
  15. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and 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: imsd@nmhc.co.in, info@aarthiconsultants.com, Website: www.aarthiconsultants.com
  16. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  18. Voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e., 24<sup>th</sup> September 2021.
  19. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e., 24<sup>th</sup> September 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990** and **1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., 24<sup>th</sup> September 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
  20. Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
  21. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and casting through e-voting system during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs.

- Such remote e-voting facility is in addition to voting that will take place at the 63<sup>rd</sup> AGM being held through VC/OAVM.
22. To support the 'Green initiative', Members are requested to register their e-mail address and changes therein from time to time with their respective Depository Participant or the Company's Registrar and Share Transfer Agent for service of documents, notices, annual reports etc. through registered e-mail.
  23. Pursuant to Sections 124 and 125 of the Companies Act, 2013, dividends which had remained unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of a company will have to be transferred to the 'Investor Education and Protection Fund' established by the Central Government. Shareholders who have not claimed their dividend/s so far for various years are requested to make their claim to M/s Aarathi Consultants Pvt. Limited, Hyderabad, Registrar and Share Transfer Agent of the Company. Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims. The unclaimed/unpaid dividends declared up to financial years 2012-13 (including 2012-13 Final Dividend) & 2013-14 (1<sup>st</sup> and 2<sup>nd</sup> Interim Dividend) have been transferred to the Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed/ unpaid amounts lying with the Company as on 29th September 2020 (date of previous AGM) on the website of the Company ([www.nmdc.co.in](http://www.nmdc.co.in)) under "Investors" section, and also on the website of the Ministry of Corporate Affairs, the information in respect of such unclaimed/unpaid dividend.
  24. Pursuant to the provisions of Sections 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as prescribed in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Accordingly, your Company has transferred the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to Investor Education and Protection Fund.
  25. Members, whose unclaimed dividends/shares have been transferred to IEPF, are entitled to claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. The Company Secretary of the Company is the Nodal Officer for the purpose of coordination with IEPF Authority. Further details are available on the website of the Company ([www.nmdc.co.in](http://www.nmdc.co.in)) under "Investors" section.
  26. Members desirous of obtaining any information/ clarification(s) concerning the accounts and operations of the Company may send their questions in advance at least 10 days before the date of the Meeting, mentioning their name demat account number/folio number, email id, mobile number, to the Company Secretary through email: [ims@nmdc.co.in](mailto:ims@nmdc.co.in). The same will be replied by the Company suitably by email.
  27. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company under the head "Investors".
  28. Members who have not en-cashed their dividend warrants within its validity period are requested to either correspond with the Company at its Registered Office or M/s Aarathi Consultants Private Ltd., Registrar and Share Transfer Agent of the Company, for revalidation and encashment before due dates.
  29. In terms of provisions of the Companies Act, 2013, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares on individual name are advised to avail of the nomination facility Form SH-13 in their own interest. Blank form can be obtained from M/s Aarathi Consultants Private Ltd., on request. Members holding shares in dematerialized form may contact their respective DPs for registration of nomination.
  30. Members holding shares in physical form in multiple folios in identical order of names are requested to send the details of such folios together with their share certificates to Company's Registrar and Share Transfer Agent, M/s Aarathi Consultants Private Ltd., for consolidation. A consolidated share certificate will be issued to such Members after making requisite changes.
  31. In case of joint holders, Member whose name

appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

32. In accordance with proviso to Regulation 40(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April 2019, except in case of request received for transmission or transposition of securities. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions. RTA has stopped accepting any fresh lodgement of transfer of shares in physical form.
33. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1<sup>st</sup> April 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN: 10% or as notified by the Government of India

Members not having PAN / valid PAN: 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA)

between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- Copy of Tax Residency Certificate (TRC) for the FY in which dividend is received, obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member

In case of Foreign Institutional Investors, Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

34. Pursuant to Section 139 read with Section 142 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. However, the remuneration of auditors shall be fixed by the Company in the Annual General Meeting. Members may authorise the Board to fix up an appropriate remuneration of Auditors for the financial year 2021-22 after taking into consideration including change, if any, in statutory requirements, increase in volume of work and change in inflation index.
35. Since the AGM will be held through VC / OAVM, the Route Map is not required and hence not annexed to this Notice.
36. The following documents will be available for inspection by the Members electronically during the 63rd AGM. Members seeking to inspect such documents can send an email to [ims@nmdc.co.in](mailto:ims@nmdc.co.in).
- a. Register of Directors and Key Management Personnel and their shareholding
  - b. Register of Contracts or Arrangements in which Directors are interested
  - c. All the documents referred to in the accompanying notice.
37. NMDC, being a Government Company, all the appointments to the Board and terms and

conditions thereto are fixed by the Government of India.

38. The details of remuneration / sitting fees paid to Board Members have been given in Corporate Governance Report.
39. None of the Directors have any relationship with other Directors, Manager(s) and other Key Managerial Personnel of the Company.
40. **Voting through electronic means (Remote e-voting)**

- I. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and its amendments, and the Circulars issued by the Ministry of Corporate Affairs dated 13<sup>th</sup> January 2021, 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during AGM will be provided by NSDL.
- II. Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- III. The remote e-voting period begins on 27<sup>th</sup> September 2021 (10.00 a.m. IST) and ends on 29<sup>th</sup> September 2021 (5.00 p.m. IST). The voting rights of the Shareholders shall be proportionate to the shares held in the Company as on the cut-off date i.e., 24<sup>th</sup> September 2021. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24<sup>th</sup> September 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- IV. **The instructions for shareholders for remote e-voting and joining General Meeting are as under:**

The way to vote electronically on NSDL

e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of shareholders	Login Method
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3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	Login Method
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1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
2. After successful login of Easi/ Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.

Type of shareholders	Login Method
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3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	Login Method
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You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**



Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on

- your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below **in process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING on NSDL e-Voting system.**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- V. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download

section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**41. Instructions for members for e-voting during the AGM are as under:**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (ii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
- (iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**42. Process for those shareholders whose email ids are not registered with the depositories / Company/ Registrar and Share Transfer Agent for procuring user id and password and registration of e mail ids for e-voting:**

- (i) In case shares are held in physical mode - please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to the Company at: [ims@nmdc.co.in](mailto:ims@nmdc.co.in) and to Company's Registrar and Share Transfer Agent email id: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com).
- (ii) In case shares are held in demat mode - please provide DPID-Client ID (NSDL-16 digit DPID + CLID or CDSL-16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to the Company at: [ims@nmdc.co.in](mailto:ims@nmdc.co.in) and to Company's Registrar and Share Transfer Agent email id: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com).
- (iii) Alternatively, member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point (i) or (ii) as the case may be.

- (iv) In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**43. Instructions for members for attending the AGM through VC/OAVM are as under:**

- (i) Member will be provided with a facility to attend the 63rd AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- (ii) Members are encouraged to join the Meeting through Laptops for better experience.
- (iii) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Members who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request from 23rd September 2021 (9.00 a.m. IST) to 25th September 2021 (5.00 p.m. IST) mentioning their name, DP ID and Client ID /folio number, email id, mobile number at: [ims@nmdc.co.in](mailto:ims@nmdc.co.in).
- (vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during

the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

(vii) Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 1800 1020 990 and 1800 22 44 30

44. Shri D Hanumanta Raju (Membership No. FCS: 4044) of M/s D Hanumanta Raju & Co., Practicing Company Secretaries, Hyderabad, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting during AGM in a fair and transparent manner.
45. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
46. The results declared along with Scrutinizer's Report shall be placed on the Company's website [www.nmdc.co.in](http://www.nmdc.co.in) and on the website of NSDL: <https://www.evoting.nsdl.com> immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the BSE Limited (BSE), National Stock Exchange of India Limited (NSE), and the Calcutta Stock Exchange Limited (CSE), where the shares of the Company are listed.

**Details of Directors seeking reappointment at the 63<sup>rd</sup> Annual General Meeting (Pursuant to Regulation 36 (3) and Regulation 26(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**(a) Brief Resume of the Directors**

Name of the Director	Shri Amitava Mukherjee (DIN: 08265207)	Smt Rasika Chaube (DIN: 08206859)
Date of Birth & Age	19.02.1968 & 53 years	31.10.1963 & 57 years
Date of Appointment	20 <sup>th</sup> November 2018	24 <sup>th</sup> August 2018
Qualifications	i) Cost Accountant ii) Master of Commerce Degree from Guru Ghasi Das University, Bilaspur	(i) Post Graduate in Psychology (ii) M.Phil from Annamalai University
<b>(b) Nature of expertise in specific functional areas</b>	Shri Amitava Mukherjee belongs to the 1995 batch of Indian Railway Accounts Services (IRAS). Prior to joining NMDC, he was holding the post of General Manager (Finance) in Rail Vikas Nigam Limited (RVNL) for a period of around two and half years. During his service in IRAS, he has held various key positions in the Eastern Railways from 1997 to 2016 like head of Standing Core Committee on Service Tax, Traffic Accounts Office and the IT Department. Before joining IRAS, he has worked in Indian Oil Corporation Limited (IOCL) as Accounts Officer from 1994-1997. During his service period in Indian Railways, he has received National Award for outstanding services during the year 2006. He was also nominated by Railway Board to various Task Groups for Centralised Applications of Finance & Accounts department of Indian Railways for monitoring progress and to suggest improvements and enhancements to such applications and for Development of Traffic Accounts Management System.  Shri Amitava Mukherjee has attended various international training programmes conducted by European School of Business at London & Paris; ICLIF at Kuala Lumpur, Malaysia; INSEAD at Singapore.	Smt. Rasika Chaube, an Officer of the Indian Defence Accounts Service (IDAS: 86) is a Post Graduate in Psychology and M.Phil from Annamalai University.  During her vast and rich experience in the Civil Services, she has held several positions of importance which includes Joint Secretary & Financial Advisor to the President Secretariat, with 2 Hon'ble Presidents of India and Principal Integrated Financial Advisor to the Indian Airforce where her office was awarded the Raksha Mantri Award for Excellence – 2017. During her stint in Rashtrapati Bhawan she has worked in the areas of Culture, Women Empowerment, Agriculture and Environment.

	He is also Director on the Board of NMDC-CMDC Limited, Jharkhand National Mineral Development Corporation Limited, International Coal Ventures Pvt. Ltd., NMDC Steel Limited, Bastar Railway Private Limited.	She has authored three books & has keen interest in Arts & Culture. She is also Director on the Board of MECON Limited.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities and the membership of Committees of the Board along with listed entities from which the person has resigned in the past three years	NIL	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL	NIL

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### SPECIAL BUSINESS

#### Item No 6: Appointment of Shri Somnath Nandi (DIN: 08859169), as Director (Technical) of the Company

In terms of order issued by the Ministry of Steel, Government of India No. 3(3)/2019-BLA dated 16<sup>th</sup> December 2020, Shri Somnath Nandi (DIN: 08859169) was appointed as Director (Technical) from the date of his assumption of charge of the post i.e., 18<sup>th</sup> December 2020, till the date of his superannuation (31<sup>st</sup> December 2022), or until further orders, whichever is earlier, and was accordingly appointed as an Additional Director and Director (Technical) on the Board of the Company by the Board of Directors with effect from 18<sup>th</sup> December 2020, subject to the approval of the Members of the Company in the Annual General Meeting and is liable to retire by rotation in terms of provisions of the Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Somnath Nandi as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below:-

<b>(a) Brief Resume of the Director</b>	
<b>Name</b>	Shri Somnath Nandi
<b>Date of Birth &amp; Age</b>	25.12.1962 & 58 years
<b>Date of Appointment</b>	18 <sup>th</sup> December 2020
<b>Qualifications</b>	Engineering Graduate in Mechanical Discipline
<b>(b) Nature of expertise in specific functional areas</b>	<p>Shri Somnath Nandi is an Engineering Graduate in Mechanical Discipline from Jalpaigiri Government Engineering College, West Bengal from 1983 batch.</p> <p>Prior to joining NMDC, he was posted at Kolkata as Executive Director, Growth &amp; EMD of Steel Authority of India Limited (SAIL).</p> <p>He joined SAIL Rourkela Steel Plant in the year 1984 as Management Trainee and worked there till 1992.</p> <p>In 1992, he got shifted to SAIL Durgapur Steel Plant and worked in various positions till 2015 and transferred to IISCO Steel Plant, Burnpur for commissioning and stabilizing the new modernized Steel Plant.</p> <p>In 2018 he was assigned the charge as Executive Director (MM) of Durgapur Steel Plant and finally to head the Environment Management Divisions of SAIL at Kolkata in the year 2019.</p> <p>He is known for his contribution to the Steel Industry in the manufacturing, engineering, operations, planning &amp; strategy and commissioning &amp; stabilization of new facility.</p>

	Shri Nandi has attended Special Management Programme at IIM, Bangalore and HEC Paris, one of the world's best business schools and a leader in research and education in management sciences. He is also Director on the Board of NMDC Steel Limited.
(c) Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
(d) Directorship held in other listed entities and the membership of Committees of the Board along with listed entities from which the person has resigned in the past three years	NIL
(e) No. of Equity Shares held in NMDC Limited	NIL

Shri Somnath Nandi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Save and except Shri Somnath Nandi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as Director (Technical) and recommend this Resolution for approval of the shareholders.

#### Item No 7: Appointment of Smt Sukriti Likhi (DIN: 01825997), as Government Nominee Director of the Company

In terms of Ministry of Steel, Government of India's order No. 1/16/2015-BLA dated 23rd April 2021, Smt Sukriti Likhi (DIN: 01825997), Additional Secretary and Financial Advisor, Ministry of Steel, was appointed as Government Nominee Director of the Company with effect from 23rd April 2021 until further orders, and was accordingly appointed as an Additional Director and Government Nominee Director on the Board of the Company by the Board of Directors with effect from 23rd April 2021 subject to the approval of the Members of the Company in the Annual General Meeting and is liable to retire by rotation in terms of provisions of the Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, she would hold office up to the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received from a member proposing the name of Smt Sukriti Likhi as a candidate for the office of Director of the Company.

The Brief Bio-Data of the above Director is given below:-

<b>(a) Brief Resume of the Director</b>	
<b>Name</b>	Smt Sukriti Likhi
<b>Date of Birth &amp; Age</b>	04.08.1968 & 52 years
<b>Date of Appointment</b>	23 <sup>rd</sup> April 2021
<b>Qualifications</b>	Bachelor's in Economics (Honours) Master's in Sociology Master's in Public Administration
<b>(b) Nature of expertise in specific functional areas</b>	Smt. Sukriti Likhi, Additional Secretary and Financial Advisor, Ministry of Steel, Government of India, belongs to the Indian Administrative Service (Haryana Cadre-1993). An Economics Honours graduate from Lady Shri Ram College, she holds a Masters degree in Sociology from the Delhi School of Economics and a Masters in Public Administration from Harvard University (USA).

	<p>Her varied experience in administration includes working in the Ministry of Finance, Government of India, as Director in the Department of Financial Services and later, as Counsellor (Economic) with the Embassy of India at Washington DC. Most recently she was Joint Secretary, Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India. In the Haryana State Government, among her varied assignments, she served as Managing Director, Haryana Power Generation Corporation Ltd; as Managing Director HAFED (the Haryana State Cooperative Supply &amp; Marketing Federation Limited) and as Finance Secretary.</p> <p>She is also Director on the Board of Steel Authority of India Limited, MOIL Limited, KIOCL Limited, NEPA Ltd, Rashtriya Ispat Nigam Ltd, MECON Limited and Tumakuru Machine Tool Park.</p>
<b>(c) Disclosure of relationships between Directors inter-se</b>	There exists no relationship between Directors inter-se.
<b>(d) Directorship held in other listed entities and the membership of Committees of the Board along with listed entities from which the person has resigned in the past three years</b>	<p>Directorship held in other listed entities:</p> <p>Steel Authority of India Limited</p> <p>MOIL Limited</p> <p>KIOCL Limited</p>
<b>(e) No. of Equity Shares held in NMDC Limited</b>	NIL

Smt Sukriti Likhi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Save and except Smt Sukriti Likhi and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.7 of the Notice.

Board considers it desirable that the Company should continue to avail itself of her services as Government Nominee Director and recommend this Resolution for approval of the shareholders.

**Item No. 8: Ratification of the Remuneration of Cost Auditors of the Company for the financial year 2021-22**

The Board at its meeting held on 17<sup>th</sup> June 2021 has, inter-alia, approved the appointment and remuneration of M/s B. Mukhopadhyay & Co., Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year 2021-22 at a remuneration of ₹ 6.00 lakhs (excluding travelling, out-of-pocket expenses plus GST).

M/s B. Mukhopadhyay & Co., have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 to the Notice for ratification of the Remuneration payable to Cost Auditors of the Company for the financial year 2021-22.

The Board recommends the Ordinary Resolution set out at item no. 8 of the notice for approval by the members.

None of the Directors and/or Key Management Personnel of the Company and/or their relatives are, in any way, concerned or interested financially or otherwise in the Resolution set out at Item No. 8 of the Notice, except to the extent of their shareholding, if any.

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

**(A.S. Pardha Saradhi)**  
Company Secretary  
Membership No. FCS 10808

Place: New Delhi  
Date: 12<sup>th</sup> August 2021





Australian High Commissioner to India, The Hon Barry O'Farrell AO visits NMDC to discuss mutual collaboration and investment opportunities in mining



Ambassador of Kazakhstan, H.E. Mr. Yerlan Alimbayev visits NMDC - discussed opportunities in Mining of Minerals

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NMDC

## NMDC Limited

(A Government of India Enterprise)

Khanij Bhavan, 10-3-311/A, Castle Hills,  
Masab Tank, Hyderabad -500 028, Telangana, India

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