

REVIEW REPORT

To
The Board of Directors,
NMDC Ltd.
Hyderabad.

We have reviewed the accompanying statement of un-audited financial results of **NMDC Ltd.**, for the period ended **30th Sep 2014** into which are incorporated the accounts of Seven Projects/Units reviewed by Branch auditors and in respect of Head Office, R&D lab and Sponge Iron Unit, these accounts were reviewed by us except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **VENUGOPAL & CHENYOY**
Chartered Accountants
FRN No:004671S



P. V. Srihari
(P.V.SRIHARI)
Partner Membership No. 21961

Place: Hyderabad
Date: 31-10-2014



Annexure - I

PART I

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30-09-2014

(Rs. In crores)

Particulars	Unaudited			Unaudited		Audited
	Three months ended			Six months ended		Year to date
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
1. Income from operations						
(a) Net Sales/income from operations (net of excise duty)	3,102.24	3,474.50	2,478.14	6,576.74	5,347.24	12,052.29
(b) Other operating income	2.81	2.23	1.78	5.04	3.30	5.91
Total Income from operations (net)	3,105.05	3,476.73	2,479.92	6,581.78	5,350.54	12,058.20
2. Expenses						
(a) Consumption of raw materials	7.91	6.15	7.95	14.06	11.87	26.50
(b) Consumption of Stores & spares	65.12	56.29	62.38	121.41	124.15	346.31
(c) Changes in inventories of finished goods and work-in-progress	50.42	50.39	47.58	100.81	71.87	(14.27)
(d) Employee Benefit expense	198.26	180.80	144.68	379.06	293.00	706.20
(e) Royalty & Cess	269.68	271.49	182.43	541.17	406.01	960.43
(f) Selling Exps incl. Freight out	309.40	330.96	366.44	640.36	657.51	1,347.41
(g) Depreciation and Amortisation	40.92	40.02	34.79	80.94	71.14	150.41
(h) Other Expenses	198.23	178.53	174.70	376.76	387.19	914.16
Total expenses	1,139.94	1,114.63	1,020.95	2,254.57	2,022.74	4,437.15
3. Profit from operations before Other income, finance cost & exceptional items (1-2) :	1,965.11	2,362.10	1,458.97	4,327.21	3,327.80	7,621.05
4. Other income	526.84	487.23	538.37	1,014.07	1,059.28	2,094.52
5. Profit from ordinary activities before finance costs and exceptional items (3+4) :	2,491.95	2,849.33	1,997.34	5,341.28	4,387.08	9,715.57
6. Finance cost	-	-	-	-	-	1.85
7. Profit from ordinary activities after finance costs but before exceptional items (5-6) :	2,491.95	2,849.33	1,997.34	5,341.28	4,387.08	9,713.72
8. Exceptional Items	112.19	(54.59)	-	57.60	-	(45.48)
9. Profit from ordinary activities before Tax (7-8)	2,379.76	2,903.92	1,997.34	5,283.68	4,387.08	9,759.20
10. Tax expense	813.01	988.91	678.89	1,801.92	1,496.44	3,339.12
11. Net Profit from ordinary activities after tax (9 -10)	1,566.75	1,915.01	1,318.45	3,481.76	2,890.64	6,420.08
12. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
13. Net Profit for the period (11-12) :	1,566.75	1,915.01	1,318.45	3,481.76	2,890.64	6,420.08
14. Paid-up Equity Share Capital :	396.47	396.47	396.47	396.47	396.47	396.47
Face value per share	Re 1/	Re 1/	Re 1/	Re 1/	Re 1/	Re 1/-
15. Reserves excluding revaluation reserves						29,591.83
16. i & ii EPS for the period (Rs.)-Basic and diluted before and after extraordinary items	3.95	4.83	3.33	8.78	7.29	16.19
	(Not Annualised)					(Annualised)

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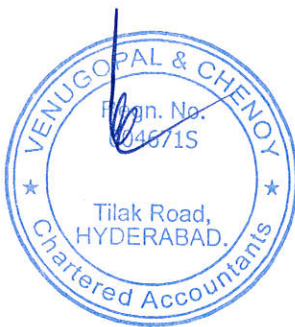


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PART II SELECT INFORMATION FOR THE QUARTER ENDED 30-09-2014						
Particulars	Unaudited			Unaudited		Audited
	Three months ended			Six months ended		Year to date
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
A. PARTICULARS OF SHAREHOLDING						
1. Public share holding						
- Number of Shares	792,769,700	792,769,700	792,769,420	792,769,700	792,769,420	792,769,700
- Percentage of shareholding	20	20	20	20	20	20
2. Promoters and Promoter group shareholding						
a) Pledged/Encumbered						
- Number of Shares	-	0	0	0	0	0
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	0	0	0	0	0
- Percentage of shares (as a % of the total share capital of the company)	-	0	0	0	0	0
b) Non Encumbered						
- Number of Shares	3,171,946,300	3,171,946,300	3,171,946,580	3,171,946,300	3,171,946,580	3,171,946,300
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
- Percentage of shares (as a % of the total share capital of the company)	80	80	80	80	80	80
Particulars	Three months ended 30-Sep-2014					
B. INVESTOR COMPLAINTS						
Pending at the beginning of the quarter	NIL					
Received during the quarter	26					
Disposed of during the quarter	26					
Remaining unresolved at the end of the quarter	NIL					

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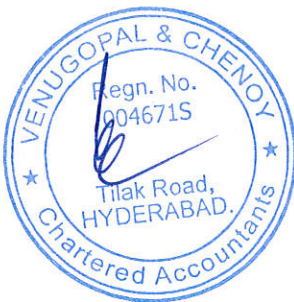


Segment wise Revenue, Results and Capital Employed
under Clause 41 of the Listing Agreement

(Rs. in crore)

Particulars	Unaudited			Unaudited		Audited
	Three months ended			Six months ended		Year to date
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
1. Segment Revenue (net sale /income from each segment)						
a) Iron Ore	3,059.21	3,439.73	2,454.75	6,498.94	5,289.03	11,925.79
b) Other Minerals & Services	45.84	37.47	34.43	83.31	71.66	158.68
Total	3,105.05	3,477.20	2,489.18	6,582.25	5,360.69	12,084.47
Less: Inter segment revenue	0.00	0.47	9.26	0.47	10.15	26.27
Net sales / income from operations	3,105.05	3,476.73	2,479.92	6,581.78	5,350.54	12,058.20
2. Segment Results (profit (+) / loss (-) before tax and interest from each segment)						
a) Iron Ore	1,996.81	2,402.18	1,507.19	4,398.99	3,450.79	7,910.81
b) Other Minerals & Services	-10.00	-0.31	2.36	-10.31	-5.29	37.99
Total	1,986.81	2,401.87	1,509.55	4,388.68	3,445.50	7,948.80
i) less : Interest	-	-	-	-	-	(1.85)
ii) Add : Other unallocable income net off unallocable expenditure	392.95	502.05	487.79	895.00	941.58	1,812.25
Total Profit before Tax	2,379.76	2,903.92	1,997.34	5,283.68	4,387.08	9,759.20
3. Capital Employed (Segment assets-Segment Liabilities)						
a) Iron Ore	3,764.20	3,862.68	3,120.92	3,764.20	3,120.92	3,570.38
b) Other Minerals & Services	117.04	118.08	93.39	117.04	93.39	156.07
c) Other offices	29,674.20	28,012.91	27,291.33	29,674.20	27,291.33	26,363.73
Total	33,555.44	31,993.67	30,505.64	33,555.44	30,505.64	30,090.18

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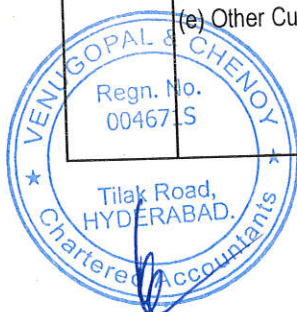


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STATEMENT OF ASSETS AND LIABILITIES

(Rs. in crore)

Particulars	Unaudited	Audited
	Six months ended	
	30-Sep-14	31-Mar-14
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	396.47	396.47
(b) Reserves and Surplus	33,058.88	29,591.83
Shareholders funds	33,455.35	29,988.30
2 NON-CURRENT LIABILITIES		
(a) Deferred Tax Liability (Net)	105.47	107.25
(b) Other Long term Liabilities	35.93	29.11
(c) Long- term provisions	11.44	11.44
Non-current liabilities	152.84	147.80
3 CURRENT LIABILITIES		
(a) Trade payables	163.27	185.67
(b) Other current Liabilities	1,310.77	1,153.20
(c) Short term Provisions	1.95	1.95
Current liabilities	1,475.99	1,340.82
TOTAL - EQUITY AND LIABILITIES	35,084.18	31,476.92
B ASSETS		
1 NON-CURRENT ASSETS		
(a) Fixed Assets	7,635.48	6,639.17
(b) Non-current investments	405.27	250.37
(c) Long term Loans and Advances	721.63	720.82
(d) Other non-current assets	6.19	5.37
Non-Current Assets	8,768.57	7,615.73
2 CURRENT ASSETS		
(a) Inventories	604.79	681.19
(b) Trade receivables	1,628.12	1,448.42
(c) Cash and bank balances	20,931.09	18,657.23
(d) Short term Loans and Advances	2,259.19	2,348.47
(e) Other Current Assets	892.42	725.88
Current Assets	26,315.61	23,861.19
TOTAL- ASSETS	35,084.18	31,476.92



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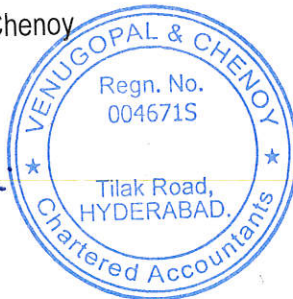
NOTES :

9. The financial results have been reviewed by the Audit Committee at its meeting held on 30-Oct-2014 and approved by the Board of Directors at its meeting held on 31-Oct-2014.
10. The company adopted Schedule II depreciation rates with effect from 01.04.2014. Consequently, the depreciation effect on the opening value of the asset to the extent of Rs.13.65 cr has been adjusted against Reserve and Surplus and that of the current period amounting to Rs.9.68 cr is charged to revenues.
11. The details of exceptional items Rs. 57.60 cr (Net) are as under :
 - iii) A Defined Contribution Pension scheme for employees of the company, with effect from 1st Jan 2007, was introduced during the current quarter. The anticipated expenditure on this account pertaining to earlier periods i.e. Jan'.2007 to Mar'.2014 of about Rs.112.19 cr is included in 'Exceptional Items'
 - iv) As per the directions of the Honorable Supreme Court dated 26.05.2014, the Monitoring Committee is required to pay interest at the rate of 8% per annum on 80% of the sale proceeds for the period between the realization of sale proceeds & passing on the same to NMDC. Considering the above, interest income receivable from the Committee for earlier periods i.e. from Oct'2011 to Mar'2014 amounting to Rs.54.59 cr is included in 'Exceptional Items'
12. Employee benefit expense of current period includes Rs.11.78 cr towards implementation of the Defined Contribution Pension scheme.
13. Other income of current period includes Interest income receivable from Monitoring Committee Rs.12.11 cr.
14. The Board of Directors has approved in its meeting held on 31-Oct-2014, an Interim dividend of Rs.3 per equity share of Re 1/- for the financial year 2014-15.
15. Figures for the previous period have been regrouped wherever considered necessary so as to conform to the classification of the current period.
16. The financial results have been reviewed by the Statutory Auditors as required under clause 41 of the listing agreement.

For M/s, Venugopal & Chenoy
Chartered Accountants
FRN No. 004671S



(P.V. Srihari)
Partner
Membership No. 21961



For NMDC Limited



(Narendra Kothari)
Chairman-cum-Managing Director

Place: Hyderabad
Date : 31-Oct-2014