

NMDC STEEL LIMITED (NSL)

8TH ANNUAL REPORT
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BOARD OF DIRECTORS



Shri Amitava Mukherjee

Chairman and Managing Director
(Addl Charge)

Functional Directors



Shri Amitava Mukherjee

Director (Finance)



Shri Dilip Kumar Mohanty

Director (Production)



Shri Vishwanath Suresh

Director (Commercial)



Shri Vinay Kumar

Director (Technical)

Government Nominee Directors



Smt. Sukriti Likhni, IAS

Director
Additional Secretary and Financial Adviser
Ministry of Steel, Government of India



Shri Abhijit Narendra

Director
Joint Secretary, Ministry of Steel
Government of India



DIRECTORS' REPORT

[For the Financial year ended on 31st March 2023]

To
The Members
NMDC Steel Ltd. (NSL)
C/o NMDC Iron & Steel Plant
Nagarnar, Bastar (C.G.) -494001

The Board of Directors of the Company is pleased to present the 08th (**Eighth**) Director's Report of your Company, together with the Audited Financial Statements, Statutory Auditors' Report and Secretarial Audit Report along with the annexure to the report and the Supplementary Report of the Comptroller and Auditor General of India [C&AG] for the year ended on 31st March 2023.



1. OPERATIONAL REVIEW /PERFORMANCE STATUS

Steel Plant Project at Nagarnar, Chhattisgarh:

The State of the art 3.0 MTPA Integrated Steel plant at Nagarnar is at advanced stage of construction completion and reaching its commissioning phase. Conducting cold trial, preliminary Acceptance Test etc of individual as well as integrated test of equipment under various Technological packages are in progress as pre-commissioning activities. Pre-commissioning activity has been started with heating of Coke-Oven battery. MECON has been awarded with the job of O&M (Operation & Maintenance) of plant during commissioning and subsequent operation of the plant.

The plant will produce an impressive array of products viz. HR Plates, API - 5L Quality Plates Sheets, HR Coils, High Carbon Steel, Silicon Steel and Automotive Steel.

The plant of the Company is a green-field Steel Plant in Chhattisgarh, which is expected to commence its operation in the Second Quarter of FY 2023-24. Commissioning activities started with the start of Coke Oven Battery#1 in October 2022 along with By Product Plant & Part of Raw Material Handling. Coke Oven Battery #2 has been taken up for operation from 24.04.2023. Both the batteries are under stabilization. All auxiliary units/services like Main Receiving Station (MRS), Plant Power Distribution System (PPDS), Water Supply compressed air station (CAS), DG Station and Centrol stores are ready. Sinter Plant was put on hot trails on 19.04.2023. Oxygen Plant Stream-2 was put into operation

wef 21.04.2023. Commissioning activities of Oxygen Plant-Stream-1 are under progress. Pre-commissioning activities in other major units- Blast Furnace, Steel Melting Shop (SMS), Thin Slab Caster (TSM) and Hot Strip Mill (HSM) are in progress. Further, NSL commenced trial production of Hot Rolled Coils from its Rolling Mill on 30th June 2023.

2. FINANCIAL RESULTS:

The plant of the company is under construction and the commencement of commercial operation is yet to be started. Hence no Profit/Loss has been reported during the period ended 31st March, 2023. The Expenditure relating to Salaries & Wages, Raw material consumed, Operation & maintenance, all other expenses have been booked under Capital Working-in Progress (CWIP) as Incidental Expenditure during Construction.

3. TRANSFER TO RESERVE:

The Company has not transferred any amount to the general reserves during the financial year 2022-23. Further, by virtue of the demerger order, an amount of Rs. 14,117.97 Crore which was invested by NMDC out of its free reserves has been credited to the Capital Reserve.

4. DIVIDEND:

The Board did not recommend any dividend for the financial year ended on 31st March 2023.

5. SHARE CAPITAL: The details of the Share capital are as follows:



a) Authorized Share Capital

Pursuant to the order of demerger Iron & Steel plant of NMDC Limited (NISPL) has been transferred to NMDC Steel Limited as the resulting Company to take up the activity independently. The Company has increased its Authorized Share Capital from Rs. 30 Lacs to Rs. 3000 Crore by passing a resolution of shareholders in its Extra-Ordinary General Meeting on 14/10/2022.

As on 31/03/2023, the Authorized share capital of the Company is of Rs. 30,00,00,00,000 (Rupees Three Thousand Crore Only) divided into Rs. 3,00,00,00,000 (Three Hundred Crore Only) equity shares of Rs 10/- each.

b) Paid-up Share Capital

NMDC Limited had invested Rs. 17048 Cr in construction of the Integrated Steel Plant. In consequence of demerger the Board of Directors of NMDC Steel Limited (NSL) has allotted 293,06,05,850 (Two Hundred Ninety Three Crore Six Lacs Five thousands Eight Hundred and Fifty) equity shares to the shareholders of NMDC Limited (Demerged Company) and all the existing equity shares of NSL stand cancelled. The rest of the amount was treated as Capital Reserve consequent up on the order of the Demerger.

As on 31/03/2023, the Paid-up Share Capital of the Company is of Rs. 2930,60,58,500/- (Rupees Two Thousand Nine Hundred Thirty Crore Sixty Lacs Fifty Eight Thousands Five Hundred only) divided in to 293,06,05,850 (Two Hundred Ninety Three Crore Six Lacs Five Thousand Eight Fifty Only) equity shares of Rs.10/- each.

6. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes occurred or commitments made by the Company from the end of the financial year i.e. between 01.04.2023 till the date of this report which is having effect on the financial position of the Company.

7. DEPOSIT:

During the financial year the Company has not accepted any deposit within the meaning of the section 73 of the Companies Act, 2013 and rules framed there under.

8. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT:

During the financial year, the Company has not given any loan or guarantees or not made any investment which is covered under the provisions of the section 186 of the Companies Act, 2013.

9. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Further, the Company has adequate internal financial control system over financial reporting and such internal financial Control is operating effectively.

10. STATUS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:

The Company does not have any subsidiary, joint venture or associate company during the financial year ended 31st March, 2023.



11. BOARD OF DIRECTORS AND KMP:

As on 31st March, 2023 the Board of the Company comprises of the following Directors:

Sl.No.	Name of the Director	Designation	Date of Appointment/change in designation
01.	Shri Amitava Mukherjee	CMD Director (Finance)	08/11/2022- the designation of the Director was changed to Director (Finance). w.e.f. 01/03/2023, he has also given an additional charge of CMD.
02.	Ms. Sukriti Likhi	Govt. Nominee Director	Appointed from 08/11/2022.
03.	Shri Abhijit Narendra	Govt. Nominee Director	Order Dated 20/03/2023. Appointed with effect from 20/03/2023.
04.	Shri Dilip Kumar Mohanty	Director (Production)	08/11/2022- the designation of the Director was changed to Director (Production).
05.	Shri Vishwanath Suresh	Director (Commercial)	Order Dated 20/03/2023. Appointed with effect from 20/03/2023.

The position of the Key Managerial Personnel of the Company as on 31/03/2023 and thereafter was as under:

1. Shri Amitava Mukherjee Director Finance was given an additional charge of CFO w.e.f. 01/03/2023
2. Shri Chiman Lal Agrawal was appointed as the Whole time Company Secretary w.e.f. 05/04/2023.



During the period under review, the following changes had been taken place in the constitution of the Board and KMP:-

Sl.No.	Name of the Director	Nature of Changes	Date of Changes
Changes in the Board			
01.	Shri Sumit Deb	Appointed as CMD Cessation from the post of CMD	08/11/2022 28/02/2023
02.	Shri Amitava Mukherjee	Designation of the Director was changed to Director (Finance)	08/11/2022
		He has also given an additional charge of CMD & CFO	01/03/2023
03.	Ms. Sukriti Likhī	Appointed as non-executive Govt Nominee Director	08/11/2022
04.	Shri Somnath Nandi	Designation of the Director was changed to Director (Technical)	08/11/2022
		Cessation from the post of Director	31/12/2022
05.	Shri Dilip Kumar Mohanty	Designation was changed from Additional Director to Director (Production)	06/08/2022
		Designation of the Director was changed to Director (Production)	08/11/2022
06.	Shri Prasant Dash	Cessation from the post of Director	30/09/2022
07.	Shri Abhijit Narendra	Appointed as non-executive Govt Nominee Director	20/03/2023
08.	Shri Vishwanath Suresh	Appointed as Director (Commercial)	20/03/2023
09.	Shri Vinay Kumar	Appointed as Director (Technical)	19/05/2023
Changes in the KMPs			
01.	Shri Amitava Mukherjee	Additional charge of CFO In-charge	01/03/2023
02.	Shri A S Pardha Saradhi	Appointed as Company Secretary	30/09/2022
		Cessation from the post of Company Secretary	08/11/2022
03.	Shri Chiman Lal Agrawal	Appointed as Whole Time Company Secretary	05/04/2023



The main reason of changes in the Directors of the Company was due to nominations made by the Ministry of Steel, Government of India (GoI). The Board place on record its deep appreciation for the valuable services rendered and contribution made by them during their tenure as Directors of the Company.

12. INDEPENDENT DIRECTORS, AUDIT COMMITTEE, NOMINATION & REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE: -

In terms of Section 2(45) of the Companies Act, 2013, the NMDC Steel Limited is a Government Company and pursuant to the Article 73 and 74 of Articles of Association of the Company, the power of appointment of Directors on the Board of the Company vests with the Hon'ble President of India (through Administrative Ministry i.e. Ministry of Steel, Government of India). As on 31.03.2023, there were 5 (five) Directors on the Board of the Company comprising of 3 (three) Functional Directors including CMD and 2 (two) Government Nominee Directors; however, the nomination and appointment of Independent Directors is yet to be made and therefore as on the date, there is no Independent Director including Independent Woman Director on the Board of the Company. Though the Company has Ms. Sukriti Likhi Government Nominee as a Woman Director on the Board.

Therefore, the Company is not in a position to constitute the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee. Accordingly, no meetings of the Board-level Committees were held during the period under review. The same were disclosed to the Stock Exchanges while listing the shares of the company and also while seeking exemption from SEBI under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957.

The company is in constant communication with the controlling Ministry i.e. Ministry of Steel, Govt. of India requesting them to appoint requisite number of Independent Directors including Woman Independent Director on the Board of the Company to enable the company to fulfill the requirements of the SEBI LODR Regulations, 2015 and Companies Act, 2013.

13. DIRECTORS & KMP's REMUNERATION:

NMDC Steel Ltd., 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. However, since the Functional Directors of NMDC Ltd. are also acting as Functional Directors of NMDC Steel Ltd. on co-terminus basis in terms of Order received from Ministry of Steel, Government of India, therefore none of the Functional Directors draw any remuneration from the Company neither in capacity of Director or KMP. Further Non-executive Part-time Official Directors also do not draw any remuneration. Further, no remuneration has been paid to KMP during the FY 2022-03.

14. BOARD MEETINGS

During the year under review, 7 meetings of the Board

were held. Details of the Board Meeting are given under Corporate Governance Section of the Annual Report.

15. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR AND SEPARATE MEETING OF INDEPENDENT DIRECTOR:

Since the appointment of independent directors is awaited, therefore no separate meeting was held of Independent Directors.

16. AUDITORS:

- [1] Statutory Auditors: The Comptroller & Auditor General of India (C&AG) has appointed M/s M/s N G Rao & Associates, Chartered Accountants, Hyderabad (TG) as the Statutory Auditors of the Company for the financial year 2022-23. Nomination for the statutory auditor for the financial year 2023-24 yet to be received from CAG. The observations of the Statutory Auditors' Report along with the reply of the management will be enclosed as **Annexure-I**.
- [2] The C&AG Audit: The Comments of C&AG under the Companies Act, 2013 on the accounts of the Company for the year ended on 31st March, 2023 will be Annexed to this Report **Annexure-II**.
- [3] Secretarial Auditors: In terms of section 204 of the Companies Act, 2013 M/s. B. R. Agrawal & Associates (Proprietor Shri Brajesh R. Agrawal,) Practicing Company Secretary, Raipur (C.G.) has been appointed as the Secretarial Auditor of the Company for the financial year 2022-23. The Secretarial Audit report along-with the reply of the Management on the observations of the Auditor will be enclosed at **Annexure-III**.
- [4] Internal Auditor: In terms of section 138 of the Companies Act, 2013, M/s Roy Chowdhary & Moitra, Kolkata has been appointed as the Internal Auditor of the Company for the 3rd and 4th Quarter of the financial year 2022-23.

17. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 based on the representations received from the operating management and Chief Financial Officer of the Company:

- [a] That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- [b] That your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- [c] That your Directors have 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) That your Directors have prepared the annual accounts on a going concern basis; and
- (e) That your Directors have laid down Proper internal financial controls to be followed by the Company and that such financial control are adequate and were operating effectively; and
- (f) That your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. PARTICULARS OF EMPLOYEES UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Pursuant to the scheme of demerger and order dated 06/10/2022, NMDC has to handhold NSL and accordingly, the NMDC Limited has deputed its senior employees and executives to NMDC Steel Limited.

Since the NMDC has paid all the remuneration to the employees deputed in NSL, therefore the reporting under rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable. The statement showing the name and other particulars of the top ten employee in terms of remuneration as required under rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under: not required to be furnished since the Company has not paid any remuneration to the deputed employees.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER COMPANIES (ACCOUNTS) RULES, 2014

The Plant of the company is under constructions and commencement of commercial operations is yet to be started. Accordingly, specific disclosures under the provisions of Companies (Accounts) Rules 2014, the information regarding conservation of energy, technology absorption, foreign exchange earnings and outgo concerning your Company is not possible.

20. TRANSFER OF UNPAID & UNCLAIMED DIVIDEND & SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

During the financial year, the company has not transferred any unpaid & unclaimed dividend & shares to the Investor Education and Protection Fund.

21. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURT:

During the financial year under review, the Ministry of Corporate Affairs has passed following order:-

- a. Order for demerger of NISP has been passed by MCA on 06/10/2022 and accordingly the assets and Liability of NISP plant of NMDC limited has been transferred from NMDC Limited to NMDC Steel Limited. The Company NMDC Steel Limited was originally incorporated as a Government Private Limited Company. However, with effect from 04/11/2022, the status of the Company has been

changed from Private Limited to Public Limited. Being a Government Company, the name of the Company was not changed.

22. ANNUAL RETURN:

In accordance with the Companies Act, 2013 Annual return in the prescribed format is available at www.nmdcsteel.nmdc.co.in.

23. BUSINESS RISK MANAGEMENT:

The details of the Business risk given in Management Discussion and Analysis Report enclosed with the Annual Report.

24. DISCLOSURE OF CASES RELATING TO SEXUAL HARASSMENT:

The working environment at work place was good and the Company has not received any complaint relating to Sexual Harassment of Women at Workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Presently the Committee constituted by NMDC is also looking after the matters pertaining to the above Act.

25. DISCLOSURE ON SECRETARIAL STANDARD

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

26. ANNUAL EVALUATION OF THE BOARD PERFORMANCE

As the Company is a Government Company and the Directors of the Company are appointed by President of India/Ministry of Steel GoI, pursuant to the Article 73 and 74 of the Article of Association. Therefore, their performance criteria are decided by the administrative department i.e. Ministry of Steel, GoI.

27. RELATED PARTY TRANSACTION

Initially the construction of the plant was started by NMDC Limited and thereafter pursuant to the scheme of demerger the NMDC Limited has transferred the plant along with all assets and liabilities to NMDC Steel Limited (the resulting Company/ NSL). As per the said scheme NMDC has to provide handhold support to NMDC Steel Limited.

Consequently NMDC Limited had booked the capital Expenditure incurred by it on the construction of the plant, supplied Raw Material (Iron Ore), payment of salary to its on rolls employees posted in NSL and some of the financial liabilities incurred by it on behalf of NSL. Similarly NSL has also supplied cooking coal to pellet plant of NMDC Limited. Apart from the above there were no related party transactions during the financial year under review.

The details of these Related Party Transactions are given in the prescribed Form AOC-2 attached with this report as Annexure-IV.

28. CHANGE IN THE NATURE OF BUSINESS

There are no changes in the nature of business of the Company during the financial year.

29. MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost accounts and records and to conduct cost audit as per the requirements of section-148 of the Companies Act, 2013 and the Rules framed there under.

30. VIGIL MECHANISM

The Board of Directors have established 'Whistle Blower Policy' and 'Code of Conduct' for the directors & employees of the Company as required under the provisions of Sec. 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said policy has been properly communicated to all the directors and employees of the Company through the respective departmental heads and the new employees are being informed about the Whistle Blower Policy by the Personnel Department at the time of their joining and also placed in the website of the Company.

31. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal & financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

32. CORPORATE GOVERNANCE REPORT:-

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Statutory Auditors confirming compliance and a certificate of non disqualification of directors from Practicing Company Secretary forming an integral part of this Report is given as Annexure-V.

33. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The 'Business Responsibility and Sustainability Report' (BRSR) of your Company for the year 2022-23 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as Annexure-VI. Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social responsibility while setting targets and improving economic performance to ensure business continuity and rapid growth.

34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate management discussion and analysis report which forms an integral part of this Report is given as Annexure-VII.

35. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to provisions of section 135(1) of the Companies

Act, 2013 every Company having net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more, or net profit of Rs. 5 crore or more in the immediately preceding financial year are required to constitute CSR Committee. On the basis of aforesaid financial parameters, the Company did not fall under any of the aforesaid criteria during the financial year 2022-23. Therefore, the provisions of the CSR were not applicable to the Company for the financial year 2022-23.

However, the provisions of the CSR are applicable on the Company for the financial year 2023-2024 due to the net-worth of the Company is more than 500 Crore.

Since the Company has not commenced its commercial operation during the Financial 2022-23 thus the Company has not earned any profit, therefore it is not required to constitute CSR Committee.

The CSR policy of the Company is under preparation and will be placed on the website of the Company <http://www.nmdcsteel.nmdc.co.in>.

36. FRAUD REPORTED UNDER SECTION 143(12):

During the financial year the Company, there were no cases occurred which is falling under section 143(12) of the Companies Act, 2013.

37. PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year, no application was made by the Company or proceeding was pending against the Company under the Insolvency and Bankruptcy Code, 2016.

38. DIFFERENCE IN VALUATION AT THE TIME OF ONE-TIME SETTLEMENT AND VALUATION WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

No one time settlement was done or loan was taken from the Banks or Financial Institutions and hence no valuation in this regard was done during the year.

39. ACKNOWLEDGEMENT:

The Board acknowledges the assistance, support and valuable guidance given to the Company by Ministry of Steel, Government of India, NMDC Ltd, Shareholders, Bankers/Lenders, Investors, Vendors, Auditors, Consultants, State and Central Government authorities and stake holders of the Company. The Board also wholeheartedly acknowledges and appreciates the dedicated efforts and commitment of all employees of the Company.

FOR, NMDC Steel Limited

Amitava Mukherjee

Chairman & Managing Director (Addl. Charge)

DIN: 08265207

Date: 22nd July, 2023

Place: Hyderabad

ANNEXURE - I



N G RAO & ASSOCIATES CHARTERED ACCOUNTANTS

Off: +91-40-6661 7089
Mobile : 98480 18791
98491 35573
95421 87777

Revised Independent Auditor's Report
(Issued Consequent to Audit enquiry dt 11.07.2023 by Office of the Director General of
Commercial Audit, AG's Office Complex, Saifabad, Hyderabad, and it supersedes our
Independent Auditor's Report Dated 23rd May, 2023)

To the Members of NMDC Steel Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of NMDC Steel Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 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, 2023, and its financial performance including other comprehensive income, its Cash Flow and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the Ind AS financial statements in accordance with the standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Ind AS 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 Ind AS 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 Ind AS 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

H.No. 6-3-1186/A/6, (New No. 325),
2nd Floor, Chinna Balreddy Building,
Adjacent Lane to ITC Kakatiya Hotel,
Begumpet, Hyderabad-500 016.

D.No. 39-16-4B/S
Garuda Hotel Lane,
Labbipet,
Vijayawada - 520 010



H.No. 8-22-5/1, FF3
Neeladri Towers, Patlabi Street,
Gandhi Nagar,
Kakinada - 533 004.

Email : nageswararaog207@gmail.com / nageswararaog@rediffmail.com

S.No.	Key Audit Matters	How our audit addressed the key audit matters
1	<p>Demerger: The Demerger Scheme of Arrangement between NMDC Limited (Demerged Company) and NMDC Steel Limited (Resulting Company) and their respective shareholders and creditors ("the Scheme") pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 ("Act") and the other applicable provisions thereof and applicable rules thereunder (hereinafter referred to as the "Scheme"), involving Demerger of the Demerged undertaking from Demerged Company to the Resulting Company has been duly sanctioned by the Ministry of Corporate Affairs ("MCA") vide its order dated October 6, 2022 ("Order").</p> <p>NMDC Limited received the MCA Order dated 06.10.2022 on 11th October 2022 and filed the same with the concerned Registrar of Companies on 13th October 2022. Hence, the scheme is operative from 13th October 2022. The Appointed Date of the Scheme is April 1, 2021. Accordingly, with effect from the Appointed Date, the business of NMDC Iron & Steel Plant at Nagarnar has been transferred from NMDC Limited and vested into NMDC Steel Limited (NSL).</p>	<p>Our audit procedures included the following:</p> <p>We have reviewed the Order of MCA dt.06.10.2022 Authorising the scheme, and noted appointed day and effective date of implementation of the scheme.</p> <p>We obtained necessary information from the Management about the transfer of Assets, Liabilities and employee services related aspects.</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the implementation of the scheme.</p>
2	<p>Capital Work-in progress: (Refer Note No.- 2.2 of the financial statements) Capital Work-in progress (CWIP) as on 31.03.2023 in the books is 19,545.23 Crores, out of which Incidental Expenditure During Construction (IEDC) amounts to 3,342.97</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>Crores. 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, hence this is a key audit matter.</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.</p>
3	<p>SEBI (LODR) regulations compliance:</p> <p>The Company does not comply with regulations number 17,18,19,20, and 21 of SEBI LODR regulations, 2015 relating to constitution of Audit Committee, N and RC, Risk Management Committee, Stakeholder Relationship committee and Ideal composition of BOD due to non-appointment of Independent Director. Hence this is a key audit matter Para.</p>	<p>Our audit procedures include the following:</p> <p>We obtained the information from the management relating to composition of board and status of constitution of various committees.</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's explanation relating to non-appointment of Independent Director</p>
4	<p>Litigations, claims and contingencies:</p> <p>Refer note: 2.31 of the summary of significant accounting policies and notes to the standalone financial statements.</p> <p>The Company undergoes disputes, lawsuits, claims, governmental and / or regulatory inquiries, tax and commercial disputes arising from time to time in the ordinary course of business.</p> <p>Most of the claims involve complex issues. The Company, assisted by their legal counsel assessment to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The Company's conclusions may result in an incorrect disclosure or provision in the books of account considering the aforesaid assessment involves significant judgment to be exercised by the Company based on current developments. Further, unexpected adverse outcomes could also</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> • Evaluating the design and testing the operating effectiveness of controls relating to identification and evaluation of litigation and claims and measurement of provisions, contingent liabilities, and disclosures thereof. • Obtained a list of ongoing litigations from the Company's legal department. We selected a sample of significant litigations and evaluated the Company's assessment thereof by: <ul style="list-style-type: none"> i. making enquiries with the in-house legal department of the company; ii. verifying correspondence, orders and appeals in respect of open litigation; and



significantly impact the Company's reported results. This area is significant to our audit, since the accounting and disclosure for litigations, claims and contingencies is complex and judgmental.	iii. reviewed legal opinions obtained by the Company. ▪ Evaluating the adequacy of provision and disclosures given in Note 2.31 to standalone financial statements
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Information Other than the 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 and Shareholder's information but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 Ind AS 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 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 Ind AS 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on basis of these Ind AS 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 Ind AS 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 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.



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 financial statements of the current year ended 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

We did not audit the financial statements / information of NMDC Iron & Steel Plant, Nagarnor for the FY 2021-22, since the amounts disclosures of demerged undertaking for the FY 2021-22 were part of financial statements of NMDC Limited, which were duly audited and reported by C & AG appointed qualified Chartered Accountants. Our opinion in so far as it relates to the amounts and disclosure included in respect of the demerged undertaking for the FY 2021-22 is based solely on the report of such NMDC Limited Auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) 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.



- f) 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."

2. 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:

- a) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 2.31 to the financial statements.
- b) The company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- c) There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.
- d)
 - (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes of accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- e) No dividend has been declared / paid during the year, accordingly provisions of section 123 of the Act, are not applicable.

3. As required by the Companies (Auditor's Report) Order, 2020 ("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.



4. 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.

5. 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.

N G Rao & Associates
Chartered Accountants
FRN: 009399S



CA G Nageswara Rao
Partner
M.No. 207300
UDIN: 23207300BGVDRH4232



Place: Hyderabad
Date: 24th July, 2023



N G RAO & ASSOCIATES

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"Annexure A" to the Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NMDC Steel Limited of even date)

Report on the Internal Financial Controls 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 **M/s. NMDC Steel Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 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 Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgement, 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.

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D.No. 39-16-4B/8
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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 authorisations 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 years 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, 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, 2023, 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.

N G Rao & Associates
Chartered Accountants
FRN: 009399S


CA G Nageswara Rao
Partner
M.No. 207300
UDIN: 23207300BGVDRH4232



Place: Hyderabad
Date: 24th July, 2023



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Annexure-B to the Independent Auditors' Report

(Referred to in paragraph 3 of our Report of even date to the Members of "M/s. NMDC Steel Limited" for the year ended March 31, 2023)

(i)

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) 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 a regular programme of physical verification of its Property, Plant and equipment by which all the Property, Plant and equipment are physically verified by the management over a period of one year. In accordance with this program, certain Property, Plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets 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, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description on of item on Property	Gross Carrying value (Rs in Cr)	Title Deed held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reasons for not being held in the name of the Company
Land	0.80	Govt. of CG	NA	25-05-2010	Requested District Collector Bastar, to calculate the value from the date of allotment. However, allotment order dt. 17.05.2010 is in the name of NMDC for Construction of CSR School
Land	0.07	Petitioners	NA	01-04-2001	Presently the case is in Hon'ble Supreme Court of India, in the revenue record the land is in favour of 05 petitioners, however the land is in the possession of the company
Land	-	Govt. of CG	NA	17-05-2010	The Area of Land of 21.02 Hectares (GOVT.LAND) has taken over from District Industries Centre, Jagdalpur which is not included in the above Land Schedule as on 31.03.2023. This is utilised for peripheral works near Nagarnar and has been allotted in the name of the

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					company, however the same has not been brought into the books as the amount payable is not yet ascertainable in the absence of any demand from the concerned authorities.
Land	-	Forest Land	NA	25.720 Hect. dt. 25.07.2014, 10.763 Hect dt. 27.02.2015 & 26.136 Hect dt. 24.05.2018	The Permission has been obtained from the Govt. Of Chhattisgarh (Forest Dept.) for use of Forest land having Area 62.619 hectares for construction of Steel Plant at Nagarnar. But the Land is not in the name of the company.

- (d) 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 revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (ii)
- (a) The inventories (except for goods-in-transit, which have been received subsequent to the year-end) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) 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 been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) 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 made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause 3(iii) of the said Order are not applicable to the company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any investments, given any loans, guarantees, or security which attracts compliance of section 185 and section 186 of Companies act. Accordingly, Clause 3(iv) of the Order is not applicable to the Company.



- (v) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the order is not applicable.
- (vi) According to the information and explanations given to us and on the basis of our examination of the records, the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company is not required for the current year. Therefore, the provisions of Clause (vi) of paragraph 3 of the order are not applicable to the Company.

- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the records the Company, Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of GST, provident fund, employees State Insurance, Income- tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on accounts of disputes:

Statue	Nature of dues	Period	Forum where Dispute is Pending	Amount (In ₹ Crore)
-Nil-				

- (viii) 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 surrendered or disclosed any transactions as income during the year in the tax assessments under the Income-Tax Act, 1961, Accordingly, clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) 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 defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as on reporting date.
- (b) 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 been declared a willful defaulter by any bank, financial institution, government or any government authority.



- (c) According to the information and explanations given to us by the management, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no funds have been raised on short- term basis by the Company. Accordingly, Clause 3(ix) (d) of the Order is not applicable.
- (e) 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 taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act. Accordingly, Clause 3(ix) (e) of the Order is not applicable.
- (f) 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 raised loans during the year on the pledge of securities held in its subsidiaries or associate companies (as defined under the Act). Accordingly, Clause 3(ix) (f) of the Order is not applicable.
- (x)
 - (a) 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 raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of Clause (x)(a) of paragraph 3 of the order are not applicable to the Company.
 - (b) 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 made any preferential allotment or private placement of shares of fully of partly convertible debentures during the year Accordingly, Clause 3(x) (b) of the order is not applicable.
- (xi)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit. Accordingly, Clause 3(xi) (a) of the order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no fraud by the company or on the company been noticed or reported during the course of the audit, Hence no report under sub-section (12) of section 143 of the Company Act, 2013 has been filed by us in Form ADT -4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) We have taken in to consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of our audit procedures.
- (xii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a Nidhi Company, Accordingly, Clause 3(xii) of the order is not applicable.



- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions with related parties which are required to be complied with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, no audit committee has been constituted due to non-appointment of Independent Director during the reporting period.
- (xiv)
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date for the period under audit.
- (xv) 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 entered in to any non-cash transactions with its directors or persons or persons connected to its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, Clause 3(xv) of the order is not applicable.
- (xvi)
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) (a) of the order is not applicable.
- (b) 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 conducted any non-banking financial or housing finance activities, Accordingly, Clause 3(xvi) (b) of the order is not applicable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, Clause 3(xvi) (c) of the order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the group does not have any Core Investment Company as defined in the regulations made by the Reserve Bank of India, Accordingly, Clause 3(xvi) (d) of the order is not applicable.
- (xvii) The company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year, Accordingly, Clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of our examination of the records of the Company and on the basis of the financial ratios, ageing



and expected dated of realisation of financial assets and payments of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not Capable of meeting its liabilities existing at the date of balance sheet date. We however, state that this is not an assurance as to the futures viability of the Company.

However, any delay in commercial operation/sanction of loans could lead to liquidity risk.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the provisions of the section 135 of Act towards Corporate Social Responsibility are not applicable to the company, Accordingly, Clause 3(xx) of the order is not applicable.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the company, accordingly no comment has been included in respect of such clause under this report.

N G Rao & Associates
Chartered Accountants
FRN: 009399S



CA. G Nageswara Rao
Partner
M.No. 207300
UDIN: 23207300BGVDRH4232



Place: Hyderabad
Date: 24th July, 2023



N G RAO & ASSOCIATES
CHARTERED ACCOUNTANTS

Off: +91-40-6661 7089
Mobile : 98480 18791
98491 35573
95421 87777

Annexure-C to the Independent Auditor's Report:

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("Act")

Sl. 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 accounts along with the financial implications, if any, may be stated.	Yes, the Company had an SAP-ERP package. The company has system in place to process all the accounting transactions through IT system. However, some process such as inventory valuation and costing is done manually.
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

N G Rao & Associates
Chartered Accountants
FRN: 009399S

CA G Nageswara Rao
Partner
M.No. 207300
UDIN: 23207300BGVDRH4232



Place: Hyderabad
Date: 24th July, 2023

H.No. 6-3-1186/A/6, (New No. 325),
2nd Floor, Chinna Balreddy Building,
Adjacent Lane to ITC Kakatiya Hotel,
Begumpet, Hyderabad-500 016.

D.No. 39-16-4B/S
Garuda Hotel Lane,
Labbipet,
Vijayawada - 520 010.

H.No. 8-22-5/1, FF3
Neeladri Towers, Pattabi Street,
Gandhi Nagar,
Kakinada - 533 004.

Email : nageswararaog207@gmail.com / nageswararaog@rediffmail.com

ANNEXURE - II



भारतीय लेखापरीक्षा और लेखा विभाग
महानिदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, हैदराबाद

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL
OF COMMERCIAL AUDIT, HYDERABAD

No.: DGCA/A/c/Desk/2022-23/NMDC-STEEL/1.04 1142

10 August 2023

To
The Managing Director
NMDC Steel Limited,
C/o NMDC Limited
Khanij Bhawan
10-3-311/A, Castle Hills,
Masab Tank Mehdiapatnam,
Hyderabad-500028

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of NMDC Steel Limited, Hyderabad for the year ended on 31 March 2023

Sir,

I forward herewith the 'Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of NMDC Steel Limited, Hyderabad for the year ended on 31 March 2023.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.
3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.
4. Ten copies of the Annual Report for the year 2022-23 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Encl:- As above

Yours faithfully,

M. S. Subrahmanyam

(M. S. Subrahmanyam)
Director General

10/08/23

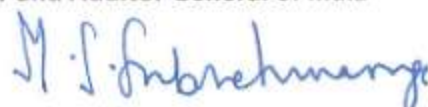
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NMDC STEEL LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of NMDC Steel Limited for the year ended 31 March 2023 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 the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on 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 Revised Audit Report dated 24 July 2023 which supersedes their earlier Audit Report dated 23 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NMDC Steel Limited for the year ended 31 March 2023 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.

In view of the revision made in the Statutory Auditors' Report to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the 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)
Director General of Commercial Audit
Hyderabad**

**Place: Hyderabad
Date: 10 August 2023**

ANNEXURE – III



B. R. Agrawal & Associates

Practicing Company Secretaries

Goyal Enterprises 18/952, Civil Station Road
Opp. Hotel Satkar, Raipur (C.G.) - 492009,
Phone : 0771-4061914, 4911914
Mobile : 98264-26263
E-mail : corporategovernance03@gmail.com

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[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 STEEL LIMITED
C/o NMDC Iron & Steel Plant,
Nagarnar, Bastar (C.G.) -494001

I, have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **M/s NMDC STEEL Limited** (hereinafter called the Company) **CIN No. U27310CT2015GOI001618** and having its Registered office at C/o NMDC Iron & Steel Plant, Nagarnar, Bastar (Chhattisgarh)-494001. Pursuant to the MCA order of Demerger dated 06/10/2022, the Nagarnar Steel & Power Plant of NMDC Limited situated at Nagarnar (Chhattisgarh) had been transferred from NMDC Limited to NMDC Steel Limited and thereafter, the Company has applied to the Registrar of Companies Chhattisgarh and concerned Regional Director (RD) for converting the status of the Company from Private Limited Company to Public Limited Company and same had been approved by the concerned RD w.e.f 04/11/2022. After that, the Company got listed its Shares with BSE, NSE and CSE w.e.f. 20/02/2023. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023 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:



I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023 according to the provisions of:

1. The Companies Act, 2013 and the rules made there under;
2. The Securities Contract (Regulation) Act 1956 (SCRA) and the rules made there under.
3. The Depository Act, 1996 and the Regulations and Bye-Laws framed there under.
4. The following Regulations and Guideline prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act)
 - a. The Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b. The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - d. The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - e. The Securities Exchange Board of India (Registrar to an Issue and Share Transfer Agent) Regulations 1993.
 - f. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - g. The Securities Exchange Board of India (Depositories and Participants) Regulations, 2018.
5. Corporate Governance Guideline Issued by Department of Public Enterprises ("DPE") vide their OM No. 18(8)/2005- GM dated 14th May 2010.

We have also examined compliances with applicable clauses of the following: -

- a. The Secretarial Standards issued by the Institute of Company Secretaries of India ('The ICSI') which is applicable on the Company.
- b. The Listing Agreement entered into by the Company with BSE Limited, National Stock Exchange Limited and the Calcutta Stock Exchange Limited.



During the period under review and based on the documents, forms made available to me and the explanations/assurances provided by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *subject to the following observations:*

- a. Pursuant to the provisions of Section 149 (4) of the Companies Act, 2013 and Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Clause no. 3.1.4 of DPE Guidelines issued by Department of Public Enterprises, in case where the Chairman of the Board is executive then at-least half of the Board shall be Independent Directors. However, *it has been observed that there were no Independent Directors on the Board of the Company as required under aforesaid provisions/regulations.*
- b. Pursuant to the provisions of Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 every top 500 Listed entity shall have at-least one Women Independent Director on its Board. *However, it has been observed that there was no Women Independent Director on the Board of the Company.*
- c. Pursuant to the provisions of Section-177 of the Companies Act, 2013, Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause No. 4.1 of DPE Guidelines issued by Department of Public Enterprises; the Company was required to Constitute Qualified and an Independent Audit committee. However, *it has been observed that in absence of independent Director on the Board the Company has not constituted any Audit Committee and not complied the other provisions relating to Audit Committee.*
- d. Pursuant to the provisions of Sec-178 of the Companies Act, 2013, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause No. 5.1 of DPE Guidelines issued by Department of Public Enterprises, the Company was required to Constitute NRC/Remuneration committee. *However, it has been observed that in absence of independent Director on the Board of the Company, the Company has not constituted any NRC/Remuneration Committee and not complied the other provisions relating to NRC/Remuneration Committee.*
- e. Pursuant to the provisions of sec-178 of the Companies Act, 2013, Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to constitute the Stakeholders Relationship Committee. However, *it has been observed that the Company has not constituted any Stakeholder Relationship Committee till the end of the financial year.*



- f. Pursuant to the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, being covered under top 1000 Listed Company the Company was required to constitute the Risk Management Committee. *However, it has been observed that the Company has not constituted any Risk Management Committee.*
- g. As per the secretarial standards, the notice of Board meeting is required to be given at least 7 (seven) days in advance of the meeting. *However, during the financial year there were some instances the meetings of the Board were convened at a shorter notice.* It was replied by the management that whenever meeting convened at shorter notice, it was always convened with the consent of the Board members.

Subject to observations as aforesaid, I further report that:

Subject to my observations given in para no. (a) & (b) above, I report that the Board of Directors of the Company is duly constituted as per the Articles of Association of the Company. 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 term of the Article of Associations of the Company all appointments to the Board are made by Hon'ble President of India through its administrative Ministry i.e. Ministry of Steel.

I further report that there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I 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.

I further report that for the financial year 2022-23, National Stock Exchange of India Limited imposed fine of Rs. 4,40,000/- including GST for non-compliance of the requirements pertaining to the Compositions of the Board of Directors including Women Independent Director as per the Regulation 17(1), Constitution of Audit Committee as per the Regulation 18 (1), constitution of Nominations and Remunerations Committee as per the Regulation 19(1) &(2), constitution of Stakeholder Relationship Committee as per the Regulation 20(2)/(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It has been replied by the Company to the Stock Exchange that the Company is a Central Public Sector Enterprises (CPSE) comes under the administrative control of



Ministry of Steel, Government of India. As per the Article 74 of the Article of Associations of the Company, the President of India shall appoint all members of the Board of Directors and the appointments of Independent Directors are still awaited.

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Date: 22/07/2023

Place: Raipur



For, B.R. Agrawal & Associates

Brajesh R Agrawal

(CS Brajesh R Agrawal)

Practicing Company Secretary

M. No 5771 | C.P. No. 5649

P.R. No- 553/2017

UDIN: F005771E000663087



To,
The Members,
NMDC STEEL LIMITED
C/o NMDC Iron & Steel Plant,
Nagarnar, Bastar (C.G.) -494001

This is to state that the Secretarial audit report for the financial year 31st March 2023 is to be read along with this letter.

Management Responsibility

1. It is the responsibility of the Management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditors Responsibility

1. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. I believe that audit evidence and information obtained from the Company management is adequate and appropriate for us to provide a basis for my opinion.
3. Whenever required I have obtained the managements representation about the compliance of laws, rules and regulations, regarding maintenance of records and happenings of events etc.

Disclaimer

1. Even though the audit is properly planned and performed in accordance with the applicable standards still due to inherent limitations of an audit including internal, financial and operating controls, there is unavoidable risk that some misstatement and material non-compliances may not be detected.



2. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
3. I have not verified the correctness and appropriateness of financial records and books of accounts and other laws applicable to the Company.

Date: 22/07/2023

Place: Raipur



For, B.R. Agrawal & Associates

Brajesh R Agrawal

(CS Brajesh R Agrawal)

Practicing Company Secretary

M. No 5771 | C.P. No. 5649

P.R. No- 553/2017

UDIN: F005771E000663087

ANNEXURE – IV

FORM NO. AOC-2

(Pursuant to clause (h) of sub section (3) of section 134 of the Act and rule 8(2) of the Companies (Account) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered in to by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Sl. No.	Particulars	Details
a.	Name(s) of the related party and nature of relationship	NA
b.	Nature of contracts / arrangements / transactions	NA
c.	Duration of the contracts / arrangements / transactions	NA
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
e.	Justification for entering into such contracts or arrangements or transaction	NA
f.	Date(s) of approval by the Board	NA
g.	Date on which the special resolution was passed in the general meeting as required under first proviso to section 188	NA
h.	Amount paid as an advance (if any)	NA

Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Particulars	Details
a	Name(s) of the related party and nature of relationship	M/s. NMDC Limited CIN: L13100TG1958GOI001674 Directors of NMDC Steel Limited are also directors in NMDC Limited.
b	Nature of contracts / arrangements / transactions	Nature of transaction- 1. Purchased of Raw material (Iron ore) from NMDC Limited of Rs. 46.42 Cr. 2. Supply of Cooking Coal to NMDC Limited of Rs. 8.36 Cr. 3. Payments made by NMDC Limited on account of NSL including funds on hand with NSL of Rs 2016.53 Cr & transactions related to employees of Rs 41.06 Cr"
c	Duration of the contracts / arrangements / transactions	The nature of transactions is recurring in nature.
d	Salient terms of the contracts or arrangements or transactions including the value, if any	Pursuant to the scheme of demerger the NMDC Limited has transferred the plant along with all assets and liabilities to NMDC Steel Limited (the resulting Company/ NSL). As per the said scheme NMDC has to provide handhold support to NMDC Steel Limited
e	Date(s) of approval by the Board, if any:	Pursuant to Demerger order dated 06/10/2022.
f	Amount paid as advances, if any:	NA

FOR, NMDC STEEL LIMITED

(AMITAVA MUKHERJEE)
CHAIRMAN
DIN: 08265207

Date: 22nd July, 2023
Place: Hyderabad

(DILIP KUMAR MOHANTY)
DIRECTOR
DIN : 09296720

ANNEXURE – V

REPORT ON CORPORATE GOVERNANCE

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

Pursuant to approval of Scheme of Arrangement between NMDC Limited ('Demerged Company') and NMDC Steel Limited ('Resulting Company') vide Ministry of Corporate Affairs (MCA) Order dated 06.10.2022, the equity shares of NMDC Steel Limited got listed on NSE, BSE and Calcutta Stock Exchange and admitted to dealings w.e.f. February 20, 2023.

NMDC Steel Ltd. endeavours to follow the highest standards of governance and create long term value for its stakeholders. The company strives to conduct its business ethically and responsibly by following the principles of accountability, transparency, fairness, leadership and effective stakeholder management.

NMDC Steel Ltd. is constantly focusing to meet the requirements of Corporate Governance under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 to the extent possible in order to ensure wealth creation for the various stakeholders associated with the company i.e. shareholders, customers, suppliers, creditors, Government of India, State Governments, Governmental agencies/ departments and the society at large.

2. Board of Directors

As on 31st March 2023, the Board of NMDC Steel Ltd. comprises of three Whole time / Functional Directors including Chairman and Managing Director and two Government Nominee Directors.

Being a Government company and pursuant to Article 73 and 74 of the Articles of Association of the company, the power of appointment of Directors on the Board of the company vests with the President of India through controlling Ministry, viz. Ministry of Steel, Govt. of India. Pursuant to demerger, the controlling ministry issued an Order for appointment of CMD, Functional Directors and Govt. Nominee Directors of NMDC Ltd. on the Board of NMDC Steel Ltd. on co-terminus basis. However, no Independent Directors have been appointed by the controlling ministry till the date of this report. The company is in constant communication with the controlling ministry for appointment of requisite number of Independent Directors including Woman

Independent Director on the Board of the company. Once the requisite number of Independent Directors are appointed on the Board, the company will be in compliance of the provisions of Companies Act, 2013 and SEBI (LODR) Regulations with regard to composition of Board.

a. Composition and category of Directors:

Whole-time / Functional Directors

- i) Shri Amitava Mukherjee, Director (Finance) and Additional Charge of Chairman and Managing Director.
- ii) Shri Dilip Kumar Mohanty, Director (Production)
- iii) Shri Vishwanath Suresh, Director (Commercial)

Government (w.e.f. 20-03-2023) Nominee Directors

- i) Smt. Sukriti Likhi, Additional Secretary & Financial Advisor, Ministry of Steel (w.e.f. 08.11.2022)
- ii) Shri Abhijit Narendra, Joint Secretary, Ministry of Steel (w.e.f. 20.03.2023)

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. In order to address specific urgent needs, meetings are also convened at a shorter notice.

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.
- 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

1.	Shri Sumit Deb [CMD, NSL Upto 28.02.2023]	2	2	NA
2.	Shri Amitava Mukherjee Director (Finance) and Addl. Charge of Chairman and Managing Director	7	7	Yes
3.	Shri Somnath Nandi Director (Technical) [Upto 31.12.2022]	6	5	Yes
4.	Shri Dilip Kumar Mohanty Director [Production]	7	7	Yes
5.	Smt. Sukriti Likhi Govt. Nominee Director [w.e.f. 08.11.2022]	2	2	NA
6.	Shri Abhijit Narendra Govt. Nominee Director [w.e.f. 20.03.2023]	0	0	NA
7.	Shri Vishwanath Suresh Director [Commercial] [w.e.f. 20.03.2023]	0	0	NA
8.	Shri Prasant Dass [Director, NSL hold Office Upto 30.09.2022]	1	1	No

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

Sl.No.	Name of the Director	No. of Directorship and Committee Membership / Chairmanship			Name of Other Listed entity and Category of Directorship
		Other Board Directorship* (Excluding NMDC Steel Limited)	Committee Membership	Committee Chairman ship	
1.	Shri Sumit Deb [CMD, NSL hold office Upto 28.02.2023]	5	0	0	NMDC Limited
2.	Shri Amitava Mukherjee Director (Finance) and Addl. Charge of Chairman and Managing Director	5	2	1	Director (Finance) in NMDC limited.
3.	Shri Somnath Nandi [Director (Technical) [Upto 31.12.2022]	2	0	0	-
4.	Shri Dilip Kumar Mohanty Director [Production]	6	1	0	Director [Production] in NMDC limited.
5.	Smt. Sukriti Likhi Govt. Nominee Director [w.e.f. 08.11.2022]	5	0	0	Nominee Director in KIOCL Ltd., NMDC Limited and Steel Authority of India Ltd.
6.	Shri Abhijit Narendra Govt. Nominee Director [w.e.f. 20.03.2023]	2	0	0	Nominee Director in NMDC Limited and Steel Authority of India Ltd.
7.	Shri Vishwanath Suresh Director [Commercial] [w.e.f. 20.03.2023]	1	0	0	Director [Commercial] NMDC Limited
8.	Shri Prasant Dass [Director, NSL hold Office Upto 30.09.2022]	1	0	0	NA

Notes:

* Directorship held by Directors on all other Boards (Private & Public)

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 2022-23, seven (7) 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	29	08.06.2022	4	3
2	30	30.09.2022	3	3
3	31	13.10.2022	3	3
4	32	15.10.2022	3	3
5	33	08.11.2022	3	3
6	34	08.11.2022	5	5
7	35	25.01.2023	4	4

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 31st March, 2023 – None of the Directors of the company are holding any shares of NMDC Steel Ltd.****g. Web link of Familiarization Programme:**

In terms of the Articles of Association of the company, Ministry of Steel, Govt. of India, the controlling ministry of the company have right to appoints Independent Directors on the Board of the company.

As a process, when a new Independent Director is appointed, a familiarization programme is conducted by the senior management team. Further, whenever a new member is appointed to a Board Committee, information relevant to the functioning of the Committee and the role and responsibility of Committee members is informed. The Board and Committee meetings of the Company are held at least on a quarterly basis and members of the Board meet key functional / business heads separately to get themselves more familiarized with the business/operations and challenges faced by the industry on an ongoing basis. By virtue of order of demerger, NMDC has to give handhold support to NSL.

Further, due to absence of Independent Director on the Board of the Company, the Company has not carried out any familiarization programmes for Independent Directors and it can be done after appointment of Independent Director.

Accordingly, the web link of the Familiarization Programmes will be available on: <https://nmdcsteel.nmdc.co.in/pads>

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

NMDC Steel Limited., being a Government Company under the control of its administrative Ministry viz. Ministry of Steel Govt. of India and in terms of Articles of Association of the company, the Board members are appointed / reappointed by the Administrative Ministry. Further, the controlling ministry vide Order dated 20.03.2023 has approved that the CMD, Functional Directors, Govt. Nominee Directors of NMDC Ltd. will also be the CMD, Functional Directors and Govt. Nominee Directors of NMDC Steel Ltd. respectively, on co-terminus basis, till further orders. 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.

Sl. No.	Name of the Director	Existing Skills / expertise / competence
1.	Shri Sumit Deb, Chairman and Managing Director (upto 28.02.2023)	Management, Personnel, HR, Commercial
2.	Shri Amitava Mukherjee, Director (Finance) Addl. Charge of CMD	Finance, Costing, Taxation
3.	Shri Somnath Nandi, Director (Technical) (upto 31.12.2022)	Steel, Projects
4.	Shri Dilip Kumar Mohanty, Director (Production)	Steel
5.	Smt. Sukriti Likhi, Govt. Nominee Director (w.e.f.08.11.2022)	IAS Officer
6.	Shri Abhijit Narendra, Govt. Nominee Director (w.e.f. 20.03.2023)	IRTS Officer
7.	Shri Vishwanath Suresh, Director (Commercial) (w.e.f. 20.03.2023)	Metallurgy, Management
8.	Shri Prasant Dash (Director, NSL upto 30.09.2022)	Management, Technical

- 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: Not Applicable
- 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: NA
- k. Particulars of Directors seeking re-appointment:

Details of the Director seeking appointment / reappointment in the ensuing AGM in pursuance to Regulations 36 of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings are given in the annexure of the notice of AGM, which forms an integral part of this Annual Report.

3. Audit Committee / Nomination, and Remuneration Committee / Stakeholders' Relationship Committee / Risk Management Committee / CSR Committee.

Being a Government Company in terms of Section 2(45) of the Companies Act, 2013 and in terms of Article 74 of Articles of Association of the Company, the power of appointment of Directors on the Board of the Company vests with the President of India through Administrative Ministry i.e. Ministry of Steel, Government of India. As on 31.03.2023, there were 5 (five) number of Directors on the Board of the Company comprising of 3 (three) Functional Directors including CMD and 2 (two) Government Nominee Directors; however, there are no Independent Directors on the Board of the Company. The company is in constant communication with the controlling Ministry, Ministry of Steel, Govt. of India requesting them to appoint requisite number of Independent Directors including Woman Independent Director on the Board of the Company to enable the company to fulfil the requirements of the SEBI LODR Regulations, 2015.

Therefore, the Company is not in a position to constitute the Audit Committee, Nomination & Remuneration Committee, CSR and Stakeholders' Relationship Committee and Risk Management Committee. Accordingly, no meetings of the Board-level Committees were held during the period under review. The same was disclosed to the Exchanges while listing the shares of the company and also while seeking exemption from SEBI under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957.

4. Remuneration of Directors

NMDC Steel Ltd. 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. However, since the Functional Directors of NMDC Ltd. are also acting as Functional Directors of NMDC Steel Ltd. on co-terminus basis in terms of Order received from Ministry of Steel, Govt. of India, no separate remuneration is paid to such

Functional Directors by the company.

Non-executive Part-time Official Directors do not draw any remuneration. Further, there are no Independent Directors on the Board of the company as already mentioned at point No.3 of this report. Accordingly, the criteria for performance evaluation of Independent Directors is not formulated.

5. 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 Resolution Passed
05 th AGM	Through VC / OAVM Deemed Venue- Registered Office of the company	04.09.2020 at 12:30 Hrs.	No
06 th AGM		27.08.2021 at 14:00 Hrs.	No
07 th AGM		06.08.2022 at 13:30 Hrs.	No

- (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

6. Means of communication

Quarterly Results:

The Company was listed on 20/02/2023, therefore no occasion arose during the financial year 2022-23 to publish the audited/unaudited financial results.

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

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

7. General Shareholders Information

(a) AGM date, time and venue

The 08th AGM of the Company shall be held on 07th September, 2023 at 15:30 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 :

The Company will be providing a facility to view the live streaming of the AGM Webcast on the NSDL website and the access of the same is at <https://www.evoting.nsdl.com> by using your remote e-voting credentials. The link will be available in shareholder login where the EVEN of Company will be displayed.

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

(c) Dividend Payment date: Since the Company has not declared or paid any dividend during the financial year 2022-23, therefore reporting under this clause is not applicable.

(d) Listing on Stock Exchanges

NMDC shares are listed on the following Stock Exchanges:-

(i) BSE 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) The Calcutta Stock Exchange Ltd.

7, Lyons Range,
KOLKATA – 700 001

We hereby confirm that the Company has duly paid its Annual Listing Fees for the year 2022-23 has been paid to the three Stock Exchanges.

(e) Stock Code:

Sl.No.	Name of the Stock Exchange where securities of the company are Listed.	Code/ Symbol
1.	BSE Limited	543768
2.	National Stock Exchange of India Limited	NSLNISF
3.	The Calcutta Stock Exchange Ltd	

(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	BSE		NSE	
	HIGHEST	LOWEST	HIGHEST	LOWEST
Feb-23	36.3	29.05	36.30	29.05
Mar-23	39.4	29.77	39.40	29.75

* Market price available from February 2023 as the

shares of the company Listed on 20/02/2023.

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

The company was listed in February 2023

(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

With effect from April 1, 2019, requests for transfer of securities shall be processed only in those cases where the securities are held in dematerialized form with a depository, in terms of guidelines issued by SEBI. Further, in terms of SEBI circular dated January 25, 2022, while processing investor service requests such as transmission, transposition, renewal, exchange, sub-division, consolidation and issue of duplicate certificates etc., the securities shall be issued in dematerialized form only. Accordingly, all shareholders of the company are requested to convert their shareholdings from physical form to demat form at the earliest to reap the benefits of dematerialization. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories viz, NSDL and CDSL within 15 days.

SEBI vide Circular dated November 3, 2021, has inter-alia made it mandatory for holders of physical securities to furnish/update PAN, email address, mobile number, bank account and nomination details, besides linking their PAN with Aadhar. The said circular also prescribes that those folios wherein any one or more of the aforesaid details are not available on or after September 30, 2023 shall be frozen and the investor will not be eligible to lodge grievance or avail service request from R&TA and will not be eligible for receipt of dividend. In view of the same, members holding shares in physical mode are requested to furnish PAN, KYC details and nomination forms immediately to the Company / R&TA in the prescribed forms available on the website of the company www.nmdcsteel.nmdc.co.in.

(k) Distribution of Shareholding:

(i) Shareholding Pattern of the Company as on 31.03.2023

Category of share holder	No. of share holders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
								Sub Category_I	Sub Category_II	Sub Category_III
[A] Promoter & Promoter Group	1	1,78,16,33,571	1,78,16,33,571	60.79	1,78,16,33,571	60.79	1,78,16,33,571	----	----	----
[B] Public	6,72,430	1,14,89,72,279	1,14,89,72,279	39.21	1,14,89,72,279	39.21	1,14,89,72,279	----	----	----
[C1] Shares underlying DRs				0.00		0.00		----	----	----
[C2] Shares held by Employee Trust				0.00		0.00		----	----	----
[C] Non Promoter-Non Public				0.00		0.00		----	----	----
Grand Total	6,72,431	2,93,06,05,850	2,93,06,05,850	100.00	2,93,06,05,850	100.00	2,93,06,05,850	----	----	----

(ii) Distribution of Shareholding by size as on 31.03.2023

SL NO	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	605853	87.88	61945817	619458170	2.11
2	5001 - 10000	40695	5.90	32360478	323604780	1.10
3	10001 - 20000	21143	3.07	31769079	317690790	1.08
4	20001 - 30000	7107	1.03	18361742	183617420	0.63
5	30001 - 40000	3516	0.51	12590718	125907180	0.43
6	40001 - 50000	2665	0.39	12619320	126193200	0.43
7	50001 - 100000	4544	0.66	33672519	336725190	1.15
8	100001 & Above	3867	0.56	2727286177	27272861770	93.06
	Total:	689390	100.00	2930605850	29306058500	100.00

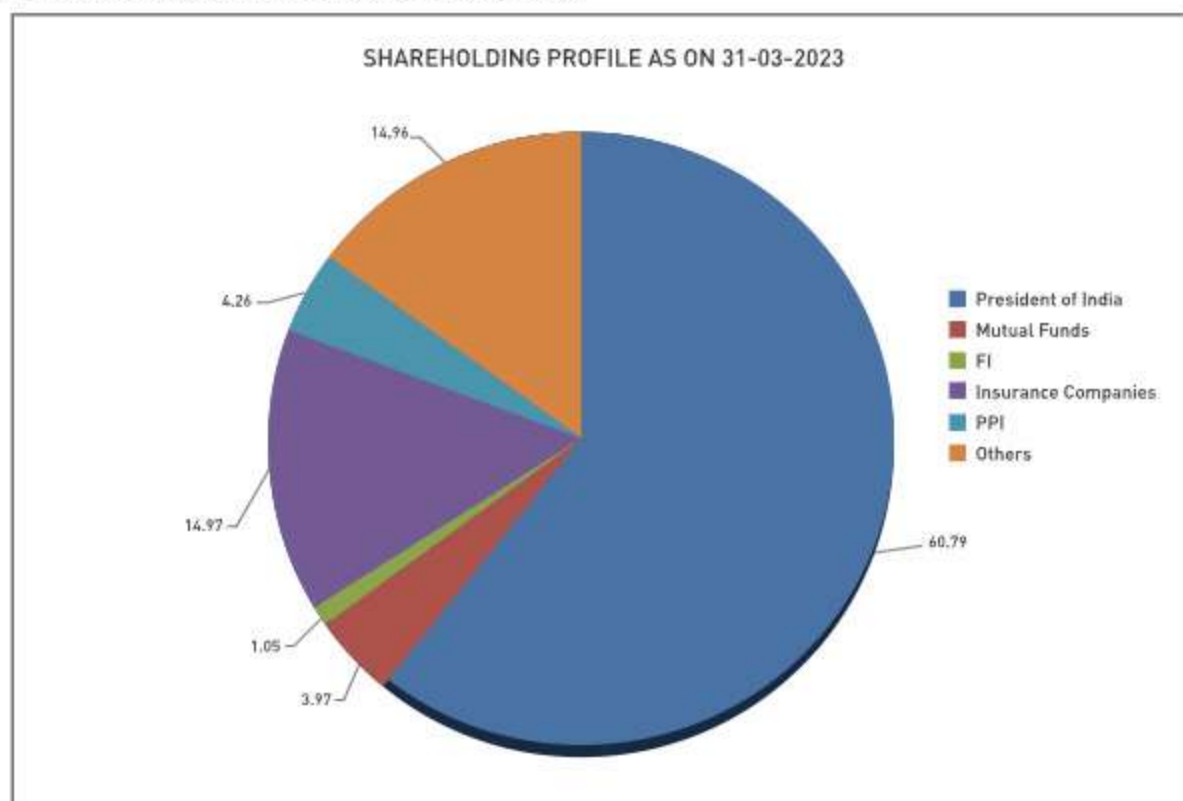
(iii) Top ten shareholders of the Company as on 31.03.2023

SL.No.	Shareholder	No. of Shares	%	Group	Category
1	PRESIDENT OF INDIA	1781633571	60.79	Pro	Central Government/ State Government(s)
2	LICI ANNUITY NON-PAR	414885432	14.16	pub	Insurance Companies
3	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BUSINESS CYCLE FUND	31295499	1.07	pub	Mutual Funds
4	PARAG PARIKH FLEXI CAP FUND	28211811	0.96	Pub	Mutual Funds
5	BNP PARIBAS ARBITRAGE	23121431	0.79	Pub	Foreign Portfolio Investors Category I
6	ICICI PRUDENTIAL MIDCAP FUND	22763072	0.78	Pub	Mutual Funds
7	SBI LARGE & MIDCAP FUND	13687772	0.47	Pub	Mutual Funds
8	ANIL KUMAR GOEL	13500000	0.46	Pub	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs
9	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	12500000	0.43	Pub	Bodies Corporate
10	SUNTRECK FINANCE PRIVATE LIMITED	12397192	0.42	Pub	Bodies Corporate
	TOTAL :	2353995780	80.33		

(iv) Geographical Distribution of Shareholders as on 31.03.2023

Sl No	City	No. of Share Holders	% to Total	No. of Shares	% to Total
1	AHMEDABAD	18714	2.71	18947765	0.65
2	BANGALORE	29644	4.30	17446311	0.60
3	BHUBANESWAR	2408	0.35	779985	0.03
4	CHANDIGARH	2490	0.36	1588705	0.05
5	CHENNAI	22272	3.23	40306200	1.38
6	GUWAHATI	1975	0.29	511045	0.02
7	HYDERABAD	22371	3.25	11148969	0.38
8	JAIPUR	10560	1.53	4948291	0.17
9	KANPUR	4044	0.59	1207314	0.04
10	KOLKATA	23848	3.46	45936520	1.57
11	MUMBAI	79012	11.46	790963018	26.99
12	NAGPUR	5104	0.74	2307368	0.08
13	NEW DELHI	40038	5.81	1840323827	62.80
14	PATNA	3649	0.53	3598953	0.12
15	TRIVANDRUM	1996	0.29	705529	0.02
16	OTHERS	421265	61.11	149886050	5.11
	TOTAL	689390	100.00	2930605850	100.00

(iii) Top ten shareholders of the Company as on 31.03.2023



I. Dematerialization of shares

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

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

No. of Shares held in dematerialized and physical mode as on 31st March, 2023 are as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in NSDL	2745855279	93.696
Held in dematerialized form in CDSL	184660574	6.301
Physical	89997	0.003
Total:	2930605850	100.000

(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: - NIL

(o) Plant / Mine Locations:

The Plant of the Company is located at: -
NMDC Iron & Steel Plant
Nagarnar, Bastar (Chhattisgarh)

(p) Address for Correspondence:

Registered Office:
NMDC Steel Limited
C/o: NMDC Iron & Steel Plant
Nagarnar, Bastar (Chhattisgarh) -494001

Corporate Office:-
NMDC Limited
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:

NMDC Limited had borrowed an amount of Rs. 523.80 Crore by Unsecured Non-Convertible

Debentures (NCD) & Rupee Term Loan of Rs. 4476.20 Cr before demerger for the plant of NISP and the same were transferred to NSL w.e.f date of demerger.

The Credit Rating for the instruments and the fund based facility are as under:

The ratings obtained Post Demerger are:

Fund based (Bank Loan facility)

Crisil A/Watch Developing
(w.e.f 22nd May 2023 for Rs. 4500 Cr)

Unsecured Non-Convertible Debentures:

- a) India Rating & Research-Affirms- IND A-/STABLE
(w.e.f February 16, 2023 for INR 5,238 million)
- b) ICRA- "ICRA A" on Rating Watch
(w.e.f February 16, 2023 for INR 5,238 million)

8. 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;

Penalty/Punishment/Compounding of Offence:-

In absence of the Independent Directors on the Board the Company is unable to constitute Board Committees as required under Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance.

Further, the NSE has levied the following penalty in respect of non-constitutions of Board Committees during the financial year 2022-23:-

1. Fine of Rs. 2,00,000/- Imposed by NSE under pertaining Regulation 17(1) for Non-compliance with the requirement pertaining to the composition of the Board of directors including non-appointment of Woman Independent Director.
2. Imposed Fine Rs. 80,000/- by NSE under Regulation 18(1) for Non-compliance with the requirement pertaining to the constitution of the Audit Committee.
3. Imposed Fine Rs. 80,000/- by NSE under Regulation 19(1)/19(2) for Non-compliance with the requirement pertaining to the constitution of the Nomination and Remuneration Committee.
4. Imposed Fine Rs. 80,000/- by NSE under Regulation 20(2)/(2A) for Non-compliance with the requirement pertaining to the constitution of the Stakeholder Relationship Committee.

(c) Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee;

NSL 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 of NSL at its 35th meeting held on 25.01.2023 approved the internal Whistle Blower Policy of NSL. NSL has effectively implemented its internal Whistle Blower Policy under CVO NSL, 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: NA
- (f) Web link where policy on dealing with related party transactions; <https://www.nmdcsteel.nmdc.co.in>
- (g) Disclosure of commodity price risks and commodity hedging activities – Necessary disclosure has been made. – No data available as the Company is newly listed company.
- (h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – N.A.
- (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-V(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:
- (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.0.78 crore.
- (l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. number of complaints filed during the financial year – Nil
 - b. number of complaints disposed of during the financial year – Nil
 - c. number of complaints pending as on end of the financial year – Nil
- (m) Loans and advances in the nature of loans to firms/ companies in which Directors are interested:- The Company has not given any loans and advances to any firms/ companies in which Directors of the company are interested

(n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: – Since the Company has no subsidiaries, therefore reporting under this clause is not Applicable

(o) 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.

(p) Items of expenditure debited in books of accounts, which are not for the purposes of the business.

Nil,

(q) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.

Nil

(r) Details of Administrative and Office expenses as a percentage of total expenses. All expenditure was capitalized and formed a part of Capital Work in Progress.

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

NSL 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. As on 31.03.2023, the composition of the Board of NMDC steel Ltd. consists of three (3) Functional Directors including one CMD, and (2) Government Nominee Directors. There is a vacancy of Independent Directors; including one woman Independent Director and Functional Directors i.e., CMD, Director (Personnel) and Director (Technical), which needs to be filled in by Ministry of Steel, Govt. of India.

In the absence of Independent Directors on the Board of NMDC, the company is unable to comply with the following:-

- (i) Non-compliance with composition of the Board with regard to requisite number of Independent Directors;
- (ii) Non-Compliance with appointment of women Independent Director.

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.

10. 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 Financial Statements for the FY 2022-23 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 / plant visit from time to time. The Board of Directors has also approved a policy on training.

- 11.** 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.

- 12.** 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-V (B).

- 13.** Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the Board' 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 V (C).

- 14.** 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, NSL [CMD], Director [Finance] and CFO, NSL has been taken on record by the Board.

- 15.** Disclosures with respect to demat suspense account/ unclaimed suspense account: No transaction during the year.

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

No shares has been transferred to Investor Education and protection fund during the financial year 2022-23.

- (b)** Investors having any complaints relating to Company 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 : imsi@nmdc.co.in,
info@arthiconsultants.com
Web site : www.aarthiconsultants.com
Contact Person: Mr. G. Bhaskara Murthy, General Manager

- (c) 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.

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

- (e)** 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 Extn - 23
M +91 93247 24943 or +91 81085 21582
W <https://beacontrustee.co.in>

- 17.** NSL's Code for Prevention of Insider Trading

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 and its amendments, the Board of NSL has approved the Internal Code of Conduct for Prevention of Insider Trading in dealing with Securities of NMDC Steel 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.

- 18.** Meeting of Non-official (Independent) Directors

No separate meeting of the Non-official (Independent) Directors was held during the financial year 2022-23, since there were no Independent Directors on the Board of the company.

ANNEXURE – V (A)



B. R. Agrawal & Associates

Practicing Company Secretaries

Goyal Enterprises 18/952, Civil Station Road
Opp. Hotel Satkar, Raipur (C.G.) - 492009,
Phone : 0771-4061914, 4911914
Mobile : 98264-26263
E-mail : corporategovernance03@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to the 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 Steel Limited
C/o NMDC Iron & Steel Plant
Nagarnar, Bastar (C.G.) -494001

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NMDC Steel Limited** having **CIN U27310CT2015GOI001618** and having registered office at C/o NMDC Iron & Steel Plant, Nagarnar, Bastar (C.G.)-494001(hereinafter referred to as 'the Company'), produced before me 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority to the best of my knowledge.

Sr No.	Name of Director	DIN	Date Appointment of in Company *
01.	Shri Amitava Mukherjee	08265207	06/03/2019
02.	Ms. Sukriti Likhi	01825997	08/11/2022
03.	Shri Abhijit Narendra	07851224	20/03/2023
04.	Shri Dilip Kumar Mohanty	09296720	16/12/2021
05.	Shri Vishwanath Suresh	10059734	20/03/2023

*The date of appointment is as per the MCA portal.

As the Company is a Central Public sector Enterprise under administrative control of Ministry of Steel, Government of India and pursuant to the Article no. 73 and 74 of the Article of Associations, the President of India have right to appoint all the member of the Board. Further, my responsibility is to express an



opinion on these based on my 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.

**For, B.R. Agrawal & Associates
Practicing Company Secretary**

Brajesh Agrawal

(Brajesh R. Agrawal)

C.P. No. 5649 | M. No. 5771

UDIN: F005771E000663065



Date: 22/07/2023

Place: Raipur

ANNEXURE – V (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 of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board Members and Senior Management Personnel of NMDC Steel Limited for the year ended 31st March 2023.

Amitava Mukherjee
Chairman and Managing Director
(DIN: 08265207)

Place : Hyderabad
Date : 23rd May 2023



ANNEXURE – V (C)



B. R. Agrawal & Associates

Practicing Company Secretaries

Goyal Enterprises 18/952, Civil Station Road
Opp. Hotel Satkar, Raipur (C.G.) - 492009.
Phone : 0771-4061914, 4911914
Mobile : 98264-26263
E-mail : corporategovernance03@gmail.com

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of,
NMDC Steel Limited,
C/o NMDC Iron & Steel Plant
Nagarnar, Bastar (C.G.) -494001.

I, have examined the compliance of the conditions of Corporate Governance by **NMDC Steel Limited** ("the Company") for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation") and the guideline on Corporate Governance for Central Public Sector Enterprise issue by the Department of Public Enterprise (DPE), Government of India.

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

In my opinion and to the best of my information and according to the explanation given to me, I hereby certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations and DPE Guidelines from the date of listing till the end of the financial year 2022-23. (i.e. from 20/02/2023 to 31/03/2023) *except the following:-*

1. The Company was required to appoint Independent Directors including Woman Independent director on the Board the Company.
2. The Company was not constituted Audit committee, Nomination & Remuneration committee, Stakeholder Relationship committee and Risk management committee due to the absence of Independent directors on the Board of the Company.

I further state that such compliance 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.

For, B.R. Agrawal & Associates
Practicing Company Secretaries

Brajesh R. Agrawal
(Brajesh R. Agrawal)
C.P. No. 5649 | M. No. 5771
UDIN: F005771E000663076



Date: 22/07/2023
Place: Raipur

ANNEXURE – VI

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	U27310CT2015GOI001618
2.	Name of the Listed Entity	NMDC Steel Limited
3.	Year of incorporation	2015
4.	Registered office address	NMDC Iron & Steel Plant, Nagarnar, Bastar, Chattisgarh - 494001
5.	Corporate address	Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028
6.	E-mail	cs_nisp@nmdc.co.in
7.	Telephone	040-23538757
8.	Website	https://nmdcsteel.nmdc.co.in/
9.	Financial year for which reporting is being done	April 1, 2022 – March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited (NSE) Calcutta Stock Exchange Ltd.
11.	Paid-up Capital	Rs.2930.06 crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Dilip Kumar Mohanty Director (Technical) Tel: 040-23538757 Email ID: cs_nisp@nmdc.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

The Company had not commenced commercial production as of 31.03.2023 and accordingly, the said details have not been reported.

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
NOT APPLICABLE			

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

The Company had not commenced commercial production as of 31.03.2023 and accordingly, the said details have not been reported.

S.No.	Product/Service	NIC Code	% of total Turnover contributed
NOT APPLICABLE			

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	1	2
International	0	0	0

IV. Employees

18. Details as at the end of Financial Year:

- a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% [B / A]	No. (C)	% [C / A]
EMPLOYEES						
1.	Permanent (D)	232	217	93.5	15	6.5
2.	Other than Permanent (E)	250	242	96.8	8	3.2
3.	Total employees (D + E)	482	459	93.3	23	6.7
WORKERS						
4.	Permanent (F)	789	638	80.9	151	19.1
5.	Other than Permanent (G)	392	387	98.7	5	1.3
6.	Total workers (F + G)	1181	1025	86.8	156	13.2

- b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% [B / A]	No. (C)	% [C / A]
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	12	11	91.66	1	8.33
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	12	11	91.66	1	8.33
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	8	7	87.5%	1	12.5%
5.	Other than permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	Total differently abled workers (F + G)	8	7	87.5%	1	12.5%

17. Markets served by the entity:

- a. Number of locations

Locations	Number
National (No. of States)	-*
International (No. of Countries)	0

*Since the plant had not commenced the operations the markets served by the entity could not be ascertained.

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

- c. A brief on types of customers

The Company will supply steel coils, sheets and plates of different grades to industries involved in the manufacturing of LPG cylinders, bridges, automobile grades, pipes, storage tanks, boilers and railway wagons.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors Key	5	1	20%
Key Management Personnel	0	0	0.00%

20. Turnover rate for permanent employees and workers|
(Disclose trends for the past three years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4%	0%	4%	2%	8%	2%	2%	7%	2%
Permanent Workers	1%	0%	1%	2%	1%	2%	1%	0%	1%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares heldby listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
NOT APPLICABLE				

VI.CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) NO

(ii) Turnover (in Rs.) - Nil

(iii) Net worth (in Rs.) - Rs.17048.58 crore

Since the Company was yet to start commercial production as of 31.03.2023, the said provisions are not presently applicable to the Company.

VII.Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) [If Yes, then provide web-link for grievance redress policy]	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	-	-	-	-	-	-
Investors (other than shareholders)	-	-	-	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) [If Yes, then provide web-link for grievance redress policy]	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	1	0	*	-	-	-
Employees and workers	Yes. Grievance Redressal committee is constituted under NSL as per provisions of sec 9 © of ID act	8	2	-	4	0	-
Customers	-	-	-	-	-	-	-
Value Chain Partners	-	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

* Subsequent to approval of demerger of NMDC Limited and NMDC Steel Limited vide MCA Order dated 06.10.2022, the equity shares of the Company were listed on the stock exchanges on 20.02.2023. Accordingly, the number of investor complaints have been captured post listing.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy	Risk	Reduction in dependence on fossil fuels. Energy efficiency and adoption of renewable energy is also a key to lower greenhouse emissions.	Production of steel is a highly energy-intensive process and consumes large quantity of energy across multiple sources : coal, natural gas, electricity and other fossil fuels. Our operations are dependent on fossil fuels for	Negative

				equipment and other operations. Our profitability is dependent on continuous availability of fuels at constant price. Any fuel price fluctuation results into an impact on our profitability.	
2.	Water consumption and Effluent discharge	Risk	Minimising of fresh water drawn from the river by maximising recycling of treated waste effluents within the plant by setting up effluent treatment plants. The aim is to achieve Zero effluent discharge. It is essential to minimise water requirement and maximise water recycling to be cost efficient.	Production of steel requires large quantity of water. Non-compliance of regulatory requirements with respect to effluent discharge & higher water usage may lead to fines and penalties being imposed on the company by the regulatory authorities.	Negative
3.	Occupational Health and safety	Risk	NSL conducts periodic training/sensitization sessions for its employees and workers. NSL monitors its accident statistics through its trained safety professionals deployed on-site. NSL apprises the Senior management including the Board of Directors on the safety related incidents and corresponding preventive actions on a periodic basis.	Production of steel may pose occupational health and safety risks to our employees and workers owing to the nature of operations.	Negative
4.	Biodiversity	Risk	NSL seeks periodic renewal of all applicable Consents. Afforestation, treatment of the effluent discharge and monitoring of the air quality is being done for the protection of biodiversity around the steel plant.	The production of steel at Nagarnar and the resultant waste may pose threats to biodiversity. Any negative impact on biodiversity also poses a risk of community agitation, legal and regulatory sanctions.	Negative

5.	Human Resource Management and Human Capital Development	Opportunity	NSL firmly believes the health and welfare of our people, the community and society are important for the business. Thus focus on four thrust areas – Education, Health, Livelihoods and Infrastructure, aimed at improving the communities' quality of life and providing them with employment opportunities.	A mutually beneficial, two-way relationship with the community, anchored by transparency and trust, is critical for NSL to continue to retain its social license to operate. Human capital available is identified as an asset to NSL operations.	Positive
6.	Economic performance	Opportunity	The processes are deeply linked with innovation and technology for steel production.	The integrated steel plant is an asset. The huge market for steel in a developing country like India would be a good economic opportunity for NSL.	Positive



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	N	Y	Y	Y	Y	N	Y	N
b. Has the policy been approved by the Board? (Yes/No)									
c. Web Link of the Policies, if available									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	N	Y	Y	Y	Y	N	Y	N
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	N	Y	Y	Y	Y	N	N	N
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	N	N	Y	Y	Y	Y	N	N	N
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	Y	Y	Y	Y	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	N	N	Y	Y	Y	Y	N	N	N
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements. NMDC Steel is a newly listed CPSE under the Ministry of Steel. The company has always followed high Environment, Social and Governance mechanisms and standards as the division of NMDC Limited, another listed Navaratna company. NMDC Steel Limited, listed on February 2023, will always strive to achieve the highest standards with commitment and transparency.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Chairman & Managing Director CMD								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? [Yes / No]. If yes, provide details.	No								

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee										Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
											P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	N*	Y	Y	Y	Y	Y	N*	Y	N*	– Annually –								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	N*	Y	Y	Y	Y	Y	N*	Y	N*	– Annually –								

* Yet to commence operations as on 31st March, 2023

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
N	N	N	N	N	Y	N	N	N

* Company is yet to Commence Operations as on 31st March, 2023

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)					-				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	Y	-	-	-	-	Y	-	Y
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					-				
It is planned to be done in the next financial year (Yes/No)					-				
Any other reason (please specify)					-				

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact									% age of persons in respective category covered by the awareness programmes
		P1	P2	P3	P4	P5	P6	P7	P8	P9	
Board of Directors	13	During the year, the board engaged in various activities and updates related to ethics, business, regulatory, safety. These topics provided insights on the above-mentioned principles									100%
Key Managerial Personnel		Safety, Health, Skill Development, Knowledge upgradation & others									5.65%
Employees other than BoD and KMPs											
Workers	24										97%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

There were no cases of fines, penalties, punishments, compounding fees/ settlement amounts paid in proceedings (by the entity or by directors/ KMPs) with regulators/law enforcement agencies/ judicial institutions for the FY 2022-23.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary

or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes. The principles of anti-corruption and anti-bribery form a part of various policies and procedures adopted by NSL.

Further, in line with the company's act and LODR regulations, the company has a Whistle blower Policy in place which aims to safeguard the employees from reprisals or victimization for whistle blowing in good faith in case they observe any unethical and improper practices, procedures or wrongful conduct.

The Whistle-blower policy is uploaded at the link: <https://nmdcsteel.nmdc.co.in/pads>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees (executives)	0	0
Workers (non-executives)	0	0

6. Details of complaints regarding conflict of interest:
No complaints were received regarding conflict of interest.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable as no complaints regarding conflicts of interest were received.

Leadership indicators

1. Awareness programmes conducted for value chain partners (VCP) on any of the principles during the financial year:

There was no awareness programme conducted for value chain partners during the financial year.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, there is a Vigilance department that plays an advisory role and after investigation or study of any matter or any system/process of the organization, suggests for system improvements. In case, during investigation any deviation or misconduct with malicious intention is found on the part of any employee, vigilance may bring it to the notice of the Disciplinary Authority, in a confidential manner, with recommendation for necessary disciplinary action as deemed fit. However, whether recommendations from vigilance warrants for disciplinary action /imposition of penalty or not is to be decided by such authority only.

Further, the code of conduct for the Board of Directors and Senior Management of NMDC provides necessary guidelines to avoid conflict of interest. This specifies that the director(s) shall not involve in a situation in which he/she may have a direct or indirect interest that conflicts or possibly may conflict with the interest of the company.

The code of conduct for Board of Directors and senior management personnel is uploaded at the link: <https://nmdcsteel.nmdc.co.in/pads>

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Name of Element	FY2022-23	FY2021-22	Details of improvements in environmental and social impacts
R&D	Not Applicable	Not Applicable	Not Applicable
Capex	Rs. 1,85,31,183	Rs. 1,34,65,360	Installation of CAAQMS and green belt development
Total Cost	Rs. 1,85,31,183	Rs. 1,34,65,360	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

As on 30-03-2023, the plant was yet to commence its operations, hence, no such procedures were in place.

- c. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for [a] Plastics (including packaging) [b] E-waste [c] Hazardous waste and [d] other waste.

As on 30-03-2023, the plant was under the commissioning stage, hence there was generation of the said waste at present. However, the details of the process of waste generation and disposal/reuse/recycle details are as below:

S.No.	Solid Wastes	Expected Generation TPA	Proposed disposal
1.	BF slag	8,48,700	Sold to Cement Industry, used in Road Construction
2.	BF sludge	22,000	Partly used in the Sinter Plant and partly dumped
3.	BF flue Dust	42,150	100% reuse in the Sinter Plant
4.	BOF Slag	3,15,000	100 % reuse in construction, Cement, BF, Sinter Plant & as rail ballast

5.	BOF sludge	45,000	Reuse in the Sinter Plant & Dumped
6.	BOF scale	15,000	100% reuse in the Sinter Plant
7.	Scales Caster / Mills	42,150	100% reuse in the Sinter Plant
8.	Scrap Caster / Mills	56,600	100% reuse in the BOF Plant
9.	Lime Dust	25,600	100% reuse in the Sinter Plant
10.	Dolo Dust	6,600	100% reuse in the Sinter Plant
11.	Skull / Scrap	6,000	100% reuse in the BOF Plant
12.	Pig casing m/c Sludge	7,000	100% reuse in the Sinter Plant
13.	Cinder	72000	Road Construction

Hazardous waste generation & management

S.No.	Source	Quantity Per Annum	Mode of utilisation
1.	Tar Sludge from Coke Oven Decanter	3780 T	Recycling in Coke Ovens.
2.	BOD plant sludge	800 T	Disposal in Coke Ovens
3.	ZLD Plant Sludge	14600 T	Disposal through Authorised TSDF (Treatment Storage and Disposal Facility) agency.
4.	Spent /Wash /Lubricant and batteries	150 T	Disposal through Authorised TSDF (Treatment Storage and Disposal Facility) agency.
5.	Oil & Grease Skimming Residues	100 T	Sold to authorised recyclers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

As the plant was under commissioning stage, it is not applicable.

Leadership indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

LCA was not conducted in FY 2022-23.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable as LCA was not conducted in FY 2022-23.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Blast Furnace sludge, slag, and dust are reused in the Sinter plant. However, the percentage data is not available

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format.

Not Applicable as the packaging is not yet done in the plant.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable as the steel production had not yet commenced as on 31-03-2023.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1.a. Details of measures for the well-being of employees (executives):

Category		% of employees covered by									
	Total (A)	Health insurance		Accident		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees (executives)											
Male	229	229	100%	229	100%	–	–	229	100%	NA	NA
Female	15	15	100%	15	100%	15	100%	–	–	NA	NA
Total	224	224	100%	224	100%	15	100%	229	100%	NA	NA

b. Details of measures for the well-being of workers (non-executives):

Category		% of employees covered by									
	Total (A)	Health insurance		Accident		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than Permanent workers (non-executives)											
Male	644	644	100%	644	100%	–	–	644	100%	NA	NA
Female	145	145	100%	145	100%	145	100%	–	–	NA	NA
Total	789	789	100%	789	100%	145	100%	644	100%	NA	NA

2.Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No.of employees covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No.of employees covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	244	789	–	226	763	–
Gratuity	244	789	–	226	763	–
ESI	NA	NA	NA	NA	NA	NA

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises/offices of the steel plant are accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

NSL is Government of India's Public Sector Enterprise which is governed by the DPE Guidelines, the policies of the Govt. of India and the Act of the Parliament, the company follows equal opportunity in the letter and spirit.

5. Return to work and Retention rates of permanent employees (executives) and workers (non-executive) that took parental leave.

Sl. No.	Particulars	Permanent Employees (executives)			Permanent Workers (non-executives)		
		Male	Female	Total	Male	Female	Total
1	Returned to work rate	100%	100%	100%	100%	100%	100%
2	Retention rate	100%	100%	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)	Details of mechanism
Permanent Workers (non-executives)	Yes	Yes. Grievance Redressal Committee is constituted at NSL as per provisions of Sec 9(c) of ID Act Written complaints to be submitted to the committee and committee has to complete proceedings within 30 days
Other than Permanent Workers(non-executives)	Yes	For female employees -Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and WIPS (Women in Public Sector) committee is there
Permanent Employees (executives)	Yes	Channel of written complaint to Competent Authority, Vigilance etc.
Other than Permanent Employees (executives)	Yes	For female employees -Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and WIPS (Women in Public Sector) committee is present.

7. Membership of employees (executives) and worker (non-executives) in association(s) or Unions recognized by the listed entity:

Category	FY2022-23			FY2021-22		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees (executives)	786	786	100%	756	756	100%
Male	643	643	100%	624	624	100%
Female	143	143	100%	132	132	100%
Total Permanent Workers (non-executives)	231	199	86.57%	220	192	87%
Male	216	187	86.57%	208	180	86.5%
Female	15	12	80%	12	12	100%

8. Details of training given to employees (executives) and workers (non-executives)

Category	Total (A)	FY2022-23				FY2021-22				
		On Health and Safety Measures		On Skills upgradation		Total (A)	On Health and Safety Measures		On Skills upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (B)	% (B/A)	Number (C)	% (C/A)
Employees (executives)										
Male	217	200	92.17	210	96.77	501	101	20%	400	80%
Female	13	13	100	13	100	21	4	20%	17	80%
Total	230	213	92.61	223	96.96	522	105	20%	417	80%
Workers (non-executives)										
Male	621	600	96.62	600	96.62	21346	4270	20%	17076	80%
Female	139	139	100	139	100	35	7	20%	28	80%
Total	760	739	97.24	739	97.24	21381	4277	20%	17104	80%

9. Details of performance and career development reviews of employees (executives) and workers (non-executives)

Category	FY-22-23			FY-21-22		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. (B)	%(B/A)	Total (A)	No. (B)	%(B/A)
Employees						
Male	217	143	65.90	NIL	NIL	NIL
Female	13	13	100.00	NIL	NIL	NIL
Total	230	194	84.35	NIL	NIL	NIL
Workers						
Male	621	NIL	NIL	NIL	NIL	NIL
Female	139	NIL	NIL	NIL	NIL	NIL
Total	760	NIL	NIL	NIL	NIL	NIL

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, NSL has an occupational health and safety management system being implemented.

Safety management system at NISP.

The Safety Engineering Department (SED), function is to assist the management in the fulfilment of the obligation concerning prevention of accidents and maintaining a safe working environment. SED imparts regular safety training as well as refresher safety training to the regular employees and contractor workers. SED conducts safety inspections and co-ordinates with the department for corrective actions in respect of unsafe conditions and unsafe actions. SED conducts safety campaigns such as safety competitions, painting of various safety slogans and pictures to promote the safety awareness amongst the

employees. SED co-ordinates the procurement of quality safety appliances to the employees.

Safety Committee:

A Two-Tier safety committee system is established. Each department has a Safety committee having equal representation of workers and management level personnel. The committee meets at monthly interval and a record of the proceedings is maintained. The quarterly Project Safety Review meeting chaired by Head of the Project is held to review of the overall safety performance of the plant and to discuss about the policy and procedures.

Accident Reporting, Investigation & Analysis:

Every department maintains incident register, which includes accidents and near-miss/close call/dangerous occurrences. In case of accidents, joint investigation is carried out by a committee consisting of the concerned departmental person, Zonal personnel in-charge and the Zonal safety Officer. The identified actions are

implemented which are reviewed in the monthly departmental safety committee meeting and in the plant level safety meetings.

Safety Inspections:

Regular safety inspection of all departments is carried out by Safety Engineering Department. Also, Safety Audit at defined intervals is performed including all aspects of Occupational Health & Safety for all the areas.

Safety Education & Training:

One-day training is provided to contractor employees on emergency preparedness, safety precautions, use of PPEs and plant related information etc. and a photo identity pass is issued for entry at the gate. Separate pass is issued for work at height after training and medical examination. Audio visual aids are used to impart training. Once in 6 months retraining is given to plant personnel and the training records are maintained at HRD.

Safe Operating Procedures / Work Permit System:

Appropriate procedures, work instructions, operation control procedures are established and issued to all concerned for safe & effective operation. Training to contractor employee is given before deputing on day-to-day activities. Work Permit system is implemented for hot work, Electrical isolation and non-isolation works.

Pressure Vessels / Lifting Tackles:

All pressure vessels are identified and covered under annual testing by competent authority and records maintained. The safety Engineering department is responsible for arranging annual inspection of lifting tackles, and all are found to be covered as per frequency. Operators found to be conversant with operation of such equipment's. All test reports are maintained at respective departments as well in Safety dept.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Job Hazard Analysis (JHA)/Job Safety Analysis (JSA):

- Conduct a comprehensive analysis of each job task to identify potential hazards.
- Break down the tasks into steps and assess the associated hazards and risks.
- Involve employees and supervisors in the JHA process to gather their input and knowledge.

Safety Inspections:

- Regularly conduct safety inspections of the workplace to identify hazards.
- Inspect equipment, machinery, tools, and work areas for potential risks.
- Document and report identified hazards for corrective actions.

Incident/Near-Miss Reporting and Investigation:

- Establish a reporting system for employees to report incidents and near-miss events.
- Investigate incidents and near-misses to determine the root causes and contributing factors.
- Analyze incident trends and patterns to identify potential hazards and areas of improvement.

Safety Committees and Employee Engagement:

Establish safety committees comprising representatives from various departments.

Conduct regular meetings to discuss safety concerns, hazards, and risk mitigation strategies.

Encourage employees to actively participate in safety programs, provide feedback, and report hazards.

Task-Specific Risk Assessments:

- Perform task-specific risk assessments for high-risk or complex tasks.
- Identify hazards and assess risks associated with each task.
- Determine appropriate control measures and develop safe work procedures for each task.

Periodic Safety Audits and Reviews:

- Conduct periodic safety audits to assess the effectiveness of safety measures.
- Review safety policies, procedures, and practices to ensure compliance with regulations and industry best practices.
- Identify areas for improvement and implement corrective actions.

Training and Education:

- Provide comprehensive training to employees on hazard identification, risk assessment, and control measures.
- Conduct specialized training for employees involved in high-risk tasks or working with hazardous materials.
- Promote safety awareness and educate employees about the importance of hazard identification and risk assessment.
- By implementing these processes, the steel industry entity can effectively identify work-related hazards, assess risks, and take appropriate measures to ensure a safe work environment

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

YES: The workers are participating in the safety committee meetings as per the safety regulations and providing their observations and inputs regarding work related hazards in the presence of respective Safety Committee chairman. The Safety Committee is functional in Package/unit as per the Factory regulations. Furthermore, on regular basis Safety Tool box talks are being organised involving workers

for awareness, where workers are given opportunity to share the safety related hazards.

Occupational Health Services at NSL, Nagarnar: Occupational Health Centre

As per Indian Factories Act, 1948, and the relevant CG state factory rules, an Occupational health center is established at NSL, Nagarnar including a 24x7 Emergency and Trauma Unit, an Audiometry room, Medical Laboratory, a Digital X-Ray unit and Spirometry test, a vision room, a minor OT, an observation room, a minor burn unit, /Surgical ward and a pharmacy.

First-Aid Centres:

To ensure the highest level of safety and emergency medical preparedness within the plant premises NSL, Nagarnar established two well-equipped 24x7 first aid Centres with trained male nursing staff and ALS (advanced life support system) Ambulances at the following locations:

1. First-Aid Center at the Coke-Oven Area,
2. First-Aid Center in the RMHS area.

Presently, OHC, NSL provides the following statutory Occupational health services as per Indian Factories Act, 1948.

1. Initial Medical Examination,
2. periodical Medical Examination,
3. Fitness for working at height,
4. First aid training,
5. Management of IOD (injured on duty) cases,
6. Fitness for long absentees.
7. Ambulance services: five ambulances with advanced life support systems along with Emergency Medical Technicians are available round the clock to attend to any kind of medical emergency in the plant.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Employees/ workers of the entity have to access non-occupational medical and health care services like:

- General OPD
- 24*7 Emergency medical services,
- Health awareness camps,
- Blood donation camps.

11. Details of safety related incidents.

Safety incident/ numbers	Categories	FY2022-23	FY2021-22
Injury Frequency Rate (IFR*) (per one million-person hours worked)	Employees (executives) Workers (non-executives)	- -	- -
Total recordable work-related injuries	Employees (executives) Workers (non-executives)	Nil 3	Nil Nil
No. of fatalities	Employees (executives) Workers (non-executives)	Nil Nil	Nil Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees (executives) Workers (non-executives)	Nil Nil	Nil Nil

*** The data involves: Reportable accidents under factories rules**

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Measures taken for safe and healthy work place:

Coke Oven and By-Product Plant:

- Adequate ventilation systems to control dust, smoke, and harmful gases.
- Proper maintenance of equipment to prevent leaks, fires, and explosions.
- Use of personal protective equipment (PPE) such as masks, gloves, and goggles.
- Regular monitoring of air quality and implementation of control measures.

Sinter Plant:

- Installation of dust collection systems and proper ventilation.
- Use of PPE to protect against dust and smoke inhalation.

- Regular maintenance and inspection of moving equipment to prevent accidents.
- Training programs on handling hazardous substances and emergency procedures.

Blast Furnace:

- breaks and hydration programs.
- Installation of dust control systems and proper ventilation.
- Use of PPE to protect against heat, dust, noise, and chemical exposure.
- Safety measures for working at heights and near liquid metal and slag.

Steel Melting Shop:

- Implementation of proper ventilation.
- Use of PPE to protect against heat, dust, noise, and chemical exposure.

- Regular maintenance of equipment and safety guards.
- Training programs on safe handling of liquid metal, slag, and moving equipment.

Rolling Mills:

- Implementation of noise control measures, such as soundproofing and hearing protection.
- Regular maintenance of equipment to prevent accidents and malfunctions.
- Use of PPE to protect against heat, noise, and mechanical hazards.
- Proper housekeeping to minimize slip and trip hazards.

Power and Blowing Station:

- Regular maintenance and inspection of equipment to prevent accidents and malfunctions.
- Implementation of heat stress management measures and noise control.
- Proper training for working at height and handling gas and steam lines.
- Monitoring and control of vibrations to minimize health risks.

Material Handling:

- Implementation of ergonomic practices to reduce the risk of musculoskeletal disorders.
- Training programs on proper lifting techniques and use of mechanical aids.
- Adequate lighting and clear signage to ensure safe movement.
- Regular inspection and maintenance of equipment to prevent accidents.

Oxygen Plant:

- Proper maintenance and inspection of oxygen storage and handling systems to prevent leaks and ensure safe operations.
- Installation of fire detection and suppression systems in the plant.
- Adequate ventilation systems to prevent the accumulation of oxygen and maintain a safe oxygen concentration in the air.

- Proper training for employees on the safe handling, storage, and transportation of oxygen.
- Use of appropriate personal protective equipment, such as gloves and goggles, when working with liquid oxygen.

Lime and Calcination Plant:

- Implementation of dust control measures, such as dust collection systems, ventilation, and proper housekeeping.
- Use of personal protective equipment, including masks, goggles, and gloves, to protect against dust exposure.
- Implementation of heat stress management programs, including adequate rest breaks, hydration, and proper ventilation.
- Regular maintenance and inspection of equipment to prevent malfunctions and reduce fire and explosion risks.
- Proper training for employees on the safe handling and storage of lime, including the use of appropriate PPE and emergency procedures.

Other Major Hazards:

- Implementation of confined space entry procedures and training programs.
- Provision of appropriate tools and equipment for each task.
- Proper illumination and ventilation in work areas.
- Regular inspection and maintenance of electrical systems.

Strict adherence to safety protocols, shutdown procedures, and clearances.

Training programs on emergency preparedness and use of safety appliances.

It is important to note that these measures should be supported by comprehensive safety training programs, regular inspections, hazard identification, and reporting mechanisms. Additionally, fostering a culture of safety awareness and responsibility among employees is crucial to maintaining a safe and healthy work environment in the steel industry.

13. Number of Complaints on the following made by employees (executives) and workers (non-executives)

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	–	NIL	NIL	–
Health & Safety	NIL	NIL	–	NIL	NIL	–

14. Assessments for the year:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

15. Provide details of any corrective action taken or underway to ensure safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions

- Strictly implementation of Work permits system, SOP & SMP at site
- Ensure close monitoring by the concerned personnel regularly.
- Enhance the safety awareness training & motivational program among the employees
- Ensure the availability of good quality PPE's at site.
- Conduct the internal & external safety audit to review and developed safety culture.

Leadership indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

A. Employees - Yes

B. Workers - Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Not Available

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been/are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

Total no. of affected employees/ workers

	FY2022-23	FY2021-22
Employees (executives)	Nil	Nil
Workers (non-executives)	Nil	Nil

No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	FY2022-23	FY2021-22
Employees (executives)	Nil	Nil
Workers (non-executives)	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

The company is a Government organisation, it is governed by the rules and regulations formulated by DPE, Government of India.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-*
Working Conditions	-*

*The plant was yet to start its operations and hence the assessment of the value chain partners was not applicable as on 31st March, 2023.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. (Descriptive answer)

Not Applicable

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential indicators

1. Describe the processes for identifying key stakeholder groups of the entity

We have adopted a synergistic approach towards stakeholder engagement. Our stakeholder engagement process is guided by the NSL Citizen's Charter. The charter lays out the mechanism through which we reach out and engage with our stakeholders and manage their feedback. Our decisions regarding production, management and general business functioning take place after thorough stakeholder consultation. We also ensure that we regularly meet legal, statutory and regulatory requirements.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/others) - Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Government and other regulators	No	<ul style="list-style-type: none"> Meeting with Centre and State Government, Ministry of steel, Ministry of mines, DPE, Ministry of Environment, forests and climate change, Ministry of Corporate Affairs, Periodic communication and submission of various compliance reports to statutory authorities Performance Report (Quarterly & Annually) Inspections 	Annually	<ul style="list-style-type: none"> Infrastructure development Community development Forest and Environmental clearances Other applicable acts and policies.
Employees	No	<ul style="list-style-type: none"> Industrial Relations meetings with Union leaders, Bipartite and tripartite meetings collective bargaining interactions with officer associations official communications grievance redressal forums Employee training and seminars, Monthly Co-ordination meetings 	Quarterly	<ul style="list-style-type: none"> Job Satisfaction Collective bargaining agreements Promotion & career growth Employee benefits and remunerations Performance management and recognition Health and safety measures at the steel plant
Suppliers	No	<ul style="list-style-type: none"> Interactive meetings and sessions during tenders Vendors meet, periodic vendor and supplier meets supplier relationship management 	Half-yearly	<ul style="list-style-type: none"> Onboarding local suppliers Transparency & anti-corruption practices Timely payment Adoption of integrity pact programme
Customers	No	<ul style="list-style-type: none"> Meeting with Industry representatives and Ministries. Meetings with Customers. 	Quarterly	<ul style="list-style-type: none"> Quality of items of supply

Industry associations & professionals	No	<ul style="list-style-type: none"> • Membership with industry associations. • Regular meetings with consultants and professionals. • Meetings & seminars 	Annually	<ul style="list-style-type: none"> • Quantity and quality of products • Customer grievance and resolution mechanisms • Knowledge & infrastructure support
Local communities	Yes	<ul style="list-style-type: none"> • Gramsabha and Public Hearing / Consultation as and when required. • Meetings with community leaders 	Public hearings as per regulatory requirement, other community meetings as required	<ul style="list-style-type: none"> • Regulatory compliance • Transparency in disclosures
Regulatory Authorities	No	<ul style="list-style-type: none"> • Ongoing meetings and dialogues • Participation in formal and informal consultation process 	On regular basis	<ul style="list-style-type: none"> • Livelihood opportunities • Basic amenities • Rehabilitation and Resettlement • Compensation
Media	No	<ul style="list-style-type: none"> • Press conferences • Press coverage of operations • Interviews 	Monthly/Quarterly /as per plan	<ul style="list-style-type: none"> • Sound corporate governance mechanisms • Regulatory compliances • Transparency in disclosure
Investors	No	<ul style="list-style-type: none"> • Annual General Meeting • Periodic financial reports to shareholders and investors • Interactions with financial institutions and shareholders. 	Annually/as and when convened	<ul style="list-style-type: none"> • Impact on the community • Transparent and accurate disclosure to the stakeholders • Transparent and effective communication of business performance • Addressing investor queries and concerns • Sound corporate governance mechanisms

Leadership indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

a) Stakeholder Identification: We have identified 9 key stakeholder groups that impact our business and are, in-turn impacted by our business.

b) Stakeholder engagement: We developed survey questionnaires for employees and workers to seek their input. Engagement with other stakeholder groups, including Senior management and Board of Directors, and sought their inputs.

c) Issue Prioritization: Based on the response received from the stakeholder engagement, we identified key material topics for the company.

d) Issue Management: We sought inputs from the senior management and the Board of Directors on the management of key material topics across the value chain.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholder consultation is used to support the identification and management of environmental and social topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The concerns of the local communities identified as vulnerable/marginalised groups were as follows:

- Compensation.
- Financial, social and environmental impact of the operation on the community.
- Training/upskillng to enable community members to be self employed.
- Support in providing clean drinking water.
- Job creation.

Principle 5: Businesses should respect and promote human rights

Essential indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity.
There were no trainings specific to human rights that were conducted during the reporting period.

2. Details of minium wages paid to employees and workers in the following format:

Category		FY2022-23				FY2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees (executives)										
Permanent										
Male	229	-	-	229	100%	212	-	-	212	100%
Female	15	-	-	15	100%	14	-	-	14	100%
Workers (non-executives)										
Permanent										
Male	644	114	17.7	530	82.3	627	109	17.18	518	82.6%
Female	145	31	21.4	114	78.6	136	30	22.1	106	77.9%
Other than Permanent										
Male	658	0	0	658	100%	729	0	0	729	100%
Female	6	0	0	6	100%	7	0	0	7	100%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	*	1	*
Key Managerial Personnel	-	-	-	-

* No remuneration was paid to Directors by NMDC Steel Ltd. As per order dated 20-03-2023 of Ministry of Steel, GOI the functional & Govt. Nominee Directors on the Board of NMDC were also the Directors on the Board of NSL.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Grievance committee oversees and addresses any issue arising from any human rights impact or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The mechanism prescribed by the Government, namely the "Grievance Procedure", is in force for the redressal of the employees. There is a personnel Department which is fully equipped to deal with the grievances of the employees. Besides, as and when CMD/ Directors of the company visit the steel plant, they invariably hold meetings with the Associations/ Unions for redressal of their grievances, if any.

Besides, there is a link to the CPGRAMS also provided on the website of the company, where a grievance can be lodged by an aggrieved employee. This portal is being monitored by the Personnel Department of the company, who is also the Grievance Redressal Officer of the Company. We stand committed to protecting human rights in the workplace. Thus, during the FY 2022-23, there have been Nil cases of human rights violation.

6. Number of Complaints on the following made by employees and workers:

	FY2022-23			FY2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labor	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labor/Involuntary Labor	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The company has a Board of Directors' approved Whistle Blower Policy in place. This mechanism provides adequate safeguards against victimization of Employees who complain about discrimination/harassment etc. The Guidelines of Department of Public Enterprise (DPE) provides that the role of the Audit Committee, as constituted by the Board of Directors, includes a review of the functioning of the Whistle Blower Mechanism. Complete Confidentiality of the Whistle Blower is being maintained. It is ensured that the Whistle Blower /Complainant is not subjected to victimization of any nature whatsoever. Genuine Whistle Blowers are accorded protection from any kind of harassment/unfair treatment/victimization. Any other Employee(s) assisting in the said investigation are also protected to the same extent as the Whistle Blower/Complainant.

In case of Employees filing a Vigilance Complaint with the Vigilance Department, the Identity of the Complainant is strictly kept confidential. In case a complaint is received against any superior for any kind of harassment to the employee, the identity of the complainant is kept confidential, and if required, the superior/complainant may be transferred to other Units for safeguarding the Complainant. NSL has an Internal Complaints Committee (ICC) under the POSH ACT, 2013, to safeguard and protect women Employees from any form of Sexual Harassment and Discrimination in the Workplace.

8. Do human rights requirements form part of your business agreements and contracts?

No

9. Assessment for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	—*
Wages	100%
Others – please specify	—

* Not Available

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

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

Essential indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter in GJ	FY2022-23	FY2021-22
Total electricity consumption (1) (Grid)	4,84,142.4	2,13,066.72
Total fuel consumption (2)	15,58,010	741**
Energy consumption through other sources (3) (Solar)	0	0
Total energy consumption (1+2+3)	20,42,152	2,13,807
Energy intensity per rupee of turnover [Total energy consumption/turnover in Crore rupees]	-*	-*

* Since the plant did not start its Commercial Operations as on 31st March, 2023 the turnover of the company can not be ascertained

** As blast furnace has not started & the plant has not been commenced operations in the last financial year the fuel consumption is very less.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme by the Government of India. Hence, not applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2022-23	FY2021-22
Water withdrawal by source (in kiloliters)		
(i) Surface water	57,52,606*	45,68,548
(ii) Groundwater	NIL	NIL
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	57,52,606*	45,68,548
Total volume of water consumption (in kiloliters)	30,72,144	16,32,311
Water intensity per rupee of turnover [litre /Rs. Crore]	-	-

* The water withdrawal from the river is based on the actual water drawn, however the consumption of water is less as the plant is not fully operational.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Zero Liquid Discharge Details are as below

- All other units of the steel plants are provided with separate pre-treatment systems comprising of settling ponds, UF and RO systems. For treatment of waste water generated from power and blowing station, HRSCC-DMF-UF-RO scheme has been proposed. The treated effluents shall be used as make up water in unit water circuit.
- A centralized zero liquid discharge facility has been proposed for the ISP. RO reject water (180 m³/hr) from various units of the steel plant shall be collected & treated in ZLD plant. Around 90% of the water shall be recovered from ZLD and shall be reused inside the plant. No effluents shall be discharged outside the plant boundary. ZLD sludge shall be disposed-off through Authorized TSDF agency.
- Engineering of the scheme is under progress. Breakup of quantities of RO rejects maximum from various units is shown in the following Table.

Breakup of RO rejects from different units of the Integrated Steel Plant

S.No	Unit	RO Reject Quantity(m ³ /hr)
1	Power & Blowing Station	45
2	Thin slab caster, Tunnel Furnace, HSM	45
3	BOFComplex	26
4	Blast Furnace Complex	14
5	STP(UFReject)	12
6	Compressed Air Station	10
7	OxygenPlant	8
8	EDWorkBuilding	7
9	Lime&Dolomite Plant	4
10	Area shop office for Sinter plant, BF&LDCCP	3
11	Area shop office,for SMS & Caster	3
12	Area shop for CMOS Building	3
	Total	180

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Ans: As the plant is in commissioning stage, it is 'Not Applicable'

Parameter	Please specify unit	FY2022-23	FY2021-22
NOx	mg/NM ³	241	NA
SOx	mg/NM ³	386	NA
Particulate matter (PM)	mg/NM ³	46	NA
Persistent organic pollutants (POP)	-	-	NA
Volatile organic compounds (VOC)	-	-	NA
Hazardous air pollutants (HAP)	-	-	NA
Others – please specify	-	-	NA

6. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,51,718.3	-*
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,06,242.36	-
Total Scope 1 and Scope 2 emissions per rupee of turnover		-**	-**

* Data not available.

** Since, the company has not started commercial operations as on 31-03-2023, the turn over is not applicable.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The plant is in commencing stage and is yet to start its commercial operations. The projects related to the reduction in Greenhouse gas emissions are not applicable. However, there are four continuous Ambient air quality stations to monitor the ambient air quality continuously for 8 parameters.

8. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Solid Waste: Mitigation Measures

Integrated Iron & steel plant generates solid wastes, some of which are hazardous while others are non-

hazardous. Some of these wastes are reused / re-utilised and some are not. Additionally, some wastes are also generated during operation / maintenance / annual maintenance of other units / shops etc, like Flue dust from BF, BF/BOF Gas Cleaning Plant sludge, Waste Refractories, etc. It can be noticed that except some sludge generated from Coke Oven and By Product area, all other wastes are non-hazardous. All the solid wastes shall be utilized as such inside the plant in Sinter Plant/BOF. BF/BOF Slag shall be sold to cement manufacturers or used for road construction.

All hazardous waste shall be handed over to authorized dealers for disposal as per statutory norms. The generation quantity along with the reuse / recycle and disposal methodology for the solid waste is presented in the following table.

Table 1: Source of Generation / Characterization of Solid Wastes

Sl.No.	Solid wastes	Expected Generation TPA	Proposed disposal
1	BF slag	848700	Sold (Cement Industry), Road Construction
2	BF sludge	22000	Partly used in the Sinter Plant and partly dumped
3	BF flue Dust	42150	100% reuse in the Sinter Plant
4	BOF Slag	315000	100 % reuse in construction, Cement, BF, Sinter Plant & as rail ballast.
5	BOF sludge	45000	Reuse in the Sinter Plant & Dumped
6	BOF scale	15000	100% reuse in the Sinter Plant
7	Scales Caster / Mills	42150	100% reuse in the Sinter Plant
8	Scrap Caster / Mills	56600	100% reuse in the BOF Plant
9	Lime Dust	25600	100% reuse in the Sinter Plant
10	Dolo Dust	6600	100% reuse in the Sinter Plant
11	Skull / Scrap	6000	100% reuse in the BOF Plant
12	Pig casing m/c Sludge	7000	100% reuse in the Sinter Plant
13	Cinder	72000	Sold, Road Construction

Table 2: Hazardous waste generation & management

Sl.No.	Source	Quantity Per Annum	Mode of utilisation
1	Tar Sludge from Coke Oven Decanter	3780 T	Recycling in Coke Ovens.
2	BOD plant sludge	800 T	Disposal in Coke Ovens
3.	ZLD Plant Sludge	14600 T	Disposal through Authorised TSDF (Treatment Storage and Disposal Facility) agency.
4.	Spent / Wash/Lubricant and batteries	150 T	Disposal through Authorised TSDF (Treatment Storage and Disposal Facility) agency.
5.	Oil & Grease Skimming Residues	100 T	Sold to authorize recyclers.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The waste management practices adopted by the company are mentioned in Table 1. There are processes in place to reduce the usage of hazardous and toxic chemicals; the processes and practices adopted to manage hazardous waste are given in Table 2 in the above question.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Permissions and recommendations were undertaken from the State Forest Department regarding impact of proposed plant on the surrounding reserved forest viz. Kanger RF (5 km, SE), Ultnar RF (7.9 km, NW), Kakadpasa RF (5.3 km, NW), Chalanguda RF (8.5 km, NW) and Metawada RF (13.6 km, NW).

S.. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Village & PO Nagarnar, District Bastar, Chhattisgarh	Integrated Iron and Steel Plant	All the conditions are complied

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
EIA/EMP study report for Integrated Steel Plant (3.0 MTPA) at Village Nagarnar, Tehsil Jagdalpur, District Bastar, Chhattisgarh	S.O.1533(E)	14.09.2006	YES, EIA/EMP study was carried out by M/s MECON Ltd., Ranchi, Jharkhand	Yes	https://environmentclearance.nic.in/onlineSearchnewrk.aspx?autoid=2070&proposal_no=IA/CG/IND/24498/2014&typep=EC

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

NSL has been granted & issued Consent to Operate under Water (Prevention and Control of Pollution) Act 1974, Air (Prevention and Control of Pollution) Act 1981 on 15.09.2022 and renewed further and same is valid up to 31.08.2023. All the conditions stipulated under the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules there under are complied and compliance report of the same is being submitted to statutory agencies.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent Essential indicators

- Number of affiliations with trade and industry chambers/ associations.
NIL
 - List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to
NIL
2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

The company was yet to commence production as on 31-03-2023. Further, no adverse orders from any regulatory authorities were received.

Principle 8: Businesses should promote inclusive growth and equitable development**Essential indicators**

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
Not available
- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.No	Name of the project for which R & R is going on	State	District	No. of project effected families (PAF's)	% of PAF's covered by R&R	Amount paid to PAFs on the FY (in INR)
1	NSL, Nagarnar	Chattisgarh	Bastar	26 Khatas	78	5.8 crores against land compensation

- Describe the mechanisms to receive and redress grievances of the community.
NSL being a CPSE has its established grievance submission & redressal mechanism. A Complaint box has been provided at the plant wherein stakeholders can drop in their grievances. In addition to the above, grievances /complaints can be submitted to the Head of the Departments.
- Input material sourced from suppliers: (Rs. Cr)

	FY 2022-23	FY 2021-22 (INR)
Directly sourced from MSMEs/ small producers	19.00	5.08
Sourced directly from within the district and neighboring districts	2.35	0.66

Leadership indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):
Not Applicable
- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:
Since the plant is under commissioning stage and there are no profits, CSR is not applicable
- Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
NA*
 - From which marginalized /vulnerable groups do you procure?
NA*
 - What percentage of total procurement (by value) does it constitute?
NA*
- * Not available
- Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:
NIL
- Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.
NIL
- Details of beneficiaries of CSR Projects:
Since the plant is under commissioning stage and there are no profits, CSR is not applicable.

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

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

NSL, as a CPSE, has a well-established system for submitting and resolving grievances. NSL Vigilance dept. receives complaint through various sources such as CVC, CBI, MOS, and either by mail or by post. Additionally, complaints can be submitted to the Chief Vigilance Officer (CVO). Once a complaint is registered and the complainant's credibility is confirmed, further correspondence regarding the complaint's outcome will not be entertained. However, NMDC Vigilance will ensure that the complaint is examined and investigated according to the guidelines of CVC. If an employee's name appears in the complaint or their role emerges during the investigation, they will be informed of the allegations.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Not applicable

3. Details of consumer complaints in respect of the following

Nil

4. Details of instances of product recalls on account of safety issues

Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

If available, provide a web-link of the policy.

No. However the company is in the process of having a cyber security policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / service

Not Applicable as no cases of data theft/ data privacy issues or complaints were reported. However, new generation fire walls are being developed to strengthen the Cyber Security Systems and there by protect the data of customers and employees.



ANNEXURE – VII

MANAGEMENT DISCUSSION & ANALYSIS REPORT FOR THE YEAR 2022-23

1. NMDC Steel Ltd.: An overview

1.1 Introduction

- NMDC STEEL LIMITED, was incorporated as a subsidiary of NMDC Ltd on 02/01/2015 for operating in manufacturing, producing processing and dealing in stainless steel, silicon steel etc.
- A pure-play miner, NMDC Limited had originally conceived the setting up of 3 MTPA capacity green-field Integrated Steel Plant in Nagarnar, located 16 km from Jagdalpur, Chhattisgarh. The initiative of NMDC was with the intention of moving up the value chain and diversifying its portfolio. The idea was also to hedge itself against the vagaries of iron ore prices and to boost the socio- economic stature & standard of living in the tribal belt of Chhattisgarh.
- Later on after demerger of NMDC Limited pursuant to the approved scheme, all the assets and liabilities pertaining to the Steel Plant was transferred to NMDC Steel Limited (NSL) and the resultant Company NSL is also a Government of India undertaking falling under the administrative control of the Ministry of Steel, Gov. Presently the plant is under commissioning stage with the help of NMDC's resources as per the scheme of arrangement.
- This is the only new large-scale steel plant currently fully ready to start production in India, with little likelihood of a new plant of similar size plant coming up in the next few years.

1.2 Listing of the Company:

- NMDC Steel Limited (NSL), has been listed at the Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange on 20th Feb 2023. The paid-up capital of Rs. 2,930 crore out of which around



61% is owned by the President, Government of India, through its administratively controlling Ministry i.e. the Ministry of Steel.

1.3 The Project and its Commissioning:

- The state of the art 3 MTPA integrated steel plant at Nagarnar being a green-field Steel Plant, having major facilities such as 460 Sq. meter Sinter Plant, 4500 m3 Blast Furnace, 7 meter tall Coke Oven Batteries, 2x175 T BOF, Thin slab Caster and Hot Strip Mill are at a stage of their integrated commissioning. NMDC Steel Limited (NSL) made remarkable progress with respect to achievement of commissioning of its various facilities.
- The Coke Oven battery #1 along with the By Product Plant and part of Raw Material Handling system started its operation from 28.10.2022, subsequently on 24.04.2023, Coke Oven battery #2 was also taken for its operation. Both the batteries are presently under stabilization.
- In order to ensure zero liquid discharge (ZLD) during operation of the plant Central ZLD unit also made operational since 01.04.2023. A part of Power Blowing Station (PBS) also under operation to supply process steam as per the requirements of the running units.
- The Sinter Plant (SP) was also put on Hot Trails on 19.04.2023 along with relevant conveying and feeding system to ensure supply of Sinter for Blast Furnace. In order to make the availability of industrial gases for running units and commissioning requirements, Oxygen Plant Stream #2 was put on operation from 21.04.2023. Similarly, Oxygen Plant Stream #1 is also under preparation for commissioning.
- Turbo Blower Station is also ready for its operation to supply to cold blast for Blast Furnace and the same will be put up on continuous operation in synchronization with Blast Furnace Blow-in.
- Trails and Checking of individual equipment as well as integration of system is under progress as a pre-commissioning activity in other major units such as



Blast Furnace, Steel Melting Shop (SMS) and Thin Slab Caster and Hot Strip Mill.

- All auxiliary units/services departments like Main Receiving Station, PPDS, Water Depts. Compressed Air Station, DG Station, Central Stores are in ready to use position.
- The State of the art 3.0 MTPA steel plant at Nagarnar is at advanced stage of construction completion and reaching its commissioning phase. Conducting cold trial, preliminary Acceptance Test etc of individual as well as integrated test of equipment under various Technological packages are in progress as pre-commissioning activities. Pre-commissioning activity has been started with heating of Coke-Oven battery.
- As a precursor to commissioning of the Coke Oven Battery power has been switched on for the coal handling system including the stacker reclaimer to start commissioning of the coal route of Raw Materials Handling System. The 220KV GIS (Gas Insulated Switch) main receiving sub-station was started in March 2018, followed by power supply to the Sinter Plant.
- The power sub-station packages that will be activated subsequently are the Raw Material Handling Plant, Coke Oven, Blast Furnace, Steel Melting Shop, Hot Strip Mill, Lime & Dolomite Calcination Plant and Railway Yard.

1.4 Proposed initial Operation and Maintenance:

- Initially for Operation and Maintenance of the plant, a contract has been awarded to M/s. MECON for deployment of manpower for pre-commissioning, commissioning, achieving rated capacity and subsequent operation & maintenance. M/s. MECON also deployed experienced man power for the taking care of continuous operation and maintenance of the plant as per the site requirement.
- It is expected that during the operation in the FY 2023-24, the plant will be able to carry out its activities up to 56% of its Annual Capacity for the period of 12 months. Accordingly, for the remaining period of 9 months from the Date of Commencement of Commercial Production, the plant will be using 42% of its Annual capacity i.e. proportionate to the 56% capacity for the period of 12 months. However the efforts shall be made further increase its utilization of annual capacity from the beginning itself.

1.5 Raw Materials

Iron Ore

- As far as continuous supply of Raw Materials are concerned, NSL already placed orders for various required raw Materials which includes Coking Coal, Limestone, Dolomite, Calcined Lime & Dolo, etc. and Iron Ore Lump/Fines being sourced from NMDC's mines on long term agreement basis.
- Ministry of steel has proposed to use mine lease area at Deposit 4 located at Bailadila range of hills at

Bhansi near Bacheli in South Bastar's Dantewada district in Chhattisgarh for meeting the raw material requirement 'exclusively' for the Integrated Steel Plant at Nagarnar. The Deposit 4 iron ore mine is proposed to be developed as a 'standalone project' with an estimated investment of Rs 1899.74 crores. The exploration work was done at Bailadila Deposit 4 by NMDC during 1972-74. The ore reserves were proved by detailed exploration activities.

- Iron ore requirement for the steel plant would be 5 MTPA. The Deposit 4, spread over a mining lease area of 646.596 hectares, has a production capacity of 7.0 MTPA. The remaining iron ore quantity after meeting the requirement of the Nagarnar plant will be sold to domestic customers in Chhattisgarh.
- In addition to the mining lease area, 95.13 hectares forest land is identified for development of infrastructure such as the downhill conveyor, screening plant, loading plant and approach road etc. Further, 50 hectares of non-forest land is also required for installation of railway stockyard, administrative building, loading plant (part), tailing dam, STP, and township etc.
- Mining plan along with progressive mine closure plan has been approved by Indian Bureau of Mines (IBM), for a production capacity of 7.0 MTPA vide their letter no: No 314(3)/2012-MCCM (CZ)/MP-19 dated 26 July 2013.
- NMDC is operating iron ore mines at Bailadila Complex in South Bastar Dantewada District Chhattisgarh and has long-term commitment to supply iron ore to major steel plants across the country from existing mines. Hence, a JV Company between NMDC and Chhattisgarh Mineral Development Corporation (CMDC) was formed for the development of a new deposit in the already prospected areas i.e Bailadila Deposit-4 with a production capacity of 7 MTPA for meeting the iron ore requirement of Nagarnar Steel plant.



1.6 Socio Economic Endeavors

- NMDC Steel Ltd. is committed to endeavor and pursue policies and programs to deliver long term value to all its stakeholders and also to invest substantially in the socio-economic development of the local communities, especially near its projects.
- The Company will also endeavor to follow the highest standards of governance and conduct its business ethically and responsibly by following the principles of accountability, transparency, fairness, leadership and effective stakeholder management.

1.7 Pellet Plant & Slurry Pipe Line

- The 15 MTPA Slurry Pipeline System from Bailadila to Nagarnar and a 2 MTPA Pellet Plant at Nagarnar are being implemented by NMDC. This section of pipeline would be used for transporting iron ore fines from Bailadila to Nagarnar for pelletisation.
- This pipeline is planned for further extension from Nagarnar to Visakhapatnam which will be implemented by a JV company of NMDC, Rashtriya Ispat Nigam Ltd (RINL) and Kudremukh Iron Ore Company (KIOCL).



1.8 Growth plan

- After commencement of the commercial operation and looking at the existing scenario of the market at that particular time vis a vis analyzing the future demands, the Company shall chalk out its expansion plan. The management is committed to the growth in consonance with the global practices and market trends. The global and domestic market trends and prospects have been discussed in the later part of the analysis.

2. Industry Structure and Developments

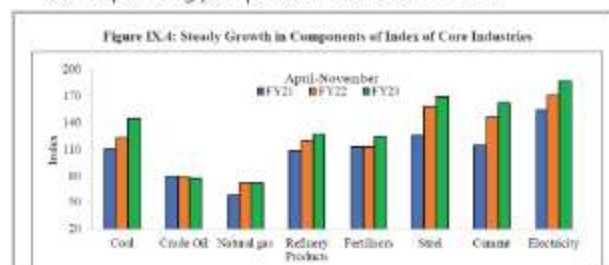
2.1 Steel Industry Outlook: Global:

- In 2021, even though many locations had Covid restrictions, most countries around the world have registered an increase in steel production as well as consumption.
- Total world crude steel production was 1951 MT in 2021, a growth of 3.8% from last year's production of 1879 MT. The average growth in crude steel production between 2015 and 2020 remained at 3%. China, with around 53% share in global steel output in 2021, has produced 1032.8 MT of steel in 2021, ~3% lower than 2020 level. Rest of the major producers increased their production to compensate for the gap created by Chinese steel mills in the export market.

- In 2021, China, to restrict carbon emissions of the steel sector, has placed cap on the steel production to keep the steel output below 2020 production level. However, the steel output of Chinese Steel mills was 12% higher in the first half of 2021 making the decrease in the second half significant as the overall steel production in 2021 declined by ~3%.
- Due to rise in the demand of steel in the first half of 2021, owing to the government stimulus through increased infrastructure spending and faster economic recovery across many countries, and supply constraints due to Covid restrictions, increase in logistics costs etc., the prices of steel soared in the H1 CY 2021 peaking up in June 2021. The higher steel production resulted in higher demand for iron ore and coal whereas the supply disruption in Australia and other major raw material supplier due to extreme weather events and Covid restriction placed, has resulted in their prices also registering a similar rise in the first half with prices peaking up in June 2021.
- However, the demand for steel fell due to tough measures taken by Chinese government on their real estate sector, decline in demand from the automotive sector facing chip supply shortage and increase in fiscal deficit in many countries stalling their infrastructure stimulus packages etc. and supply improved as other major steel producers increased their output to compensate for Chinese steel supply shortage.
- The World Steel Association (worldsteel) has today released its Short Range Outlook (SRO) steel demand forecast for 2023 and 2024. worldsteel forecasts that this year, demand will see a 2.3% rebound to reach 1,822.3 Mt. Steel demand is forecast to grow by 1.7% in 2024 to reach 1,854.0 Mt. Manufacturing is expected to lead the recovery, but high interest rates will continue to weigh on steel demand. Next year, growth is expected to accelerate in most regions, but deceleration is expected in China.
- The major reasons behind the expected increase is expected to include rebuilding of infrastructure destroyed due to Russia-Ukraine conflict which has led to contraction in demand from Russia, Ukraine and Europe, higher inflationary pressure causing many countries to move towards fiscal tightening which is expected to move in positive direction. The demand will increase in the developed countries as well as in India, South East Asia and USA, majorly because of the infrastructure stimulus packages such as Gati Shakti in India, Bipartisan Infrastructure Law in USA etc., is expected to contribute in increased demand.
- The demand for good quality ore is expected to increase further with countries more focused on cutting down emissions. On the supply side, contraction from Russia, Ukraine and India (increase in export duty) is expected whereas supply from Australia and Brazil is expected to rise.

2.2 Steel Industry Outlook: India:

- After a significant fall in 2020, India's produced 113.43 million tonne of crude steel in January-November 2022, which is 10 per cent higher compared to the year-ago period. The government aims to double the country's annual crude steel making capacity to 300 MT from 150 MT at present.
- As per the Economic Survey report for 2022-23, the cumulative growth rate for Steel sector in the Index of Eight Core Industries increased by 11.3 per cent during 2022-23 over the corresponding period of previous year. Steel - Steel production (weight: 17.92 per cent) increased by 8.8 per cent in March, 2023 over March, 2022.
- On 21 May 2022, import duty on major inputs - ferronickel, cooking coal, PCI coal - has been cut from 2.5 per cent to zero, while the duty on coke and semi-coke has been slashed from 5 per cent to zero. Tax on export of iron ores and concentrates has increased from 30 per cent to 50 per cent, while that on iron pellets has been raised to 45 per cent.
- Steel Sector plays a pivotal role in crucial sectors such as construction, infrastructure, automobile, engineering and defense. Over the years, the steel sector has witnessed tremendous growth. The country is now a global force in steel production and the 2nd largest crude steel producer in the world.
- The steel sector's performance in the current fiscal year has been robust, with cumulative production and consumption of finished steel at 88 MT and 86 MT, respectively, during April-December 2022, higher than the corresponding period during the previous four Industry: Steady Recovery 279 years. The growth in finished steel production is aided by double-digit growth in consumption (11 per cent on a YoY basis), bolstered by a pick-up in the infrastructure sector significantly driven by increased Capex of the government.
- Further, 67 applications from 30 companies have been selected under the PLI Scheme for specialty steel. This will attract a committed investment of ₹42,500 Cr, with an increase in capacity by almost 26 million tons and an employment generation potential of nearly 70,000 people. Further, domestic steel makers' stable credit profiles, deleveraged balance sheets, and robust cash accrual support continue to support their Capex. Iron and steel exports moderated in the first eight months of the current fiscal owing to a slowdown in the global economy, particularly in Europe and China, and export duty levied to enhance domestic availability. Yet, iron and steel exports are higher by 20 per cent over the corresponding pre-pandemic levels of FY20.



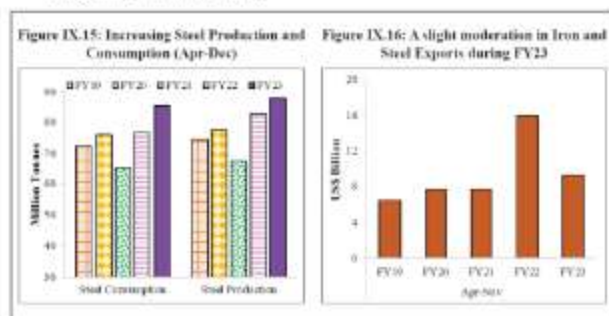
- The major reason for the rise in demand was opening up of economy after Covid related disruptions, increase in Government as well as private consumption, rise in export especially in the first half of FY 2022 owing to global steel price rise and reduction in supply from China. Moreover, the Russia-Ukraine conflict has led to increase in steel prices at the end of FY 2022 and provided an opportunity to Indian steel players to increase their export to Europe and other countries.
- The production of crude steel rose significantly due to expansion of steel capacity, increased plant utilization rate etc. to meet the inflated domestic as well as global demand amid the supply cut from China.
- Steel prices in India followed global trend to a certain extent. Both global and domestic steel prices increased to touch the top around May 2021. While the global prices peaked at that time and then showed a gradual decline, domestic steel prices showed a gradual increase with periodic ups and down to reach another top in April 2022. However, both global and domestic iron ore prices followed a similar trend which is coherent with the trend of global steel prices.
- India, being in the globalized world, has also been facing the impact of high inflation rate impacting the steel demand. Moreover, the increase in export duties on Steel, iron ore and pellet would impact the export. However, the increase in domestic demand due to increase in government expenditure through schemes such as Gati Shakti, National Infrastructure Pipeline (NIP), PM Awas Yojana and increase in CAPEX by 35.4% in the recent budget is expected to compensate for the decline in export.
- On the supply side, measures such as PLI scheme, FAME etc. are also expected to attract more investment in the steel sector. The expansion in steel capacity and improvement in profit margins of steel players would be a major driver. However, the present trend of low profit margin has led to contraction in the plant utilization. The situation can improve in future depending upon the relative decline in the input cost of iron ore and coal - peak demand from power sector has pulled the prices up, and steel and how the progress in the various government schemes drives the demand up.

Government initiatives:

- As stated previously, the government has introduced several initiatives to boost steel production in India and reach 300 MT in production by 2030. It has removed the 15% export taxes, and working towards removing technology, logistics and infrastructure bottlenecks.
- The Ministry of Steel has signed 57 MoUs with 27 companies for specialty steel under the Production Linked Incentive (PLI) Scheme. An event to exchange of MoUs with companies was organised by the Ministry of Steel today at Vigyan Bhawan, New Delhi. The Union

Minister of Steel and Civil Aviation, Shri Jyotiraditya Scindia along with Minister of State for Steel, Shri Faggan Singh Kulaste gave away the MoUs to the representatives of the companies.

- The Minister of Steel and Civil Aviation commended the initiatives of the participating companies in the PLI Scheme for specialty steel. Under the PLI scheme, the Government has approved Rs. 6322 crores to give a new impetus to the Steel sector. Shri Scindia said that the PLI scheme is expected to generate an investment of about Rs. 30,000 Crores and additional capacity creation of about 25 Million Tonnes of specialty steel in the next 5 years. This will also create great opportunities for direct and indirect job creation, besides contributing towards achieving the status of 3rd largest economy by the year 2030-31 as per the resolve and determination of the Prime Minister Shri Narendra Modi. The Union Minister also highlighted that in the Budget 2023-24 the Prime Minister and the Finance Minister Smt. Nirmala Sitharaman have announced Rs. 10 lakh crore Capital Expenditure Plan that becomes the source of great demand for our industry. The Minister said that there is a structural shift at international level from West to East has enabled India to emerge as an epicentre of evolution and growth of the Steel sector. He said that India is set to become a power house of manufacturing which will increase the share of Steel in GDP from 2 to 5%.
- Production Linked Incentive scheme for specialty steel sector expected to attract addition investment of Rs. 40,000 Cr. PM Gati Shakti – National Master Plan for multi-modal connectivity to reduce the logistic costs. All are expected to drive the steel demand vis-à-vis iron ore demand in future.



- In the future, the government's thrust towards infrastructure projects, pick-up in construction and real estate activity, and healthy demand from the automobile sector augur well for the demand for steel products. However, export demand may remain subdued with the global slowdown.
- The announcement made in this budget which says a capital outlay of Rs 2.40 lakh crore for the Railways which is said to be the highest ever outlay and is about 9 times the outlay made in 2013-14

Market Trends

- As per the press release issued by the Steel Authority of India Limited (SAIL) – a Maharatna public sector unit under the Ministry of Steel in April 2023, it has achieved the best ever annual production during the financial year 2022-23 ending on 31 March 2023. During the period, the company recorded 19.409 Million Tonnes (MT) of hot metal and 18.289 MT crude steel production with a growth of 3.6% and 5.3% respectively over the previous best.
- As per ICRA's latest research note on the steel sector Domestic steel demand is expected clock a double-digit growth of around 11.3% in FY2023, following an 11.5% growth recorded in FY2022. It further stated that the domestic steel consumption growth has remained strong throughout FY2023 supported by the Government's push for infrastructure-led economic growth.
- With the Central Government's capex outlay poised to increase by 37% year-on-year (YoY) in FY2024, ICRA has revised upwards its steel consumption growth estimate for FY2024 to 7-8% from 6-7%.
- "FY2023 will witness two significant milestones for the steel sector. Firstly, the Central Government's current year capex is expected to touch the average annual run-rate envisaged in the National Infrastructure Pipeline for the very first time. Secondly, the sector will be witnessing two back-to-back years of double-digit steel consumption growth rates after a gap of more than a decade," Corporate Sector Ratings, ICRA said. The last time this rare feat was achieved was in FY2010/FY2011.
- "While private sector investments have generally remained muted at present, the Government's capex drive has helped maintain the industry's capacity utilization rate at an estimated 79% in FY2023. With steel consumption expected to grow in high-single digits next year, we expect the industry's capacity utilization rate to improve to around 80% in FY2024, despite the commissioning of some new expansion projects."
- International steel prices reached a nine-month high in the second week of March 2023 as easing of Chinese lockdown restrictions led to a pick-up in economic activity for the world's largest producing and consuming nation. Chinese HRC export offers have increased by 15% in Q4 FY2023 so far, and domestic HRC prices have also mirrored the global trend, increasing by 10% in the same period.
- On the input cost side, reflecting the trend in domestic steel prices, landed cost of lump ore from NMDC's mines in Chhattisgarh is poised to sequentially increase by 7% in Q4 FY2023 as export viability increases. Notwithstanding this increase, secondary steel players are likely to witness a significant relief on input costs as the landed cost of imported thermal coal prices sequentially soften by around 20% in Q4 FY2023, ICRA said.

- For blast furnace operators, the cost scenario would be different, as imported premium hard coking coal landed costs are expected to sequentially increase by around 7-8% in Q4 FY2023, the note said.
- Therefore, while steel companies across the spectrum would record sequentially higher realizations in the fourth quarter, divergent trends in iron ore, thermal, and coking coal prices would have a mixed impact on earnings of various steel players, depending on their raw material mix.
- ICRA's analysis suggests that moderation in thermal coal prices can potentially lift the operating profits of secondary steel producers by around 10 percentage points sequentially in Q4 FY2023. However, fourth quarter earnings of blast furnace players would be largely driven by a sequential growth in dispatches, as a rise in coking coal costs would limit the scope for further margin improvement.
- The trends on the steel trade flows reveal that following the withdrawal of export duties in November 2022, monthly finished steel exports have doubled to around 0.6 million tonne (mt) in Q4 FY2023 from the November 2022 lows of 0.3 mt.
- "While this pick-up is encouraging to see, the near-term growth opportunities in the overseas markets look challenging as, barring possibly China, most of the other leading steel-consuming hubs are likely to witness anaemic growth in steel consumption in CY2023. Therefore, India's finished steel exports, after an estimated 51.5% steep decline in FY2023, are expected to witness only a modest growth of 3-4% YoY in FY2024 due to muted external demand".
- On the other hand, steel imports have risen throughout FY2023 as trade flows get diverted to high-growth markets, leading to India becoming a net finished steel importer for five months in a row between October 2022 and February 2023. Overall, finished steel imports in FY2023 are expected to increase by over 30% YoY, and thereafter by 5-6% YoY in FY2024.
- As per recent projections of IMF, GDP growth in 2023-24 is lowered to 5.9% from previous projection of 6.1%. However the study says that despite this the Indian Economy will be the fastest growing economy of the world. Proposed CAPEX growth of 37.4% year on year to 10 trillion rupees.
- Fresh steel capacities accumulating to 35-40 million tonne per annum are lined up for commissioning by FY2026. Therefore, with the industry's earnings moderating, dependence on external financing to meet committed expansion plans is likely to increase going forward, early signs of which can be observed in the 22.5% increase in the steel industry's bank borrowings during the first 10 months of FY2023. Consequently, the industry's leverage (total debt to operating profits) is expected to deteriorate to an estimated 2.0-2.5 times in FY2023/ FY2024 from 1.1 times in FY2022. However, this

is still lower than the industry's leverage level of 2.9 times recorded during the previous up cycle of FY2019. Therefore, in ICRA's opinion, steel companies today are more resilient to withstand any worsening of the macroeconomic environment next fiscal.

3. Opportunities & Threats

3.1 Opportunities

- Envisaged growth in domestic steel production on account of the factors mentioned below would lead to higher demand for Iron Ore in the country:
- Infrastructure stimulus of the government to drive the growth and growth potential of the construction, automotive, consumer durables sectors etc. will drive the demand for the iron and steel sector.
- Supply gap created for Steel & Iron ore in the international market due to steel production curb in China, sanctions on Russia and damage to Ukraine in the war.
- Government initiatives for Self-Reliant India creating new avenues to set-up 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.
- 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.
- Railways: There is already an ongoing project related to redevelopment of more than 50 existing railway stations and making them multimodal transit facilities. Over and above that, the announcement made in this budget which says a capital outlay of Rs 2.40 lakh crore for the Railways which is said to be the highest ever outlay and is about 9 times the outlay made in 2013- 14. This is of course a major opportunity of the recent times which will translate into robust domestic steel demand. This will provide scope for private sector CapEx opportunity.
- Logistics & Regional Connectivity: The announcement made related to creation of one hundred critical transport infrastructure projects that will ensure first and last mile connectivity for ports, coal, steel, fertilizer, and food grain sectors will also spur up the domestic steel demand. The finance minister has said that these projects will be taken up on a priority basis with an investment of Rs 75,000 crores including Rs

15,000 crores from private sources. This, in particular, will enhance logistical efficiency. Further the announcement with regard to review of fifty additional airports, heliports, water aerodromes and advance landing grounds for improving regional connectivity will also create opportunities for domestic steel demand.

- **Sustainable Cities:** The finance minister during her budget speech announced that states and cities will be encouraged to undertake urban planning reforms with the objective of transforming them into 'sustainable cities of tomorrow'. Further, an Urban Infrastructure Development Fund (UIDF) will also be established through use of priority sector lending which will be managed by the National Housing Bank. This will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities. This with an allocation of Rs 10,000 crore per annum for this purpose will actually translate into more opportunities for urban infrastructure development and transit-oriented development, thus creating more demand for steel.
- **PM Awas Yojana:** The budget also highlighted an outlay for Pradhan Mantri Awas Yojana – Urban (PMAY-U) that has been enhanced by 66 per cent to over 79,000 crores. The mission addresses urban housing shortage among the economically weaker sector (EWS), lower-income group (LIG) and middle-income group (MIG). This will also create more opportunities for housing and hence additional demand for steel.
- Last but not the least, the extension of waiver of customs duty on ferrous scrap, raw materials used in the manufacturing of Cold Rolled Grain Oriented (CRGO) and nickel cathode is a welcome step for the steel industry.

3.2 Threats

- Rising inflation can impact consumption and lead to fiscal tightening increasing the cost of borrowings affecting investments.
- Resurgence of new more severe variants of Covid can cause disruptions in the iron and steel market as well.
- Intensification of geopolitical tension in Europe can disrupt the whole market dynamics.
- Increase in export duties of iron ore, pellets can lead to decline in the prices of iron ore due to increase in domestic availability. Moreover, increase in export duties of some categories of finished steel can reduce the iron ore demand.
- Demand for Iron ore may fall in the international market in long term due to the decline in the Chinese steel production, shift towards EAF/IF route for recycling scrap steel and development of new techniques such as hydrogen steel.
- New iron ore leases being auctioned and the recent amendments to MMDR Act allowing sale of 50% of the iron ore production of captive mines in open market may lead to increase in supply of iron ore and increase the competition in the market.

- Backward integration by Steelmakers into iron ore mining after the start of auctioned mines will affect the demand from the customers of the Company.
- 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.
- Increasing regulatory pressure on environment, health & safety and sustainability.
- 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.
- NMDC Steel Ltd business would continue to be affected by developments impacting the demand-supply scenario & price fluctuations of steels in both the global and domestic markets.
- Shortage of metallurgical coal: Although India has huge deposits of high grade iron ore, her coal reserves, especially high grade coking coal for smelting iron ore are limited. Many steel plants are forced to import metallurgical coal. For example, steel plant at Vishakhapatnam has to import coal from Australia.

Harsh environment and accidents

- The steel industry processes usually rely on **high temperature thermal or chemical transformations** in order to generate a desired final outcome. This kind of scenario naturally results in a quite dangerous work environment for operators, making it **very difficult to prevent unexpected accidents** from happening to workers in the field.
- And adding to this context, there is still difficulty in performing the inspection and maintenance of machinery and structures, which suffer a lot from the **corrosion process, wear and tear, structural integrity, and are in places of difficult operation**. In addition, as will be explained later, the workers need to act in a very analogical way and usually without knowing the real priorities within the operation.
- In other words, besides the physical degradation of the structural plant itself, the work environment is very unsafe and stressful for the workers as well. There are even cases in which, due to the high temperature of the processes, operators are not allowed to stay more than 20 minutes on-site, which limits their actions and efficiency.

Process monitoring

- The inspection and monitoring process of steel mills usually follows specific procedures, requiring that workers operate in a typical **analog way**.
- Since it is a critical environment, stopping production to execute corrective actions is unfeasible, and the

current method for monitoring these problems is not able to predict failures in the same way as intelligent predictive models do, thus demonstrating an inevitable gap to errors.

Maintenance

- Besides the difficulty in performing the inspection itself because of the hostile environment of steel industries, the maintenance of the encountered problems is also difficult.
- The corrosion of equipment and structures is also a common problem in these industries and the maintenance of these components is very complicated because of the hostile environment, as mentioned before. Besides, the diversity of complex processes in this industry also makes it difficult to **understand the extracted data** in the operation, and the improper management of this information in **diffuse systems** compromises the maintenance of the structures.
- As a consequence of this lack of precise management tools, **failure prediction in the operation** is not usually achievable, leading to unplanned shutdowns and the extensive use of corrective maintenance methods.

Solid waste management and pollutant emissions

- Another consequence of the various transformation processes in the steel industry is the generation of subproducts that are not reused in the operation. Because of that, there is a lot of waste disposal, with some of it being improperly released into the environment.
- In addition, the main source of energy of these industries' processes is the **combustion of fossil fuels**, which also is a direct contributor for the emission of pollutant gases into the atmosphere. Both cases generate serious environmental problems and rank this industrial sector as one of the most polluting.

General challenges faced by NMDC for setting up a green field project are:

- Land Acquisition.
- Environmental & Forest clearances.
- Resettlement & Rehabilitation policy of displaced persons.
- Poor logistics for transportation by Rail and Road.
- Scarcity of skilled and trained manpower in the area.
- Limited availability of quality education and medical facilities
- Delay in getting statutory clearance and permission

Constraint due to Employer

- Time lag between awarding of major contract for major as well as auxiliary packages
- Recruitment and retention of manpower by NMDC
- Integration and interfacing of different plants/packages.

Constraint due to consultant

- Delay in finalization of design & engineering by consultant.
- Lack of coordination between consultant's engineering, inspection and site supervision team.
- Incorrect assessment (increase) in scope of work by consultant and contractor while tendering.
- Outdated Vendor list in contract.
- Difference arising due interpretation of contract by Client, consultant and contractor.
- Price escalation due to delay in execution and non-availability of adequate provision in contract for paying price variation before contract closing.
- Lack of foresight for planning essential facilities for starting of plant. (Sand Pit, ZLD, Coal Storage area etc.)

Constraint due to Consortium

- Lack of Coordination among the consortium members of various packages
- Financial problem of contractor and its sub-contractor has caused delay in execution of ordering to vendor and reduced rate of progress at site.
- Different pace of work by various contractors in respective packages
- Ambiguity in plan during contingency (non-availability of construction water/permanent water, emergency power and island facility)
- Sub-contracting of jobs to in-competent contractors by main contractors.

Constraint due to ambiguity of contract

- Inter consortium disputes between contractors due to non clarity in scope of work.
- Technical contract prepared by MECON having lot of discrepancies causing delay in execution.

Constraint due to Location

- Availability and retention of skilled labour by contractor in Bastar region.
- Poor infrastructural and logistic facility in region.

4. Segment-wise or Product-wise performance

Product Mix

The following is the product mix proposed for the plant:

Product	Specification and Size	Uses
HR Plates & sheets	IS 2062, IS 5986, IS 3039, IS 2002 & IS 2041; 5-10 mm thickness x 1030-1650 mm width	Manufacture of bridges, steel structures, ships, large diameter pipes, storage tanks, boilers, railway wagons and pressure vessels.
API - 5L Quality	API - 5L quality plates and coils; up to X 80. 6-12 mm Thickness x up to 1650 mm width	Line Pipes used in the transportation of oil and gases.
LPG Cylinders	IS 6240; 2.0-3.15 mm thickness x 1000-1650 mm width	Used in manufacturing of LPG cylinders.
HR Coils General Engineering steels	IS 10748, IS 1079; 1.0-10 mm thickness x 900-1650 mm width	For manufacture of pipes and tubes bicycle frames, LPG cylinder frames, rings and general engineering parts.
High Carbon Steel	SAE 1040/1045; 2.5-4 x 1000-1450(thickness x width) mm x mm	Used in automobile and machine tool industries etc.
Silicon steel	for IS 15391 & IS 648; 1.0-2.0x900-1250(thickness x width) mm x mm	Used in generators, motors, and transformers.
Automotive steel	IS 11513/SAE J1392/BSK 46; 1.0-6x 900-1250(thickness x width) mm x mm	Used in manufacturing of automobiles etc.

- Physical Performance of NSL
- The Integrated Steel Plant is under construction thus, the Company has not commenced its commercial activities
- Financial Performance of NSL
- The Integrated Steel Plant is under construction thus, the Company has not commenced its commercial activities

5. Outlook for NMDC Steel

- The State of the art 3.0 MTPA steel plant at Nagarnar is at advanced stage of construction completion and reaching its commissioning phase. Conducting cold trial, preliminary Acceptance Test etc of individual as well as integrated test of equipment under various Technological packages are in progress as pre-commissioning activities. Pre-commissioning activity has been started with heating of Coke-Oven battery. MECON has been awarded with the job of O&M (Operation & Maintenance) of plant during commissioning and subsequent operation of the plant.
- The plant will produce an impressive array of products viz. HR Plates, API - 5L Quality Plates Sheets, HR Coils, High Carbon Steel, Silicon Steel and Automotive Steel.
- NMDC is in the advanced stages of setting up a 3.0 MTPA green-field Steel Plant at Nagarnar in Chhattisgarh, which is expected to operationalize in

FY'23. Commissioning activities started with the start of coke oven heating in Jan'2022. Testing & trials are in progress in each package. Packages like operational power facilities, operational water packages and plant & instrument air packages are commissioned.

- 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

- NSL is exposed to sharp fluctuations in demand for its products and volatility in prices. Falling prices of iron ore and steels 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.

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

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 which forms part of the Annual Report.

8. Discussion on financial performance with respect to operational performance

- During the year under review, the Company has not commenced its commercial activity therefore the revenue from operations is Nil.
- 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 NSL 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 of their employees.
- 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 also, NSL has taken various initiatives to give the health & safety of the employees utmost priority.

10. Details of significant changes in Key Financial Ratios:

- During the year under review, the Company has not commenced its commercial activity therefore the revenue from operations Details of significant changes (i.e. changes in 25% or more as compared to the immediately previous financial year in key financial ratios:

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)

12. Sustainability

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

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 22-23.
- Every year Carbon Footprint studies are being conducted for disclosure of Greenhouse Gas Emissions under Carbon Disclosure Project (CDP).
- The Company plans to plant huge saplings in the FY 2023-24 in and around NSL project. Since inception of commissioning activities a large number of trees have been planted in and around plant of NSL.

Health & Safety

- By virtue of order of Demerger, NMDC has to give hand hold support to NSL. Therefore all the health and safety measures in NSL were carried out as per the norms set in the NMDC.
- Health & Safety shall continue to be our priority with employees & contractual workmen at our projects adhering to the SOPs & safety norms. NSL appreciate that safety is a journey & is committed to continually improve its performance and set high standards.
- It is proposed that in the project of NSL sufficient number of Workmen Inspectors will be nominated/ appointed for manufacturing operations, Mechanical and Electrical installations as per statutory requirements for carrying safety inspections. Risk Assessment studies will also be conducted regularly

13. Corporate Social Responsibility

- Pursuant to provisions of section 135(1) of the Companies Act, 2013 every Company having net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more, or net profit of Rs. 5 crore or more in the immediately preceding financial year are required to constitute CSR Committee. On the basis of aforesaid financial

parameters, the Company did not fall under any of the aforesaid criteria during the financial year 2022-23. Therefore, the provisions of the CSR were not applicable to the Company for the financial year 2022-23.

- However, the provisions of the CSR are applicable on the Company for the financial year 2023-2024 due to the net-worth of the Company is more than 500 Crore.
- Since the Company has not commenced its commercial operation during the Financial 2022-23 therefore and has not earned any profit there it is not required to constitute CSR Committee.
- The CSR policy of the Company is under preparation and will be placed on the website of the Company <http://www.nmdcsteel.nmdc.co.in>.



NMDC Steel Limited
Balance Sheet as at 31st March 2023

(₹ in Crore)

Particulars	Note No.	Figures as at the end of current reporting year 31-March-2023	Figures as at the end of previous reporting year 31-March-2022 (Restated)
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	2.1.1	1,118.47	1,132.25
b) Right-of-Use Assets	2.1.2	-	-
c) Capital work-in-progress	2.2	19,545.23	17,038.18
d) Other Intangible Assets	2.3	0.02	0.01
e) Intangible Assets under Development	2.4	-	-
f) Financial Assets			
i) Investments	2.4.1	-	-
ii) Loans	2.4.2	-	-
iii) Other Financial Assets	2.4.3	91.16	77.42
g) Deferred Tax Assets (Net)	2.5	-	-
h) Other Non-Current Assets	2.6	2,114.55	2,164.08
Total Non-Current Assets		22,869.43	20,411.94
Current Assets			
a) Inventories	2.7	859.54	39.68
b) Financial Assets			
i) Trade receivables	2.8.1	-	0.00
ii) Cash and cash equivalents	2.8.2	621.14	0.82
iii) Bank balances other than (ii) above	2.8.3	891.51	-
iv) Other financial assets	2.8.4	80.85	24.54
c) Current Tax Assets (Net)	2.9	7.86	0.26
d) Other Current Assets	2.10	237.88	27.26
e) Assets held for disposal	2.11	-	-
Total Current Assets		2,698.78	92.56
TOTAL ASSETS		25,568.21	20,504.50
EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	2.12	2,930.61	-
b) Other Equity	2.13	14,117.97	17,048.58
Total Equity		17,048.58	17,048.58
Liabilities			
Non-Current Liabilities			
a) Financial liabilities			
i) Borrowings	2.14.1	3,818.30	1,668.22
ia) Lease Liabilities	2.14.2	-	-
ii) Other Financial Liabilities	2.14.3	2,501.87	485.34
b) Provisions	2.14.4	-	-
Total Non-Current Liabilities		6,320.17	2,153.56

Current Liabilities				
a) Financial liabilities				
i) Borrowings	2.15.1		23.58	22.63
ia) Lease Liabilities	2.15.2		-	-
ii) Trade payables	2.15.3			
a) Total Outstanding dues of Micro and Small Enterprises			2.22	3.46
b) Total Outstanding dues of Creditors other than Micro and Small Enterprises			387.84	299.31
iii) Other financial liabilities	2.15.4		1,091.79	972.06
b) Other current liabilities	2.16		694.03	4.90
c) Provisions	2.17		-	-
Total Current Liabilities			2,199.46	1,302.36
Total Liabilities			8,519.63	3,455.92
Total Equity and Liabilities			25,568.21	20,504.50

Significant Accounting Policies and notes on accounts : 1 & 2

Subject to our Report of even date

For M/s. N.G Rao & Associates

Chartered Accountants

FR No: 009399S

For and on behalf of the Board

(G.Nageswara Rao)

Partner

Membership No.: 207300

(Dilip Kumar Mohanty)

Director Production

DIN:09296720

(Amitava Mukherjee)

Chairman-cum -Managing Director

[Addl. Charge] & Director (Finance)

DIN :08265207

Place : Hyderabad

Date : 23rd May 2023

(Chiman Lal Agrawal)

Company Secretary

NMDC Steel Limited
Statement of Profit and Loss for Year Ended 31st March 2023

(₹ in Crore)

Particulars	Note No.	Figures for the current reporting year 31-March-2023		Figures for the previous reporting year 31-March-2022 (Restated)	
I. Revenue from Operations	2.18		-		-
II. Other income	2.19		-		-
III. Total income(I+II)			-		-
IV. Expenses :					
Consumption of raw materials	2.20		-		-
Consumption of stores & spares			-		-
"Changes in inventories of finished goods/ work in progress"	2.21		-		-
Employee benefit expense	2.22		-		-
Power and electricity	2.23		-		-
Repairs & maintenance	2.24		-		-
Royalty & other levies			-		-
Selling expenses	2.25		-		-
Finance cost	2.26		-		-
Depreciation and amortization expense	2.1 & 2.3		-		-
Other expense	2.27		-		-
Total Expenses			-		-
V. Profit/(loss) before exceptional items and tax (III-IV)			-		-
VI. Exceptional items (Income)/Expenditure	2.28		-		-
VII. Profit/(loss) before tax (V-VI)			-		-
VIII. Extraordinary Items			-		-
IX. Profit/(loss) before tax (VII-VIII)			-		-
X. Tax expense :					
(1) Current year	2.29		-		-
(2) Earlier years (net)			-		-
(3) Deferred tax	2.29		-		-
XI. Profit/(Loss) for the period from continuing operations (IX-X)			-		-
XII. Profit/(Loss) from discontinued operations			-		-
XIII. Tax expense of discontinued operations	2.29		-		-
XIV Net Profit/(loss) from discontinued operations(XII-XIII)			-		-
XV Profit/(Loss) for the year (XI+XIV)			-		-
Other Comprehensive Income					
(i) Item that will not be reclassified to profit or loss (Re-measurements of post-employment benefit obligations)			-		-
(ii) Income tax relating to these items	2.29		-		-

XVI Other Comprehensive income net of tax			-		-
Total Comprehensive income for the year (XV+XVI)			-		-
(Comprising Profit (Loss) and Other Comprehensive Income for the year)					
Earnings per equity share (for continuing operation)					
i) Basic	2.32.6		-		-
ii) Diluted	2.32.6		-		-
Earnings per equity share (for discontinued operation)					
i) Basic	2.32.6		-		-
ii) Diluted	2.32.6		-		-
Earnings per equity share (for discontinued & continuing operations)					
i) Basic	2.32.6		-		-
ii) Diluted	2.32.6		-		-
Significant Accounting Policies and notes on accounts : 1 & 2					

Subject to our Report of even date
For M/s. N.G Rao & Associates
Chartered Accountants
FR No: 0093995

For and on behalf of the Board

(G.Nageswara Rao)
Partner
Membership No.: 207300

(Dilip Kumar Mohanty)
Director Production
DIN:09296720

(Amitava Mukherjee)
Chairman-cum -Managing Director
(Addl. Charge) & Director (Finance)
DIN :08265207

Place : Hyderabad
Date : 23rd May 2023

(Chiman Lal Agrawal)
Company Secretary

NMDC Steel Limited
Statement of Changes in Equity for year Ended 31st March-2023

a) Equity Share Capital :

(₹ in Crore)

	Note, no.	Amount
Balance as at 1st April 2021	2.12	0.11
Changes in Equity share capital (*)		(0.11)
Balance as at 31st March 2022	2.12	-
Changes in Equity share capital		2,930.61
Balance as at 31st March 2023	2.12	2,930.61

*Equity Share capital as on 01.04.2021 was Rs. 6,00,000. During the Q1 of FY 2021-22, further infusion in the Equity share capital by Rs. 5,00,000 was made totalling to Rs.11,00,000. As per the Scheme of arrangement, 1,10,000 equity shares of Rs.10/- share held by shareholders as on 30. June 2021 has been cancelled, extinguished and rendered invalid without any consideration/payment to the current shareholders of the Resulting Company.

b) Other Equity :

(₹ in Crore)

Particulars	Share Suspense \ Account	General Reserve	Capital Reserve	Retained Earnings	CRR	OCI	Total
Balance as at 1st April 2021	2,930.61	-	14,117.93	-	-	-	17,048.54
Profit for the year	-	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	0.04	-	-	-	0.04
Transfer to Capital Redemption Reserve (CRR)						-	-
Buyback of shares (including transaction charges)							-
Other Comprehensive Income net of tax	-	-	-	-	-	-	-
Interim dividend (2021-22)	-	-	-	-	-	-	-
DDT on Interim dividend (2021-22)	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Total	-	-	0.04	-	-	-	0.04
Balance as at 31st March 2022	2,930.61	-	14,117.97	-	-	-	17,048.58
Balance as at 1st April 2022	2,930.61	-	14,117.97	-	-	-	17,048.58
Transfer to Equity share capital	(2,930.61)	-	-	-	-	-	(2,930.61)
Profit for the period	-	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve (CRR)	-	-	-	-	-	-	-
Buyback of shares (including transaction charges)	-	-	-	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-	-	-	-

Interim dividend (2022-23)	-	-	-	-	-	-	-
DDT on Interim dividend (2022-23)	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Total	(2,930.61)	-	-	-	-	-	(2,930.61)
Balance as at 31st Mar-2023	-	-	14,117.97	-	-	-	14,117.97

Subject to our Report of even date
For M/s. N.G Rao & Associates
Chartered Accountants
FR No: 0093995

For and on behalf of the Board

(G.Nageswara Rao)
Partner
Membership No.: 207300

(Dilip Kumar Mohanty)
Director Production
DIN:09296720

(Amitava Mukherjee)
Chairman-cum -Managing Director
(Addl. Charge) & Director (Finance)
DIN :08265207

Place : Hyderabad
Date : 23rd May 2023

(Chiman Lal Agrawal)
Company Secretary



NMDC Steel Limited
Cash Flow Statement for year ended 31st March 2023

(₹ in Crore)

Particulars	Figures at the end of Current reporting year 31-March-2023	Figures at the end of Previous reporting year 31-March-2022 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax from		
Continued Operations		
Discontinued Operations	-	-
Profit before income tax including discontinued operations	-	-
Adjustments for non cash/non operational expenses:		
Depreciation & amortisation expense	-	-
Loss on disposal of property, plant & equipment	-	-
Expenditure on enabling facilities	-	-
Provision for bad & doubtful advances	-	-
Interest Income classified as investing cash flow	-	-
Finance Costs	-	-
Operating Profits before working capital changes	-	-
Adjustments for working capital changes:		
(Increase)/Decrease in short term investment	-	-
(Increase)/Decrease in trade receivables	0.00	(0.00)
(Increase)/Decrease in inventories	(819.86)	(19.91)
(Increase)/Decrease in other financial assets	(70.06)	(18.23)
(Increase)/Decrease loans to employees and related parties	-	-
(Increase)/Decrease in other non current assets	(196.85)	(91.54)
(Increase)/Decrease in other current assets	(210.62)	(10.88)
(Increase)/Decrease in assets held for disposal	-	-
Increase/(Decrease) in trade payables	87.30	302.76
Increase/(Decrease) in provisions	-	-
Increase/(Decrease) employee benefit obligations	-	-
Increase/(Decrease) in other financial liabilities	2,044.54	578.76
Increase/(Decrease) in other current liabilities	689.13	2.04
Cash generated from operations	1,523.58	743.00
Income Taxes paid	(7.60)	(0.23)
Net Cash Flow from operating activities	1,515.98	742.77
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on acquisition of tangible and intangible assets and towards capital work in progress (net of sale proceeds)	(2,155.19)	(1,890.99)
Purchase of investments	-	-
Interest received	-	-
Investment in term deposits with more than three months	(33.43)	-
Net Cash Flow from investing activities	(2,188.62)	(1,890.99)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Issue of Shares	-	0.05
Amount paid on buyback of Shares (including transaction charges)	-	-

(Repayment)/Proceeds from borrowings	0.95	22.63
Lease Liability	-	-
(Repayment)/Proceeds from borrowings (Non-Current)	2,150.08	1,121.79
Deposits paid towards LCs and BGs (towards non fund based facilities)	(858.07)	-
Interest paid	-	-
Dividends paid (including tax thereon and net off balances for unpaid dividends)	-	-
Net Cash Flow from financing activities	1,292.96	1,144.47
Net increase (decrease) in cash and cash equivalent	620.32	(3.75)
Cash & Cash equivalents at the beginning of the year	0.82	4.57
Cash & Cash equivalents at the end of the year	621.14	0.82
Details of the Cash and Cash Equivalents(Note No. 2.8.2)		
Cash in hand	-	-
On Current Accounts	12.64	0.82
On Deposit Accounts (Original Maturity less than 3 months)	608.50	-
Total Cash & Cash equivalents at the end of the year	621.14	0.82
Restricted Cash Balance	-	-

Subject to our Report of even date
For M/s. N.G Rao & Associates
Chartered Accountants
FR No: 009399S

For and on behalf of the Board

(G.Nageswara Rao)
Partner
Membership No.: 207300

(Dilip Kumar Mohanty)
Director Production
DIN:09296720

(Amitava Mukherjee)
Chairman-cum -Managing Director
(Addl. Charge) & Director (Finance)
DIN :08265207

Place : Hyderabad
Date : 23rd May 2023

(Chiman Lal Agrawal)
Company Secretary

Notes:

1. Significant accounting policies

1.1 Basis of preparation

(a) Statement of compliance

The 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 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 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 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 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.

Spare parts, stand by equipment and service equipment meeting the definition of PPE and having value of more than Rs. 20 lakhs in each case, are capitalized as and when available for use.

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 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 Steel Limited 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 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 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 is 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

All revenue from sale of goods is recognized at a point in time. Revenue from wind power and services is recognized 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 realization.

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 recognized 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 recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized 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 is 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:

- 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.
- 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.
- 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.
- 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 i.e., Stripping Activity Asset, if and only if all the following conditions are met:

- It is probable that the future economic benefits associated with the stripping activity will be realized.
- The component of the ore body for which access has been improved can be identified; and
- 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 M/s. N.G Rao & Associates
 Chartered Accountants
 FR No: 009399S

For and on behalf of the Board

(G.Nageswara Rao)
 Partner
 Membership No.: 207300

(Dilip Kumar Mohanty)
 Director Production
 DIN:09296720

(Amitava Mukherjee)
 Chairman-cum -Managing Director
 (Addl. Charge) & Director (Finance)
 DIN :08265207

Place : Hyderabad
 Date : 23rd May 2023

(Chiman Lal Agrawal)
 Company Secretary

Note : 2.1.1 Property, Plant and Equipment

(₹ in Crore)

ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK					
	As at 1st April, 2022 (Restated)	Additions during the year	Ded./Adj. during the year	Transfer to (-) /from (+) other units	Internal transfer	As at 31st March 2023 (Restated)	As at 1st April, 2022 (Restated)	for the year	Ded./Adj. during the year	Transfer to (-) /from (+) other units	Internal transfer	upto 31st March 2023	As at 31st March 2023	As at 31st March 2022 (Restated)
A. General														
Land :														
Freehold	75.89	5.79	-	-	-	81.68	-	-	-	-	-	-	81.68	75.89
- Leasehold	37.30	0.69	-	-	-	37.99	6.96	0.52	-	-	-	7.48	30.51	30.34
Buildings	11.57	0.30	-	-	-	11.87	2.10	0.35	-	-	-	2.46	9.41	9.47
Plant & Machinery	4.77	2.53	-	-	-	7.29	0.50	0.59	-	-	-	1.09	6.20	4.26
Heavy Mobile Equipment	22.88	-	-	-	-	22.88	6.87	2.36	-	-	-	9.23	13.66	16.02
Furniture & Fittings	1.96	5.44	-	-	0.22	7.62	1.50	0.98	-	-	[0.00]	2.49	5.14	0.46
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipments	4.50	0.40	[0.04]	0.00	-	4.87	2.96	0.88	[0.01]	[0.00]	-	3.82	1.05	1.54
Others :														
Roads, bridges etc.	25.44	-	-	-	-	25.44	25.44	-	-	-	-	25.44	-	-
Dams, Wells & Pools	0.16	-	-	-	-	0.16	0.16	-	-	-	-	0.16	-	-
Adit & Tunnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Railway Siding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Locomotives	96.34	-	-	-	-	96.34	13.05	6.44	-	-	-	19.49	76.85	83.29
Electrical Installations	38.50	3.56	-	-	-	42.06	26.75	3.82	-	-	-	30.57	11.49	11.75
Sanitary & W.S Installation	126.53	[0.00]	-	-	-	126.53	2.07	4.22	-	-	-	6.29	120.24	124.46
TOTAL - 'A'	445.84	18.71	[0.04]	0.00	0.22	464.73	88.36	20.16	[0.01]	[0.00]	[0.00]	108.52	356.23	357.48
Previous Year 2021-2022	258.70	187.15	[0.02]	0.01	0.00	445.84	62.18	26.19	[0.01]	0.01	0.00	88.36	357.48	216.22
B. Social Facilities														
Land :														
- Freehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	786.11	-	-	-	-	786.11	15.67	14.37	-	-	-	30.04	756.07	770.44
Plant & Machinery	-	0.29	-	-	-	0.29	-	0.03	-	-	-	0.03	0.26	-
Furniture & Fittings	1.35	1.45	[0.13]	0.00	[0.22]	2.46	0.30	0.25	[0.06]	[0.01]	0.00	0.48	1.99	1.06
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipments	2.41	1.43	[0.16]	0.00	-	3.68	1.23	0.66	[0.11]	[0.01]	-	1.78	1.90	1.18

[illegible]

Note : 2.1.2 Right of Use Assets

[illegible]

Non-Current Assets

Note: 2.2 Capital Work in Progress

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Construction work in progress	16,168.45		14,400.51	
Less : Impairment provided/(reversed)	-	-	-	-
		16,168.45		14,400.52
Construction Stores	-		-	
Capital assets in stores awaiting installation or in transit	33.81		27.22	
Less : Provision	-	-	-	-
		33.81		27.22
Expenditure incidental to construction awaiting allocation [See Note 2.2.2]		3,342.97		2,610.44
Total	19,545.23		17,038.18	

Note: The Management of NSL intend to go for Integrated Capitalization of production process along with all service and intermediary production packages on the date of Commencement of Commercial Production of HR Coil."

Note: 2.2.1 Movement of Capital Work in Progress

(₹ in Crore)

Particulars	Construction Work in Progress	Construction Store	Capital Asset in Store awaiting installation or in transit	Expenditure incidental to construction awaiting allocation	Total
Year ended 31st March-2022 (Restated)					
Gross carrying Amount	14,187.75	-	8.12	2,212.14	16,408.01
Additions	935.84	-	24.95	398.30	1,359.09
Disposals/Capitalization to PPE	723.07	-	5.85	-	728.92
Closing gross carrying amount	14,400.52	-	27.22	2,610.44	17,038.18
Accumulated amortisation	-	-	-	-	-
Amortisation charge during the year	-	-	-	-	-
Closing accumulated amortisation	-	-	-	-	-
Closing net carrying amount	14,400.52	-	27.22	2,610.44	17,038.18
Year ended 31st March-2023					
Gross carrying Amount	14,400.52	-	27.22	2,610.44	17,038.18
Additions	1,787.33	-	7.68	732.55	2,527.56
Adjustments/Disposals/Capitalization to PPE	19.40	-	1.08	0.03	20.51
Closing gross carrying amount	16,168.45	-	33.82	3,342.96	19,545.23
Accumulated amortisation	-	-	-	-	-
Amortisation charge during the year	-	-	-	-	-
Closing accumulated amortisation	-	-	-	-	-
Closing net carrying amount	16,168.45	-	33.82	3,342.96	19,545.23

Note : 2.2.2 Expenditure Incidental to Construction Awaiting Allocation

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
a. Opening balance		2,610.44		2,212.14
b. Net Expenditure incurred during the year:				
Consumption of stores and spares		3.36		0.59
Employee Benefit expense :				
Salaries, Wages and Bonus	115.62		149.68	
Contribution to PF, EPS, DLI	6.96		11.54	
Contribution to Gratuity Fund	0.36		0.77	
Staff Welfare Expenses	31.25		7.87	
		154.19		169.86
Power, Electricity & Water		135.86		67.70
Repairs & Maintenance		4.30		7.18
Depreciation & Amortisation		35.56		35.68
Other expenses :				
Rent, Insurance, Rates & Taxes	2.81		3.88	
Interest on Borrowings	185.45		65.54	
Payment to Auditors - Audit Fees	0.08		0.07	
Payment to auditors : For Other Services	0.06		0.08	
Reimbursement of expenses	0.04		-	
		188.44		69.58
Travelling & Conveyance Expenses		2.12		0.99
Consultancy Expenditure		40.06		23.23
CISF/Security guards		10.24		8.06
Environmental Development		0.29		4.46
Other Expenditure		185.01		29.37
		759.43		416.70
Less : Recoveries/Income				
Interest Received		4.86		1.89
Other Incomes		22.01		16.51
Total (b)		732.56		398.30
Sub-total (a+b)		3,343.00		2,610.44
Less : Amount allocated to Fixed assets/ Capital W I P		0.03		-
Total		3,342.97		2,610.44

Note: 2.2.3 Capital Work in Progress ageing Schedule

Particulars	Amount in CWIP for a period of					Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years		
Project in Progress	2,507.05	1,225.04	1,904.86	13,908.28		19,545.23
Project temporarily suspended	-	-	-	-		-
Total	2,507.05	1,225.04	1,904.86	13,908.28		19,545.23

Note: 2.2.4 Capital Work in Progress Completion Schedule

Particulars	To be Completed in				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
3MTPA Integrated Steel Plant	19,545.23	-	-	-	19,545.23
Total	19,545.23	-	-	-	19,545.23

Note : 2.3 OTHER INTANGIBLE ASSETS

ASSETS	GROSS BLOCK				AMORTISATION BLOCK			NET BLOCK	
	As at 1st April, 2022 (Restated)	Additions during the year	Deed./Adj. during the year	As at 31st March, 2023	As at 1st April, 2022 (Restated)	for the year	Deed./Adj. during the year	As at 31st March 2023	As at 31st March 2022 (Restated)
GENERAL									
Computer Software	0.20	0.03	-	0.23	0.20	0.01	-	0.02	0.01
TOTAL	0.20	0.03	-	0.23	0.20	0.01	-	0.02	0.01
Prev. Year 2021-2022	0.20	-	-	0.20	0.18	0.01	-	0.01	0.02

Additional Notes to 2.1.1, 2.3 and 2.4: PPE(Property Plant and Equipement), Intangible Assets and Intangible Assets under Development.

1. The Extent of land of 21.02 hectares taken over from CG Government, which is in favor of District Industries Centre, Jagdalpur & C.G. Govt. 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.

2. Reconciliation of Depreciation and Amortisation as per statement of Profit and Loss:

Note No	Particulars	2022-23	2021-22 (Restated)
2.1	Depreciation on PPE	35.54	35.66
2.1	Impairment of PPE	-	-
2.3	Amortization of Intangible Assets	0.01	0.01
2.1.2	Amortisation of ROU Assets	-	-
2.2	Impairment of CWIP	-	-
	Total	35.56	35.68
2.2.2	Transferred to IEDC	35.56	35.68
2.28	Shown under Exceptional item	-	-
2.33.8	Transferred to Discontinued Operations	-	-
Depreciation, Amortisation and Impairment as per Statement of Profit and Loss		-	-

3. Additional note to 2.1.1, 2.3 and 2.4 : PPE (Property Plant and Equipment)

Relevant Line Item in the Balance Sheet	Description of item on Property	Gross Carrying value (₹ in Crore)	Title Deed held in the name of	Whether title deed holder is a promoter or relative of promoter direct or employee of promoter/director	Property held since which date (DD-MM-YY)	Reasons for not being held in the name of the Company
PPE	Land	0.80	Govt. of CG	NA	25/05/2010	Requested District Collector Bastar, to calculate the value from the date of allotment. However, allotment order dt. 17.05.2010 is in the name of NMDC for Construction of School
	Land	0.07	Petitioners	NA	01/04/2021	Presently the case is in Hon'ble Supreme Court of India. In the revenue record the land is in favour of 05 petitioners, however the land is in the possession of NISP
	Land	-	Govt. of CG	NA	17/05/2010	The Area of Land of 21.02 Hectares [GOVT.LAND] has taken over from District Industries Centre Jagdalpur & CG Govt. which is not included in the Land Schedule as on 31.03.2023. This is utilised for peripheral works near Nagarnar and has been allotted in the name of NISP, however the same has not been brought into the books as the amount payable is not yet ascertainable in the absence of any demand from the concerned authorities.

Land	Forest Land	NA	25.720 Hect. dt. 25.07.2014, 10.763 Hect dt. 27.02.2015 & 26.136 Hect dt. 24.05.2018	The Permission has been obtained from the Govt. Of Chhattisgarh (Forest Dept.) for use of Forest land having Area 62.619 hectares for construction of Steel Plant at Nagarnar. But the Land is not in the name of NMDC.
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	Building	-	-	-	-	-		
Investment Property	Land	-	-	-	-	-		
	Building	-	-	-	-	-		
PPE Retired from	Land	-	-	-	-	-		
	Building	-	-	-	-	-		

"As per Clause 1.3 of Part B of the 'Scheme of Arrangement' - "All immovable properties of the Demerged Company in relation to the Demerged Undertaking including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Demerged Company in relation to the Demerged Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of Applicable Law. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of Applicable Law. The Resulting Company shall always be entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and Taxes and fulfil all obligations in relation thereto or as applicable to such immovable properties. The title to such properties shall be deemed to have been mutated and recognized as that of the Resulting Company and the mere filing thereof with the appropriate registrar or sub registrar or with the relevant Government Authority if and as may be required shall suffice as record of continuing title with the Resulting Company and shall be constituted and deemed mutation and substitution hereof. The Resulting Company shall be entitled to the delivery and possession of all documents of title for such immovable properties in this regard. It is hereby clarified that all the rights and title and interest of the Demerged Undertaking in any lease hold properties shall without any further act, instrument or deed be vested to or be deemed to have been vested in the Resulting Company". Accordingly, all the relevant immovable assets have been transferred in the books of accounts of NMDC Steel Ltd., the Resulting Company."

4. During the year 2022-23 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 2023		Figures as at the end of 31st March 2022 (Restated)	
Intangible assets under development		-		-
Total		-		-

Note : 2.4 (a) Intangible assets under development-Aging Schedule

Amount in CWIP for a period of

(₹ in Crore)

Particulars	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	-	-	-	-	-
Project Temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Note : 2.4 (b) Intangible assets under development-Completion Schedule

To be completed in

(₹ in Crore)

Particulars	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development	-	-	-	-	-
Total	-	-	-	-	-

Note : 2.4.1 Investments

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Investments		-		-
Total		-		-

Note: 2.4.2 : Loans

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Loans to employees and outsiders		-		-
Loans to Subsidiaries		-		-
Total		-		-
i) Considered Good, Secured		-		-
ii) Considered Good, Unsecured		-		-
iii) Which have significant increase in Credit risk		-		-
iv) Credit Impaired		-		-

NOTE : 2.4.3 Other Financial Assets

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Deposits with Others		91.16		77.42
Total		91.16		77.42
i) Considered Good, Secured		91.16		77.42
ii) Considered Good, Unsecured		-		-
iii) Which have significant increase in Credit risk		-		-
iv) Credit Impaired		-		-

Note: 2.5 Deferred tax assets (Net)

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
A. Deferred tax assets :		-		-
1. Provision for bad & doubtful debt and advances	-		-	
2. Intangible Assets	-		-	
3. Asset retirement obligation and spares	-		-	
4. Investments	-		-	
5. Others	-		-	
Total Deferred Tax Assets		-		-
B. Deferred tax liabilities :				
1. Related to PPE	-		-	
2. Right-of-use Assets	-		-	
Total Deferred Tax Liabilities		-		-
Net Deferred Tax Assets		-		-

Note 2.6 : Other Non-Current Assets

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Capital Advance		239.53		485.90
ITC Receivable		1,864.77		1,675.51
Other Advances		10.25		2.67
Total		2,114.55		2,164.08

Note:2.7 . Inventories**(As Valued and Certified by the Management)****(₹ in Crore)**

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Raw Materials :				
Coking Coal	723.04		-	
Iron Ore	42.62		-	
Limestone	2.24		-	
Dolomite	1.93		-	
Others	13.10		-	
Total Raw Material		782.93		-
Work in Process :		-		-
Finished Goods :		-		-
Inventories are valued at cost or NRV whichever is lower				
Total (A)		782.93		-

Note:2.7 . Inventories**(₹ in Crore)**

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Stores & Spares		76.17		39.26
Loose Tools and Implements		0.44		0.42
Total (B)		76.61		39.68
G. Total (A+B)		859.54		39.68
Inventory include:				
a) Raw material in transit.(Coking coal-In transit)		723.04		-
b) Stores in transit		14.04		4.02
c) Obsolete stores & spares		-		-

Notes: 2.8.1 Trade Receivables**(₹ in Crore)**

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Considered Good, Secured	-		0.00	
Considered Good, Unsecured,	-		-	
Which have significant increase in Credit Risk	-		-	
Credit impaired	-		-	
Total	-		0.00	
Less: Provision for bad & doubtful trade receivables	-		-	
Total Provision	-	-	-	0.00
Total		-		0.00

Note: 2.8.1.1 Trade Receivables Aging

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months -1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables - Considered good	0	0	0	0	0	0
"ii) Undisputed Trade Receivables- Which have significant increase in credit risk."	0	0	0	0	0	0
"iii) Undisputed Trade Receivables- Credit Impaired"	0	0	0	0	0	0
iv) Disputed Trade Receivables- Considered good	0	0	0	0	0	0
"v) Disputed Trade Receivables - Which have significant increase in credit risk."	0	0	0	0	0	0
"vi) Disputed Trade Receivables- Credit Impaired"	0	0	0	0	0	0
Total	0	0	0	0	0	0

Notes: 2.8.2 Cash And Cash Equivalents

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Cash in Hand		-		-
Balance with Banks :				
on current Accounts		12.64		0.82
On Deposit Accounts (Original Maturity less than 3 months)		608.50		-
Total		621.14		0.82

Notes :2.8.3 Bank Balances Other than Note no. 2.8.2

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Balances with bank on 'Deposits accounts (Original maturity more than 3 months but less than 12 months)		33.44		-
Balances with banks for Unpaid Dividend		-		-
Balance with banks TDS on Dividend Bank deposits offered as security for Bank guarantees and letter of credit		858.07		-
Total		891.51		-

Note: 2.8.4 Other Financial Assets

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Related Parties				
Advances to Directors		-		-
Advances to Subsidiaries/ Jv's/ Associates	-		-	
Less: Provision	-		-	
		-		-
Employees and outsiders				
Advances to Employees and outsiders		61.27		12.81
Interest Accrued				
Accrued interest on deposits with banks		15.67		-
Accrued interest on Other		2.91		2.90
Other Receivables		1.00		8.83
Total		80.85		24.54

Note: 2.9 Current Tax Asset (Net)

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Advance Income tax & TDS		7.86		0.26
Less : Provision		-		-
		7.86		0.26
Total		7.86		0.26

Note: 2.10 Other Current Assets

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Advances to Employee and outsiders	237.88		27.26	
Less: Provision for bad and doubtful advances	-		-	27.26
		237.88		
ITC Receivables		-		-
Total		237.88		27.26

Note: 2.11 Assets Held for Disposal

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Asset Held for disposal		-		-
Total		-		-

Note: 2.12 Equity Share Capital

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Authorised:				
300,00,00,000 Equity Shares of Re. 10/- each		3,000.00		3,000.00
(Previous year 300,00,00,000 Equity Shares of Re.10/- each)				
Issued, Subscribed & Paid up:				
Opening Balance		-		-
Add: issue of shares during the year		2,930.61		-
(2,93,06,05,850 Equity Shares of Re.10/- each fully paid up)				
Less: Buyback of shares during the year Nil		-		-
(Previous year -Nil)				
Total		2,930.61		-

Addl. Notes:

- 1) Post Demerger of NISP unit from NMDC Limited, NMDC Steel limited has listed on 20th Feb 2023 and the Equity share capital has been allotted to the respective shareholders in the ratio of 1:1 between NMDC (demerged Entity) and NMDC Steel Limited(the resulting company). Since, Equity shares were allotted during current year,the amount of 2930.61 crore has been recognised as Equity share capital as on 31.03.2023
- 2) "Terms/Rights attached to equity shares : The company has only one class of equity shares having par value of Re.10/- each and each holder of equity shares is entitled to one vote per share."
- 3) The details of shares in the company held by each shareholder holding more than 5% shares :

Name of the Share holder	31st March 2023		31st March 2022 (Restated)		% of change in no of shares
	%of Holding	No. of Shares	%of Holding	No. of Shares	(%)
i) President of India	60.79	1,781,633,571	-	-	-
ii) LIC of India (incl all schemes)	14.16	414,885,432	-	-	-

b) 2.13 Other Equity :

(₹ in Crore)

Particulars	Share Suspense Account	General Reserve	Capital Reserve	Retained Earnings	CRR	OCI	Total
Balance as at 1st April 2021	2,930.61	-	14,117.93	-	-	-	17,048.54
Profit for the year	-	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	0.04	-	-	-	0.04
Transfer to Capital Redemption Reserve (CRR)	-	-	-	-	-	-	-
Buyback of shares	-	-	-	-	-	-	-
(including transaction charges)	-	-	-	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-	-	-	-
Interim dividend (2021-22) -	-	-	-	-	-	-	-
DDT on Interim dividend (2021-22)	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Total	-	-	0.04	-	-	-	0.04
Balance as at 31st March 2022	2,930.61	-	14,117.97	-	-	-	17,048.58

Balance as at 1st April 2022	2,930.61	-	14,117.97	-	-	-	17,048.58
Transfer to Equity share capital	-2,930.61	-	-	-	-	-	-2,930.61
Profit for the period	-	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve (CRR)	-	-	-	-	-	-	-
Buyback of shares (including transaction charges)	-	-	-	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-	-	-	-
Interim dividend (2022-23)	-	-	-	-	-	-	-
DDT on Interim dividend (2022-23)	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Total	-2,930.61	-	-	-	-	-	-2,930.61
Balance as at 31st Mar-2023	-	-	14,117.97	-	-	-	14,117.97

Note 2.14.1 Borrowings (Non Current)

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
7.30% Non Convertible Debentures Series - 1		523.80		523.80
Trust & Retention Accounts		3,294.50		1,144.42
		-		-
Total		3,818.30		1,668.22

Additional Note:

- Unsecured redeemable Non-Convertible Taxable Bonds in the nature of debentures, NMDC Limited Series I 2020 of the face value of Rs.10,00,000/- each (NCD's) for an aggregate amount of Rs.523.80 crores at an interest rate of 7.30% for a tenure of 5 years have been allotted on 28.08.2020. Subsequent to demerger and revision in the Rating from 'AAA' to 'A-' the coupon rate has been revised to 8.80% w.e.f. 16.02.2023.
- Regarding TERM Loan- NMDC Board in its 525th meeting held on 10.12.2019 has accorded approval for borrowing up to a limit of Rs.5,000 crores for capex requirements of the company by raising terms loans from Banks/ Financial Institutions etc., Accordingly, Rupee term Loan facility (RTL) of Rs. 4476.20 crores was availed from State Bank of India (SBI) for part funding of Nagarnar Integrated Steel Plant (NISP), at an interest rate fixed at 7.10% p.a till the Date of Commencement of Commercial Operation and there after 15 bps above the six months MCLR. NMDC, as a security, has hypothecated the entire Fixed Assets of the Project (NISP) including Plant and Machinery, equitable mortgage of Land & Building (except forest land) and First charge on the entire cash flows of the NISP. The availability period of the loan is 6 months from the Date of commencement of Commercial Operation repayable in 30 quarterly instalments. The Common Loan Agreement has been entered on 10.06.2021 with SBI for RTL not exceeding Rs. 4476.20 crore and a drawdown of Rs. 3294.50 crores has been made till 31.03.2023 against the loan.

Note 2.14.2 Lease Liability

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Lease Liabilities		-		-
Total		-		-

Note 2.14.3 Other Financial Liabilities (Non- Current)

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Other Financial Liabilities		2,501.87		485.34
Total		2,501.87		485.34

Note 2.14.4 Provisions (Non- Current)

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Employee Benefits :				
Long Service Reward		-		-
Mine Closure Liability		-		-
Provisions for de-commissioning liability [ARO Obligation]		-		-
Total		-		-

Note: 2.15.1 Borrowings

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Interest Accrued on Non Convertible Debenture Series - 1		23.58		22.63
Loan against FD/ Working Capital Loan		-		-
Interest on Working Capital Loan		-		-
Total		23.58		22.63

Note : Unsecured redeemable Non-Convertible Taxable Bonds in the nature of debentures, NMDC Limited Series I 2020 of the face value of Rs.10,00,000/- each (NCD's) for an aggregate amount of Rs.523.80 crores at an interest rate of 7.30% for a tenure of 5 years have been allotted on 28.08.2020. Subsequent to demerger and revision in the Rating from 'AAA' to 'A-' the coupon rate has been revised to 8.80% w.e.f. 16.02.2023.

Note: 2.15.2 Lease Liability

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Lease Liabilities		-		-
Total		-		-

Note: 2.15.3 Trade Payables

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Total outstanding dues of micro and small enterprises		2.22		3.46
Other than micro and small enterprises		387.84		299.31
Total		390.06		302.77

Note 2.14.3 Other Financial Liabilities (Non-Current)

(₹ in Crore)

Disclosure Relating to Micro and Small Enterprises	31-March-2023	31-March-2022 (Restated)
i) (a). The principal amount remaining unpaid to the supplier as at the end of the year	2.22	3.46
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

2.15.3.1 Trade Payable (Ageing)

(₹ in Crore)

Particulars	Outstanding for following periods from due date of Payments				
	Less than 1 years	1-2 years	2-3 Years	More than 3 years	Total
i) MSME	2.12	0.00	-	-	2.12
ii) Others	280.54	7.27	96.94	3.09	387.84
iii) Disputed Dues-MSME	-	-	-	0.10	0.10
iv) Disputed Dues-Others	-	-	-	-	-
Total	282.66	7.27	96.94	3.19	390.06

Note : Due date is the date on which the amount to be paid to the vendor, for supply of goods and services, upon receipt and acceptance.

Relationship with Struck off Companies

(₹ in Crore)

Name of the Struck off Company	Nature of Transaction	Transaction during the Year 2022-23	Balance Outstanding as at 31-March-2023	Relationship with the Struck off companies
PYROTECH ELECTRONICS PVT LTD	Payable	-	0.00	Vendor
J. UMASHANKAR & CO. PVT.LTD	Payable	0.03	-	Vendor
INDUS HOSPITALS (A UNIT OF VAS)	Payable	0.10	-	Vendor
Total		0.13	0.00	-

Note: 2.15.4 Other Financial Liabilities

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023	Figures as at the end of 31st March 2022 (Restated)
Unpaid Dividend	-	-
Deposits from Suppliers, Contractors and Others	166.88	144.76
Capital Creditors	839.46	747.73
Other financial Liabilities	85.45	79.57
Total	1,091.79	972.06

Note : 2.16 Other Current Liabilities

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Contract Liabilities		-		-
Other Payables (like withholding and other taxes payable, amounts payable to employees and others)		686.04		0.10
Statutory Dues		7.99		4.80
Total		694.03		4.90

Note: 2.17 Provisions

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Employee Benefits :		-		-
i) Long Service Reward				
ii) Provision for gratuity, leave salary, family benefit Provisions for de-commissioning liability scheme and post employment medical benefits				
Total		-		-

Note: 2.18 Revenue from Operations

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Sale of Products		-		-
Total	-	-	-	-

Note: 2.19 Other Income

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
a) Interest Income:				
i) Deposits with Banks	-		-	
ii) Others	-		-	
		-		-
b) Gain in Exchange		-		-
c) Profit on sale/adjustment of assets		-		-
d) Profit on sale of Current investments(MF)		-		-
f) Other non operating income		-		-
Total		-		-

Note: 2.20 Consumption of Raw Materials

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Coking Coal		-		-
Internal handling of raw materials		-		-
Total		-		-

Note: 2.21 Changes in Inventories of Finished Goods and Work in Progress

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Work-in-process:				
Balance as at the beginning of the Year	-		-	
Less: Balance as at close of the Year	-		-	
		-		-
Finished Goods:				
Balance as at the beginning of the Year	-		-	
Less: Balance as at close of the Year	-		-	
Less- Balance in Capital Inventory	-		-	
		-		-
Finished Goods:				
Balance as at the beginning of the Year	-		-	
Less: Balance as at close of the Year	-		-	
		-		-
Total		-	-	-

Note: 2.22 Employee Benefit Expenses

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Salaries, Wages & Bonus		-		-
Contribution to Provident fund and other funds				
Provident Fund, FPS & DLI		-		-
Pension Fund		-		-
Group Gratuity Fund		-		-
Staff Welfare Expenses		-		-
Total		-		-

Note: 2.23 Power, Electricity and Water Charges

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Power charges		-		-
Electricity charges		-		-
Water charges		-		-
Total		-		-

Note: 2.24 Repairs & Maintenance

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Buildings		-		-
Plant and Machinery		-		-
Vehicles		-		-
Others		-		-
Total		-		-

Note: 2.25 Selling Expense

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Other selling expenses		-		-
Total		-		-

Note: 2.26 Finance Cost

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
i) Interest on Short term Borrowings		-		-
ii) Interest - Others		-		-
iii) Interest on deposit from contractors, suppliers & others		-		-
Total		-		-

Note: 2.27 Other Expenses

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Rent		-		-
Insurance		-		-
Rates & Taxes		-		-
Directors' Travelling expenses		-		-
Directors' Sitting Fees		-		-
Payment to Auditors:				
As audit Fee	-		-	
For taxation matters	-		-	
For Management Services	-		-	
For Other Services	-		-	
For reimbursement of expenses	-		-	
Loss on sale/adjustment of Assets		-		-
Miscellaneous losses written off		-		-
Provision for doubtful debts/advances		-		-
Mine closure Obligation		-		-
Raising and Transportation		-		-
Local Area Development		-		-
Compensation paid to Statutory Agencies		-		-
Entertainment		-		-
Donations		-		-
Travelling & Conveyance		-		-
Advertisement & Publicity		-		-
Postage, Telephone & Telex		-		-
Stationery & Printing		-		-
Consultancy charges		-		-
CISF/Security guards		-		-
Safety expenses		-		-

Corporate Social Responsibility*		-		-
Loss in Exchange variation (net)		-		-
Environmental Development		-		-
Other expenses		-		-
Expenditure on enabling facilities for the company		-		-
Total		-		-
*CSR Expenditure During the Year		-		-
CSR Expenditure as per Statutory obligation		-		-
CSR Expenditure made Voluntarily		-		-

Note : 2.28 Exceptional Items

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
Expenditure				
Total Expenditure	-	-	-	-
Less : Income				
Total Expenditure/(Income)	-	-	-	-

Note: 2.29 Tax Expenses

Reconciliation of Effective Tax rate and Statutory tax Rate as on 31st March 2023

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
CURRENT TAX				
Current Tax on profit for the year		-		-
Adj. of current tax for prior period		-		-
Total current tax expenses		-		-
DEFERRED TAX				
Decrease/(increase) in deferred tax assets		-		-
Decrease/(increase) in deferred tax liabilities		-		-
Total deferred tax expenses/(benefit)		-		-
Total Expenditure		-		-

Note: 2.29 Tax Expenses

Reconciliation of Effective Tax rate and Statutory tax Rate as on 31st March 2023

(₹ in Crore)

Particulars	Amount Rs. In crore	Tax - Rs. In crore	Tax %
Accounting profit before tax from continuing operations	-		
Profit/(loss) before tax from discontinued operations	-		
Accounting profit before income tax	-		
Tax at Income tax rate(INR in crore)/Income tax rate[%]		-	
Tax effect of amount not deductible in calculating taxable income			
CSR exp.	-	-	
Prov. For bad & doubtful exp.	-	-	

Change in Depreciation	-	-	
OCI due to Actuarial Gain/Loss	-	-	
Deduction U/S 80G	-	-	
Other items	-	-	
Taxable income	-	-	
Current Tax on Profit for the year	-	-	-

Note : 2.30 Additional Information

(₹ in Crore)

Particulars	Figures as at the end of 31st March 2023		Figures as at the end of 31st March 2022 (Restated)	
2.30.1. Value of imports calculated on CIF basis:				
i. Components & Spare parts		-		-
ii. Capital Goods		1,537.73		11.77
2.30.2. Expenditure in foreign currency:				
i. Consultancy charges		-		-
ii. Others		-		-
2.30.3. Particulars of consumption of raw material				
Raw material	Value	Percentage	Value	Percentage
a) Imported	-	-	-	-
b) Indigenous	-	-	-	-
	-	-	-	-
2.30.4. Particulars of consumption of Stores & spares:				
Components & spare parts (including consumable stores)	Value	Percentage	Value	Percentage
a) Imported	-	-	-	-
b) Indigenous	-	-	-	-
	-	-	-	-
2.30.5. Foreign Exchange earnings :	-	-	-	-

2.31. Contingent liabilities and Commitments (to the extent not provided for)

A. Contingent liabilities.

(₹ in Crore)

Sl. No.	Particulars	As at 31-Mar-2022	Additions	Deletions	As at 31-Mar-2023
1.1	Claims against the company not acknowledged as debts consisting of:				
A	Disputed claims under Property tax, Export tax, Conservancy Tax, Sales tax, Service Tax, Income tax etc.,	-	-	-	-
B	Claims by contractors under arbitration				
i.	On capital account	976.82	1568.80	145.38	2400.24
ii.	On revenue account	-	-	-	-
C	Other claims on company not acknowledged as debts	1.92	105.66	-	107.58
	Total	978.74	1674.46	145.38	2507.82

B. Commitments:

(₹ in Crore)

Sl.No.	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
1.1	Estimated Amounts of contracts remaining to be executed on Capital account	1536.67	1661.86
1.2	Other commitments- commitments to subsidiaries and JV	Nil	Nil

2.32 Disclosures under Accounting Standards:**2.32.1 Ind AS 19 Employee Benefits:**

As per the Scheme of Arrangement between NMDC Limited and NMDC Steel Limited Clause No.2.1 of Part B, all staff and workmen and employees of the demerged company employed in relation to the demerged undertaking, as may be identified by the Board of the demerged company in service on the effective date shall be deemed to have become staff, workmen, employees of the resulting company from the appointed date based on continuity of service.

Pending a decision by the Board on the above, all the employees posted at NISP Unit of NMDC Limited are being maintained in the rolls of NMDC. Accordingly, the expenses pertain to Salaries & welfare expenses post-demerger effective date i.e., from 13.10.2022 till 31.03.2023 of Rs 47.44 Cr is grouped under the head – IEDC Other Expenses.

2.32.2 Segment Reporting as per Ind AS-108

- The Company had not commenced commercial production as of 31-03-2023 and no Profit and Loss has been reported. No reportable operating segments are identified as per Ind AS108- "Operating Segment".

2.32.3 Disclosures-Revenue (Ind AS 115)

The Company had not commenced commercial production during the reporting period of FY 2022-23. Hence No disclosures under Ind AS 115.

2.32.4: Accounting policies, change in Accounting Estimates and Errors (As per Ind-AS 8):**I. Adoption of Accounting Policies**

Prior to demerger of NISP, the financial statements of NISP were being prepared in line with the standalone accounting policies of NMDC Ltd. Therefore, the Company (NMDC Steel Limited) has adopted the accounting policies of NMDC Ltd with certain logical changes to maintain the continuity.

2.32.5: Related Party Disclosures (IndAS-24):**i) List of related parties:**

A. The Company is not having any Subsidiaries, JV's and Associate Companies.

B. NMDC Limited:

NMDC Steel Limited was a subsidiary of NMDC Limited upto the previous year ended 31-03-2022. However as per the Scheme of Arrangement (effective from 13-10-2022) between NMDC Limited and NMDC Steel Limited, the Nagarnar Steel Plant got demerged from NMDC Limited and all the assets and Liabilities transferred to NMDC Steel Limited as per the Scheme of arrangement with the appointed date as 01.04.2021.

The Functional Directors and Govt. Nominee Directors of NMDC Limited are the Directors on Board of NMDC Steel Limited also.

C. Key Management Personnel: (Directors) as on 31.03.2023

- Shri Amitava Mukherjee : [Addl. Charge Chairman-cum-Managing Director w.e.f. 13.03.2023] & [Director Finance]
- Shri Dilip Kumar Mohanty : [Director Production]
- Shri V. Suresh : [Director Commercial] (w.e.f. 01.03.2023)
- Shri Vinay Kumar : [Director Technical] (w.e.f. 19.05.2023)
- Shri Sumit Deb : [Chairman-cum-Managing Director] (up to 28.02.2023)
- Shri Somnath Nandi : [Director Technical] (up to 31.12.2022)

Company Secretary :

Shri Chiman Lal Agrawal (w.e.f 05.04.2023)

ii) Related Party Transactions:

A) The Transactions with NMDC Limited during the Financial Year 2022-23 and the position as on 31-03-2023 are given below.

(₹ in Crore)

SL NO	PARTICULARS	Note No.	Details	Amount
1	Current Assets- Other Financial Assets	2.8.4	Supply of Coking Coal to Pellet Plant of NMDC Limited, Donimalai Project.	8.36
2	Non- Current Liabilities- Other Financial Liabilities	2.14.3	Transactions of NMDC Limited on account of NMDC Steel Limited.	2016.53
3	Trade Payables	2.15.3	Supply of Raw Material (Iron ore) from NMDC Limited.	46.42
4	Current Liabilities- Other Financial Liabilities	2.15.4	The Payments & Benefits of Employees posted at NMDC Steel Limited & on rolls of NMDC Limited.	41.06

B) Balances with the Related Parties as at the end of the reporting period 31.03.2023.

(₹ in Crore)

PARTICULARS	OB 01.04.2022	Additions (+)/Deletions(-)	CB 31-03-2023
Current Assets- Other Financial Assets	-	8.36	8.36
Non- Current Liabilities- Other Financial Liabilities	485.34*	2016.53	2501.87
Current Liabilities-Trade Payables	98.01	46.42	144.43
Current Liabilities- Other Financial Liabilities	-	41.06	41.06

*as reinstated

A) Key Management Personnel:

Particulars	As at March 31, 2023	As at March 31, 2022
Key Management Personnel Remuneration	NIL	NIL

2.32.6 Earnings per share (IND AS-33)-: The details are as under:

Particulars	Year ended	
	31-MAR-2023	31-MAR-2022
1. Profit after Tax (INR in Crore)	-	-
2. No of Equity shares	2930605850	2930605850
3. Nominal value per Equity share (Rs)	10	10
4. Basic and Diluted Earnings per share (Rs) (*)	-	-

Note: (*) As on commencement of commercial operation has not been started during the reporting period of FY 2022-23, no profit/ loss has been reported.

2.32.7 Discontinuing Operations (IndAS-105)

The Company has not yet started its Commercial production as of 31.03.2023. There are no Discontinued Operations.

2.32.8 Intangible Assets (IndAS-38): R&D:

The Company has not yet started its commercial Production as of 31.03.2023. There are no R&D activities at present.

2.32.9 Impairment of Assets (Ind AS – 36):

The Steel Plant is in the construction phase as of 31.03.2023 and hence Impairment of Assets is not identified.

2.32.10 Provisions, Contingent Liabilities and Contingent Assets (IndAS-37):

Necessary details in regard to provisions have been disclosed in notes 2.14.4, 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:
There are no Subsidiaries / JV's, as of 31-03-2023.

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

2.33.3 Loans to Associate Companies

There are no Associate Companies as of 31-03-2023.

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: Scheme of Arrangement:**

The demerger scheme of arrangement between NMDC Limited ("Demerged Company") and NMDC Steel Limited (NSL) ("Resulting Company" or the "Company") and their respective shareholders and creditors (the "Scheme") pursuant to the provisions of the Section 230-232 of the Companies Act, 2013 ("Act"), other applicable provisions and rules thereof thereunder (hereinafter referred to as the "Scheme"), involving demerger of NMDC Iron & Steel Plant Business Undertaking ("Demerged Undertaking" or "NISP") from Demerged Company to the Resulting Company has been duly sanctioned by the Ministry of Corporate Affairs ("MCA") vide its order dated 06 October 2022 ("Order"). NMDC Limited received the Order on 11 October 2022 and filed the same with the concerned Registrar of Companies on 13 October 2022. Hence, the Scheme is operative from 13 October 2022 (Effective Date). The Appointed Date of the Scheme is 01 April 2021. Accordingly, with effect from the Appointed Date, the entire Demerged Undertaking of NMDC Limited has been transferred and vested into NMDC Steel Limited.

As per the share swap ratio approved in the Order, the Company has issued 1 (one) equity share of the Company of Rs. 10 each fully paid-up for every 1 (One) equity share held in the Demerged Company of Rs. 1 each fully paid-up.

Further, as per the Order, the existing Issued Share Capital of Rs. 11,00,000 consisting of 1,10,000 shares of 10 each held by Demerged Company shall stand cancelled on allotment of equity shares under share swap ratio.

The assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in the Resulting Company pursuant to the Scheme are recorded at their respective carrying values as appearing in the books of the Demerged Company.

Accordingly, the share capital account has been credited with the aggregate face value of the shares issued to the shareholders of Demerged Company pursuant to the Scheme and the difference has been accounted in the appropriate reserves within "Other Equity".

a) The impact of the Demerger on these financial statements is as under:

Particulars	(Rs. in crores)
Net Assets/(Liabilities) acquired	17,048.58
Value of equity shares issued	2,930.61
Other equity	14,117.97

b) Balance Sheet – The restated financial information as at 31 March 2022 are as under:

Statement Showing Figures Restated as of 31-03-2022

(₹ in Crore)

Sl No	Particulars	As per reported financials as at 31st March, 2022	As per restated financials as at 31st March, 2022
A	ASSETS		
1	Non-Current Assets		
a)	Property Plant & Equipment	1151.93	1132.25
b)	Capital Works in Progress	17045.14	17038.18
c)	Goodwill	-	-
d)	Intangible Assets	0.01	0.01
e)	Financial Assets		
i)	Investments	-	-
ii)	Loans	4.28	-
iii)	Other financial assets	77.42	77.42
f)	Deferred Tax Assets		
g)	Other Non-Current Assets	2164.08	2164.08
	Non-Current Assets	20442.86	20411.94
2	Current Assets		
a)	Inventories	39.68	39.68
b)	Financial Assets		
i)	Trade Receivables	-	-
ii)	Cash & Cash Equivalents	0.77	0.82
iii)	Bank Balances other than (ii) above	-	-
iv)	Other Financial Assets	28.20	24.54
c)	Current tax assets (net)	0.26	0.26
d)	Other Current Assets	29.35	27.26
e)	Assets held for disposal	-	-
	Total Current Assets	98.26	92.56
	TOTAL ASSETS	20541.12	20504.50
B	EQUITY & LIABILITIES		
1	Equity	-	-
a)	Equity Share Capital	-	-
b)	Other Equity	-	17048.58
c)	Non-Controlling Interest	-	-
	Total Equity	-	17048.58
2	LIABILITIES		
a)	Non-Current Liabilities		
i)	Financial Liabilities		
	Borrowings	1668.22	1668.22
	Lease Liability	-	-
	Other Financial Liabilities	-	485.34
ii)	Provisions	-	-
	Total Non-Current Liabilities	1668.22	2153.56

b)	Current Liabilities		
i)	Financial Liabilities		
	Borrowings	22.63	22.63
	Trade Payables	-	-
a)	Total outstanding dues of Micro & Small Enterprises	3.45	3.45
b)	Total Outstanding dues of Creditors other than micro enterprises & small enterprises	299.31	299.31
	Other Financial Liabilities	972.06	972.06
ii)	Other Current Liabilities	4.90	4.90
iii)	Provisions	-	-
	Total Current Liabilities	1302.35	1302.35
	TOTAL LIABILITIES	2970.57	3455.91
	Inter Unit Balances	17570.56	-
	TOTAL EQUITY AND LIABILITIES	20541.12	20504.50

2.34.2: Disinvestment of NMDC Steel Limited:

Cabinet Committee on Economic Affairs ("CCEA"), in its meeting dated October 27, 2016, gave in-principle approval for strategic disinvestment ("Strategic Disinvestment") of several CPSEs including the NISP unit of NMDC Ltd. Subsequently, on October 14, 2020, CCEA gave its 'in-principle' approval to the demerger of NISP from NMDC and strategic disinvestment of the resulting entity by selling entire stake of Government of India ("GoI").

As per the Preliminary Information Memorandum and Request for Expression of Interest invited, GoI had decided to divest its 50.79% shareholding in Resulting Company ("NMDC Steel Limited" or "NSL") along with management control to strategic buyer. Additionally, GoI shall offer 10% stake in Resulting Company to NMDC Limited after the strategic buyer has been identified through the bidding process.

2.34.3: Change of Coupon rate for NCDs:

The Non-Convertible Debentures of Rs. 523.80 Cr were issued by NMDC Ltd at a coupon rate of 7.30% for a tenure of 5 years from the date of allotment i.e., 28th Aug, 2020 to meet the capex requirement of the Steel Plant. The NCDs are unsecured, non-cumulative, non-convertible, redeemable taxable bonds of Rs. 10 Lakhs each (Series I-2020) issued at face value offered for private placement. The bonds are rated by ICRA Limited as "ICRA AAA" (pronounced as "ICRA Triple A" with outlook on the long term is stable) And India Rating and Research Private Limited as "IND AAA" (pronounced as "IND Triple A" with outlook on the long term is stable) at the time of issue by NMDC Ltd.

Post-demerger of NISP from NMDC and part of NSL, the rating agencies M/s ICRA Limited and M/s India Ratings & Research have downgraded the ratings to "ICRA A" on Rating watch with Developing Implications and "Ind A-/Stable" respectively. As the lowest credit rating i.e., "A-" has been downgraded from "AAA", by six notches and therefore the coupon rate works out to 8.80% from the existing rate of 7.30%. The above coupon rate of 8.80% is payable from 16th Feb'2023 i.e., from the date of downgrade of the Rating. Accordingly, the additional financial implication of Rs. 0.95 Cr has been provided for in the FY 2022-23.

2.34.4 Term Loan:

NMDC Board in its 525th meeting held on 10.12.2019 has accorded approval for borrowing up to a limit of Rs.5,000 crores for capex requirements of the company by raising term loans from Banks/ Financial Institutions etc., Accordingly, Rupee term Loan facility (RTL) of Rs. 4476.20 crores were availed from State Bank of India (SBI) for part funding of Nagarnar Integrated Steel Plant (NISP), at an interest rate fixed at 7.10% p.a till the Date of Commencement of Commercial Operation and there after 15 bps above the six months MCLR. NMDC Ltd., as a security, has hypothecated the entire Fixed Assets of the Project (NISP) including Plant and Machinery, equitable mortgage of Land & Building (except forest land) and First charge on the entire cash flows of the NISP. The availability period of the loan is 6 months from the Date of commencement of Commercial Operation repayable in 30 quarterly instalments.

The common Loan agreement has been entered on 10.06.2021 with SBI for RTL not exceeding Rs. 4476.20 crore and a drawdown of Rs.3294.50 crores have been made till 31.03.2023 against the loan.

2.34.5 CSR Expenditure:

The Company had not commenced the commercial operation as of 31.03.2023 and accordingly, the average PBT for last three years is NIL. Therefore, as per Sec 135 & Sec 198 of the Companies Act'2013, which requires spending of at least 2% of the last three years' average PBT on CSR is not applicable on the company for FY 2022-23.

2.34.6 Cost Audit Applicability:

The Company has not commenced its commercial production as of 31-03-2023 and the Sales Turnover during FY 2022-23 is NIL. Hence maintenance of the cost records as per Section 148 of the Companies Act 2013 is not applicable.

2.34.7 Analytical Ratios:

The following are analytical ratios for the year ended 31st March 2023.

Sl. No.	Particulars	Numerators	Denominators	31st March 2023	31st March 2022	Variance (in %)	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	1.23	0.07	1,657.14	The variance is due to increase of the advances to the contractor, Commodity loan to RINL, Cash & Cash Equivalents as margin money for establishing LCs and increase in inventory for commissioning of the Steel Plant.
2	Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.23	0.10	130.00	Drawdown of Rupee Term Loan (RTL) from SBI has been increased by Rs. 2150.08 Cr as compared to previous year.

Debt service coverage ratio, Return on equity, inventory turnover ratio, trade receivables turnover ratio, Trade payable turnover ratio, Net Capital Turnover Ratio, Net Profit ratio, Return on capital employed (ROCE), Return on investment (ROI) are not applicable to the company as of 31.03.2023.

2.34.8 Fair Value Measurement

Financial instruments by category

(₹ in Crore)

Particulars	As at March 31,2023			As at March 31,2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	0.00
Cash & Cash Equivalents	-	-	621.14	-	-	0.82
Other Bank Balances	-	-	891.51	-	-	-
Loans	-	-	-	-	-	-
Other Financial assets	-	-	80.85	-	-	24.54
Total	-	-	1593.50	-	-	25.36
Financial Liabilities						
Borrowings	-	-	23.58	-	-	22.63
Trade Payables	-	-	390.06	-	-	302.77
Lease Liability	-	-	-	-	-	-
Other Financial Liability	-	-	1091.79	-	-	972.06
Total	-	-	1,505.43	-	-	1,297.46

- 1) Assets that are not financial assets [such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables] as at March 31,2023 and March 31,2022 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 at March 31,2023 and March 31,2022 respectively are not included.

The carrying amounts of above financial assets and liabilities are considered to be same as their fair value, due to their short-term nature.

2.34.9 Financial Risk Management

Risk Management Framework

The Company is exposed to various risks in relation to financial instruments. The Company sets appropriate risk limits and controls and monitor risks and adherence to limits. 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 Company has exposure to the following risks arising from financial instruments:

RISK	Exposure arising from	Measurement	Management
Credit Risk	Receivables,Cash and Cash Equivalents, loans	Ageing analysis and Credit ratings	Diversification of bank deposits
Liquidity Risk	Borrowings and other Liabilities	Rolling cash flow forecasts	Availability of deposits with differing maturities & committed borrowing facilities to facilitate the day to day 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 to the Company under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its receivables, deposits with banks and Loans

Credit Risk Management:

Receivables

The Company is in the construction stage and on verge of commissioning. Since Commercial production has not yet started, there are no receivables as yet.

Cash and Cash Equivalent

Credit risk related to cash and cash equivalents is managed by the company's treasury department in accordance with DPE guidelines & company's policy. Investments are made only with scheduled commercial banks having a minimum net worth of Rs 500 Cr and diversifying the bank deposits.

Other Financial assets

Other financial assets include loans and advances to employees and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

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. Besides Investments in FD's is made with different maturity to ensure Liquidity. The Company is in talks with banks to obtain Working Capital & Rupee Term Loans for meeting its obligations. Any Delay in Commercial Operations/Sanction of Loans could lead to Liquidity risk.

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 2023	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	-	-	-	23.58	461.24	1594.55	2079.37
Trade payables	-	64.11	144.42	181.53	-	-	390.06
Lease Liability	-	-	-	-	-	-	-
Other Financial Liabilities	166.88	42.84	56.92	825.15	2501.87	-	3593.66
Total	166.88	106.95	201.34	1030.26	2963.11	1594.55	6063.09

(₹ in Crore)

Year ended 31-March 2022	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	-	-	-	22.63	-	-	22.63
Trade payables	-	95.49	85.64	121.64	-	-	302.77
Lease Liability	-	-	-	-	-	-	-
Other Financial Liabilities	67.73	78.29	78.30	747.74	-	-	972.06
Total	67.73	173.78	163.94	892.01	-	-	1297.46

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.

Foreign Currency risk:

The Company has not yet started its commercial production as of 31-03-2023. The company does not carry any material exposure to currency fluctuation risk.

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".

Long term borrowings are normally at fixed rates & the conditions of borrowings specify the change in the interest rates on occurrence of events such as start of commercial production & changes in the rating of company.

The Company's exposure to interest rate risk is subject to Credit Rating.

Note No. 2.34.10 CAPITAL MANAGEMENT:

Risk Management:

The primary objective of the Company's capital management is to maximise the shareholders' 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. However, the project is in construction stage and on the verge of commissioning. The Company has not yet started commercial production.

(₹ in Crore)

Particulars	31st March 2023	31st March 2022
Net Debt (excluding short term)	3818.30	1668.22
TOTAL EQUITY	17048.58	17048.58
Net Debt to Equity Ratio	0.22	0.10

*Debt includes NCDs issued for Rs 523.80 Crore (Prev. year Rs 523.80 Cr)

During the period under review and based on the documents, forms made available to me and the explanations/assurances provided by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *subject to the following observations:*

- a. Pursuant to the provisions of Section 149 (4) of the Companies Act, 2013 and Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Clause no. 3.1.4 of DPE Guidelines issued by Department of Public Enterprises, in case where the Chairman of the Board is executive then at-least half of the Board shall be Independent Directors. However, *it has been observed that there were no Independent Directors on the Board of the Company as required under aforesaid provisions/regulations.*
- b. Pursuant to the provisions of Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 every top 500 Listed entity shall have at-least one Women Independent Director on its Board. *However, it has been observed that there was no Women Independent Director on the Board of the Company.*
- c. Pursuant to the provisions of Section-177 of the Companies Act, 2013, Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause No. 4.1 of DPE Guidelines issued by Department of Public Enterprises; the Company was required to constitute Qualified and an Independent Audit committee. However, *it has been observed that in absence of independent Director on the Board the Company has not constituted any Audit Committee and not complied the other provisions relating to Audit Committee.*
- d. Pursuant to the provisions of Sec-178 of the Companies Act, 2013, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause No. 5.1 of DPE Guidelines issued by Department of Public Enterprises, the Company was required to constitute NRC/Remuneration committee. *However, it has been observed that in absence of independent Director on the Board of the Company, the Company has not constituted any NRC/Remuneration Committee and not complied the other provisions relating to NRC/Remuneration Committee.*
- e. Pursuant to the provisions of sec-178 of the Companies Act, 2013, Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to constitute the Stakeholders Relationship Committee. *However, it has been observed that the Company has not constituted any Stakeholder Relationship Committee till the end of the financial year.*



- f. Pursuant to the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, being covered under top 1000 Listed Company the Company was required to constitute the Risk Management Committee. *However, it has been observed that the Company has not constituted any Risk Management Committee.*
- g. As per the secretarial standards, the notice of Board meeting is required to be given at least 7 (seven) days in advance of the meeting. *However, during the financial year there were some instances the meetings of the Board were convened at a shorter notice.* It was replied by the management that whenever meeting convened at shorter notice, it was always convened with the consent of the Board members.

Subject to observations as aforesaid, I further report that:

Subject to my observations given in para no. (a) & (b) above, I report that the Board of Directors of the Company is duly constituted as per the Articles of Association of the Company. 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 term of the Article of Associations of the Company all appointments to the Board are made by Hon'ble President of India through its administrative Ministry i.e. Ministry of Steel.

I further report that there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I 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.

I further report that for the financial year 2022-23, National Stock Exchange of India Limited imposed fine of Rs. 4,40,000/- including GST for non-compliance of the requirements pertaining to the Compositions of the Board of Directors including Women Independent Director as per the Regulation 17(1), Constitution of Audit Committee as per the Regulation 18 (1), constitution of Nominations and Remunerations Committee as per the Regulation 19(1) &(2), constitution of Stakeholder Relationship Committee as per the Regulation 20(2)/(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It has been replied by the Company to the Stock Exchange that the Company is a Central Public Sector Enterprises (CPSE) comes under the administrative control of



Ministry of Steel, Government of India. As per the Article 74 of the Article of Associations of the Company, the President of India shall appoint all members of the Board of Directors and the appointments of Independent Directors are still awaited.

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Date: 22/07/2023

Place: Raipur



For, B.R. Agrawal & Associates

Brajesh R Agrawal

(CS Brajesh R Agrawal)

Practicing Company Secretary

M. No 5771 | C.P. No. 5649

P.R. No- 553/2017

UDIN: F005771E000663087



B. R. Agrawal & Associates

Practicing Company Secretaries

Goyal Enterprises 18/952, Civil Station Road
Opp. Hotel Satkar, Raipur (C.G.) - 492009,
Phone : 0771-4061914, 4911914
Mobile : 98264-26263
E-mail : corporategovernance03@gmail.com

To,
The Members,
NMDC STEEL LIMITED
C/o NMDC Iron & Steel Plant,
Nagarnar, Bastar (C.G.) -494001

This is to state that the Secretarial audit report for the financial year 31st March 2023 is to be read along with this letter.

Management Responsibility

1. It is the responsibility of the Management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditors Responsibility

1. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. I believe that audit evidence and information obtained from the Company management is adequate and appropriate for us to provide a basis for my opinion.
3. Whenever required I have obtained the managements representation about the compliance of laws, rules and regulations, regarding maintenance of records and happenings of events etc.

Disclaimer

1. Even though the audit is properly planned and performed in accordance with the applicable standards still due to inherent limitations of an audit including internal, financial and operating controls, there is unavoidable risk that some misstatement and material non-compliances may not be detected.



2. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
3. I have not verified the correctness and appropriateness of financial records and books of accounts and other laws applicable to the Company.

Date: 22/07/2023

Place: Raipur



For, B.R. Agrawal & Associates

Brajesh R Agrawal

(CS Brajesh R Agrawal)

Practicing Company Secretary

M. No 5771 | C.P. No. 5649

P.R. No- 553/2017

UDIN: F005771E000663087

NMDC STEEL LIMITED

08th AGM NOTICE 2022-23

CIN: U27310CT2015GOI001618
Regd Off.: C/o NMDC Iron & Steel Plant,
Nagarnar, Bastar (C.G.)-494001

Notice is hereby given to the Members of NMDC Steel Limited that the 08th Annual General Meeting (AGM) of the Company will be held on Thursday, 07th September 2023 at 03:30 PM 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 31st March 2023 together with the reports of the Board of Directors, 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 **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2023 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."

2. To authorize the Board of Directors for fixing the remuneration of Statutory Auditors for the financial year 2023-24.

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 2023-24, and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company be and is 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 2023-24."

B. SPECIAL BUSINESS:

3. To appoint Shri Amitava Mukherjee (DIN: 08265207) as Director (Finance) on the Board 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 Amitava Mukherjee (DIN: 08265207) who was appointed as Director (Finance) on the Board of the Company w.e.f 08th November 2022 by the Board of directors in its meeting held on 08/11/2022, pursuant to the Order of Ministry of Steel, Government of India dated 17/10/2022 and who holds office up to the date of this Annual General Meeting in terms of the provisions of Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as applicable to Government Companies 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 the candidature of Shri Amitava Mukherjee for the office of Director, be and is hereby appointed as Director (Finance) on the Board of the Company pursuant to the provisions of Section 152 and 196 and other applicable provisions of the Act and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), on the terms and conditions as fixed by Government of India, 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."

4. To appoint Ms. Sukriti Likhi (DIN: 01825997) as Government Nominee Director on the Board 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** Ms. Sukriti Likhi (DIN: 01825997) who was appointed as Government Nominee Director on the Board of the Company w.e.f 08th November 2022

by the Board of directors in its meeting held on 08/11/2022, pursuant to the Order of Ministry of Steel, Government of India dated 17/10/2022 and who holds office up to the date of this Annual General Meeting in terms of the provisions of Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 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 her intention to propose the candidature of Ms. Sukriti Likhî for the office of Director, be and is hereby appointed as Government Nominee Director on the Board of the Company pursuant to the provisions of Section 152 and 161 other applicable provisions of the Act and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), on the terms and conditions as fixed by Government of India, and is liable to retire by rotation."

"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.

5. To appoint Shri Dilip Kumar Mohanty (DIN: 09296720) as Director (Production) on the Board 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 Dilip Kumar Mohanty (DIN: 09296720) who was appointed as Director (Production) on the Board of the Company w.e.f 08th November 2022 by the Board of Directors in its meeting held on 08/11/2022, pursuant to the Order of Ministry of Steel, Government of India dated 17/10/2022 and who holds office up to the date of this Annual General Meeting in terms of the provisions of Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as applicable to Government Companies 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 the candidature of Shri Dilip Kumar Mohanty for the office of Director, be and is hereby appointed as Director (Production) on the Board of the Company pursuant to the provisions of Section 152 and 196 and other applicable provisions of the Act and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), on the terms and conditions as fixed by Government of India, 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."

6. To appoint Shri Abhijit Narendra (DIN: 07851224) as Government Nominee Director on the Board 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 Abhijit Narendra (DIN: 07851224) who was appointed as Government Nominee Director on the Board of the Company w.e.f 20th March 2023 by the Board of directors in its meeting held on 01/05/2023, pursuant to the Order of Ministry of Steel, Government of India dated 20/03/2023 and who holds office up to the date of this General Meeting in terms of the provisions of Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as applicable to Government Companies 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 the candidature of Shri Abhijit Narendra for the office of Director, be and is hereby appointed as Government Nominee Director on the Board of the Company pursuant to the provisions of Section 152 and 161 other applicable provisions of the Act and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), on the terms and conditions as fixed by Government of India, and is liable to retire by rotation."

"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."

7. To appoint Shri Vishwanath Suresh (DIN: 10059734) as Director (Commercial) on the Board 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 Vishwanath Suresh (DIN: 10059734) who was appointed as an Additional Director on the Board of the Company w.e.f 20th March 2023 by the Board of Directors in its meeting held on 01/05/2023, pursuant to the Order of Ministry of Steel, Government of India dated 20/03/2023 and who holds office up to the date of this General Meeting in terms of the provisions of section 161 of the Companies Act, 2013

and Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable to Government Companies 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 the candidature of Shri Vishwanath Suresh for the office of Director, be and is hereby appointed as Director (Commercial) on the Board of the Company pursuant to the provisions of Section 152 and 196 and other applicable provisions of the Act and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), on the terms and conditions as fixed by Government of India, 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 appoint Shri Vinay Kumar (DIN: 10172521) as Director (Technical) on the Board 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 Vinay Kumar (DIN: 10172521) who was appointed as an Additional Director on the Board of the Company w.e.f 19th May 2023 by the Board of Directors in its meeting held on 23/05/2023, pursuant to the Order of Ministry of Steel, Government of India dated 19/05/2023 and who holds office up to the date of this General Meeting in terms of the provisions of section 161 of the Companies Act, 2013 and Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as applicable to Government Companies 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 the candidature of Shri Vinay Kumar for the office of Director, be and is hereby appointed as Director (Technical) on the Board of the Company pursuant to the provisions of Section 152 and 196 and other applicable provisions of the Act and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), on the terms and conditions as fixed by Government of India, 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."

By Order of the Board of Directors,
For and on behalf of **NMDC Steel Limited**

(Dilip Kumar Mohanty)
Director
DIN: 09296720

Place: Hyderabad
Date: 23rd May 2023

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 08th Annual Report of the Company for the year 2022-23.

NOTES TO NOTICE:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its General Circular No. 10/2022 dated 28th December 2022 read with other previous MCA General Circulars No. 02/2022 Dated 5th May 2022, No. 20/2020 dated 5th May 2020, No. 17/2021 dated 13th April 2021 and No. 14/2021 dated 8th April 2021 (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 08th AGM of the Company is being held through VC / OAVM. The proceedings of the 08th AGM will be deemed to be conducted at the Registered Office of the Company at C/o NMDC Iron & Steel Plant, Nagarnar, Bastar (Chhattisgarh)-494001, which shall be deemed venue of the AGM.
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 5th January 2023, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. The Company shall send the physical copy of Annual Report 2022-23 to those Members who request the same at cs_nisp@nmdc.co.in mentioning their Folio No./DP ID and Client ID. Members may note that the 08th AGM Notice and Annual Report 2022-23 has been uploaded on the website of the Company: www.nmdcsteel.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 and www.nseindia.com respectively, and is also available on the website of NSDL - 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 corporategovernance03@gmail.com with a copy marked to 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 cs_nisp@nmdc.co.in.
6. Details of the Directors seeking appointment / re-appointment at the 08th AGM as mandated under Regulation 36(3) 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 01st September 2023 to 07th September 2023 [both days inclusive].
8. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system or view the live webcast of AGM provided by

NSDL at <https://www.evoting.nsdl.com>. 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" 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.

9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
10. The Company has designated an exclusive e-mail ID: ims_nisp@nmdc.co.in for redressal of shareholders'/ investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above e-mail address.
11. 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.
12. 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: ims_nisp@nmdc.co.in, info@aarthiconsultants.com, Website: www.aarthiconsultants.com.
13. 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, Auditors, and Scrutinizer etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

14. 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.
15. 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., 31st August 2023**.
16. 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., 31st August 2023, 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., 31st August 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
17. 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.
18. 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 08th AGM being held through VC/OAVM.
19. 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.
20. 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: cs_nisp@nmdc.co.in. The same will be replied by the Company suitably by email.

21. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company along with relevant documents are available on the website of the Company under the head "Investors".
22. 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 in Form SH-13 in their own interest. Blank form can be obtained from M/s Aarthi Consultants Private Ltd., on request. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website under Investors section. Members holding shares in dematerialized form may contact their respective DPs for registration of nomination.
23. 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.
24. 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 1st April 2019. 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.
25. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company under Investors section – Dividend and Shares – FAQs for Investors and on the website of the Company's RTA at <https://www.aarthiconsultants.com/>. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.
26. Members may please note that SEBI vide its Circular

- No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under Investors section – Dividend and Shares – FAQs for Investors and on the website of the Company's RTA at <https://www.aarthiconsultants.com/>. It may be noted that any service request can be processed only after the folio is KYC compliant.
27. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
28. 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 2023-24 after taking into consideration including change, if any, in statutory requirements, increase in volume of work and change in inflation index.
29. Since the AGM will be held through VC / OAVM, the Route Map is not required and hence not annexed to this Notice.
30. The following documents will be available for inspection by the Members electronically during the 08th AGM. Members seeking to inspect such documents can send an email to cs_nisp@nmdc.co.in.
- Register of Directors and Key Management Personnel and their shareholding
 - Register of Contracts or Arrangements in which Directors are interested
 - All the documents referred to in the accompanying notice or explanatory statement.
31. NMDC Steel Limited, being a Government Company, all the appointments to the Board and terms and conditions thereto are fixed by the Government of India.
32. The details of remuneration / sitting fees paid to Board Members have been given in Corporate Governance Report.
33. None of the Directors have any relationship with other Directors, Manager(s) and other Key Managerial Personnel of the Company.
34. All the directors of the Company shall be required to be appointed in this Annual General Meeting, therefore matters relating to retire by rotation are not applicable.
- 35. Voting through electronic means (Remote e-voting)**
- 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 28th December, 2022, 5th May 2022, 13th January 2021, 8th April 2020, 13th April 2020 and 5th 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.
 - 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.
 - The remote e-voting period begins on **04th September 2023 (09.00 A.M. IST) and ends on 06th September 2023 (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., 31st August 2023. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 31st August 2023 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 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 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:

In terms of SEBI circular dated December 9, 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.

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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">Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com 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 & voting during the meeting.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jspVisit 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. 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-

	<p>Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>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.</p>

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 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

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***.

1. 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.
2. 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.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 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.
 3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 4. Now, you will have to click on "Login" button.
 5. 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 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.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to corporategovernance03@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. 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 to reset the password.
3. 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 or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Sarita More, Assistant Manager at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. 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 ims_nisp@nmdc.co.in and to Company's Registrar and Share Transfer Agent email id: info@aarthiconsultants.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 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) to at: ims_nisp@nmdc.co.in and to Company's Registrar and Share Transfer Agent email id: info@aarthiconsultants.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 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.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/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 in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/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" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join 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.
 2. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 4. 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.
 5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs_nisp@nmdc.co.in. The same will be replied by the company suitably.
 6. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request from 01/09/2023 to 04/09/2023 mentioning their name, DP ID and Client ID /folio number, email id, mobile number at: cs_nisp@nmdc.co.in.
 7. 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 questions and speakers depending on the availability of time for the AGM.
 8. Members who need assistance before or during the AGM, can contact NSDL, Ms. Sarita More, Assistant Manager at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 and 1800 22 44 30.
36. Shri Brajesh R. Agrawal (Membership No. FCS: 5771), Proprietor of M/s B. R. Agrawal & Associates, Company Secretaries, Raipur, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting during AGM in a fair and transparent manner.
37. The Scrutinizer shall immediately 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.
38. The results declared along with Scrutinizer's Report shall be placed on the Company's website www.nmdcsteel.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 Company shall simultaneously communicate the results 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, within two working days of conclusion of the 08th AGM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**SPECIAL BUSINESS****Item No 3: Appointment of Shri Amitava Mukherjee (DIN: 08265207) as Director (Finance) on the Board of the Company.**

Pursuant to the order of Ministry of Steel, GoI dated 17/10/2022, Shri Amitava Mukherjee (DIN: 08265207) was appointed as Director (Finance) on the Board of the Company by the Board of Directors in its Board meeting held on 08/11/2022 and the effective date of appointment is 08/11/2022 till the further order. Further, in the Board meeting of the Company held on 01/05/2023, he has been given additional charge of CMD in addition to his existing designation w.e.f. 01/03/2023 till the further order.

Therefore, pursuant to the provisions of the Regulations 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 the aforesaid appointment shall be required to the approval of the Members of the Company in the General Meeting.

The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Amitava Mukherjee as a candidate for the office of CMD and Director (Finance) of the Company.

Information pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 is given below:-

(a) Brief Resume of the Director	
Name of the Director	Shri Amitava Mukherjee (DIN: 08265207)
Date of Birth & Age	19.02.1968 & 55 years
Date of Appointment	He has originally appointed on 06/03/2019. On 08/11/2022 the designation has been changed to Director (Finance) and on 01/03/2023, he has also been given additional charge of CMD.
Qualifications	<ul style="list-style-type: none"> • Indian Railway Account Services (IRAS), 1995 Batch • Master in Commerce • Cost Accountants.
(b) Nature of expertise in specific functional areas	<p>Shri Amitava Mukherjee belongs to the 1995 Batch of Indian Railway Accounts Service (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.</p> <p>He was also nominated by Railway Board to various Task Groups for Centralized 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.</p> <p>Shri Amitava Mukherjee has attended various international training programs conducted by European School of Business at London & Paris; ICLIF at Kuala Lumpur, Malaysia; INSEAD at Singapore.</p> <p>Awards</p> <p>He has received "FE CEO of the Year Award" from financial Express for the year 2022 in the Large Manufacturing Industry Category.</p> <p>He has also recognized by CII as Leading CFO of the year 2022 under the sectorial category of Industrial Manufacturing.</p> <p>He has received the National Award for outstanding services during the year 2006 during his tenure in Indian Railways.</p>

(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	Name of other Company in which he has acted as a Director: - • NMDC Limited Name of Committee in which he has acted as Chairman/Member: 1. Stakeholder Relationship Committee, NMDC Limited: - Member 2. Risk Management Committee, NMDC Limited: - Chairman Name of Company in which he has ceased to be director: - NA
(e) No. of Equity Shares held in NMDC Steel Limited	NIL
(f) Term & Conditions of Appointment and Re-appointment including Remuneration	Appointment as per the order of the President of India through Ministry of Steel dated 17/10/2022. Remuneration: NIL
(g) No. of Board Meeting held and attended during the year	7 (seven) Board Meeting held during the year and he attended all 7 (Seven) Board Meetings

Shri Amitava Mukherjee 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 Amitava Mukherjee 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.3 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as Director (Finance) and recommend this Resolution for approval of the shareholders.

Item No 4: Appointment of Ms. Sukriti Likhi (DIN: 01825997) as Government Nominee Director on the Board of the Company.

In terms of the Order of Ministry of Steel, Government of India dated 17th October 2022, Ms. Sukriti Likhi (DIN: 01825997) was appointed as Government Nominee Director on the Board of the Company by the Board of Directors in its meeting dated 08/11/2022 as a Nominee Director to hold the post of Government Nominee Director on the Board of the Company with effect from 8th November 2022. Further, pursuant to the provisions of the Regulations 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 the aforesaid appointment shall be required to the approval of the Members of the Company in the General Meeting and is liable to retire by rotation in terms of provisions of the Companies Act, 2013.

The notice under Section 160 of the Companies Act, 2013 has been received from a member proposing the name of Ms. Sukriti Likhi as a candidate for the office of Director of the Company.

Details of Director seeking reappointment at the 08th Annual General Meeting (Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) SS-2: -

(a) Brief Resume of the Director	
Name of the Director	Smt. Sukriti Likhi (DIN: 01825997)
Date of Birth & Age	04.08.1968; 54 years
Date of Appointment	08th November 2022
Qualifications	• IAS – 1993 batch • Bachelor's in Economics (Honours) • Master's in Sociology • Master's in Public Administration
(b) Nature of expertise in specific functional areas	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

	<p>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> <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 & Marketing Federation Limited) and as Finance Secretary. She is also Director on the Board of Steel Authority of India Limited, NMDC Limited, KIOCL Limited, Rashtriya Ispat Nigam Ltd and MECON Limited.</p>
(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	<p>Name of other Company in which he has acted as a Director:</p> <ul style="list-style-type: none"> • Steel Authority of India Limited • NMDC Limited • KIOCL Limited • Rashtriya Ispat Nigam Ltd <p>Name of Committee in which he has acted as Chairman/Member: NA</p> <p>Name of Company in which he has ceased to be director: -</p> <ul style="list-style-type: none"> • MOIL LIMITED
(e) No. of Equity Shares held in NMDC Steel Limited	NIL
(f) Term & Conditions of Appointment and Re-appointment including Remuneration	<p>Appointment as per the order of the President of India through Ministry of Steel dated 17/10/2022.</p> <p>Remuneration: NIL</p>
(g) No. of Board Meeting held and attended during the year	7 (seven) Board Meeting held during the year and she was entitled and attended 2 (Two) Board meetings.

Ms. 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 Ms. 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.4 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 5: Appointment of Shri Dilip Kumar Mohanty Suresh (DIN: 09296720) as Director (Production) on the Board of the Company.

Pursuant to the order of Ministry of Steel, Gol dated 17/10/2022, Shri Dilip Kumar Mohanty (DIN: 10059734) was appointed as Director (Production) on the Board of the Company by the Board of Directors in its Board meeting held on 08/11/2022 w.e.f. 08/11/2022 till the further order. Further, pursuant to the provisions of the Regulations 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 the aforesaid appointment shall be required to the approval of the Members of the Company in the General Meeting.

The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Dilip Kumar Mohanty as a candidate for the office of Director (Production) of the Company.

Information pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 is given below:-

(a) Brief Resume of the Director	
Name of the Director	Shri Dilip Kumar Mohanty (DIN: 09296720)
Date of Birth & Age	19/06/1964 & 59 years
Date of Appointment	He was originally appointed on 16/12/2021. On 08/11/2022 The designation was changed to Director (Production).
Qualifications	BSc Engineering (Metallurgy)
(b) Nature of expertise in specific functional areas	<p>Shri D K Mohanty started his career in Vizag Steel Plant, Rashtrtiya Ispat Nigam Limited as Management Trainee (Technical) in the year 1987 after completing his BSc Engineering (Metallurgy) from NIT Rourkela.</p> <p>He has rich and varied experience spanning over 34 years in steel plant operation & project. He has gained reputation to solve critical issues in Steel Marketing and project executions. During his career in Vizag Steel plant he gained vast experience in operations of steel plant including commissioning of various units.</p> <p>In the year 2015, he joint NMDC limited in the prestigious green field 3.0 MTPA NMDC Iron & Steel Plant (NISP) at Nagarnar, Bastar Chhattisgarh). He was in-charge of major packages and has played significant role for execution of works at NISP project.</p> <p>As Chief General Manager (operations) he has prepared the strategy for operation of plant by giving directions to various O&M contracts, AMCs, Manpower planning, budgeting, Raw materials, spares, consumables etc. which are required for commission and operation of NISP Nagarnar (C.G.).</p>
(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	<p>Name of other Company in which he has acted as a Director:</p> <ul style="list-style-type: none"> • NMDC Limited <p>Name of Committee in which he has acted as Chairman/Member:</p> <p>1. Stakeholder Relationship Committee, NMDC Limited: - Member</p> <p>Name of Company in which he has ceased to be director: - NA</p>
(e) No. of Equity Shares held in NMDC Steel Limited	NIL
(f) Term & Conditions of Appointment and Re-appointment including Remuneration	Appointment as per the order of the President of India through Ministry of Steel dated 17/10/2022. Remuneration: NIL
(g) No. of Board Meeting held and attended during the year	7 (seven) Board Meeting held during the year and he attended all 7 (Seven) Board meetings.

Shri Dilip Kumar Mohanty 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 Dilip Kumar Mohanty 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.5 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as Director (Production) and recommend this Resolution for approval of the shareholders.

Item No 6: Appointment of Shri Abhijit Narendra (DIN: 07851224) as Government Nominee Director on the Board of the Company.

In terms of Ministry of Steel, Government of India Order dated 20th March 2023, Shri Abhijit Narendra (DIN: 07851224) was appointed as Government Nominee Director on the Board of the Company by the Board of Directors in its meeting dated 01/05/2023 who hold the post of Government Nominee Director on the Board of the Company with effect from 20th March 2023. Further, pursuant to the provisions of the Regulations 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 the aforesaid appointment shall be required to the approval of the Members of the Company in the General Meeting and is liable to retire by rotation in terms of provisions of the Companies Act, 2013.

The notice under Section 160 of the Companies Act, 2013 has been received from a member proposing the name of Shri Abhijit Narendra as a candidate for the office of Director of the Company.

Information pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 is given below:-

(a) Brief Resume of the Director	
Name of the Director	Shri Abhijit Narendra (DIN: 07851224)
Date of Birth & Age	14.09.1966 & 56 years
Date of Appointment	20th March 2023
Qualifications	<ul style="list-style-type: none"> Indian Railway Traffic Service- 1993 batch B.Sc LL.B
(b) Nature of expertise in specific functional areas	<p>Shri Abhijit Narendra is an Indian Railway Traffic Service (IRTS) Officer (1993 batch) and is presently posted as Joint Secretary, Ministry of Steel. He has served in different areas of railways including operation, commercial and safety management which gave him rich experience of production and sales management of Indian Railways. His tenure in Railway Board gave him a broader perspective of transportation business and railways modal share. He has also worked in Centre for Railways Information System (CRIS), the IT arm of Indian Railways which gave him the insight of development, execution and running of IT applications. He has also worked in Ministry of Railways in the area of infrastructure development through PPP, project structures and financing, logistics etc. He has also been associated with planning & execution of big ticket railway infrastructure projects like High Speed Rail and Dedicated Freight Corridor. He has also represented the organization and nation in various international meetings and conferences.</p> <p>He is also Director on the Board of Steel Authority of India Limited and NMDC Limited.</p>
(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	<p>Name of other Company in which he has acted as a Director:</p> <ul style="list-style-type: none"> NMDC Limited Steel Authority of India Limited <p>Name of Committee in which he has acted as Chairman/Member: NA</p> <p>Name of Company in which he has ceased to be director: - NA</p>
(e) No. of Equity Shares held in NMDC Steel Limited	NIL
(f) Term & Conditions of Appointment and Re-appointment including Remuneration	<p>Appointment as per the order of the President of India through Ministry of Steel dated 20/03/2023.</p> <p>Remuneration: NIL</p>
(g) No. of Board Meeting held and attended during the year	Not Applicable.

Shri Abhijit Narendra 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 Abhijit Narendra 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 Government Nominee Director and recommend this Resolution for approval of the shareholders.

Item No 7: Appointment of Shri Vishwanath Suresh (DIN: 10059734) as Director (Commercial) on the Board of the Company.

Pursuant to the order of Ministry of Steel, Govt. of India, Shri Vishwanath Suresh (DIN: 10059734) was appointed as an Additional Director on the Board of the Company by the Board of Directors in its Meeting held on 01/05/2023 w.e.f. 20/03/2023 till the further order. Further, pursuant to the provisions of the section 161 of the Companies Act, 2013 and Regulations 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 the aforesaid appointment shall be required to the approval of the Members of the Company in the General Meeting.

The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Vishwanath Suresh as a candidate for the office of Director (Commercial) of the Company.

Information pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 is given below:-

(a) Brief Resume of the Director	
Name of the Director	Shri Vishwanath Suresh (DIN: 10059734)
Date of Birth & Age	28.08.1970 & 52 years
Date of Appointment	20th March 2023
Qualifications	<ul style="list-style-type: none"> • Bachelor's degree in Metallurgical Engineering from NIT, Rourkela • Master's in Business Administration (MBA) in Marketing • Certificate in Advanced Strategic Management course from IIM Kozhikode
(b) Nature of expertise in specific functional areas	Shri Vishwanath Suresh has been appointed as Director (Commercial) at NMDC w.e.f. 01.03.2023. An alumnus of the National Institute of Technology, Rourkela, he is a Metallurgical Engineer. He also holds a Master's in Business Administration (MBA) in Marketing and a certificate in Advanced Strategic Management course from IIM Kozhikode. Prior to this appointment, he held the post of Executive Director (Coal Import) and additional charge of ED (Corporate Materials Management) at SAIL. With a long service spanning over three decades in the mining and manufacturing sector, his career is marked by versatile experience in fields like sales and marketing of Steel in domestic and international markets, procurements, strategic management and policy. With a visionary commercial acumen, he has led numerous initiatives for systems improvement, boosting sales and revenue.
(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	Name of other Company in which he has acted as a Director: <ul style="list-style-type: none"> • NMDC Limited Name of Committee in which he has acted as Chairman/Member: NA Name of Company in which he has ceased to be director: - NA
(e) No. of Equity Shares held in NMDC Steel Limited	NIL

(f) Term & Conditions of Appointment and Re-appointment including Remuneration	Appointment as per the order of the President of India through Ministry of Steel dated 20/03/2023. Remuneration: NIL
(g) No. of Board Meeting held and attended during the year	Not Applicable.

Shri Vishwanath Suresh 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 Vishwanath Suresh 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.7 of the Notice.

Board considers it desirable that the Company should continue to avail itself of his services as Director (Commercial) and recommend this Resolution for approval of the shareholders.

Item No 8: Appointment of Shri Vinay Kumar (DIN: 10172521) as Director (Technical) on the Board of the Company.

Pursuant to the order of Ministry of Steel, GoI, Shri Vinay Kumar (DIN: 10172521) was appointed as an Additional Director on the Board of the Company by the Board of Directors in its Meeting held on 23/05/2023 w.e.f. 19/05/2023 till the further order. Further, pursuant to the provisions of the section 161 of the Companies Act, 2013 and Regulations 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 the aforesaid appointment shall be required to the approval of the Members of the Company in the General Meeting.

The notice under Section 160 of the said Act has been received from a member proposing the name of Shri Vinay Kumar as a candidate for the office of Director (Technical) of the Company.

Information pursuant to Regulation 36 [3] of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:-

(a) Brief Resume of the Director	
Name of the Director	Shri Vinay Kumar (DIN: 10172521)
Date of Birth & Age	02/01/1969 & 54 years
Date of Appointment	19th May 2023
Qualifications	• B. Tech(Mining) From IIT BHU.
(b) Nature of expertise in specific functional areas	Shri Vinay Kumar is the Director (Technical) at NMDC, he has three decades of experience in Mining, Training, Safety & Environment and Project Management. Starting his career as Executive Trainee at NMDC, he has been serving the company since 1992. Prior to his new assignment as Director (Technical), he was Chief General Manager (CGM) and immensely contributed as the Project Head of BIOM Kirandul Complex, Chhattisgarh. Shri Vinay Kumar was spearheading expansion and execution of ambitious Projects such as Rapid Wagon Loading System (RWLS), Screening Plant- III and Doubling of KK Line. He also played a key role in the construction and commissioning of NMDC's Kumaraswamy Mines in Karnataka, gaining a reputation for solving critical issues in Mine Development and Project Execution. Under the leadership of Shri Vinay Kumar, Kirandul Complex received 5 star rating by IBM and various awards from prestigious organizations in the field of Safety, Environment, CSR and Occupational Health.
(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	Name of other Company in which he has acted as a Director: - • NMDC Limited Name of Committee in which he has acted as Chairman/Member:

with listed entities from which the person has resigned in the past three years	1. Audit Committee, NMDC Limited: Member Name of Company in which he has ceased to be director: - NA
(e) No. of Equity Shares held in NMDC Steel Limited	60
(f) Term & Conditions of Appointment and Re-appointment including Remuneration	Appointment as per the order of the President of India through Ministry of Steel dated 19/05/2023. Remuneration: NIL
(g) No. of Board Meeting held and attended during the year	Not Applicable.

Shri Vinay Kumar 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 Vinay Kumar 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.8 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.

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

(Dilip Kumar Mohanty)
Director
DIN: 09296720

Place: Hyderabad
Date: 23rd May 2023





NMDC STEEL LIMITED (NSL)

POST-NAGARNAR, DIST-BASTAR, NEAR JAGADALPUR
CHHATTISGARH - 494001