# NMDC Limited

## Corporate Investors Presentation on Performance in F/Y 2016-17(Up to Dec'16)

**Disclaimer:**
**Cautionary Statement:**

*The statements contained in the Presentation may be 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, Govt. policies and other incidental factors that may arise. Readers are cautioned not to place undue reliance on the forward looking statements.*

# Performance Highlights of 9M (2016-17) Vs 9M (2015-16 )

## Physical

- **Sales** increased to **258.46 LT** from **203.26 LT (27%)**

  **Export sales** increased to **20.54 LT** from **3.81 LT (439%)**

  **Domestic sales** increased to **237.92 LT** from **199.45 LT (19%)**

- **Production** increased to **236.26 LT** from **197.91 LT (19%)**

## Financial

- **Turnover** increased to **Rs 5,958 cr** from **Rs 4,927 cr (21%)**

Analysis of Variance in Iron Ore Sales: **(Rs. 1,034 Cr)**

| | | |
|---|---|---|
| i) | **Increase due to export sales quantity** | **Rs. 539 cr** |
| ii) | **Increase due to domestic sales quantity** | **Rs. 1,021 cr** |
| iii) | **Reduction due to fall in export prices** | **Rs. 14 cr** |
| iv) | **Reduction due to fall in domestic prices** | **Rs. 512 cr** |

- **Operating Profit** increased to **Rs 2,503 cr** from **Rs 2,181 cr (15%)**

- **Interest Income** decreased to **Rs 610 cr** from **Rs 1,237 cr (-51%)**

- **PAT** decreased to **Rs 2,077 cr** from **Rs 2,253 cr (-8%)**

# Performance Highlights of Q3 (2016-17) Vs Q2 (2016-17 )

## Physical

- **Sales** increased to **100.55 LT** from **80.13 LT (25%)**
  - **Export sales** increased to **7.82 LT** from **5.25 LT (49%)**
  - **Domestic sales** increased to **92.73 LT** from **74.88 LT (24%)**
- **Production** increased to **97.07 LT** from **76.09 LT (28%)**

## Financial

- **Turnover** increased to **Rs 2,498 cr** from **Rs 1,739 cr (44%**)

Analysis of Variance in Iron Ore Sales: **(Rs. 763 Cr)**

| | | |
|---|---|---|
| **i) Increase due to export sales quantity** | **Rs.** | **94 cr** |
| **ii) Increase due to domestic sales quantity** | **Rs.** | **350 cr** |
| **iii) Increase due to increase in export prices** | **Rs.** | **4 cr** |
| **iv) Increase due to increase in domestic prices** | **Rs.** | **315 cr** |

- **Operating Profit** increased to **Rs 971 cr** from **Rs 771 cr (26%)**
- **Interest Income** decreased to **Rs 81 cr** from **Rs 243 cr (-67%**)
- **PAT** decreased to **Rs 595 cr** from **Rs 771 cr (-23%) (Pls refer significant issues)**

# Performance Highlights of Q3 (2016-17) Vs Q3 (2015-16 )

## Physical

- **Sales** increased to **100.55 LT** from **72.18 LT (39%)**
  - **Export sales** increased to **7.82 LT** from **3.81 LT (105%)**
  - **Domestic sales** increased to **92.73 LT** from **68.37 LT (36%)**

- **Production** increased to **97.07 LT** from **73.63 LT (32%)**

## Financial

- **Turnover** increased to **Rs 2,498 cr** from **Rs 1,518 cr (65%**)

Analysis of Variance in Iron Ore Sales: **(Rs. 983 Cr)**

| | | |
|---|---|---|
| **i) Increase due to export sales quantity** | **Rs.** | **137 cr** |
| **ii) Increase due to domestic sales quantity** | **Rs.** | **475 cr** |
| **iii) Increase due to increase in export prices** | **Rs.** | **13 cr** |
| **iv) Increase due to increase in domestic prices** | **Rs.** | **358 cr** |

- **Operating Profit** increased to **Rs 972 cr** from **Rs 269 cr (261%)**

- **Interest Income** decreased to **Rs 81 cr** from **Rs 348 cr (-77%)**

- **PAT** increased to **Rs 595 cr** from **Rs 421 cr (41%)**

# Significant Issues

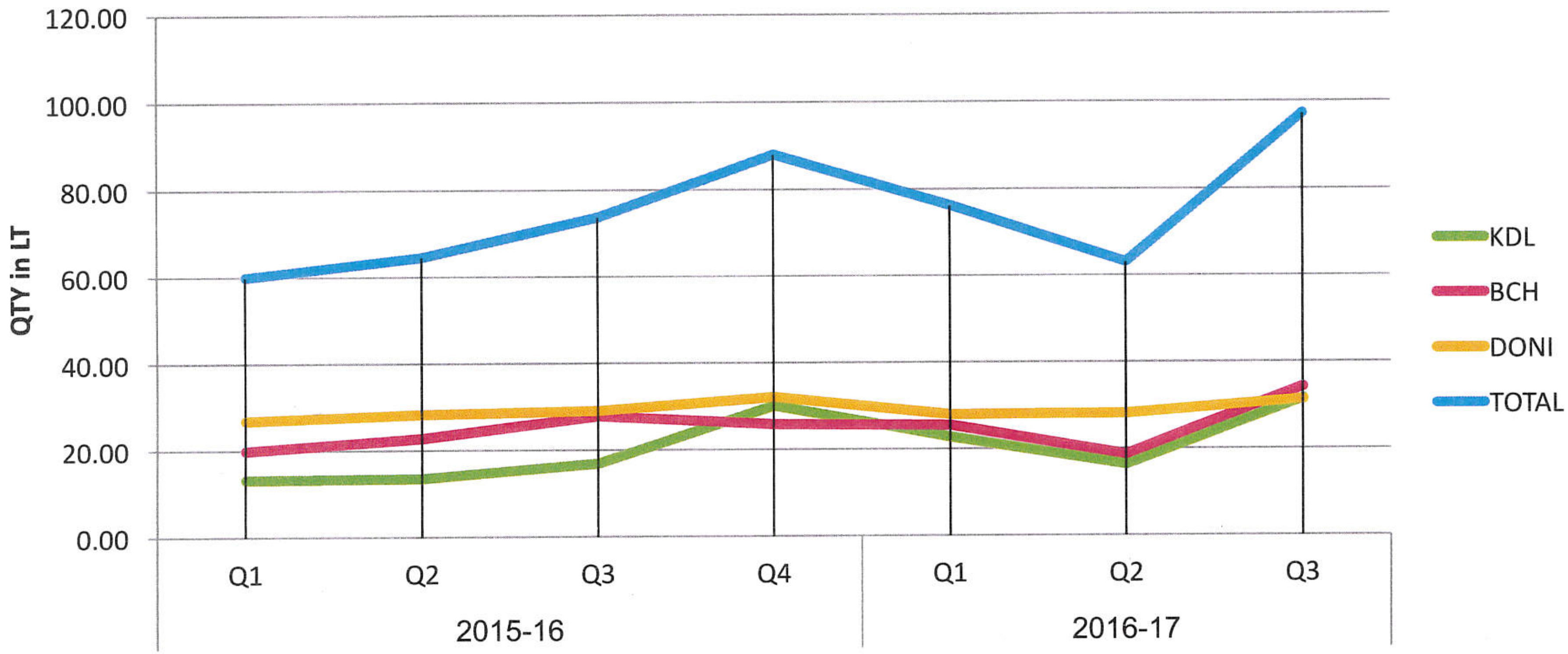
1. Service Tax on Royalty : Service tax on royalty is effective from 01.04.2016. The company has contested the issue with Hon'ble High court of Karnataka and Jabalpur and stay has been granted by both the courts. However, considering the expert opinion the liability up to Dec'16 of Rs.107.88 cr is provided in current quarter.

2. Mine Closure Obligation : The Liability towards Mine closure obligation was reviewed and additional liablity of Rs.213.11 cr has been provided during the current quarter. Out of this, Rs.201.30 cr has been included in "Exceptional Item" and balance of Rs.11.81 cr in 'Other expenses."

3. Expected Credit Loss (ECL) : An amount of Rs.198.43 cr pertaining to period up to review towards ECL on total trade receivables of Rs 2,560 Cr is provided for in current period and included in other expenses and the amount pertaining to previous period is considered through retained earnings on the transition date and the subsequent periods.

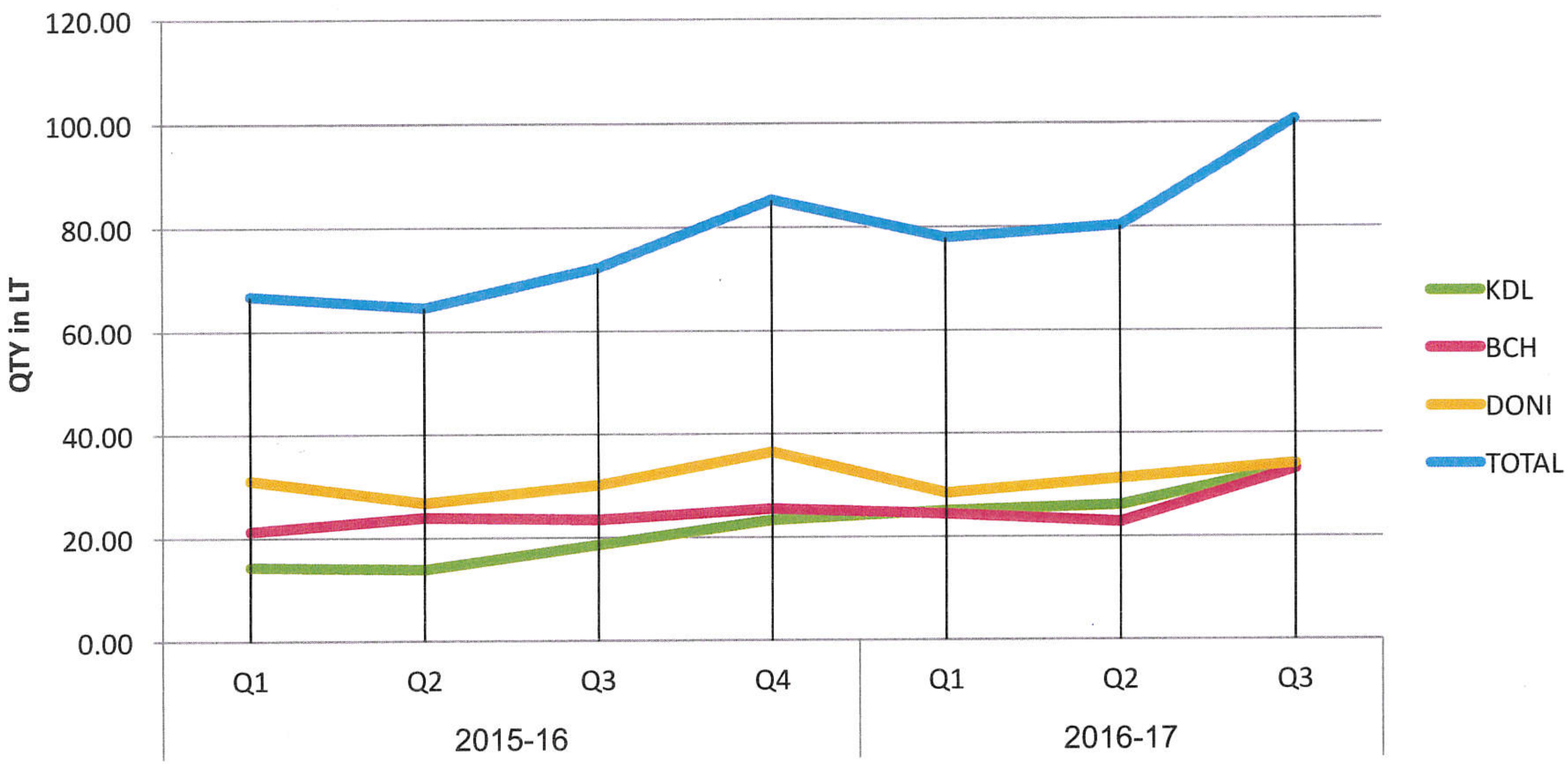
4. Doubling of KK Line : As the ownership is with the Railways, the amount incurred up to period of review of Rs.77.81 cr has been charged during the current period and included in other expenses and the amount pertaining to previous period is considered through retained earnings on the transition date and the subsequent periods.

# UNITWISE QUARTERLY PRODUCTION TREND OF IRON ORE (LT)




| Qty in LT | 2015-16 | | | | 2016-17 | | |
|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| KDL | 13.16 | 13.39 | 16.89 | 30.08 | 22.80 | 16.33 | 31.53 |
| BCH | 19.88 | 22.76 | 27.69 | 25.70 | 25.42 | 18.63 | 34.20 |
| DONI | 26.79 | 28.30 | 29.05 | 32.05 | 27.87 | 28.14 | 31.34 |
| **TOTAL** | **59.83** | **64.45** | **73.63** | **87.83** | **76.09** | **63.10** | **97.07** |

# UNITWISE QUARTERLY SALES TREND OF IRON ORE (LT)




| Qty in LT | 2015-16 | | | | 2016-17 | | |
|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| KDL | 14.32 | 13.82 | 18.59 | 23.23 | 25.04 | 26.09 | 33.44 |
| BCH | 21.22 | 23.94 | 23.43 | 25.44 | 24.38 | 22.82 | 33.05 |
| DONI | 31.08 | 26.70 | 30.16 | 36.46 | 28.36 | 31.22 | 34.06 |
| **TOTAL** | **66.62** | **64.46** | **72.18** | **85.13** | **77.78** | **80.13** | **100.55** |

# PRODUCT WISE AVERAGE DOMESTIC PRICES OF IRON ORE
## (EXCL STATUTORY LEVIES)


| | 2015-16 Q1 | 2015-16 Q2 | 2015-16 Q3 | 2015-16 Q4 | 2016-17 Q1 | 2016-17 Q2 | 2016-17 Q3 |
|---|---|---|---|---|---|---|---|
| LUMP | 3183 | 2967 | 2146 | 1807 | 2037 | 1879 | 2269 |
| FINES | 1855 | 1507 | 1362 | 1193 | 1642 | 1552 | 1839 |
| AVG | 2353 | 1929 | 1649 | 1456 | 1796 | 1681 | 1991 |

## TREND OF SPONGE IRON
## PRODUCTION AND SALES (TONS)

| Qty in Ton | 2015-16 | | | | 2016-17 | | |
|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Prod. | 738 | 1,287 | 2,455 | 2,134 | 3,315 | 965 | 1,494 |
| Sales | 1,383 | 3,086 | 2,667 | 1,229 | 1,770 | 4,655 | 882 |

## TREND OF DIAMONDS
## PRODUCTION AND SALES (CARATS)

| Qty in Carats | 2015-16 | | | | 2016-17 | | |
|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Prod. | 9,091 | 8,573 | 6,976 | 10,918 | 7,572 | 7,578 | 6,922 |
| Sales | - | 6,439 | 6,936 | 23,308 | - | 2,771 | 5,632 |

# CAPITAL EXPENDITURE 2016-17

Rs Cr.

| Projects/Schemes | Actuals 2016-17 (up to Dec16) |
|---|---|
| Steel Plant at Nagarnar | 1,704.16 |
| Slurry Pipeline | 5.38 |
| Kumarswamy Mine | 13.28 |
| Bailadila Deposit 11B | 5.48 |
| Pellet Plant- Donimalai | 30.07 |
| Other Schemes (including towards Addition, Modification and Replacement of Existing Assets) | 105.37 |
| Contribution to JV and Associates | 58.09 |
| Railway Line Projects | 135.00 |
| Total | 2,056.83 |

# Details of Top 25 Shareholders as on 10-Feb-2017

| SLNO | HOLDER | SHARES | PERCENT |
|---|---|---|---|
| 1 | PRESIDENT OF INDIA | 2371126192 | 74.9 |
| 2 | LIFE INSURANCE CORPORATION OF INDIA | 389938677 | 12.3 |
| 3 | LIFE INSURANCE CORPORATION OF INDIA P & GS FUND | 64092411 | 2.03 |
| 4 | VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND | 13627775 | 0.43 |
| 5 | STATE BANK OF INDIA | 11363580 | 0.36 |
| 6 | EDGBASTON ASIAN EQUITY TRUST | 11259752 | 0.36 |
| 7 | ROBECO CAPITAL GROWTH FUNDS - ROBECO ACTIVE QUANT EMERGING MARKETS EQUITIES | 11162957 | 0.35 |
| 8 | CANARA BANK-MUMBAI | 10772388 | 0.34 |
| 9 | VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 9043040 | 0.29 |
| 10 | THE NEW INDIA ASSURANCE COMPANY LIMITED | 8316508 | 0.26 |
| 11 | L&T MUTUAL FUND TRUSTEE LIMITED-L&T ARBITRAGE OPPORTUNITIES FUND | 6934000 | 0.22 |
| 12 | UNITED INDIA INSURANCE COMPANY LIMITED | 6566033 | 0.21 |
| 13 | EASTSPRING INVESTMENTS INDIA EQUITY OPEN LIMITED | 6264907 | 0.20 |
| 14 | MORGAN STANLEY MAURITIUS COMPANY LIMITED | 5644423 | 0.18 |
| 15 | CREDIT SUISSE (SINGAPORE) LIMITED | 5631657 | 0.18 |
| 16 | GENERAL INSURANCE CORPORATION OF INDIA | 4700000 | 0.15 |
| 17 | EASTSPRING INVESTMENTS (SINGAPORE) LIMITED A/C DRAGON PEACOCK INVESTMENTS LIMITED | 4576103 | 0.14 |
| 18 | THE ORIENTAL INSURANCE COMPANY LIMITED | 4523019 | 0.14 |
| 19 | SWISS FINANCE CORPORATION (MAURITIUS) LIMITED | 4433326 | 0.14 |
| 20 | NATIONAL INSURANCE COMPANY LTD | 3600721 | 0.11 |
| 21 | CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED | 3496289 | 0.11 |
| 22 | NPS TRUST - A/C LIC PENSION FUND SCHEME - CORPORATE CG | 3366624 | 0.11 |
| 23 | STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL | 3202841 | 0.10 |
| 24 | BANK OF INDIA | 3199786 | 0.10 |
| 25 | PGGM WORLD EQUITY B. V. (GEPFEEM) | 3099411 | 0.10 |
| | **Total** | **2969942420** | **93.81** |

# THANK YOU