NMDC LIMITED

Our Company was originally incorporated in Delhi on November 15, 1958 under the name 'National Mineral Development Corporation Private Limited'. Presently, the Registered Office of the Company is situated at Hyderabad, Andhra Pradesh.

For details of the change in the name and registered office of our Company, see "***History and Certain Corporate Matters***" on page 105 of this Prospectus.

Registered Office and Corporate Office: Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500 173, Andhra Pradesh, India.
Telephone: +91 40 2353 8757; **Facsimile:** +91 40 2353 8711;
Company Secretary and Compliance Officer: Mr. Kumar Raghavan; **Telephone**: +91 40 2353 8757; **Facsimile**: +91 40 2353 8759;
E-mail: divest2010@nmdc.co.in; **Website:** www.nmdc.co.in.

THE PROMOTER OF OUR COMPANY IS THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF STEEL, GOVERNMENT OF INDIA

FURTHER PUBLIC OFFER OF 332,243,200 EQUITY SHARES OF RE. 1 EACH (THE "OFFER SHARES") OF NMDC LIMITED ("NMDC" OR "OUR COMPANY" OR "THE COMPANY") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF STEEL, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER") FOR CASH AT A PRICE DETERMINED BY THE BOOK BUILDING PROCESS UNDER SCHEDULE XI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS") AGGREGATING UPTO RS. 99,672.96 MILLION* (THE "OFFER"). THE OFFER COMPRISES A NET OFFER TO THE PUBLIC OF 330,500,000 EQUITY SHARES (THE "NET OFFER") AND A RESERVATION OF 1,743,200 EQUITY SHARES FOR PURCHASE BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINBELOW) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER SHALL CONSTITUTE UPTO 8.38% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

******Subject to finalisation of the Basis of Allotment. This amount will be reduced to the extent of the 5% discount to the Offer Price offered to the Retail Individual Bidders and the Eligible Employees bidding under the Employee Reservation Portion, based on actual allotment.*

THE FACE VALUE OF THE EQUITY SHARES IS RE. 1 EACH.

THE OFFER PRICE IS RS. 300 AND IS 300 TIMES THE FACE VALUE OF THE EQUITY SHARES.
A DISCOUNT OF 5% TO THE OFFER PRICE DETERMINED PURSUANT TO THE COMPLETION OF THE BOOK BUILDING PROCESS IS OFFERED TO RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE EMPLOYEES ("RETAIL AND EMPLOYEE DISCOUNT"). THE EXCESS AMOUNT PAID AT THE TIME OF BIDDING SHALL BE REFUNDED TO THE RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE EMPLOYEES.

The Selling Shareholder, in consultation with the BRLMs, reserves the right to revise the Bid/Offer Period. In case of revision in the Price Band, the Bid / Offer Period shall be extended for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 working days. Any revision in the Bid/Offer Period, if applicable, will be widely disseminated by notification to the stock exchanges on which the Equity Shares are listed, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the Syndicate.

The Offer is being made through the 100% Book Building Process wherein up to 50% of the Net Offer will be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid Bids being received from them at or above the Offer Price. Further, not less than 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Offer Price. Further, 1,743,200 Equity Shares shall be made available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Offer Price in the Employee Reservation Portion. **Any Bidder (other than QIBs) may participate in this Offer through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by Self Certified Syndicate Banks ("SCSBs"). For further details, see "*Offer Procedure*" on page 311 of this Prospectus**.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Company and the Offer, including the risks involved. The Offer Shares offered in this Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page xiii of this Prospectus.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

The Company and the Selling Shareholder, having made all reasonable inquiries, accept responsibility for and confirm that this Prospectus contains all information with regard to the Company and this Offer, which is material in the context of this Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Offer Shares are already listed on the BSE, the NSE, the BSEL, the MSE, the CSE and the DSE. BSE is the Designated Stock Exchange for the Offer. We have received in-principle approvals from the NSE and the BSE in respect of the Offer Shares pursuant to letters dated February 3, 2010 and February 2, 2010, respectively.

BOOK RUNNING LEAD MANAGERS

UBS SECURITIES INDIA PRIVATE LIMITED
2/F, 2 North Avenue, Maker Maxity
Bandra Kurla Complex,Bandra (E)
Mumbai 400 051, India
Tel: + 91 22 6155 6000
Fax: + 91 22 6155 6300
Email: nmdc_fpo@ubs.com
Investor Grievance Email:
customercare@ubs.com
Contact Person: Mr. Girish Punjabi
Website: www.ubs.com/indianoffers
SEBI Registration Number: INM000010809

CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED
12th Floor, Bakhtawar, Nariman Point
Mumbai 400 021, Maharashtra, India
Tel: + 91 22 6631 9999
Fax: + 91 22 6646 6054
E-mail: nmdc.fpo@citi.com
Investor Grievance E-mail:
investors.cgmib@citi.com
Website: www.citibank.co.in
Contact Person: Ms. Ramneet Bajaj
SEBI Registration Number: INM000010718

EDELWEISS CAPITAL LIMITED
14th Floor, Express Towers,
Nariman Point,
Mumbai - 400 021, India.
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
E-mail: nmdc.fpo@edelcap.com
Website: www.edelcap.com
Investor Grievance E-mail:
customerservice.mb@edelcap.com
Contact Person: Mr. Sumeet Lath / Ms. Dipti Samant
SEBI Registration Number:
INM0000010650

KOTAK MAHINDRA CAPITAL COMPANY LIMITED
1st Floor, Bakhtawar, 229, Nariman Point
Mumbai 400 021, Maharashtra, India
Tel: +91 22 6634 1100
Fax: +91 22 2283 7517
E-mail: nmdc.fpo@kotak.com
Investor Grievance E-mail:
kmccredressal@kotak.com
Website: www.kmcc.co.in
Contact Person: Mr. Chandrakant Bhole
SEBI Registration Number:
INM000008704

MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED
5F, 55-56, Free Press House
Free Press Journal Marg, 215, Nariman Point
Mumbai 400 021, India
Tel: +91 22 6621 0555
Fax: +91 22 6621 0556
E-mail: nmdc_fpo@morganstanley.com
Website:
www.morganstanley.com/indiaofferdocuments
Investor Grievance E-mail:
investors_india@morganstanley.com
Contact Person: Mr. Vishal Gahlaut
SEBI Registration Number: INM000011203

RBS EQUITIES (INDIA) LIMITED
(formerly known as ABN AMRO Asia Equities (India) Limited)
83/84, Sakhar Bhavan, Behind Oberoi Towers,
230, Nariman Point
Mumbai 400 021, India
Tel: +91 22 6632 5535,
Fax: +91 22 6632 5541
E-mail: nmdc.fpo@rbs.com
Website: www.abnamro.co.in
Investor Grievance E-mail:
customercare.ecm@in.abnamro.com
Contact Person: Mr. Asim Anwar
SEBI Registration Number: INM000010551

REGISTRAR TO THE OFFER

KARVY COMPUTERSHARE PRIVATE LIMITED
Plot No. 17-24, Vittal Rao Nagar
Madhapur
Hyderabad 500 081
Andhra Pradesh, India
Tel: +91 40 2342 0815
Fax: +91 40 2343 1551
E-mail: nmdc.ipo@karvy.com
Website: http://karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration Number: INR000000221

BID/OFFER PROGRAMME

OFFER OPENED ON	March 10, 2010	OFFER CLOSED ON	March 12, 2010

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
Articles of Association or Articles	The articles of association of our Company, as amended
Auditors	The statutory auditors of our Company, M/s Ramamoorthy (N) & Co., Chartered Accountants
Auditors' Report	The Auditors' report required under the SEBI Regulations on our audited financial information, included in the section titled "***Financial Statements***" beginning on page 151 of this Prospectus
Board or Board of Directors	The board of directors of our Company or a committee constituted thereof
Director(s)	The directors of our Company
Equity Shares	The Equity Shares of our Company with a face value of Re. 1 each
Joint Ventures	Joint ventures of our Company as referred to in the section titled "***History and Certain Corporate Matters***" beginning on page 105 of this Prospectus
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended
MoS	The Ministry of Steel
NMDC, the Company, our Company, We, us, our or similar words	NMDC Limited, and where the context implies, together with its Subsidiaries and Joint Ventures
Promoter	The President of India, acting through the Ministry of Steel, Government of India
Registered and Corporate Office	The registered and corporate office of our Company, located at Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500173, Andhra Pradesh, India
RoC or Registrar of Companies	The Registrar of Companies, Andhra Pradesh located at Hyderabad
Selling Shareholder	The President of India, acting through the Ministry of Steel, Government of India
SIIL	Sponge Iron India Limited
Subsidiaries	Subsidiaries of our Company as referred to in the section titled "***History and Certain Corporate Matters***" beginning on page 105 of this Prospectus

Offer Related Terms

Term	Description
Allotted/Allotment/Allot/Transfer/Transferred	The transfer of the Offer Shares to successful Bidders pursuant to the Offer
Allottee	A successful Bidder to whom the Offer Shares are Allotted
Application Supported by Blocked Amount/ASBA	The application, whether physical or electronic, used by an ASBA Bidder to make a Bid authorizing an SCSB to block the Bid Amount in such Bidder's specified bank account maintained with the SCSB
ASBA Account	Account maintained by an ASBA Bidder with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid cum Application Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidder	Any Bidder (other than a QIB) who intends to apply through ASBA
ASBA Public Offer Account	A bank account where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
ASBA Revision Form	The forms used by the ASBA Bidders to modify the quantity of Offer Shares in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)
Banker(s) to the Offer	ABN Amro Bank N.V., Axis Bank Limited, HDFC Bank Limited, Kotak Mahindra Bank Limited, Standard Chartered Bank, State Bank of India, YES Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, ICICI Bank Limited and Citibank N.A.
Basis of Allotment	The basis on which the Offer Shares will be Allotted, described in the section titled "***Offer Procedure***" beginning on page 311 of this Prospectus
Bid	An indication by a Bidder to make an offer to purchase Offer Shares in terms of the Red

Term	Description
	Herring Prospectus
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and in case of ASBA Bidders, the amount mentioned in the ASBA Form
Bid cum Application Form	The form in terms of which the Bidder (excluding the ASBA Bidders) shall make an offer to purchase the Offer Shares and which shall be considered as the application for Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form or the ASBA Bid Application Form (in case of an ASBA Bidder)
Bid/Offer Closing Date	March 12, 2010
Bid/Offer Opening Date	March 10, 2010
Bid/Offer Period	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process	The book building process as described in Schedule XI of the SEBI Regulations, in terms of which this Offer is being made
Book Running Lead Managers/BRLMs	The book running lead managers to the Offer, in this case being UBS Securities India Private Limited, Citigroup Global Markets India Private Limited, Edelweiss Capital Limited, Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited and RBS Equities (India) Limited (formerly known as "*ABN AMRO Asia Equities (India) Limited*")
Citi	Citigroup Global Markets India Private Limited
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Confirmation of Allocation Note or CAN	The note or advice or intimation of allocation of the Offer Shares sent to the successful Bidders who have been allocated Offer Shares in accordance with the Book Building Process, including any revisions thereof
Cut-Off Price	Any price within the Price Band finalised by the Selling Shareholder in consultation with the BRLMs. A Bid submitted at the Cut-Off Price is a valid Bid at all price levels within the Price Band. Retail Individual Bidders and Eligible Employees will be eligible for the Retail and Employee Discount.
Controlling Branches	Such branches of the SCSBs which coordinate with the BRLMs, the Registrar to the Offer and the Stock Exchanges and a list of which is available at www.sebi.gov.in
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders, a list of which is available at www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Offer Account and the amount blocked by the SCSBs is transferred from the bank account of the ASBA Bidders to the ASBA Public Offer Account, as the case may be, after the Prospectus is filed with the RoC, following which the Selling Shareholder shall give delivery instructions for the transfer of the Offer Shares to the successful Bidders
Designated Stock Exchange	BSE
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated January 25, 2010
ECL	Edelweiss Capital Limited
Eligible Employee	All or any of the following: (a) a permanent and full-time employee of our Company as of the date of the Red Herring Prospectus and based and working in India as on the date of submission of the Bid cum Application Form; and (b) a Director, whether whole-time or part-time, of the Company as of the date of the Red Herring Prospectus and based in India as on the date of submission of the Bid cum Application Form. For the purpose of this definition, an employee of the Company who is recruited against regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed as a permanent employee. Employees or directors of the Subsidiaries or Joint Ventures are not eligible to participate in the Employee Reservation Portion
Eligible NRI	An NRI resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Offer Shares

Term	Description
Employee Reservation Portion	The portion of the Offer, being 1,743,200 Equity Shares, available for allocation to Eligible Employees on a proportionate basis
Escrow Account	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement	An agreement dated March 8, 2010 entered into among our Company, the Selling Shareholder, the Registrar, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and remitting refunds, if any, of the amounts to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to the issue and with whom the Escrow Accounts will be opened, comprising ABN AMRO Bank N.V., Axis Bank Limited, HDFC Bank Limited, Kotak Mahindra Bank Limited, Standard Chartered Bank, State Bank of India, YES Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, ICICI Bank Limited and Citibank N.A.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band including any revisions thereof: (a) which shall not be lesser than the face value of our Equity Shares; (b) below which the Offer Price will not be finalised; and (c) below which no Bids will be accepted.
GIR number	General index registration number
Kotak	Kotak Mahindra Capital Company Limited
Listing Agreement	The Company's equity listing agreements entered into with the stock exchanges
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid and which may range between 10% and 100% of the Bid Amount
Morgan Stanley or MS	Morgan Stanley India Company Private Limited
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion available for allocation to Mutual Funds only
Net Offer	The Offer less the Employee Reservation Portion, consisting of 330,500,000 Equity Shares
Non-Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Bidders and who have Bid for Offer Shares for an amount more than Rs. 100,000
Non-Institutional Portion	The portion of the Offer, being not less than 15% of the Net Offer or 49,575,000 Equity Shares, available for allocation to Non-Institutional Bidders on a proportionate basis
Non-Resident Indian or NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/Offer for Sale	Further public offer of 332,243,200 Equity Shares by the Selling Shareholder through an Offer for Sale. The Offer comprises a Net Offer to the public of 330,500,000 Equity Shares and an Employee Reservation Portion of 1,743,200 Equity Shares for purchase by Eligible Employees
Offer Agreement	The agreement entered into on January 23, 2010 among our Company, the Selling Shareholder and the BRLMs, as amended by an addendum dated February 18, 2010
Offer Price	Rs. 300 per Equity Share, being the final price within the Price Band finalized by the Selling Shareholder, in consultation with the Book Running Lead Managers, at which the Offer Shares will be transferred, in terms of the Red Herring Prospectus and the Prospectus, by the Selling Shareholder at the Pricing Date
Offer Shares	The 332,243,200 Equity Shares being offered and sold in this Offer
Pay-in Date	Except with respect to ASBA Bidders, the Bid/Offer Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in Period	Those Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Offer Opening Date and extending until the Bid/Offer Closing Date With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Offer Opening Date and extending until the last date specified in the CAN

Term	Description
Price Band	Price Band of a minimum price of Rs. 300 (Floor Price) and the maximum price of Rs. 350 (Cap Price) and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer was be decided by the Selling Shareholder in consultation with the BRLMs and advertised, at least one Working Days prior to the Bid/ Offer Opening Date, in two national newspapers (one in English and one in Hindi) and one regional newspaper (Telugu) atleast one (1) Working Day prior to the Bid/Offer Opening Date
Pricing Date	The date on which the Selling Shareholder in consultation with the BRLMs finalises the Offer Price
Prospectus	This Prospectus dated March 15, 2010 of our Company filed with the RoC pursuant to Section 60 of the Companies Act and the SEBI Regulations containing, among other things, the Offer Price determined at the end of the Book Building Process on the Pricing Date, including any addenda or corrigenda thereof
Public Offer Account	The account opened with the Bankers to the Offer to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount payable by QIBs at the time of submission of their Bid
QIB Portion	The portion of the Offer, being up to 50% of the Net Offer or 165,250,000 Equity Shares, available for allocation to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under the SEBI Regulations and includes public financial institutions specified in Section 4A of the Companies Act, FIIs (and their sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual), scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, FVCIs registered with SEBI (subject to receipt of appropriate approvals by the FVCI from the appropriate regulatory authority), venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 250 million, pension funds with a minimum corpus of Rs. 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI and insurance funds set up and managed by the Army, the Navy or the Air Force of the Union of India
RBS	RBS Equities (India) Limited (formerly known as "*ABN AMRO Asia Equities (India) Limited*")
Red Herring Prospectus or RHP	The Red Herring Prospectus dated February 19, 2010 issued in accordance with Section 60B of the Companies Act and the SEBI Regulations
Refund Account	Accounts opened with Refund Banks, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made
Refund Bank(s)	HDFC Bank Limited, ICICI Bank Limited and State Bank of India
Registrar to the Offer/Registrar	Karvy Computershare Private Limited
Registrar's Agreement	The agreement entered into on January 23, 2010 among our Company, the Selling Shareholder and the Registrar to the Offer
Retail and Employee Discount	Discount of 5% to the Offer Price determined pursuant to the completion of the Book Building Process, which is offered to the Retail Individual Bidders and the Eligible Employees.
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have Bid for the Offer Shares for an amount less than or equal to Rs. 100,000 in any of the bidding options in the Net Offer
Retail Portion	The portion of the Offer, being not less than 35% of the Net Offer, or 115,675,000 Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis
Revision Form	The form used by the Bidders to modify the quantity of Offer Shares or the Bid Amount, as applicable, in any of their Bid cum Application Forms or any previous Revision Form(s)
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on www.sebi.gov.in
Stock Exchanges	The BSE and the NSE
Syndicate	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	The agreement among the Syndicate, the Registrar to the Offer, the Selling Shareholder and our Company in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Offer dated March 8, 2010
Syndicate Members	Kotak Securities Limited and Edelweiss Securities Limited

Term	Description
Transaction Registration Slip or TRS	The slip or document issued by a member of the Syndicate to a Bidder as proof of registration of the Bid
UBS	UBS Securities India Private Limited
Underwriters	BRLMs and the members of the Syndicate
Underwriting Agreement	The agreement dated March 14, 2010 among our Company, the Selling Shareholder, the Registrar to the Offer and the Underwriters
Working Day(s)	Any day (other than a Saturday or Sunday and a public holiday) on which the SEBI, the Stock Exchanges or the commercial banks in Delhi and/or Mumbai, India, are open for business

Conventional / General Terms and Abbreviations

Term	Description
Act or Companies Act	Companies Act, 1956
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AO	Assessing officer
AS	Accounting Standard
BSE	The Bombay Stock Exchange Limited
BSEL	Bangalore Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CESTAT	Customs Excise & Service Tax Appellate Tribunal
CIT	Commissioner of Income Tax
CSE	Calcutta Stock Exchange Association Limited
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended
Depository Participant/DP	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identity
DIN	Director Identification Number
DPE	Department of Public Enterprises
DPE's OM	Department of Public Enterprises Office Memorandum
DSE	Delhi Stock Exchange Association Limited
€	Euro
EGM	Extraordinary general meeting of the shareholders of our Company
Environment Act	The Environment (Protection) Act, 1986
EPS	Earnings per share, which has been computed by dividing profit/ (loss) after tax and before extraordinary items for the respective Fiscals, by the weighted average number of Equity Shares outstanding during the period/year
ESI Act	The Employees State Insurance Act, 1948
ESOP	Employees' stock option plan
Factories Act	Factories Act, 1948
FC	Foreign currency
FCNR Account	Foreign Currency Non-Resident Account established in accordance with FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FIIs	Foreign Institutional Investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI
Fiscal	Period of 12 months ended March 31 of that particular year
FVCI	Foreign Venture Capital Investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI	Government of India
Hazardous Wastes Rules	The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
HUF	Hindu Undivided Family
IPO	Initial Public Offering
Indian GAAP	Generally Accepted Accounting Principles in India
IFRS	International Financial Reporting Standards

Term	Description
I.T. Act	Income Tax Act, 1961
JPY	Japanese Yen
LIC	Life Insurance Corporation of India
MCA or MoCA	Ministry of Corporate Affairs
MF	Mutual Funds
Million	1,000,000
Minimum Wages Act	Minimum Wages Act, 1963
MoS	Ministry of Steel
MoU	Memorandum of Understanding
MSE	Madras Stock Exchange Limited
N.A. or N/A	Not Applicable
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian
NRE Account	Non-Resident External Account established in accordance with FEMA
NRO Account	Non-Resident Ordinary Account established in accordance with FEMA
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA. OCBs are not allowed to participate in this Offer
PAN	Permanent Account Number allotted under the I.T. Act
PAT	Profit after tax
PIO	Public Information Officer
RBI	The Reserve Bank of India
RoNW	Return on net worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
RTI Act	Right to Information Act, 2005
SAIL	Steel Authority of India Limited
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEC	Securities and Exchange Commission
Securities Act	The U.S. Securities Act of 1933
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
U.S. GAAP	Generally Accepted Accounting Principles in the United States
US$ or USD or US Dollar	U.S. Dollar
UTs	Union Territories
VAT	Value Added Tax
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Water Cess Act	Water (Prevention and Control of Pollution) Cess Act, 1977
w.e.f.	With effect from

Technical and Industry Related Terms

Term	Definition
Amorphous Silica	A naturally occurring or synthetically produced oxide of silicon characterized by the absence of pronounced crystalline structure, and which has no sharp peaks in its X-ray diffraction pattern. It may contain water of hydration or be anhydrous
Anticlines	Usually recognized by a sequence of rock layers that are progressively older toward the center of the fold because the uplifted core of the fold is preferentially eroded to a deeper stratigraphic level relative to the topographically lower flanks
Banded Iron Formations	A distinctive type of rock often found in (Precambrian) sedimentary rocks. The structures consist of repeated thin layers of iron oxides, either magnetite or hematite, alternating with bands of iron-poor shale and chert
Behre Dolbear	Behre Dolbear International Limited

Beneficiation	A variety of process whereby extracted ore from mining is reduced to particles that can be separated into mineral and waste, the former suitable for further processing or direct use
Cut-off Grade	The lowest grade of mineralised material considered economic to mine; cut-off grade is used in the calculation of the ore reserves for a given deposit
Coke	A solid carbonaceous residue derived from low-ash, low-sulfur bituminous coal from which the volatile constituents are driven off by baking in an oven without oxygen at temperatures as high as 1,000 °C (1,832 °F) so that the fixed carbon and residual ash are fused together
Chlorite Schist	A group of medium-grade metamorphic rocks, whose composition is dominated by members of the chlorite group
Deposit	A mineralised body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing mineral reserves, until final legal, technical and economic factors have been resolved
Development	Activities related to a mineral deposit commencing at the point economically recoverable reserves can reasonably be estimated to exist and generally continuing until commercial production begins
Dead-burned Magnesite	Process of calcining in kilns until it contains less than 1% of carbon dioxide
Drilling	A cutting process that uses a drill bit to cut or enlarge a hole in solid materials. The drill bit is a multipoint, end cutting tool. It cuts by applying pressure and rotation to the workpiece, which forms chips at the cutting edge
Digital Planometers	An instrument for gauging the accuracy of a plane surface
Electric Arc Furnace	A furnace that heats charged material by means of an electric arc
Economic Feasibility of the Reserves	The degree categorising the resources under economic, marginally economic and sub-economic according to the relationship between prices and extraction costs and technological exploitability
Exploration	Prospecting, sampling, mapping, drilling and other work involved in searching for ore
Gangue	Commercially worthless material that surrounds, or is closely mixed with, a wanted ore
Goethite	An iron bearing oxide mineral found in soil and other low-temperature environments
Grade	Proportion (by weight) of the valuable element within the mineralised rock
Granite	A common and widely occurring type of intrusive, felsic, igneous rock
Hematite	Mineral form of iron (III) oxide (Fe_2O_3), one of several iron oxides
Hydrocyclone	A device to classify, separate or sort particles in a liquid suspension based on the densities of the particles
Iron(Fe)	A metallic chemical element (with the symbol Fe: *ferrum*) and atomic number 26
Indicated Mineral Resource	As per the JORC Code, an indicated mineral resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Inferred Mineral Resource	As per the JORC Code, an inferred mineral resource is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
Iron Ores	Rocks and minerals from which metallic iron can be economically extracted. High grade Iron Ore (having a Fe content of 64% or more)
JORC Code	The Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves which sets out minimum standards, recommendations and guidelines for public reporting of exploration results, mineral resources and ore reserves in Australasia. It has been drawn up by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
Kimberlite	A type of potassic volcanic rock best known for sometimes containing diamonds
Life of Mine	The remaining life of a mine in years calculated by deducting the scheduled

	production rates (i.e. The rate at which material will be removed from the mine, from the current defined reserves)
Lithologic Unit	A body of rock that is consistently dominated by a certain lithology or similar color, mineralogic composition, and grain size. It may be igneous, sedimentary, or metamorphic and may or may not be consolidated
Laterite	A surface formation in hot and wet tropical areas which is rich in iron and aluminium and develops by intensive and long lasting weathering of the underlying parent rock
Limestone	A sedimentary rock composed largely of the mineral calcite (calcium carbonate: $CaCO_3$)
Manganese	A chemical element, designated by the symbol Mn. It has the atomic number 25. It is found as a free element in nature (often in combination with iron), and in many minerals
Magnesite	Magnesium carbonate, $MgCO_3$
Measured Mineral Resource	As per the JORC Code, a measured mineral resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
Mechanical Screening	The practice of taking granulated ore material and separating it into multiple grades by particle size
Metallic Iron	Iron where oxygen must be removed from naturally occurring ores by chemical reduction – mainly of the iron ore hematite (Fe_2O_3) by carbon at high temperature
Metamorphic Rock	The result of the transformation of an existing rock type, the protolith, in a process called metamorphism, which means "change in form"
Magnetic Separation	A process in which magnetically susceptible material is extracted from a mixture using a magnetic force
Mineral	A natural, inorganic, homogeneous material that can be expressed by a chemical formula
Mineral Resource	As per the JORC Code, a mineral resource is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
Mineralisation	The process by which minerals are introduced into a rock. More generally, a term applied to accumulations of potentially economic or related minerals in quantities ranging from anomalous to economically recoverable
Mm	Millimetres
Mt	Million tonnes
mtpa	Millions of metric tonnes per annum
Open-pit Mine	A mine that is entirely on the surface. Also referred to as an open-cut or open-cast mine
Ore	A mineral or mineral aggregate containing precious or useful minerals in such quantities, grade and chemical combination to make extraction economic
Ore Reserve	As per the JORC Code, an ore reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves
Overburden	Waste material overlying ore in an open-pit mine
Oxide	A chemical compound containing at least one oxygen atom as well as at least one other element
Phyllite	A type of foliated metamorphic rock primarily composed of quartz, sericite mica, and chlorite; the rock represents a gradation in the degree of metamorphism between slate and mica schist

Pelletizing	Process combining agglomeration and thermal treatment to convert the raw iron ore into pellets with characteristics appropriate for use in a blast furnace
Polarizing Microscope	A microscope in which the object viewed is illuminated by polarized light
Porphyritic Granite Gneisses	A crystalline, granular rock, consisting of quartz, feldspar, and mica, and usually of a whitish, grayish, or flesh-red color. It differs from gneiss in not having the mica in planes, and therefore in being destitute of a schistose structure
Phosphate Rock	A non-detrital sedimentary rock which contains high amounts of phosphate bearing minerals
Potash	Common name given to potassium carbonate and various mined and manufactured salts that contain the element potassium in water-soluble form
Pig Iron	Pig iron is raw iron that is the immediate product of smelting iron ore with coke and limestone in a blast furnace
Probable Ore Reserve	As per the JORC Code, a probable ore reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors These assessments demonstrate at the time of reporting that extraction could reasonably be justified
Proved Ore Reserve	As per the JORC Code, a proved ore reserve is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
Reserves	Those parts of mineral resources for which sufficient information is available to enable detailed or conceptual mine planning and for which such planning has been undertaken. Reserves are classified as either proved or probable
Resources	All of the potential minerals in a defined area based on points of observation and extrapolations from those points. Potential minerals are defined as minerals which have been or could be beneficiated to give a quality acceptable for commercial usage in the foreseeable future
RoM	Run of mine, ore mined and fed to the crushing plant
Sandstone	A sedimentary rock composed mainly of sand-sized minerals or rock grains. Most sandstone is composed of quartz and/or feldspar because these are the most common minerals in the Earth's crust
Siltstone	A sedimentary rock which has a grain size in the silt range, finer than sandstone and coarser than claystones
Sulfide	A mineral containing sulfide (S2-) as the major anion
Syncline	A sequence of rock layers that grow progressively younger, followed by the youngest layer at the fold's center or hinge, and by a reverse sequence of the same rock layers on the opposite side of the hinge
Shale	A fine-grained, clastic sedimentary rock composed of mud, which is a mix of flakes of clay minerals and tiny fragments (silt-sized particles) of other minerals, especially quartz and calcite
Schists	A group of medium-grade metamorphic rocks, chiefly notable for the preponderance of lamellar minerals such as micas, chlorite, talc, hornblende, graphite, and others
Silicon Dioxide	An oxide of silicon with a chemical formula of SiO_2 and has been known for its hardness since antiquity
Sodium Silicate	Common name for a compound sodium metasilicate, Na_2SiO_3, also known as water glass or liquid glass
Sponge Iron	The product created when iron ore is reduced to metallic iron, usually with some kind of carbon (charcoal, etc), at temperatures below the melting point of iron. A spongy mass results (sometimes called a bloom), consisting of a mix of incandescent wrought iron and slag
Slurry	A thick suspension of solids in a liquid
Smelting	A thermal process whereby molten metal is liberated from a concentrate, with impurities separating into a lighter slag
Spot Market	A market in which commodities are bought and sold for cash and delivered immediately

Spot Price	The current price of a metal for immediate delivery
Tailings	The materials left over after the process of separating the valuable fraction
Tertiary Crushing	The third stage in crushing, following primary and secondary crushing
t or tonne	Metric tonne equivalent to 2,204.62 lb or 1,000 kilogrammes
Total Reserves	That part of the reserves from a mine which the Company has an interest in or rights to
Tpa	Tonnes per annum
UNFC	United Nations Framework Classification for Fossil Energy and Mineral Resources

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Prospectus to "India" are to the Republic of India. All references in this Prospectus to the "US", "USA" or "United States" are to the United States of America.

Financial Data

Unless indicated otherwise, the financial data in this Prospectus is derived from our audited restated financial statements as of and for the nine months ended December 31, 2009 and 2008 and as of and for the years ended March 31, 2009, 2008, 2007, 2006 and 2005 prepared in accordance with Indian GAAP and the Companies Act and adjusted in accordance with the SEBI Regulations, as stated in the report of our Auditors, included in "***Financial Statements***" on page 151 of the Prospectus.

Our Company's Fiscal commences on April 1 and ends on March 31 of the next year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. In this Prospectus, any discrepancy in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP, IFRS and US GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulation. Any reliance by any persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Prospectus should accordingly be limited. We urge you to consult your own advisors regarding such differences and their impact on our financial data.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "U.S. Dollar", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

Market and Industry Data

Market and industry data used throughout this Prospectus has been obtained from various government, multilateral and industry publications. These publications generally state that the information contained therein has been obtained from sources believed to be reliable, but it has not been independently verified by us and its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe market data used in this Prospectus is reliable, it has not been independently verified by us. The data used from these sources may have been reclassified by us for purposes of presentation. Data from various market sources may not be comparable. The extent to which the market and industry data is presented in this Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one US dollar could be exchanged. The row titled 'average' in the table below is the average of the daily rate for each day in the period.

Period*	Period end (in Rupees)	Period average (in Rupees)
Fiscal 2005	43.75	44.95
Fiscal 2006	44.61	44.28
Fiscal 2007	43.59	45.29
Fiscal 2008	39.97	40.24
Fiscal 2009	50.95	45.91
April 1, 2009 to March 3, 2010.	45.45	47.51

* Source: www.rbi.org.in

FORWARD-LOOKING STATEMENTS

We have included statements in this Prospectus which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "propose", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements". Similarly statements that describe our objectives, strategies, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans and expectations and actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company has its businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, change in global and domestic iron ore prices, change in the subsidy regime in India, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic tax rates and changes in competition in our industry.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operation***" on pages xiii, 68 and 228, respectively, of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements speak only as of the date of this Prospectus. Neither our Company, the Selling Shareholder nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Selling Shareholder will ensure that investors in India are informed of material developments until such time as the completion of the demat credit of the Offer Shares that are Allotted pursuant to the Offer.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider the risk factors set out below as well as the other information contained in this Prospectus before making a decision whether to invest in the Offer Shares. The risks described below are not the only risks that we face. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also impair our operations. Any of these risks may have a material adverse effect on our business, financial condition, result of operations and prospects. In that case, the price of our Equity Shares could decline and investors may lose all or part of their investment.

Part I. Internal Risks

Risks Relating to the Company's Business

1. ***The Company's iron ore business is substantially dependent upon the ore produced at the Company's two principal iron ore mining complexes. Any interruption in the operations at these mining complexes could have a material adverse effect on our results of operations and financial condition.***

   Our iron ore business provided approximately 99% of our consolidated income from operations in both Fiscal 2009 and the nine months ended December 31, 2009, respectively. The Company's two principal mining complexes, Kirandul and Bacheli in the State of Chhattisgarh produced 78% of the Company's production of iron ore for Fiscal 2009. These complexes constituted approximately 87% of the Company's proved and probable iron ore reserves of the operating mines as of January 1, 2010 (as such reserves are described in the assessment of Behre Dolbear pursuant to their report dated January 29, 2010 that appears on page 68 of this Prospectus). Our results of operations have been and are expected to continue to be substantially dependent on the reserves of these mines, and any interruption in the operations at these mines for any reason could have a material adverse effect on our results of operations and financial condition.

2. ***Some of our Subsidiaries and joint ventures have incurred losses or have not made any profits.***

   Some of our Subsidiaries and joint ventures are yet to commence commercial activity or may not have made any profits in the past. One of our subsidiaries based in Namibia, Nam-India Mineral Development Corporation (Pty) Limited, was wound up in August 2009 as the venture was determined to be economically unviable. Further, one of our other subsidiaries, NMDC-SARL has suspended its operation from March 2002 and is in the process of being wound up. For further details, refer to the section titled "***History and Certain Corporate Matters***" on page 105 of this Prospectus.

   The following table sets forth losses suffered by the subsidiaries and joint ventures in the past three years:

(Rs. In million)

Name of the company	Loss incurred for the last three years		
	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
J & K Mineral Development Corporation Limited	(3.04)	(1.99)	(1.78)
NMDC-CMDC Limited	(1.28)	-	-

3. ***The Company's operations are subject to operating risks that could result in decreased production, increased cost of production and increased cost of or disruptions in transportation, which could adversely affect our business, results of operations and financial condition.***

   The success of each of the Company's businesses is subject to operating conditions and events beyond its control that could, among other things, increase the Company's mining, transportation or production costs, disrupt or halt operations at the Company's mines and production facilities permanently or for varying lengths of time, or interrupt the transportation of the Company's products to its customers. These conditions and events include:

   Disruptions in mining and production due to equipment failures, unexpected maintenance problems and other interruptions.

   All of the Company's operations are vulnerable to disruptions due to equipment failures, unexpected maintenance problems and other interruptions. Ore processing plants are especially vulnerable to interruptions, particularly where an event causes a stoppage which necessitates a shutdown in operations. This could materially and adversely affect our results of operations or financial condition. The losses from such interruptions include lost production, repair costs and other expenses.

Availability of electricity.

The Company's iron ore production is significantly dependent on necessary electrical power from or through the distribution and transmission companies. Any shortage of electrical power or power interruptions, either scheduled or unscheduled, will affect the Company's production and despatch operations, thus increasing the cost of production. In addition, any increase in the energy tariffs may also increase the cost of production.

In the past, the Company suffered from production loss at its iron ore mine at Donimalai due to the electrical power interruptions from Gulbarga Electricity Supply Company Limited (GESCOM), the power supply company and Karnataka Power Transmission Corporation Limited (KPTCL), the power transmission company. In Fiscal 2009, the total number of hours lost due to electrical power interruptions was 227 hours, resulting in losses in production of iron ore fines and iron ore lumps of 321,772 tonnes out of RoM of 342,896 tonnes.

Availability of *water*.

The Company's mining operations are dependent upon the supply of a significant amount of water. There is no assurance that the water required for the Company's operations will continue to be available in sufficient quantities or that the cost of water will not increase.

Accidents at mines, cargo terminals and related facilities.

Any accidents or explosions causing personal injury, property damage or environmental damage at or to the Company's mines, cargo terminals and related facilities may result in significant losses, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Risks associated with the Company's open-pit mining operations include collapses of the open-pit wall and operation of large equipment for open-pit mining and rock transportation. Injuries to and deaths of workers at the Company's mines and facilities have occurred in the past and may occur in the future.

Operational risks could also result in human exposure to pollution, environmental and natural resource damage, delays in mining, monetary losses and possible legal liability, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

Strikes and industrial actions or disputes.

The majority of the Company's workforce is unionised. Strikes, work stoppages and industrial actions or disputes have occurred in the past and may occur in the future, which may lead to business interruptions and halts in production. In addition, the Company's businesses may be subject to union demands and litigation for pay raises and increased benefits, and existing arrangements with trade unions may not be renewed on terms favourable to the Company, or at all. The wage settlement agreement entered into by the Company and the unions expired on December 31, 2006. The Company is currently undergoing negotiations to renew such agreement with the trade union with retroactive effect from the date of expiry of the previous agreement. Upon the merger of Sponge Iron India Limited ("SIIL") with the Company becoming effective, employees of Sponge Iron India Limited will be transferred to the Company. There can be no assurance that an agreement will be entered into on terms satisfactory to the Company or the members of the union or other issues will not arise in respect of the employees transferred from Sponge Iron India Limited. There can also be no assurance that work stoppages or other labour-related developments (including the introduction of new labour regulations in India) will not adversely affect our results of operations or financial condition. The Company received an order dated January 18, 2010 from the MCA, Government of India, sanctioning the merger of SIIL with the Company. The Company has applied to the MCA for a grant of extension of time for filing the order of merger to 30 days after completion of the allotment of Offer Shares offered by means of this Prospectus.

The Company also depends on third party contractors for the provision of various services associated with its business. For example, the Company's wind plant is operated entirely by Suzlon Energy Limited. Such third party contractors and their employees/workmen are also subject to labour regulations. Any industrial unrest or slowdowns which our third party contractors may experience could disrupt the provision of services to us and may adversely impact our operations and financial condition.

Other risks and hazards.

The Company's businesses are subject to numerous other operating risks which include: unexpected geological features or unexpected seismic activity; climatic conditions (including the impact of seasonal variations during the monsoon months) such as flooding, extreme foggy conditions or drought; rebel or other terrorist vandalism or attacks; tribal action or protests; environmental hazards; and technical failures. These risks and hazards could result in damage to, or destruction of, properties or production facilities, may cause production to be reduced or cease at those properties or production facilities, may result in personal injury, environmental damage, business interruption and possible legal liability and may result in actual production differing from estimates of production, including those contained in this Prospectus (whether expressly or by implication).

The occurrence of any one or more of these conditions or events could have a material adverse effect on our business, results of operations and financial condition.

4. ***We are involved in certain outstanding legal proceedings.***

We are involved in certain outstanding legal proceedings. Some of our competitors have filed writ petitions against the grant of mining leases in our favour. We have also objected to the grant of certain mining leases in favour of our competitors. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Particulars of these legal proceedings are mentioned in brief below:

Mining Related Legal Proceedings Filed Against the Company:

Filed By	Filed Against	Mines in respect of which litigation instituted	Nature of Dispute
MSPL Limited	State Government of Chhattisgarh and others (impleadment application filed by the Company)	Bailadila Deposit 13	MSPL Limited has filed an appeal against rejection of their mining lease application. Since our application for mining lease is pending in respect of this mine, if the matter is decided in favour of MSPL Limited, we may not be granted mining lease. We have made an application to be impleaded as a party in this proceeding.
Deccan Mining Syndicate Private Limited	Our Company	Kumaraswamy Iron Ore Deposit No. 1111	Dispute regarding mining area granted to Deccan Mining Syndicate Private Limited and us.
Monnet Ispat & Energy Limited	Government of Jharkhand (impleadment application filed by the Company)	Ghatkuri Iron Ore	We have filed application to be impleaded as party to this proceeding. We intend to challenge the order passed by the High Court of Jharkhand, which allowed the private companies to mine in the area which was earlier reserved only for government controlled companies.
Rio Tinto Orissa Mining Private Limited	Director, Ministry of Mines (Revision Cell) and others (impleadment application filed by the Company)	Malangtoli Iron Deposit	We have filed an application to be impleaded as a party to the proceedings, and have challenged the order rejecting application in the High Court. The litigation is by private parties challenging the rejection of grant of

			prospecting licences by several parties in areas where our Company has an interest.

Mining Related Legal Proceedings filed by the Company:

Filed By	Filed Against	Mines in respect of which litigation instituted	Nature of Dispute
Our Company	Tata Steel and State Government of Chhattisgarh	Bailadila Deposit 1	We have challenged the order of the State Government to grant prospective licence in favour of Tata Steel. Our application for prospective licence is still pending.
Our Company	Essar Steel (Chhattisgarh) Limited, Government of India and State Government of Chhattisgarh	Bailadila Deposit 3	We have challenged the order of the State Government to grant mining lease in favour of Essar Steel (Chhattisgarh) Limited. We were granted mining lease for this mine for 30 years on August 3, 1977 by the State Government of Madhya Pradesh. However, this lease was classified as lapsed by the State Government of Chhattisgarh and new mining lease was granted in favour of Essar Steel (Chhattisgarh) Limited. We are challenging the lapse of our lease and grant of new mining lease.
Our Company	State Government of Karnataka	Ramandurg Iron Ore Deposit	We have been granted prospecting licence for this mine and have made application for mining lease. However, the State Government has issued notifications de-reserving the area and notifying the availability of this mine to public. We are challenging these notifications of the State Government of Karnataka.
Our Company	State Government of Karnataka	Kumaraswamy Range 185Ha	We are challenging the grant of mining lease in favour of MSPL Limited. Our application for mining lease is still pending, and we

Filed By	Filed Against	Mines in respect of which litigation instituted	Nature of Dispute
			have filed a fresh application in light of notification de-reserving certain parts of the State.

Amongst the other cases instituted by or against our Company and currently pending are:

Cases pending against the Company:

- 2 motor accident cases involving physical injury are pending before the High Court of Chhattisgarh and the District Judge (Senior Division) and MACT, Haveri against our Company. The total financial implication involved in these cases is Rs. 0.84 million.

- 3 suits are cases in relation to immoveable properties of the Company, challenging the order of land acquisition, and seeking an injunction restraining the Company from constructing any structure on the property etc.

- 32 cases are employee related cases pending before various judicial forums claiming re-instatement of employment with back wages, promotion, seeking regularisation of service, etc. The total financial implication involved in these cases is Rs. 0.77 million.

- 4 arbitration matters are pending in relation to supply orders for allocation of iron ore and transportation contract.

Cases pending by the Company

- 3 suits are cases in relation to non-issue of geological permits, recovery of consideration for supply of silica sand and deficiency in providing transportation services. The total financial implication involved in these cases is Rs. 0.80 million.

- 1 employee related case is pending before the High Court of Andhra Pradesh, Hyderabad for reinstatement into service with full back wages.

- 19 cases are pending before various judicial forums involving forest development tax, income tax, sales tax and road dumper tax.

- 1 criminal case has been filed by the Company before the Allahabad High Court under the Negotiable Instruments Act, 1882, as amended.

The details of these litigation and the financial implications of the same are more particularly detailed in section titled **"Outstanding Litigation and Material Developments"** on page 250 of this Prospectus.

In addition to the above proceedings, certain proceedings involving Sponge Iron India Limited were pending at the time the approval for the merger obtained from the Ministry of Corporate Affairs. These cases shall become cases of the Company when the merger becomes effective. Amongst the cases instituted by or against Sponge Iron India Limited and currently pending are:

Cases pending against SIIL:

- 2 cases have been filed before the High Court of Judicature of Andhra Pradesh at Hyderabad against tender notifications in relation to transportation of iron ore.

- 1 criminal case has been filed by the Inspector of Factories, Khammam, Andhra Pradesh in relation to non-compliance with certain safety procedures under the Factories Act, 1948 and the Andhra Pradesh Factories Rules, 1950.

- 12 cases are employee related cases pending before various judicial forums claiming re-instatement of employment with back wages, claiming promotion, seeking regularisation of service, etc., and are instituted against us; and

Cases pending by SIIL:

- 6 suits involving recovery of amounts due under contracts, arising out of property matters, etc. These cases involve a financial claim of Rs 18.68 million.

- 5 criminal cases have been filed by SIIL under the Negotiable Instruments Act, 1882, as amended, which are pending before various courts at Hyderabad and Nampally.

- 17 cases are pending before various judicial forums including non-payment of income tax, sales tax and cenvat duty.

An adverse outcome in any of these proceedings could have a material adverse effect on us, as well as on our business, prospects, financial condition and results of operations. Further, no assurances can be given that these matters will be settled in our favour or that no further liability will arise out of these claims. For further details on these proceedings, see the section titled **"Outstanding Litigation and Material Developments"** beginning on page 250 of this Prospectus."

5. ***The Company will continue to be controlled by the GoI following this Offer, and its other shareholders will be unable to affect the outcome of shareholder's voting.***

After the completion of this Offer, the GoI will own approximately 3,568,418,180 Equity Shares, or approximately 90% of the Company's paid up capital. Consequently, the GoI, acting through the Ministry of Steel, will continue to control the Company and will have the power to elect and remove its directors and therefore determine the outcome of most proposals for corporate action requiring approval of the Board or the shareholders, including with respect to the payment of dividends. In addition, the GoI influences the Company's operations through its various departments and policies. Under the Articles of Association, the GoI may issue directives with respect to the conduct of the Company's business or its affairs or impose other restrictions. For example, under article 74 of the Company's Articles, the President has the power to appoint all members of the Board of Directors and all of them, except the Government Directors, may be appointed in consultation with the Chairman. Pursuant to article 86 of the Company's Articles, certain matters are reserved for and require the prior approval of the President of India, including the Company undertaking any capital expenditure exceeding a specified amount, entry into any foreign collaborations and acquisition of shares in other companies. For further details on the Company's Articles of Association, see the section titled "***Main Provisions of the Articles of Association***" on page 348 of this Prospectus.

Given the importance of the mining industry to the economy and the mass consumption of certain mining products by Indian industries, the GoI could require the Company to take actions designed to serve the public interest in India and not necessarily to maximize profits. In addition, as a result of its ownership by the GoI, the Company is required to respect certain restrictions with respect to the types of investments it may make using its cash balances, which effectively restrict it from entering into certain investments providing a higher rate of return.

The GoI will retain control over the decisions requiring adoption by the shareholders acting by a simple majority or three-fourth majority of votes. The interests of the GoI with respect to such matters and the factors that it will take into account when exercising its voting rights may not be consistent with those of the Company's other shareholders, including investors that purchase the Offer Shares in this Offer. In addition, many of the companies with whom the Company does business are also controlled by the GoI. As a result, GoI may take actions with respect to our business and the businesses of our peers and competitors that may not be in our or our other shareholders' best interests. The GoI could, by exercising its powers of control, initiate a merger with another public sector undertaking or delay or defer a merger, consolidation, takeover or other business combinations involving the Company or its competitors and peers, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

6. ***Some of the Company's records relating to forms filed with the relevant Registrar of Companies in India are not traceable.***

The Company is unable to trace copies of prescribed forms filed by it with the relevant Registrar of Companies in India, including, inter-alia, in respect of the allotment of Equity Shares, changes in the authorised share capital of the Company and changes in its registered office from incorporation until 2008. While the Company believes that these forms were duly filed on a timely basis, it has not been able to obtain copies of these documents, including from the relevant Registrar of Companies. The Company cannot assure you that these form filings will be available in the future or that it will not be subject to any penalty imposed by the competent regulatory authority in this respect.

7. The Company has certain contingent liabilities that have not been provided for in its accounts, which may adversely affect its financial condition.

The Company's contingent liabilities and commitments as of December 31, 2009 were as follows:

Contingent Liabilities		Amount
		(Rs. in millions)
A.	Statutory Claims against our Company not acknowledged as debts	406.5
B.	Other claims on Company not acknowledged as debts	405.8
C.	Uncalled liability on Shares partly paid:	137.5
	In Krishnapatnam Railway Company Limited	
D.	Estimated amount of contracts remaining to be executed on Capital Account:	3,780.3
Total		**4,730.1**

The Company cannot assure you that any or all of these contingent liabilities and commitments will not become direct liabilities. In the event any or all of these contingent liabilities and commitments become direct liabilities, it may have an adverse effect on our business, financial condition and results of operations.

8. Our proposed merger with Sponge Iron India Limited may have an adverse impact on our operations.

The scheme of amalgamation between the Company and Sponge Iron India Limited ("**SIIL**") has been approved by the Ministry of Corporate Affairs ("**MoCA**") pursuant to its order dated January 18, 2010 ("**MoCA Order**"). The "Effective Date" of the scheme of amalgamation between the Company and SIIL will be the date on which certified copies of the MoCA Order are filed by SIIL and the Company with the Registrar of Companies, Andhra Pradesh. Under the MoCA Order, the Company is required to file the order with the Registrar of Companies, Andhra Pradesh within thirty days of the receipt of the MoCA Order.The Company, through its legal advisors to the scheme of amalgamation, has made an application to the MoCA to extend the time for filing the certified copy of the MoCA Order with the Registrar of Companies, Andhra Pradesh, to a date within thirty days of the completion of the transfer of the Offer Shares under the Offer.

As set forth in the scheme of amalgamation, SIIL is currently engaged in the business of producing, manufacturing and selling sponge iron. As of June 30, 2008 SIIL had a sponge iron making plant with a capacity of 60,000 tonnes per annum, a plant for producing high density briquettes (of highly metallised sponge iron fines) at 4 tonne per hour at Paloncha, Khammam District, Andhra Pradesh and a 5 MW captive power plant based on waste heat recovery from kiln off gases. As per the scheme of merger, the object clause of our Memorandum will also need to be amended to enable us to undertake the business of manufacturing sponge iron from iron ore.

The amalgamation of SIIL and the Company will result in the consolidation of the business of manufacturing of sponge iron from iron ore and the mining of iron ore into one entity thereby potentially positioning it to become a market leader. The scheme positions the merged entity to better achieve higher long-term financial returns than could be achieved by the companies individually. The amalgamation of SIIL and the Company is in line with global trends to achieve economies of size, scale and integration and can be expected to result in greater synergy of the manufacturing and other assets, financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of SIIL and the Company, increased global competitive strength, cost reductions and efficiencies, productivity gains and logistical advantages, thereby contributing to future growth.

Notwithstanding the foregoing, the merger with SIIL may not, or may take more time than expected to, generate anticipated synergies and operational benefits. In particular, SIIL incurred losses in Fiscal 2009 and it has certain outstanding litigation. In addition, certain liabilities of SIIL may remain unknown or underestimated. In such an event, or if significant difficulties arise with regard to the quality and performance of the assets to be acquired, or if SIIL's financial situation or prospects are not consistent with the assumptions on the basis of which the transaction was valued by the Company, this may have a significant adverse impact on our profits and financial condition.

The following table compares the profit/loss after tax for each of the Company and SIIL for the three years ended March 31, 2009:

Profit/Loss After Tax	Year ended March 31,		
	2007	2008	2009
	(Rs. in millions)		
Company (as per consolidated restated accounts)	23,105.1	32,859.8	43,494.9
SIIL	40.2	64.8	(9.2)

On the completion of the merger, our Company will diversify into the business of manufacturing of sponge iron from iron ore, in which we may have limited experience. Since SIIL is a loss making entity, the merger may have an adverse impact on our consolidated financial performance.

The valuation of the shares of SIIL as of March 31, 2007 was determined to be Rs. 119.50 per equity share of par value Rs. 100 each, by an independent valuer jointly appointed by SIIL and the Company as per the direction of the Ministry of Steel. The Audit Committee of the Company at its meeting dated September 3, 2007 found the valuation to be reasonable and acceptable and after rounding off, the value of Rs. 120 per equity share of par value Rs. 100 each has been recommended. Subsequently the Government of India, Ministry of Steel has found the valuation of the shares of SIIL in the public interest to be Rs. 124 per equity share of par value Rs. 100 each, aggregating Rs. 807,208,380, which is higher than the valuation proposed by the independent valuer. In addition to this amount, the Company will also pay an amount equivalent to the net profit after tax (net of dividend) earned by SIIL from March 31, 2007 until June 30, 2008, being the appointed date, to the Government of India and Government of Andhra Pradesh in proportion to their shareholders in SIIL, which amounts to Rs. 1,092,000. Accordingly, the total consideration for the acquisition of SIIL by the Company aggregates approximately Rs. 808.30 million. The net worth of SIIL as of June 30, 2008 was Rs. 685.22 million as per the balance sheet prepared as of June 30, 2008.

9. ***Most of our long term contracts with our customers are due to expire in 2010 or 2011.***

We have entered into long term contracts with our customers for our domestic sales and exportation. Most of our long term contracts with our customers are for a term of five years. 96% of our current agreements for domestic sales are due to expire in 2010 and all of our current agreements for exportation are due to expire in 2011. Upon expiry of the agreements, we have to re-negotiate the terms and conditions on which such agreements may be renewed or on which new agreements may be signed. There can be no assurance that any of the agreements with our customers will be renewed or new agreements will be entered into. If we fail to renew the agreements or enter into new agreements with any of our customers on terms acceptable to us, our business, financial condition, results of operations and prospects could be materially and adversely affected.

10. ***There has been a limited prior public trading market for the Equity Shares.***

Prior to the Offer, only 1.62% of the Company's issued capital is held by the public and there has been a limited public trading market for the Equity Shares. The Company can give no assurance that an active trading market for the Equity Shares will develop or, if developed, can be sustained following the closure of the Offer. If an active trading market is not developed or maintained, the liquidity and trading price of the Equity Shares could be materially and adversely affected.

11. ***The Company depends on certain key customers for a significant portion of its iron ore sales revenue. The loss of any one of these customers or group of customers could have a material adverse effect on our business, financial condition, results of operations and prospects.***

The Company generates a significant portion of its revenue from certain key customers. In particular, Rashtriya Ispat Nigam Limited (VSP) and Essar Steel Limited together accounted for 37% and 37% of our iron ore sales revenue in Fiscal 2009 and for the nine months ended December 31, 2009, respectively.

The Company's contracts with its customers are generally for a duration of five years, with most of the current agreements in respect of domestic sales due to expire on March 31, 2010 and most of the current agreements for exports due to expire in 2011. Although the Company has entered into long term contracts with certain key customers, there can be no assurance that the counterparties to such contracts will fulfil their contractual obligations or that, on expiration, such contracts will be renewed. If any of the Company's key customers fails to meet their contractual obligations or discontinues or reduces the level of their purchases from us, our business, financial condition, results of operations and prospects could be materially and adversely affected.

12. ***The Company's reserve estimates may be materially different from the mineral quantities that it may actually recover, The Company's estimates of mine life may prove inaccurate and market price fluctuations and changes in operating and capital costs may render certain ore reserves or mineral deposits uneconomical to mine.***

The Company's classified ore reserves, which have been classified pursuant to the Joint Ore Reserves Committee ("JORC") code by the mining expert Behre Dolbear, as well as by the Company under United Nations Framework Classification for Fossil Energy and Mineral Resources ("UNFC"), are estimated quantities of ore that have the potential to be economically mined and processed under present and anticipated conditions to extract their mineral content. The reserve report of Behre Dolbear is based only upon a "desktop review" (no "field survey" having been performed by Behre Dolbear), and recalculated under JORC, of the UNFC codified reserves and resources prepared by the Company and the supporting documents provided by the Company. The estimate of reserves may differ in certain significant respects under JORC and UNFC guidelines. No assurance can be given that one set of guidelines will produce more accurate reserve numbers than the other.

In summary, the UNFC guidelines provide for many more categories of recoverable minerals than the JORC guidelines. In particular UNFC includes Feasibility Mineral Resources, Pre-Feasibility Mineral Resources and Reconnaissance Mineral Resources. In addition, while JORC is a two dimensional system, taking into account geological and economic considerations, UNFC has a third dimension, reflecting the degree of assurance of resource/reserve estimates with respect to economic viability. The following table shows the principal differences between UNFC and JORC:

UNFC	JORC
3-dimensional	2-dimensional (geological and economic considerations)
41 categories for resource / reserve classification (10 generally used)	5 possible categories for resource / reserve classification
Used for government and regulatory reporting	Used for market reporting
Competent person required	Qualified or competent person required

In order to be as consistent as possible with the independent expert report included elsewhere herein based upon JORC, the Company has not included in its report under UNFC any Feasibility Mineral Resources, Pre-Feasibility Mineral Resources or Reconnaissance Mineral Resources.

In connection with either set of guidelines, there are numerous uncertainties inherent in estimating quantities of reserves and in projecting potential future rates of mineral production, including many factors beyond the Company's control. Reserve estimation is a subjective process of estimating deposits of minerals that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and judgment. Estimates of different engineers may vary, and results of the Company's mining and production subsequent to the date of an estimate may lead to revision of estimates. Reserve estimates and estimates of mine life may require revision based on actual production experience and other factors. For example, fluctuations in the market price of ore, reduced recovery rates or increased production costs due to inflation or other factors may render proven and probable reserves containing relatively lower grades of mineralisation uneconomic to exploit and may ultimately result in a restatement of reserves. If the Company's reserve estimates differ materially from mineral quantities that it may actually recover, estimates of mine life may prove inaccurate and market price fluctuations and changes in operating and capital costs may render certain ore reserves or mineral deposits uneconomical to mine. If this occurs, our results of operations and financial condition may be adversely affected.

As a result, you should not place undue reliance on the ore reserve data contained in this Prospectus. In the event that any of these assumptions turn out to be incorrect, the Company may need to revise its ore reserves downwards and this may adversely affect the Company's life of mine plans and consequently the total value of the Company's mining asset base, which could increase our costs and decrease profitability.

13. ***Prices for iron ore and other commodities may be volatile, which would affect our revenues, results of operations and financial condition.***

We generated Rs. 75,591.9 million in income from sales of iron ore or 99% of our total income from operations (88% of our total income) in Fiscal 2009 and Rs. 42,476.9 million in income from sales of iron ore or 99% of our total income from operations (87% of our total income) for the nine months ended December 31, 2009, from sales of iron ore. We also generated revenue from the sale of other commodities.

Historically, the international commodity prices for iron ore and the prevailing market for iron ore have been volatile and subject to wide fluctuations in response to relatively minor changes in supply and demand, market uncertainties, the overall performance of the global or regional economies, the related cyclicality in industries the Company directly serves and a variety of other factors. Commodity prices and the market for iron ore may continue to be volatile and subject to wide fluctuations in the future. Prices also may be affected by government actions, including the imposition of tariffs and import duties, speculative trades, the development of product substitutes or replacements, recycling practices, an increase in capacity or an oversupply of the Company's products in its main markets. These external factors and the volatility of the commodity markets make it difficult to estimate future prices.

The Company does not hedge or mitigate its exposure to the risk of fluctuations in the prices of the Company's commodity products, and the Company does not currently intend to enter into such transactions in the future. As a result, a decline in the prices the Company receives for its iron ore or in the market for iron ore would adversely affect our revenues and results of operations, and a sustained drop in prices for iron ore or other commodities would have a material adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, the majority of our revenues from sales of iron ore in Fiscal 2009 were generated pursuant to long-term sales contracts under which the Company's ability to adjust pricing in light of changes in spot market price is limited. Although these types of provisions provide some protection from negative fluctuations in market price, they also restrict to some extent the Company's ability to take advantage of price upswings in the market, adversely impacting our revenues and profitability.

14. ***Changes in royalties or export duties could have a material adverse effect on our profitability, financial condition and results of operations.***

The Company pays royalties to the Indian State Governments for its mining activities. The most significant of these are the royalties that the Company is required to pay to the State Governments of Chhattisgarh, Karnataka and Madhya Pradesh, where the mines the Company operates are located. The royalties that the Company pays are subject to change. For example, with effect from August 13, 2009, the GoI changed the levy of royalty from a rate varying from Rs. 11 to Rs. 27 per tonne of iron ore, depending on the grade, to an ad valorem rate of 10% of the sales price, which has been defined as the Free on Board ("FOB") price less transportation and other costs. Any upward revision to the royalty rates currently being charged or payment of additional royalty for mining of associated minerals may adversely affect our profitability.

On June 13, 2008, the GoI changed the export duty on iron ore to 15 % ad valorem on the FOB value of exports. The export duty regime was subsequently modified in November and December 2008 resulting in the export duty on iron ore lumps being levied at 5% ad valorem rate. In December 2009, duties on fines were re-imposed at 5% and those for lumps were increased to 10%. Any increase in this export duty may have a material adverse effect on the Company's results of operations or financial condition.

15. ***The Company relies on export authorisations from the GoI to conduct high grade iron ore export business; a reduction in or withdrawal of these authorisations could adversely affect our results of operations or financial condition.***

Approximately 23% of our iron ore sales in Fiscal 2009 (accounting for approximately Rs. 17,100.1 million in revenues) and 19% of our iron ore sales for the nine months ended December 31, 2009 (accounting for approximately Rs. 8,087.8 million in revenues), were the result of direct exports or our sales to MMTC for export. The Company has entered into a long term supply agreement with MMTC for exporting iron ore to five Japanese steel mills, which expires in March 2011. The export quantity is based on such long term supply agreement and the memorandum of understanding signed between MMTC/the Company and the respective Japanese steel mills.

All exports from India of iron ore with an Fe content greater than 64% (except iron ore originating from Goa or the Redi region in Maharashtra State), must be authorised by the GoI, while iron ore with an Fe content below 64% does not currently require authorisation prior to export. The GoI grants these authorisations on application for a specified quantity of products exported each year. A significant portion of the Company's current sales are of iron ore with Fe content greater than 64% that require prior GoI authorisation.

If the GoI were to reduce or withdraw these authorisations, or place further restrictions or otherwise limit or stop the export of iron ore from India, our export volumes, results of operations and financial condition, could be adversely affected.

16. ***The Company depends and will continue to depend, on obtaining and maintaining leases to mining sites, some of which are in the process of renewal, and which may not be renewed, and on a number of regulatory clearances and***

approvals, which may not be granted. If such leases are not renewed or such approvals are not granted, our results of operations and financial condition, as well as mining prospects and future growth, may be adversely affected.

The Company's exploration and mining activities depend on the grant, renewal or continuance in force of various exploration and production contracts, licences, permits and other regulatory approvals that are valid only for a definite period of time and may provide for early termination. In India, the government grants exploration and production rights through mining leases, mining licences, contracts, permits and other regulatory approvals. These rights are not granted in perpetuity, with the majority of our licence or mining lease contracts due to expire within the next ten years. Operationalising mines and maintaining operationalised mines requires obtaining and maintaining the leasehold rights and obtaining approval of a five-year mining plan, which contains annual extraction limits, as well as forest clearance in respect of the mine and environmental approvals in respect of the specific plans described in the mining plan.

There can be no assurance that the Company will be able to retain such leasehold rights on acceptable terms, or, if obtained, such rights may not be obtained in a timely manner or may involve requirements which restrict the Company's ability to conduct the Company's operations or to do so profitably. In 2008, the Company's mining lease for the mine located in Donimalai was renewed "in-principle" by the State Government of Karnataka for 20 years with effect from November 4, 2008, subject to the condition that the iron ore produced in such mine should not be exported. A formal notification in this respect is awaited. The Company's lease for the mine located in Kumaraswamy is due to expire in 2022. This lease and renewal is also the subject matter of litigation before the High Court of Karnataka (see chapter titled "***Outstanding Litigation and Material Developments***" on page 250 of this Prospectus). The mining leases in respect of the Company's operating mines located in the Bailadila complex are due to expire between 2015 and 2017. There can be no assurance that the relevant State Government will renew the Company's leases under the same or favourable terms in future. Lease terms in respect of certain of the mines in which the Company has, or plans to have, an interest have already expired. For example, the application for renewal filed by the Company in 2003 for lease for the Panna diamond mine is still pending and a new lease requested has not yet been granted. In other cases, where the Company's leases had technically lapsed, such leases were assigned to a competitor (see chapter titled "***Outstanding Litigation and Material Developments***" on page 250 of this Prospectus).

Moreover, entering into new licence or mining lease contracts or extending existing licence or mining lease contracts in India is time-consuming and requires the review and approval of several Indian government authorities. Further, private individuals and the public at large possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. The relevant laws and regulations are often unclear and may not be consistently applied.

The Company's licences or mining lease contracts contain various obligations and restrictions, including the requirement for commencing operations within a specified period of the grant of the lease and seeking a prior Government approval for an assignment or any other form of transfer of the lease or for the employment of a person who is not an Indian national. If the Company breaches these obligations, the Company may suffer adverse consequences, such as penalties and/or suspension or termination of the Company's licence or mining lease contracts. In addition, changing circumstances may require the Company to amend these licence or mining lease contracts. There can be no assurance, however, that the relevant Indian regulatory authorities will agree to future amendments of the Company's obligations. The loss of the Company's licence or mining lease contracts would have a material adverse effect on our business, financial condition, results of operations and profits.

To the extent the Company acquires subsidiaries with existing licence or mining lease contracts, the Company cannot be certain that the licences were properly obtained or that the previous beneficiary of such licence or contract has not violated its terms in a manner which would cause the government or a third party to challenge the validity of these licences or contracts.

For additional information concerning the lease, mining plan, forest clearance and environmental approval status of each of the deposits in which the Company currently has, or is planning to have, an interest, see the section titled "***Summary of Business***" on page 3 of this Prospectus.

If any of the leases that have expired are not renewed by the GoI or the relevant state government, or if the appropriate approvals and clearances for mining are not obtained and maintained, our results of operations and financial condition, as well as mining prospects and future growth could be adversely affected.

17. The Company has applied for various other regulatory approvals that are currently pending.

In addition to the approvals set out in the table above, the Company has also applied for a number of approvals that are currently pending with various regulatory authorities, such as applications filed for registration of patents, applications for coal block allocations and mining, mining and prospecting licenses for various ferrous and non-ferrous minerals. If the Company fails to obtain or retain any of these licenses, registrations and approvals in a timely manner, or at all, our business may be adversely affected. Furthermore, licenses are subject to numerous conditions, some of which are onerous and require the Company to make substantial expenditure. If the Company fails to obtain such regulatory approvals or comply with these conditions, or a regulatory authority claims that the Company has not complied, with these conditions, it could have a material adverse effect on our business, prospects, financial condition and results of operations. For further details, see the section titled "***Government and Other Approvals***" on page 272 of this Prospectus.

18. ***The Company did not classify reserves for Deposit 4 as proven or probable although it plans to extract iron ore mineral from this deposit in the future. If the Company is unable to convert the iron ore resources at this deposit to reserves, its future prospects will be affected. In addition, the Company does not have a mining lease for a significant deposit, Deposit 13, which has been classified as proved reserves.***

Under the JORC code, resources may only be categorized as reserves when they meet certain criteria in respect of feasibility, entitlement, product marketability and other factors. Based on its review of mining assets, Behre Dolbear has not classified reserves at Deposit 4 because no GoI approval has been obtained, nor any new mining plan approved neither environment or forest clearances been obtained, nor has any mining lease been executed as of yet for such deposit. In addition, Behre Dolbear has classified certain resources at Deposits 10 and 11 as measured and/or indicated resources under the JORC code.

Behre Dolbear has classified approximately 319.6 million tonnes of iron ore at Deposit 13 as "proved reserves", comprising approximately 32% of our total proved reserves. Although the Company has received the approval of the Indian Bureau of Mines for the mine plan and the prior approval for the grant of mining lease from the Ministry of Mines, the environment and forest approvals are yet to be received in respect of Deposit 13. In addition, the Company has not executed a mining lease for such deposit. The Company's 51% joint venture with the Chhattisgarh Mineral Development Corporation is expected to be the entity to which such lease will be transferred. There can be no assurance that the Company or its joint venture entity will be able to obtain rights to such deposit on acceptable terms, in a timely manner, or at all. A competitor of the Company has also filed an appeal against the rejection of its mining lease application for this Deposit. Our Company had requested impleadment in the revision application to which the said competitor has filed an objection on June 30, 2008. The matter is pending before the Mines Tribunal, New Delhi. Since our application is pending, if the matter is decided in favour of our competitor, we may not be granted the mining lease, which may materially adversely affect our future prospects, results of operation and financial condition. For further details, see the section titled ***"Outstanding Litigation and Material Developments"*** beginning on page 250 of this Prospectus.

19. ***The Company's mining operations are located in geographically remote areas, some of which are at risk of attacks by rebel groups. Such attacks have had and may continue to have a material adverse effect on our business, results of operations and financial conditions, in addition to placing our assets and personnel at risk.***

Certain of the Company's mining facilities are located in areas of India that are exposed to risks of attack by rebel groups. Such attacks may be directed at Company property or personnel, at property belonging to the Company's customers or at the state-owned infrastructure used by the Company to transport goods to customers. Such attacks, or the threat of such attacks, whether or not successful, may disrupt the Company's operations and/or delivery of goods, result in increased costs for security and insurance and may adversely impact our business, results of operations and financial condition, as well as place the Company's assets and personnel at risk.

For example, the slurry pipeline owned and operated by Essar Steel Limited which was used to transport the Company's iron ore from the Kirandul Complex to their facilty in Vizag was damaged by Naxalite rebels in May 2009. The slurry pipeline is currently not functioning and, as a result, the Company is supplying part of the quantity as fines to the customer by rail from the Kirandul and Bacheli complexes, which has had and will continue to have a materially adverse effect on the revenues and profitability that the Company derives from this customer.

In addition to disruptions in the past to state-owned railway lines, the Company's supplies through rail (KK Line) from the Kirandul and Bacheli complexes to the Vizag port have been restricted from time to time in the past due to security concerns from possible terrorist activities of Naxalite rebels operating in the area. Furthermore, time overruns have been experienced at the Bailadila Iron Ore Project Deposit 11B due to Naxalite activity in Chhattisgarh.

The Company cannot be sure that such threat may not continue, or even increase, in the future. There also can be no assurance that the Company's security measures will be effective to prevent such attacks or limit the consequences thereof.

20. Any increase in the Company's production costs could reduce its ability to compete and achieve long-term profitability.

The Company's competitiveness and long-term profitability substantially depends upon its ability to maintain a low cost base, including low transport and labour costs. The Company has also incurred increased insurance costs as a result of increased terror threats from Naxalites and other interest groups operating around the Company's mines and areas of operations. There can be no assurance that the Company's cost inputs will be maintained at current levels. The Company's cost inputs include materials, fuel, transport, rental and labour costs. Labour costs have significantly increased over the last two years partly because of increased competition for skilled labour. Any increase in these costs could materially and adversely affect the Company's business, financial condition, results of operations and prospects. The Company's unit production costs are also significantly affected by production volumes given the relatively fixed nature of its cost base in the short term, and any inability to maximise capacity utilisation could impair the Company's overall cost competitiveness.

21. The Company depends on the experience and management skill of certain of its key employees.

The Company's efforts to continue growth will place significant demands on its management and other resources, and the Company will be required to continue to improve operational, financial and other internal controls, both in and outside India. The Company's ability to maintain and grow the existing business and integrate new businesses will depend on the Company's ability to maintain the necessary management resources and the ability to attract, train and retain personnel with skills that enable the Company to keep pace with growing demands and evolving industry standards. The Company is in particular dependent to a large degree on the continued service and performance of its senior management team and other key team members in its business units. The Company does not maintain key man life insurance for certain of the senior members of its management team, its other directors or its other key personnel. Competition for senior management in this industry is intense, and the Company may not be able to retain senior management personnel or attract and retain new senior management personnel in the future. These key team members possess technical and business capabilities that are difficult to replace. The loss or diminution in the services of the Company's senior management or other key team members, or the Company's failure otherwise to maintain the necessary management and other resources to maintain and grow the business, could have a material adverse effect on our business, results of operations, financial condition and prospects. In addition, as the Company's business develops and expands, the Company believes that its future success will depend on its ability to attract and retain highly skilled and qualified personnel, which is not guaranteed.

22. If the Company cannot secure additional reserves of iron ore that can be mined at competitive costs or cannot mine existing reserves at competitive costs, our profitability and operating margins could decline.

If the Company's existing iron ore reserves cannot be mined at competitive costs, its iron ore business may become unprofitable. Because mineral reserves decline as the ore is mined, the Company's future results and margins depend upon our ability to access mineral reserves with geological characteristics that allow mining at competitive costs. Replacement reserves may not be available when required or, if available, may not be of a quality capable of being mined at costs comparable to the existing or exhausted mines.

The Company may not be able to accurately assess the geological characteristics of any reserves that it acquires, which may adversely affect our results of operations and financial condition. Because the value of reserves depends on that part of our mineral deposits that are economically and legally exploitable at the time of the reserve calculation, a decrease in metal prices may result in a reduction in the value of mineral reserves that the Company obtains as less of the mineral deposits contained therein would be economically exploitable at the lower prices. Exhaustion of reserves at particular mines may also have an adverse effect on our operating results that is disproportionate to the percentage of overall production represented by such mines. Reserves are gradually depleted in the ordinary course of a given mining operation. As mining progresses, distances to the primary crusher and to waste deposits become longer and pits become steeper. As a result, over time, the Company usually experiences rising unit extraction costs with respect to each mine. The Company's mines have operated for long periods, and it is likely to experience rising extraction costs per unit in the future at these operations, which may adversely affect our results of operations and financial condition.

The Company's ability to obtain additional reserves in the future could be limited by restrictions under future debt agreements, competition from other iron ore companies, lack of suitable acquisition candidates, government regulatory and licensing restrictions, difficulties in obtaining mining leases and surface rights or the inability to acquire such properties on commercially reasonable terms, or at all. In addition, the Company is subject to various government limitations on our ability to mine. To increase production from its existing iron ore mines, the Company must apply for governmental approvals which it may not be able to obtain in a timely manner, or at all.

23. The Company is dependent on transportation infrastructure and related facilities in connection with the sale of its iron ore and the failure of or disruption in these services could have a material adverse effect on our business, results of operations, financial condition and prospects.

The Company depends on transportation infrastructure and related facilities for the transportation of iron ore to our customers and raw materials from mines to processing facilities. The Company believes that it currently has access to adequate transport networks and sufficient rolling stock capacity and maintenance capabilities, but no assurance can be given that this will continue. Transportation costs associated with export sales currently represent a significant cost of sales of iron ore. The Company's principal mining operations are carried out in the Indian states of Chhattisgarh and Karnataka. Ore from the Company's mines in Chhattisgarh is exported through the port at Vizag while ore from Karnataka is mainly exported through the port of Chennai. An increase in transportation costs, for whatever reason, or a decrease in the currently prevailing prices for iron ore may render the Company's mining and export operations uneconomical and our results of operations and financial condition may be adversely affected.

The Company depends on the transportation infrastructure of India for the delivery of a significant portion of its international sales. Where possible, the Company prefers to use railway transportation for iron ore to be exported, because it is less expensive than road transport and because it provides more efficient logistics. However, because railway prices are controlled by the government, they are subject to change and may rise. A significant rise in the cost of rail transport may raise the Company's transportation costs or could render it uneconomic to transport iron ore to customers and may adversely affect our results of operations and financial condition. In addition, railway transport has been subject to disruptions in traffic in the past. Disruptions in railway traffic could impact the Company's ability to transport its goods, impacting our results of operation and financial condition.

The Company currently transports its iron ore products to port for export primarily by rail. The railway freight costs, incurred by the Company on exports, comprised 20%, 34%, 22% and 21% of the Company's expenditures for the nine months period ended December 31, 2009 and for the years ended March 31, 2009, 2008 and 2007, respectively. The Company's sale to domestic customers is on a "free on rail"/"free on truck" basis. Consequently, transportation is arranged for domestic sales by the customers at their cost.

The transportation of goods within India is affected by various factors, including terror threats from Naxalites, relationships with trucking companies, adequate highway infrastructure, taxes in various state and local municipalities and customers' ability to arrange adequate and cost-effective transportation.

In addition, in some cases, state-owned physical infrastructure suffers from a lack of funding and maintenance. The deterioration of the transport infrastructure in India could disrupt the transportation of goods and supplies, and interrupt business operations. The failure to maintain adequate transport services and networks or a disruption in transport services could cause transportation delays for the Company's products and impair its ability to supply its customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Any transport or port strikes or suspension of operations at ports due to natural disasters may also adversely affect the Company's results of operations and financial condition.

24. The Company relies on third parties to provide it with facilities and services that are integral to its mining and export business, subjecting its operations to certain additional risks.

The Company relies on third-party contractors to provide certain facilities and services required for its operations, such as rail, port and road transportation. The loss or expiration of these contracts or any inability to renew them or negotiate contracts with other providers at comparable rates could harm the Company's business. The Company's reliance on others to provide essential services also gives it less control over costs and the efficiency, timeliness and quality of contract services.

The Company is also exposed to movements in the prices charged by external suppliers, such as fuel, electricity and other energy providers, railway, sea freight and road transport service providers, which are critical to its business, as well as movements in wages, royalties, taxes and other governmental charges relating to its mining and processing operations to which such suppliers may themselves be subject. A significant increase in one or more of these cost items for a sustained period could have an adverse effect on our results of operations and financial condition. In addition, unforeseen adverse changes in quality or reductions in the quantity of supplies provided to the Company by its external suppliers may also adversely affect our results of operations and financial condition.

25. The Company's business is exposed to the effects of exchange rate fluctuations.

The Company's assets, earnings and cash flows are influenced by movements in exchange rates of other currencies against the Rupee, particularly movements in the U.S. dollar. All of the Company's exports are denominated in U.S.

dollars. In addition, its sales proceeds for export through MMTC are made in Rupees, but linked to the U.S. dollar. The Company's exports through MMTC accounted for 23% and 19% of our total sales (based on value) in Fiscal 2009 and for the nine months ended December 31, 2009, respectively.

The exchange rate between the Rupee and U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. The appreciation of the Rupee against the U.S. dollar could adversely affect our results of operations and financial condition, in particular, the export sales.

The Company seeks to mitigate the impact of short-term movements in currency on its businesses by hedging its short-term exposures progressively based on their maturity. However, appreciation or depreciation in the six-month's forward cover rates of Reserve Bank of India or State Bank of India on the first working day of April of each year may have a material adverse effect on our results of operations and financial condition and impact on the price determination of our domestic customers.

26. The Company's insurance coverage may prove inadequate to satisfy future claims against it.

Although the Company maintains insurance in accordance with applicable Indian legal requirements, the Company does not have full coverage for all risks facing our operations and facilities. In addition, insurance against some risks (including liabilities for environmental pollution or certain hazards or interruption of certain business activities) may not be available at a reasonable cost or at all. Losses and liabilities arising from uninsured or inadequately insured risks could have a material adverse effect on our business, financial condition, results of operations and prospects.

The Company maintains insurance which it believes is typical in its industries and in amounts which it believes to be commercially appropriate. Nevertheless, the Company may become subject to liabilities, including liabilities for pollution or other hazards, against which it is not insured, is not adequately insured or, or cannot be insured. The Company's insurance policies contain certain exclusions and limitations on coverage which may result in its claims not being honoured to the extent of the losses or damages suffered by it. In addition, the Company's insurance policies may not continue to be available at economically acceptable premiums, or at all. The Company's insurance coverage may not cover the full extent of any claims made against it, including for environmental or industrial accidents or pollution. The occurrence of a significant adverse event, the risks of which are not fully covered or honoured by such insurers, could have a material adverse effect on the Company's results of operations or financial condition.

27. The Company may not be successful in effectively diversifying its operations, including its proposed expansion into steel and sponge iron production.

The Company is currently engaged in the mining and extraction of iron ore, lime stone, magnesium and diamonds. The Company plans to diversify its mining operations to include the extraction of other minerals, including coal and gold. It further intends to diversify its operations by moving downstream through the establishment and operation of steel plants, iron ore pellet plants and beneficiation plants. The Company expects to have the flexibility to timely adjust its allocation of resources to various products offered and/or produced according to prevailing market conditions in such sectors. However, the Company has no experience in these other activities and sectors and it may not be successful in establishing itself in one or more of these sectors. This could have an adverse effect on our financial condition and results of operations.

28. The Company's growth projects require substantial capital expenditures, and it may be unable to adequately fund such expansion plans or complete the relevant projects on schedule and within budget.

The Company has several planned growth projects that require significant capital expenditures, including the expansion of mining and processing capacity. See the section titled "***Our Business***" beginning on page 68 of this Prospectus. The Company's growth projects (which are, by their nature, discretionary) may require greater investment than currently expected and, while the Directors believe that the working capital available to us is sufficient for our present requirements, in the future we may be unable to satisfactorily fund these investments from our operations or external financing sources. Under these circumstances, the Company may not be able to fulfil these growth projects without reducing our investment in ongoing operations. If the Company were to incur significant indebtedness to fund future capital investments, it may have to dedicate a substantial portion of its cash flow to service the debt and the terms of any financing may restrict the Company's ability to pay dividends. If the Company was to issue additional Equity Shares to fund planned capital expenditures, all other shareholdings may be diluted. The Company may fail to complete the projects on time, which could cause cost overruns. There can be no assurance that the Company's expected operational improvements will be fully realised as currently envisaged. Any delay, interruption or cost overruns in implementing planned capital investments could have a material adverse effect on our business, financial condition, results of operations and prospects.

29. ***The Company may be unable to identify potential targets or successfully bring acquisitions, including that of Sponge Iron India Limited, to completion on satisfactory terms or at all.***

The Company intends to continue expanding and developing its existing reserves and asset portfolio in the natural resources sector in part through acquisitions, including its acquisition of Sponge Iron India Limited. The Company may face significant competition in acquiring additional mining properties, and many of its competitors may have greater financial resources and larger technical staffs than it does. There can be no assurance that the Company will be able to identify suitable acquisitions and strategic investment opportunities, acquire interests on satisfactory terms or obtain the financing necessary to complete and support such acquisitions.

Furthermore, businesses acquired by the Company in the future may be located in emerging markets. Emerging markets are generally subject to greater risks, including legal, regulatory, economic and political risks, than more developed markets. For more information, see the section titled "***Risk Factors***" on page xiii of this Prospectus. We are exposed to the general risks associated with operating in an emerging market. The Company may face political, regulatory and legal obstacles in consummating acquisitions in our regions of operations outside of India. New legislation limiting foreign ownership of strategic sectors may be adopted, which could present difficulties for the Company in acquiring new assets or restrict its ability to form strategic partnerships.

Any failure to identify and execute future acquisitions successfully could adversely impact the Company's growth strategy. In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results (in particular, if such acquired businesses are loss-making, as is the case currently for Sponge Iron India Limited), diversion of management's attention, failure to retain key personnel, risks associated with unanticipated events or liabilities and difficulties in the assimilation and integration of the operations.

The following table compares the profits / losses after tax for each of the Company and SIIL:

(Rs. in millions)

	Profit/Loss After Tax			
	For the Year ended March 31, 2007	**For the Year ended March 31, 2008**	**For the Year ended March 31, 2009**	**For the nine months ended December 31, 2009**
SIIL	40.2	64.8	(9.2)	(97.4)
The Company as per Consolidated Restated Accounts	23,105.1	32,859.8	43,494.9	23,896.5

30. ***The Company has limited experience in acquiring and integrating companies. If the Company fails to integrate future acquisitions successfully, its rate of expansion could slow.***

The assimilation and integration of future acquired businesses require significant time and effort of the Company's senior management. Integration of new businesses can be difficult, and potential problems may include, but would not be limited to, differences in the measurement of reserves and resources, integration of management, integration of common financial reporting procedures and accounting policies, the assumption of disclosed and undisclosed liabilities, including in relation to tax and environmental matters relating to acquired assets or businesses, the possibility that indemnification agreements with the sellers of those assets may be unenforceable or insufficient to cover potential tax or other liabilities, and implementation of agreed headcount reductions. The Company has limited experience in such matters and could experience difficulties in integrating future acquisitions, including the pending acquisition of Sponge Iron India Limited, which could materially and adversely affect its rate of expansion.

31. ***Changes in weather patterns may affect the Company's ability to operate our wind farms.***

The Company operates wind power generation facilities. Revenues from our wind farm project are in the nascent stage, accounting for less than 1% of our total revenues in Fiscal 2009 and the nine months ended December 31, 2009. Changing global environmental and weather conditions may affect the generation from the Company's wind power project. Fluctuations in the level of wind occur on a short term basis (daily, monthly and seasonal variations) and on a long term basis (climate change). In addition, sudden or unexpected changes in environmental and meteorological conditions could reduce the productivity of the Company's wind farms. Climatic weather patterns, whether seasonal or for an extended period of time, that result in lower, inadequate and/or inconsistent wind speed to propel the wind turbines may render the Company's wind farm incapable of generating adequate, or any, electrical energy.

The profitability of the Company's wind farm project is primarily dependent on the wind patterns at these sites. There can be no assurance that wind patterns at a particular site will remain constant. Changes in wind patterns at particular sites that the Company has previously identified as suitable for wind farm projects, and which have been acquired and developed by it, could affect the results of operations of the wind farm project, although any impact on our consolidated results of operations, revenues and profitability would remain limited at this stage.

32. The decrease in or elimination of government initiatives and incentives relating to wind energy, may have an adverse effect on our business and results of operations.

In recent years, the GoI has enacted legislation and has established policies that support the expansion of renewable energy sources, such as wind power, and such support has been a significant contributing factor in the growth of the wind power industry. Support for investments in wind power is provided through fiscal incentive schemes and public grants to the owners of wind power systems, for example through preferential tariffs on power generated by wind farms or tax incentives, depreciation benefits in respect of certain capital investments and promoting investments in wind power. If this direct and indirect government support for wind power was terminated or reduced, this would make producing electricity from wind power less competitive. There can be no assurance that any such government support will continue at the same level or at all. The Company's ability to profitably generate wind power could therefore decline sharply, which would adversely affect the results of operations of the wind farm project, although any impact on the Company's consolidated results of operations, revenues and profitability would remain limited at this stage.

33. The Company's wind power project is dependent on revenues from sales to one Indian customer.

From the inception of the Company's wind power project until now, all the electricity generated by the Company's wind farm in the State of Karnataka has been sold to a single customer, Bangalore Electricity Supply Company ("BESCOM"), pursuant to a Power Purchase Agreement dated July 25, 2009 that requires the Company to sell to BESCOM, and requires BESCOM to purchase from it, 100% of the electricity produced at the Company's wind farm in the State of Karnataka, for an initial term of 20 years. As a result, the Company's wind power project is dependent on revenue from sales to one customer. The Company anticipates that the contribution of revenues from BESCOM will continue to comprise all of the revenues of its wind power project. If this arrangement was discontinued, we might be required to undertake sale deed of power with other customers. Consequently, future success, to a large extent, will depend on continued demand for, and the Company's ability to provide, renewable energy to this customer or its successor. If such demand does not arise, or if the Company is unable to meet such demand, the results of operations of the wind farm project could be adversely affected.

34. The Company's operations are subject to extensive governmental and environmental regulations which have in the past and could in the future cause it to incur significant costs or liabilities or interrupt or close our operations, any of which events may adversely affect its results of operations.

Numerous governmental permits, approvals and leases are required for the Company's operations as the sectors in which the Company operates and seeks to operate are subject to numerous laws and extensive regulation by national, state and local authorities in India and any other jurisdictions where it may operate in the future. Failure to comply with any laws or regulations or to obtain or renew the necessary permits, approvals and leases may result in various enforcement measures such as the loss of the right to mine or operate facilities, the assessment of administrative, civil or criminal penalties, the imposition of clean-up or site restoration costs and liens, the imposition of costly compliance procedures, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits, including mining leases and exploration licences, and other enforcement measures could have the effect of closing or limiting production from the Company's operations. In addition, a significant number of approvals are required from governmental authorities in India for metals and mining companies, and such approvals are subject to continuing compliance with safety and environmental standards and disclosure requirements.

In particular, the Company's diamond mining activities were suspended for almost four years at Panna in the State of Madhya Pradesh from August 22, 2005 as the area in which this mine was operating was declared a wildlife sanctuary. This suspension was pursuant to the directive of the Madhya Pradesh Pollution Control Board and the Central Empowered Committee constituted by the Supreme Court of India. However, pursuant to orders dated August 13, 2008, September 5, 2008 and May 1, 2009 of the Supreme Court of India, the Company was permitted to re-start the mining operations for a period of five years subject to certain conditions, including a review report of the monitoring committee constituted by the Supreme Court.

Our business, financial condition, results of operations and prospects may be materially and adversely affected by any of a number of significant legal and regulatory matters to which we are subject. The costs, liabilities and requirements associated with complying with existing and future laws and regulations may be substantial and time-consuming and may delay the commencement or continuation of exploration, mining or production activities. Environmental regulations may also subject the Company to substantial costs and liabilities or require closure of our mines or other facilities. New legislation or regulations may be adopted in the future that may materially and adversely affect the Company's operations, cost structure or customers' ability to use its products. New legislation or regulations, or different or more stringent interpretation or enforcement of existing laws and regulations, may also require the Company or its customers to change operations significantly or incur increased costs, which could have a material adverse effect on our results of operations or financial condition.

Further, the operation of wind farms is subject to regulation by various government agencies at the national, state (or provincial) and municipal level. The construction of wind turbines involves excavation and the installation and use of concrete platforms. The Company may be required to remove obsolete turbines and to complete reclamation work in the event that its wind farm is abandoned. The costs to complete reclamation work and remove obsolete turbines may be significant. Environmental regulators may impose restrictions on the Company's operations which would limit its ability to generate revenues. The Company may also be assessed for significant financial penalties for any environmental damage caused. Financial losses and liabilities as a result of environmental damage could affect our results of operations and financial conditions.

Tax incentives exist in the jurisdictions in which the Company operates. These laws and tax regimes may change and no longer be favourable to the Company, which may affect our profitability. Changes in governmental policies and laws, including laws and regulations relating to income, capital, corporate or local taxes and the removal of tax incentives related to the Company's industry could harm its energy production business and our results of operations. Currently, there are laws which are favourable to wind-energy producers. However, the Company cannot assure you that such favourable status will continue. If such favourable laws do not remain in place, the Company's wind business may be harmed and its results of operations and financial condition may be adversely affected.

35. Compliance with environmental laws and regulations requires ongoing expenditures and considerable capital commitments, which the Company may be unable to adequately fund or complete on schedule.

The Company is required to obtain environmental permits to conduct its operations. Government authorities and the courts enforce compliance with such permits. Violations may result in civil or criminal penalties, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and orders to take preventative steps against possible future violations. In certain situations, the issuing authority may modify, renew or revoke the permits.

As an industrial business in India, the Company is required to undertake programmes to minimise its impact on the environment and to protect natural resources. Existing compliance requirements for which the Company expects to incur material costs include the need to reduce dust and nitrous oxide emissions and the management of wastes and wastewater. The Company must actively monitor specific parameters such as air emissions, wastewater discharge, ambient air quality, quality of nearby surface water, soil and groundwater quality and the generation of solid waste. The Company must submit an annual statistical report on these monitoring results to the Indian environmental authorities. The authorities from time to time conduct independent tests to validate the Company's results.

If the Company's emissions exceed certain levels established by the site permits it could be subject to monetary penalties. Moreover, in the course, or as a result, of an environmental investigation, regulatory authorities in India can issue an order reducing or halting production at a facility that has violated environmental standards. If production is reduced or halted at one or more of our facilities, our business, financial condition, result of operations and prospects could be materially and adversely affected.

India is a signatory to the United Nations Framework Convention on Climate Changes (the "Kyoto Protocol"), which took effect in February 2005. The Kyoto Protocol's objective is to limit or capture emissions of greenhouse gases such as carbon dioxide and methane. Even though the Parliament of India has not yet ratified the Kyoto Protocol and no decisions have been undertaken concerning emissions targets for the country, the GoI may nevertheless enact new environmental requirements as well as other legislation to address carbon emissions. These requirements could oblige us to incur significant capital expenditures and pay emission fees, levies, etc. Failure to comply with any new legislation could result in fines and other penalties.

Although the Company is in the process of finalizing the resettlement and rehabilitation plan for its proposed steel plant, it has yet to reach agreement on the amount of settlement with affected parties. The Company may not be able to satisfy any of its remediation, rehabilitation and other obligations under environmental laws and regulations which could result in financial or other penalties and or the suspension or loss of our licence or mining lease contracts. To the extent that these fines are material, the Company's cash flows may be insufficient to meet our obligations. In addition, the Company may fail to complete on schedule programmes and projects intended to meet its environmental obligations. The occurrence of any of these risks could have a material adverse effect on our business, financial condition, results of operations and prospects.

For more details on the environmental regulations applicable to the Company, please see the section titled "***Regulations and Policies***" on page 99 of this Prospectus.

36. A violation of health and safety requirements and the occurrence of accidents could disrupt the Company's operations and increase operating costs.

A violation of health and safety laws or failure to comply with the requirements of the relevant health and safety authorities could lead to, among other thing, a temporary shutdown of all, or a portion of, the Company's mines and processing facilities and the imposition of costly compliance procedures. If health and safety authorities shut down all, or a portion of, our mines and processing facilities or impose costly compliance measures, our business, financial condition, results of operations and prospects could be materially and adversely affected.

The nature of the Company's operations creates a risk of accidents and fatalities among its workforce, and it may be required to pay compensation or suspend operations as a result of such accidents or fatalities, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

37. The interests of the Company's Directors may cause conflicts of interest in the ordinary course of its business.

Conflicts may arise in the ordinary course of decision making for the Company. Some of the Company's non-executive Directors are also on the board of directors of certain companies which are engaged in businesses similar to the business of the Company. There is no assurance that our Directors will not provide competitive services or compete with the Company's business in which it is already present or will enter into in future.

The President of India acting through the Ministry of Steel, GoI appoints the directors of the Company. At the time of appointment, the GoI takes care of the conflict of interest, if any. Under the Companies Act, the Directors also make the necessary disclosures regarding the nature of their concerns and interests to the Board of Directors of the Company and any conflict of interest is resolved in compliance with the provisions of the Companies Act.

38. The Company's ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in any future financing arrangements.

The Company's business is capital intensive and we may plan to make additional capital expenditures to complete the projects that it is currently developing or that it may develop in the future. The Company's ability to pay dividends in the future will depend upon its future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in any future financing arrangements. The Company may be unable to pay dividends in the near or medium term, and its future dividend policy will depend on our capital requirements and financing arrangements for the projects, financial condition, results of operations and GoI policy.

39. The Company may encounter problems relating to the operations of its joint ventures and its subsidiaries.

The Company has entered into certain joint ventures with other entities through signing of certain memorandum of understanding or memorandum of agreement for the purposes of executing certain projects. Some of these joint venture entities may have or acquire in future title to significant assets, such as Deposit 13 and 4, which are proposed to be transferred to the Company's joint venture with the Chhattisgarh Mineral Development Corporation Limited and the Panthal mine, which is required to be transferred to the joint venture with J & K Minerals Limited. Where projects and operations are controlled and managed by its joint venture partners, the Company may provide expertise and advice, but it cannot guarantee compliance with its standards and objectives. Improper management or ineffective policies, procedures or controls could not only adversely affect the value of the related non-managed projects and operations but could also, by association, harm the Company's other operations and future access to new assets. The Company's joint venture partners may:

- be unable or unwilling to fulfil their obligations, whether of a financial nature or otherwise;
- have economic or business interests or goals that are inconsistent with those of the Company;
- take actions contrary to the Company's requests or instructions or contrary to our policies and objectives;
- take actions that are not acceptable to regulatory authorities;
- become involved in litigation;

- have financial difficulties; or
- have disputes with the Company.

Further, certain planned projects under such joint ventures are not yet operational and may never become operational. In addition, the Company's subsidiaries in Namibia and Madagascar have either been wound up or are in the process of winding up. Any of the foregoing may have an adverse effect on the Company's business, prospects, financial condition and results of operations.

40. ***Announcements by the GoI relating to increased wages for government and public sector employees will increase our expenses and may adversely affect our financial condition in the years of implementation.***

Pursuant to memoranda issued by the Department of Public Enterprises ("DPE") on November 26, 2008 and April 2, 2009, the GoI has empowered public sector undertakings, including our Company, to increase the pay scales of their respective whole time board members and executive officers. These memoranda also require such government enterprises to implement salary increases for employees below executive level and these wage increases are to be determined by the respective boards and management of the relevant government enterprises. Salary increases for all affected public sector employees will be retrospectively effected from January 1, 2007.

Based on the guidelines issued by the DPE, the pay revision of the executive category of employees has been finalised. Pending finalisation of pay revisions in respect of employees the Company has made a provision of Rs. 628.9million for the period ended December 31, 2009 on an estimated basis having regard to the guidelines issued by the DPE and covering obligations retrospectively from January 1, 2007. The Company has provided "wage revision provision" in the audited Financial Statements since Fiscal 2007 onwards.

Following are the details of increase in wage cost of the Company since Fiscal 2007 till date:

Year	% of Wage Revision Provision
2006-2007	20% of Basic and DA for three months
2007-2008	45% of Basis and DA
2008-2009	80% of Basic, DA and DP
2009- December 31, 2010	62% of Basic, DA and DP

The increased employee cost may adversely affect our financial condition in the years following implementation.

In addition, the Pay Committee has recommended that all public sector undertakings should formulate an employees' stock option plan ("ESOP') and that 10% to 25% of the Performance Related Payment ("PRP") should be paid as ESOPs. The effect of the implementation of such an ESOP scheme by our Company is not presently possible to quantify.

41. ***Some of our immovable properties have certain irregularities in title, as a result of which our operations may be impaired.***

We possess immovable properties at various locations for the purpose of our business, held either on a freehold or a leasehold basis. All our regional offices and certain of our facilities such as the research and development center in Hyderabad and our crushing plant in Vizag are situated on leasehold land. Certain of our properties have also been acquired through processes instituted under the Land Acquisition Act, 1894, as amended, upon payment of compensation as determined through examinations conducted by the Land Acquisition Officer. In some instances, the land acquisition procedures prescribed under the Land Acquisition Act, 1894, as amended, are yet to be completed so as to provide us with a clear and absolute title to the relevant immovable properties. Additionally, some of our immovable properties have one or more of the following irregularities in title:

- the conveyance/sale deeds have not been executed;
- the conveyance deeds have not been registered in the land records maintained by the relevant authorities and are insufficiently stamped;
- the process by which changes in beneficial ownership are formally recorded in the land registries in India, i.e., mutations, have not yet been carried out in the records of the local land registries;
- the lease deeds not been executed;
- the lease deeds have not been registered in the land records maintained by the relevant authorities and are insufficiently stamped;
- the lease deeds have expired and have not yet been renewed; and
- procedure prescribed under the Land Acquisition Act, 1894, are yet to be completed.

Our business may be adversely affected if we are unable to continue to utilize these properties as a result of any irregularity of title or otherwise.

Part II. External Risks

Risks relating to Equity Shares

42. The price of the Equity Shares may fluctuate significantly.

The Offer Price has been determined by the Selling Shareholder, in consultation with the BRLMs. The market price of the Equity Shares could be subject to significant price and volume fluctuations that may be unrelated to our operating performance. The market price of the Equity Shares may fluctuate significantly in response to a number of factors, many of which are beyond the Company's control, including but not limited to, variations in operating results in its reporting periods, changes in financial estimates by securities analysts, fluctuations in commodity prices, changes in market valuation of similar companies, announcements by the Company of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments, loss of a major customer, additions or departures of key personnel, any shortfall in revenue or net income or any increase in losses from levels expected by securities analysts, future issues or sales of Equity Shares, and stock market price and volume fluctuations. Any of these events could result in a material decline in the price of the Equity Shares.

43. Future sales of Equity Shares by shareholders, including by the GoI, or any future equity offerings by us may adversely affect the market price of the Equity Shares.

Upon completion of the Offer, the President of India, acting through the Ministry of Steel, will hold approximately 3,568,418,180 Equity Shares, or approximately 90%, of the Company's fully diluted post-Offer paid up share capital. The market price of the Equity Shares could be affected by sales of a large number of the Equity Shares by the GoI or other shareholders or by a perception that such sales may occur.

In addition, the Company may raise funds through further equity or convertible offerings. As a purchaser of the Equity Shares, you may experience dilution to your shareholding if we conduct future equity or convertible equity offerings. Such dilutions could adversely affect the trading price of the Equity Shares.

44. Any downgrading of India's debt rating by an independent agency may adversely affect the Company's ability to raise financing on terms commercially acceptable to it.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise financing, and the interest rates and other commercial terms at which such financing is available. This could have a material adverse effect on the Company's business and future financial performance, our ability to obtain financing for capital expenditures, and the price of the Equity Shares.

45. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

The Company is subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges may change such limits without the Company's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

46. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in certain other economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasions between listed companies and the Indian stock exchanges, and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

Risks relating to the Company's industry

47. Due to the dependence of the iron ore industry on the global steel industry, fluctuations in the demand for steel could have a material adverse effect on our business, financial condition, results of operations and prospects.

Sales prices and volumes in the iron ore mining industry depend mainly on the prevailing and expected level of demand for iron ore in the world steel industry. The world steel industry is cyclical. A number of factors, the most significant of which is the prevailing level of worldwide demand for steel products, influence the world steel industry. During periods of sluggish or declining regional or world economic growth, demand for steel products generally decreases, which usually leads to corresponding reductions in demand for iron ore. The recent global market fluctuations and economic downturn which occurred towards the end of 2008 affected the steel industry, resulting in a world wide recession in the steel industry starting from October 2008 and consequently reducing the demand and prices for iron ore. The prices of steel products are influenced by many factors, including demand, worldwide production capacity, capacity-utilisation rates, raw-material costs, exchange rates, trade barriers and improvements in steel-making processes. Accordingly, any significant decrease in demand for steel products or decline in the price of these products could result in reduced iron ore demand and iron ore prices which could significantly reduce our revenues, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

48. The mining industry is an intensely competitive industry, and the Company may have difficulty effectively competing with other mining companies in the future.

Intense competition characterises the worldwide iron ore industry. The Company competes with other Indian ore producers as well as a number of large international mining companies. Some of these competitors have substantially more resources and a greater marketing scale than the Company. Furthermore, integrated steel players are becomingly increasingly active in terms of lobbying to obtain mining leases or to curb the export of high grade iron ore.

Competition from foreign or other Indian iron ore producers may result in the Company losing market share and revenues, in particular, should there be a continuing trend favouring attribution of mining leases to integrated steel players. Competitive activity in the markets the Company serves can have a significant impact on the price the Company realises for the Company's products, and could therefore have a material adverse effect on our results of operations or financial condition.

49. An increase in the prices of mining equipment may adversely affect the Company's business.

Due to the significant expansion of mining investments worldwide and changes in steel prices, mining equipment prices have increased significantly. Increases in the cost of mining equipment may increase mining cost and could have a negative effect on the profitability margins of the Company's mining business and consequently may adversely affect our business, results of operations and financial condition.

Risks Relating to Investments in India and Global Economic Conditions

50. Global economic conditions have been unprecedented and challenging and have had, and continue to have, an adverse effect on the global and Indian financial markets and the world and Indian economies in general, which has had, and may continue to have, a material adverse effect on the Company's business and financial performance, and may have an impact on the price of our Equity Shares.

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and an economic recession has been witnessed in most major economies in 2009. Continued concerns about the systemic impact of potential long-term and wide-spread economic recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies. In the second half of 2008, added concerns fuelled by the United States government conservatorship of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association, the declared bankruptcy of Lehman Brothers Holdings Inc., the United States government financial assistance to certain financial and other institutions and other federal government interventions in the United States financial system led to increased market uncertainty and instability in both United States and international capital and credit markets. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the United States and international markets and economies and prolonged declines in business consumer spending may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers, including the Company's ability to access the capital markets to meet liquidity needs. These market and economic conditions have had, and continue to have, an adverse effect on the global and Indian financial markets and the global and Indian economy in general, which has had, and may continue to have, a material adverse effect on our business and financial performance, and may have an impact on the price of the Equity Shares.

51. A substantial portion of the Company's assets and operations are located in India and it is subject to regulatory, economic, social and political uncertainties in India.

A substantial portion of the Company's assets and employees are located in India, and it intends to continue to develop and expand our facilities in India. Consequently, our financial performance will be affected by changes in exchange rates and controls, interest rates, changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India.

The GoI has exercised and continues to exercise significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and the Company cannot assure you that such liberalisation policies will continue. The present government, formed in May 2009, has announced policies and taken initiatives that support the continued economic liberalisation policies that have been pursued by previous governments for more than a decade, although there can be no assurance that such policies will continue. The rate of economic liberalisation could change, and specific laws and policies affecting metals and mining companies, foreign investments, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India’s policy of economic liberalisation and deregulation could adversely affect business and economic conditions in India generally and could adversely affect the Company's business, in particular, if new restrictions are introduced or if existing restrictions are increased.

52. As the domestic Indian market constitutes a significant source of the Company's revenue, the downturn in the economic growth rate in India due to the unprecedented and challenging global market and economic conditions, or any other such downturn for any other reason, will be detrimental to our financial condition, results of operations and prospects.

In Fiscal 2009 and in the nine months ended December 31, 2009, 77% and 81% respectively, of the Company's revenue was derived from sales to customers in India. The performance and growth of the Company's business are necessarily dependent on the health of the Indian economy which may be materially and adversely affected by political instability or regional conflicts, economic slowdown elsewhere in the world or otherwise. The Indian economy also remains largely driven by the performance of the agriculture sector which depends on the quality of the monsoon which is difficult to predict. The Indian economy, following a period of significant growth, has more recently been adversely affected by the unprecedented and challenging global market and economic conditions that has caused and may continue to cause a downturn in the economic growth rate in India. In the past, economic slowdowns in the Indian economy have harmed manufacturing industries, including companies engaged in the iron ore sectors, as well as the customers of manufacturing industries due to a reduction in the demand for industrial production. The current economic slowdown has had and could continue to have, and any future slowdown in the Indian economy could have, a material adverse effect on the demand for the commodities the Company produces and, as a result, on our financial condition, results of operations and prospects.

53. Terrorist attacks and other acts of violence involving India or other neighbouring countries could adversely affect the Company's operations directly, or may result in a more general loss of customer confidence and reduced investment in these countries that reduces the demand for the Company's products, which would have a material adverse effect on our business, results of operations, financial condition and cash flows.

Terrorist attacks and other acts of violence or war involving India or other neighbouring countries may adversely affect the Indian markets and the worldwide financial markets. In recent years, there have been incidents in and near India such as the November 2008 terrorist attacks in Mumbai, the July 2006 bombings of suburban trains in Mumbai, other terrorist attacks in Mumbai, Delhi and other parts of India, a terrorist attack on the Indian Parliament, troop mobilizations and military confrontations in Kashmir and along the India/Pakistan border and an aggravated geopolitical situation in the region. In addition, South Asia more generally has experienced instances of civil unrest and hostilities among neighbouring countries from time to time. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and generally have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity

Shares. If India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, the Company might not be able to continue its operations.

Military activity or terrorist or rebel group attacks in the future could adversely affect the Indian economy by disrupting communications and making travel more difficult or by disrupting the Company's operations directly, including through disruptions to the transportation lines over which the Company transports its goods, such as domestic railway lines. In particular, certain of the Company's mining facilities are located in geographically remote areas that may be more prone to vandalism or other attacks by representatives of rebel forces or other political groups.

54. If natural disasters or environmental conditions in India, including floods and earthquakes, affect the Company's mining and production facilities, our revenues could decline.

Natural calamities such as floods, rains, heavy downpours and earthquakes could disrupt the Company's mining and production activities and distribution chains and damage its storage facilities. Certain regions in India have also experienced floods, earthquakes, tsunamis and droughts in recent years. In December 2004, Southeast Asia, including the eastern coast of India, experienced a massive tsunami, and in October 2005, the State of Jammu and Kashmir experienced an earthquake, both of which events caused significant loss of lives and property damage. Substantially all of our facilities and employees are located in India and there can be no assurance that we will not be affected by natural disasters in the future. In addition, if there were a drought or general water shortage in India or any part of India where the Company's operations are located, the GoI or local, state or other authorities may restrict water supplies to the Company and other industrial operations in order to maintain water supplies for drinking and other public necessities, which would cause the Company to reduce or close its operations.

55. If India's inflation worsens or the prices of oil or other raw materials rise, the Company may not be able to pass the resulting increased costs to its customers and this may adversely affect our profitability or cause us to suffer operating losses.

India has recently experienced fluctuating wholesale price inflation, which may adversely impact its economic growth. In addition, international prices of crude oil have recently experienced significant volatility, including a rise to historical highs that increased transportation costs, followed more recently by a significant decline as global economic conditions have deteriorated. Inflation, increased transportation costs and an increase in energy prices generally, which may be caused by a rise in the price of oil, or an increase in the price of coal in particular, could cause our costs of production of the Company's products to increase, which would adversely affect our results of operations and financial condition if the Company cannot pass these added costs on to customers.

56. Stringent labour laws in India may adversely affect our profitability.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and imposes financial obligations on employers upon employee layoffs. This makes it difficult for the Company to maintain flexible human resources policies, discharge employees or downsize, which may adversely affect our business and profitability.

57. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition. The Company's failure to successfully adopt IFRS could have a material adverse effect on its stock price.

The Company's financial statements, including the restated consolidated financial statements provided in this Prospectus, are prepared in accordance with Indian GAAP. US GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence with the IFRS, pursuant to which all public companies in India, including us, will be required to prepare their annual and interim financial statements under IFRS beginning with the Fiscal period commencing April 1, 2011. Since there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, the Company has not determined with any degree of certainty the impact that such adoption will have on its financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As the Company transitions to IFRS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that the Company's adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 1, 2011 could have a material adverse effect on the price of the Equity Shares.

Prominent Notes

- The Company's net worth as at December 31, 2009 as per the audited financial statements included in this Prospectus was Rs. 136,484.7 million (*on an unconsolidated basis*).

- Further Public Offer of 332,243,200 Equity Shares through an Offer for Sale by the Selling Shareholder for cash at prices determined through the 100% Book Building Process wherein up to 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 8,262,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

- The Offer comprises a Net Offer to the public of 330,500,000 Equity Shares and an Employee Reservation Portion of 1,743,200 Equity Shares for subscription by Eligible Employees. The Offer shall constitute approximately 8.38% of the fully-diluted post-Offer paid-up Equity Share capital of the Company.

- The average cost of acquisition per Equity Share by the Promoter is Re. 0.33.

- For details of transactions by us with our Subsidiaries/Joint Ventures during the last year including the nature and cumulative value of the transactions, see "***Financial Statements***" on page 151 of this Prospectus.

- The Company was originally incorporated on November 15, 1958 under the Companies Act as a private limited company under the name "National Mineral Development Corporation Private Limited." Subsequently, the name of our Company was changed to "National Mineral Development Corporation Limited" and a fresh certificate of incorporation was issued on January 5, 1960. The Company was declared a deemed public company under Sections 43-A, 43(1A) and 43(1B) of the Companies Act and the word "Private" was deleted from our Company's name on March 13, 1975. We were converted into a public company with effect from May 5, 1993. The fresh certificate of incorporation consequent to the conversion under section 31/44 of the Companies Act was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on May 5, 1993 changing the status of our Company to a public limited company. Pursuant to a special resolution passed by the shareholders of the Company at the annual general meeting held on August 31, 2007 and the approval of the Central Government, the name of the Company was changed to "NMDC Limited" and the Registrar of Companies issued a fresh certificate of incorporation to reflect such change in name on September 17, 2007.

- There are no financing arrangement whereby the Company's Directors and their relatives have financed the purchase by any other person of its securities other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Prospectus with the Securities and Exchange Board of India ("SEBI").

- The Company's Promoter, Directors and key managerial personnel are interested in the Company by virtue of their shareholding, if any. See the sections "***Capital Structure***" and "***Our Management***" beginning on pages 34 and 130, respectively, of this Prospectus.

- For related party transactions, see the section titled "***Financial Statements - Related Party Transactions***" beginning on page 151 of this Prospectus.

- Except as disclosed under section titled "***Capital Structure***" on page 34 of this Prospectus, the Company has not issued any Equity Shares for consideration other than cash.

- Trading in the Offer Shares for all investors shall be in dematerialised form only.

- Any clarification or information relating to the Offer shall be made available by the BRLMs, the Selling Shareholder and the Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.

- Investors may contact any of the BRLMs who have submitted a due diligence certificate to SEBI, i.e., UBS Securities India Private Limited, Citigroup Global Markets India Private Limited, Edelweiss Capital Limited, Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited and RBS Equities (India) Limited (formerly known as ABN AMRO Asia Equities (India) Limited), for any complaints pertaining to the Offer.

SECTION III - INTRODUCTION

SUMMARY OF INDUSTRY

Iron ore is used principally in the production of steel, and hence demand for iron ore is dependant on the global steel industry. The global steel industry is positively correlated with manufacturing and general industrial growth, and thus demand for iron ore hinges on the level of economic and manufacturing activity internationally.

Prices for iron ore are influenced by a range of factors apart from market and economic dynamics. The price of iron ore products is based principally on iron (Fe) content, and the industry practice is to specify prices in US dollars per metallic unit in dry metric Tonnes, or dry long Tonnes. A premium is paid for products with particularly desirable characteristics, such as low silica, phosphorus and aluminium content, particle size, moisture content, and other metallurgical properties, as well as proximity to buyer. International iron ore prices in the seaborne market are typically set on the basis of FOB at the producers' port. Fines, concentrates, lump ore and pellets each typically command different prices.

Iron ore is a bulk commodity and involves significant shipping costs. As shipping costs of iron ore from the producer's port are usually paid by the purchaser, locational advantage or proximity to producer port provides a pricing advantage in the spot market to iron ore producers. Indian and Australian iron ore miners enjoy a locational advantage for export to China, particularly relative to Brazil, and thus enjoy a pricing advantage in the spot market over Brazilian producers with respect to iron ore supplied to China.

World iron ore production is dominated by three companies: Vale S.A. ("Vale"), Rio Tinto plc ("Rio Tinto") and BHP Billiton plc ("BHP Billiton"). These three companies alone produce over 600 million tonnes of iron ore per annum, amounting to over 30% of the world's total production in 2008. Together, they control almost 70% of the world's iron ore trade.

World iron ore Production grew by 10% in the year 2008 to reach a level of approximately 2,200 million tonnes. Based on volume, China is the largest producer of iron ore followed by Brazil, Australia and India.

Iron ore mined in India is very cost competitive, particularly relative to that mined in China. Mining costs for Indian iron ore are lower than mining costs in Australia, and comparable to mining costs in Brazil. However, due to a lack of dedicated rail infrastructure and capacity constraints for railway networks and ports, transportation costs are higher in India as compared to both Australia and Brazil. (Source: Annual Report 2008-09 of the Ministry of Steel, Government of India).

According to ABARE, international iron ore trade has reached to a new record level as exports increased for the seventh year in a row and reached a level of about 899 million tonnes for the year 2008. China has emerged as the largest importer of iron ore along with Japan and South Korea, whereas Australia has emerged as the largest exporter of iron ore followed by Brazil and India.

Chinese demand has proved resilient, and continued to grow in 2009 at a rate of 29%, in line with its recent yearly trend of approximately 25%. In this regard, as mentioned, China has provided significant support for otherwise stagnating iron ore demand, and has lifted the global trend higher on the whole. Notably, steep increase in demand from China and India in iron ore has continued to drive the market in the direction of growth.

Indian crude steel production grew at more than 8.2% annually from 38.7 million tonnes in 2003-04 to 54.5 million tonnes in 2008-09, with capacity utilization being 85% for 2008-09. With growth in production lagging behind consumption growth, India has turned into a net importer of finished steel in 2008-09. Exports also declined to ensure greater domestic availability. India is also a leading producer of sponge iron with a host of coal based units, located in the mineral-rich states of the country. Capacity in sponge iron making has also increased over the years and currently stands at 31 million tonnes. (Source: Government of India, Ministry of Steel)

In India, National Steel Policy (NSP) has set a steel production goal of 110 million tonnes by the year 2019-20 from the level of 38 million in 2004-05, requiring a compound annual growth rate of 7.3%. This would require an availability of 190 million tonnes of iron ore for domestic consumption. Presently India is producing approximately 220 million tonnes of iron ore (FY 2008-09) out of which approximately 106 million tonnes is being exported. In order to meet the iron ore demand of domestic steel producers of 190 million tonnes by 2019-20, the iron ore industry will need to increase its production to approximately 300 million tonnes by the same year (assuming that exports continue at the present level of 100 million tonnes per annum), requiring a compound annual growth rate of 3.4%.

India has approximately 260 iron ore mines (in the year 2005-06 as per the Indian Bureau of Mines). Among them, 41 mines were in the public sector and 220 in the private sector.

Iron ore mining in India is carried out by the open cast method. Generally, these mines can be classified into three categories - manual, semi-mechanized and mechanized mines. Large mechanized mines are mostly in the public sector. Almost all the public sector mines are fully mechanized. Manual and semi-mechanized mines are mainly in the private sector. Some mechanized mines in Goa, Jharkhand, Orissa and Karnataka are also operated in the private sector.

Typically, iron ore fines form a major part of Indian production with iron ore concentrate accounting for a limited share in production. In 2008-09, per Indian Bureau of Mines estimates, iron ore fines comprised about 51.8% of Indian iron ore production, while the remaining was accounted for by iron ore lumps. The production of iron ore lumps over the years has grown at an annual rate of 13.6% during the period 2005-06 to 2008-09 (estimated for 2008-2009), while that of iron ore fines has grown at a rate of 9% during the same period (estimated for 2008-2009).

Over the last five years, India's iron ore production grew at a compounded annual rate of 11.12% to reach 222.54 million tonnes in 2008-09. In value terms, production grew faster, at an annual rate of 33.23% to reach Rs. 223.22 billion in 2008-09.

Iron ore consumption in India has grown at an annual rate of 17% over the last five years. As estimated by the Federation of Indian Mineral Industries, in the year 2008-09, lump constituted approximately 88.9% of domestic consumption at approximately 80 million tonnes. On the other hand, fines constituted approximately 11% of domestic consumption at approximately 10 million tonnes. Due to insufficient domestic pelletisation capacity, India exports most of its iron ore fines.

In 2010, production of iron ore in India is expected to increase, while Indian exports of iron ore are forecast to decline due to increased domestic consumption by steel producers (Australian Bureau of Agricultural and Resource Economics (“ABARE”) Report on Australian Commodities-December Quarter 2009 and March Quarter 2009). Traditionally, the practice of charging export duties is also common in the Indian market. The highest recent level of duties charged by the Indian government was 15% on all grades of iron ore in June of 2008. Currently, there is a 5% duty on fines and 10% on lumps.

SUMMARY OF BUSINESS

Overview

The Company was the largest iron ore producer by volume in India during the last three fiscal years (according to a certificate of the Federation of Indian Mineral Industries dated as of February 8, 2010) and produced 28.5 million tonnes of iron ore in Fiscal 2009. The Company's principal operations include its three iron ore mining complexes at Kirandul and Bacheli in the State of Chhattisgarh and Donimalai in the State of Karnataka, each of which consists of several iron ore mines. Iron ore sales represented approximately 99% of our consolidated income from operations for Fiscal 2009 and for the nine months ended December 31, 2010. For Fiscal 2009, we had consolidated total revenues of Rs. 85,754.6 million, profit before depreciation, interest and taxes of Rs. 67,246.0 million and profit after tax of Rs. 43,722.5 million.

The Company has access to significant reserves of high grade iron ore, predominantly greater than 64% Fe content. The Company appointed Behre Dolbear to review, validate and classify its mineral reserves and resources in accordance with the JORC code. Behre Dolbear has assessed the Company's iron ore reserves and resources as follows:

Iron Ore Reserves

	As at January 1, 2010				
Deposit Name	**Fe% for Proved Reserves**	**Proved Reserves**	**Probable Reserves**	**Mineral Resources**	**Total**
	(million metric tonnes)				
Kirandul Complex					
Deposit 14...	64.7%	130.1	-	19.5	149.7
Deposit 14 NMZ	65.9%	60.6	-	3.0	63.6
Deposit 11C..	64.7%	0.7	-	9.4	10.1
Bacheli Complex					
Deposit 5...	65.3%	38.7	182.2	-	220.8
Deposit 10...	66.0%	140.1	-	56.5	196.6
Deposit 11A..	65.4%	25.4	-	1.4	26.8
Donimalai Complex					
Donimalai	66.8%	17.6	-	-	17.6
Non-Operating Mines					
Deposit 4[1]		-	-	105.0	105.0
Deposit 11B[2]	66.4%	114.3	-	6.2	120.6
Kumaraswamy[3]	64.0%	130.4	-	-	130.4
Deposit 13[4]	67.2%	319.6	-	-	319.6
Total		**977.5**	**182.2**	**201.0**	**1,360.6**

(1) The Company has applied for a mining lease for Deposit 4. However, the Company has not yet received approval for the mining lease, mining plans, forest clearance or environment approval.

(2) Deposit 11B mine is currently under construction and is being developed and integrated with the infrastructural facilities of the Kirandul Complex. See "Our Business– Exploration and Development – Current Iron Ore Expansion Projects" on page 87 of this Prospectus.

(3) Kumaraswamy is not currently a mechanized mine. A mechanized mine is being developed and integrated with the Donimalai Complex.

(4) It is anticipated that Deposit 13 will be developed by the Company in a joint venture with Chhattisgarh Mineral Development Corporation Limited in which it has a 51% equity interest. See "Our Business– Exploration and Development – Current Iron Ore Expansion Projects" on page 87 of this Prospectus. The Mining Lease for Deposit 13 is yet to be granted and forest clearance and environmental approvals have not been obtained as yet. There is also certain litigation with respect to this Deposit 13.

The Company's iron ore reserves are processed in both lump, fine ore and slimes. The Company's producing mines are open cast and primarily fully mechanised. Set forth below is a chart of key production statistics for the Company's three mining complexes for each of the last five Fiscals and the nine months period ended December 31, 2009.

Iron Ore Production

	Year ended March 31,					Nine months ended December 31,
	2009	2008	2007	2006	2005	2009
	(Million metric tonnes)					
Kirandul Complex						
Lump Ore	0.8	0.3	1.3	1.1	0.7	0.4
Fines	6.6	6.8	5.4	4.4	3.9	3.6
Calibrated Lump Ore	3.1	3.4	2.7	2.6	2.6	1.4
Slimes	0.9	0.9	0.8	-	-	0.1
Bacheli Complex						
Lump Ore	2.1	2.6	1.9	1.5	1.4	1.3
Fines	5.9	6.1	5.5	5.0	4.3	3.9
Calibrated Lump Ore	2.8	3.0	3.0	2.9	2.9	2.2
Donimalai Complex						
Fines	3.8	4.3	3.3	3.7	3.4	2.8
Calibrated Lump Ore	2.6	2.6	2.4	1.8	1.8	1.5
Total...	28.5	30.0	26.3	23.0	21.0	17.2

The Company is planning a number of projects to meet the demand from its customers for iron ore by enhancing the production capabilities of its existing mines and also by opening new mines.

The Company sells most of its high grade iron ore production to the Indian domestic steel market, primarily pursuant to long-term sales contracts. As a result of its high quality chemical and physical properties, the Company's iron ore has become an important raw material for a number of gas based sponge iron steel producers in India. In Fiscal 2009, the Company's exports constituted approximately 15% of its consolidated total sales volume, primarily to Japan and South Korea.

The Company sells its core products, iron ore fines, lump and slimes, through the Company's sales and marketing function. For Fiscal 2009, approximately 92% of the Company's iron ore sales volume are made based upon long term sales contracts with customers, both domestically and in the export market. The remaining 8% iron ore sales volume is sold on the spot market at negotiated prices.

In addition to its Iron ore operations, the Company also operates a diamond mine at Panna (Madhya Pradesh), one of the largest diamond mines in Asia, and owns a wind power facility with seven towers in the State of Karnataka with a total capacity of 10.5 MW.

The Company plans to start value-added projects such as steel production and has signed an MOU with the state government of Chhattisgarh to develop a steel plant with a capacity of 3 mtpa at Jagdalpur. The Company also has plans to develop a steel plant in Karnataka. Furthermore, the Company expects to complete its acquisition of Sponge Iron India Limited in early 2010, a company primarily involved in the production of sponge iron. Such company's production for Fiscal 2009 was 30,489 metric tonnes. As of March 31, 2009, Sponge Iron India Limited had 304 employees. The following table sets forth certain financial information for Sponge Iron India Limited.

	As at and for the Year ended March 31			As at and for the Nine Months ended December 31
	2007	**2008**	**2009**	**2009**
	(Rs. In million)			
Total Income*	563.2	591.5	526.7	308.30
Profit/Loss After Tax	40.2	64.8	(9.2)	(97.40)
Total Net Worth	684.1	733.7	724.5	627.11
Total Assets**	847.8	882.3	863.7	782.45
Total Debt	-	-	-	-

**Total Income includes Sales, Income from Consultancy Contract, Other Income & Stock Adjustment*

***Total Assets includes Fixed Assets after Depreciation plus Capital Work-in-Progress and Current Assets and Loans &Advances.*

For further information, see "***History and Certain Corporate Matters***" on page 105 of this Prospectus.

In addition, the Company plans to develop two pellet plants at Donimalai and at Bacheli.

The Company is also developing a Magnesite mine in Jammu and Kashmir and the Arki Lime Stone Project in Himachal Pradesh.

The Company was incorporated in 1958. It is a public company controlled by the Government of India having its registered and corporate office located in Hyderabad. The Company has been conferred "Navaratna" status by the Government of India, which provides, among other things, greater financial autonomy to the Board of Directors of the Company.

Our Strengths

The Company has several significant strategic advantages over its major competitors including:

- Large Reserves of High Grade Iron Ore
- Largest producer of iron ore in India by volume
- Resources making the Company a low-cost producer
- Well Positioned to Capitalise on India's Growth and Resource Potential
- Research and development center and in-house exploration capability

Our Strategy

The Company's principal strategic objectives are to increase its mining capacities and expand its customer base through expansion of its existing iron ore business and diversification of its product portfolio. To pursue these goals, the Company plans to:

- Continue diversifying and expanding its mining activities and products
- Expand and establish its presence as an integrated producer of iron and steel

- Continue to be a low cost, efficient and environmentally friendly mining company

- Augment resources, improve infrastructure and enhance technology through joint ventures and commercial tie-ups

Status of Mining Leases

The following table sets forth the lease, mining plan, forest clearance and environmental approval status of each of the deposits in which the Company currently has, or is planning to have, an interest.

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
Bailadila Iron Ore Project, Deposit – 14ML						
Land situated at Bailadila	The Company	Valid up to September 11, 2015	Mining scheme valid from April 1, 2005 to March 31, 2010. Mining scheme for the period from April 1, 2010 to March 31, 2015 has been submitted on November 09, 2009	Operating	Granted	Granted
Bailadila Iron Ore Project, Deposit – 14NMZ						
Land situated at Bailadila	The Company	Valid up to December 06, 2015	Mining scheme valid from April 1, 2005 to March 31, 2010. Mining scheme for the period from April 1, 2010 to March 31, 2015 has been submitted on November 09, 2009	Operating	Granted	Granted
Bailadila Iron Ore Project, Deposit – 11 ML (including 11A ML and 11B ML falling within Bacheli Complex)						
Land situated at Bailadila	The Company	Valid up to September 11, 2017	Mining scheme for the period from 2007-2008 to 2011-2012	Operating	Granted	Granted
Bailadila Iron Ore Project Bacheli Deposit No. 5 ML						
Land situated at Bailadila	The Company	Valid up to September 10, 2015	Mining scheme valid from April 01, 2005 to March	Operating	Granted	Granted

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
			31, 2010. Mining scheme for the period from April 01, 2010 to March 31, 2015 has been submitted on December 19, 2009			
Bailadila Iron Ore Project Bacheli Deposit No. 10 ML						
Land situated at Bailadila	The Company	Valid up to September 10, 2015	Mining scheme approval awaited from IBM Mining scheme for the period from 2009-2010 to 2013 - 2014 has been submitted on December 09, 2009	Operating	Granted	Granted
Donimalai Iron Ore Project						
Land situated at Donimalai Range	The Company	In-principle approval for renewal for further period of 20 years from November 4, 2008 received from Government of Karnataka on October 23, 2008.	Mining plan approved on August 18, 2008.	Operating	Granted	Granted
Kumaraswamy Iron Ore Project						
Land situated at Kumaraswamy	The Company	Valid up to October 17, 2022	Mining plan approved for the period from 2002 to 2022. Mining scheme valid from April 01, 2007 to March 31, 2012	Under development	Granted	Granted

NMDC LIMITED

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
Panna Diamond Project						
Land situated at Hinota and Majhgawan in Panna registration district of Panna, Thana Panna .	The Company	Renewal applied for in 2003.	Mining plan approved for the period from July 01, 2005 to June 30, 2025 Mining scheme for the period April 01, 2010 to March 31, 2015 is to be submitted. Mining plan to the supplementary lease will be submitted for the period from June 2010 to June 2030 Mining scheme for the period from September 2009 to June 2010 has been submitted.	Operating	Granted	Granted
Arki Limestone Mines						
Land situated at Arki.	The Company	Valid up to August 06, 2011	Mining plan was approved on January 07, 1991	Non operational	Application submitted to Principal Chief Conservator of Forest, Himachal Pradesh on September 1, 2009.	MoEF in letter dated May 12, 2009 has requested for submission of the draft EIA report. Public hearing was conducted on November 12, 2009 and at present the rehabilitation and resettlement scheme is being finalised.
Panthal Mines						
Land situated at Jammu and Kashmir	The Company	Valid up to January 10,	Mining plan was approved on December	Non operational	Approval pending from Shri Mata	Draft EIA and EMP report has been submitted

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
		2019, Pursuant to ex-post facto approval for renewal from State Government of Jammu and Kashmir	23, 2008		Vaishno Devi Shrine Board.	to Regional Director, J&K State Pollution Control Board on November 11, 2009 and public hearing date is awaited.
Lalapur Mine						
Land situated at Lalapur.	The Company	Applied for renewal on December 09, 2005.	Mining scheme valid from December 15, 2006 to December 14, 2011	Non-operational	Land diversion proposal submitted to Divisional Forrest Officer, Allahabad on December 28, 2006 and is currently under process.	Pending
Bailadila Deposit 13						
Bailadila Deposit 13	The Company	Mining Lease applied on October 28, 1994	IBM pursuant to letter dated January 7, 2010 had granted an extension till February 4, 2010 for submitting the modified mining plan. On February 2, 2010, the Company has filed an application for approval of modification of the approved mining plan of Bailadila Deposit 13 before the Controller of Mines, Nagpur.	Non-operational	The application for forest clearance is pending with Principal Chief Conservator of Forests, Raipur since March 16, 2009.	Form-1 and technical and economic feasibility report has been submitted to MoEF on August 17, 2009 and the terms of reference was received from MoEF on October 26, 2009 for preparation of EIA and EMP report, which is under preparation. The Company submitted the EIA report to the Member Secretary, Chhattisgarh Environment Conservation Board on February 19, 2010 and a

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
						request has been made by the Company for organising a public hearing for the above proposal.
Bailadila Deposit 4						
Bailadila Deposit 4	The Company	Mining Lease applied on January 22, 1990	Mining plan expired on May 01, 1996	Non-operational	Revised application for forest land diversion was submitted on March 19, 2005. The State Forest Department has informed the Company that the forest clearance application will be accepted when it is submitted along with the mining lease approval letter from Government of Chhattisgarh.	-

SUMMARY OF RESERVES AND RESOURCES AS PER JORC AND UNFC STANDARDS

Reserves under JORC Code

The Company has access to significant reserves of high grade iron ore, predominantly greater than 64% Fe content. The Company appointed Behre Dolbear to review, validate and classify its iron reserves and resources in accordance with the JORC code. Behre Dolbear has assessed the Company's iron ore reserves and resources as follows:

Iron Ore Reserves

	As at January 1, 2010				
Deposit Name	**Fe%**	**Proved Reserves**	**Probable Reserves**	**Mineral Resources**	**Total**
	(million metric tonnes)				
Kirandul Complex					
Deposit 14..	64.7%	130.1	-	19.5	149.7
Deposit 14 NMZ	65.9%	60.6	-	3.0	63.6
Deposit 11C...	64.7%	0.7	-	9.4	10.1
Bacheli Complex					
Deposit 5..	65.3%	38.7	182.2	-	220.8
Deposit 10..	66.0%	140.1	-	56.5	196.6
Deposit 11A...	65.4%	25.4	-	1.4	26.8
Donimalai Complex					
Donimalai	66.8%	17.6	-	-	17.6
Non-Operating Mines					
Deposit 4[1]				105.0	105.0
Deposit 11B[2]	66.4%	114.3	-	6.2	120.6
Kumaraswamy[3]	64.0%	130.9	-	-	130.4
Deposit 13[4]	67.2%	319.6	-	-	319.6
Total		**977.5**	**182.2**	**201.0**	**1,360.6**

(1) *The Company has applied for a mining lease for Deposit 4. However, the Company has not yet received approval for the mining lease, mining plans, forest clearance or environment approval.*

(2) *Deposit 11B mine is currently under construction and is being developed and integrated with the infrastructural facilities of the Kirandul complex. See "Our Business– Exploration and Development – Current Iron Ore Expansion Projects" on page 87 of this Prospectus.*

(3) *Kumaraswamy is not currently a mechanized mine. A mechanized mine is being developed and integrated with the Donimalai complex.*

(4) *It is anticipated that Deposit 13 will be developed by the Company in a joint venture with Chhattisgarh Mineral Development Corporation Limited in which it has a 51% equity interest. See "– Exploration and Development – Current Iron Ore Expansion Projects" on page 87 of this Prospectus. The Mining Lease for Deposit 13 is yet to be granted.*

Diamond Reserves

										(million metric tonnes)
At January 1, 2010										
Tenement	**Proved Ore Reserve**			**Indicated Reserve**			**Inferred Resource**			**Total**
Panna diamond	Million tonnes	Carat Per Hundred Tonnes	Carats	Million tonnes	Carat Per Hundred Tonnes	Carats	Million tonnes	Carat Per Hundred Tonnes	Carats	Million tonnes
	11.3	9.5	1078457	3.6	8.6		2.4	8.6		17.3

Magnesite Reserves

(million metric tonnes)									
At January 1, 2010									
Tenement	**Proved Ore Reserve**				**Measured Mineral Resource**				**Total**
Panthal magnesite	Mt	Mg0	Si02	Cao	Mt	Mg0	Si02	Cao	Mt
	2.6	45.2	0.6	2.1	1.4	43.5	2.6	2.0	4.1

Limestone Reserves

(mllion metric tonnes)										
At January1, 2010										
Tenement	**Proved Ore Reserve**					**Measured Mineral Resource**				**Total**
Arki Limestone	Mt	Ca0%	Si02%	Mg0%	Acid insol.%	Mt	Ca0%	Si02%	Mg0%	Acid insol.%	Mt
	98.3	52.4	0.8	2.2	1.0	21.1	53.4	0.7	1.4	1.0	119.5

Reserves under UNFC

The Company prepares and regularly reports its mineral resources in accordance with the United Nations Framework Classification for Energy and Mineral Resources ("UNFC"). The reserves and resources set forth below are a summary of the Company's resources and reserves as of December 31, 2009 in accordance with UNFC.

Iron Ore Reserves

	As at December 31, 2009				
Commodity Deposit	**Proved Ore Reserve**		**Probable Ore Reserve**	**Total Ore Reserve**	
	Millions of wet metric tonnes	**Fe%**	**Millions of wet metric tonnes**	**Millions of wet metric tonnes**	**Fe%**
Deposit 5...	38.7	65.2	182.2	220.8	66.6
Deposit 10...	140.1	65.9	56.5	196.6	64.8
Deposit 11...	138.2	66.2	10.8	149.0	66.1
Deposit 14...	130.2	64.7	19.5	149.7	64.7
Deposit 14 NMZ	60.6	65,8	3.0	63.6	65.8
Deposit 13...	319.6	67.2	-	319.6	67.2
Donimalai	17.6	66.8	-	17.6	66.3
Kumaraswamy....................................	130.4	64.0	-	130.4	64.0

Diamond Reserves

	As at December 31, 2009					
	Proved Ore Reserve		Probable Ore Reserve		Total Ore Reserve	
	Millions of dry metric tonnes	Carats per tonne	Millions of dry metric tonnes	Carats per tonne	Millions of dry metric tonnes	Carats per tonne
Panna Diamond	11.3	0.1	-	-	11.3	0.1

Magnesite Reserves

	As at December 31, 2009					
	Proved Ore Reserve		Probable Ore Reserve		Total Ore Reserve	
	Millions of wet metric tonnes	G-I(<1.5% Si02) Mg0	Millions of wet metric tonnes	G-II(<1.5% Si02) Mg0	Millions of wet metric tonnes	Mg0
Panthal Magnesite	2.6	45.2	0.7	39.5	3.4	43.9

Limestone Reserves

	As at December 31, 2009					
	Proved Ore Reserve		Probable Ore Reserve		Total Ore Reserve	
	Millions of wet metric tonnes	Ca0	Millions of wet metric tonnes	Ca0	Millions of wet metric tonnes	Ca0
Arki Limestone.................	91.0	53.4	-	-	91.0	53.4
	7.4	40.0	-	-	7.4	40.4
	98.3	**52.4**	**-**	**-**	**98.3**	**52.4**

For more detailed information concerning the Company's reserves as presented in accordance with JORC code and UNFC Standard, see "***Reserve Reports As Per JORC Code and UNFC Standard***" as stated in this Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth our selected historical financial information derived from the audited consolidated restated financial information for the nine months ended December 31, 2009 and Fiscals 2009, 2008, 2007, 2006 and 2005 and the audited standalone restated financial information for the nine months ended December 31, 2009 and Fiscals 2009, 2008, 2007, 2006 and 2005. The audited summary financial information presented below should be read in conjunction with our financial statements included in this Prospectus, the notes thereto and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 228 of this Prospectus.

SUMMARY OF CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs. in millions)

	Year ended					Nine Months ended
	31-03-2005	31-03-2006	31-03-2007	31-03-2008	31-03-2009	31-12-2009
INCOME						
Sales	22,265.5	37,073.8	41,828.6	57,091.6	75,591.9	42,476.9
Income from Service	34.4	35.4	29.8	21.5	26.2	22.9
Income from Sale of Power					22.2	57.8
Total Income from Operations	22,299.9	37,109.2	41,858.4	57,113.1	75,640.3	42,557.6
Other Income	1,052.8	1,999.3	3,546.9	6,705.3	8,840.4	6,162.0
Accretion / (Decretion) to Stock	-37.5	44.2	-64.9	301.7	1,273.9	105.8
Total (A)	**23,315.2**	**39,152.7**	**45,340.4**	**64,120.1**	**85,754.6**	**48,825.4**
EXPENDITURE						
Raising & Transportation Charges	126.9	129.0	186.4	253.8	443.3	267.9
Consumption of Raw Material, Stores & Spares	1,277.8	1,497.1	1,574.6	1,753.3	2,135.2	1,389.3
Power, Electricity & Water	429.9	441.1	427.4	474.0	422.1	329.2
Payments & Benefits to Employees	1,909.6	1,803.0	1,978.0	3,556.2	4,211.4	2,708.4
Repairs & Maintenance	183.8	227.6	296.6	394.3	516.4	393.9
Royalty & Cess	510.5	547.6	895.6	543.6	627.9	2,291.5
Selling Expenses - Frieght	3,407.0	3,737.0	2,215.0	3,160.7	6,502.3	2,572.9
- Others	1,074.7	849.0	704.9	2,024.9	2,039.5	874.4
Other Expenses	1,484.8	1,039.5	1,262.8	1,914.9	1,666.4	1,446.3
Sub-Total	10,405.0	10,270.9	9,541.3	14,075.7	18,564.5	12,273.8
Less: Transfer to Capital Accounts	7.1	16.4	18.0	62.7	55.9	51.3
Net Operating Expenses	**10,397.9**	**10,254.5**	**9,523.3**	**14,013.0**	**18,508.6**	**12,222.5**
Profit before Deprcn,Interest & Taxes	**12,917.3**	**28,898.2**	**35,817.1**	**50,107.1**	**67,246.0**	**36,602.9**
Less: Depreciation	-638.4	-1,136.9	-800.2	-600.0	-735.6	-486.6
Less: Misc/Prom/DR Expr written off	-38.0	-60.7	-34.6	-34.6	-34.6	-26.0
Prior year items-Income(+)/Expr(-)	-4.4	0.7	0.8	2.2	5.2	-12.7
Profit before Tax (B)	**12,236.5**	**27,701.3**	**34,983.1**	**49,474.7**	**66,481.0**	**36,077.6**
Less: Provisions for -						
Income Tax - Current Year	4,675.0	9,450.0	11,750.0	17,010.0	22,380.0	12,160.4
- Earlier Years (Net)	-148.8	-194.7	-151.0	112.7	-187.0	
- Interest on Tax	-34.1	72.2	65.6	-9.9	-66.5	
Total (D)	**4,492.1**	**9,327.5**	**11,664.6**	**17,112.8**	**22,126.5**	**12,160.4**
Fringe Benefit Tax - Current Year		32.5	38.0	60.0	62.5	
- Earlier Years (Net)			-3.0	-2.0	49.2	
- Interest on Tax						

Total (E)		**32.5**	**35.0**	**58.0**	**111.7**	
Deferred Tax Adjustmnt for the year(F)	190.0	63.3	81.4	-205.9	520.3	102.1
(D+E+F)	**4,682.1**	**9,423.3**	**11,781.0**	**16,964.9**	**22,758.5**	**12,262.5**
Profit after Tax as per audited Statement of accounts	**7,554.4**	**18,278.0**	**23,202.1**	**32,509.8**	**43,722.5**	**23,815.1**
Adjustments on account of:						
a) Changes in Accounting Policies	704.7	-9.3	4.8	-15.6	-18.3	15.5
b) Other Adjustments & Prior items	446.9	-433.8	115.0	-25.9	-17.0	107.8
c) Current Year Tax Impact	-416.7	149.1	-40.3	14.1	12.0	-41.9
d) Deferred Tax Liability	-4.7					
e) Tax impact - Others	-52.0	-194.1	-176.5	377.4	-204.3	
Total Adjustments after Tax Impact	**678.2**	**-488.1**	**-97.0**	**350.0**	**-227.6**	**81.4**
Profit after Tax as Restated	**8,232.6**	**17,789.9**	**23,105.1**	**32,859.8**	**43,494.9**	**23,896.5**
Share of Minority					0.6	0.8
Profit after Tax as Restated for the Group	**8,232.6**	**17,789.9**	**23,105.1**	**32,859.8**	**43,495.5**	**23,897.3**
Opening Balance of P& L Account	5.3	5.3	14.9	19.3	16.5	11.0
Balance available for appropriations, as restated	**8,237.9**	**17,795.2**	**23,120.0**	**32,879.1**	**43,512.0**	**23,908.3**
Less: Appropriations -						
Interim Dividend	508.8	2,541.8	3,528.6	4,374.4	4,083.6	2,973.5
Tax on Interim Dividend	66.5	356.5	494.9	743.4	694.0	505.4
Proposed Dividend (Final)	1,004.4	1,113.9	1,123.3	2,140.9	4,678.4	
Tax on Final Dividend	140.9	156.2	190.9	363.9	795.1	
Transfer to General Reserve	6,512.0	13,611.9	17,763.0	25,240.0	33,252.4	
Total Appropriations	**8,232.6**	**17,780.3**	**23,100.7**	**32,862.6**	**43,503.5**	**3,478.9**
Balance of Profit & Loss Account	**5.3**	**14.9**	**19.3**	**16.5**	**8.5**	**20,429.4**

SUMMARY OF CONSOLIDATED ASSETS & LIABILITIES

(Rs. in millions)

	Particulars	As at					
		31-03-2005	31-03-2006	31-03-2007	31-03-2008	31-03-2009	31-12-2009
A.	**Fixed Assets**						
	Gross Block	11,767.8	12,596.8	13,041.5	14,214.0	16,691.9	17,110.1
	Less: Depreciation	6,393.4	7,295.2	7,992.5	8,533.4	9,225.4	9,688.7
	Net Block	**5,374.4**	**5,301.6**	**5,049.0**	**5,680.6**	**7,466.5**	**7,421.4**
	Capital Work in Progress	314.7	561.6	1,129.7	1,118.3	2,483.1	4,327.6
	Total Fixed Assets	**5,689.1**	**5,863.2**	**6,178.7**	**6,798.9**	**9,949.6**	**11,749.0**
B.	**Investments**	740.2	740.2	743.8	832.8	707.7	752.7
C.	**Current Assets, Loans & Advances**						
	Inventories	1,194.0	1,279.5	1,285.8	1,664.2	3,009.1	3,361.6
	Sundry Debtors	2,137.1	3,172.0	2,843.7	4,888.3	10,164.6	5,040.1
	Cash & Bank Balances	19,048.2	31,094.6	48,491.7	71,988.0	97,410.3	120,782.5
	Other Current Assets	332.6	797.1	842.4	1,862.6	2,983.5	3,470.2
	Loans & Advances	1,086.5	1,214.6	1,820.4	2,437.9	4,032.9	4,029.2

	Total Current Assets, Loans & Advances	**23,798.4**	**37,557.8**	**55,284.0**	**82,841.0**	**117,600.4**	**136,683.6**
	Total Assets (A+B+C)	**30,227.7**	**44,161.2**	**62,206.5**	**90,472.7**	**128,257.7**	**149,185.3**
D.	**Liabilities & Provisions**						
	Current Liabilities	2,464.0	2,877.4	2,756.3	4,286.4	4,845.8	7,177.9
	Provisions	1,581.5	1,368.8	1,656.5	3,338.8	6,769.6	4,836.4
	Total current Liabilities & Provisions	**4,045.5**	**4,246.2**	**4,412.8**	**7,625.2**	**11,615.4**	**12,014.3**
	Minority Interest					6.7	5.6
	Deferred Tax Liabilities	121.3	184.6	266.0	60.1	580.4	682.5
	Grant-in-aid	1.7	1.7				
	Total Liabilities (D)	**4,168.5**	**4,432.5**	**4,678.8**	**7,685.3**	**12,202.5**	**12,702.4**
E.	**Net Worth (A+B+C-D)**	**26,059.2**	**39,728.7**	**57,527.7**	**82,787.4**	**116,055.2**	**136,482.9**
	Represented by:						
	Shareholders' Funds						
	Share Capital	1,321.6	1,321.6	1,321.6	1,321.6	3,964.7	3,964.7
	Reserves & Surplus	25,085.1	38,706.6	56,474.1	81,711.3	112,312.5	132,730.8
	Total	**26,406.7**	**40,028.2**	**57,795.7**	**83,032.9**	**116,277.2**	**136,695.5**
	Misc. Expenditure not written off	-347.5	-299.5	-268.0	-245.5	-222.0	-212.6
	Net Worth	**26,059.2**	**39,728.7**	**57,527.7**	**82,787.4**	**116,055.2**	**136,482.9**

SUMMARY OF STANDALONE PROFIT & LOSS ACCOUNT

(Rs. in Million)

	Year ended					**Nine Months ended**
	31-03-2005	**31-03-2006**	**31-03-2007**	**31-03-2008**	**31-03-2009**	**31-12-2009**
INCOME						
Sales	22265.5	37073.8	41828.6	57091.6	75591.9	42476.9
Income from Service	34.4	35.4	29.8	21.5	26.2	22.9
Income from Sale of Power					22.2	57.8
Total Income from Operations	22299.9	37109.2	41858.4	57113.1	75640.3	42557.6
Other Income	1052.8	1999.3	3546.9	6705.3	8840.4	6161.5
Accretion / (Decretion) to Stock	-37.5	44.2	-64.9	301.7	1273.9	105.8
Total (A)	**23315.2**	**39152.7**	**45340.4**	**64120.1**	**85754.6**	**48824.9**
EXPENDITURE						
Raising & Transportation Charges	126.9	129.0	186.4	253.8	443.3	267.9
Consumption of Raw Material, Stores & Spares	1277.8	1497.1	1574.6	1753.3	2135.2	1389.3
Power, Electricity & Water	429.9	441.1	427.4	474.0	422.1	329.2
Payments & Benefits to Employees	1909.6	1803.0	1978.0	3556.2	4211.0	2707.5
Repairs & Maintenance	183.8	227.6	296.6	394.3	516.4	393.9
Royalty & Cess	510.5	547.6	895.6	543.6	627.9	2291.5
Selling Expenses - Frieght	3407.0	3737.0	2215.0	3160.7	6502.3	2572.9
- Others	1074.7	849.0	704.9	2024.9	2039.5	874.4
Other Expenses	1484.8	1039.5	1262.8	1914.9	1665.5	1444.6
Sub-Total	10405.0	10270.9	9541.3	14075.7	18563.2	12271.2
Less: Transfer to Capital Accounts	7.1	16.4	18.0	62.7	55.9	50.7
Net Operating Expenses	**10397.9**	**10254.5**	**9523.3**	**14013.0**	**18507.3**	**12220.5**

Profit before Deprcn,Interest & Taxes	**12917.3**	**28898.2**	**35817.1**	**50107.1**	**67247.3**	**36604.4**
Less: Depreciation	-638.4	-1136.9	-800.2	-600.0	-735.6	-486.6
Less: Misc/Prom/DR Expr written off	-38.0	-60.7	-34.6	-34.6	-34.6	-26.0
Add/(Less) Prior year items	-4.4	0.7	0.8	2.2	5.2	-12.6
Profit before Tax (B)	**12236.5**	**27701.3**	**34983.1**	**49474.7**	**66482.3**	**36079.2**
Less: Provisions for -						
Income Tax - Current Year	4675.0	9450.0	11750.0	17010.0	22380.0	12160.4
- Earlier Years (Net)	-148.8	-194.7	-151.0	112.7	-187.0	
- Interest on Tax	-34.1	72.2	65.6	-9.9	-66.5	
Total (D)	**4492.1**	**9327.5**	**11664.6**	**17112.8**	**22126.5**	**12160.4**
Fringe Benefit Tax - Current Year		32.5	38.0	60.0	62.5	
- Earlier Years (Net)			-3.0	-2.0	49.2	
- Interest on Tax						
Total (E)		**32.5**	**35.0**	**58.0**	**111.7**	
Deferred Tax Adjustmnt for the year(F)	190.0	63.3	81.4	-205.9	520.3	102.1
(D+E+F)	**4682.1**	**9423.3**	**11781.0**	**16964.9**	**22758.5**	**12262.5**
Profit after Tax as per audited Statement of accounts	**7554.4**	**18278.0**	**23202.1**	**32509.8**	**43723.8**	**23816.7**
Adjustments on account of:						
a) Changes in Accounting Policies	704.7	-9.3	4.8	-15.6	-18.3	15.5
b) Other Adjustments & Prior items	446.9	-433.8	115.0	-25.9	-17.0	107.8
c) Current Year Tax Impact	-416.7	149.1	-40.3	14.1	12.0	-41.9
d) Deferred Tax Liability	-4.7					
e) Tax impact - Others	-52.0	-194.1	-176.5	377.4	-204.3	
Total Adjustments after Tax Impact	**678.2**	**-488.1**	**-97.0**	**350.0**	**-227.6**	**81.4**
Profit after Tax as Restated	**8232.6**	**17789.9**	**23105.1**	**32859.8**	**43496.2**	**23898.1**
Opening Balance of P& L Account	5.3	5.3	14.9	19.3	16.5	9.1
Balance available for appropriations, as restated	**8237.9**	**17795.2**	**23120.0**	**32879.1**	**43512.7**	**23907.2**
Less: Appropriations -						
Interim Dividend	508.8	2541.8	3528.6	4374.4	4083.6	2973.5
Tax on Interim Dividend	66.5	356.5	494.9	743.4	694.0	505.4
Proposed Dividend (Final)	1004.4	1113.9	1123.3	2140.9	4678.4	
Tax on Final Dividend	140.9	156.2	190.9	363.9	795.1	
General Reserve Transfer	6512.0	13611.9	17763.0	25240.0	33252.4	
Total Appropriations	**8232.6**	**17780.3**	**23100.7**	**32862.6**	**43503.5**	**3478.9**
Balance of Profit & Loss Account	**5.3**	**14.9**	**19.3**	**16.5**	**9.2**	**20428.3**

SUMMARY OF STANDALONE ASSETS & LIABILITIES

(Rs. in million)

	Particulars	**As at**					
		31-03-2005	**31-03-2006**	**31-03-2007**	**31-03-2008**	**31-03-2009**	**31-12-2009**
A.	**Fixed Assets**						
	Gross Block	11,767.8	12,596.8	13,041.5	14,214.0	16,691.7	17,109.8
	Less: Depreciation	6,393.4	7,295.2	7,992.5	8,533.4	9,225.4	9,688.6
	Net Block	**5,374.4**	**5,301.6**	**5,049.0**	**5,680.6**	**7,466.3**	**7,421.2**

	Capital Work in Progress	314.7	561.6	1,129.7	1,118.3	2,483.1	4,327.6
	Total Fixed Assets	**5,689.1**	**5,863.2**	**6,178.7**	**6,798.9**	**9,949.4**	**11,748.8**
B.	**Investments**	**740.2**	**740.2**	**743.8**	**832.8**	**715.4**	**760.4**
C.	**Current Assets, Loans & Advances**						
	Inventories	1,194.0	1,279.5	1,285.8	1,664.2	3,009.1	3,361.6
	Sundry Debtors	2,137.1	3,172.0	2,843.7	4,888.3	10,164.6	5,040.1
	Cash & Bank Balances	19,048.2	31,094.6	48,491.7	71,988.0	97,396.5	120,770.2
	Other Current Assets	332.6	797.1	842.4	1,862.6	2,983.5	3,469.7
	Loans & Advances	1,086.5	1,214.6	1,820.4	2,437.9	4,033.2	4,030.4
	Total Current Assets, Loans & Advances	**23,798.4**	**37,557.8**	**55,284.0**	**82,841.0**	**117,586.9**	**136,672.0**
	Total Assets (A+B+C)	**30,227.7**	**44,161.2**	**62,206.5**	**90,472.7**	**128,251.7**	**149,181.2**
D.	**Liabilities & Provisions**						
	Current Liabilities	2,464.0	2,877.4	2,756.3	4,286.4	4,845.8	7,177.6
	Provisions	1,581.5	1,368.8	1,656.5	3,338.8	6,769.6	4,836.4
	Total current Liabilities & Provisions	**4,045.5**	**4,246.2**	**4,412.8**	**7,625.2**	**11,615.4**	**12,014.0**
	Deferred Tax Liabilities	121.3	184.6	266.0	60.1	580.4	682.5
	Grant-in-aid	1.7	1.7				
	Total Liabilities (D)	**4,168.5**	**4,432.5**	**4,678.8**	**7,685.3**	**12,195.8**	**12,696.5**
E.	**Net Worth (A+B+C-D)**	**26,059.2**	**39,728.7**	**57,527.7**	**82,787.4**	**116,055.9**	**136,484.7**
	Represented by:						
	Shareholders' Funds						
	Share Capital	1,321.6	1,321.6	1,321.6	1,321.6	3,964.7	3,964.7
	Reserves & Surplus	25,085.1	38,706.6	56,474.1	81,711.3	112,313.2	132,732.3
	Total	**26,406.7**	**40,028.2**	**57,795.7**	**83,032.9**	**116,277.9**	**136,697.0**
	Misc. Expenditure not written off	-347.5	-299.5	-268.0	-245.5	-222.0	-212.3
	Net Worth	**26,059.2**	**39,728.7**	**57,527.7**	**82,787.4**	**116,055.9**	**136,484.7**

THE OFFER

Offer Shares	332,243,200 Equity Shares
Of which	
Employee Reservation Portion	1,743,200 Equity Shares available for allocation on a proportionate basis
Therefore,	
Net Offer to Public	**330,500,000 Equity Shares**
Of which	
1. QIB Portion	Upto 165,250,000 Equity Shares available for allocation on a proportionate basis
Of which	
Available for allocation to Mutual Funds only	8,262,500 Equity Shares
Balance for all QIBs including Mutual Funds	156,987,500 Equity Shares
2. Non-Institutional Portion	Not less than 49,575,000 Equity Shares available for allocation on a proportionate basis
3. Retail Portion	Not less than 115,675,000 Equity Shares available for allocation on a proportionate basis
Equity Shares outstanding prior to the Offer	3,964,716,000 Equity Shares
Equity Shares outstanding after the Offer	3,964,716,000 Equity Shares
Use of Offer Proceeds	
Our Company will not receive any proceeds from the Offer.	

The Selling Shareholder is offering for sale 332,243,200 Equity Shares which have been held by it for a period of at least one year as on the date of filing of this Prospectus.

Any unsubscribed portion in Employee Reservation Portion shall be added to the Net Offer to the public. In case of under-subscription in the Net Offer to the public, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer to the public. Under subscription in any other category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholder in consultation with the BRLMs.

The MoS through its letter no. F.No.6(2)99-RM-I (VOL.III) dated December 23, 2009 to the Company has conveyed the approval granted by the GoI to the Offer.

A discount of 5% to the Offer Price determined pursuant to the completion of the Book Building Process is offered to Retail Individual Bidders and Eligible Employees ("Retail and Employee Discount"). The excess amount paid at the time of Bidding shall be refunded to the Retail Individual Bidders and Eligible Employees.

GENERAL INFORMATION

Our Company was originally incorporated on November 15, 1958 under the Companies Act as National Mineral Development Corporation Private Limited, a private limited company at Delhi. The name of our Company was changed from National Mineral Development Corporation Private Limited to National Mineral Development Corporation Limited in terms of Section 21 of the Companies Act and the approval of the Ministry of Commerce & Industry, Department of Company Law Administration pursuant to letter no. 11(38)-SL(VI)/59 dated December 30, 1959. The fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Delhi on January 5, 1960. Pursuant to an order passed by the company law board, New Delhi dated September 24, 1973, the registered office of our Company was changed from the Union Territory of Delhi to the State of Andhra Pradesh. The Registrar of Companies, Andhra Pradesh issued a Certificate of Registration of the Order of the Central Government Confirming Transfer of the Registered Office from Delhi to Andhra Pradesh on December 27, 1973. Our Company became a deemed public limited company with effect from March 13, 1975 pursuant to the provisions of Section 43-A, Section 43 (1A) and Section 43 (1B) of the Act and a new certificate of incorporation dated March 13, 1975 was issued. Our Company was converted into a public company with effect from May 5, 1993. The fresh certificate of incorporation consequent on the conversion under Section 31/44 of the Companies Act was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad, on May 5, 1993 changing the status of our Company to a public limited company. Pursuant to a shareholders resolution dated August 31, 2007, the name of our Company was changed from National Mineral Development Corporation Limited to NMDC Limited under the provisions of Section 21 of the Act, read with the Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R. 507(E) dated June 24, 1985 vide SRN A22211502. The Corporate Identity Number L13100AP1958GOI001674 and a fresh certificate of incorporation consequent upon such change of name were issued by the Registrar of Companies, Andhra Pradesh, Hyderabad, on September 17, 2007. For further details in relation to the corporate history of our Company, please refer to the section titled "***History and Certain Corporate Matters***" on page 105 of this Prospectus.

Registered and Corporate Office

Our registered and corporate office is presently situated at Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500173, Andhra Pradesh, India.

Changes in our Registered Office

The Registered Office of the Company was situated at 167, Golf Link, New Delhi, India and subsequent changes in the Registered Office are outlined in the table below:

Year	Change in address of the Registered Office
1960	70, Jor Bagh, New Delhi, India
1960	11, Parliament Street, New Delhi – 110 001 India
1961	1/6-B, Pusa Road, New Delhi – 110 060 India
1963	6/4 –B, Gangaram Hospital Marg, New Delhi – 110 060 India
1965	61, Ring Road, Lajpat Nagar – III, New Delhi – 110 014 India
1971	Mohan Singh Place, Irwin Road, New Delhi – India
1972	B-35, Defence Colony, New Delhi – 110 013 India
1973	109, 109-A, First Floor, Surya Kiran Building, Kasturba Gandhi Marg, New Delhi – 110 001 India.
1974	Mukarramjahi Road, Hyderabad 500 001 Andhra Pradesh, India.
1977	Pioneer House, 6-3-653, Somajiguda, Hyderabad – 500 004 Andhra Pradesh, India.
1984	Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500173 Andhra Pradesh, India.

Registration Number: 01 – 01674
Corporate Identity Number: L13100AP1958GOI001674

Website: www.nmdc.co.in

Address of RoC

The RoC is situated at the following address:

Registrar of Companies
2nd Floor, CPWD Building, Kendriya Sadan
Sultan Bazar, Koti
Hyderabad - 500 195
Andhra Pradesh, India

Board of Directors

Our Board of Directors comprises the following:

Name, Designation and Occupation	Age (years)	DIN	Residential Address
Mr. Rana Som Chairman-cum-Managing Director Occupation: Service	58	00352904	B-256, Asian Games Village, Ganapati Andalkar Block, New Delhi – 110 049, India now residing at Plot No.7, HUDA Colony, Behind TDP Office, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh, India.
Mr. Vinod Kumar Sharma Whole-time Director (Commercial) Occupation: Service	58	01841545	H. No. 12-2-505/506, Flat No. 303, Vijayshree Apartments, Road No. 8, Gudimalkapur, Mehdipatnam, Hyderabad - 500 028, Andhra Pradesh, India.
Mr. Santhanam Venkatesan Whole-time Director (Production) Occupation: Service	58	02298765	NMDC Guest House, Road No. 2, Plot No. 7, Behind T.D.P Office, Hyderabad - 500 034, Andhra Pradesh, India now residing at Flat No. 22025, Floor II, Block-II, Janapriya Utopiya, Attapur, Hyderguda, Hyderabad – 500 048, Andhra Pradesh, India.
Mr. Narendra Kumar Nanda Whole-time Director (Technical) Occupation: Service	49	02455894	Flat No. B-104, Nafees Residency, House No. 10-2-2, A.C. Guards, Hyderabad – 500 028, Andhra Pradesh, India now residing at Flat No.101, Anand Brindavan Apartments, No. 8-1-305 & 306, Behind Anand Silicon Chip, Purana Bagh, Toli Chowki, Near International School, Hyderabad – 500 008, Andhra Pradesh, India.
Mr. Swaminathan Thiagarajan Whole-time Director (Finance) Occupation: Service	55	02721001	Door No. 13-6-429/21 & 22, Flat No. 203, Mythri Residency, Kanaka Durga Colony, Karwan, Ring Road, Hyderabad – 500 067, Andhra Pradesh, India.
Mr. Udai Pratap Singh Government of India nominee Director Non-Executive Director Occupation: Government Service	51	02043525	D-117, 2nd Floor, Panchsheel Enclave, New Delhi – 110 016, India now residing at S482, Greater Kailash Park-II, Near Don Bosco School, New Delhi – 110 048, India.
Mr. Rajendra Nath Aga Independent Director	64	01676588	Flat No. 1-A, Block No.7, Aravali View, Rail Vihar, Sector - 56, Gurgaon,

Name, Designation and Occupation	Age (years)	DIN	Residential Address
Occupation: Service (Retired)			Haryana – 122 003, India.
Dr. (Mrs.) Indira Misra Independent Director Occupation: Service (Retired)	64	01882885	B 5/9, Civil Lines, Near Office of I.G. of Police, Raipur, Chhattisgarh – 492 001, India now residing at 37, Moulshree Vihar, Purena, Opposite Hotel Babylon, VIP Road, Raipur – 492 006, Chhattisgarh, India.
Mrs. Teresa Bhattacharya Independent Director Occupation: Service (Retired)	67	02926202	3288, 12th Main Road, HAL, 2nd Stage, Bangalore – 560 008, Karnataka, India.
Mr. Yogendra Kumar Sharma Independent Director Occupation: Practising Chartered Accountant	64	00214691	A-6, Nu-Lite Colony, Tonk Road, Jaipur – 302 015, Rajasthan, India.
Mr. Abdul Kalam Independent Director Occupation: Advisor in Steel Authority of India and Power Finance Corporation Limited	65	01869712	10/5, First Floor, Sarvapriya Vihar, New Delhi – 110 016, India.
Mr. Raju Satyanarayana Kanumuri Independent Director Occupation: Providing consultancy services in mining	65	01863178	19, Pragathi Layout, 14th Cross, Bhuvaneswari Nagar, HA Farm Post, Hebbal, Bangalore – 560 024, Karnataka, India.

For a brief profile of our Directors and further details in relation to our Directors, please refer to the section titled "***Our Management***" page 130 of this Prospectus.

Company Secretary and Compliance Officer

Mr. Kumar Raghavan
Company Secretary & Executive Director (Law & Corporate Communications)
NMDC Limited
Khanij Bhavan, 10-3-311/A, Castle Hills,
Masab Tank, Hyderabad – 500173
Andhra Pradesh, India
Telephone: +91-40- 23538757
Facsimile: +91-40 - 23538759
E-Mail**:** divest2010@nmdc.co.in
Website: www.nmdc.co.in

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, credit of Allotted Offer Shares in the respective beneficiary account or refund orders.

For all Offer related queries and for redressal of complaints, investors may also write to the Book Running Lead Managers.

Book Running Lead Managers

UBS Securities India Private Limited
2/F, 2 North Avenue, Maker Maxity
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051, India
Tel: +9122 6155 6000
Fax: +9122 6155 6300
E-mail: nmdc_fpo@ubs.com
Website: www.ubs.com/indianoffers
Investor Grievance ID: customercare@ubs.com
Contact Person: Mr. Girish Punjabi
SEBI Registration Number: INM000010809

Citigroup Global Markets India Private Limited
12th Floor, Bakhtawar,
Nariman Point,
Mumbai 400 021, India
Tel: +91 22 6631 9999
Fax: +91 22 6646 6054
Email: nmdc.fpo@citi.com
Website: www.citibank.co.in
Investor Grievance ID: investor.cgmib@citi.com
Contact Person: Ms. Ramneet Bajaj
SEBI Registration Number: INM000010718

Edelweiss Capital Limited
14th Floor, Express Towers
Nariman Point,
Mumbai 400 021, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: nmdc.fpo@edelcap.com
Website: www.edelcap.com
Investor Grievance ID: customerservice.mb@edelcap.com
Contact Person: Mr. Sumeet Lath / Ms. Dipti Samant
SEBI Registration Number: INM0000010650

Kotak Mahindra Capital Company Limited
1st Floor, Bakhtawar
229, Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 22 6634 1100
Fax: +91 22 2283 7517
Email: nmdc.fpo@kotak.com
Website: www.kmcc.co.in
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration Number: INM000008704

Morgan Stanley India Company Private Limited
5F, 55-56, Free Press House
Free Press Journal Marg
215, Nariman Point
Mumbai 400 021, India
Tel: +91 22 6621 0555

Fax: +91 22 6621 0556
Email: nmdc_fpo@morganstanley.com
Website: www.morganstanley.com/indiaofferdocuments
Investor Grievance ID: investors_india@morganstanley.com
Contact Person: Mr. Vishal Gahlaut
SEBI Registration Number: INM000011203

RBS Equities (India) Limited
(formerly known as "*ABN AMRO Asia Equities(India) Limited*")
83/84, Sakhar Bhavan
Behind Oberoi Towers
230, Nariman Point
Mumbai 400 021, India
Tel: +91 22 6632 5535
Fax: +91 22 6632 5541
Email: nmdc.fpo@rbs.com
Website: www.abnamro.co.in
Investor Grievance ID: customercare.ecm@in.abnamro.com
Contact Person: Mr. Asim Anwar
SEBI Registration Number: INM000010551

For further details in relation to registration of RBS Equities (India) Limited as Book Running Lead Manager with the SEBI, see the section titled "***Other Regulatory and Statutory Disclosures***" on page 290 of this Prospectus.

Syndicate Members

Edelweiss Securities Limited
2nd Floor, M.B Towers,
Plot No. 5, Road No. 2,
Banjara Hills,
Hyderabad - 500 034, India
Telephone: +91 22 6747 1342
Fax: +91 22 6747 1347
E-mail: nmdc.fpo@edelcap.com
Contact Person: Mr. Prakash Boricha
Website: www.edelcap.com
SEBI registration number: NSE: INB231193310, BSE: INB011193332

Kotak Securities Limited
Nirlon House, 4th Floor
Dr. Annie Besant Road
Near Passport Office, Worli
Mumbai 400 030
Maharashtra, India
Tel: +91 22 6652 9191
Fax: +91 22 6661 7046
Email: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Mr. Umesh Gupta
SEBI Registration No.: BSE: INB 010808153; NSE: INB 230808130

Legal Counsels

Domestic Legal Counsel to the Selling Shareholder

Crawford Bayley & Co.
State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg
Fort, Mumbai - 400023
Tel no.: +91 22 2266 3713
Fax no.: +91 22 2266 0355
E mail: sanjay.asher@crawfordbayley.com

International Legal Counsel to the Selling Shareholder

Gide Loyrette Nouel LLP
125 Old Broad Street
London
EC2N 1AR
United Kingdom
Tel: +44 (0)20 7382 5500
Fax: +44 (0)20 7382 5501
E mail: gln.london@gide.com

Domestic Legal Counsel to the Book Running Lead Managers

S&R Associates
64, Okhla Industrial Estate
Phase III
New Delhi – 110 020
Tel: +91 11 4069 8000
Fax: +91 11 4069 8001

International Legal Counsel to the Book Running Lead Managers

Dorsey & Whitney (Australia) LLP
Level 31 Aurora Place
88 Phillip Street
Sydney NSW 2000
Tel: +61 2 8211 0435
Fax: +61 2 8211 0555
Email: india@dorsey.com

Registrar to the Offer

Karvy Computershare Private Limited

17-24 Vittalrao Nagar
Madhapur
Hyderabad 500 081
Andhra Pradesh, India
Tel: + 91 40 2342 0815
Fax: + 91 40 2343 1551
E-mail: nmdc.ipo@karvy.com
Website: http://karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Offer /Escrow Collection Banks

ABN AMRO Bank N.V.
Brady House, 14 Veer Nariman Road,
Horniman Circle, Fort,
Mumbai – 400 023.
Tel: + 91 22 6658 5858
Fax: + 91 22 2204 2673
E-mail: Chaitali.nandi@in.abnamro.com
Website: www.abnamro.co.in
Contact Person: Mr. Manish B. Bhatia / Mrs. Chaitali Nandi
SEBI Registration No.: INB100000968

Axis Bank Limited
6-3-879/B, G. Pulla Reddy Building, Green Land,
Begumpet Road, Hyderabad, 500016.
Tel: + 91 40 2340 0731
Fax: + 91 40 2340 7184
E-mail: Hyderabad.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. L. Sriraman
SEBI Registration No.: INB100000017

HDFC Bank Limited
FIG-OPS Department, HDFC Bank Limited,
Lodha-I, Think Techno Campus,
O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai – 400042.
Tel: + 91 22 3075 2928 / 09324272185
Fax: + 91 22 2579 9801
E-mail: Deepal.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Rane
SEBI Registration No.: INB100000063

The registration of HDFC Bank Limited expired on January 31, 2010 and the renewal application has been filed with SEBI on October 30, 2009. HDFC Bank Limited has not received any communication from SEBI prohibiting it from acting as a Banker to the Offer/Escrow Collection Bank as on date.

Kotak Mahindra Bank Limited
5th Floor, Dani Corporate Park158, CST Road,
Santacruz (E). Mumbai.
Tel: + 91 22 6759 5336
Fax: + 91 22 6759 5374
E-mail: amit.kr@kotak.com
Website: www.kotak.com
Contact Person: Mr. Amit Kumar
SEBI Registration No.: INBI00000927

Standard Chartered Bank
270, D.N. Road, Fort, Mumbai – 400001.
Tel: + 91 22 2268 3955
Fax: + 91 22 2209 2216
E-mail: joseph.george@sc.com
Website: www.standardchartered.co.in
Contact Person: Mr. Joseph George
SEBI Registration No.: INB100000885

State Bank of India
Capital Market Branch
Mumbai Main Branch Building,
Mumbai Samachar Marg, Fort
Mumbai 400 023, India
Tel: + 91 22 2266 2133
Fax: + 91 22 2266 4959
E-mail: sbi11777@yahoo.co.in
Website: www.statebankofindia.com
Contact Person: Mrs. Surekha Shinde
SEBI Registration No.: INB100000038

The registration of State Bank of India (SBI) expired on November 30, 2009 and the renewal application has been filed with SEBI on August 28, 2009. State Bank of India (SBI) has not received any communication from SEBI prohibiting it from acting as a Banker to the Offer/Escrow Collection Bank as on date.

YES Bank Limited
2nd Floor, Tiecicon House, Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011.
Tel: + 91 22 6622 9031
Fax: +91 22 2497 4875
E-mail: dlbtiservices@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Mahesh Shirali
SEBI Registration No.: INBI00000935

The Hongkong and Shanghai Banking Corporation Limited
HSBC, Securities Services Department,
Shiv Building, 2nd Floor, Plot No. 139-140 B,
Western Express Highway, Sahar Road Junction,
Vile Parle (East), Mumbai 400 057.
Tel: + 91 9821780250
Fax: + 91 22 4035 7657
E-mail: mustafasanchawalla.hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Mr. Mustafa Sanchawalla
SEBI Registration No.: IBN100000027

The registration of The Hongkong and Shanghai Banking Corporation Limited (HSBC) expired on November 30, 2009 and the renewal application has been filed with SEBI on August 28, 2009. The Hongkong and Shanghai Banking Corporation Limited (HSBC) has not received any communication from SEBI prohibiting it from acting as a Banker to the Offer/Escrow Collection Bank as on date.

ICICI Bank Limited
Capital Markets Group,
No: 30, Mumbai Samachar Marg
Fort, Mumbai – 400 001.
Tel: + 91 22 2262 7600
Fax: + 91 22 2261 1138
E-mail: sidhartha.routray@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Siddharth Routray
SEBI Registration No.: INBI 00000004

Citibank N.A
Citigroup Center, 6th Floor
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051
Tel: + 91 22 4001 5694
Fax: + 91 22 2653 5824
E-mail: zersis.irani@citi.com; s.girish@citi.com
Website: www.citibank.co.in
Contact Person: Mr. Zersis Irani / Mr. S. Girish
SEBI Registration No.: IBN100000037

The registration of Citibank N.A expired on November 30, 2009 and the renewal application has been filed with SEBI on August 28, 2009. Citibank N.A has not received any communication from SEBI prohibiting it from acting as a Banker to the Offer/Escrow Collection Bank as on date.

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs are provided at http://www.sebi.gov.in.
For details on designated branches of SCSBs collecting the ASBA Form, please refer the above mentioned SEBI link.

Refund Banker

HDFC Bank Limited
FIG-OPS Department, HDFC Bank Limited,
Lodha-I, Think Techno Campus,
O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai – 400042.
Tel: + 91 22 3075 2928 / 09324272185
Fax: +91 22 2579 9801
E-mail: Deepal.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Rane
SEBI Registration No.: INB100000063

ICICI Bank Limited
Capital Markets Group,
No: 30, Mumbai Samachar Marg
Fort, Mumbai – 400 001.
Tel: + 91 22 2262 7600
Fax: + 91 22 2261 1138
E-mail: sidhartha.routray@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Siddharth Routray
SEBI Registration No.: INBI 00000004

State Bank of India
Capital Market Branch
Mumbai Main Branch Building,
Mumbai Samachar Marg, Fort
Mumbai 400 023, India
Tel: + 91 22 2266 2133
Fax: +91 22 2266 4959
E-mail: sbi11777@yahoo.co.in
Website: www.statebankofindia.com
Contact Person: Mrs. Surekha Shinde
SEBI Registration No.: INB100000038

Auditors

M/s Ramamoorthy (N) & Co.
4-1-1229, Gulshan Manzil, Bogulkunta,
Hyderabad – 500 001
Telephone: +91 40-24758920
Facsimile: +91 40-24756515
Email: surendrabharathi@yahoo.com
Contact Person: Mr. Surendranath Bharathi

Bankers to our Company

UCO Bank
Banjara Hills Branch,
8-2-624, Ground Floor, Road No.10,
Banjara Hills,
Hyderabad – 500 034
Telephone: +91 40-23302611
+91 40- 23317818
Facsimile: +91 40-23302554
Email: ucobh@sancharnet.in
Contact Person: Mr. G. Kumarvelu

Canara Bank
Abids Branch,
1st Floor, 4-1-954, Abids Road,
Hyderabad – 500 001
Telephone: +91 40 23438633
Facsimile: +91 40 23438698
Email: cmhyd0606@canbank.co.in
Contact Person: Mr. Y. Sai Prasad

State Bank of Hyderabad
NMDC Branch,
Khanij Bhavan,
10-3-311/A, Castle Hills,
Masab Tank,
Hyderabad – 500 173
Telephone: +91 40 23593270
Facsimile: +91 40 23536575
Email: nmdc@sbhyd.co.in
Contact Person: Mr. R.V.R.Subrahmanyam

State Bank of India
Main Branch,
Bank Street, Koti,
Hyderabad – 500 095
Telephone: +91 40 22466730
Facsimile: +91 40 24756497
Email: sbi.00847@sbi.co.in
Contact Person: Mr. G. Ramakantha Rao

State Bank of Mysore
Abids Branch,
5-9-189, First Floor,
Lenaine Estate, Gunfoundry,
Abids Road, Hyderabad – 500 001
Telephone: +91 40 23387572
Facsimile: +91 40 23387582
Email: abids@sbm.co.in
Contact Person: Mr. Shanbhag

Statement of inter-se allocation of responsibility of the Book Running Lead Managers

The responsibilities and co-ordination for various activities in this Offer have been distributed between the BRLMs as under:

Sr. No.	Activities	Responsibility	Co-ordinator
1	Capital structuring with the relative components and formalities such as type of instruments, etc.	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	ECL
2	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting & Design of offer document containing salient features of the Prospectus. The designated Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchange, Registrar of Companies and SEBI	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	UBS
3	Drafting and approval of statutory advertisements	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	UBS
4	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochures, etc.	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	ECL
5	Appointment of Ad Agency, Registrar and Bankers Appointment of Printer — Ensure availability of adequate number of forms at all the centres — Follow-up on distribution of publicity and issue material including form, Prospectus and deciding on the quantum of the issue material	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	ECL
6	Domestic Institutional Marketing — Finalise the list and division of investors for one to one meetings and	UBS, Citi, ECL, Kotak, Morgan	RBS

	— Finalising domestic QIB roadshow schedule	Stanley, RBS	
7	International Institutional Marketing — Finalise the list and division of investors for one to one meetings and — Finalising international QIB roadshow schedule	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	Citi
8	Domestic Retail marketing alongwith HNI — Formulating marketing strategies, preparation of publicity budget — Finalize Media & PR strategy — Finalizing centers for holding conferences for brokers, etc. — Finalize collection centers	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	Kotak
9	Preparation of road show presentation, Preparation of FAQs	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	RBS
10	Co-ordination with stock exchanges for Book Building Software	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	Kotak
11	Finalizing of Pricing and Allocation	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	Citi
12	Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, etc. Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable him to discharge this responsibility through suitable agreements with offerer/Company	UBS, Citi, ECL, Kotak, Morgan Stanley, RBS	Morgan Stanley

Credit Rating

As the Offer is of equity shares, credit rating is not required.

Trustees

As the Offer is of equity shares, appointment of trustees is not required.

Monitoring Agency

As this is an offer for sale of Equity Shares by the Selling Shareholder, appointment of a monitoring agency is not required.

IPO Grading

As the Offer is a further public offering by the Selling Shareholder, grading of this Offer is not required.

Expert

Behre Dolbear International Limited
Hydra House, 26 North Street
Ashford, Kent
TN 24 8JR
Tel: +44 1233 650405
E mail: london@dolbear.com
india@dolbear.com
Contact Person: Mr. Raju S. Sagi

Project Appraisal

The Offer being a further public offering by the Selling Shareholder, none of the objects of this Offer are required to be appraised.

Book Building Process

"Book building" refers to the process of collection of Bids from the investors on the basis of the Prospectus, the Bid cum Application Forms and the ASBA Bid cum Application Forms. The Offer Price shall be determined by the Selling Shareholder in consultation with the Book Running Lead Managers, after the Bid / Offer Closing Date. The principal parties involved in the Book Building Process are:

(1) The Company;
(2) the Selling Shareholder;
(3) the Book Running Lead Managers;
(4) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the BSE or the NSE and eligible to act as underwriters, and are appointed by the Book Running Lead Managers;
(5) Registrar to the Offer;
(6) Escrow Collection Banks; and
(7) SCSBs.

This Offer is being made through the 100% Book Building Process wherein up to 50% of the Net Offer will be available for allocation on a proportionate basis to QIBs. 5% of this QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid bids being received from them at or above the Offer Price. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid Bids being received from them at or above the Offer Price and, not less than 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Offer Price. Approximately 0.52 % of the Offer, or 1,743,200 Equity Shares, shall be reserved for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Offer Price . Any unsubscribed portion in Employee Reservation Portion shall be added to the Net Offer to the public. In case of under-subscription in the Net Offer to the public category, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer to the public. Under subscription in any other category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholder in consultation with the BRLMs.

In accordance with the SEBI Regulations, QIBs bidding in the QIB Portion are not allowed to withdraw their Bids after the Bid/Offer Closing Date. QIBs bidding in the QIB Portion are required to pay Margin Amount of at least 10% upon submission of their Bid and allocation to QIBs will be on a proportionate basis. For further details, please refer to the sections titled "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" on pages 304, 307 and 311, of this Prospectus, respectively.

Our Company and the Selling Shareholder will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Offer. Our Company and the Selling Shareholder have appointed the Book Running Lead Managers to manage this Offer and procure subscriptions to this Offer.

The Book Building Process is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Steps to be taken by the Bidders for making a Bid:

1. Check eligibility for making a Bid. For further details, please refer to the section titled "***Offer Procedure***" on page 311 of this Prospectus;

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be;

3. Pursuant to SEBI circular dated August 24, 2004 and all supplementary circulars issued thereto, including circulars dated July 20, 2006, September 26, 2006 and April 3, 2008, except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be.

   However, Bidders residing in the state of Sikkim are exempt from the mandatory requirement of PAN. The exemption is subject to the 'Depository Participants' ("DP") verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address (please refer to the section titled "***Offer Procedure***" on page 311 of this Prospectus);

4. Ensure that the Bid cum Application Form or the ASBA Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;

5. Ensure the correctness of your Demographic Details (as defined in the section titled "***Offer Procedure–Bidder's Bank Details***" as appearing on page 325 of this Prospectus), given in the Bid cum Application Form and ASBA Bid cum Application Form, with the details recorded with your Depository Participant;

6. Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected; and

7. Bids by QIBs will only have to be submitted to members of the Syndicate.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer)

Bidders can bid at any price within the Price Band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	4,500	166.67%
2,500	20	6,000	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with Book Running Lead Managers, will finalise the offer price at or below such cut-off, i.e., at or below Rs. 22. All bids at or above this offer price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of the Offer

The Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right not to proceed with this Offer any time after the Bid / Offer Opening Date, but before Allotment. In the event of withdrawal of this Offer, the reasons thereof shall be disclosed in a public notice which shall be published within two days of the Bid/Offer Closing Date. Such notice of withdrawal shall be published in the same newspapers where the pre-Offer advertisement was published and the stock exchanges on which our Equity Shares are listed shall be informed promptly. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification. Further, in the event of withdrawal of the Offer and subsequently, a further public offer by our Company or the Selling Shareholder is planned, a fresh draft red herring prospectus will be submitted with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining the final RoC approval of the Prospectus after it is filed with the RoC.

Bid / Offer Programme

BID/ OFFER OPENED ON:	March 10, 2010
BID/ OFFER CLOSED ON:	March 12, 2010

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid/Offer Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Offer Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIBs, Non-Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000; and (ii) 5.00 p.m. or such other time as permitted by the BSE and the NSE in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000. Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one Working Day prior to the Bid/Offer Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Offer Closing Date, as has been experienced in public offerings in India, may lead to some Bids not being uploaded due to lack of sufficient time to upload and such Bids that cannot be uploaded will not be considered for allocation under this Offer. If such Bids are not uploaded, the Company, the Selling Shareholder, the Book Running Lead Managers and the Syndicate Members shall not be responsible. Bids will only be accepted on Working Days.

On the Bid/Offer Closing Date, extension of time may be granted by the BSE and the NSE only for uploading the Bids received by Retail Individual Bidders and Eligible Employees after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the Book Running Lead Managers to the BSE and the NSE within half an hour of such closure.

The Selling Shareholder reserves the right to revise the Bid/Offer Period. In case of revision in the Price Band, the Bid / Offer Period shall be extended for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Bid/Offer Period, if applicable, will be widely disseminated by notification to the stock exchanges on which the Equity Shares are listed, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the Syndicate Members.

Underwriting Agreement

After the determination of the Offer Price, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholder have entered into an Underwriting Agreement with the Underwriters for the Offer Shares to be offered through this Offer. Pursuant to the terms of the Underwriting Agreement, the Underwriters shall be severally and not jointly responsible for bringing in the amount devolved to fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and not joint and are subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of the Offer Shares:

Name and Address of the Underwriters	Indicative number of Offer Shares to be underwritten	Amount Underwritten (Rs Million)
BRLMs		
UBS Securities India Private Limited 2/F, 2 North Avenue, Maker Maxity Bandra-Kurla Complex, Bandra (E) Mumbai 400 051, India Tel: +9122 6155 6000 Fax: +9122 6155 6300	55,373,867	16,612.16
Citigroup Global Markets India Private Limited Bakhtawar, 12th Floor Nariman Point Mumbai – 400 021, India Tel: +91 22 6631 9999 Fax: +91 22 6646 6054	55,373,867	16,612.16
Edelweiss Capital Limited 14th Floor, Express Towers Nariman Point Mumbai - 400 021, India Tel: +91 22 4086 3535 Fax: +91 22 4086 3610	55,373,766	16,612.13
Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar 229, Nariman Point Mumbai 400 021, India Tel: +91 22 6634 1100 Fax: +91 22 2283 7517	55,373,766	16,612.13
Morgan Stanley India Company Private Limited 1101-1115, Trident Nariman Point Mumbai 400 021, India Tel: +91 22 6621 0555 Fax: +91 22 6621 0556	55,373,867	16,612.16
RBS Equities (India) Limited	55,373,867	16,612.16

(formerly known as "*ABN AMRO Asia Equities(India) Limited*") 83/84, Sakhar Bhavan Behind Oberoi Towers 230, Nariman Point Mumbai 400 021, India Tel: +91 22 6632 5535 Fax: +91 22 6632 5541		
Syndicate Members		
Edelweiss Securities Limited 2nd Floor, M.B Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad - 500 034, India Telephone: +91 22 6747 1342 Fax: +91 22 6747 1347	100	0.03
Kotak Securities Limited Nirlon House, 4th Floor Dr. Annie Besant Road Near Passport Office, Worli Mumbai 400 030 Maharashtra, India Tel: (91 22) 6652 9191 Fax: (91 22) 6661 7046	100	0.03
Total	**332,243,200**	**99,672.96**

The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and actual allocation of the Offer Shares.

In the opinion of our Board (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the BSE or the NSE. Our Offer Committee, at its meeting held on March 14, 2010, has authorised the entry into the Underwriting Agreement. The Selling Shareholder has authorised Mr. Udai Pratap Singh, Joint Secretary, Ministry of Steel, to sign the Underwriting Agreement on behalf of the Government of India.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Offer Shares allocated to investors procured by them. Subject to the SEBI Regulations, in the event of any default in payment, the respective Underwriters, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe for the Offer Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus:

Share Capital		**(Rs. million)**	
		Aggregate nominal value	**Aggregate value at Offer Price**
A. Authorised Capital[4]			
4,000,000,000	Equity Shares of Re.1 each	4,000.00	
B. Issued, Subscribed And Paid-Up Capital			
3,964,716,000	Equity Shares of Re.1 each	3,964.71	
C. Present Offer to the public in terms of this Prospectus[1]			
I. Offer for Sale			
332,243,200[2]	Equity Shares of Re.1 each	332.24	99,672.96 [3]
Out of which:			
(i) **Employee Reservation Portion**			
1,743,200	Equity Shares of Re. 1 each are reserved for allotment to Eligible Employees	1.74	Upto 522.96[3]
(ii) Net Offer to Public			
330,500,000	Equity Shares of Re. 1 each	330.50	Upto 99,150[3]
Out of which			
(a) QIB Portion of upto 165,250,000 Equity Shares	Equity Shares of Re. 1 each	165.25	Upto 49,575[3]
(b) Non-Institutional Portion of not less than 49,575,000 Equity Shares	Equity Shares of Re. 1 each	49.58	Upto 14,872.50[3]
(c) Retail Portion of not less than 115,675,000 Equity Shares	Equity Shares of Re. 1 each	115.68	Upto 34,702.50[3]
D. Equity Capital after the Offer			
3,964,716,000	Equity Shares of Re. 1 each	3,964.71	Upto 1,189,414.80[3]
E. Share Premium Account			
Before the Offer			Nil
After the Offer			Nil

[1]The Offer to the public is by an offer for sale by the Selling Shareholder of 332,243,200 Equity Shares of Re. 1 each.

[2] As per the letter no. F. No. 6(2)99-RM-I(Vol.III), dated December 23, 2009 from MoS to us, GoI has approved the disinvestment in our Company by the Selling Shareholder by way of the Offer of part of its shareholding amounting to 8.38% of the total outstanding paid-up Equity Share Capital of our Company. The MoS, acting for and on behalf of the President of India, has been authorised to offer 332,243,200 Equity Shares of Re.1 each. The Company has also approved the Offer as decided by the Government of India, through our Board Resolution dated January 7, 2010.

[3] Subject to finalisation of the Basis of Allotment. This amount will be reduced to the extent of the 5% discount to the Offer Price offered to the Retail Individual Bidders and the Eligible Employees bidding under the Employee Reservation Portion, based on actual allotment.

[4] The changes in authorised share capital of our Company are as follows:

Sr. No.	Particulars of Increase of Authorised Share Capital	Date of Shareholders' Meeting	AGM/EGM
1.	Authorised share capital increased from 150,000 Equity Shares of Rs.1,000 each aggregating Rs.150,000,000 to 300,000 Equity Shares of Rs.1,000 each aggregating Rs.300,000,000.	March 04, 1967	EGM
2.	Authorised share capital increased from 300,000 Equity Shares of Rs.1,000 each aggregating Rs.300,000,000 to 700,000 Equity Shares of Rs.1,000 each aggregating Rs.700,000,000.	August 26, 1969	EGM
3.	Authorised share capital increased from 700,000 Equity Shares of Rs.1,000 each aggregating Rs.700,000,000 to 1,000,000 Equity Shares of Rs.1,000 each aggregating to Rs.1,000,000,000.	December 27, 1972	AGM
4.	Authorised share capital increased from 1,000,000 Equity Shares of Rs.1,000 each aggregating Rs.1,000,000,000 to 1,500,000 Equity Shares of Rs.1,000 each aggregating Rs.1,500,000,000.	January 07, 1977	EGM
5.	Re-organisation of the share capital by sub-division of 1,500,000 Equity Shares of Rs.1000/- each into 150,000,000 Equity Shares of Rs.10/- each.	September 24, 1992	AGM
6.	Re-organisation of the share capital by sub-division of 150,000,000 Equity Shares of Rs.10/- each into 1,500,000,000 Equity Shares of Re.1/- each.	April 03, 2008	EGM
7.	Authorised share capital of the Company was increased from 1,500,000,000 Equity Shares of Re.1 each aggregating Rs.1,500,000,000 to 4,000,000,000 Equity Shares of Re.1 each aggregating Rs.4,000,000,000.	April 03, 2008	EGM

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History of the Company

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (Rs.)	Securities Premium (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative securities premium account (Rs.)	Cumulative Paid-up Capital (Rs.)
November 15, 1958	4	4	1,000	Nil	1,000	Cash	Subscription to memorandum by GoI and its nominees	Nil	4,000
May 25, 1959	496	496	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	500,000
September 17, 1959	500	1,000	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,000,000
January 15, 1960	2,761	3,761	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	3,761,000
April 20, 1960	292	4,053	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	4,053,000
June 20, 1960	500	4,553	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	4,553,000
July 29, 1960	2,000	6,553	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	6,553,000
October 07, 1960	2,000	8,553	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	8,553,000
February 20, 1961	2,000	10,553	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	10,553,000

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (Rs.)	Securities Premium (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative securities premium account (Rs.)	Cumulative Paid-up Capital (Rs.)
March 20, 1961	500	11,053	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	11,053,000
April 20, 1961	5,750	16,803	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	16,803,000
July 20, 1961	2,000	18,803	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	18,803,000
August 21, 1961	3,000	21,803	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	21,803,000
October 20, 1961	2,000	23,803	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	23,803,000
November 20, 1961	2,500	26,303	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	26,303,000
February 20, 1962	7,900	34,203	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	34,203,000
July 20, 1962	7,500	41,703	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	41,703,000
August 10, 1962	10,000	51,703	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	51,703,000
December 20, 1962	3,500	55,203	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	55,203,000
March 20, 1963	4,000	59,203	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	59,203,000
June 17, 1963	7,900	67,103	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	67,103,000
August 05, 1963	5,000	72,103	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	72,103,000
October 18, 1963	7,500	79,603	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	79,603,000
January 25, 1964	2,500	82,103	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	82,103,000
March 19, 1965	3,500	85,603	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	85,603,000
August 25, 1965	13,183	98,786	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	98,786,000
May 27, 1966	14,250	113,036	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	113,036,000
July 15, 1966	20,000	133,036	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	133,036,000

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (Rs.)	Securities Premium (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative securities premium account (Rs.)	Cumulative Paid-up Capital (Rs.)
October 18, 1966	7,000	140,036	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	140,036,000
November 19, 1966	9,000	149,036	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	149,036,000
March 28, 1967	964	150,000	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	150,000,000
May 15, 1967	12,203	162,203	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	162,203,000
June 13, 1967	15,000	177,203	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	177,203,000
July 13, 1967	10,000	187,203	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	187,203,000
October 19, 1967	18,500	205,703	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	205,703,000
December 06, 1967	20,000	225,703	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	225,703,000
January 29, 1968	14,900	240,603	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	240,603,000
June 03, 1968	1,650	242,,253	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	242,253,000
July 08, 1968	8,350	250,603	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	250,603,000
July 18, 1969	20,000	270,603	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	270,603,000
December 24, 1969	31,800	302,403	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	302,403,000
February 03, 1970	6,200	308,603	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	308,603,000
April 04, 1970	24,800	333,403	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	333,403,000
July 04, 1970	16,000	349,403	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	349,403,000
August 28, 1970	13,500	362,903	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	362,903,000
September 08, 1970	8,000	370,903	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	370,903,000
October 24, 1970	6,700	377,603	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	377,603,000

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (Rs.)	Securities Premium (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative securities premium account (Rs.)	Cumulative Paid-up Capital (Rs.)
November 20,1970	7,800	385,403	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	385,403,000
December 01, 1970	21,200	406,603	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	406,603,000
February 13, 1971	12,800	419,403	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	419,403,000
March 22, 1971	21,500	440,903	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	440,903,000
May 21, 1971	11,900	452,803	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	452,803,000
July 22, 1971	25,500	478,303	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	478,303,000
September 21, 1971	18,400	496,703	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	496,703,000
November 30, 1971	35,100	531,803	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	531,803,000
January 21, 1972	26,300	558,103	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	558,103,000
February 21, 1972	14,700	572,803	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	572,803,000
April 07, 1972	16,900	589,703	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	589,703,000
August 19, 1972	28,400*	618,103	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	618,103,000
November 14, 1972	81,897*	700,000	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	700,000,000
March 21, 1973	60,403*	760,403	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	760,403,000
July 24, 1973	36,600*	797,003	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	797,003,000
October 23, 1973	15,000*	812,003	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	812,003,000
January 22, 1974	8,400*	820,403	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	820,403,000

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (Rs.)	Securities Premium (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative securities premium account (Rs.)	Cumulative Paid-up Capital (Rs.)
December 07, 1974	2,500*	822,903	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	822,903,000
February 22, 1975	17,500*	840,403	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	840,403,000
April 15, 1976	50,000*	890,403	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	890,403,000
June 15, 1976	15,000*	905,403	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	905,403,000
November 26, 1976	10,000*	915,403	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	915,403,000
January 29, 1977	10,000*	925,403	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	925,403,000
April 01, 1977	30,800*	956,203	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	956,203,000
October 31, 1977	15,000*	971,203	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	971,203,000
March 10, 1978	24,000*	995203	1,000	Nil	1,000	Cash	Further allotment to Steel Authority of India	Nil	995,203,000
May 01, 1978	(11,828)*	983,375	1,000	Nil	1,000	Cash	Cancellati on	Nil	983,375,000
	(295,203)*	688,172	1,000	Nil	1,000	Cash	Cancellati on	Nil	688,172,000
December 22, 1978	25,000	713,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	713,172,000
May 09, 1980	4,000	717,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	717,172,000
	25,500**	742,672	1,000	Nil	1,000	Other than cash	Allotment pursuant to	Nil	742,672,000

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (Rs.)	Securities Premium (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative securities premium account (Rs.)	Cumulative Paid-up Capital (Rs.)
							acquisition in Mandovi Pellets Limited		
January 03, 1981	10,000	752,672	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	752,672,000
May 23, 1981	10,000	762,672	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	762,672,000
August 31, 1981	8,500	771,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	771,172,000
November 04, 1981	2,500	773,672	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	773,672,000
January 15, 1982	12,500	786,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	786,172,000
June 09, 1982	23,800	809,972	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	809,972,000
March 26, 1983	39,800	849,772	1,000	Nil	1,000	Cash	Further allotment ,to GoI	Nil	849,772,000
July 04, 1983	30,000	879,772	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	879,772,000
September 08, 1983	25,000	904,772	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	904,772,000
November 11, 1983	5,000	909,772	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	909,772,000
April 19, 1984	13,500	923,272	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	923,272,000
June 30, 1984	8,000	931,272	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	931,272,000
March 06, 1985	40,000	971,272	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	971,272,000
April 23, 1985	42,600	1,013,872	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,013,872,000
September 16, 1985	25,000	1,038,872	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,038,872,000
December 27, 1985	46,000	1,084,872	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,084,872,000
April 04, 1986	23,300	1,108,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,108,172,000
July 08,	18,000	1,126,172	1,000	Nil	1,000	Cash	Further	Nil	1,126,172,000

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (Rs.)	Securities Premium (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative securities premium account (Rs.)	Cumulative Paid-up Capital (Rs.)
1986							allotment to GoI		
February 06, 1987	2,000	1,128,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,128,172,000
April 18, 1987	2,500	1,130,672	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,130,672,000
July 11, 1987	2,500	1,133,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,133,172,000
December 26, 1987	10,300	1,143,472	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,143,472,000
May 06, 1988	10,000	1,153,472	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,153,472,000
June 09, 1989	39,700	1,193,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,193,172,000
August 11, 1989	26,000	1,219,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,219,172,000
September 28, 1989	2,500	1,221,672	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,221,672,000
February 22, 1990	29,500	1,251,172	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,251,172,000
May 29,1990,	32,400	1,283,572	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,283,572,000
March 26, 1991	38,000	1,321,572	1,000	Nil	1,000	Cash	Further allotment to GoI	Nil	1,321,572,000
Sub-division of nominal value of Equity shares of the Company from Rs.1,000 per Equity Share to Rs.10 per Equity Share *vide* AGM dated September 24, 1992. The cumulative no. of shares increased from 1,321,572 Equity Shares of Rs. 1000 each to 132,157,200 Equity Shares of Rs. 10 each.									
Sub-division of nominal value of Equity shares of the Company from Rs.10 per Equity Share to Re.1 per Equity Share *vide* EGM dated April 03, 2008. The cumulative no. of shares increased from 132,157,200 Equity Shares of Rs. 10 each to 1,321,572,000 Equity Shares of Re. 1 each.									
June 13, 2008	2,643,144,000	3,964,716,000	1	Nil	Nil	Other than cash	Bonus Issue in the ratio of 2 Equity Shares for 1 Equity Share held	Nil	3,964,716,000

** Upon the transfer of the Kiriburu Iron Ore Mines and Meghahatuburu Iron Ore Project from the Company to the Steel Authority of India and pursuant to an order of the Ministry of Steel and Mines under the Public Sector Iron and Steel Companies (Restructuring) and Miscellaneous Provisions (Modification of paid up Share Capital) Order, 1979 No. 131 dated April 28, 1979, an aggregate of 307,031 equity shares of the Company were cancelled with effect from May 01, 1978. These equity shares comprised 11,828 equity shares (i.e. out of 110,297 equity shares issued on August 19, 1972 and November 14, 1972); 60,403 equity shares issued on March 21, 1973; 36,600 equity shares issued on July 24, 1973; 15,000 equity shares issued on October 23, 1973; 8400 equity shares issued on January 22, 1974; 2500 equity shares issued on December 07, 1974; 17,500 equity shares issued on February 22, 1975; 50,000 equity shares issued on April 15, 1976; 15,000 equity shares issued on June 15, 1976; 10,000 equity shares issued on November 26, 1976; 10,000 equity shares issued on January 29, 1977; 30,800 equity shares issued on April 01, 1977; 15,000 equity shares issued on October 31, 1977 and 24,000 equity shares issued on March 10, 1978*

***allotment of equity shares to Government of India as consideration for the acquisition of 2,550,000 fully paid up equity shares of Rs. 10/- each in Mandovi Pellets Limited on March 25, 1980 by the Company by way of transfer from the President of India.*

Reference to GoI in this section shall mean the President of India, acting through the Ministry of Steel.

The prescribed forms filed with the relevant Registrar of Companies in respect of the allotment of Equity Shares of our Company and change in the authorised capital of our Company since incorporation until 2008 cannot be traced. For further details refer to chapter titled "***Risk Factors***" beginning on page xiii of this Prospectus.

2. Promoter Contribution and Lock-in

a) Details of build up of the Promoter's shareholding in our Company:

Following are the details of build up of the Promoter's shareholding in our Company:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment
November 15, 1958	4	1000	1000	Cash	Subscription to memorandum by GoI
May 25, 1959	496	1000	1000	Cash	Further allotment to GoI
September 17, 1959	500	1000	1000	Cash	Further allotment to GoI
January 15, 1960	2,761	1000	1000	Cash	Further allotment to GoI
April 20, 1960	292	1000	1000	Cash	Further allotment to GoI
June 20, 1960	500	1000	1000	Cash	Further allotment to GoI
July 29, 1960	2,000	1000	1000	Cash	Further allotment to GoI
October 07, 1960	2,000	1000	1000	Cash	Further allotment to GoI
February 20, 1961	2,000	1000	1000	Cash	Further allotment to GoI
March 20, 1961	500	1000	1000	Cash	Further allotment to GoI
April 20, 1961	5,750	1000	1000	Cash	Further allotment to GoI
July 20, 1961	2,000	1000	1000	Cash	Further allotment to GoI
August 21, 1961	3,000	1000	1000	Cash	Further allotment to GoI
October 20, 1961	2,000	1000	1000	Cash	Further allotment to GoI
November 20, 1961	2,500	1000	1000	Cash	Further allotment to GoI
February 20, 1962	7,900	1000	1000	Cash	Further allotment to GoI
July 20, 1962	7,500	1000	1000	Cash	Further allotment to GoI
August 10, 1962	10,000	1000	1000	Cash	Further allotment to GoI
December 20, 1962	3,500	1000	1000	Cash	Further allotment to GoI
March 20, 1963	4,000	1000	1000	Cash	Further allotment to GoI
June 17, 1963	7,900	1000	1000	Cash	Further allotment to GoI
August 05, 1963	5,000	1000	1000	Cash	Further allotment to GoI
October 18, 1963	7,500	1000	1000	Cash	Further allotment to GoI
January 25, 1964	2,500	1000	1000	Cash	Further allotment to GoI
March 19, 1965	3,500	1000	1000	Cash	Further allotment to GoI
August 25, 1965	13,183	1000	1000	Cash	Further allotment to GoI
May 27, 1966	14,250	1000	1000	Cash	Further allotment to GoI
July 15, 1966	20,000	1000	1000	Cash	Further allotment to GoI
October 18, 1966	7,000	1000	1000	Cash	Further allotment to GoI
November 19, 1966	9,000	1000	1000	Cash	Further allotment to GoI
March 28, 1967	964	1000	1000	Cash	Further allotment to GoI
May 15, 1967	12,203	1000	1000	Cash	Further allotment to GoI
June 13, 1967	15,000	1000	1000	Cash	Further allotment to GoI
July 13, 1967	10,000	1000	1000	Cash	Further allotment to GoI
October 19, 1967	18,500	1000	1000	Cash	Further allotment to GoI
December 06, 1967	20,000	1000	1000	Cash	Further allotment to GoI
January 29, 1968	14,900	1000	1000	Cash	Further allotment to GoI
June 03, 1968	1,650	1000	1000	Cash	Further allotment to GoI
July 08, 1968	8,350	1000	1000	Cash	Further allotment to GoI
July 18, 1969	20,000	1000	1000	Cash	Further allotment to GoI
December 24, 1969	31,800	1000	1000	Cash	Further allotment to GoI
February 03, 1970	6,200	1000	1000	Cash	Further allotment to GoI
April 04, 1970	24,800	1000	1000	Cash	Further allotment to GoI

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment
July 04, 1970	16,000	1000	1000	Cash	Further allotment to GoI
August 28, 1970	13,500	1000	1000	Cash	Further allotment to GoI
September 08, 1970	8,000	1000	1000	Cash	Further allotment to GoI
October 24, 1970	6,700	1000	1000	Cash	Further allotment to GoI
November 20,1970	7,800	1000	1000	Cash	Further allotment to GoI
December 01, 1970	21,200	1000	1000	Cash	Further allotment to GoI
February 13, 1971	12,800	1000	1000	Cash	Further allotment to GoI
March 22, 1971	21,500	1000	1000	Cash	Further allotment to GoI
May 21, 1971	11,900	1000	1000	Cash	Further allotment to GoI
July 22, 1971	25,500	1000	1000	Cash	Further allotment to GoI
September 21, 1971	18,400	1000	1000	Cash	Further allotment to GoI
November 30, 1971	35,100	1000	1000	Cash	Further allotment to GoI
January 21, 1972	26,300	1000	1000	Cash	Further allotment to GoI
February 21, 1972	14,700	1000	1000	Cash	Further allotment to GoI
April 07, 1972	16,900	1000	1000	Cash	Further allotment to GoI
August 19, 1972	28,400*	1000	1000	Cash	Further allotment to GoI
November 14, 1972	81,897*	1000	1000	Cash	Further allotment to GoI
March 21, 1973	60,403*	1000	1000	Cash	Further allotment to GoI
May 01, 1978	(11,828)*	1000	1000	Cash	Cancellation
	(60,403) *	1000	1000	Cash	Cancellation
December 22, 1978	25,000	1000	1000	Cash	Further allotment to GoI
May 09, 1980	4,000	1000	1000	Cash	Further allotment to GoI
	25,500**	1000	1000	Other than cash	Allotment to GoI pursuant to acquisition in Mandovi Pellets Limited
January 03, 1981	10,000	1000	1000	Cash	Further allotment to GoI
May 23, 1981	10,000	1000	1000	Cash	Further allotment to GoI
August 31, 1981	8,500	1000	1000	Cash	Further allotment to GoI
November 04, 1981	2,500	1000	1000	Cash	Further allotment to GoI
January 15, 1982	12,500	1000	1000	Cash	Further allotment to GoI
June 09, 1982	23,800	1000	1000	Cash	Further allotment to GoI
March 26, 1983	39,800	1000	1000	Cash	Further allotment to GoI
July 04, 1983	30,000	1000	1000	Cash	Further allotment to GoI
September 08, 1983	25,000	1000	1000	Cash	Further allotment to GoI
November 11, 1983	5,000	1000	1000	Cash	Further allotment to GoI
April 19, 1984	13,500	1000	1000	Cash	Further allotment to GoI
June 30, 1984	8,000	1000	1000	Cash	Further allotment to GoI
March 06, 1985	40,000	1000	1000	Cash	Further allotment to GoI
April 23, 1985	42,600	1000	1000	Cash	Further allotment to GoI
September 16, 1985	25,000	1000	1000	Cash	Further allotment to GoI
December 27, 1985	46,000	1000	1000	Cash	Further allotment to GoI
April 04, 1986	23,300	1000	1000	Cash	Further allotment to GoI
July 08, 1986	18,000	1000	1000	Cash	Further allotment to GoI
February 06, 1987	2,000	1000	1000	Cash	Further allotment to GoI
April 18, 1987	2,500	1000	1000	Cash	Further allotment to GoI
July 11, 1987	2,500	1000	1000	Cash	Further allotment to GoI
December 26, 1987	10,300	1000	1000	Cash	Further allotment to GoI
May 06, 1988	10,000	1000	1000	Cash	Further allotment to GoI
June 09, 1989	39,700	1000	1000	Cash	Further allotment to GoI
August 11, 1989	26,000	1000	1000	Cash	Further allotment to GoI
September 28, 1989	2,500	1000	1000	Cash	Further allotment to GoI
February 22, 1990	29,500	1000	1000	Cash	Further allotment to GoI
May 29,1990	32,400	1000	1000	Cash	Further allotment to GoI
March 26, 1991	38,000	1000	1000	Cash	Further allotment to GoI
Sub-division of nominal value of Equity shares of the Company from Rs.1000 per Equity Share to Rs.10 per Equity Share *vide* AGM dated September 24, 1992.					
December 28, 1993	(2,130,000)	10	***	Cash	Disinvestment to Public ***

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment
April 25, 1997	(5,154)	10	****	Cash	Disinvestment to Employees of our Company****
Sub-division of nominal value of Equity shares of the Company from Rs.10 per Equity Share to Re.1 per Equity Share *vide* EGM dated April 03, 2008.					
June 13, 2008	2,600,440,920	1	Nil	Other than cash	Bonus Issue in the ratio of 2 Equity Shares for 1 Equity Share held
TOTAL	**3,900,661,380**	-	-	-	

** Upon the transfer of the Kiriburu Iron Ore Mines and Meghahatuburu Iron Ore Project of the Company to Steel Authority of India and pursuant to an order of the Ministry of Steel and Mines under the Public Sector Iron and Steel Companies (Restructuring) and Miscellaneous Provisions (Modification of paid up Share Capital) Order, 1979 No. 131 dated April 28, 1979, out of 110,297 equity shares (i.e.28400 equity shares issued on August 19, 1972 and 81,897 equity shares issued on November 14, 1972) 11,828 equity shares and 60403 equity shares issued on March 21, 1973 were cancelled.*

***allotment of equity shares pursuant to acquisition of 2,550,000 equity shares of Rs. 10 each fully paid up in Mandovi Pellets Limited on March 25, 1980 by the Company by way of transfer from President of India.*

**** Pursuant to an offer for sale by our Promoter, of 2,130,000 Equity Shares of Rs. 10 each of our Company were transferred to certain institutional investors and other members of the public for cash at an average price of Rs. 83.52 per equity share aggregating to Rs. 177,855,000/-. The Department of Public Enterprises, Ministry of Industries, vide its letter dated D.O.No.DPE/12(1)/92-Fin dated July 14, 1993 informed our Company and the Ministry of Steel about the disinvestment of equity shares of our Company by the President of India and requested our Company to take appropriate action for transferring these shares in the name of the parties to whom shares had been sold .*

***** Transfer of 5,154 Equity Shares by our Promoters to 102 of our employees at a price of Rs. 71 per share aggregating to Rs. 365,934. The MoS had approved this transfer vide its letter no. 6(2)/94-RMI (Vol.-II) dated December 20, 1996.The number of shares transferred to these employees varied in the range of one share to 200 shares. No single employee was transferred more than 200 Equity Shares.*

All the Equity Shares held by the Promoter were fully paid up at the time of their allotment.

b) Details of Promoter's Contribution locked-in for three years

In order to comply with the requirements of Regulation 36 and 32(1)(b) of the SEBI Regulations and in absence of applicability of Regulation 34(b) of the SEBI Regulations, the Promoter has pursuant to letter no. F No. 6(2)99-RM-I (Vol.-III) dated January 13, 2010, and letter dated January 21, 2010 granted, its consent to include 792,943,200 Equity Shares held by it, constituting 20% of the post Offer paid up share capital of our Company, to be considered as promoter's contribution which shall be subject to a lock-in for a period of 3 years from the date of Allotment (the "Minimum Promoter's Contribution").

The details of the build-up in the Minimum Promoter's Contribution in a tabular form are given above. Following are the details of Equity Shares that shall be locked-in as the minimum Promoter's Contribution:

Name of the Promoter	No. of shares locked-in	% of the pre-offer capital	% of the post-offer capital
President of India, acting through the Ministry of Steel	792,943,200	20	20

Our Promoter has, pursuant to letter no. F No. 6(2)99-RM-I (Vol.-III) dated January 13, 2010 and letter dated January 21, 2010 agreed to comply with the above lock-in provisions of the SEBI Regulations and shall not sell, transfer or otherwise dispose off in any manner the Minimum Promoter's Contribution from the date of filing of the Red Herring Prospectus until the commencement of lock-in period specified above, save and except as may be permitted under the SEBI Regulations. Further, the Promoter has also agreed not to sell, transfer or otherwise dispose off in any manner the Minimum Promoter's Contribution during the lock-in period as per the SEBI Regulations.

All Equity Shares which are to be locked-in are eligible for computation of 'Promoter's contribution', in accordance with the SEBI Regulations. Our Company has not been formed by the conversion of a partnership firm into a company. The Equity Shares proposed to be included as part of the Minimum Promoter's Contribution:

a) have not been subject to pledge or any other form of encumbrance; or

b) have not been acquired in the last three years (i) for consideration other than cash and revaluation of assets or capitalization of intangible assets or (ii) resulting from a bonus issue by utilisation of revaluation reserves, or unrealised profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of minimum Promoter's Contribution; or

c) do not consist of Equity Shares for which specific written consent has not been obtained from our Promoter for inclusion in the minimum Promoter's contribution subject to lock-in.

As per Regulation 40 of the SEBI Regulations, the Equity Shares held by our Promoter that are locked in for three years from the date of the Allotment, may be transferred to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable

c) Details of share capital locked in for one year

In addition to the three years lock-in on the Equity Shares held by our Promoter as stated above, the balance Equity Shares held by the Promoter (being Promoter's holding in excess of Minimum Promoter's Contribution) shall be locked-in for a period of one year from the date of Allotment.

The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations, as amended from time to time. The Equity Shares held by our Promoter and locked in for a period of one year from the date of Allotment may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the pledge being one of the terms of the loan.

The Offer Shares are held in dematerialised form.

3. a. Shareholding pattern of the Company before and after the Offer:

Shareholders	Pre-Offer as on December 31, 2009		Post-Offer*	
	Number of Equity shares	Percentage	Number of Equity shares	Percentage
Shareholding of Promoter and Promoter Group (A)				
President of India, acting through MoS	3,900,661,380	98.38	3,568,418,180	90.00
Sub Total (A)	**3,900,661,380**	**98.38**	**3,568,418,180**	**90.00**
Public Shareholding (B)				
I. Institutions (B)(1)				
a. Mutual Funds/UTI	4,891,376	0.12		
b. Financial Institutions/Banks	223,718	0.01		
c. Insurance Companies	49,730,517	1.25		
f. Foreign Institutional Investors	15,700	0.00		
Sub Total (B)(1)	**54,861,311**	**1.38**		
II. Non-Institutional (B)(2)				
a. Bodies Corporate	3,065,217	0.08		
b. Individuals				
i. Individual shareholders holding nominal share capital upto Rs. 10 million	5,666,917	0.14		
ii. Individual shareholders holding nominal share capital in excess of Rs. 10 million	110,000	0.00		
c. Others	351,175	0.01		
Sub Total (B)(2)	**9,193,309**	**0.23**		
Public (Pursuant to the Offer) (B)(3)	**0**	**0.00**	**332,243,200**	**8.38**
Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	**64,054,620**	**1.62**	**396,297,820****	**10.00**
Total (A) + (B)	**3,964,716,000**	**100.00**	**3,964,716,000**	**100.00**

** As this is an Offer for Sale, the total equity capital pre-offer and post offer would remain the same.*
*** Includes the total public shareholding prior to the Offer as well as the public shareholding transferred pursuant to the Offer subject to finalisation of the Basis of Allotment.*

b. Shareholding pattern as per Clause 35 of the Listing Agreement as on December 31, 2009

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Central Government / State Government(s)	1	3,900,661,380	-	98.38	98.38	-	-
Sub Total	**1**	**3,900,661,380**	**-**	**98.38**	**98.38**	**-**	**-**
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	**1**	**3,900,661,380**	**-**	**98.38**	**98.38**	**-**	**-**
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	4	4,891,376	4,891,376	0.12	0.12	-	-
Financial Institutions / Banks	8	223,718	223,718	0.01	0.01	-	-
Insurance Companies	7	49,730,517	49,724,517	1.25	1.25	-	-
Foreign Institutional Investors	2	15,700	15,700	-	-	-	-
Sub Total	**21**	**54,861,311**	**54,855,311**	**1.38**	**1.38**	**-**	**-**
(2) Non-Institutions							
Bodies Corporate	1,024	3,065,217	2,923,217	0.08	0.08	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	34,200	5,666,917	5,385,385	0.14	0.14	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1	110,000	110,000	-	-	-	-
Any Others (Specify)	750	351,175	299,195	0.01	0.01	-	-
Non Resident Indians	406	113,762	113,762	-	-	-	-
Trusts	7	22,402	22,402	-	-	-	-

Clearing Members	263	123,691	123,691	-	-	-	-
Employees	74	91,320	39,340	-	-	-	-
Sub Total	**35,975**	**9,193,309**	**8,717,797**	**0.23**	**0.23**	**-**	**-**
Total Public shareholding (B)	**35,996**	**64,054,620**	**63,573,108**	**1.62**	**1.62**	**-**	**-**
Total (A)+(B)	**35,997**	**3,964,716,000**	**63,573,108**	**100.00**	**100.00**	**-**	**-**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A)+(B)+(C)	**35,997**	**3,964,716,000**	**63,573,108**	**-**	**100.00**	**-**	

c. Shareholding belonging to the category "Promoter and Promoter Group"

Sl. No.	Name of the Shareholder	Total Shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+(C)	Number	% of Total shares held	As a % of grand total (A)+(B)+(C)
1	President of India	3,900,661,380	98.38	-	-	-
	Total	**3,900,661,380**	**98.38**	**-**	**-**	**-**

4. Allotment of shares for consideration other than cash

There has not been any allotment of shares for consideration other than cash except as given in the table below:

Date of Allotment	Name of shareholder	Number of Equity Shares allotted	Face value	Issue price	Reasons for allotment	Benefit to the Company
May 09, 1980	Government of India	25,500	1000	1000	Allotment pursuant to acquisition of equity shares in Mandovi Pellets Limited	Acquisition of equity shares in Mandovi Pellets Limited
June 13, 2008	To the shareholders of our Company	2,643,144,000	1	Nil	Bonus Issue in the ratio of 2 Equity Shares for 1 Equity Share held*	NA

**The Company has complied with the relevant provisions of the SEBI Regulations with respect the bonus issue.*

5. The list of top 10 shareholders of the Company and the number of Equity Shares held by them is as under:

a. Top ten shareholders on the date of filing the Prospectus with RoC are as follows*:

Serial Number	Name of Shareholders	Number of equity shares of Re. 1 each	% Pre-Offer Capital
1.	President of India, acting through MoS	3,900,661,380	98.38
2.	Life Insurance Corporation of India	30,195,209	0.76
3.	The New India Assurance Company Limited	5,898,000	0.15
4.	LIC Special Unit Scheme	4,729,592	0.12
5.	The Oriental Insurance Company Limited	3,893,500	0.1
6.	National Insurance Company Limited	3,703,000	0.09
7.	General Insurance Corporation of India	3,408,000	0.09
8.	United India Insurance Company Limited	2,498,311	0.06

9.	BMF-S and P CNX500 Fund	241,798	0.01
10.	Life Insurance Corporation of India- Profitplus	173,693	0
	TOTAL	**3,955,402,483**	**99.76**

*As of the beneficial position as on March 12, 2010

b. Top ten shareholders ten days prior to the date of filing Prospectus with RoC are as follows*:

Serial Number	Name of Shareholders	Number of equity shares of Re. 1 each	% Pre-Offer Capital
1.	President of India, acting through MoS	3,900,661,380	98.38
2.	Life Insurance Corporation of India	30,195,209	0.76
3.	The New India Assurance Company Limited	5,898,000	0.15
4.	LIC Special Unit Scheme	4,729, 592	0.12
5.	The Oriental Insurance Company Limited	3,893,500	0.10
6.	National Insurance Company Limited	3,703,000	0.09
7.	General Insurance Corporation of India	3,408,000	0.09
8.	United India Insurance Company Limited	2,498,311	0.06
9.	BMF-S and P CNX500 Fund	241,146	0.01
10.	Life Insurance Corporation of India- Profitplus	173,693	0
	TOTAL	3,955,401,831	99.76

*As of the beneficial position as on March 5, 2010

c. Top ten shareholders two years prior to the date of filing the Prospectus with RoC are as follows*:

Serial Number	Name of Shareholders	Number of equity shares of Rs. 10 each	% Pre-Offer Capital
1.	President of India	130,022,046	98.38
2.	Life Insurance Corporation of India	978,700	0.74
3.	The New India Assurance Company Limited	196,600	0.15
4.	LIC Mutual Fund	170,000	0.13
5.	The Oriental Insurance Company Limited	132,100	0.10
6.	National Insurance Company Limited	122,100	0.09
7.	General Insurance Corporation of India	113,600	0.09
8.	United India Insurance Company Limited	93,900	0.07
9.	Delhi Iron & Steel Company Private Limited	57,800	0.04
10.	MSPL Limited	23,400	0.02
	TOTAL	**131,910,246**	**99.81**

*As of the beneficial position as on March 14, 2008.

6. As on March 12, 2010, our Company had 46,860 shareholders.

7. Our Company has not made any issue of Equity Shares during the preceding one year from the date of this Prospectus.

8. Our Promoters and Directors and their immediate relatives have not purchased, sold or financed the purchase or sale any securities of the Company in the past six (6) months preceding the date of this Prospectus

9. Our Company presently does not have any intention to issue further capital whether by way of issue of bonus shares, preferential allotment, rights issue, further public issue or qualified institutions placement or in any other manner during the period commencing from the date of filing this Prospectus with SEBI until the Offer Shares have been Transferred or the refund of application monies has been completed.

10. The Ministry of Steel, Government of India, vide its letter dated March 28, 2006 bearing number 11(67)/2005-RM-I approved the merger of Sponge Iron India Limited with the Company. The scheme of amalgamation provides for the transfer of business of Sponge Iron India Limited to the Company. As a consideration for such transfer the Company shall pay cash consideration equivalent to Rs.124 per share for every equity share of Rs.100 each and an amount equivalent to the net profit after tax (net of dividend) earned by Sponge Iron India Limited from March 31, 2007 to the appointed date (i.e. June 30, 2008). No Equity Shares shall be issued to the shareholders of Sponge Iron India Limited.

    The scheme of amalgamation has been approved by Ministry of Corporate Affairs pursuant to its order dated January 18, 2010. The scheme shall be effective from the date on which the certified copies of the said order granted by the Ministry of Corporate Affairs is filed by us with the Registrar of Companies, Andhra Pradesh. We are required to file the said order with the Registrar of Companies, Andhra Pradesh within thirty days of the receipt of the said order, i.e. January 25, 2010. Our Company has filed an application dated February 9, 2010 under Section 394 (1) (b) (vi) of the Act and Rules 7 and 9 of the Companies (Court) Rules, 1959 read with Section 151 of the Code of Civil Procedure, 1908, before the Ministry of Corporate Affairs, New Delhi, seeking extension of time from the Ministry of Corporate Affairs for filing the certified copy of the order of the Ministry of Corporate Affairs dated January 18, 2010 with the Registrar of Companies within thirty days of the completion of the allotment of the Offer Shares. Our Company is currently awaiting the date of hearing, if any, fixed in the matter. For more details regarding the amalgamation, see the section titled "***History and Certain Corporate Matters***" on page 105 of this Prospectus.

11. The Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of the Offer, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether by way of preferential issue or bonus or right issue or further public issue of Equity shares or qualified institutions placement or otherwise, except that if the Company enter into acquisition(s) or joint venture(s), the Company may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

12. There has been no allotment of Equity Shares that may be at a price lower than the Offer Price, within the last twelve (12) months from the date of this Prospectus.

13. The Company has not issued any Equity Shares out of revaluation reserves. The Company has not revalued its assets since incorporation.

14. The Selling Shareholders, the Company, Directors of the Company and BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares of the Company from any person.

15. None of Directors or their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing Prospectus with the SEBI.

16. The Equity Shares, including the Offer Shares are fully paid up and there are no partly paid up Equity Shares as on date.

17. The Company does not currently have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and the Company does not intend to allot any Equity Shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme. As and when options are granted to our employees under any ESPS, the Company shall comply with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999.

18. As on the date of this Prospectus, there are no outstanding warrants, options or debentures or other financial instruments issued by the Company, which would entitle the Promoter or other shareholders of the Company or any other person an option to receive Equity Shares of the Company. Further, there are no loans which are convertible into Equity Shares of the Company.

19. The Reserve Bank of India has vide its letter dated January 13, 2010 approved the transfer of equity shares in this Offer to non-residents including, NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions. As per the extant policy, OCBs are not permitted to participate in the Offer.

20. Our Promoter will not participate in the Offer.

21. A Bidder cannot bid for more than the number of Equity Shares offered through the Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidders.

22. There shall be only one denomination of our Equity Shares, unless otherwise permitted by law.

23. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

24. None of our sundry debtors are related to our Directors or our Promoter or us.

25. As on date of this Prospectus, none of the BRLMs and their associates hold any Equity Shares in our Company.

26. All the transactions in Equity Shares by the Promoter between the date of registering the Prospectus with the RoC and the date of closure of the Offer shall be reported to the stock exchanges within 24 hours of the transaction in compliance with Regulation 69 of the SEBI Regulations.

27. Any unsubscribed portion in Employee Reservation Portion shall be added to the Net Offer to the public. In case of under-subscription in the Net Offer to the public, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer to the public. Under subscription in any other category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholder in consultation with the BRLMs.

OBJECTS OF THE OFFER

This is an offer for sale of 332,243,200 Equity Shares by the GoI representing 8.38% of the outstanding Equity Share capital of the Company as a part of the decision of GoI to divest part of its shareholding in our Company. This being an offer for sale, the Company shall not receive any proceeds of this Offer and all the proceeds shall be received by the Selling Shareholder.

Offer Related Expenses

The expenses for the Offer include lead management fees, underwriting and selling commission, registrar's fees, advertisement and marketing expenses, printing and distribution expenses, legal fees, SEBI filing fees, bidding software expenses and depository charges. The details of the estimated Offer expenses are set forth below.

S.No.	Activity Expense	Amount (Rs. million)	Percentage of Total Estimated Offer Expenditure	Percentage of Offer Size
1.	Fees of the Book Running Lead Managers	1.0	0.8%	0.0%
2.	Underwriting and selling commission (including commission to SCSBs for ASBA Applications)	0.0	0.0%	0.0%
3.	Fees to Registrar to the Offer	1.4	1.2%	0.0%
4.	Fees to the Legal Advisors	8.9	7.5%	0.0%
5.	Fees to the Bankers to the Offer	0.0	0.0%	0.0%
6.	Other Expenses (Printing and stationery, distribution and postage, advertisement and marketing expense etc.)	106.7	90.5%	0.1%
	Total Estimated Offer Expenses	**118.0**	**100**	**0.1%**

All expenses with respect to fees payable to the BRLMs, Registrar to the Offer, Legal Counsels and Bankers to the Offer as well as expenses towards the publication of advertisements in connection with the Offer will be paid by the Selling Shareholder in accordance with the engagement letter with the BRLMs. The Company will not pay any such expenses.

BASIS FOR THE OFFER PRICE

The Offer Price has been determined by the Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for our Offer Shares and on the basis of the following qualitative and quantitative factors. The face value of our Equity Shares is Re. 1 and the Offer Price is 300 times the face value.

Specific attention of the investors is drawn to the sections titled "***Risk Factors***" and "***Financial Statements***" on pages xiii and 151, respectively, of this Prospectus, to have a more informed view about the investment proposition.

Qualitative Factors

We believe the following are our primary strengths:

- Large Reserves of High Grade Iron Ore
- Largest producer of iron ore in India by volume
- Resources making the Company a low-cost producer
- Well Positioned to Capitalise on India's Growth and Resource Potential
- Research and development center and in-house exploration capability

For detailed discussion on the above factors, see "***Our Business***" on page 68 of this Prospectus.

Quantitative Factors

The information presentation below relating to the Company is based on restated consolidated and unconsolidated financial statements for Fiscals 2007, 2008 and 2009 and the nine month period ended December 31, 2009 prepared in accordance with Indian GAAP. For details, see "***Financial Statements***" page 151 of this Prospectus.

1. EARNING PER SHARE ("EPS"):

As per our restated unconsolidated financial statements:

Fiscal	Basic and diluted EPS (in Rs.)	Weight	Face Value (equated to Re. 1)
2007	5.83	1	1/-
2008	8.29	2	1/-
2009	10.97	3	1/-
Weighted Average *	**9.22**		**1/-**

As per our restated consolidated financial statements:

Fiscal	Basic and diluted EPS (in Rs.)	Weight	Face Value (equated to Re. 1)
2007	5.83	1	1/-
2008	8.29	2	1/-
2009	10.97	3	1/-
Weighted Average *	**9.22**		**1/-**

As per our restated unconsolidated financial statements for the nine month period ended December 31, 2009, the basic and diluted EPS was Rs. 6.03

As per our audited consolidated financial statements for the nine month period ended December 31, 2009, the basic and diluted EPS was Rs. 6.03

Notes:

a) *Basic EPS has been computed by dividing profit/(loss) after tax for the respective years and before extraordinary items, by the weighted average number of Equity Shares outstanding during the period/year.*
b) *Diluted EPS has been computed by dividing profit/(loss) after tax for the respective years and before extraordinary items, by the weighted average number of diluted Equity Shares outstanding during the period/year.*
c) *EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Institute of Chartered Accountants of India.*

* *For deriving the weighted average EPS, the EPS for Fiscal 2007 and 2008 have been adjusted for a split of face value from Rs. 10 to Rs. 1.*

2. PRICE EARNING RATIO ("P/E RATIO"):

P/E Ratio in relation to Offer Price of Rs. 300 per Offer Share of face value of Re. 1 each:

a) As per our restated unconsolidated financial statements for Fiscal 2009: 27.35
b) As per our restated consolidated financial statements for Fiscal 2009: 27.35
c) Industry P/E Ratio* –
   a. Highest: 757.8
   b. Lowest: 3.9
   c. Industry Composite: Not Available

** Source: Capital Market Vol. XXIV/25 dated Feb 8 - 21, 2010*
Industry: Mining/ Minerals/ Metals Industry

3. RETURN ON NET WORTH ("RoNW"):

RoNW as per restated unconsolidated financial statements

Fiscal	RoNW (%)	Weight
2007	40.16%	1
2008	39.69%	2
2009	37.48%	3
Weighted Average	38.66%	

RoNW as per restated consolidated financial statements

Fiscal	RoNW (%)	Weight
2007	40.16%	1
2008	39.69%	2
2009	37.48%	3
Weighted Average	38.66%	

As per our restated unconsolidated financial statements for the nine month period ended December 31, 2009, the RoNW was 17.51%.

As per our restated consolidated financial statements for the nine month period ended December 31, 2009, the RoNW was 17.51%.

Note: RoNW has been computed by dividing net profit/(loss) after tax by the net worth.

4. Minimum Return on Increased Net Worth required to maintain pre-Offer EPS for Fiscal 2009:

There will be no change in the net worth post-Offer as the Offer is by way of offer for sale by the Selling Shareholder.

5. NET ASSET VALUE ("NAV") PER EQUITY SHARE:

a. As of Fiscal 2009 (unconsolidated) : Rs. 29.27
b. As of Fiscal 2009 (consolidated) : Rs. 29.27
c. As of December 31, 2009 (unconsolidated) : Rs. 34.42
d. As of December 31, 2009 (consolidated) : Rs. 34.42
e. Offer Price : Rs. 300
f. As of December 31, 2009 (unconsolidated) after the Offer[1] : Rs. 34.42
g. As of December 31, 2009 (consolidated) after the Offer[1] : Rs. 34.42

Note:

NAV per Equity Share has been computed by dividing net worth by weighted average number of Equity Shares outstanding during the period.

[1]There will be no change in the Net Worth post-Offer, due to the Offer, as the Offer is by way of offer for sale by the Selling Shareholder.

6. COMPARISON WITH INDUSTRY PEERS:

Name of the Company	Face Value per share (Rs.)	Trailing Twelve Months*		Last reported Financial Year (#)		
		EPS (Rs.)	P/E as on Feb 01, 2010	RoNW (%)	NAV per share	Sales (Rs. Mn)
NMDC Limited	1	8.6	57.6	37.48%[@]	29.4	75,640
Peer Group						
GMDC Limited	2	8.0	18.3	20.3%	38.3	9,773
Sesa Goa Limited	1	20.2	18.0	53.2%	61.5	50,825

Source: Capital Market Vol. XXIV/25; Feb 8 - 21, 2010

** Trailing Twelve Months ended December 31, 2009*

[#] *Last Reported Fiscal ended March 31, 2009. Source: Capital Market Volume XXIV/24 dated Jan 25-Feb 7, 2010*

[@] *For the Fiscal ended 2009, as per Company financials*

STATEMENT OF TAX BENEFITS

To

The Board of Directors,
NMDC Limited
Khanija Bhavan
Masab tank
Hyderabad

Sub:- Statement of Probable Tax Benefits

Dear Sir,

We hereby report that the probable tax benefits that may be available to NMDC Limited (the "Company") and to the shareholders of the Company under the provisions of the Income Tax Act, 1961 and other allied direct tax laws presently prevailing and in force in India.

The contents of this annexure are based on the information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operations of the Company and the interpretations of current tax laws in force in India.

Several of these benefits are subject to the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the company or its shareholders to derive tax benefits is subject to the fulfillment of such conditions.

The benefits discussed in the annexure are not exhaustive. The information being furnished by us is general in nature and it is neither designed nor intended to be a substitute for professional tax advice. Investors are advised to consult their own tax consultants with respect to the specific tax implication arising out of their participation in the Issue.

We do not express any opinion or provide any assurance as to whether the Company or its Shareholders will continue to obtain these benefits in future or the conditions prescribed for availing the benefits have been/would be met with. The revenue authorities/courts will concur with the views expressed herein.

This report is intended solely for information and for the inclusion in the Offer Document in connection with the proposed FPO of the Company and is not to be used, referred to or distributed for any other purpose.

For Ramamoorthy(N)&Co
Chartered Accountants

Place: Hyderabad

Date: 18-02-2010

CA. Surendranath Bharathi
(Partner)
M.No.23837

STATEMENT OF TAX BENEFITS

The tax benefits listed below are the probable benefits available under the current tax laws in India. Several of these tax benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the liability of its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may not choose to fulfill.

(I) Special tax benefits:-

There are no special tax benefits available to the company or its shareholders.

(II) General tax benefits:-

Benefits available under the Income tax act, 1961 to the company and shareholders of the company are:

1. Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115(O) of the Income Tax Act, 1961 (hereinafter referred to as "Act") is exempt from tax.

2. Under section 10(38) of the Act, long term capital gain on transfer of equity shares or units of an equity oriented fund will be exempted provided that the transaction is chargeable to Securities Transaction Tax under that Chapter provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income tax payable under section 115JB.

3. The long term capital gains accruing otherwise than as mentioned above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess if any) in accordance with and subject to the provisions of section 112 of the Act. However, if the tax on long term capital gain resulting on sale of listed securities or unit or zero coupon bond, calculated @ 20%, with indexation benefit exceeds the tax calculated at the rate of 10% without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess if any)

4. Under section 111A of the Act, short term capital gain on sale of equity shares or units of an equity oriented fund where the transaction of such sale is chargeable to Securities Transactions Tax, shall be chargeable to tax @15% (plus applicable surcharge and education cess if any) .

5. In accordance with and subject to the condition specified in section 54EC of the Act, long term capital gain [other than those exempt u/s 10(38)] shall not be chargeable to tax to the extent such capital gain is invested in certain notified bonds within six months from the date of such transfer. If only part of the capital gain is so re- invested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of 3 years from the date of their acquisitions, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gain in the year in which the bonds are transferred or converted into money. Investment made on or after April 1, 2007 in the long term specified asset (Bonds) by an assessee during any financial year should not exceed Rs.50 Lacs.

6. U/s 35E deals with deduction for expenditure on prospecting etc., for certain minerals. Our company is availing the deductions on eligible expenditure incurred u/s 35E (2) @ of 10% of such expenditure subject to availability of taxable income.

7. Short term capital loss suffered during the year is allowed to be set-off against short term as well as long term capital gains of the said Year. Balance short term capital loss if any, could be carried forward for eight assessment years immediately succeeding the assessment year for which the loss was first computed for claiming set-off against subsequent year's short - term as well as long-term capital gains.

Other benefits available, in addition to those mentioned above are as follows:

1. To the company

1.1 In accordance with and subject to the condition specified in section 80-IA of the Act, the company would be entitled for a deduction of an amount equal to 100% of profits or gains derived from industrial undertaking engaged in generation and/or distribution or transmission of power for any ten consecutive assessment years out of 15 years beginning from the year in which the undertaking has started its operation, which should be before 31st day of March, 2011.

1.2 Under section 35(2) of the Act, the company is eligible for a deduction of the entire amount of the capital expenditure incurred (other than expenditure on the acquisition of any land) on scientific research related to the business of the company, in the year in which such expenditure is incurred.

1.3 Under section 35(2AB) of the Act, the company is eligible for a weighted deduction of a sum equal to one and one-half times of the revenue expenditure incurred on in-house research and development, if it satisfies the following conditions:

a. The tax payer is a company

b. It is engaged in the business of manufacture or production of an article or thing except those specified in the Eleventh schedule of the Act;

c. It incurs any expenditure on scientific research and such expenditure is of revenue nature.

d. The above expenditure is incurred up to March 31, 2012 on in- house research and development facility;

e. The research and development facility is approved by the prescribed authority (prescribed authority is secretary, Department of Scientific and Industrial Research);

f. The company has entered into an agreement with the prescribed authority for cooperation in such research and development facility and for audit of the accounts maintained for that facility.

1.4 Under section 35D of the Act, the company is eligible for a deduction of an amount equal to one-fifth of certain specified expenditure for each of the five successive years, subject to certain limits and conditions set out in the said section.

1.5 Under section 115JAA (1A) of the Act, credit is allowed in respect of any tax paid (MAT) under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provision of the Act. Such MAT credit shall be available for setoff up to 10 years succeeding the year in which the MAT credit becomes allowable.

2. To the shareholders of the company

2.1 Resident Shareholders

i) In terms of section 36(1)(xv) of the Act, the Securities Transactions Tax paid by the shareholders in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction

ii) As business expense from the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions.

iii) According to the provision of section 54F of the Act, and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family (HUF), capital gain arising on transfer of long term assets [other than a residential house and those exempt u/s 10(38)] are not chargeable to tax if the entire net consideration is invested within the prescribed period in a residential house. If only a part of such net consideration is invested, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of capital asset as reduced by any expenditure incurred, wholly and exclusively in connection with such transfer.

Such benefit will not be available

a) if the individual or HUF –

- Owns more than one residential house, other than the new asset on the date of transfer of the original asset; or

- Purchase any residential house, other than the new asset, within a period of one year after the date of transfer of the original asset; or

- Constructs any residential house, other than new asset, with in a period of 3 years after the date of transfer of the original asset; and

b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head " Income from house property"

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

2.2 **Non- Resident Indian.**

a. Under the provisions of section 115G of the Act, it shall not be necessary for a Non Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both and tax has been deducted at source under Chapter XVII-B from such income.

b. Under section 115-I of the Act, a Non Resident Indian may elect not to be governed by the provisions of chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.

c. As per the provisions of Section 115D read with Section 115E of the Act and subject to conditions specified therein, long term capital gains(in cases not covered under Section 10(38) of the Act) arising on transfer of the company's shares, will be subject to tax at the rate of 10% (plus surcharge on tax and education cess on tax and surcharge) without indexation benefit.

d. As per the provisions of section 115F of the Act, and subject to conditions specified therein, gains arising on transfer of a foreign exchange assets (in cases not covered under Section 10(38) of the Act) being the shares in the company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act, then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or saving certificates are transferred.

2.3 **Non-Resident**: Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulation), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

2.4 **Mutual Funds**

In terms of section 10(23D) of the Act, mutual funds registered under the Securities and Exchange Board of India Act, 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible subject to the provisions of Chapter XII-E, for exemption from income tax on their entire income, including income from investment in the shares of the company.

2.5 **Foreign Institutional Investors (FIIs)**

i) Under section 115AD capital gain arising on transfer of short term capital assets, being shares and debentures in a company, are taxed as follows:

a) short term capital gain covered by section 111A on transfer of shares/debentures entered in a recognized stock exchange which is subject to securities transaction tax shall be taxed @15% (plus applicable surcharge and education cess)

b) short term capital gains on transfer of shares/debentures other than those mentioned above would be taxable @30% (plus applicable surcharge and education cess)

ii) Under section 115AD, capital gain arising on transfer of long term capital assets [other than those exempt u/s 10(38), being shares and debentures in a company, are taxed @ 10% (plus applicable surcharge and education cess). Such capital gains would be computed with out giving effect to the first and second proviso to section 48. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gain.

III Benefits available under the wealth tax act, 1957:-

1. Shares in a company held by a shareholder will not be treated as an asset within the meaning of section 2(ea) of wealth Tax Act,1957; hence, wealth tax is not levy able on shares held in a company.

a. All the above benefit are as per the current tax law and will be available to the sole/ first named holder incase the shares are held by joint holders

b. In respect of non residents, taxability of capital gains mentioned above shall be further subject to any benefits available under Double Taxation Avoidance Agreement, if any, between India and the country in which the non resident has fiscal domicile.

   In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/her participation in the issue.

c. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential consequences of the purchase, ownership and disposal of equity shares.

Date : 18/02/2010
Place : Hyderabad

For Ramamoorthy (N) & Co.,
Chartered Accountants

CA. Surendranath Bharathi
Partner
Membership No. 23837

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from publicly available documents prepared by various third party sources, including the Government of India and its various ministries and certain multilateral institutions. This data has not been prepared or independently verified by us or the BRLMs or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors" in this Prospectus. Accordingly, investment decisions should not be based on such information.

Background

Iron ore is used principally in the production of steel, and hence demand for iron ore is dependent on the global steel industry. The global steel industry is positively correlated with manufacturing and general industrial growth, and thus demand for iron ore hinges on the level of economic and manufacturing activity internationally.

Iron ore is a bulk commodity and freight, both on land and seaborne, forms a substantial portion of the cost of iron ore for end users. Furthermore, transportation infrastructure for movement of ore from the mine site to the end user is critical.

Iron Ore Products

Pure iron is rarely found on the surface of the earth because it oxidizes in the presence of oxygen and moisture to form oxides. Typically, iron is found in the form of magnetite, hematite, goethite, limonite or siderite. Mined out of the ground, raw ore is mix of 'ore proper' and loose earth called 'gangue'. The ore proper is usually separated by crushing the raw ore and simply washing away the lighter soil. Extraction of iron from the ore requires a more sophisticated process, generally referred to as 'smelting'.

The behavior of iron ore in the iron-making process is determined primarily by its composition and form, both of which can affect productivity of the furnace.

Composition: The most important component of iron ore is its iron content. The principal forms of iron are hematite (Fe_2O_3) and magnetite (Fe_3O_4). Hematite is normally high-grade, and is often referred to as "Direct Shipping Ore" or "DSO" because it can be mined and beneficiated using a relatively simple crushing and screening process before being exported for use in steel mills. Magnetite on the other hand has lower iron content and must be upgraded to make it suitable for steel making.

Iron ore contains a host of other elements, including Silicon, Phosphorus, Aluminium and Sulphur. These are referred to as "trace elements" and their composition can have profound effects on the characteristics of the iron ore. The amount of these trace elements are carefully controlled depending upon the qualities that need to be imparted to the final steel output.

Form: Iron ore is typically produced in two forms: (i) a granular form, either fine or concentrate, or (ii) lump ore.

Fine (typically less than 10 mm in size) is ultimately used as sinter feed and pellet feed, the most common inputs for manufacturing "pig" iron in blast furnaces and "sponge" iron in kilns. Sinter and pellets are produced out of iron ore fines (or concentrates) that have been mixed with a binding agent, and fired in a high temperature indurating furnace. Concentrates (typically less than 1 mm in size) are produced on beneficiation of iron ore fines.

Lump ore on the other hand require simple crushing and screening before shipment. Lumps form a direct charge to the blast furnace. They are easier to handle, do not roll around in the furnace as pellets and sinter do, and are less polluting than fines or concentrates.

Pellet, sinter and lump typically command a pricing premium to fines and concentrates as they can be fed directly into a blast furnace for making pig iron or into a kiln for making sponge iron. Fine and concentrate, on the other hand, must first be processed through an intermediate sintering or pelletisation process to attain the size and physical strength necessary to be fed into a blast furnace or kiln.

World Steel Production

Steel is produced through a variety of processes, the most common of which are:

Integrated Process – The integrated process is the blast furnace plus the basic oxygen furnace (BF/BOF) process. Lump ore or processed fines are fed directly into a coke-fired blast furnace, together with coke and limestone, to produce pig iron. Pig iron, together with some scrap steel, is then integrated with oxygen in a basic oxygen furnace to produce crude steel.

Electric Arc Furnace ("EAF") Process – Scrap steel and direct reduced iron is melted in an electric arc furnace and then alloyed in a ladle furnace to produce crude steel. Less iron ore is consumed in an EAF process as compared to the integrated process.

Corex Process – The Corex process was developed in the late 1970s, and entails a set of coke ovens and blast furnaces combined in one unit that is environmentally attractive. Corex uses lump ore and pellets, and produces 93% pure direct reduced iron (DRI). The advantage of the Corex process is that it produces molten pig iron without any gangue, and the excess heat can be used to generate electricity.

During the previous decade, world crude steel production grew from the level of 850 million tonnes in 2001 to a level of 1,344 million tonnes in 2007, with a compound annual growth rate of 8%. However, since October 2008, the global recession has resulted in a reduction in world crude steel production for the first time in the past decade. During 2008, production decreased by 1% to 1,330 million tonnes from 1,344 million tonnes in 2007. World crude steel production (by major country) for the last five years is summarized in the following table:

World Crude Steel Production (by Country)

Country	2004	2005	2006	2007	2008
			(in millions of tonnes)		
China....................................	280.5	355.8	422.7	489.2	500.5
Japan....................................	112.7	112.5	116.2	120.2	118.7
USA.....................................	99.7	94.9	98.6	97.82	91.5
Russia..................................	65.6	66.1	70.8	72.4	68.5
India.....................................	32.6	45.8	49.5	53.1	55.1
South Korea..........................	47.5	47.8	48.5	51.5	53.5
Germany..............................	46.4	44.5	47.2	48.6	45.8
Ukraine................................	38.7	38.6	40.9	42.8	37.1
Brazil...................................	32.9	31.6	30.9	33.8	33.7
Italy......................................	28.6	29.3	31.6	31.5	30.5
Rest of the World	283.7	279.6	294.3	302.9	293.3
World Total........................	1,069.1	1,146.7	1,251.2	1,351.3	1,329.7

As of November, 2009 (11 Months)

Country	2008	2009	% Change
China	462.5	518.2	12.1
Japan....................................	111.3	78.6	-29.4
USA.....................................	87.4	52.6	-39.9
Russia..................................	65.2	54.4	-16.6
India.....................................	50.5	51.7	2.4
South Korea..........................	49.9	44.2	-11.4
Germany..............................	43.4	29.6	-31.7
Ukraine................................	35.3	27	-23.4
Brazil...................................	32.1	23.9	-25.4
Italy......................................	29	18.2	-37.3
World Total*......................	1,223(est)	1,091(est)	-10.8%

(Source: Worldsteel.Org)

** Includes 66 countries*

However, due in large part to the effects of government stimulus packages bolstering manufacturing activity, steel production in 2010 is expected to rise. Notably, in the United States, Japan, and the European Union, higher steel production is forecast from 2009 levels. (Source: ABARE)

The Global Iron Ore Market

Prices for iron ore are influenced by a range of factors apart from market and economic dynamics. The price of iron ore products is based principally on iron (Fe) content, and the industry practice is to specify prices in US dollars per metallic unit in dry metric tonnes, or dry long tonnes. A premium is paid for products with particularly desirable characteristics, such as low silica, phosphorus and aluminium content, particle size, moisture content, and other metallurgical properties, as well as proximity to buyer. International iron ore prices in the seaborne market are typically set on the basis of FOB at the producers' port. Fines, concentrates, lump ore and pellets each typically command different prices.

World iron ore production is dominated by three companies: Vale S.A. ("Vale"), Rio Tinto plc ("Rio Tinto") and BHP Billiton plc ("BHP Billiton"). These three companies alone produce over 600 million tonnes of iron ore per annum, amounting to over 30% of the world's total production in 2008. Together, they control almost 70% of the world's iron ore trade.

Particulars	Vale	Rio Tinto	BHP Billiton
Iron Ore Production (million T, 2008)	356.8	153.4	114.4
Iron Ore sales (million T, 2008)	296.2	188.3	129.6

(Source: Iron Ore Manual published by "The Tex Report" & respective annual reports of the companies)

Iron ore contract prices are generally set annually with reference to benchmark prices negotiated with steel producers by the world's three largest iron ore producers. Benchmarks are established at the beginning of the calendar year with European steel producers and at the beginning of the Japanese fiscal year (which commences April 1) with Japanese steel producers.

With a major surge in Chinese iron ore imports in the last two to three years, Vale, Rio Tinto and BHP Billiton have been unable to increase their supplies correspondingly to meet this demand. This has resulted in the development of a spot market with spot market prices quoting at a premium to contract prices. In addition, these producers have begun incorporating spot pricing into their long-term contracts.

Iron ore is a bulk commodity and involves significant shipping costs. As shipping costs of iron ore from the producer's port are usually paid by the purchaser, locational advantage or proximity to producer port provides a pricing advantage in the spot market to iron ore producers. Indian and Australian iron ore miners enjoy a locational advantage for export to China, particularly relative to Brazil, and thus enjoy a pricing advantage in the spot market over Brazilian producers with respect to iron ore supplied to China.

World Iron Ore Reserves and Reserve Base

The following table shows the world iron ore reserves and reserve base as estimated by the US Geological Survey (USGS):

World Iron Ore Reserves and Reserve Base

Country	Crude Ore		Iron Content	
	Reserves	Reserve Base	Reserves	Reserve Base
	(in millions of tonnes)			
Australia	16,000	45,000	10,000	28,000
Brazil	16,000	33,000	8,900	17,000
China	21,000	46,000	7,000	15,000
India	6,600	9,800	4,200	6,200
Kazakhstan	8,300	19,000	3,300	7,400
Russia	25,000	56,000	14,000	31,000
Sweden	3,500	7,800	2,200	5,000
Ukraine	30,000	68,000	9,000	20,000
USA	6,900	15,000	2,100	4,600
Other Countries	16,700	50,400	12,300	25,800
World Total	150,000	350,000	73,000	160,000

(Source: US Geological Survey, Mineral Commodity Summaries)

World Iron Ore Production

World iron ore Production grew by 10% in the year 2008 to reach a level of approximately 2,200 million tonnes. Based on volume, China is the largest producer of iron ore followed by Brazil, Australia and India. The following table shows iron ore production by country for the last five years:

World Iron Ore Production (By Country)

Country	2004	2005	2006	2007	2008 (Provl.)
	(in millions of tonnes)				
China	310	420	588	707	770
Brazil	271	280	318	355	390
Australia	235	262	275	299	330
India	121	140	140	206	200
Russia	97	97	102	105	110
Ukraine	66	69	74	78	80
USA	55	54	53	52	54
Rest of the World	323	358	390	404	466
World Total	1,357	1,540	1,800	2,000	2,200

(Source: US Geological Survey, Mineral Commodity Summaries)

Iron ore mined in India is very cost competitive, particularly relative to that mined in China. Mining costs for Indian iron ore are lower than mining costs in Australia, and comparable to mining costs in Brazil. However, due to a lack of dedicated rail infrastructure and capacity constraints for railway networks and ports, transportation costs are higher in India as compared to both Australia and Brazil. (Source: Government of India, Ministry of Steel)

World Seaborne Iron Ore Trade

According to ABARE, international iron ore trade has reached to a new record level as exports increased for the seventh year in a row and reached a level of about 899 million tonnes for the year 2008. China has emerged as the largest importer of iron ore along with Japan and South Korea, whereas Australia has emerged as the largest exporter of iron ore followed by Brazil and India.

World sea-borne trade for the last five years along with major exporting and importing countries is as follows:

Country	2004	2005	2006	2007	2008
	(in millions of tonnes)				
World Seaborne Iron Ore Trade	587	658	720	781	833
Major Importing Countries and their volume:					
China	208	275	326	383	444
Japan	135	132	134	139	140
South Korea	43	44	43	44	49
Major Exporting Countries and their volume:					
Australia	210	240	247	266	310
Brazil	201	224	243	269	281
India	61	90	86	74	101*

*(Source: Iron Ore Manual 2008 published by 'The Tex Report", *Australian Bureau of Agricultural and Resource Economics (ABARE))*

Thus, it can be seen that Australia and Brazil collectively contribute more than 2/3rd of the world's iron ore sea-borne trade. China is the only country exhibiting a major increase in demand, whereas demand of iron ore from rest of the world has been stagnant. This increase by China alone, however, has lifted total imports significantly.

Iron Ore Supply and Demand

Two of the largest steel producing countries, China and Japan, are perhaps naturally the largest importers of iron ore. Though China is a significant producer, based upon volume, of iron ore, it is also the largest iron ore importer in the world, accounting for almost half of all imports in 2008. Japan, with no iron ore reserves domestically, is entirely dependant on imported iron ore for its steel production.

Brazil and Australia are among the largest exporters of iron ore in the world. Together, they produce approximately 720 million tonnes of iron ore per annum (2008) and export approximately 591 million tonnes of iron ore per annum. The steel production of these two countries is low - amounting only to approximately 40 million tonnes per annum (2008)(Source: Worldsteel.org)

The recent fall in iron ore demand in the developed world is expected to be significant in the short term, with steel mill shutdowns commonplace across Europe and beyond. While economic recovery in these countries is partially reversing this trend, the high 2008 levels of imports of iron ore into Europe, Japan, and the Korea Republic are not expected to be matched in the short term.

World Iron Ore Demand Projections

Country	**2008**	**2009**[1]	**2010**[2]	**2011**[2]	**2012**[2]
Imports	*(in millions of tonnes)*				
China	444	449	498	559	624
European Union	173	144	149	150	150
Japan	140	114	118	120	122
Korea, Rep. of	49	39	39	40	41
World Imports	899	853	913	982	1045
Exports					
Australia	310	319	347	395	422
Brazil	281	284	315	336	365
India	101	65	58	53	47
South Africa	33	33	36	39	42
Canada	28	25	27	28	28
World Exports	899	853	913	982	1045

(Source: Australian Bureau of Agricultural and Resource Economics (ABARE))
[1] *Estimate*

[2] *Forecast*

Chinese demand, meanwhile, has proved resilient, and continued to grow in 2009 at a rate of 29%, in line with its recent yearly trend of approximately 25%. In this regard, as mentioned, China has provided significant support for otherwise stagnating iron ore demand, and has lifted the global trend higher on the whole. Notably, steep increase in demand from China and India in iron ore has continued to drive the market in the direction of growth.

The Indian Iron Ore Market

India's Steel Industry and Iron Ore Requirements

In India, National Steel Policy (NSP) has set a steel production goal of 110 million tonnes by the year 2019-20 from the level of 38 million in 2004-05, requiring a compound annual growth rate of 7.3%. This would require an availability of 190 million tonnes of iron ore for domestic consumption. Presently India is producing approximately 220 million tonnes of iron ore (FY 2008-09) out of which approximately 106 million tonnes is being exported. In order to meet the iron ore demand of domestic steel producers of 190 million tonnes by 2019-20, the iron ore industry will need to increase its production to approximately 300 million tonnes by the same year (assuming that exports continue at the present level of 100 million tonnes per annum), requiring a compound annual growth rate of 3.4%.

Indian Crude steel production grew at more than 8.2% annually from 38.7 million tonnes in 2003-04 to 54.5 million tonnes in 2008-09, with capacity utilization being 85% for 2008-09. With growth in production lagging behind consumption growth, India has turned into a net importer of finished steel in 2008-09. Exports also declined to ensure greater domestic availability. The percentage share of crude steel production of Electric Arc Furnace and Induction Furnace routes was 20% and 30% respectively, with BOF method contributing to the rest of the production. India is also a leading producer of sponge iron with a host of coal based units, located in the mineral-rich states of the country. Capacity in sponge iron making has also increased over the years and currently stands at 31 million tonnes. (Source: Annual Report 2008-09 of Ministry of Steel, Government of India)

Production and Supply of Indian Iron Ore

India has approximately 260 iron ore mines (in the year 2005-06 as per the Indian Bureau of Mines). Among them, 41 mines were in the public sector and 220 in the private sector. Among the 41 public sector mines, 17 major mines (5 in Chhattisgarh, 4 in Karnataka, 5 in Orissa and 3 in Jharkhand) each produce more than 1 million tonnes annually, accounting for 91% of the public sector output. Of the 220 mines in the private sector, 21 of these mines (8 in Orissa, 6 in Goa, 5 in Karnataka, and one each in Andhra Pradesh and Jharkhand) each produce more than 1 million tonnes annually accounted for 54% of the total output of the private sector. As a result, 38 mines in India, each producing more than 1 million tonnes of iron ore annually contributed approximately 70% to Indian production in the year 2005-06.

Iron ore mining in India is carried out by the open cast method. Generally, these mines can be classified into three categories - manual, semi-mechanized and mechanized mines. Large mechanized mines are mostly in the public sector. Almost all the public sector mines are fully mechanized which include Kiriburu, Meghahatuburu, Barsua, Gua, Bailadila, Donimalai, Kumdremukh, Daitari and Dalli-Rajhara operated by SAIL, NMDC, and OMC. Manual and semi-mechanized mines are mainly in the private sector. Some mechanized mines in Goa, Jharkhand, Orissa and Karnataka are also operated in the private sector.

Over the last five years, India's iron ore production grew at a compounded annual rate of 11.12% to reach 222.54 million tonnes in 2008-09. In value terms, production grew faster, at an annual rate of 33.23% to reach Rs. 223.22 billion in 2008-09.

Indian Iron Ore Production and Value (annually)

Year	Iron Ore Production	Value
	(in millions of tonnes)	*(Rs. Billions)*
2004-05..	145.9	74.02
2005-06..	165.2	108.03
2006-07..	187.7	142.04
2007-08..	206.4	184.95
2008-09..	222.5	233.22
CAGR %..	11.12%	33.23%

(Source: Ministry of Mines Annual Report 2008-09, Figures for 2007-08 are provisional and for 2008-09 are estimated)

Typically, iron ore fines form a major part of Indian production with iron ore concentrate accounting for a limited share in production. In 2008-09, per Indian Bureau of Mines estimates, iron ore fines comprised about 51.8% of Indian iron ore production, while the remaining was accounted for by iron ore lumps. The production of iron ore lumps over the years has grown at an annual rate of 13.6% during the period 2005-06 to 2008-09 (estimated for 2008-2009), while that of iron ore fines has grown at a rate of 9% during the same period (estimated for 2008-2009). Indian iron ore production by product for the last three years is summarized below:

Indian Iron Ore Production by Grade

Particulars	2005-06	2006-07	2007-08	CAGR %
Lump...	68.3	88.3	91.9	16.0%
Fines	93.3	98.2	114	10.5%
Concentrate.......................................	3.6	1.2	0.6	-59.2%
TOTAL	165.2	187.7	206.5	11.8%

(Source: Compiled Data from Federation of Indian Mineral Industries)

Consumption and Demand of Iron Ore in India

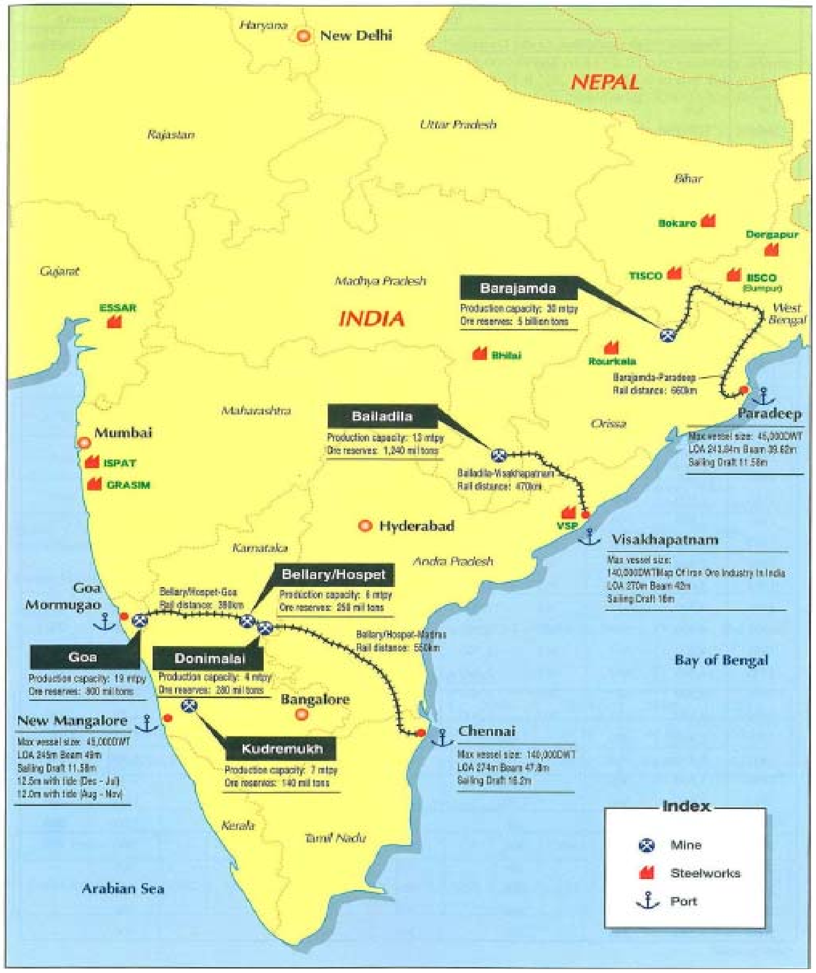
Iron ore consumption in India has grown at an annual rate of 17% over the last five years. As estimated by the Federation of Indian Mineral Industries, in the year 2008-09, lump constituted approximately 88.9% of domestic consumption at approximately 80 million tonnes. On the other hand, fines constituted approximately 11% of domestic consumption at approximately 10 million tonnes. Due to insufficient domestic pelletisation capacity, India exports most of its iron ore fines. India's iron ore consumption over the last five years is summarized below:

Iron Ore Consumption in India

	2004-05	2005-06	2006-07	2007-08	2008-09	CAGR %
	(in millions of tonnes)					
Consumption	48.2	52.5	66.9	85.0	90.0*	17%

*Estimated

(Source: Compiled Data from Federation of Indian Mineral Industries)



(Source: Iron Ore Manual 2008 published by "The Tex Report")

Exports of Indian Iron Ore

India is the third largest exporter of iron ore in the world. India's iron ore exports have grown at a rate of 5.5% during the past four years. Region-wise and grade-wise, India's iron ore export is summarized below:

Export of Indian Ore (By Country)

Importing Countries of Indian Iron Ore	2005-06	2006-07	2007-08	2008-09
	(in millions of tonnes)			
China..	74.1	80.2	91.9	97.8
Japan..	10.3	8.6	7.7	5.4
South Korea...	1.3	1.9	1.8	1.0
Taiwan...	0.1	-	-	-
Europe..	2.1	2.1	1.6	0.8
Others..	1.2	1.0	1.2	0.8
Total..	89.3	93.8	104.3	105.9

(Source: Indian Bureau of Mines)

The table above indicates that exports of Indian iron ore to all other countries other than China have decreased in the recent past. In essence, the increase in total export volume is due to the increase in China's imports.

In 2010, production of iron ore in India is expected to increase, while Indian exports of iron ore are forecast to decline due to increased domestic consumption by steel producers (Australian Bureau of Agricultural and Resource Economics ("ABARE") Report on Australian Commodities-December Quarter 2009 and March Quarter 2009). Traditionally, the practice of charging export duties is also common in the Indian market. The highest recent level of duties charged by the Indian government was 15% on all grades of iron ore in June of 2008. Currently, there is a 5% duty on fines and 10% on lumps.

OUR BUSINESS

The ore reserves and resources set forth in this section are in accordance with the JORC code, pursuant to the assessment of Behre Dolbear pursuant to their report dated January 29, 2010 that appears elsewhere in this Prospectus.

Overview

The Company was the largest iron ore producer by volume in India during the last three Fiscals (according to a certificate of the Federation of Indian Mineral Industries dated as of February 8, 2010) and produced 28.5 million tonnes of iron ore in Fiscal 2009. The Company's principal operations include its three iron ore mining complexes at Kirandul and Bacheli in the State of Chhattisgarh and Donimalai in the State of Karnataka, each of which consists of several iron ore mines. Iron ore sales represented approximately 99% of our consolidated income from operations for Fiscal 2009 and for the nine months ended December 31, 2009. For Fiscal 2009, we had consolidated total revenues of Rs. 85,754.6 million, profit before depreciation, interest and taxes of Rs. 67,246.0 million and profit after tax of Rs. 43,722.5 million.

The Company has access to significant reserves of high grade iron ore, predominantly greater than 64% Fe content. The Company appointed Behre Dolbear to review, validate and classify its mineral reserves and resources in accordance with the JORC code. Behre Dolbear has assessed the Company's iron ore reserves and resources as follows:

Iron Ore Reserves

	As at January 1, 2010				
Deposit Name	**Fe% for Proved Reserves**	**Proved Reserves**	**Probable Reserves**	**Mineral Resources**	**Total**
	(million metric tonnes)				
Kirandul Complex					
Deposit 14..	64.7%	130.1	-	19.5	149.7
Deposit 14 NMZ	65.9%	60.6	-	3.0	63.6
Deposit 11C...	64.7%	0.7	-	9.4	10.1
Bacheli Complex					
Deposit 5...	65.3%	38.7	182.2	-	220.8
Deposit 10..	66.0%	140.1	-	56.5	196.6
Deposit 11A...	65.4%	25.4	-	1.4	26.8
Donimalai Complex					
Donimalai	66.8%	17.6	-	-	17.6
Non-Operating Mines					
Deposit 4[1]		-	-	105.0	105.0
Deposit 11B[2]	66.4%	114.3	-	6.2	120.6
Kumaraswamy[3]	64.0%	130.4	-	-	130.4
Deposit 13[4]	67.2%	319.6	-	-	319.6
Total		**977.5**	**182.2**	**201.0**	**1,360.6**

(1) The Company has applied for a mining lease for Deposit 4. However, the Company has not yet received approval for the mining lease, mining plans, forest clearance or environment approval.

(2) Deposit 11B mine is currently under construction and is being developed and integrated with the infrastructural facilities of the Kirandul Complex. See "Our Business– Exploration and Development – Current Iron Ore Expansion Projects" on page 87 of this Prospectus.

(3) Kumaraswamy is not currently a mechanized mine. A mechanized mine is being developed and integrated with the Donimalai Complex.

(4) It is anticipated that Deposit 13 will be developed by the Company through a joint venture with Chhattisgarh Mineral Development Corporation Limited in which it has a 51% equity interest. See "Our Business – Exploration and Development – Current Iron Ore Expansion Projects" on page 87 of this Prospectus. The Mining Lease for Deposit 13 is yet to be granted and forest clearance and environmental approvals have not been obtained as yet. There is also certain litigation with respect to this Deposit 13.

The Company's iron ore reserves are processed in both lump, fine ore and slimes. The Company's producing mines are open cast and primarily fully mechanised. Set forth below is a chart of key production statistics for the Company's three mining complexes for each of the last five Fiscals and the nine month period ended December 31, 2009.

Iron Ore Production

	Year ended March 31,					Nine months ended December 31,
	2009	**2008**	**2007**	**2006**	**2005**	**2009**
	(Million metric tonnes)					
Kirandul Complex						
Lump Ore	0.8	0.3	1.3	1.1	0.7	0.4
Fines	6.6	6.8	5.4	4.4	3.9	3.6
Calibrated Lump Ore	3.1	3.4	2.7	2.6	2.6	1.4
Slimes..	0.9	0.9	0.8	-	-	0.1
Bacheli Complex						
Lump Ore	2.1	2.6	1.9	1.5	1.4	1.3
Fines	5.9	6.1	5.5	5.0	4.3	3.9
Calibrated Lump Ore	2.8	3.0	3.0	2.9	2.9	2.2
Donimalai Complex						
Fines	3.8	4.3	3.3	3.7	3.4	2.8
Calibrated Lump Ore	2.6	2.6	2.4	1.8	1.8	1.5
Total...	28.5	30.0	26.3	23.0	21.0	17.2

The Company is planning a number of projects to meet the demand from its customers for iron ore by enhancing the production capabilities of its existing mines and also by opening new mines.

The Company sells most of its high grade iron ore production to the Indian domestic steel market, primarily pursuant to long-term sales contracts. As a result of its high quality chemical and physical properties, the Company's iron ore has become an important raw material for a number of gas based sponge iron steel producers in India. In Fiscal 2009, the Company's exports constituted approximately 15% of its consolidated total sales volume, primarily to Japan and South Korea.

The Company sells its core products, iron ore fines, lump and slimes, through the Company's sales and marketing function. For Fiscal 2009, approximately 92% of the Company's iron ore sales volume are made based upon long term sales contracts with customers, both domestically and in the export market. The remaining 8% iron ore sales volume is sold on the spot market at negotiated prices.

In addition to its Iron ore operations, the Company also operates a diamond mine at Panna (Madhya Pradesh), one of the largest diamond mines in Asia, and owns a wind power facility with seven towers in the State of Karnataka with a total capacity of 10.5 MW.

The Company plans to start value-added projects such as steel production and has signed an MOU with the state government of Chhattisgarh to develop a steel plant with a capacity of 3 mtpa at Jagdalpur. The Company also has plans to develop a steel plant in Karnataka. Furthermore, the Company expects to complete its acquisition of Sponge Iron India Limited in early 2010, a company primarily involved in the production of sponge iron. Such company's production for Fiscal 2009 was 30,489 metric tonnes. As of March 31, 2009, Sponge Iron India Limited had 304 employees. The following table sets forth certain financial information for Sponge Iron India Limited.

	As at and for Year ended March 31,			As at and for the Nine Months Ended December 31,
	2007	2008	2009	2009
	(Rs. In million)			
Total Income*	563.2	591.5	526.7	308.30
Profit/Loss After Tax	40.2	64.8	(9.2)	(97.40)
Total Net Worth	684.1	733.7	724.5	627.11
Total Assets**	847.8	882.3	863.7	782.45
Total Debt	-	-	-	-

**Total Income includes Sales, Income from Consultancy Contract, Other Income & Stock Adjustment*

***Total Assets includes Fixed Assets after Depreciation plus Capital Work-in-Progress and Current Assets and Loans &Advances.*

For further information, see "***History and Certain Corporate Matters***" and "***Financial Statements of Sponge Iron India Limited***" on pages 105 and 223 respectively of this Prospectus.

In addition, the Company plans to develop two pellet plants at Donimalai and at Bacheli.

The Company is also developing a Magnesite mine in Jammu and Kashmir and the Arki Limestone Project in Himachal Pradesh.

The Company was incorporated in 1958. It is a public company controlled by the Government of India having its registered and corporate office located in Hyderabad. The Company has been conferred "Navaratna" status by the Government of India, which provides, among other things, greater financial autonomy to the Board of Directors of the Company.

Our Strengths

The Company has several significant strategic advantages over its major competitors including:

- ***Large Reserves of High Grade Iron Ore***

  The Company has access to large proved and probable reserves of high grade iron ore, consisting principally of hematite ore with a Fe content of predominantly greater than 64%. The greater the Fe content of the iron ore, the more efficient it is to process the ore. The Company believes its high grade products and ore quality gives it a strong competitive advantage and helps it to command premium pricing, stimulate demand for its products and enjoy customer loyalty.

- ***Largest producer of iron ore in India by volume***

  The Company was the largest iron ore producer by volume in India in the last three financial years (according to the Federation of Indian Mineral Industries). It produced 28.5 million tonnes of iron ore in Fiscal 2009, putting it in a strong negotiating position for purposes of the sale of its iron ore products. In Fiscal 2009, the Company's iron ore production accounted for approximately 13% of India's total iron ore production (according to the Indian Bureau of Mines).

- ***Resources making the Company a low-cost producer***

  The Company believes its costs of production are competitive with those of the leading iron ore producers in the world. The Company is seeking to further lower its costs across all of its operations. Factors contributing to the Company's ability to lower its costs of production include the mechanization of its mines, its focus on continually reducing mining costs and seeking operational efficiency improvements, including logistics, and its access to a relatively large and inexpensive labour and talent pool in India. The Company views cost management and increased productivity as fundamental aspects of its day-to-day operations and continually seeks to improve efficiency. In addition, the Company's new expansion projects are adjacent to its existing mines, enabling the Company to utilize a portion of its existing infrastructure for new production. The Company also benefits from financial strength characterized by high net worth, high cash resources and zero debt.

- ***Well Positioned to Capitalise on India's Growth and Resource Potential***

  The Company believes that its experience in operating and expanding its business in India will allow it to capitalise on attractive growth opportunities arising from factors including:

  - *India's economic growth and proximity to other growing economies:* India is one of the fastest growing large economies in the world with a real gross domestic product growth of 6.6% in Fiscal 2009, according to the RBI's Macroeconomic and Monetary Development 2008-2009 report. Steel production has grown at a compound annual growth rate of more than 8.2% annually from 38.7 million to 54.5 million tonnes from Fiscal 2005 to Fiscal 2009 (Government of India, Ministry of Steel).

  - *India's large and inexpensive labour and talent pools:* India has, compared to other industrial nations, low labour costs and a large and skilled labour pool, including many technically qualified professionals, like geologists and engineers.

- ***Research and development center and in-house exploration capability***

  The Company has a large Research and Development (R&D) center at Hyderabad which is capable of taking up assignments in the field of ore beneficiation and mineral processing. The R&D center has been undertaking technology development projects related to mineral processing, flow sheet development, mineralogical studies and project development. The Company has a strong in-house capability to undertake exploration to expand its reserves as well as to diversify its production. The Company employs 44 geologists and has the necessary equipment and infrastructure for its exploration activities.

Our Strategy

The Company's principal strategic objectives are to increase its mining capacities and expand its customer base through expansion of its existing iron ore business and diversification of its product portfolio. To pursue these goals, the Company plans to:

- ***Continue diversifying and expanding its mining activities and products***

  The Company believes diversification and expansion of its mining activities and products fits well with its strategy of becoming an integrated producer of iron and steel and will enable it to better balance cyclical change in mineral prices and economic change as well as to grow its business. As a result of exploration and development activities, the Company has applied for and been granted mining leases for diamonds, limestone and magnesite. The Company intends to expand its exploration activities to acquire more prospecting licenses and mining leases in India and abroad, including for non-ferrous minerals. The Company also has acquired two coal blocks and is looking to diversify into other minerals including minerals used in fertilizers.

- ***Expand and establish its presence as an integrated producer of iron and steel***

  The Company plans to expand and establish its presence as an integrated producer of iron and steel through selective value addition projects. The Company has signed an MOU with the state government of Chhattisgarh to develop a steel plant with a capacity of 3 mtpa at Jagdalpur, and also has plans to develop a steel plant in Karnataka. Furthermore, the Company expects to complete its acquisition of Sponge Iron India Limited in early 2010, a company involved in the production of sponge iron. In addition, the Company plans to develop two pellet plants at Donimalai and at Bacheli.

- ***Continue to be a low cost, efficient and environmentally friendly mining company***

The Company believes its costs of production are competitive with those of the leading iron ore producers in the world. The Company, however, seeks to further lower its costs and improve efficiency across its operations by having all its mines fully mechanized and by increasing its reserves and production through further exploration and development realizing economies of scale.

In addition, the Company will continue to give high priority to environment management, addressing environmental issues that may be raised by its mining operations, including, restoration and conservation of forests as well as issues related to air, dust, water and noise pollution.

- ***Augment resources, improve infrastructure and enhance technology through joint ventures and commercial tie-ups***

  The Company seeks to augment its resources and reserves, improve its infrastructure and enhance its technology through joint ventures and commercial tie-ups. In furtherance of this objective, the Company has formed a joint venture with J&K Minerals Limited for a magnesite mine in Panthal, Jammu; taken a 51% interest in a joint venture with Chhattisgarh Mineral Development Corporation Limited for the development of certain iron ore deposits; entered into a memorandum of understanding between the Ministry of Railways, the Government of Chhattisgarh and Steel Authority of India Limited for the construction of a new broad gauge rail line between Dalli Rajhara, Rowghat and Jagdalpur; entered into a memorandum of understanding, with Steel Authority of India Limited ("SAIL"), Rashtriya Ispat Nigam Limited ("RINL"), Coal India Limited ("CIL"), and NTPC Limited ("NTPC") for securing overseas supplies of coking coal and thermal coal; and entered into a memorandum of understanding, dated January 22, 2010, with Tata Steel Limited to explore the possibility of acquisition, exploration and development of mines, extraction and processing of minerals, setting up integrated steel plants and other businesses of mutual interest.

Iron Ore Business

Introduction

The Company's principal operations include its three iron ore mining complexes at Kirandul and Bacheli in the State of Chhattisgarh and Donimalai in the State of Karnataka, each of which consists of several iron ore mines. The Company sells most of its high grade iron ore production to the Indian domestic steel market, primarily pursuant to long-term sales contracts. Iron ore from the Company's mines in Chhattisgarh is primarily exported through the port at Vizag while iron ore from Karnataka is mainly exported through the port of Chennai. The Company's iron ore reserves are processed in lump, calibrated lump, fine ore and slimes.

Iron ore sales represented approximately 99% of our consolidated income from operations for Fiscal 2009 and alsofor the nine months ended December 31, 2009.

Iron Ore Mining and Production Process

The Company's mining business involves the mining, processing and sale of iron ore, and the acquisition, exploration and development of mining assets. The Company's iron ore mining is conducted by the open pit mining method. Drilling and blasting are necessary for the excavation of iron ore, with the height of the benches generally kept at 12 meters. The production run of the mine is directly fed to a primary crusher and the crushed ore then passes through a scalping screen. Oversized material retained on the scalping screen is then fed to a secondary crusher and crushed to (-) 150 mm. The undersized material from the scalping screen and the crushed ore from the secondary crusher are transported to the surgepile at the screening plant by a conveyor. This material is fed to the double deck primary vibratory screens by apron feeders. The ore is washed by means of water jets installed on the top decks.

For producing calibrated lump ore, the oversized material from the top deck is fed to a tertiary cone crusher to crush the ore further to (-) 40/(-) 30 mm. The undersized material of the bottom deck is fed to the corresponding double deck vibrating secondary screen where further washing of the iron ore occurs. The discharge from the tertiary crusher is screened in order to separate lump ore and fine ore. The lump ore along with the fractions retained by the bottom deck of the primary screen and the top deck of the secondary screen is transported as sized lump ore through a conveyor to the lump ore stockpile at the loading plant. The fine ore generated from the tertiary crusher along with the fine ore separated as oversized material at the bottom deck secondary screen is transported by a separate conveyor to the fine ore stockpile at the loading plant. The undersized material of the bottom deck of the secondary screens is processed in the classifiers to recover fines which are mixed with the secondary screen fine ore product and is transported to the stockpile by the same conveyor. However, for ease of handling, this fine ore from the classifier is passed over a dewatering screen to drain the excess water and to control the moisture in the ore. The overflow from the classifier is fed to a battery of hydrocyclones. The underflow from the hydrocyclones is fed to a slow speed classifier.

Substantial quantity of super-fines is thus recovered from the slow speed classifier and this is fed to the fine ore conveyor and transported to the fine ore stockpile at the loading plant. Lump ore/Calibrated lump ore and fine ore are separated as finished products and the slimes generated after washing (which are poorer in grade) are impounded in the tailing dam.

The wet circuit comprises classifiers, dewatering screens, hydrocyclones, slow speed classifiers and thickeners for reclaiming coarser fines from the slime water and also to enable the recirculation of water for reuse in the screening plant.

For operational convenience, dry screening operations are also carried out, in which case washing of the ore is not. Lump/Calibrated lump ore and fine ore are separated and there is no slime loss.

Mining and processing is similar in all of the Company's iron ore mines. In the case of Deposits 10 and 11A, however, only lump ore (-150 + 10 mm) and fine ore are produced and there is no tertiary crushing carried out.

There are no direct raw materials used in the Company's iron ore mining and processing operations. Indirect raw materials include power, fuel and lubricants. The Company procures these indirect materials from various vendors. The electricity required for the Company's operations is supplied by the government grid and supplemented by the Company's, as well as hired, diesel generator sets.

The processed iron ore products that the Company sells include the following:

Lump Ore

The physical specification of lump ore is between 10 mm and 150 mm commercially marketed as Baila RoM. Lump ore can be directly fed into a blast furnace for the purpose of steel making.

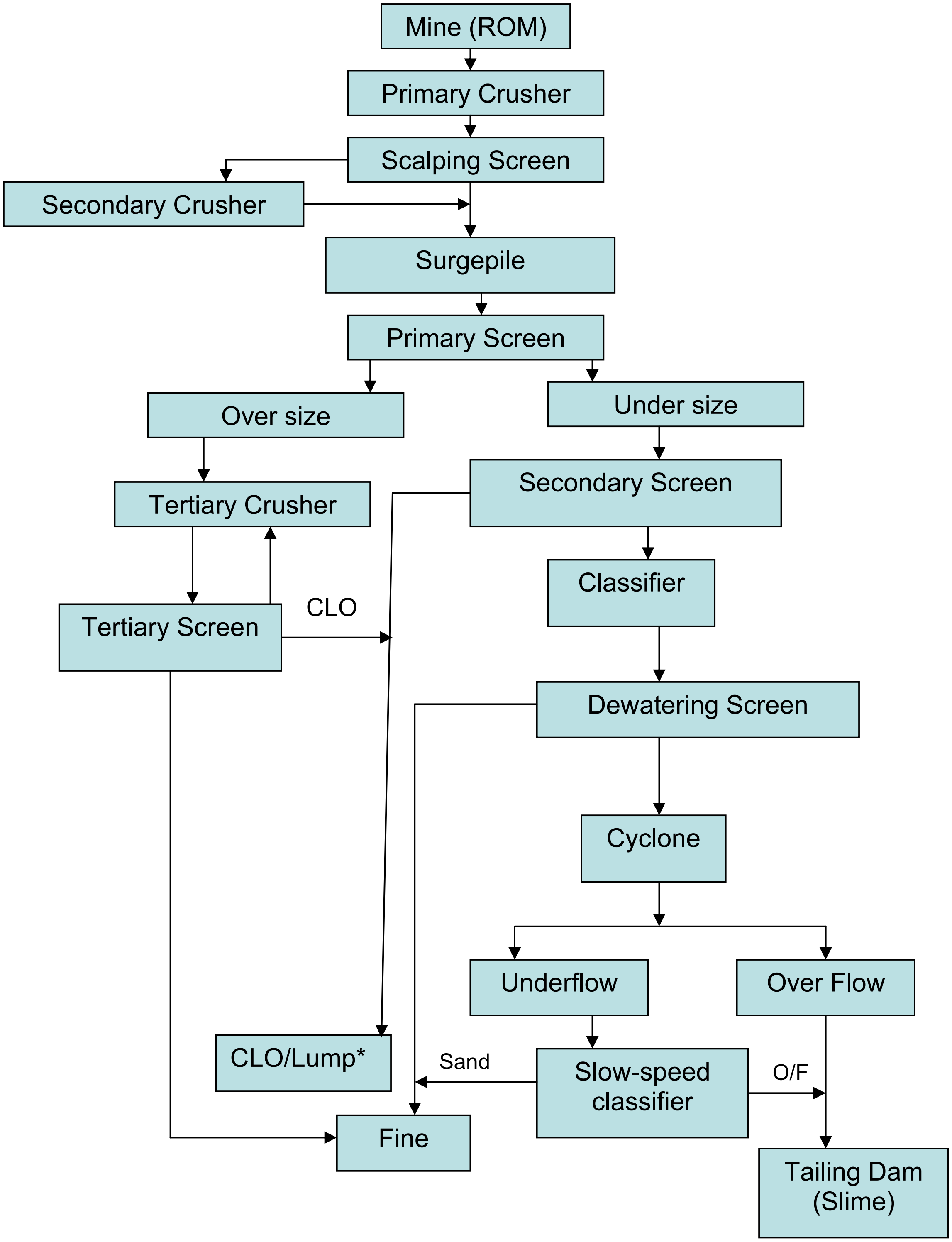
Calibrated Lump Iron Ore ("CLO")

The physical specification of calibrated iron ore is between 10 mm to 40 mm at Deposit 5, between 6 mm to 40 mm at Deposit 14 and 11C and 6 mm to 30 mm at Donimalai Complex. Calibrated iron ore, or lumps, as they are commonly known, are classified as high grade ore when its Fe content is 64% and above. Calibrated iron ore with less than 64% Fe content is classified as medium grade ore.

Iron Ore Fines

The physical specification of iron ore fines is below 10 mm, and they are used for the sintering process, which involves agglomeration.

The basic steps involved in the processing of the Company's iron ore products are illustrated in the following diagram:

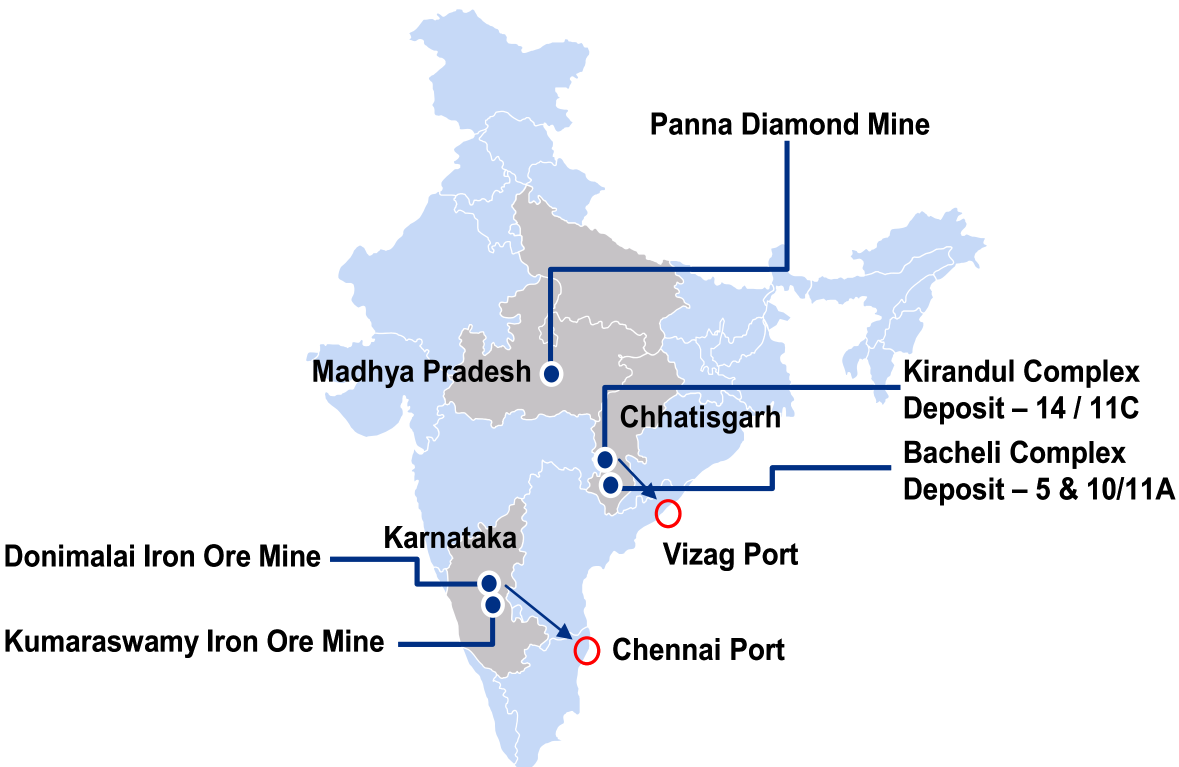


* In case of lump ore production, the tertiary crusher is by-passed.

The Iron Ore Mines

The Company operates its iron ore business principally through three mining complexes: the Kirandul Complex, the Bacheli Complex and the Donimalai Complex.

The following map shows the location of the Company's principal mining facilities in India:



Geology and Mineralisation

Deposit 14, 11/C, 5 and 10/11A banded iron formation deposits are part of Bailadila range of iron deposits located at a distance of about 40 kms southwest of Dantewara, the District head quarters in Chhattisgarh State. The Bailadila range trends north to south and consists of two roughly parallel ridges separated by a valley in between. These ridges are considered to be synclines and the valley in between them is the eroded anticline. Fourteen deposits have been identified in the Bailadila range of hills. For most of its length, the range is divided into two north to south trending ridges separated by a valley. Deposits 1 to 5 occur in the western ridge, Deposits 6 to 12 occur in the eastern ridge and Deposits 13 and 14 occur along the southern closure of the ridges.

Bailadila range is composed of metamorphosed pre-cambrian rocks. The regional strike of the rocks is more or less persistent with the general trend of the range with dips ranging from 500 to 700 metres towards the east. Two tightly folded synclines for the two ridges and an eroded anticline occupying the valley in between account for the regional geometry.

Bailadila iron ore series consist of:

- Iron ore: rock and minerals from which metallic iron can be economically extracted;
- Banded iron formation (BIF): distinctive type of rock often found in sedimentary rocks;
- Ferruginous shales: type of rock formed from accumulation and hardening of fine grained sediments and clays which is rich in iron;
- Phyllites: type of metamorphic rock primarily composed of quartz, mica and chlorite;
- Tuffs: type of rock consisting of consolidated volcanic ash; and
- Quartzites: hard metamorphic rock derived from sandstone.

Bailadila iron ore series is underlain by granite and gneisses.

Silica in the banded iron formations at the deposits has been leached and varying amounts have been removed, creating the following types of iron ore:

- Massive hematite ore;
- Friable iron ore;
- Blue dust.

Status of Operating Mines

The following table summarises the mining assets described below and their status as of January 29, 2010:

Mine	Lease Area (hectares)	Annual Authorised Extraction (under mining plan) (in million tonnes)	Lease status valid up to	Regulatory clearances
Kirandul Complex				
Deposit – 14	322.4	5	2015	Forest, environmental and other clearances in place**
Deposit 14 NMZ	506.7	7	2015	Forest, environmental and other clearances in place**
Deposit 11C*	-		2017	Forest, environmental and other clearances in place**
Bacheli Complex				
Deposit – 5	540.1	10	2015	Forest, environmental and other clearances in place**
Deposit 10/11A*	Dep-10: 309.3 Dep-11: 874.9	5	2015 2017	Forest, environmental and other clearances in place**
Donimalai Complex	608.0	4	2028***	Forest, environmental and other clearances in place**

* Deposit 11A and Deposit 11C are part of the Deposit 11 mining lease.

** For further information on forest, environmental and other clearances in place, see the section titled "***Government and Other Approvals***" on page 272 of this Prospectus.

*** Notification granting in principle approval for renewal of the lease published. Formal notification awaited.

Kirandul Complex

The Kirandul mining complex consists of Deposit 14, Deposit 11C and Deposit 14 NMZ, all located in the Dantewara district which is part of the state of Chhattisgarh. Kirandul loading yard is the loading station for the ore produced from these mines.

Bailadila Deposit 14

Bailadila Deposit 14 is one of the oldest large scale open cast mechanical iron ore mines in the Bailadila complex, and commenced operations in April 1968. The mining lease of Deposit 14 covers an area of 322.4 hectares and is due to expire in 2015. Deposit 14 has an annual authorized extraction of five million tonnes per annum. The Company has leased Bailadila Deposit 14 since 1965 and renewed through 2015, under successive 20-year mining leases. The Company's current 20-year mining lease was granted with effect from 1995 and is due to expire in 2015.

Bailadila Deposit 14 is accessible by paved road, and is located about 110 kilometres from Jagdalpur. By road, the mine is approximately 42 kilometres from Dantewada, the district head quarters, approximately 420 kilometres south of Rajpur and approximately 460 kilometres west of the seaport of Vishakapatnam. The nearest railway station is the Kirandul Railway Station, the loading point for the project.

Deposit 14 is located at the south-eastern extreme of the eastern ridge of Bailadila range on a hill trending northwest to southeast with a strike length of about 1.5 kms. Ore body in the deposit falls into three broad zones: cliff zone, knob zone and apron (blue dust) zone. Cliff zone runs all along the southwest end of the deposit with varying width of ore comprising steel grey hematite and blue grey hematite. On the eastern side of the deposit i.e., knob zone, ore is friable and on periphery of this area blue dust zone occurs. Shale band runs through the middle of the deposit.

Bailadila Deposit 14 NMZ was commissioned in June of 1987. The mining lease of Deposit 14 NMZ covers an area of 506.7 hectares and is due to expire in 2015. Deposit 14 NMZ forms the most southern deposit of the eastern limb of the mountain range of Bailadila deposits. The deposit extends over a strike length of about 2.3 kms with the width varying from 125 to 750 mts. The Company's current 20-year mining lease was granted with effect from 1995 and is due to expire in 2015.

Bailadila Deposit 11C was commissioned in June of 1987. The Deposit 11C covers an area of 103 hectares which is part of the mining lease for Deposit 11 and is due to expire in 2017. Deposit 11C forms the southern most deposit of the eastern limb of the mountain range of Bailadila deposits. The deposit extends over a strike length of about 250 meters with the width varying from 125 to 750 meters.

Reserves Estimates as of January 1, 2010

Behre Dolbear has assessed the Company's iron ore reserves in the Kirandul Complex as follows:

Iron Ore Reserves

	As at January 1, 2010			
Deposit Name	***Fe% for Proved Reserves***	***Proved Reserves***	***Probable Reserves***	***Mineral Resources***
	(Million metric tonnes)			
Kirandul Complex				
Deposit 14	64.7%	130.1	-	19.5
Deposit 14 NMZ	65.9%	60.6	-	3.0
Deposit 11C	64.7%	0.7	-	9.4
Total		**191.4**	**-**	**31.9**

Production Statistics

Set forth below is a chart of key production statistics for Kirandul Complex for each of the last five Fiscals and the nine month period ended December 31, 2009.

Iron Ore Production

(million metric tonnes)

	Year ended March 31,					**Nine months ended December 31,**
	2009	**2008**	**2007**	**2006**	**2005**	**2009**
	(million metric tonnes)					
Kirandul Complex						
Lump Ore	0.8	0.3	1.3	1.1	0.7	0.4
Fines	6.6	6.8	5.4	4.4	3.9	3.6
Calibrated Lump Ore	3.1	3.4	2.7	2.6	2.6	1.4
Slimes	0.9	0.9	0.8	-	-	0.1
Total Production	11.4	11.3	10.2	8.1	7.2	5.5

Mining Processing

Mining in Kirandul is carried out by the open cast mining method. Drilling and blasting are done for excavation. The height of the benches is generally kept at 12 meters. Deposit 14 and Deposit 11C/Deposit 14 NMZ have two separate crushing and screening plants. The RoM excavated by shovels and hauled by dumpers to the respective crushers from both the mines is fed to the primary crusher and the crushed ore passes through a scalping screen. The oversize material retained on the scalping screen is fed to the secondary crusher and crushed to (-) 150 mm. The undersize material from the scalping screen and the crushed ore from the secondary crusher are transported to the surgepile at the screening plant (SP) through a conveyor. There is provision to feed the crushed ore from Deposit 11C in the screening plant of Deposit 14 (SP-1) but not vice-versa. Ore from Deposit 14 is processed through SP-1 and the ore from Deposit 11C and Deposit 14 NMZ is processed through SP-2 and SP-1 by feeding to the double deck primary vibratory screens by apron feeders. Ore is washed by means of the water jets installed on the top decks.

Ore produced from both the mines have a common conveying, stacking and loading system for lump ore/calibrated lump ore and fine ore. For producing calibrated lump ore, oversize material from the top deck is fed to a tertiary cone crusher to crush the ore further to (-) 40 mm. The undersize material of the bottom deck is fed to the corresponding double deck vibrating secondary screen where further washing of the ore occurs. The discharge from the tertiary crusher is screened to separate lump ore and fine ore. The lump ore along with the fractions retained by the bottom deck of the primary screen and top deck of the secondary screen is transported as sized lump ore through a conveyor to the lump ore stockpile at the loading plant. The fine ore generated from the tertiary crusher along with the fine ore separated as oversize material at the bottom deck secondary screens is transported by a separate conveyor to the fine ore stockpile at the loading plant. The undersize of the bottom deck of the secondary screens is processed in the classifiers to recover +100 mesh fines which gets mixed with the secondary screen fine ore product and is transported to stockpile by the same conveyor. However, for ease of handling, this fine from the classifier is passed over a dewatering screen to drain the excess water and to control the moisture in the ore. The overflow from the classifier is fed to a battery of hydrocyclones. The underflow from the hydrocyclones is fed to a slow speed classifier. Substantial quantity of super-fines recovered from the slow speed classifier is fed to the fine ore conveyor and transported to the fine ore stockpile at the loading plant. Thus lump ore/Calibrated lump ore and fine ore are separated as finished products and the slimes generated after washing are impounded in the tailing dam.

The wet circuit comprises classifiers, dewatering screens, hydrocyclones, slow speed classifiers and thickeners for reclaiming coarser fines from the slime water and also to enable the recirculation of water for reuse in the screening plant.

For operational convenience, dry screening operations are also carried out, in which case washing of ore is not done. Lump/Calibrated lump ore and fine ore are separated and there will be no slime loss.

Bacheli Complex

The Bacheli mining complex consists of Deposit 5 and Deposits 10 and 11A, located in Dantewara district which is part of the state of Chhattisgarh.

Bailadila Deposit 5

Bailadila Deposit 5 was commissioned in January of 1977. The mining lease of Deposit 5 covers an area of 540.1 hectares and expires in 2015. Deposit 5 lies towards the southern end of the western ridge of Bailadila range and is bound by Deposit 4 on the north side. Deposit 5 is an extensive deposit extending both laterally and vertically. The deposit extends over a length of 3.5 kms and is divided mainly into two blocks: (i) south block, and (ii) central and northwest blocks. The south block lies between cross sections 1 and 11, central block between cross sections 11 and 20 and northwest blocks lie between cross sections 13 and 17.

In 1987 a mechanized handling system of reclamation and wagon loading of fine ore was completed. This addition was made to meet the increasing demand for fine ore in the steel industry.

Bailadila Deposit 10 and 11A

Bailadila Deposit 10 and 11A was commissioned in February 2002. The mining lease of Deposit 10 covers an area of 309.3 hectares and expires in 2015. The mining lease of Deposit 11, which consists of Deposit 11A, Deposit 11B and Deposit 11C, covers and area of 874.9 hectares and expires in 2017. Deposit 10 and Deposit 11A have an annual authorized extraction of five million metric tonnes per annum.

Deposits 10 and 11 are the two adjacent deposits on the eastern ridge of the Bailadila range. Deposit 10 occurs to the north of Deposit 11A. These deposits are bound by Deposit 8 in the north and Deposit 11B in the south. Deposit 10 has a strike length of 2.6 km with width varying between 400-500 mts and is divided into north and south blocks on the basis of geology and ore characteristics. The north block lies between cross sections 1 and 9 and south block lies between cross sections 9 and 16. Ore in the south block is more compact and higher in grade compared to the north block. The south block extends over a length of about 1 km.

Deposit 11A has a strike length of 2.5 kms. Depending on concentration and grade of ore, ore body has been divided into two blocks: north and south. The north block is confined to the ore body lying between cross sections 0 and 11 showing scant development of iron ore. Ore body between cross sections 11 and 25 having a strike length of 1.4 kms with width varying between 50 to 250 meters and represented by hard and continuous ore body in the south block.

Reserves Estimates as of January 1, 2010

Behre Dolbear has assessed the Company's iron ore reserves in the Bacheli Mining Complex as follows:

Iron Ore Reserves

	As at January 1, 2010			
Deposit Name	***Fe% for Proved Reserves***	***Proved Reserves***	***Probable Reserves***	***Mineral Resources***
	(Million metric tonnes)			
Bacheli Complex				
Deposit 5	65.3%	38.7	182.2	-
Deposit 10	66.0%	140.1	-	56.5
Deposit 11A	65.4%	25.4	-	1.4
Total		**204.2**	**182.2**	**57.9**

Production Statistics

Set forth below is a chart of key production statistics for Bacheli Complex for each of the last three Fiscals and the nine month period ended December 31, 2009.

Iron Ore Production

	Year ended March 31,					**Nine months ended December 31,**
	2009	**2008**	**2007**	**2006**	**2005**	**2009**
	(million metric tonnes)					
Bacheli Complex						
Lump Ore..	2.1	2.6	1.9	1.5	1.4	1.3
Fines..	5.9	6.1	5.5	5.0	4.3	3.9
Calibrated Lump Ore..	2.8	3.0	3.0	2.9	2.9	2.2
Total Production..	10.8	11.7	10.4	9.4	8.6	7.4

Mining Processing

Deposit 5

Mining in the Deposit 5 mine is carried out by the open cast mining method. Drilling and blasting are done for excavation. The height of the benches is generally kept at 12 meters. RoM excavated by shovels and hauled by dumpers is directly fed to the primary gyratory crusher and the crushed ore passes through a scalping screen. The oversize material retained on the scalping screen is fed to the secondary crusher and crushed to (-) 150 mm. The undersize material from the scalping screen and the crushed ore from the secondary crusher are transported to the surgepile at the screening plant through a conveyor. The same is fed to the double deck primary vibratory screens by apron feeders. Ore is washed by means of the water jets installed on the top decks. The process is similar to that of Deposits 14, 11C and Donimalai.

Deposit 10/11A

Mining in Deposit 10/11A is carried out by the open cast mining method. Drilling and blasting are done for excavation. The height of the benches is generally kept at 12 meters. RoM excavated by shovels and hauled by dumpers is directly fed to the primary crusher and the crushed ore passes through a scalping screen. The oversize material retained on the scalping screen is fed to the secondary crusher and crushed to (-) 150 mm. The undersize material from the scalping screen and the crushed ore from the secondary crusher are transported to the surgepile at the screening plant through a conveyor. The same is fed to the double deck primary vibratory screens by apron feeders. Ore is washed by means of the water jets installed on the top decks. Lump ore and fine ore are separated by screening at the primary and secondary screening level. Wet screening operations are similar to the methods adopted in other mines by the Company.

The wet circuit comprises classifiers, dewatering screens, hydrocyclones, slow speed classifiers and thickeners for reclaiming coarser fines from the slime water and also to enable the recirculation of water for reuse in the screening plant.

For operational convenience, dry screening operations are also carried out, in which case washing of ore is not done. Lump ore and fine ore are separated and there will be no slime loss.

Donimalai Complex

The Donimalai Complex is located in the Bellary district in the state of Karnataka. The Donimalai mining lease covers an area of 608 hectares and expires in 2028 and all the forest and environmental clearances are in place. The notification issued by the State Government granting its ‘in-principle’ approval for the renewal of the mining lease for the mine of Donimalai contains a restriction which prevents exportation of the iron ore extracted from the mine. The Donimalai complex also includes the Kumaraswamy mining lease, which covers an area of 647.5 hectares and expires in 2022.

The Donimalai mine is located in the southeast portion of Sandur iron ore belt. Donimalai formation consists of banded iron formation, shaly formation associated with tuffs and overlie metavolcanic rocks. Associated rock types include shale, quartz and amphibolite. The Donimalai deposit comprises 6 deposits separated by shale/non-mineralised zone and spread over a strike length of about 7 kms. For convenience of reference, Donimalai deposit is divided into two main parts: north and south blocks. North block comprises 2E, 2W, 3E and 3W deposits and south block comprises 1 and 1 A deposits. Deposit 1 extends as a narrow ore body beyond the cross section known as MM. Ore bodies beyond MM cross section are further divided into A (extension of deposit-1), B, C and D.

Ore bodies 1 and 1 A in south block show a narrowing tendency at depth. Ore body configuration indicates that the ore bodies in Deposits 2E, 2W, 3E and 3W are undulating at depth.

Reserves Estimates as of January 1, 2010

Behre Dolbear has assessed the Company's iron ore reserves in the Donimalai Complex as follows:

Iron Ore Reserves

	As at January 1, 2010			
Deposit Name	***Fe% for Proved Reserves***	***Proved Reserves***	***Probable Reserves***	***Mineral Resources***
	(Million metric tonnes)			
Donimalai Complex	66.8%	17.6		
Donimalai		**17.6**	-	-
Total	66.8%	17.6		

Production Statistics

Set forth below is a chart of key production statistics for Donimalai Complex for each of the last five Fiscals and the nine month period ended December 31, 2009.

Iron Ore Production

	Year ended March 31,					Nine months ended December 31
	2009	**2008**	**2007**	**2006**	**2005**	**2009**
	(million metric tonnes)					
Donimalai Complex						
Fines...	3.8	4.3	3.3	3.7	3.4	2.8
Calibrated Lump Ore..	2.6	2.6	2.4	1.8	1.8	1.6
Total Production...	6.4	6.9	5.7	5.5	5.2	4.4

The Company exceeded its authorized annual extraction at Donimalai in 2009 and later received post facto approval from the Indian Bureau of Mines.

Mining Processing

Mining in the Donimalai Complex is being carried out by the open cast mining method. Drilling and blasting are done for excavation. The height of the benches is generally kept at 12 mts. RoM excavated by shovels and hauled by dumpers is directly fed to the primary gyratory crusher and the crushed ore passes through a scalping screen. The oversize material retained on the scalping screen is fed to the secondary crusher and crushed to (-) 150 mm. The undersize material from the scalping screen and the crushed ore from the secondary crusher are transported to the surgepile at the screening plant through a conveyor. The same is fed to the double deck primary vibratory screens by apron feeders. Ore is washed by means of the water jets installed on the top decks.

For producing calibrated lump ore, oversize material from the top deck is fed to a tertiary cone crusher to crush the ore further to (-) 30 mm at Donimalai. The undersize material of the bottom deck is fed to the corresponding double deck vibrating secondary screen where further washing of ore is done. The discharge from the tertiary crusher is screened to separate lump ore and fine ore. The lump ore along with the fractions retained by the bottom deck of the primary screen and top deck of the secondary screen is transported as sized lump ore through a conveyor to the lump ore stockpile at the loading plant. The fine ore generated from the tertiary crusher along with the fine ore retained on the bottom deck of the secondary screens is transported by a separate conveyor to the fine ore stockpile at the loading plant. The undersize material of the bottom deck of the secondary screens (at –3mm) is processed in the classifiers to recover +100 mesh fines which gets mixed with the secondary screen fine ore product and is transported to stockpile by the same conveyor. However, for ease of handling, this fine from the classifier is passed over a dewatering screen to drain the excess water and to control the moisture in the ore. The overflow from the classifier is fed to a battery of hydrocyclones. The underflow from the hydrocyclones is fed to a slow speed classifier. Super-fines recovered from the slow speed classifier is fed to the fine ore conveyor and transported to fine ore stockpile at the loading plant.

Thus lump ore/calibrated lump ore (CLO) and fine ore are separated as finished products and the slimes generated after washing are impounded in the tailing dam.

The wet circuit comprises classifiers, dewatering screens, hydrocyclones, slow speed classifiers and thickeners for reclaiming coarser fines from the slime water and also to enable the recirculation of water for reuse in the screening plant.

For operational convenience, dry screening operations are also carried out, in which case washing of ore is not done. Lump/CLO and fine ore are separated and there will be no slime loss.

Power

Electricity for the Company's operations is supplied from private distribution and supply companies located in the respective states where the Company's operations are located. The Gulbarga Electricity Supply Company (GESCOM) provides electricity for the production of the mines in the State of Karnataka. Chhattisgarh State Power Distribution Company Limited (CSPDCL) and Vandana Vidyuth Limited provide electricity for the production of the mines in the State of Chhattisgarh.

Distribution, Logistics and Transport

Most of the Company's sales are domestic sales, where the sale is either "free on rail" or "free on truck" so that transportation is arranged by the customers at their cost. Ore is typically shipped from the Company's nearest railway station to the customer. The customer can choose the mode of transport between road and rail. In India, rail transportation is generally less expensive than road transportation.

Iron ore production at the Kirandul Complex and Bacheli Complex is transported primarily via the Kirandul-Kottavalasa railway line (the "KK Line"). The KK Line was opened in 1967 for the exclusive purpose of connecting the Bailadila mines at the Kirandul and Bacheli Complexes to the Vizag Port on the east coast of India. The KK Line, owned and operated by Indian Railways, is a fully electrified broad gauge line running 475 km from the mines to the Vizag Port. The Company has three loading plants at the mines that can load approximately 70,000 tonnes of iron ore per day onto the KK Line for transport to Vizag. Iron ore transported to the Vizag Port is mainly for export, primarily to Japan, South Korea and China. KK Lines operation has been restricted from time to time due to security concerns from possible terrorist activities of Naxalite rebels operating in the area, impacting distribution of the Company's product.

There is also a slurry pipeline at the Kirandul and Bacheli Complexes that is owned and operated by Essar Steel Limited. This pipeline is 267 km long and can transport 8 million tonnes per annum of iron ore fines slimes to Vizag. Iron ore slimes transported through the pipeline is sold primarily to Essar pellet plants in Vizag. This pipeline was severely damaged in May 2009 by an attack by Naxalite rebels and is no longer operational. The damage to the pipeline has and will continue to have an adverse effect on our results of operations. The Company has no current expectation as to when or if the pipeline operations will be resumed. The Company is utilising alternate transportation mode i.e rail and road to transport iron ore to Essar Steel Limited. See "***Risk Factors***" on page xiii of this Prospectus.

The Company intends to develop its own pipeline to transport iron ore fine from the Bailadila mines, however this project is currently in a very preliminary stage.

The Company has invested, along with Rail Vikas Nigam Limited, the State of Andhra Pradesh, and Krishnapatnam Port Company Limited, in a special purpose corporation, Krishnapatnam Railway Company Limited, organized to build a railway line between Obulavaripalle in Kadapa District, Andhra Pradesh to Krishnapatnam in Nellore District in Andhra Pradesh.

The following table shows the mode of transportation by millions of metric tonnes from the Kirandul and Bacheli Complexes by rail, road and slurry pipe during the three years ended March 31, 2009:

	Year Ended		
	2009	**2008**	**2007**
	(million metric tonnes)		
Rail	14.7	14.9	14.3
Road..	0.3	0.2	0.3
Slurry pipeline(1)	6.4	6.7	5.7
Total	**21.4**	**21.8**	**20.4**

(1) Pipeline no longer operational

At Donimalai complex, the Company has a mechanized loading plant at Ranjitpura that loads onto Southwestern Railway's (SWR) rakes for transport to the Chennai Port on the southern coast of India for export to China, Japan and South Korea. This loading plant is capable of loading 24,000 tonnes of iron ore per day and can accommodate the entire production of the Donimalai complex.

The following table shows the mode of transportation by millions of metric tonnes from the Donimalai Complex by rail and road during the three years ended March 31, 2009:

	Year Ended		
	2009	**2008**	**2007**
	(million metric tonnes)		
Rail	5.1	5.7	4.9
Road	0.6	0.8	0.4
Total	**5.7**	**6.5**	**5.3**

The Company entered into a memorandum of understanding dated December 11, 2007 between the Ministry of Railways, the Government of Chhattisgarh and the Steel Authority of India Limited for the construction of a new rail line. The construction of this new Broad Gauge rail link (235Kms) connecting Dalli Rajhara to Rowghat (95Kms) and Rowghat to Jagdalpur (140Kms) is intended to ensure the transportation of iron ore from the Bailadila mines to supply the Bhilai Steel Plant.

Sales and Marketing

The Company sells its core products, iron ore lump, fines and slimes, through the Company's sales and marketing division. For the nine months ended December 2009, approximately 99% of the Company's consolidated income from operations was derived from iron ore sales. For the Fiscal 2009, approximately 92% of the Company's iron ore sales are made based upon long term sales contracts with customers, both domestically and in the export market. The remaining 8% is sold on the spot market at negotiated prices.

The following table breaks down sales between the domestic and export market and also between long term agreements and the spot market for the last three Fiscals as follows:

	Iron Ore Sales				
	Fiscal Year 2005	**Fiscal Year 2006**	**Fiscal Year 2007**	**Fiscal Year 2008**	**Fiscal Year 2009**
	(million metric tonnes)				
Export Market					
Long Term Agreement	7.5	6.1	3.0	3.4	2.1
Spot Market	-	-	0.3	0.4	1.8
Total Export	**7.5**	**6.1**	**3.3**	**3.8**	**3.9**
Domestic Market					
Long Term Agreement	15.7	18.8	22.3	23.3	22.3
Spot Market	-	-	-	1.1	0.3
Total Domestic	15.7	18.8	**22.3**	**24.4**	**22.6**
TOTAL	**23.2**	**24.9**	**25.6**	**28.2**	**26.5**

The following table shows the average price obtained by the Company's iron ore sales by mine in the export market:

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009
	(Rs./metric tonne)				
Kirandul Complex					
Export*	1,390	2,121	2,572	2,646	5,466
Bacheli Complex					
Export*	1,751	1,869	2,002	2,160	3,656
Donimalai Complex					
Export*	1,184	1,740	1,935	1,988	4,418
Total Company					
Export*	1,421	1,960	2,228	2,317	4,414

** Includes royalty and freight*

The following table shows the average price obtained by the Company's iron ore sales by mine in the domestic market:

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009
	(Rs./metric tonne)				
Kirandul Complex					
Domestic*..	625	1,139	1391	1,794	2,228
Bacheli Complex					
Domestic*..	733	1,533	1,759	2,258	3,164
Donimalai Complex					
Domestic*..	766	1,138	1,379	1,813	2,257
Total Company					
Domestic*..	706	1,321	1,543	1,979	2,588

* Domestic sales of iron ore are made on a "free on rail"/"free on truck" basis. Consequently, transportation is to be arranged by the customers at their cost.

The following table shows the volume of iron ore actually delivered to the Company's main domestic customers for Fiscal 2009:

	Bailadila Lump	Bailadila Fines	Bailadila Total	Donimalai Lump	Donimalai Fines	Donimalai Total	Total
	(millions of metric tonnes)						
Rashtriya Ispat Nigam Limited	1.8	3.3	5.1	-	-	-	5.1
Essar Steel Limited	0.8	6.4	7.2	-	-	-	7.2
Ispat Industries Limited	1.5	0.5	2.0	0.1	0.4	0.5	2.5
Welspun Maxsteel........	0.6	-	0.6	-	-	-	0.6
Kudremukh Iron Ore Company Limited.........	-	0.5	0.5	0.2	1.0	1.2	1.7

Summary of Material Sales Contracts

The Company has entered into long term agreements with its main customers. The Company's main domestic customers are Rashtriya Ispat Nigam Limited (RINL) (Vizag Steel Plant), Welspun Maxsteel, Essar Steel Limited, Ispat Industries Limited, Kudremukh Iron Ore Company Limited (KIOCL) and JSW Steel Limited (JSW). These agreements provide for the precise chemical composition and physical composition of iron ore sold to the customer. Under such agreements, samplings and analysis are carried out by the Company in accordance with ISI standards to ensure that the customer's chemical and physical requirements are fully met. Such agreements provide for a price adjustment for any increase or decrease in the Fe content of the iron ore delivered to the customer by at least one percent. Such agreements contain a quantity allocation provision which provides for the range of iron ore to be supplied to the Company's customer. The exact amount to be supplied is negotiated on a yearly basis. The customer no longer benefits from its long term customer status if its yearly lifting is less than 90% of the quantity agreed to be delivered. If the customer loses its long term customer status, the Company can impose on the customer to pay a higher price for the full quantity of iron ore supplied under the agreement. The prices and pricing mechanism in the domestic contracts are agreed between the parties when entering into the agreement for its entire duration. In existing domestic contracts, the price was fixed for the first year and has subsequently been determined based upon a formula taking into consideration the variation of the Japanese benchmark price and the variation in the exchange rate for rupees/dollars on a six months basis. Supply contracts are generally for a duration of five years, with most of the current agreements for domestic sales due to expire in 2010 and most of the current agreements for exportation due to expire in 2011. The agreements generally contain a force majeure provision and an arbitration provision. For domestic sales, the arbitration clause provides for the Company to suggest the names of three potential arbitrators among which the customer can select the arbitrator. The Company also entered into sale agreements with some less frequent customers with the price determined on a spot basis. For the period April 2008 to March 2009, these domestic sales priced on a spot basis accounted for 0.3 mtpa.

For domestic sales, the sale is typically on a "free on rail" basis or "free on truck" basis, so that transportation is arranged by the customers at their cost for the loading charges. Exports to China are linked to spot prices. Exports to Japanese steel mills and South Korean steel mills are priced based on long term contracts which are linked to international benchmark prices. Every year these companies negotiate with major steel manufacturers and set a benchmark increase upon which the rest of the world bases its pricing.

Export sales are typically made on a "Free on Board" (FOB) basis, so that the Company has performed its obligation under the contract once the agreed amount of iron ore is loaded onto the ship or vessel. The Company is required to pay for the various costs relating to rail freight, port charges and any export duty.

The export purchase agreement typically includes quantity, method of delivery and specifications, with price negotiated at the time of sale. Payments are made either in advance, on sight letter of credit or on credit.

The following map shows the location of the Company's major customers in India.

Export Policy

The Company is subject to the policy of the Government of India for its exports which requires the Company to export iron ore with a Fe content of more than 64% only through MMTC, acting as a canalizing agency for the Government of India. The government policy imposes a cap on the export of iron ore with Fe content above 64% from specific areas like Bailadila in the State of Chhattisgarh. The Company cannot export more than 3 million metric tonnes per year of Bailadila lumps or more than 3.8 millions metric tonnes of Bailadila fines under existing government policy. International prices of iron ore fines are determined based on the price at which MMTC concludes its contracts with international buyers, so long as MMTC remains the canalising agency for Indian iron ore exports. In the event MMTC does not remain a canalizing agency, then the prices agreed between the Japanese Steel Mills and the major iron ore producers will serve as the basis for price determination. The agreement the Company entered into with MMTC is due to expire in March 2011.

Exploration and Development

The Company is actively involved in significant exploration and development activities with a view to applying for and acquiring new iron ore and other mineral leases. The Company has a drilling division at Raipur for taking up exploratory drilling works at potential mineral deposits. This has been strengthened to take up strategic exploration in mineral rich states (mainly iron ore) at no cost to the State Governments such as the memorandum of understanding the Company entered into with the State of Jharkhand under which the State Government will treat requests from the Company regarding mineral exploration and mining on a priority basis upon condition of value addition in the State of Jharkhand or sale of mineral to the industries of Jharkhand. The focus is on establishing additional resources by undertaking exploration in and around existing deposits and areas within the lease area.

Exploration and development professionals include geologists, mining engineers and surveyors holding postgraduates degrees. Most of such professionals have several years of experience in the exploration of iron ore and other minerals. The equipment used for these exploration and development activities include among other things, polarizing microscope, stereomicroscope, global positioning system (GPS), differential global positioning system (DGPS), proton precession ground magnetometer, total stations and digital planometers. Such activities also require the use of software, such as Map Info, Encom Map Discover for 3D modelling, Magna and Isatis for geo statistics, Surfer, Corel Draw and GPPS Pathfinder. The Company has a specialized plant for stream sediment sample processing at Kalyandurg in the State of Andhra Pradesh for diamond exploration purposes. The Company also has a fire assay laboratory for gold analysis. The Company owns six core drill machines for exploration purposes.

Over the last five years, the Company's exploration activities have included:

- remote sensing, reinterpretation of aero geophysical data and geochemical sampling for gold under reconnaissance surveys in the State of Karnataka between 2003 and 2006;
- beach sand exploration in the State of Orissa in 2008;
- detailed exploration of coal blocks in the State of Madhya Pradesh between 2008 and 2009; and
- exploration for gold in Tanzania in the areas of Bulyang Ombe and Siga Hill.

Process for Acquiring Mining Leases

The process for acquiring new mining leases involves three stages. As a first step, the Company applies for and obtains a Reconnaissance Permit (the "RP") covering the intended area where the Company will engage in exploration for specific minerals. The RP is granted locally by the respective State government and then the RP deed covering the intended area is executed. The Company will then commence Reconnaissance Survey activities during the three year term of the RP.

As a second stage, assuming a successful Reconnaissance Survey, the Company will apply for a Prospecting License ("PL") covering targeted or selected blocks of acreage within the area covered by the RP. Once the PL is granted, the relevant deeds are executed and the Company is permitted to conduct exploration activities during the term of the PL, generally up to a maximum of five years.

After successful exploration activity, the Company will apply for a mining lease for the targeted area. Mining leases are generally initially granted for a period of 30 years and subsequently renewed for a period of 20 years, subject to environmental clearance and expansion clearance. The mining leases can be terminated for breach of existing statutory laws and breach of any environmental protection laws. Under its mining leases, the Company is required to pay a royalty, which may be set, generally every three years, by the central government of India. This royalty is paid to the respective local States, based upon volume of production in the state of Chhattisgarh, and upon the amount of the production actually sold in the state of Karnataka.

The Company tends to apply for renewal of its mining leases one year before the expiry date. Certain mining leases may be deemed renewed even if the Company has not received the renewal of the mining lease, provided the Company has applied for renewal within the prescribed period of time. For further information, see "Government and Other Approvals" and "Regulations and Policies".

For further information concerning the status of the Company’s mining leases, see “-Status of Mining Leases”.

Current Iron Ore Expansion Projects

Bailadila Deposit 11B

Bailadila Deposit 11B forms part of the Bailadila Deposit 11 Lease. The deposit occurs immediately to the north of Bailadila Deposit 11C, the southernmost deposit on the Eastern Limb of the folded mountain range of the Bailadila Range. The Deposit is bounded by Deposit 11A to the north and Deposit 11C to the south. Towards the east, the deposit slopes steeply to the Kirandul granitic Plain and to the west, galli nala. Strike length is over 2,600 meters trending north to south with the width varying from 200 meters to 700 meters and gradually narrowing towards both the ends. The central part of the deposit is compact and high grade compared to the north and south block of the deposit.

The Deposit is being developed to integrate with the infrastructural facilities of Deposits 14, 11C and 14 NMZ at the Kirandul complex.

Behre Dolbear has assessed the Company's iron ore reserves in the Bailadila Deposit 11B at January 1, 2010 as 114.3 million metric tonnes of proved reserves and 6.2 million metric tonnes of mineral resources.

Kumaraswamy Iron Ore Deposit

The Kumaraswamy Iron Ore Deposit is part of Bellary Hospet group of iron ore deposit and falls under Sandur schist belt. The Sandur Schist Belt mainly comprises Chlorite schist, Tuffs, Phyllites and Banded Iron Formation (BIF). In the BIF, the Kumaraswamy Iron Ore Deposit occurs in the southern tip of the Sandur Synclinorium. The Kumaraswamy deposit is located about 15 km from Sandur and the nearest railway line is at the Rajanjitpur Railway siding of the Company's Donimalai Project, which is at a distance of about 10 km from this deposit. The Kumaraswamy Iron ore deposit is a plateau of 20 km in length and is divided into five blocks: A, B, C, D and E from east to west, out of which the Company has mining lease "B" and "C" block.

Behre Dolbear has assessed the Company's iron ore reserves in the Kumaraswamy B and C blocks at January 1, 2010 as 130.4 million metric tonnes of proved reserves. There is pending litigation with respect to the Kumaraswamy Deposit.

B Block: The Iron ore body strike 1.2 km east-west with a low northerly dip. The width of the ore body varies from 400 meters to 900 meters with an average width of 310 meters. The northern boundary of the ore body is in contact with BHQ.

C Block: The Iron ore body strike 2.5 km east-west and with low dip. The ore body continues for a length of 2 kms in a 105 degree strike direction and takes swing towards the north east 15 degrees at the eastern end of the deposit. The ore body has an average width of 400 meters.

Bailadila Deposit No.13, Chhattisgarh

The ore body has a northeast to southwest trend with moderately to steep south-easterly dip of around 60 degrees. The deposit has a strike length of 1600 meters and its width varies from 300 meters to 800 meters. The average width is 390 meters and the average depth is around 95 meters. Structurally, the deposit appears to be one limb of an isoclinals fold. The deposit has been traversed by a number of faults. All these faults appear to have caused change in the strike of the ore body. The ore body has a crescent shaped surface appearance. The ore body is bounded by BIF in the northern, north-eastern and north-western sides and by shale, soil, float on the north-eastern and south-eastern slopes.

It is anticipated that Deposit No. 13 will be developed by the Company in a joint venture company with NMDC-CMDC Limited in which the Company will have a 51% interest. The mining lease for Deposit 13 has not yet been executed and nor have forest clearance and environmental approvals been obtained.

Behre Dolbear has assessed the Company's iron ore reserves in Deposit No. 13 at January 1, 2010 as 319.6 million metric tonnes of proved reserves.

Bailadila Deposit 4, Chhattisgarh

Deposit 4 is located north of Deposit 5 and south of Deposit 3. The geological succession at Bailadila Deposit 4 includes soil cover and laterite followed by iron ore and banded iron ore formation with intercalations of ferruginous shales and slates, tuffs and cherts with quartz and conglomerate. Ferruginous shales and quartzite are well exposed in the eastern flank in gully nala cuttings. Iron ore formations consisting mainly of hematite with lateritic capping are exposed on the western flank of the hill, the strike of the ore body is north north-eastern in the northern part and it swings to north 35 degrees east to north east towards the southern end.

It is anticipated that Deposit 4 will be developed by the Company in a joint venture company, NMDC-CMDC Limited, in which the Company will have a 51% interest. The mining lease for Deposit 4 has not yet been executed nor have forest clearance and environmental approvals been obtained.

Behre Dolbear has assessed the Company's measured mineral resources in Deposit 4 at January 1, 2010 as 105.0 million metric tonnes.

Other Iron Ore Projects

In addition, mining leases for the following deposits have been applied for:

- Sasangada Iron Ore Deposit: this deposit falls in the Karampada reserve forest of west Singhbhum district of Jharkhand. The Company submitted application for both a mining lease and a prospecting license to explore and develop this deposit in joint venture with Jharkhand State Mineral Development Corporation (JSMDC) of the Government of Jharkhand. The proposal of the Company is under consideration by the Government of Jharkhand.

- Ghatkuri Mine: Ghatkuri iron ore deposit falls in the iron ore basin of west Singhbhum-Keonjhar occurring in the western fringe of Singhbhum Craton of eastern India (Jharkhand and Orissa). This deposit is reserved for public sector exploitation but some private parties have also applied for mining leases over this deposit.

- Ramandurg: Ramandurg iron ore deposit forms part of the Bellary and Hospet group of iron ore deposits occupying the western flank of Sandur Synclinorium and consists of Precambrian group of rocks including chlorite, tuff, banded hematite and quartzite. This deposit has been explored by the Company and the Company has applied for a mining lease. The mining lease has not yet been granted.

Diamond Mining

The Company operates the only diamond mine in the country.

The diamond mine is situated at a distance of about 20 kms from Panna, Madhya Pradesh. Diamond occurs in the Kimberlite pipe emplaced into the Kaimur sandstone as a primary source. It also occurs in the form of conglomerate and gravel deposit within the area. The main mining lease area is 113.3 hectares. It is approachable by an all weather road from Panna and Khajuraho. The mine is being operated pursuant to the orders of the Supreme Court of India as described below and Rule 24A(6) of Mineral Concession Rules, 1960, as amended, which extends the term of lease until government passes orders on renewal application.

The Company's main diamond mining lease expired in 2005 and an application for renewal of the mining lease was submitted in July 2003. The diamond supplementary mining lease covers an area of 162 hectares and expires in June 2010. The Supreme Court of India authorized the re-opening of the diamond mine pursuant to orders dated August 13, 2008, September 5, 2008 and May 1, 2009, for a period of five years, subject to certain conditions, including a review report of the monitoring committee constituted by the Supreme Court. For further information, see "***Risk Factors***" on page xiii of this Prospectus. The Company now has authorization to produce 100,000 carat of gem and industrial diamonds per annum.

Behre Dolbear has assessed the Company's diamond reserves in the Panna Mine at January 1, 2010 as follows:

At January 1, 2010										
Tenement	**Proved Ore Reserve**			**Indicated Reserve**			**Inferred Resource**			**Total**
Panna diamond	Million tonnes	Carat Per Hundred Tonnes	Carats	Million tonnes	Carat Per Hundred Tonnes	Carats	Million tonnes	Carat Per Hundred Tonnes	Carats	Million tonnes
	11.3	9.5	1078457	3.6	8.6		2.4	8.6		17.3

The process of diamond mining involves removal of overburden/waste and obtaining diamondiferous tuff, both black variety and white variety. The height of the mining benches is generally kept at 10 metres. The excavated kimberlite tuft from mines is directly fed to the plant or stockpiled in stockyards. The treatment process consists of crushing in two stages and reducing the ore to a size of (-) 18 mm. The crushed material is passed through a scrubber and then fed to a vibrating screen to separate into three fractions: (+) 18 mm, (-) 18 (+) 1.2 mm and (-) 1.2 mm sizes. The (-)18 and (+)1.2 mm size material is treated through a Heavy Media Separation (HMS) plant, while (+)18 mm material is fed to the cone crusher to crush it to (-)18 mm size and fed again to a vibratory screen. (-) 1.2 mm fraction (dust like material) is removed as waste/tailings and impounded in the tailing pond. (-) 18 (+) 1.2 mm size material is fed to the HMS plant. After being subjected to heavy media separation, the ore splits into two products, slimes (sinks) and tailings (floats). The slimes consist of diamonds while the tailings are non-diamond bearing products. The slimes obtained by HMS are fed to the CRC Plant and dried in rotary driers and screened on vibrating screen and the following four fractions are obtained: (-)18 (+)10 mm; (-)10(+) 5 mm; (-)5 (+)3.5 mm and (-)3.5 (+) 1.2 mm fractions. These slimes are then passed through a two stage magnetic separator turn by turn. Diamonds, being non-magnetic, get separated from the slimes, which further is subjected to the X-ray sorter, and the same are collected in glove box. After the X-ray sorter, the rejected material is fed to the grease table where the undetected small diamonds are collected in the grease table.

Other Mining Operations

The Company also intends to produce limestone, dolomite and magnesite, which will be used internally to produce iron ore pellets for steel plants and are also sold to third parties.

The Company has a mining lease of the Arki Limestone mine covering an area of 232.6 hectares and expiring in 2011. The mine is located in Himachal Pradesh. This deposit was targeted for use of metallurgical limestone by the steel plant of SAIL. Due to adverse logistic conditions, SAIL could not lift the material from Arki Limestone. The State Government has authorized the use of limestone by the local Ambuja cement plant until the Company, which has entered into a memorandum of understanding with SAIL, can operate the mine. The environmental clearance has not yet been granted and the land acquisition is still in process.

Behre Dolbear has assessed the Company's limestone reserves at the Arki Limestone mine at January 1, 2010 as follows:

											(mllion metric tonnes)
At January 1, 2010											
Tenement	**Proved Ore Reserve**					**Measured Mineral Resource**					**Total**
Arki Limestone	Mt	Ca0%	Si02%	Mg0%	Acid insol.%	Mt	Ca0%	Si02%	Mg0%	Acid insol.%	Mt
	98.3	52.4	0.8	2.2	1.0	21.1	53.4	0.7	1.4	1.0	119.5

The Company is developing a magnesite mine at Panthal in the State of Jammu and Kashmir in a joint venture with J & K Minerals Limited. The mine, along with the plant, is expected to have a production capacity of 30,000 tonnes per annum for Dead Burnt Magnesite. The Company has applied for renewal of the mining lease of Panthal magnesite mine, covering an area of 485 hectares, which expired in 2009. The Company has received an ex-post facto approval from the State Government of Jammu and Kashmir renewing the lease until January 10, 2019.

Behre Dolbear has assessed the Company's magnesite reserves at Panthal at January 1, 2010 as follows:

									(million metric tonnes)
At January 1, 2010									
Tenement	**Proved Ore Reserve**				**Measured Mineral Resource**				**Total**
Panthal magnesite	Mt	Mg0	Si02	Cao	Mt	Mg0	Si02	Cao	Mt
	2.6	45.2	0.6	2.1	1.4	43.5	2.6	2.0	4.1

Status of Mining Leases

The following table sets forth the lease, mining plan, forest clearance and environmental approval status of each of the deposits in which the Company currently has, or is planning to have, an interest.

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
Bailadila Iron Ore Project, Deposit – 14ML						
Land situated at Bailadila	The Company	Valid up to September 11, 2015	Mining scheme valid from April 1, 2005 to March	Operating	Granted	Granted

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
			31, 2010. Mining scheme for the period from April 1, 2010 to March 31, 2015 has been submitted on November 09, 2009			
Bailadila Iron Ore Project, Deposit – 14NMZ						
Land situated at Bailadila	The Company	Valid up to December 06, 2015	Mining scheme valid from April 1, 2005 to March 31, 2010. Mining scheme for the period from April 1, 2010 to March 31, 2015 has been submitted on November 09, 2009	Operating	Granted	Granted
Bailadila Iron Ore Project, Deposit – 11 ML (including 11A ML and 11B ML falling within Bacheli Complex)						
Land situated at Bailadila	The Company	Valid up to September 11, 2017	Mining scheme for the period from 2007-2008 to 2011-2012	Operating	Granted	Granted
Bailadila Iron Ore Project Bacheli Deposit No. 5 ML						
Land situated at Bailadila	The Company	Valid up to September 10, 2015	Mining scheme valid from April 01, 2005 to March 31, 2010. Mining scheme for the period from April 01, 2010 to March 31, 2015 has been submitted on December 19, 2009	Operating	Granted	Granted
Bailadila Iron Ore Project Bacheli Deposit No. 10 ML						
Land situated at Bailadila	The Company	Valid up to September 10, 2015	Mining scheme approval	Operating	Granted	Granted

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
			awaited from IBM Mining scheme for the period from 2009-2010 to 2013 - 2014 has been submitted on December 09, 2009			
Donimalai Iron Ore Project						
Land situated at Donimalai Range	The Company	In-principle approval for renewal for further period of 20 years from November 4, 2008 received from Government of Karnataka on October 23, 2008.	Mining plan approved on August 18, 2008.	Operating	Granted	Granted
Kumaraswamy Iron Ore Project						
Land situated at Kumaraswamy	The Company	Valid up to October 17, 2022	Mining plan approved for the period from 2002 to 2022. Mining scheme valid from April 01, 2007 to March 31, 2012	Under development	Granted	Granted
Panna Diamond Project						
Land situated at Hinota and Majhgawan in Panna registration district of Panna, Thana Panna .	The Company	Renewal applied for in 2003.	Mining plan approved for the period from July 01, 2005 to June 30, 2025 Mining scheme for the period April 01, 2010 to March 31, 2015 is to be submitted.	Operating	Granted	Granted

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
			Mining plan to the supplementary lease will be submitted for the period from June 2010 to June 2030 Mining scheme for the period from September 2009 to June 2010 has been submitted.			
Arki Limestone Mines						
Land situated at Arki.	The Company	Valid up to August 06, 2011	Mining plan was approved on January 07, 1991	Non operational	Application submitted to Principal Chief Conservator of Forest, Himachal Pradesh on September 1, 2009.	MoEF in letter dated May 12, 2009 has requested for submission of the draft EIA report. Public hearing was conducted on November 12, 2009 and at present the rehabilitation and resettlement scheme is being finalised.
Panthal Mines						
Land situated at Jammu and Kashmir	The Company	Valid up to January 10, 2019, Pursuant to ex-post facto approval for renewal from State Government of Jammu and Kashmir	Mining plan was approved on December 23, 2008	Non operational	Approval pending from Shri Mata Vaishno Devi Shrine Board.	Draft EIA and EMP report has been submitted to Regional Director, J&K State Pollution Control Board on November 11, 2009 and public hearing date is awaited.
Lalapur Mine						
Land situated at Lalapur.	The Company	Applied for renewal on December	Mining scheme valid from	Non-operational	Land diversion proposal	Pending

NMDC LIMITED

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
		09, 2005.	December 15, 2006 to December 14, 2011		submitted to Divisional Forrest Officer, Allahabad on December 28, 2006 and is currently under process.	
Bailadila Deposit 13						
Bailadila Deposit 13	The Company	Mining Lease applied on October 28, 1994	IBM pursuant to letter dated January 7, 2010 had granted an extension till February 4, 2010 for submitting the modified mining plan. On February 2, 2010, the Company has filed an application for approval of modification of the approved mining plan of Bailadila Deposit 13 before the Controller of Mines, Nagpur.	Non-operational	The application for forest clearance is pending with Principal Chief Conservator of Forests, Raipur since March 16, 2009.	Form-1 and technical and economic feasibility report has been submitted to MoEF on August 17, 2009 and the terms of reference was received from MoEF on October 26, 2009 for preparation of EIA and EMP report, which is under preparation. The Company submitted the EIA report to the Member Secretary, Chhattisgarh Environment Conservation Board on February 19, 2010 and a request has been made by the Company for organising a public hearing for the above proposal.
Bailadila Deposit 4						
Bailadila Deposit 4	The Company	Mining Lease applied on January 22, 1990	Mining plan expired on May 01, 1996	Non-operational	Revised application for forest land diversion was submitted on	-

Mine	Leaseholder/Applicant	Lease Status	Mining Plan/Scheme	Operating Status	Forest Clearance	Environmental Approvals
					March 19, 2005. The State Forest Department has informed the Company that the forest clearance application will be accepted when it is submitted along with the mining lease approval letter from Government of Chhattisgarh.	

Wind Power Station

The Company operates a wind power plant through 7 towers with an aggregate capacity of 10.5 MW. The power plant station is located in Chitradurga in the State of Karnataka, approximately 995 metres above sea level on hilly terrain. The Company leases the property from Karnataka Renewable Energy Development Limited.

On March 28, 2008, the Company entered into a contract for the operation and maintenance of six towers of the wind power plant for 10 years by an independent contractor, Suzlon Energy Limited ("Suzlon"), at a cost of Rs. 108.2 million with orders for the 9.0 MW to be produced by these towers of electricity at a cost of Rs. 562.0 million. On September 30, 2008, Suzlon commissioned these towers with a capacity of 9.0 MW and connected the wind power plant to the grid.

In addition, on September 23, 2008, the Company entered into a contract for the operation and maintenance of the seventh tower for 10 years by Suzlon at a cost of Rs 18.0 million with orders for the balance of 1.5 MW of electricity at a cost of Rs. 93.7 million. On March 31, 2009, Suzlon commissioned the tower with a capacity of 1.5 MW and connected the wind power plant to the grid.

On September 24, 2009, the Company obtained a sub-lease of the land for the 9.0 MW facility. The Company is in the process of obtaining a lease of the land for the 1.5 MW from Suzlon and the Company expects that this lease will be obtained by the end of March 2010.

The Company's wind power business is subject to seasonality. At the Company's facilities, the strongest winds typically occur between May and September. For this reason, the productivity of the Company's facilities is usually the highest between May and September, with lower productivity occurring between October and April.

Wind energy is captured and turned into electricity by a wind turbine. The rotors (or blades) of a wind turbine typically consist of three blades. The energy captured by the blades steadily rotating is transferred to an electrical generator. The generator, together with a gearbox, transformer and other control equipment, is housed in what is known as the "nacelle" of the turbine.

Although a wind turbine is designed to operate continuously across a range of wind speeds, it does not always generate electricity at its Rated Capacity. A wind turbine normally does not generate electricity if the wind speed is below a certain level. As wind speed increases, the wind turbine will gradually increase its electricity output until it reaches its Rated Capacity. When wind speed rises to a certain threshold, the "cut-out speed", the wind turbine will shut down in order to protect itself from the forces exerted by high wind conditions. This output characteristic is called the "power curve".

Pursuant to the power purchase agreements, dated July 25, 2009 and January 7, 2010, all the 9.0 MW of electricity and 1.5 MW of electricity produced by the wind power plant is sold to Bangalore Electricity Supply Company ("BESCOM") which is a distribution company of the Government of Karnataka, respectively. The electricity will be sold at a price of Rs.3.40 per

KWH, fixed for the first ten years. The power purchase agreement is due to expire 20 years from when the commercial operation commenced.

As of December 31, 2009, the total generation of electricity from the wind power plants with a capacity of 10.5 MW was 24,362,036 KWH, out of which 2,274,538 KWH was generated from the wind power plant with a capacity of 1.5 MW.

Steel Plant Projects

The Company intends to develop an integrated steel plant project in Jagdalpur in the State of Chhattisgarh with a capacity of 3 mtpa. The iron ore required for the production of steel would be supplied by the Company's existing mines. The Company is in possession of 995 acres of land and has submitted an application for additional land of 777.2 acres.

Environment clearance to operate the steel plant was obtained on September 15, 2009 where it has been specified that construction work can start after obtaining approval from the Central/State Government for the 25.7 hectares forest land under the Forest (Conservation) Act, 1980. The Company has applied for such forest clearance. The Company received clearance for rail transport on February 17, 2009 and a Railway Consultant was appointed on December 29, 2009. The Company has obtained sanction for construction power from the Chhattisgarh State Power Distribution Company Limited and discussions are in progress for operational power. The Company has also obtained sanction for construction water and operational water.

The Company has been allocated 2500 acres of land in the State of Karnataka for construction of a steel plant and has obtained power connectivity and water connectivity in the Bellary/Hospet area. The Company intends that this steel plant will have a production capacity of 2 mtpa.

Pellet Plant Projects

Pellet plants are intended for the utilisation of slimes and value addition of the Company's existing products which will enable it to reduce waste and contribute to the protection of the environment. The Company presently has two pellet plants under development. One is at the Donimalai area in the State of Karnataka that the Company intends to have a capacity of 1.2 mtpa at an investment of Rs. 5,720 million. The other is in the Bailadila area in the State of Chhattisgarh with an intended capacity of 2 mtpa and an investment of Rs. 8,070 million. The Company has identified land for both these plants and a Techno-Economic Feasibility Report has been completed and a due diligence report has been received with respect to each.

The Company has appointed an EPCM consultant and environmental clearance has been obtained for the Donimalai pellet plant while a public hearing is underway for the Bacheli plant.

Coal Blocks

The Ministry of Coal allotted two coal blocks, in the State of Madhya Pradesh, to the Company in July 2007.

Geology of Shahpur East and West Coal Block, Shahdol District, in the State of Madhya Pradesh

Shahpur East and West coal blocks fall under in the North western part of Sohagpur coalfield, about 12 km north-west of Shahdol town, in the State of Madhya Pradesh. The block is located at a distance of 75 km from Umaria town and covers an area of about 6.40 and 5.88 sq kms, respectively.

The block is well connected by road and rail. The nearest railway station is Shahdol located 12 km south-east of the block on Anuppur-Chirimiri and Bilaspur-Katni broad gauge line of South-Eastern Railways. National highway No. 78 passes through Shahdol.

Since the area of Shahpur East and West coal blocks are entirely covered by Barren Measures formation, the structure of the coal blocks is very simple with locally steeping dip. In general, the strike of the coal seam is northwest-southeast, locally deflecting slightly and dipping towards the southwest about two degrees. Two dolerite dykes intrude into the formations. The seam occurs mostly in the depth range of 50–100 m below the surface. The above blocks are regionally explored. Dominant grade is C and D and to some extent E. A total of seven coal seams occur in the blocks. The total resource of Shahpur East coal block is 63.4 million tonnes and Shahpur West coal block is 52.7 million tonnes.

Geological Succession

Age	Formation	Lithology
Recent	Soil (1.00 - 7.00 m)	Soil and Alluvium
Mid. Permian	Barren Measures (3.00 – 64.70 m)	Pink, buff, red sandstone, red shale etc.
Lower Permian	Barakar (121.03 – 243.35 m)	Coarse to medium grained sand-stone subordinate shales and coal seams
Lower Permian to Upper Carboniferous	Talchir	Sandstone & Siltstones with pebbles of Granite
- Unconformity - - - - - - - - - - -- - - - - - - - - - - - - - - - - - -		
Pre-Cambrian	Metamorphics	Porphyritic granite gneisses

The coal is to be mined is for power generation for use in the steel plant project.

International Projects

The Company has been involved in a number of international projects such as:

- the Company established an International Investment division called NMDC Global to acquire overseas properties especially in the field of iron ore, coal, manganese and fertilizer minerals, namely rock phosphate and potash;
- the Company secured a prospecting license for gold in Tanzania, conducted explorations and has been granted retention licences;
- the Company has entered into a memorandum of understanding with:
    - SAIL, RINL, NTPC, CIL for securing coking coal and thermal coal supplies from overseas, and the Joint Venture company, ICVPL, was incorporated on May 20, 2009;
    - Nagarjuna Fertilizers for securing and exploring Potash and Rock Phosphate mines, mainly outside India, dated September 11, 2006;
    - Spice Metals and Mineral, dated May 29, 2008, to identify and exploit global mining opportunities; and
    - West Bengal Mineral Development & Trading Corporation Limited, dated November 18, 2008, to develop coal blocks in the State of West Bengal and for the formation of a joint venture company for exploration and trading of coal from coal blocks.

Competition

The Company competes with both domestic Indian producers of iron ore for domestic customers and with iron ore exporters for exports. The Company sells most of its high grade iron ore production to the Indian domestic market. In Fiscal 2009, the Company's exports constituted approximately 15% of its consolidated total sales volume, primarily to Japan and South Korea.

The Company is the largest producer of iron ore in India by volume according to the Federation of Indian Mineral Industries. The main competitors of the Company in the Indian market are Kudremukh Iron Ore Company Limited, Sesa Goa Limited and MSPL. The Company believes that it is able to compete effectively with other Indian producers through the size of its reserves, and by providing a better grade of iron ore than is provided by many of its competitors. In recent years, competition for obtaining leases for iron ore mines in India has increased significantly. The Company competes with independent mining operators and with captive steel producers for mining leases.

Environmental Management

The Company gives high priority to environment management, having its own Environment Management Programme. Restoration and conservation of the forest in the mined out areas is a prime objective of the Company.

The Company is committed to addressing environmental issues that may be raised by its mining operations, in particular with respect to air, dust, water and noise pollution. The Company's iron ore mines in the States of Chhattisgarh and Karnataka have been accredited with ISO 9001 and ISO 14001: 2004 EMS certification. The ISO 9001 Certification in respect of the mines in Chhattisgarh were valid until November 2009. The Company is in the process of receiving fresh certification.

The Company has constructed 25 check dams and check bunds across various stream courses to prevent the flow of silt material during monsoon season and avoid turbid water flow down the streams. The Company has built four tailing dams for containing slime discharged from screening plants.

The Company took a number of measures to reduce land erosion such as constructing buttress walls and digging contour trenches. Regular maintenance of Heavy Earth Moving Machineries and OCSL Plant equipments contributed to the reduction of noise pollution.

The Company conducted a number of afforestation programs and green belt development programmes covering mining lease areas, townships, barren hills, tailing dam areas, hill slopes and road sides.

The Company undertakes systematic environmental monitoring studies such as collection of meteorological data, ambient air quality, water quality, water flow, ambient and work zone noise levels and soil quality on a number of mines that it operates. The environmental parameters were generally found to be well within prescribed permissible limits.

For all its endeavours on the Bailadila and Donimalai complex, the Company received a number of awards including the Abheraj Baldota Award for environment in 2003, the Sita Ram Rungta Award for social awareness by FIMI in 2006, and the Greentech Environment Excellency award for Environment Management in 2005.

Safety

Although mining is an inherently hazardous activity, the Company has endeavoured to conduct its mining operations safely. The Company regularly monitors its safety procedures and reviews its safety record.

As part of its efforts to help ensure safety in its mining operations, the Company has followed a number of requirements and procedures including the training for a number of employees working in the mines, implementation of a policy of strict compliance with the Mines Act, 1952, as amended, in the formation of benching, which is the construction of a mine, a number of training courses to help raise safety awareness levels among its workforce and use of machinery and equipment in its mines and processing plants with built-in safety features.

Pit safety committee meetings are organized on a regular basis in the Company's mines. Tripartite safety committee meetings are held with officials from the Directorate General of Mines Safety, representatives of the unions and management of the Company.

Research and Development

Mining and mineral development requires a strong base of suitable research and development effort. Commencing in 1970, the Company formed a Research and Development division within the Company. This division has now grown into a large R&D center at Hyderabad which is capable of taking up assignments in the field of ore beneficiation and mineral processing. The R&D center has been conducting a study to establish a plant in the Donimalai complex in the State of Karnataka to transform waste from the mines with a low Fe content of approximately 35% (BHJ/BHQ material) into iron ore slimes with high grade Fe content superior to 64%. Such beneficiation process would be carried by magnetic separation. The R&D center has earned a reputation for competence in undertaking technology development projects related to mineral processing, flow sheet development, mineralogical studies and project development. The R&D center of the Company has been recognised as the "Center of Excellence" in the field of Mineral Processing by the Expert Group Meeting of United Nations Industrial Development Organisation (UNIDO) consisting of delegates from 15 countries. The center is extending technology support to the Company's existing mines, other organisations in India and abroad. The center was awarded ISO 9001 certification in October, 1998.

IT systems

Due to the nature of the Company's core operations, its mining and production activities do not rely on information technology to a material extent. The Company relies on IT systems only for its inventory. The Company has entered into an agreement for the maintenance of its IT system.

Employees

As at February 10, 2010, the Company had 5,932 employees, including 1,070 executives and 242 junior officers and 4,620 workmen. The majority of the remaining employees are members of several unions including Samyuktha Khadan Mazdoor Sangh, Metal Mine Workers Union, Bastar Khadan Mazdoor Sangh, Bharatiya Khadan Mazdoor Sangh, Bailadila Mazdoor Union, Donimalai Iron Ore Project Employees Association Panna Hira Khadan Mazdoor Sangh, Madhya Pradesh Rashtriya Heera Khani Mazdoor Sangh and NMDC Employees' Union. The wage settlement agreement entered into by the Company and the unions expired on December 31, 2006. The Company is in the process of negotiating a renewed agreement with the trade unions. The Company believes that it has a good relationship with these unions and has not lost any employee time due to strikes or labour unrest.

The Company attaches great importance to the provision of continuous training. The Company conducted 26 in-company training programmes covering 633 employees during the period April 2008 to March 2009. The areas covered included advanced maintenance practices, reliability centered maintenance, general management programme, management development programme, training and coaching, career development for junior officers and communication skills. The Company arranged for 342 executives to attend 113 external training programmes.

Corporate Social Responsibility

The Company has taken up corporate social responsibility ("CSR") activities. It has now strengthened its CSR activities. The beneficiaries are mostly the tribals/backward sections in the proximity of the mines, which are in remote locations. The areas focused on are education, health, medicare, drinking water, infrastructure development and self-employment. These services are provided in consultation with the local people and the local administration.

Insurance

The Company's open-pit mining method has a relatively lower level of risk compared to underground mining. The Company maintains insurance which protects it at a project level and corporate level against certain losses relating to the Company's assets including plant equipment arising from fire, earthquakes and freight insurance which protects against losses relating to the transport of the Company's equipment, product inventory and slimes.

However, the Company's insurance does not cover other potential risks associated with its operations. In particular, the Company does not have insurance for certain types of environmental hazards, such as pollution or other hazards arising from the Company's disposal of waste products. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on the Company's financial condition or results of operations. Moreover, no assurance can be given that the Company will be able to maintain its existing level of insurance in the future at the same rates.

Intellectual Property

The Company was awarded a number of patents including three US patents for producing Amorphous Silica, Sodium Silicate and Zeolite A, respectively, from the waste resulting from the extraction of diamonds in the mines of Panna. These patents were awarded jointly to the Company, and Council of Scientific and Industrial Research (CSIR) as a result of their combined research and development. The Company and CSIR entered into an MoU which regulates their respective rights with regard to the patents.

Amorphous Silica is produced from the Kimberlite host rock through hydro-metallurgical process and has applications in the production of rubber, in the automotive industry and in the cosmetic industry. Zeolite A has applications in connection with the production of soap and detergents and Sodium Silicate in the production of decorative glasses.

The Company's logo is not registered.

For details on the registered patents of the Company and the applications filed by the Company for registration of patents, see "Government and Other Approvals" on page 272 of this Prospectus.

Properties

The land on which the Registered and Corporate Office in Hyderabad is located is owned by the Company. All the regional offices of the Company and certain facilities of the Company, such as the research and development centre in Hyderabad and the crushing and screening plant at Vishakapatnam, are situated on land leased from third parties. For risks related to the Company's properties, see "Risk Factors" on page xiii of this Prospectus.

REGULATIONS AND POLICIES

Laws relating to the Mining Industry

We are governed by the Mines and Minerals (Development and Regulation) Act, 1957, as amended, (the "MMDR Act"), the Mineral Conservation and Development Rules, 1988, as amended (the "MCD Rules") and the Mineral Concession Rules, 1960, as amended (the "MC Rules"), in respect of mining rights and the operations of mines in India. The Government of India announced the National Mineral Policy, 1993, (the "Mineral Policy"), and has also made subsequent amendments to the Mineral Policy to reflect principles of sustainable development including the National Mineral Policy, 2008. The MMDR Act, the MCD Rules and the MC Rules have been amended from time to time to reflect the principles of such Mineral Policy. Mining leases are granted under the MMDR Act, which was expressly enacted to provide for the development and regulation of mines and minerals under the control of the Union of India, pursuant to Entry 54 of the Union List in the Seventh Schedule of the Constitution of India.

A mining lease must be executed with the relevant State Government. The mining lease agreement governs the terms on which the lessee can use the land for the purposes of mining operations. If the land on which the mines are located belongs to private parties, the lessee would have to acquire the surface rights from such private party. If such private party refuses to grant such surface rights, the lessee is to inform the same to the State Government and deposit the compensation for the acquisition of the surface rights with the State Government, and if the State Government deems that such amount is fair and reasonable, then the State Government will order the private occupier to permit the lessee to enter the land and carry out such operation as may be necessary for the purpose of the mining lease. For determining compensation to be paid to such private party, the State Government is guided by the principles of the Land Acquisition Act. In case of Government land, the surface right to operate in the lease area is granted by the Government upon application and as per the norms of that State Government. Surface rights of private land can be directly negotiated with the owner and the rights obtained.

If the mining operation in respect of any mining lease leads to a displacement of people, the mining project can become functional only after obtaining the consent of such affected persons and the resettlement and rehabilitation of the persons displaced by the mining operations and payment of other benefits is required to be carried out in accordance with the guidelines of the relevant State Governments, including payment for the acquired land, owned by those displaced persons.

Applications for a mining lease, reconnaissance permit and a prospecting license have to be made to the concerned State Government, containing certain mandatory details in accordance with the MC Rules. In respect of iron ore, coal and other minerals listed in the First Schedule of the MMDR Act, prior approval of the Government of India is required to be obtained by the State Government for entering into the mining lease. The approval of the Government of India is granted on the basis of the recommendations of the State Governments, though the Government of India has the discretion to overlook the recommendation of the State Governments. On receiving the clearance of the Government of India, the State Government grants the final mining lease and prospecting license. The mining lease can be executed only after obtaining the mine plan approval, along with the progressive mine closure plan approval from the Indian Bureau of Mines (IBM). Such plans are required to be in formats as prescribed by the Indian Bureau of Mines (IBM) in this regard.

In case forest lands are involved, the mining lease can be executed only after obtaining the forest clearances as per the Forest (Conservation) Act, 1980, as amended (the "Forest Act"). Pursuant to notification No. 60(E) issued by the Ministry of Environment and Forest, Government of India (the "MoEF") dated January 27, 1994, as amended (the "Notification"), project authorities in mining projects are required to intimate the location of the project site to the MoEF while initiating any investigation and surveys. The MoEF then conveys a decision regarding suitability or otherwise of the proposed site within a maximum period of thirty days. Such site clearance is granted for a sanctioned capacity and is valid for a period of five years for commencing the construction, operation or mining. The mine can be operational only when the project (greater than 5 hectare area) receives the Environment Clearance from the MoEF, Government of India under the Environment (Protection) Act, 1986, as amended (the "Environment Act"). In a state, a person can be granted one or more mining leases for a mineral or prescribed group of associated minerals for a total area not exceeding 10 square kilometres. However, if the Government of India is of the opinion that it is necessary in the interest of development of any mineral to do so, it may relax the aforesaid requirement. However, any person acquiring a mining lease in the name of any other person that is intended for himself shall be deemed to be acquiring it himself. Further, in order to determine the total area of 10 square kilometres, the area held under a mining lease by a person in his capacity as member of a co-operative society, company or any other corporation, or a Hindu undivided family or a partner of a firm shall be deducted from the area held under a mining lease in his own name so that the sum total of the area held under the mining lease does not exceed 10 square kilometres.

The maximum term for which a mining lease may be granted is 30 years. A mining lease may be renewed for further periods of 20 years or for a lesser period as per the request of the lessee. The renewals are subject to the lessee not being in default of any applicable laws (including environmental laws) and in respect of certain specified minerals, the previous approval of the Government of India. The MMDR Act provides that if the holders of a mining lease are using the mineral for their "own industry", then such holder would be entitled to a renewal of his mining lease for a period of 20 years unless he applies for a lesser period. The lessee has to apply to the relevant State Government for renewal of the mining lease at least one year prior to the expiry of the lease. However, the State Government can condone the delay in submitting an application for renewal of a lease provided that the application is made before the expiry of the lease. In the event that the State Government does not pass any orders in relation to an application for renewal prior to the expiry of the lease, the lease period will be deemed to be extended until the State Government passes its orders on such application for renewal.

Under the MC Rules, the prior consent of the State Government in writing, and in respect of certain specified minerals, the previous approval of the Government of India, is required for transfer of a mining lease, including assignment, subletting or transfer of right, title or interest in any other manner. Further, the transferee must accept all the conditions and liabilities to which the transferor was subject in respect of such lease.

A prospecting license for any mineral or prescribed group of associated minerals is granted for a maximum period of three years. A prospecting license may be renewed for a longer period by the relevant State Government, if it is satisfied that a longer period is required to enable the licensee to complete prospecting operations subject to such renewal period not exceeding five years. In a state, a person can be granted a maximum area of 25 square kilometers in one or more prospecting license, but if the Government of India is of the opinion that in the interest of development of any mineral it is necessary to do so, the maximum area limit can be relaxed. A person may obtain a prospecting license in various states simultaneously up to the state-wide area limits. However, a person acquiring a prospecting license in the name of another person that is intended for himself shall be deemed to be acquiring the prospecting license for himself and the limits would apply accordingly. The person who undertakes prospecting under a prospecting license enjoys preferential right for the grant of the mining lease over any other person, subject to the satisfaction of the relevant State Government in respect of certain conditions.

Further, where any person has made an application for a mining lease in respect of mineral(s) not specified in the existing mining lease(s) by another, then the State Government shall notify such fact to the person who already holds mining leases in the land applied for. If the existing lessee applies for a prospecting licence or mining lease for another mineral in respect of the newly discovered mineral(s) within six months of date of communication of such information by the State Government, then the existing lessee shall get preference in respect of such grant.

The MCD Rules set forth the measures required to be taken by the lessee for the protection of the environment while conducting prospecting, mining, beneficiation or metallurgical operations. The MCD Rules provide that every holder of a mining lease shall take all possible precautions for the protection of the environment and control of pollution while conducting prospecting, mining, beneficiation or metallurgical operations in the area. The environmental protection measures that are required to be taken in any mining operation includes, among others, removal and utilization of top soil, storage of overburden, waste rock, etc., reclamation and rehabilitation of lands, precaution against ground vibrations, control of surface subsidence, precautions in respect of air pollution and noise levels, discharge of toxic liquid and impact on flora. Pursuant to the Supreme Court judgment in *M.C. Mehta v. Union of India*, environmental clearance from the Ministry of Environment and Forest, Government of India is also required at the time of renewal of a mining lease if the area under the lease is in excess of five hectares and the mining lease is in respect of a major mineral.

Royalty Payable

Royalty on the mineral removed or consumed from a leased area at a specified rate, or the dead rent, whichever is higher, is payable to the State Government by the lessee in accordance with the MMDR Act. The mineral royalty is payable in respect of an operating mine that has started dispatching and is computed in accordance with the rates stipulated in this regard. The Government of India has broad powers to change the royalty rates but cannot do so more than once every three years.

In terms of the second schedule to the MMDR Act, the royalty currently payable with respect to iron ore lumps, fines and concentrates of all grades is at a rate of 10% on an ad valorem basis, on the sales price.

In addition, the lessee will be liable to pay the occupier of the surface of the land over which he holds the mining lease an annual compensation determined by the Central Government, which varies depending on whether the land is agricultural or non-agricultural.

Other mining laws and regulations that may be applicable to the Company include the following:

- Mining Leases (Modification of Terms) Rules, 1956;
- The Mines Act, 1952 and Mines Rules, 1955;
- The Payment of Wages (Mines) Rules, 1956;
- Metalliferous Mines Regulations, 1961;
- The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act, 1976;
- The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Rules, 1978;
- The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976; and
- The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Rules, 1978.

Compliance with other applicable laws

We are also required to obtain clearances under the Environment Act, the Forest Act, if any forest land is involved, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, as amended, Water (Prevention and Control of Pollution) Cess Act, 1977, as amended and Air (Prevention and Control of Pollution) Act, 1981, as amended, before commencing the operations of the mines. Pursuant to the Environment Impact Assessment Notification No. 1533(E), 2006 (the "EIA Notification"), to obtain an environmental clearance, a no objection from the concerned state level expert appraisal committee or the MoEF, as applicable, must first be obtained, which is granted after a notified public hearing, submission and approval of an environment impact assessment, or EIA report and an environment management plan, or EMP, by the person as well as the mines. The EIA report spells out all the operating parameters, including, for example, the pollution load etc. as well as their mitigating measures for that particular mine or production facility. Mining activity within a forest area is not permitted in contravention of the provisions of the Forest Act. The final clearance in respect of both forest and environment is given by the MoEF. However, all applications have to be made through the respective State Governments who then recommend the application to the Government of India. The penalties for non-compliance range from closure or prohibition of mining activity in respect of the mines as well as the power to stop supply of energy, water or other service and monetary penalties on and imprisonment of the persons in charge of the conduct of the business of the company in accordance with the terms of the Environment Act and the Forest Act.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

A lessee is also required to comply with the provisions of the Water Act, which aims at the prevention and control of water pollution as well as restoration of water quality, through the establishment of state pollution control boards. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater is required to obtain consent of the state pollution control board. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state pollution control board. Even before the expiry of the consent period, the state pollution control board is authorized to carry out regular checks on any industry to verify if the standards prescribed are being complied with by the concerned person/company. If the standards are not being complied with, the state pollution control board is authorized to serve a notice to the concerned person/company. In the event of non-compliance, the state pollution control board may close the mine or withdraw its water supply to the mine or cause magistrates to pass injunctions to restrain such polluters.

Water (Prevention and Control of Pollution) Cess Act, 1977 (the "Water Cess Act")

Mining is a specified industry under the Water Cess Act and a lessee is required to pay the surcharge as stipulated on the basis of water consumed. The assessing authority at the state level levies and collects the surcharge based on the amount of water consumed by such industries. The rate is also determined on the basis of the purpose for which the water is used. Based on the surcharge returns to be furnished by the industry every month, the amount of cess is assessed by the relevant authorities. A rebate of up to 25% on the surcharge payable is available to those industries which install any plant for the treatment of sewage or trade effluent provided that they consume water within the quantity prescribed for that category of industries and also comply with the effluents standards prescribed under the Water Act or the Environment Act.

Air (Prevention and Control of Pollution) Act, 1981(the "Air Act")

A lessee is also required to comply with the provisions of the Air Act, under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any mining activity. The board is required to grant consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

For ensuring the continuation of the mining operations, a yearly consent certification from the state pollution control board is required both under the Air Act and the Water Act, as discussed above.

Apart from the above, other laws and regulations that may be applicable to the Company include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Industries (Development and Regulation) Act, 1951
- Factories Act, 1948;
- The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950;

- Explosives Act, 1884;
- Gas Cylinders Rules, 2004;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Payment of Gratuity Act, 1972;
- Payment of Bonus Act, 1965;
- Payment of Wages Act, 1936;
- Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;
- Shops and Commercial Establishments Act; and
- Environment (Protection) Act, 1986, and Environment (Protection) Rules, 1986.

Wind Energy

The wind power programme in India was initiated towards the end of the Sixth Plan in 1983-84. India has a separate Ministry of New and Renewable Energy ("MNRE"). In 1981, the Commission on Additional Sources of Energy was set up under the aegis of the Department of Science and Technology to look into the feasibility of tapping into sources of renewable energy. In 1982, a separate Department of Non-Conventional Energy Sources ("DNES") was created under the aegis of the erstwhile Ministry of Energy for promoting activities relating to development, trial and induction of a variety of renewable energy technologies for use in different sectors. In 1992 the MNRE started functioning as a separate Ministry (then called the Ministry of Non-Conventional Energy Sources) to develop all areas of renewable energy. Policy guidelines were issued by the MNRE to all the states during the mid nineties with a view to promote commercial development and private investment in this sector. The guidelines pertain to areas such as provision of facilities for wheeling, banking, third party sale, and buy-back of electricity. Nine states have introduced renewable energy policies following the MNRE's guidelines in the country.

MNRE

The mandate of MNRE includes research, development, commercialisation and deployment of renewable energy systems/devices for various applications in rural, urban, industrial and commercial sector.

In order to ensure quality of wind farm projects and equipments, the MNRE introduced the "Guidelines for wind power projects" (the "MNRE Guidelines") in July 1995 for the benefit of SEBs, manufacturers, developers and end-users of energy to ensure proper and orderly growth of the wind power sector. The MNRE Guidelines are periodically updated and issued. The MNRE Guidelines, inter-alia, make provision for proper planning, siting, selection of quality equipment, implementation and performance monitoring of wind power projects. The MNRE Guidelines seek to create awareness among various stakeholders about planned development and implementation of wind power projects.

In 1987, MNRE established the Indian Renewable Energy Development Agency Limited ("IREDA"), a financial institution to complement the role of MNRE and make available finance to renewable energy projects. IREDA functions under administrative control of MNRE. IREDA is involved in extending financial assistance and related services to promote deployment of renewable energy systems in India.

In addition, MNRE has established various specialised technical institutions to carry out its mandate. In relation to the wind energy sector, the Centre for Wind Energy Technology ("C-WET") at Chennai is an autonomous research and development institution. The C-WET has several departments, including relating to research and development, wind turbine testing, standards and certification, information, training and commercial service and wind resource assessment.

Setting up of wind farms

The MNRE Guidelines set out the conditions that are required to be met for establishing wind farms and also for manufacturing and supplying equipment for wind power projects. These conditions include submission of detailed project reports, approval of sites for wind power installations, type certification by independent testing and certification agencies (either C-WET or certification agencies) to ensure quality of the wind turbine generators manufactured. In addition, manufacturers and developers are also required to provide their technical capability and infrastructure.

Evacuation

In order to evacuate the power generated by the wind power project, creation of proper evacuation facilities in form of internal lines, external high voltage lines and substations becomes essential.Such infrastructure is created either by manufacturer or developer on a case by case basis pursuant to applicable authorizations from, and payment of fees to, state electricity boards and state nodal agencies

Other clearances

Depending upon the location of the wind power project, we may be required to take additional permissions or authorizations. For example additional permissions may be required in the event that a wind power project is being set up close to an air force base.

Direct Taxes

Under the provisions of the Income Tax Act, 1961, as amended and the Rules made thereunder, specific concessions have been made available to the non-conventional energy sector, including wind energy.

Accelerated 80% depreciation has been provided on specified renewable energy based devices and projects including wind mill and devices that run on wind mills.

Income earned by way of dividends, interest or long term capital gains by industrial undertakings set up in any part of India for the generation or generation and distribution of power at any time during the period beginning on the April 1, 1993 and ending on the March 31, 2006, is also exempt from tax.

Section 80-IA of the Income Tax Act, 1961, as amended provides for the deduction from the total income of an assessee, of profits from an undertaking set up in any part of India for the generation or generation and distribution of power, which begins to generate power during the period April 1, 1993 to March 31, 2006. This deduction is subject to payment of MAT.

Restrictions on Foreign Investment

Foreign Ownership

The industrial policy was formulated in 1991 to implement the Government's liberalization program and consequently industrial policy reforms relaxed industrial licensing requirements and restrictions on foreign investment. The foreign direct investment limit in respect of the mining and exploration of diamonds, precious stones, gold, silver and minerals is 100%.

The RBI by A.P. (DIR Series) Circular No. 16 dated October 4, 2004 and A.P. (DIR Series) Circular No. 63 dated April 22, 2009 granted general permission for the transfer of shares and convertible debentures of an Indian company by non-residents to residents and from residents to non-residents, subject to the terms and conditions, including pricing restrictions and filing and other requirements, specified in such circulars. Our Company has received an RBI approval dated January 13, 2010 for the transfer of the Offer Shares by the Selling Shareholder to non-residents, including FIIs, NRIs, FVCIs and multilateral/bilateral development financial institutions through the book building process under the SEBI Regulations.

Calculation of Total Foreign Investment in Indian Companies

Press Note No. 2 (2009 Series), dated February 13, 2009 ("Press Note 2 of 2009"), issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), read with the clarificatory guidelines for downstream investment under Press Note No. 4 (2009 Series) dated February 25, 2009 ("Press Note 4 of 2009"), issued by the DIPP, sets out the manner of calculation of foreign investment in an Indian company.

Foreign investment is defined broadly and includes investment by FIIs and NRIs and foreign investment in the form of American depositary receipts, global depository receipts, foreign currency convertible bonds, convertible preference shares and convertible currency debentures.

Press Note 2 of 2009 specifies that all investments made directly by a non-resident entity in an Indian company will be considered as foreign investment. Further, in relation to an investment by an Indian company in another Indian company, if (i) the investing Indian company is owned and controlled by resident Indian entities (i.e., resident Indian citizens and/or resident Indian companies that are ultimately owned and controlled by resident Indian citizens) and (ii) foreign entities do not own or control the investing Indian company, then the foreign investment in the investing Indian company will not be considered for calculation of the foreign investment in the second Indian company. However, if the requirements under (i) and (ii) above are not satisfied, then the entire investment of the investing Indian company in the investee Indian company will be considered foreign investment.

Pursuant to Press Note 2 of 2009, an investing company will be considered (i) "owned" by resident Indian entities or foreign entities, if more than 50% of its equity interest is beneficially owned by resident Indian entities or foreign entities, as the case may be and (ii) "controlled" by resident Indian entities or foreign entities if the resident Indian entities or foreign entities, as the case may be, have the power to appoint a majority of its directors.

Press Note 4 of 2009 provides guidelines relating to downstream investments by Indian companies that are owned or controlled by foreign entities. These guidelines are based on the principle that indirect foreign investment through downstream investments by Indian companies owned or controlled by foreign entities should follow the same rules as those applicable to direct foreign investment. In respect of downstream investments by Indian companies that are not owned or controlled by foreign entities, there will not be any restrictions.

For the purpose of downstream investments, Press Note 4 of 2009 classifies Indian companies into (i) operating companies, (ii) operating-and-investing companies and (iii) investing companies. In connection with foreign investment in these categories of Indian companies, Press Note 4 of 2009 provides that:

(a) *Operating company*: Foreign investment in an operating company will need to comply with the terms and conditions for foreign investment in the relevant sector(s) in which such company operates;

(b) *Operating-and-investing company*: Foreign investment in an operating-and-investing company will need to comply with the terms and conditions for foreign investment in the relevant sector(s) in which such company operates and such company will need to notify the Secretariat for Industrial Assistance, the DIPP and the FIPB of its downstream investment within 30 days of such investment. Further, the investee Indian company in which downstream investments are made by such company will need to comply with the terms and conditions for foreign investment in the relevant sector(s) in which the investee Indian company operates; and

(c) *Investing company*: An "investing company" has been defined under Press Note 4 of 2009 as an Indian company holding only direct or indirect investments in other Indian companies other than for trading of such holdings. Any foreign investment in such company will require the prior approval of the FIPB. Further, the investee Indian company in which downstream investments are made by such company will need to comply with the terms and conditions for foreign investment in the relevant sector(s) in which the investee Indian company operates.

Press Note 4 of 2009 further provides that foreign investment in an Indian company that does not have any operations and does not have any downstream investments will require the prior approval of the FIPB.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief Corporate History of our Company

Our Company was incorporated on November 15, 1958 under the Companies Act as National Mineral Development Corporation Private Limited, a private limited company at Delhi.

The name of our Company was changed from National Mineral Development Corporation Private Limited to National Mineral Development Corporation Limited in terms of Section 21 of the Companies Act and the approval of the Ministry of Commerce & Industry, Department of Company Law Administration pursuant to letter no. 11(38)-SL(VI)/59 dated December 30, 1959. The fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, New Delhi on January 5, 1960.

Pursuant to an order passed by the company law board, New Delhi dated September 24, 1973, the registered office of our Company was changed from the Union Territory of New Delhi to the State of Andhra Pradesh. The Registrar of Companies, Andhra Pradesh issued a Certificate of Registration of the Order of the Central Government Confirming Transfer of the Registered Office from Delhi to Andhra Pradesh on December 27, 1973**.**

Our Company became a deemed public limited company with effect from March 13, 1975 pursuant to the provisions of Section 43-A, Section 43 (1A) and Section 43 (1B) of the Companies Act and a new certificate of incorporation was issued on March 13, 1975.

Our Company was converted into a public company with effect from May 5, 1993. The fresh certificate of incorporation consequent on the conversion under Section 31/44 of the Companies Act was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad, on May 5, 1993 changing the status of our Company to a public limited company.

Pursuant to a shareholders resolution dated August 31, 2007, the name of our Company was changed from National Mineral Development Corporation Limited to NMDC Limited under the provisions of Section 21 of the Companies Act, read with the Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R. 507(E) dated June 24, 1985 vide SRN A22211502. The Corporate Identity Number L13100AP1958GOI001674 and a fresh certificate of incorporation consequent upon such change of name were issued by the Registrar of Companies, Andhra Pradesh, Hyderabad, on September 17, 2007.

Changes in the Registered Office

Our current Registered Office is situated at Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500173 Andhra Pradesh, India.

The Registered Office of the Company was situated at 167, Golf Link, New Delhi, India and subsequent changes in the Registered Office are outlined in the table below:

Year	Change in address of the Registered Office
1960	70, Jor Bagh, New Delhi, India
1960	11, Parliament Street, New Delhi – 110 001 India
1961	1/6-B, Pusa Road, New Delhi – 110 060 India
1963	6/4 –B, Gangaram Hospital Marg, New Delhi – 110 060 India
1965	61, Ring Road, Lajpat Nagar – III, New Delhi – 110 014 India
1971	Mohan Singh Place, Irwin Road, New Delhi –India.
1972	B-35, Defence Colony, New Delhi – 110 013 India
1973	109, 109-A, First Floor, Surya Kiran Building, Kasturba Gandhi Marg, New Delhi – 110 001 India.
1974	Mukarramjahi Road, Hyderabad 500 001 Andhra Pradesh, India.
1977	Pioneer House, 6-3-653, Somajiguda, Hyderabad – 500 004 Andhra Pradesh, India.
1984	Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank Hyderabad – 500173 Andhra Pradesh, India.

Certain corporate records and the prescribed forms filed with the relevant Registrar of Companies in respect of the changes in the registered office since incorporation of our Company cannot be traced. Please refer to the section titled "***Risk Factors***" on page xiii of this Prospectus.

Major Events and Milestones

Year	Event
1958	Our Company was incorporated as a government company under section 617 of the Act.
1966	Acquired the Panna Diamond Project
1968	Commenced production of iron ore from Bailadila Deposit No.14.
1977	Commenced production of iron ore from Bailadila Deposit No.5.
1977	Commenced production of iron ore from Donimalai Iron Ore Mine.
1987	Commenced production of iron ore from Bailadila Deposit No.11C.
1989	Incorporated our subsidiary company J & K Mineral Development Corporation Limited' as a joint venture with J & K Minerals Limited, to explore and exploit the magnesite mine at Panthal and to produce dead burnt magnesite.
1992	Equity Shares of our Company were split from Rs. 1000 per share to Rs. 10 per share.
1993	Our Selling Shareholder disinvested 2,130,000 Equity Shares of the Company to certain Institutional Investors and other members of the public
1998	Conferred the Mini Ratna status by Department of Public Enterprise, Government of India, which enabled our Board of Directors to exercise certain capital expenditure powers without reference to Government of India.
2002	Commenced production of iron ore from Bailadila Deposit No.10/11A.
2005	Closed the operations of diamond mine at Panna as per the directives of the Madhya Pradesh Pollution Control Board
2008	Accredited as the "Centre of Excellence" in the field of mineral processing by the Expert Group of United Nations Industrial Development Organisation ("UNIDO").
2008	Equity Shares of our Company were split from Rs. 10 per share to Re. 1 per share.
2008	Declared a bonus in the ratio of 2:1 wherein our shareholders were allotted two bonus shares for every one share held in our Company.
2008	Entered into a memorandum of understanding with Spice Metals and Minerals for the formation of a strategic partnership for planning, acquisition, development and management of metal and mineral projects outside India.
2008	Incorporated a joint venture 'NMDC-CMDC Limited' with Chhattisgarh Mineral Development Corporation Limited to develop Bailadila iron ore Deposit No. 13.
2008	Conferred the Navratna status by Department of Public Enterprise, Government of India which enabled the Board of our Company to exercise certain enhanced capital expenditure powers without reference to Government of India.
2008	Ventured into new area – Wind Energy. Seven units of Wind Electricity Generators having a capacity of 1.5 MW each have been commissioned.
2009	Recorded a turnover of Rs.75,640 million, profit after tax of Rs. 43,720 million and paid dividend of 221% to the shareholders of our Company.
2009	Re-opened its diamond mine at Panna after a gap of 4 years after the Supreme Court allowed the mine to operate.
2009	Entered into a memorandum of understanding with Steel Authority of India Limited for the development of the Arki Limestone deposit for the supply of low silica high grade limestone primarily to the steel plants of our Company and Steel Authority of India Limited.
2009	Entered into a memorandum of understanding with the Department of Mines & Geology, Government of Jharkhand for carrying out geological exploration in Jharkhand for various minerals like iron ore, lime stone, bauxite etc.
2010	Entered into a memorandum of understanding with the Department of Mines & Geology, Government of Andhra Pradesh and Andhra Pradesh Mineral Development Corporation for the exploration and exploitation of iron ore and gold in the State of Andhra Pradesh.

Awards and Recognition

We received the following awards and recognitions for achieving and maintaining high standards in various aspects of our business.

Year	Award/Recognition
1998	Conferred the 'Miniratna' status which enabled the board of our Company to *inter alia* exercise certain capital expenditure powers without reference to the Government of India upto Rs. 30,000,000,000 or equal to their networth whichever is lower and to establish joint venture and subsidiaries in India with the stipulation the stipulation that the equity investment of the public sector enterprises should be limited to Rs. 1000,000,000 in any one project, should not exceed 5% of the networth of the public sector enterprise in any one project or 15% of the networth of the public sector enterprise in all joint ventures / subsidiaries put together.

2008	Conferred the 'Navratna' status which enabled the board of our Company to *inter alia* exercise certain capital expenditure powers without reference to the Government of India wherein the ceiling on equity investment to establish financial joint ventures and wholly owned subsidiaries in India or abroad shall be 15% of the networth of the public sector enterprise in one project limited to Rs. 10,000,000,000 subject to the overall ceiling of 30% of the networth of the public sector enterprise on such investment in all projects put together.
2008	Achieved the first rank among the financial ranking of central public sector enterprises as per the survey carried out by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises for the year 2007–08 on the basis of overall performance on financial and other parameters.
2008	Awarded the Rajbhasha shield – 1st prize for the year 2007-08 of the Town Official Language Implementation Committee (undertakings) Hyderabad, Secunderabad, for excellent implementation of the official language policy amongst the public sector undertakings situated in twin cities.
2009	Received the first prize of the Government of India's Indira Gandhi Rajbhasha Shield for excellent implementation of the official language policy and progressive use of Hindi amongst the public sector undertakings of region 'C' for the year 2006-2007.
2009	Awarded the Steel Ministry's Rajbhasha shield for excellent implementation of the official language policy and progressive use of Hindi amongst the public sector undertakings of region 'C' for the year 2007-2008.
2009	Accredited the CAPEXIL Award and Certificate for Top Exporter for the year 2008-09.
2009	Accredited as one of the 'Fastest Wealth Creator' for the years 2004-2009 pursuant to the 14th Annual Wealth Creation Study by Motilal Oswal Securities Limited dated December 17, 2009.

Certifications

We have been accredited with the following certifications:

Year	Certification
2009	The Bailadila Iron Ore Mine certified, by the Indian Register Quality Systems, to conform to Operational Health and Safety Standard ("OHSAS") 18001:2007 for all activities related to "mining, processing and supply of iron ore". This certificate is valid until December 23, 2012.
2009	The Donimalai Iron Ore Mine certified, by Det Norske Veritas to conform to Operational Health and Safety Standard ("OHSAS") 18001: 2007 certification for "mining and processing of iron ore". The certificate is valid until December 17, 2012.
2009	The Donimalai Iron Ore Mine certified, by Indian Register Quality Systems, to conform to the Quality Management System Standard: ISO 9001:2000 for "mining, processing and supply of iron ore". The certificate is valid until February 19, 2011.
2007	The research and development centre of our Company was certified, by Indian Register Quality Systems, to conform to the Quality Management System Standard: ISO 9001:2000 for "design and development of bulk material handling, slurry transportation and mineral processing technology; development of mineral based new products". The certificate is valid until October 23, 2010.
2007	The Bailadila Iron Ore Project Deposit 14 and 11C certified, by Indian Register Quality Systems, to conform to the Quality Management System Standard: ISO 9001:2000 for "mining, processing and supply of iron ore. The certificate was valid until November 14, 2009 In order to renew the above certificate, a re-certification audit has been conducted by the auditors of Indian Register Quality Systems from November 10, 2009 until November 13, 2009. Our Company is seeking a fresh ISO 9001: 2000 Certificate of Approval.
2007	The Bailadila Iron Ore Project Deposit 5, 10 and 11A of our Company, certified, by Indian Register Quality Systems, to conform to the Quality Management System Standard: ISO 9001:2000 for "mining, processing and supply of iron ore". The certificate was valid until November 17, 2009. In order to renew the above certificate, a re-certification audit has been conducted by the auditors of Indian Register Quality Systems from November 14, 2009 until November 16, 2009. Our Company is seeking a fresh ISO 9001: 2000 Certificate of Approval.

Our Company is in the process of acquiring an Operational Health and Safety Standard ("OHSAS") 18001: 2007 certification from Indian Register Quality Systems for all activities related to "mining and processing of iron ore" for the Bailadila Iron Ore Mine of our Company situated at Kirandul.

In order to receive the above certificate, a BS 18001: 2007 certification audit has been conducted by the auditors of Indian Register Quality Systems from November 2, 2009 until November 4, 2009. Our Company is seeking the OHSAS 18001:2007 certification.

Details in relation to the Business of our Company

For details in relation to our business including description of our activities, services, market of each segment, our growth, technology, market, managerial competence and capacity built-up, our standing with reference to our prominent competitors, please refer to the section titled "***Our Business***" on page 68 of this Prospectus.

Objects of our Company

The objects as set forth in the Memorandum of Association of our Company are:

1. a) To purchase, take on lease or in exchange or under amalgamation, licence or concession, or otherwise acquire mines, Coal blocks, beneficiation, mineral dressing, concentration and refining plants, including Plants like Metallurgical plants, Steel plants, lands, buildings, workshops, power-generation units, transmission and distribution system or any other power systems plant & equipment, machinery, sidings, locos, works and any rights and privileges, or interest therein and to explore, prospect, work, develop, administer, manage or control and to turn to account the same.

   b) To acquire by lease, grant, assignment, transfer or otherwise any grants or concessions of any mineral fields, mines, mineral and mine contracts, works and premises from any person or persons, Corporation, Company, Government or local body in India or elsewhere, and to perform and fulfil the conditions thereof.

   c) To construct, execute, carry out, equip, improve work, purchase or otherwise acquire, lease, develop, administer, manage or control in India or elsewhere works and conveniences of all kinds which expression in this Memorandum includes mines, Coal blocks, beneficiations, mineral dressing, concentration and refining plants, including Metallurgical like Steel plants, quarries, Cement plants, barrages, dams, sluices, locks, embankments, moles, break-waters, docks, quays, harbours, piers, wharves, canals, tanks, bridges, aqueducts, reservoirs, irrigations, reclamation, improvement, river-works of all kinds, railways, ropeways, tramways, road, sewage, drainage, sanitary, paving, water, gas, electric, light, telephonic, telegraphic, wire-less, power generation, transmission and distribution system non-conventional energy units like windmill, solar energy, etc, and power supply works, and hotels and warehouses, markets and buildings, private or public, workers dhowras and houses, villages, sheds, dwellings, offices, shops and stores and all other works or conveniences whatsoever.

   d) To sink wells and shafts, lay down pipes, construct, maintain and improve any tramways, telegraph and telephone lines, wharves, piers, docks, canals, reservoirs, watercourses, warehouses, sheds and other buildings and work calculated directly or indirectly to advance the interest of the Company and to pay or contribute to the expenses of constructing, maintaining and improving any such works.

2. To apply for, tender, purchase or otherwise acquire any contract and concessions for or in relation to the construction, execution, carrying out, equipment, improvement, management, administration or control of works, and conveniences and to undertake, execute, carry out, dispose off, or otherwise turn to account the same.

3. To enter into contracts with any other Company or person as to interchange of traffic, running power, sidings, carriage of goods, wares and merchandise or otherwise which the Company may deem expedient.

4. a) To carry on in India or elsewhere the trade or business of mine proprietors, merchants, miners, generation, transmission and sale or electricity, in all its branches.

   b) To acquire, construct, build, set up and equip mineral dressing and beneficiation plants and to carry on business as the proprietors of such plants.

5. To search for, prospect, get, win, work, raise, beneficiate, **metalize**, make merchantable, sell, dispose off and deal in all minerals and Coal and substances and to manufacture and sell all produce obtained there from **including metals**.

6. To acquire, use, develop or otherwise turn to account any method, system or process of construction by the use of steel, iron, cement, concrete, wood or other material or any combination thereof in connection with the business of the Company.

7. a) To buy, sell, manufacture, repair, refine, manipulate, alter, improve, exchange, let out on hire, import, export, and deal in all factories, engines, work, plants, machinery, wagons, rolling stock, tools, implements, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this Company is competent to carry on or required by any customers or persons having dealings with the Company or commonly dealt in by persons, engaged in any such business which may seem capable of being profitably dealt with

in connection therewith and to manufacture, experiment with, render marketable and deal in all products of residual and by-products incidental to or obtained in any of the business carried on by the Company.

b) To construct, maintain, lay down, carry out, works, sell, let on hire and deal in telephonic and all kinds of works, machinery, apparatus, conveniences, and things capable of being used in connection with any of the objects of the Company, and in particular any cables, wires, lines, stations, exchanges, reservoirs, accumulators, lamps, meters and engines.

8. a) To purchase, take on lease or tenancy or in exchange, hire, take options over or otherwise acquire for any estate or interest whatsoever and to hold, develop, work, cultivate, deal with and turn to account concessions, grants, decrees, licences, privileges, claims, options, leases, property, real or personal or rights or powers of any kind which may appear to be necessary or convenient for any business of the Company.

   b) To purchase, charter, hire, build or otherwise acquire vehicles and vessels of any or every sort or description for use on or under land or water or in the air and to employ, equip and load the same for the carriage of merchandise of all kinds of passengers, and to let out, to hire and to trade with any such vehicles, vessels or any part thereof when not required for the Company's business at such rates of freight and on such terms as may be considered advantageous to the Company.

9. To develop generally the resources of any lands, properties and rights or privileges to be at any time acquired by the Company.

10. a) To sell, exchange, mortgage, let on lease, royalty or tribute grant licences, easements, options and other rights over and in any other manner deal with or dispose off the undertakings, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit and in particular for stocks, shares (whether fully or partly paid up), debentures or securities of any other Company.

    b) To manage, improve, develop and turn to account or otherwise deal with all or any part of the property and right of the Company whether movable or immovable.

11. To employ and pay experts, Indian and foreign consultants etc., in connection with prospecting, development of mines both underground and opencast and any other business connected with the Company's operations.

12. To establish, regulate Branches or Agencies of the Company at any place in India or elsewhere and to discontinue the same.

13. To purchase or by other means acquire and protect, prolong and renew whether in India or elsewhere any patents, patent rights, brevet invention licences, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account and manufacture and to spend money in experimenting upon and testing and improving or seeking to improve any patent, inventions or rights which the Company may acquire or propose to acquire.

14. To subsidise or contribute to or otherwise assist in or take part in the construction, maintenance, improvement, management, working control or superintendence of any operations or works or buildings useful or expedient or convenient or adoptable for the purposes of the Company which may be constructed by or may belong to be worked by or be under the control or superintendence of others, and to subsides or otherwise assist any persons or Companies responsible for or concerned or interested in any undertaking or operation in conjunction with the Company.

15. To buy, sell, manufacture, and deal in goods, ware and merchandise (including all conveniences or necessaries of life which may be used or required by workmen or others whether employed by the Company or not) and to open and keep shops or stores, and generally to carry on manufacturing, trading or other business.

16. To pay for lands, business, property, assets or rights acquired by the Company, wholly or partially in shares, debentures or other securities or obligations of the Company, or belonging to the Company, and whether fully or partly paid, and as part of the terms of any such purchase or otherwise to grant options upon any unissued shares of the Company.

17. To advance, deposit with or lend money, securities and property to or receive loans or grants or deposits from the Government Banks or Financial Institutions.

18. To lend money, either with or without security, and generally to such persons and upon such terms and conditions as may seem expedient and in particular to customers and persons having dealings with the Company.

19. To undertake financial and commercial obligations, transactions and operations of all kinds.

20. To guarantee the performance of the obligation of and the payments of dividends and interest on any stock, shares or securities of any Company, Corporation, firm or person in any case in which such guarantee may be considered likely directly or indirectly to further the objects of the Company or the interest of its shareholders.

21. To guarantee the payments of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debenture stock, debentures, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or any person, firm or company whomsoever whether incorporated or not and generally to guarantee or become sureties for the performance of any contracts and obligations.

22. To subscribe for, absolutely or conditionally purchase or otherwise acquire and to hold, dispose off and deal in shares, stocks and securities or obligations of any other Company whether Indian or Foreign.

23. To issue, place, underwrite or guarantee the subscription of or concur or assist in the issuing or placing, underwriting or guaranteeing the subscription of shares, debentures, debenture stocks, bonds, stocks and securities of any Company, whether limited or unlimited or incorporated in India or elsewhere at such times as may be agreed upon.

24. To invest any moneys of the Company not for the time being required for any of the purposes of the Company in such investments (other than shares or stocks in the company) as may be thought proper and to hold, sell or otherwise deal with such investments.

25. To borrow or raise money by the issue of or upon bonds, debentures, bills of exchange, promissory notes or other obligations or securities of the Company, or by mortgage, hypothecation, pledge or charge of all or any part of the property of the Company or of its uncalled capital or in such other manner as the Company shall think fit.

26. To draw, make, accept, discount, execute, and issue cheques, bills of exchange, Government of India and other promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.

27. To pay all costs, charges and expenses on account of advertisements, underwriting commissions, brokerage, printing, stationery and such other things incurred by the Company in the promotions, and establishments of the Company or considered as preliminary by the Company.

28. a) To establish, maintain and operate general educational institutions, schools, colleges and hostels for the benefit of the children of the employees or ex-employees of the Company, their dependents or connection of such persons and others and to make grant and awards and grant scholarships.

    b) To establish, maintain and operate technical training institutions, hostels, for mining engineers, chemicals engineers, power engineers, civil engineers, mechanical engineers, drilling engineers, production engineers and other engineers of all types, mineral and other technologists, surveyors, draftsmen, overmen, sirdars, chemists and all other technical staff and artisans and mechanics of all types and kinds, and accountants and others in India or in any part of the world to make such other arrangements as may be expedient for the training of all categories of officers, workers, clerks, storekeepers and other personnel likely to be useful to or assist in any business which the Company is authorised to carry on.

    c) To establish, maintain and operate hospitals, dispensaries, firstaid centres and other medical institutions, public health installations, markets, shops and stores, clubs, cinemas and entertainment places, motor transport services, housing colonies, hotels and restaurants, guest houses, hostels, dhobykhanas, dairies, fire service stations for the benefit of employees and their families and others.

    d) To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments; to undertake and carry on scientific and technical researches, experiments and tests of all kinds, to promote studies and researches both scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops libraries, lectures, meetings and conferences and by providing or contributing to the remunerations of scientific or technical professors or teachers and by providing or contributing to the award of Scholarships, prizes, grants to students or otherwise, and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and invention of any kind that may be considered likely to assist any business which the Company is authorised to carry on.

29. To purchase or otherwise acquire all or any part of the business, property including all assets such as machinery, housing, building, workshops etc., and liabilities of any person, Corporation, Government or Company the business of which is capable of being conducted so as directly or indirectly to benefit this Company.

30. To procure and arrange for registration, incorporation or recognition of the Company in or under the laws of any country, to appoint agencies to the Company and do all acts necessary for carrying on in any Colony, dominion or foreign country any business of the Company, to petition either singly or jointly with others to legislature, authorities, local, municipal and other bodies, British, Colonial or foreign for the purpose of getting enacted acts and laws or for obtaining decrees, interests, orders, rights and privileges that are conducive to the interests of the Company or to protest against such petitions and transactions as are likely to be prejudicial to the interests of the Company and to take such steps as may be necessary to give the Company the rights and privileges in any part of the world as are possessed by local companies or partnership of a similar nature.

31. a) To form, incorporate or promote any joint stock company or companies for carrying into effect any of the objects of this Company and to take or otherwise acquire and hold shares in any such company and generally in any company the business of which is capable of being conducted so as directly or indirectly to benefit this Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation.

    b) To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purposes which may seem directly or indirectly calculated to benefit the Company or form any subsidiary company or companies.

    c) To remunerate any person, firm or company for services rendered or to be rendered in obtaining subscriptions for or placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscriptions of or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company of any stock, shares, bonds, debentures, obligations or securities or any other Company held or owned by the Company or in which the Company may have an interest or in or about the formation or promotion of the Company or the conduct of its business or in or about the promotion or formation of any other Company in which the Company may have any interest.

32. To enter into partnership or into any arrangement for sharing profits or into any union of interests, co-operation, joint venture, reciprocal, concession or amalgamation either in whole or in part with any other companies or person carrying on or engaged in or about to carry on or engaged in any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to lend money, to guarantee the contracts of or otherwise assist any such person or Company and to take or otherwise and securities of any such Company, and to sell, hold, re-issue with or without guarantee or otherwise deal with the same.

33. a) To obtain Order, or Act of Legislature in India, U.K., or other places or Order, Act or authority from the authorities of any Country, State or Dominion for enabling the Company to obtain all powers and authorities necessary, or expedient to carry out or extend any of the objects of the Company, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.

    b) To enter into any arrangements with the Government of India or any local or State Government in India or with the Government of any other State, Country or Dominion or with any authorities, local or otherwise or with any Rulers, Chiefs, Landlords or other persons that may seem conducive to the Company's objects or any of them and to obtain from them any rights powers and privileges, licences, grants and concessions which the Company may think it desirable to obtain and to carry out exercise; and comply with and such arrangements, rights, privileges and concessions.

34. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.

35. To undertake and execute any trusts the undertaking of which may seem to benefit the Company either gratuitously or otherwise.

36. To apply the assets of the Company in any way or towards the establishment maintenance or extension of any association, institution, or fund for the protection of the interests of masters, owners and employers against loss by bad debts, strikes, combinations, fire accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors business or their families or dependents.

37. To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.

38. a) To subscribe or otherwise to assist or to guarantee money for any charitable, benevolent, religious, scientific, national or other institutions or for any exhibition, the objects of which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or public and general utility or otherwise.

    b) To dedicate, present or otherwise dispose off either voluntarily or for value any property of the Company deemed to be national public, or local interest to any national trust, public body, museum, corporation or authority or any trustees on behalf of any of the same or of the public.

39. To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonus or other payment or by creating and from time to time subscribing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places or instruction and recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.

40. To distribute among the members in specie any property of the Company or any proceeds of sale, or disposal of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

41. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them and as principals, agents, contractors, trustees, or otherwise and either alone or in conjuction with others.

42. To take up all or any one or more of the above objects simultaneously or one after the other or to keep any one or more of the objects in abeyance for any period of time if and when necessary.

Changes in the Memorandum of Association

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association of our Company:

Date of Shareholder Resolution	Details
December 15, 1959	The word 'Private' was deleted between the words 'Corporation' and 'Limited'
March 4, 1967	The authorised share capital of our Company was increased from Rs.150,000,000 comprising 150,000 Equity Shares of Rs. 1,000 each to Rs. 300,000,000 comprising 300,000 Equity Shares of Rs. 1,000 each.
August 26, 1969	The authorised share capital of our Company was increased from Rs.300,000,000 comprising 300,000 Equity Shares of Rs. 1,000 each to Rs. 700,000,000 comprising 700,000 Equity Shares of Rs. 1,000 each.
November 29, 1971	The Registered office of our Company was shifted, subject to the confirmation by the Central Government, from the Union Territory of Delhi to the State of Andhra Pradesh and the words 'Union Territory of Delhi' appearing in Clause II were substituted by the words 'Andhra Pradesh'.
December 27, 1972	The authorised share capital of our Company was increased from Rs.700,000,000 comprising 700,000 Equity Shares of Rs. 1,000 each to Rs. 1,000,000,000 comprising 1,000,000 Equity Shares of Rs. 1,000 each.
January 7, 1977	The authorised share capital of our Company was increased from Rs.1,000,000,000 comprising 1,000,000 Equity Shares of Rs. 1,000 each to Rs. 1,500,000,000 comprising 1,500,000 Equity Shares of Rs. 1,000 each.
September 24, 1992	The existing clause V of the Memorandum of Association was amended as follows: "V. The authorised share capital of the Company is Rs.150 crores divided into 15,00,00,000 Equity Shares of Rs.10/- each with the rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the equity shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company, but subject always to the provisions of the Companies Act, 1956."
August 31, 2007	The name of our Company was changed from National Mineral Development Corporation Limited to NMDC Limited.

Date of Shareholder Resolution	Details
August 31, 2007	Clauses III.1(a), III.1(c) and 5 amended to insert the following new objects: "III.1(a) To purchase, take on lease or in exchange or under amalgamation licence or concession, or otherwise acquire mines, coal blocks, beneficiation, mineral dressing, concentration and refining plants, including plants like metallurgical plants, steel plants, lands, building, workshops, power generation units, transmission and distribution system or any other power systems plant & equipment, machinery, sidings, locos, work and any rights and privileges, or interest therein and to explore, prospect, work, develop, administer, manage or control and to turn to account the same. III.1(c) To construct, execute, carry out, equip, improve work, purchase or otherwise acquire, lease, develop, administer, manage, or control in India or elsewhere works and conveniences of all kinds which expression in this Memorandum includes mines, coal blocks, beneficiations, mineral dressing, concentration and refining plants, including Metallurgical like steel plants, quarries, cement plants, barrages, dams, sluices, locks, embankments, moles, break-waters, docks, quays, harbours, piers, wharves, canals, tanks, bridges, aqueducts, reservoirs, irrigations, reclamation, improvement, river-works of all kinds, railways, ropeways, tramways, road, sewage, drainage, sanitary, paving, water, gas, electric, light, telephone, telegraphic, wire-less, power generation, transmission and distribution system non-conventional energy units like windmill, solar energy, etc. and power supply works, and hotels and warehouses, markets and buildings, private or public, workers dhowras and houses, villages, sheds, dwellings, offices, shops and stores and all other works or conveniences whatsoever. 5. To search for, prospect, get, win, work, raise, beneficiate, metallize, make merchantable, sell, dispose of and deal in all minerals and coal and substances and to manufacture and sell all produce obtained therefrom including metals."
April 3, 2008	The authorised share capital of our Company was increased from Rs.1,500,000,000 comprising 150,000,000 Equity Shares of Rs. 10 each to Rs. 4,000,000,000 comprising 4,000,000,000 Equity Shares of Re. 1 each.

Proposed Changes to Objects Clause and Memorandum of Association pursuant to a Scheme of Amalgamation

For further details on the proposed changes to our Memorandum of Association of our Company, please refer to the heading titled " - ***Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets - Amalgamation with Sponge Iron India Limited***" on page 114 of this Prospectus.

Capital Raising Activities through Equity and Debt

For details in relation to the capital raising activities of our Company through equity and debt, please refer to the sections titled "***Capital Structure***" and "***Financial Indebtedness***" on pages 34 and 249, respectively of this Prospectus.

Time and Cost Overrun

Considering the nature of our business activities, we have experienced a time overrun in the past in the execution of our Bailadila Iron Ore Project Deposit 11B wherein the original approved date of commissioning of the project was scheduled to be September 30, 2009. We experienced time overrun on account of various reasons such as:

1. increase in capacity augmentation from 3.0 MTPA to 7.0 MTPA;
2. change in the design work of the project due to poor soil conditions and difficulty in adopting new technology such soil nailing; and
3. Maoist activity in Chhattisgarh.

Due to the above, the anticipated date of commissioning of the project is now March 31, 2011. However, the time overrun due to the above reasons has not caused any significant cost overruns in the project until the date of the Prospectus.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

As of December 31, 2009 our Company did not have any outstanding secured or unsecured loans.

Strikes or Labour Unrest

Our Company has, not lost any significant time on account of strikes or labour unrest during the last five years.

Changes in the activities of our Company during the last five years

Except as otherwise stated in the sections titled "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", on pages 68 and 228, respectively of this Prospectus, there have been no changes in the activities of our Company during the last five years preceding the date of this Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Injunction or Restraining Order

Our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

Amalgamation with Sponge Iron India Limited

The Ministry of Steel, Government of India, vide its letter dated March 28, 2006 bearing number 11(67)/2005-RM-I approved the merger of Sponge Iron India Limited ("SIIL") with and into our Company upon the recommendation of the committee constituted by the Ministry of Steel for the merger of public sector enterprises under the chairmanship of Mr. B.L. Das, Ex-Secretary, Ministry of Steel.

SIIL is a government company within the meaning of Section 617 of the Companies Act and is under the administrative control of the Ministry of Steel, Government of India. 98.72% of the shareholding of SIIL is legally and beneficially owned by the Government of India and the balance 1.28% of the shareholding of SIIL is held by the Government of Andhra Pradesh.

Since both the transferor and transferee companies are government companies under section 617 of the Companies Act, the amalgamation is exempt under Section 620 of the Companies Act from complying with the court process of amalgamation under the Companies Act. The scheme of amalgamation ("Scheme") under Section 391-394 of the Companies Act has been approved by the Ministry of Corporate Affairs pursuant to an order dated January 18, 2010. The Scheme shall become effective from the date on which the certified copies of the order granted by the Ministry of Corporate Affairs is filed by our Company and SIIL with the Registrar of Companies, Andhra Pradesh. Under the order, we are required to file the order with the Registrar of Companies within 30 days of the receipt of such order. We received such order on January 25, 2010. Our Company has filed an application dated February 9, 2010 under Section 394 (1) (b) (vi) of the Act and Rules 7 and 9 of the Companies (Court) Rules, 1959 read with Section 151 of the Code of Civil Procedure, 1908, before the Ministry of Corporate Affairs, New Delhi, seeking extension of time from the Ministry of Corporate Affairs for filing the certified copy of the order of the Ministry of Corporate Affairs dated January 18, 2010 with the Registrar of Companies within thirty days of the completion of the allotment of the Offer Shares. Our Company is currently awaiting the date of hearing, if any, fixed in the matter.

Upon the Scheme becoming effective and with effect from the appointed date (i.e., June 30, 2008 or such other date as may be approved by the Ministry of Corporate Affairs), SIIL shall be amalgamated with and into our Company and SIIL shall stand dissolved without being wound up. The valuation of the shares of SIIL as of March 31, 2007 was determined to be Rs. 119.50 per equity share of Rs. 100 nominal value by Axis Bank Limited, an independent valuer jointly appointed by SIIL and our Company as per the direction of the Ministry of Steel vide its letter bearing reference number 11(67)/2005 RM.I/I.24 dated June 5, 2007. The Audit Committee of our Company at its meeting dated September 03, 2007 has found the valuation to be reasonable and acceptable and after rounding off, the value of Rs. 120 per equity share of Rs. 100 nominal value has been recommended. Subsequently the Government of India, Ministry of Steel vide letter bearing No. 3 (26) /2005-KDM dated June 2, 2008 ("KDM Letter dated June 2, 2008") had directed the valuation of the shares of SIIL in public interest to be Rs. 124 per equity share of Rs. 100 nominal value aggregating Rs. 807,208,380, which is higher than the valuation proposed by the independent valuer, Axis Bank Limited. In addition to this amount, pursuant to KDM Letter dated June 2, 2008 and letter from the Ministry of Steel bearing No.3 (26)/2005 KDM (Vol. II) dated August 27, 2008. Our Company would also pay an amount equivalent to the net profit after tax (net of dividend) earned by SIIL from March 31, 2007 till June 30, 2008, being the appointed date, to the Government of India and Government of Andhra Pradesh in proportion to their shareholdings in SIIL which amounts to Rs. 1,092,000. Accordingly, the total consideration for acquisition of SIIL aggregates to Rs. 808,300,380. No Equity Shares are required to be issued as consideration. The net worth of SIIL as of June 30, 2008 was Rs. 685.22 million as per the balance sheet prepared as of June 30, 2008.

The Scheme further provides that our Company shall record the assets and liabilities of SIIL at the respective book values thereof as appearing in its books at the close of business on the day preceding the appointed date. Further, our Company shall record in its books of accounts all transactions of SIIL in respect of assets, liabilities, income and expenses from the appointed date until the effective date. The accounting treatment of all the assets and liabilities for the amalgamation of SIIL and treatment of goodwill and reserves, if any, in the book of SIIL shall be in accordance with Accounting Standard – 14 issued by the Council of Institute of Chartered Accountants of India.

As far as the employees of SIIL are concerned, with effect from the appointed date and upon the Scheme becoming effective, any and all employees of SIIL as on the effective date, shall become employees of our Company employed on the same (if not more favourable) terms and conditions as to remuneration, designation and other service related conditions, without any breach or interruption of service.

The Scheme shall be applicable from the appointed date stated therein, i.e. from June 30, 2008 or such other date as may be approved by the Ministry of Corporate Affairs. The Scheme shall be effective from the date on which the certified copies of the order granted by the Ministry of Corporate Affairs is filed by us and SIIL with the Registrar of Companies, Andhra Pradesh.

Under the Scheme, on and from the effective date, our Memorandum of Association is required to be amended by the insertion of the following clauses:

"*(c)* *To produce, manufacture, purchase, refine, import, export, sell and really deal in naturally occurring ores and agglomerated iron ores pre-reduced forms of iron such as sponge iron, grey iron, alloy iron, ductile iron, S.G. iron, malleable Iron, alloy and special iron and steel in all forms and/or bye-products thereof.*

(d) *To carry on the trades or business of iron ore processors, ironmasters, steel makers, steel converters, rolled steel makers, miners, smelters, engineers, tinplate makers and iron founders in all their respective branches and manufacture of all kinds of agglomerated and pre-reduced form of iron such as sponge iron, grey iron, alloy iron, ductile iron, S.G. iron, malleable iron alloy and special Steel Iron, steel products such as bar, rods and other section, sheets and plates, wires and wire products of iron, steel and other metals.*

(e) *To search for, get, work, make, merchantable, sell and deal in naturally occurring iron ores, agglomerated iron, pre-reduced form of iron such as sponge iron, grey iron, alloy iron, ductile iron, S.G. Iron, malleable iron, iron alloy and special steel, steel and other metals, old or new, coal, coke, slag, slag granules, minerals and substances.*

(f) *To carry on the business of iron founders, coke manufacturers, mechanical engineers, manufactures of agricultural implements and other machinery, tool makers, brass founders, metal workers, boiler makers, Mill wrights, machinists, iron and steel converters, smiths, painters, metallurgists, electrical engineers, water supply engineers, manufacturer of brass, copper and other metals and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery implements, all sorts of metal scrap and hardware and hollow-ware of all kinds. To act as agents and brokers for sellers, buyers, exporters, importers, manufacturers, merchants, tradesmen, insurers and other and generally to undertake and carry out agency work of any kind whatsoever and transact all manner of agency and commission business."*

Accordingly, once the above Scheme is effective, our Company will take the necessary steps (including any corporate and regulatory actions) to amend our Company's Memorandum of Association.

For details with respect to the activities and financial information of SIIL, please refer to the section titled "***Our Business***" on page 68 of this Prospectus.

Number of Shareholders of our Company

As on February 16, 2010, our Company had 42,967 shareholders.

Holding entity- Our Promoters

Our Promoters is the President of India, acting through the MoS, holding 98.38% of our Equity Share capital as on the date of filing this Prospectus.

Previous Public Issues

Our Company had made an initial public offering by way of offer for sale by our Promoter, comprising 2,130,000 Equity Shares for cash at an average price of Rs. 83.52 per share aggregating to Rs. 177,855,000. The Bureau of Public Enterprises, Ministry of Industries had informed our Company and the MoS vide its letter no. D.O.NO.DPE/12(1)/92-Fin dated July 14, 1993 about the disinvestment of Equity Shares of our Company by the President of India and requested our Company to take appropriate action for transferring these shares in the name of the parties to whom the Equity Shares had been sold.

Subsequently, our Promoter transferred 5,154 Equity Shares to our employees at a price of Rs. 71 per share aggregating to Rs. 365,934. The MoS had approved this transfer vide its letter no. 6(2)/94-RMI (Vol.-II) dated December 20, 1996.

Date of listing on the Stock Exchanges

Our Equity Shares are listed on the BSE, the NSE and the stock exchanges at Bangalore, Chennai, Kolkata and New Delhi.

Our Equity Shares were listed on the abovementioned stock exchanges as under:

Sr. No.	Name of the Stock Exchange	Date of Listing
1.	Madras Stock Exchange Limited	January 6, 1993
2.	Bangalore Stock Exchange Limited	January 25, 1993
3.	Bombay Stock Exchange Limited	March 31, 1994
4.	The Delhi Stock Exchange Association Limited	April 15, 1994
5.	The Calcutta Stock Exchange Association Limited	June 16, 1994
6.	National Stock Exchange of India Limited	March 3, 2008

Subsidiaries and Joint Ventures

Subsidiaries

1. J & K Mineral Development Corporation Limited ("J&KMDCL")

J&KMDCL was incorporated on May 19, 1989 as a Government private limited company within the meaning of section 617 and 619(B) of the Companies Act and its registered office is situated at 143-A, Gandhi Nagar, Jammu – 180 004, India. J&KMDCL is engaged *inter alia* in the business of, exploration, prospecting, mining and processing of magnesite, sapphire, marble, limestone, iron ore, phosphate, manganese ore and other mineral deposits and otherwise trading and dealing in minerals of all nature.

Shareholding Pattern

The equity shares of J&KMDCL are not listed on any stock exchange. The shareholding pattern of J&KMDCL as on February 19, 2010 was as follows

Name of the Shareholder	No. of equity shares of Rs. 100 each	% shareholding
NMDC Limited	395,995	83.54
J & K Minerals Limited	78,000	16.46
Mr. Rana Som*	1	Negligible
Mr. V.K. Sharma*	1	Negligible
Mr. S. Venkatesan*	1	Negligible
Mr. N.K. Nanda*	1	Negligible
Mr. S. Thiagarajan*	1	Negligible
Mr. Kumar Raghavan*	1	Negligible
Mr. Kapil Thapar*	1	Negligible
Mr. V.C. Sharma**	1	Negligible
Total	**474,003**	**100**

** As a nominee of our Company*
*** As a nominee of J&K Minerals Limited*

J & K Minerals Limited plans to increase its equity shareholding in J&KMDCL to 26%, as agreed between J & K Minerals Limited and the Company.

There has been no change in the capital structure of J&KMDCL in the last six months prior to February 19, 2010.

Board of Directors

The board of directors of J&KMDCL currently comprises:

1. Mr. Rana Som;
2. Mr. V.K. Sharma;
3. Mr. S. Venkatesan;
4. Mr. N.K. Nanda;

5. Mr. S. Thiagarajan;
6. Mr. Manzoor Ahmad Shah;
7. Mr. R.N. Aga; and
8. Mr. V.C. Sharma.

Financial Performance

The audited financial results of J&KMDCL for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 are as follows:

(Rs.)

Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	47,400,300	47,400,300	47,400,300	47,400,300	47,400,300
Gross Sales Turnover	-	109,558	-	-	-
Profit / (Loss) after Tax	(3,042,855)	(1,987,550)	(1,780,135)	(34,164,460)	(7,236,409)
Reserves and Surplus	--	--	--	--	--
Accumulated Losses	(98,237,816)	(95,194,961)	(93,207,411)	(91,427,276)	(57,262,816)
Earnings per Share	(6.42)	(4.19)	(3.76)	Nil	Nil
Book Value per Share	(107)	(101)	(97)	Nil	Nil

Notes:
1. *Figures in brackets indicate negative figures;*
2. *The face value of equity shares is Rs. 100 each; and*
3. *Reserves and Surplus exclude revaluation reserve.*

2. NMDC-CMDC Limited ("NCL")

Pursuant to a memorandum of understanding dated July 1, 2006 and a subsequent Shareholders Agreement & Joint Venture Agreement dated March 27, 2007 ("Agreement"), our Company and Chhattisgarh Mineral Development Corporation Limited ("CMDC") have incorporated a joint venture company called NMDC-CMDC Limited. NCL was incorporated on June 19, 2008 as a Government private limited company within the meaning of section 617 and 619(B) of the Companies Act and its registered office is situated at Angela Cottage, H.No. 3/883, Civil Lines, Raipur, Chhattisgarh- 492001, India. The main objects of NCL include *inter alia* the business of, development, exploration, study, execution, mining, surveying, drilling, boring, processing, converting, carrying away, disposing, quarrying, searching, winning, working, raising and sale of iron ore from Bailadila Iron Ore Deposit no. 13 situated at Bailadila in South Bastar District in the State of Chhattisgarh. The company is yet to start its commercial operations.

The key terms of the Agreement are as follows:

- *Project Implementation:* After incorporation of NCL, the mining lease to be granted to NMDC by the State Government in respect of the deposit shall be transferred by NMDC in the name of NCL and thereafter NCL shall undertake all the required steps including the balance engineering survey / studies for installation of the required infrastructure facilities for development of the deposit. In the event of pre-mature winding up of NCL, the parties agree that all necessary action shall be taken to restore the mining lease in favour of NMDC, if such pre-mature winding up is on account of default by CMDC.

- *Obligations of Parties:* Some of the obligations of the parties, under the Agreement are set out hereunder:

  CMDC agrees and undertakes as follows:

  - CMDC shall subscribe to the shares of NCL as and when called upon by NCL.

  - CMDC shall provide all incentives and concession as applicable to the project in the backward/tribal area for which NCL meets requirements.

  - CMDC shall nominate on its behalf, single window nodal representative with sufficient seniority and powers, who will interact with NMDC nominees to initiate smooth and speedy progress of obtaining clearances as well as implementation of the project.

- CMDC will provide the service of its staff and officers, on deputation, if and when required for the project, promptly upon request for such deputation by NCL.

- CMDC undertakes to extend all help and co-operation to NCL for opening and operation of the project as per schedule.

NMDC agrees and undertakes as follows:

- NMDC shall subscribe to the shares of NCL as and when called upon by NCL.

- NMDC shall provide all assistance and co-operation to NCL as may be required for obtaining the necessary clearances / approvals for the project.

- NMDC shall provide all necessary assistance to NCL to ensure that the project is commissioned in time.

- NMDC shall nominate on its behalf, a single window nodal representative with sufficient seniority and power, who will interact with CMDC nominees to initiate smooth and speedy progress of obtaining clearances as well as implementation of the project.

CMDC and NMDC jointly agree and undertake as follows:

- CMDC and NMDC will facilitate NCL, as may be necessary for getting requisite statutory clearances for development of deposit.

- NMDC and CMDC will transfer and/or assign in the name or to the benefit of NCL the applications made by them in their name for obtaining any approvals in relation to the project, as soon as practicable, after the incorporation of NCL.

- Provide to NCL copies and/or originals of all the documents, applications, representations and correspondence exchanged by NMDC/CMDC for the purpose of obtaining the approval promptly upon request by NCL.

- *Equity Holding*

  - The ratio of equity holding between NMDC and CMDC in NCL will be 51% and 49 per cent%, respectively.

  - In the event any of the parties fails to contribute its respective equity/ share capital as call amounts, the other party shall be at liberty to subscribe that call money and acquire additional percentage of shares in proportion to the said additional subscription. This right of pre-emption shall be inter-se between the parties.

  - Both the parties shall not offer shares to any third party(ies) unless both the parties opt not to buy or consent for purchase of shares by third parties.

  - The initial capital of company shall also be subscribed by NMDC and CMDC in the ratio of 51% and 49% respectively. After incorporation of NCL, the expenditure incurred by the parties up to the date of incorporation of NCL, computed on the basis of audited records of the parties and after confirmation by the other party, be adjusted against the call money / equity that may be required to be subscribed by the respective party. That is to say that the expenditure by each party on pre-feasibility and feasibility studies, exploration, etc. up to the date of incorporation of NCL shall be capitalized by converting the same into equity to be subscribed by the respective party.

- *Composition of Board*

  - The number of Directors of NCL shall neither be less than three nor more than twelve. The Directors shall not be required to hold any qualification shares.

  - The following would be the composition of the Board of NCL till NMDC and CMDC are the only shareholders of NCL.

    - the part-time chairman of NCL (with casting vote) shall be the CMD of NMDC or his nominee.
    - The Managing Director shall be a professional to be appointed by NMDC. He will have the powers delegated by the Board for day-to-day operations of NCL.

- Two part-time nominee directors of NMDC including the Chairman of Audit Committee of NMDC.
- Four part-time nominee Directors of CMDC.

- For every 12.5% reduction in the shareholding of NCL, one representation of NMDC or CMDC, as the case may be, on the Board of NCL would stand reduced.

- *Shareholding Pattern*

The equity shares of NCL are not listed on any stock exchange. The shareholding pattern of NCL as on February 19, 2010 was as follows

Name of the Shareholder	No. of equity shares of Rs. 10 each	% shareholding
NMDC Limited	764,999	51
Mr. Rana Som*	1	Negligible
Chhattisgarh Mineral Development Corporation Limited	734,997	49
Mr. P. Joy Oommen**	1	Negligible
Mr. R. S. Vishwakarma**	1	Negligible
Mr. Ajay Singh **	1	Negligible
Total	**1,500,000**	**100**

** As a nominee of our Company*
*** As a nominee of Chhattisgarh Mineral Development Corporation Limited*

There has been no change in the capital structure of NCL in the last six months prior to February 19, 2010.

Board of Directors

The board of directors of NCL currently comprises:

1. Mr. Rana Som;
2. Mr. N. K. Nanda;
3. Mr. P. Joy Oommen;
4. Mr. Ajay Singh;
5. Mr. R. S. Vishwakarma; and
6. Mr. Shailendra Kumar Trivedi.

Financial Performance

Since NCL was incorporated in 2008, the audited financial results of NCL for the year ended March 31, 2009 is as follows:

(Rs.)

Particulars	March 31, 2009
Equity Share Capital	15,000,000
Gross Sales Turnover	-
Profit / (Loss) after Tax	(1,284,345)
Reserves and Surplus	0
Accumulated Losses	(1,284,345)
Earnings per Share (Rs.)	(0.86)
Book Value per Share (Rs.)	9.14

Notes:
1. *Figures in brackets indicate negative figures;*
2. *The face value of equity shares is Rs. 10 each; and*
3. *Reserves and Surplus exclude revaluation reserve.*

3. NMDC-SARL

NMDC-SARL is a wholly owned subsidiary of our Company registered under Malagasy right and its office is situated at Villa No. 2, Cite Sarda Les Peches, Antanimora BP 3791, Antananarivo 101, Madagascar. NMDC-SARL is engaged *inter alia* in the business of prospecting, exploration and exploitation of high value mineral deposits in Madagascar. NMDC-SARL had suspended its operations from March 2002 onwards due to disturbed political situations and poor exploration results in Madagascar.

NMDC-SARL is in the process of being wound up. There have been no transactions in NMDC-SARL after March 2002 till date.

Shareholding Pattern

The equity shares of NMDC-SARL are not listed on any stock exchange. The shareholding pattern of NMDC-SARL as on February 19, 2010 was as follows

Name of the Shareholder	No. of shares of stock of Malagasy Francs 2500 each	% shareholding
NMDC Limited	2,000	100
Total	**2,000**	**100**

There has been no change in the capital structure of NMDC-SARL in the last six months prior to February 19, 2010 .

Board of Directors

The director-manager of NMDC SARL currently is Mr. S. Venkatesan.

4. Nam-India Mineral Development Corporation (Pty) Limited ("Nam-India")

Nam-India is a wholly owned subsidiary of our Company registered under the laws of Namibia with the Registrar of Companies, Windhoek vide registration no. 2001/039. The office of Nam-India is situated at Windhoek, Namibia. Nam-India was engaged in *inter alia* the business of scouting for high value and low value minerals.

Pursuant to a resolution adopted by the Board at its meeting held on May 26, 2006, our Company decided to wind up Nam-India in view of the operations at Namibia being economically unviable. The Ministry of Steel conveyed its approval for the liquidation of Nam-India vide its letter no. 4(1)/2000-RM.I dated April 23, 2007. The Reserve Bank of India also noted the closure of Nam-India vide its letter no. FE.CO.OID/19.14.136/2008-09 dated September 9, 2008. Nam-India applied for voluntary winding up and deregistration effective from April 1, 2009 with the Ministry of Revenue, Republic of Namibia through M/s. Pricewaterhousecoopers, secretaries of Nam-India at Windhoek and has closed all its bank accounts at Namibia.

Subsequently, vide notification number 169 published in the Government Gazette of the Republic of Namibia No. 4329 dated August 28, 2009, Nam-India was deregistered in terms of section 73(5) of the Companies Act, 1973 (Act No. 61 of 1973). The Board noted the winding up of Nam-India in its resolution dated January 7, 2010.

Negative Net Worth

Except as provided in the section titled "***Financial Statements***" on page 151 of this Prospectus, none of our Subsidiaries have negative Net Worth as on the date of filing of this Prospectus.

Partly paid-up Shares

None of our Subsidiaries have issued partly paid-up shares.

Litigation

There are no litigations involving any of our Subsidiaries as on the date of this Prospectus.

Other Confirmations

The accumulated profits or losses of our Subsidiaries have been accounted by our Company in the re-stated audited consolidated financial statements of our Company included in this Prospectus. For further details, please refer to the section titled "***Financial Statements***" on page 151 of this Prospectus.

Joint Ventures

International Coal Ventures Private Limited ("ICVPL")

Pursuant to a memorandum of understanding dated August 3, 2007 and a subsequent joint venture agreement dated January 14, 2009 ("Agreement"), our Company, Steel Authority of India Limited ("SAIL"), Rashtriya Ispat Nigam Limited ("RINL"), Coal India Limited ("CIL") and NTPC Limited ("NTPC"), a joint venture company by the name of International Coal Ventures Private Limited was incorporated on May 20, 2009, for securing metallurgical coking coal and thermal coal supplies from overseas.

The Government of India, Ministry of Steel vide its letter no. 1(2)99-VSP dated December 11, 2007, has accorded its approval for the formation of a special purpose vehicle ("SPV") for securing metallurgical coal and thermal coal assets from overseas by our Company, SAIL, RINL, CIL and NTPC with the following objectives:

(i) To ensure supply of imported met coal, of atleast 10% of the 2019-20 requirements of SAIL and RINL i.e say five million tonnes per annum, from assets overseas as medium term target to be achieved by 2011-12, being a step towards security of supply;
(ii) To be an owner of about 500 million tonnes of met coal reserves (share of SPV) by 2019-20; and
(iii) To meet the requirements and to serve the organisational aspirations of other participating companies like CIL, NTPC and our Company by providing a facility for enhancing and leveraging their domain knowledge and human capital for international mining business development and also for procuring high quality thermal coal for companies like NTPC.

The registered office of ICVPL is situated at Scope Minar, Lakshmi Nagar, Delhi- 110 092**.**

The key terms of the Agreement are set forth below:

- *Share capital and subscription*: The initial authorized share capital of ICVPL shall be Rs. 10 million. The parties shall initially subscribe to shares in ICVPL in the following manner: SAIL: 0.2 million equity shares of Rs. 10 each; CIL: 0.2 million equity shares of Rs. 10 each; RINL: 0.1 million equity shares of Rs. 10 each; our Company: 0.1 million equity shares of Rs. 10 each; and NTPC: 0.1 million equity shares of Rs. 10 each.

- *Board of directors*: The board of directors of ICVPL shall have a minimum of three and a maximum of 12 directors, including any director nominated by a financial institution pursuant to the terms of any financing arrangement.

  The board of directors of ICVPL shall consist of seven directors initially, two directors each nominated by SAIL and CIL, and one director each nominated by RINL, NTPC and our Company. If the shareholding of the parties is diluted, the parties shall be entitled to appoint directors on a pro-rata basis. If dilution of shareholding of the parties jointly falls below 50% due to infusion of capital by any third party(ies), each party shall be entitled to nominate at least one director. Further dilution of shareholding of the parties shall result in amendments in the terms and conditions of the agreement for protecting the right of all parties to nominate at least one director on the board.

  Each party holding 10% or more shareholding in ICVPL, shall be entitled to nominate the chairman by rotation. The term of the chairman nominated by a party holding 25% or more, shall be two years, and for any party holding share capital between 10%-25%, such period shall be one year. The first chairman shall be appointed by SAIL and subsequently by CIL, RINL, our Company and NTPC, in such order.

- *Affirmative vote*: The board of directors of ICVPL shall not take any decision on the following matters unless at least one director nominated by all parties holding 10% of the fully paid up share capital of ICVPL is present and voting in favour thereof:

  (a) Any reconstruction, re-organization, merger, amalgamation or consolidation of ICVPL with any other party;
  (b) Any amendments to the memorandum and/or articles of association of ICVPL;
  (c) A material deviation or change in the objects or activities of ICVPL and substantial expansion of such activities;
  (d) Approval or refusal to transfer shares or debentures, except for transfers to an affiliate and/or subsidiary;
  (e) Selling, leasing, charging or dealing with the whole or a substantial part of ICVPL's undertaking, property or assets otherwise than in the ordinary course of business;
  (f) Any issue of share capital, or debentures, whether or not convertible or altering the capital structure of ICVPL;
  (g) Entering into or amending any agreement or transaction with any of the parties;
  (h) Abandonment, waiver or settlement of any legal action, suits claims and other legal proceedings except for minor debt collection matters not exceeding Rs. 100 million;
  (i) Availing long term loans for an amount exceeding Rs. 1,000 million and altering any material term of such loan;
  (j) Filling vacancies on the board of directors other than those of directors nominated or appointed by either party;
  (k) Capital investment in any scheme, purchasing, leasing or otherwise acquiring machinery, equipment or other assets beyond Rs. 1,000 million;
  (l) Forming or dissolving a subsidiary of ICVPL or subscribing to the shares or debentures or investing the funds of ICVPL in any other company;

(m) Creating any mortgage, charge or other encumbrance in respect of the properties and assets except with respect to loans from banks against current assets;
(n) Granting loans to third parties or guaranteeing the obligations of third parties except giving advances to third parties in the ordinary course of business; and
(o) Appointing or removal of ICVPL's auditors or any other external agency appointed for conducting audits.

- Transfer and encumbrance of shares: The shareholding of the parties shall be locked in for an initial period of five years from the date of incorporation till such time any undertaking for non-disposal of shares is given by such party to any financial institution, banks or any other party for assistance for their assistance to then joint venture company remains subsisting. The other parties shall have a right of first refusal for any transfer of shares by any party subsequent to the initial lock-in period.

- Management deadlock: In the event three consecutive meetings of the board are unable to be held due to want of quorum and/or any resolution on the matters requiring affirmative votes not passed in two consecutive board meetings due to any director of any party not casting an affirmative vote upon the remaining members insisting on passing of such resolution, the chief executive officer or chairman of each of the five parties shall constitute a committee to resolve the deadlock. If no solution is reached within 30 days, such dissenting party shall be given 60 days to either consent, or to sell its shares in ICVPL.

- Termination: The agreement shall be terminated either by mutual consent or in the event a resolution for winding up of ICVPL has been passed.

Pursuant to the agreement, ICVPL was incorporated on May 20, 2009 under the Companies Act. ICVPL is authorised to engage in the business of carrying on the business of coal mining in India and abroad for overseas acquisition and/or operation of coal mines or blocks of assets or properties by way of purchasing, taking on lease, license, grant, amalgamation or otherwise acquiring stake in mines/blocks/companies having coal mines over seas, and to undertake all development activities related thereto. The authorised share capital of ICVPL is Rs. 100 million divided into 10 million equity shares of Rs. 10 each and the paid up capital of ICVPL is Rs. 7 million (divided into 0.7 million equity shares of Rs. 10 each). Our Company holds 0.1 million equity shares in ICVPL, i.e. 14.29% of the issued and paid up capital of ICVPL.

Shareholding Pattern

The equity shares of ICVPL are not listed on any stock exchange. The shareholding pattern of ICVPL as on February 19, 2010 was as follows

Name of the Shareholder	No. of equity shares of Rs. 10 each	% shareholding
NMDC Limited	100,000	14.29
SAIL	200,000	28.58
CIL	200,000	28.58
RINL	100,000	14.29
NTPC	100,000	14.29
Total	**700,000**	**100**

There has been no change in the capital structure of ICVPL in the last six months prior to February 19, 2010 .

Board of Directors

The board of directors of ICVPL currently comprises:

1. Mr. S.K. Roongta;
2. Mr. Rana Som;
3. Mr. P.K. Bishnoi;
4. Mr. Partho S. Bhattacharya;
5. Mr. S.K. Sharma;
6. Mr. V.K. Gulhati; and
7. Mr. N.C. Jha

Since ICVPL was incorporated in 2009, the first audited financials of ICVPL shall be from the year ended March 31, 2010.

Krishnapatnam Railway Company Limited ("KRCL")

KRCL is a special purpose vehicle incorporated on October 11, 2006 to execute the project of setting up a new railway line between Obulavaripalle in Kadapa District, Andhra Pradesh to Krishnapatnam in Nellore District in Andhra Pradesh.

Pursuant to a Shareholders and Share Subscription Agreement dated October 13, 2006 executed between Rail Vikas Nigam Limited ("RVNL"), State of Andhra Pradesh ("GOAP"), Krishnapatnam Port Company Limited ("KPCL"), Krishnapatnam Railway Company Limited ("KRCL") and our Company ("Agreement"), KRCL was formed to take over the responsibility of implementation of the construction of the new railway line between Obulavaripalle in Kadapa District, Andhra Pradesh (Chainage 0.00 Kms) to Krishnapatnam in Nellore District (Chainage 112.560 kms) and includes the completion of civil works, installation of equipments including signalling and telecommunications and any other facilities, testing and commissioning and subsequent operations and maintenance of the railway line and railway services thereon ("**Project**"). The construction of the Project will be done by Rail Vikas Nigam Limited under a contract with KRCL. The Project is currently in the construction stage.

The registered office of KRCL is situated at D-9-1-129/302, 3rd Floor, Oxford Plaza, Sarojini Devi Road, Secunderabad - 500 003.

The Key terms of the Agreement are set forth below:

- *Shareholding:* The Parties have agreed to together subscribe to 237 million of equity shares for an aggregate amount of Rs.2370 million in the following manner:

Party's name	**No. of shares Rs.10 each (million)**	**Subscription amount (Rs. million)**	**Post Subscription Shareholding along with the holdings of their assigns (%age)**
RVNL	81	810	30
GoAP	35	350	13
KPCL	81	810	30
NMDC	40	400	15
Total	237	2370	88

The Parties shall endeavour to identify an investor who shall contribute the remaining balance amount of Rs. 330 million of the proposed paid-up capital and subscribe to the balance 33 million equity shares of KRCL. In the event that the parties are unable to identify such investor, the board of KRCL shall be free to decide on any appropriate means for funding the balance amount of Rs. 330 million of the proposed paid-up capital.

Note: Cash contribution to above subscription amount will be reduced to the extent expenditure incurred by respective shareholders.

The cash calls shall be made by KRCL on a quarterly basis by delivering to each Party a notice in writing (Cash Call Notice) to be issued by the person so authorised by the Board, which shall specify;

(a) the amount to be subscribed to by the Party for shares in order to fund that Cash Call. Such amount shall be in accordance with the relevant Annual Budget; and

(b) the date (Cash Call Payment Date) by which that Party shall be obliged to make payments (Advance) to KRCL as subscription monies for such shares. The Cash Call Payment Date shall be not less than 30 days after the date of delivery of the Cash Call Notice.

Each Party upon whom a cash call is made shall be obliged to pay the Amount specified in the Cash Call Notice to KRCL on or before close of Business Hours on the Cash Call Payment Date.

The cash calls are tentatively planned in the following manner:

Quarters beginning with the date of signing this Agreement	**Amount in Rs.(crores)**
1st	35
2nd to 4th quarters	10 in each quarter
5th and 8th quarters	25 in each quarter
9th to 11th Quarter	35 in each quarter

(c) the project will be commissioning in two phases. The first phase will comprise of the railway line from Venkatachalam to Krishnapatnam.

Shareholders' Rights

- *Pre-emptive Rights*

  - After the issue and allotment of shares, except in accordance with the provisions of Section 81 (1) of the Act, KRCL shall not issue or allot any further shares, unless such shares have first been offered to the existing shareholders of KRCL at the time of issue of the such further shares, in proportion to their shareholding on the date of such issue and allotment. Such offer to the existing shareholders shall be in accordance with the provisions of Section 81(1) of the Act.

  - The parties shall ensure that any new Investor shall agree in writing to be bound by the provisions of the Agreement by execution of a Deed of Adherence in the form and manner specified at Annexure 'B' of the Agreement.

- *Lock-in Period:* Save as provided in the Agreement none of the parties shall Transfer any part of the shares acquired by them pursuant to the provisions of this Agreement for a period commencing from the date of this agreement till four years after COD to any third party. In the event any party wishes to sell / transfer its shares after the lock-in period specified above, the other shareholders shall have the right of first refusal. Transfers to affiliates during the lock-in period are permitted subject to certain conditions.

- *Shareholder's Right to Sell and Transfer Shares:* Subject to the provisions of this Agreement, during the Lock-in Period the parties agree not to sell, transfer, pledge, mortgage, charge, encumber or otherwise dispose of or create any lien on or interest in any of its shares.

Board of Directors:

- *Constitution, Appointment and Nomination*

- Initially, the composition of the board shall comprise 8 representative directors – 2 nominated by RVNL, 2 by KPCL, 1 by GoAP, 1 by NMDC, and one Chairman to be appointed by MoR in addition to directors nominated by RVNL. 1 Managing Director will be appointed by the Board.

- The composition of the Board will be reviewed after full subscription to the shareholding is paid by all the parties. The rights to nominate a Representative Director by a Party will continue only if the percentage of equity shareholding as indicated in clause 3.3 is maintained such party in KRCL. KRCL will have a Chief Executive Officer until such time Managing Director is appointed by the board.

- *Chairman:* KRCL shall have a part time non-executive Chairman, who shall at all times be a nominee of MoR. The term of the Chairman shall be co-terminus with that of this term as the director of KRCL. In case the Chairman is unavailable for a meeting, the Board will appoint for that particular meeting, any one of the directors present at that meeting.

- *Managing Director (MD)/Chief Executive Officer (CEO):* KRCL shall have a Managing Director (MD) /Chief Executive Officer (CEO) appointed by the board through a selection process from among the eligible candidates of the appropriate background and experience. Subject to the provisions of the Act, the terms and conditions of the appointment of the MD/CEO shall be as stipulated by the Board and he shall report to the Board. Managing Director will be a whole-time director on the board.

- *Quorum for Board Meetings*

  - The quorum for a meeting of the board shall be reckoned in accordance with the Act, provided that quorum shall be complete only when at least one of the Representative Director nominated by RVNL / KPCL (which expression shall, where applicable, include their alternates), is present in the meeting.

  - In case the quorum for meeting is not present, the meeting shall be adjourned to the same day in the following week or if such a day is a holiday the next Business Day thereafter. At any meetings of the Board, each director shall have one vote.

- *Resolution at Board Level*

  - Other than as set out below, all resolutions of the Board of Directors shall be adopted by simple majority, in case of equality of votes, the Chairman shall have a second or casting vote.

- In relation to Fundamental Issues, all resolutions of the Board of Directors shall be adopted by Super Majority Resolution.

- *Super Majority Resolutions at General Meetings:* Notwithstanding any other provision of this Agreement (except Article 10.3 of the Agreement), and subject to such additional approvals as may be required by applicable law, any action with respect to the issues set out below (hereinafter called "Fundamental Issues") shall require a Super Majority Resolution at general meeting of Shareholders, where applicable, in favour of such resolution:

  - Merger with or acquisition of any company by KRCL;
  - Any change in accounting policies of KRCL;
  - Any change in the capital structure of KRCL including any fresh issue of capital (other than already envisaged herein);
  - Finalisation of the terms of any debt raised by KRCL;
  - Amendment of the Memorandum of Association and Articles of Association of KRCL;
  - Any proposal for the renewal of appointment of statutory auditors of KRCL, including the replacement of such auditors;
  - Registration of any transfer of Shares in contravention of the shareholders' Agreement;
  - Establishment of the subsidiaries and/or entering into of any partnership or joint ventures;
  - Reduction in the Share Capital of KRCL;
  - Diversification or proposed entry into new business or activity which falls outside the scope of its current areas of operation;
  - Any resolution to dissolve, liquidate or re-organise KRCL;
  - Recommending or approving change of name of KRCL;
  - Disposition, by sale or otherwise, of the assets having a net book value in excess of Rs.25 Lacs (Rupees Twenty five Lacs) and any movable asset whose expected life is more than 25 years from date of Concessioning;
  - Creating any encumbrance over the assets of KRCL;
  - Any decision to consolidate with, or merge into any other corporation or acquire any business or the creation of a subsidiary, whether by formation, acquisition or otherwise;
  - Any increase or decrease in the size of the Board of Directors, beyond that envisaged in this Agreement;
  - Declaration of any dividend or the distribution of profits in any other form to the shareholders of KRCL; and
  - Making an application for listing or quotation of shares or securities in KRCL on any stock exchange and terms thereof.

- *Parties' Obligations and Co-operation*

  - RVNL and GoAP hereby irrevocably undertake to assist KRCL in obtaining all necessary approvals and permits required for the Project.
  - This Agreement shall not restrict or otherwise affect in any way the ability of the Parties to engage or participate in any investment or other opportunities including project and financial advisory services, in any other rail project without affecting the interest of KRCL.

- *Defaults in Funding*

- If any Party (a "Defaulting Shareholder") fails to make all or part of any Advance by the Cash Call Payment Date (the deficit referred to as the "Default Amount"), KRCL shall, on the next Business Day, give written notice (the "Default Notice") to the Defaulting Shareholder of such default.

- If the Default Amount has not been paid within seven days of the receipt of Default Notice, KRCL shall give a final notice to the Defaulting Shareholder (a "Funding Default Notice"), incorporating all of the following points and informing the Defaulting Shareholder:

(i) that it has committed a funding default under the Shareholders Agreement.

(ii) the rights of the Directors nominated by that Defaulting Shareholder to exercise any vote at a meeting of the Board, an AGM or EGM have been suspended.

(iii) That rights of the Directors nominated by that Defaulting Shareholder to be counted as an essential Party to any quorum requirement for a meeting of the Board, an EGM or AGM have been suspended.

(iv) Specifying a date (the "Final Payment Date"), which shall be thirty days from the date of the Funding Default Notice, by which it can remedy the default by making payment of the Default Amount along with interest. The interest shall be calculated at a rate of Government of India's 1 (one) year Paper plus 400 basis point or at such other rate as may be decided by the Board.

(v) If the Defaulting Shareholder fails to make payment of the Default Amount along with the interest by the Final Payment Date, the other Shareholder(s) shall be at liberty to proceed with the Project at; the risk and cost of the Defaulting Shareholder and the rights suspended under paragraphs (ii) and (iii) shall be terminated.

- Notwithstanding anything contained in this Agreement, during the continuation of any default, the Defaulting shareholder and it's nominees on the Board of KRCL agree to refrain from exercising any of the rights including voting rights under this Agreement or otherwise, in such an event, any quorum requirement shall be deemed to exclude that Defaulting Shareholder, in the case of general meetings, or, in the case of Board meetings, the Directors nominated by that Defaulting Shareholder.

- If the Defaulting Shareholder does not cure the default on or before the Final Payment Date, KRCL and other Shareholder(s) shall be at liberty to proceed with the Project at the risk and cost of the Defaulting Shareholder, including arranging for additional funding. The incremental cost and risks, with the other shareholder(s) or KRCL have to incur in this process, shall be recovered from the Defaulting Shareholder including from the share application money lying with KRCL.

- Each of the Shareholders undertakes that it shall exercise all rights and powers available to it to procure that full effect is given to the provisions of this Article, including, without limitation, granting its consent as a Shareholder to the transfer of any Shares comprised in the Defaulting Shareholder's Equity to other shareholders or any other Investors, and procuring that its Representative Directors propose and approve any resolutions for such transfer. The parties shall ensure that any new Investor shall agree in writing to be bound by the provisions of this Agreement by execution of a Deed of Adherence in the form and manner specified at Annexure 'B' hereto.

- *Term and Termination*

  - This Agreement shall become effective on the date hereof and shall continue to remain in force until terminated in accordance with the provisions of the Agreement.

  - This Agreement may be terminated:

a) by mutual agreement of Parties in writing
b) upon the listing of the Shares on one or more recognised stock exchanges as a consequence of an IPO, as and when made.
c) Upon occurrence of any other event which, under law, has the effect of terminating this Agreement.
d) On winding up of KRCL.

During the currency of the Concession Agreement, options a) and d) above will not be applicable.

- *Governing Law and Jurisdiction:* This Agreement shall be construed and interpreted in accordance with and governed by the laws of India. The Parties agree to submit to the exclusive jurisdiction of the courts at Hyderabad.

Shareholding Pattern

The equity shares of KRCL are not listed on any stock exchange. The shareholding pattern of KRCL as on February 19, 2010 was as follows

Name of the Shareholder	No. of equity shares of Rs. 10 each fully paid-up	% shareholding
Rail Vikas Nigam Limited	25,000	50
Krishnapatnam Port Company Limited	25,000	50
Total	**50,000**	**100**

Pursuant to the terms of the Agreement**,** it is intended that the total paid-up equity share capital of KRCL shall be Rs. 270 crores, divided into 27 crores equity share of the face value of Rs.10/- each.

Board of Directors

The board of directors of KRCL currently comprises:

1. Mr. V. K. Dutt;
2. Mr. R. N. Kalita;
3. Mr. A. K. Ganju;
4. Dr. T. R. K. Rao;
5. Mr. Narendra Kumar Nanda;
6. Mr. Chinta Sridhar; and
7. Mr. Y. Anil Kumar

Financial Performance

The audited financial results of KRCL for the years ended March 31, 2009, March 31, 2008 and March 31, 2007 are as follows:

(Rs.)

Particulars	March 31, 2009	March 31, 2008	March 31, 2007
Equity Share Capital	500,000	500,000	500,000
Gross Sales Turnover	-	-	-
Profit after Tax	-	-	-
Reserves and Surplus	-	-	-
Earnings per Share (Rs.)	-	-	-
Book Value per Share (Rs.)	-	-	-

Neelachal Ispat Nigam Limited ("NINL")

NINL was incorporated on March 27, 1982 as a Government company having its registered office at 1st Floor, Annexe Building, IPICOL House, Janpath, Bhubaneswar – 751 022, Orissa. The main objects of NINL *inter alia* include the take over of the Paradip Steel Project from the Steel Authority of India Limited with all its assets, liabilities, rights and obligations.

Shareholding Pattern

The equity shares of NINL are not listed on any stock exchange. The shareholding pattern of NINL as on February 19, 2010 was as follows:

Name of the Shareholder	No. of equity shares of Rs. 10 each		% shareholding
	Partly Paid-UP Equity Shares (Rs. 5 each paid up)	Fully Paid-Up Equity Shares	
MMTC Limited	-	199,000,000	49.78
IPICOL Limited	-	88,868,659	22.23
NMDC Limited	-	49,000,000	12.26
Orissa Mining Corporation Limited	-	16,250,000	4.06
MECON Limited	-	5,000,000	1.25
Bharat Heavy Electricals Limited	-	5,000,000	1.25

Bhillai Engineering Corporation Limited	-	700,000	0.18
G. A. Danieli India Limited	1,000,000	-	0.13
SMS Demag	12,852,000	-	1.61
Banks and Financial Institutions	-	29,049,484	7.25
Total	**13,852,000**	**392,868,143**	**100**

There has been no change in the capital structure of NINL in the last six months prior to February 19, 2010 .

Board of Directors

The board of directors of NINL currently comprises of:

1. Mr. S. Batra;
2. Dr. S. R. Jain;
3. Mr. D. P. Bagchi;
4. Mr. U. P. Singh;
5. Mr. Ashok Dalwai;
6. Mr. S. C. Patnaik;
7. Mr. S. Khurana;
8. Mr. S.K. Kar;
9. Mr. H.S. Mann;
10. Mr. N. K. Nanda;
11. Mr. Saswat Mishra; and
12. Mr. P.C. Sahu

Financial Performance

The audited financial results of NINL for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 are as follows:

(Rs.)

Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	4,211,513,000	4,211,513,000	4,211,513,000	4,137,765,000	3,563,529,000
Gross Sales Turnover	13,587,100,000	14,738,000,000	13,008,200,000	11,652,300,000	11,380,700,000
Profit after Tax	792,300,000	1,204,500,000	578,000,000	147,385,000	1,059,992
Reserves and Surplus	3,768,917,000	2,976,638,000	1,790,603,000	1,212,610,000	1,065,225
Earnings per Share (Rs.)	1.943	3.026	1.453	0.438	3.415
Book Value per Share (Rs.)	18.80	16.95	14.127	15.65	13.51

Romelt SAIL India Limited ("RSIL")

The Company has written off its investment in RSIL of Rs. 1,100,000. RSIL is presently not conducting any operations.

Shareholder Agreements

Except as provided in this section, our Company has not entered into any shareholder agreements

Guarantees given to third parties by our Promoter

Our Company is a public sector company and our Promoter is the President of India acting through the Ministry of Steel. Hence, this is not applicable.

Other Agreements

Except as disclosed in this Prospectus, there are no material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by our Company and there are no material agreements entered into by our Company more than two years before the date of this Prospectus.

Collaborations

Our Company has not entered into any collaboration with any third party as per regulation (VIII)(B) (1)(c) of Part A, Schedule VIII of the SEBI Regulations.

Strategic Partners

Our Company has not entered into any arrangements with any strategic partners.

Financial Partners

Apart from the various arrangements with the lenders and bankers of our Company, which our Company undertakes in the ordinary course of its business, our Company does not have any other financial partners within the meaning of the SEBI ICDR Regulations.

OUR MANAGEMENT

Under the Articles of our Company, the number of Directors of our Company shall be determined by the President of India. The number of Directors shall be not less than two Directors and not more than sixteen Directors. Our Company currently has twelve directors on its Board of which five are whole-time directors, one is a nominee of the Government of India and six are independent directors. Our Company's Chairman-cum-Managing Director is Mr. Rana Som. He conducts the day to-day operations of our Company under the overall supervision, direction and control of the Board.

The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Prospectus:

Name, Father's Name, Designation, Occupation, Age and DIN	Residential Address	Other Directorships
Mr. Rana Som S/o Mr. Khagendra Nath Som Chairman-cum-Managing Director Occupation: Service Age: 58 years DIN: 00352904	B-256, Asian Games Village, Ganapati Andalkar Block, New Delhi – 110 049, India now residing at Plot No.7, HUDA Colony, Behind TDP Office, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, India.	• J&K Mineral Development Corporation Limited • NMDC-CMDC Limited • Sponge Iron India Limited • International Coal Ventures Private Limited
Mr. Vinod Kumar Sharma S/o (Late) Mr. H. K. Sharma Whole-time Director (Commercial) Occupation : Service Age: 58 years DIN: 01841545	H. No. 12-2-505/506, Flat No. 303, Vijayshree Apartments, Road No. 8, Gudimalkapur, Mehdipatnam, Hyderabad - 500 028, Andhra Pradesh, India.	• J&K Mineral Development Corporation Limited
Mr. Santhanam Venkatesan S/o (Late) Mr. S. Santhanam Whole-time Director (Production) Occupation: Service Age: 58 years DIN: 02298765	NMDC Guest House, Road No. 2, Plot No. 7, Behind T.D.P Office, Hyderabad - 500 034, Andhra Pradesh, India now residing at Flat No. 22025, Floor II, Block-II, Janapriya Utopiya, Attapur, Hyderguda, Hyderabad – 500 048, Andhra Pradesh, India.	• J&K Mineral Development Corporation Limited • NMDC SARL
Mr. Narendra Kumar Nanda S/o Mr. H. K. Nanda Whole-time Director (Technical) Occupation: Service Age : 49 years	Flat No. B-104, Nafees Residency, House No. 10-2-2, A.C. Guards, Hyderabad – 500 028, Andhra Pradesh, India now residing at Flat No.101, Anand Brindavan Apartments, No. 8-1-305 & 306, behind Anand Silicon Chip, Purana	• J&K Mineral Development Corporation Limited • Romelt SAIL (India) Limited • NMDC-CMDC Limited • Krishnapatnam Railway Co. Limited • Neelachal Ispat Limited

Name, Father's Name, Designation, Occupation, Age and DIN	Residential Address	Other Directorships
DIN: 02455894	Bagh, Toli Chowki, near International School, Hyderabad - 500 008, Andhra Pradesh, India.	
Mr. Swaminathan Thiagarajan S/o (Late) Mr. V. Swaminathan Whole-time Director (Finance) Occupation: Service Age: 55 years DIN: 02721001	Door No. 13-6-429/21 & 22, Flat No. 203, Mythri Residency Kanaka Durga Colony, Karwan, Ring Road, Hyderabad – 500 067, Andhra Pradesh, India.	• J&K Mineral Development Corporation Limited
Mr. Udai Pratap Singh (S/o Mr. JaganNath Singh) Government of India nominee Director Non-Executive Director Occupation: Government Service Age: 51 years DIN: 02043525	D-117, 2nd Floor, Panchsheel Enclave, New Delhi – 110 016, India now residing at S482, Greater Kailash Park-II, Near Don Bosco School, New Delhi – 110 048, India.	• MECON Limited
Mr. Rajendra Nath Aga S/o (Late) Mr. S.N. Aga Independent Director Occupation: Service (Retired) Age: 64 years DIN: 01676588	Flat No. 1-A, Block No.7, Aravali View, Rail Vihar, Sector - 56, Gurgaon, Haryana – 122 003, India.	• J&K Mineral Development Corporation Limited
Dr. (Mrs.) Indira Misra (W/o Mr. S.K. Misra) Independent Director Occupation: Service (Retired) Age: 64 years DIN: 01882885	B 5/9, Civil Lines, Near Office of I.G. of Police, Raipur, Chhattisgarh – 492 001, India now residing at 37, Moulshree Vihar, Purena, Opposite Hotel Babylon, VIP Road, Raipur – 492 006, Chhattisgarh, India.	Nil
Mrs. Teresa Bhattacharya (W/o Mr. B.K. Bhattacharya)	3288, 12th Main Road, HAL, 2nd Stage, Bangalore – 560 008, Karnataka, India.	Nil

Name, Father's Name, Designation, Occupation, Age and DIN	Residential Address	Other Directorships
Independent Director Occupation: Service (Retired) Age: 67 years DIN: 02926202		
Mr. Yogendra Kumar Sharma S/o (Late) Dr. D.S. Sharma Independent Director Occupation: Practising Chartered Accountant Age: 64 years DIN: 00214691	A-6, Nu-Lite Colony, Tonk Road, Jaipur – 302 015, Rajasthan, India.	M/s. Jain Sharma & Co.
Mr. Abdul Kalam S/o (Late) Mr. Abdul Salam Khan Independent Director Occupation: Advisor in Steel Authority of India and Power Finance Corporation Limited Age: 65 years DIN: 01869712	10/5, First Floor, Sarvapriya Vihar, New Delhi – 110 016, India.	• Mahanadi Coal Fields Limited • Burnpur Cement Limited
Mr. Raju Satyanarayana Kanumuri (S/o Mr. Rama Raju) Independent Director Occupation: Providing consultancy services in mining Age: 65 years DIN: 01863178	19, Pragathi Layout, 14th Cross, Bhuvaneswari Nagar, HA Farm Post, Hebbal, Bangalore – 560 024, Karnataka, India.	• National Aluminium Company Limited

Brief Profile of the Directors of our Company

Mr. Rana Som, aged 58 years, is the Executive Chairman-cum-Managing Director of our Company since November 2, 2007. He holds a Post Graduate Degree in Economics from the University of Calcutta and a Post Graduate Diploma in Personnel Management from National Institute of Personnel Management, Calcutta. He has approximately 38 years of experience in various managerial positions. Mr. Som started his career in 1972 as a probationary officer with the Calcutta Port Trust and was the director and the chairman-cum-managing director of Hindustan Copper Limited during 2000-2005 and a director in State Trading Corporation of India during 2005-07 prior to joining the Company.

Mr. Vinod Kumar Sharma, aged 58 years, is the Director (Commercial) of our Company since October 3, 2007. He holds a Bachelor's Degree in Mining Engineering from Indian School of Mines, Dhanbad and also holds a Manager's First Class

Certificate of Competency (R) under The Metalliferous Mines Regulations, 1961 from the Director General of Mines Safety, Dhanbad. He joined our Company as an Executive Trainee in January 1973 and has worked in Bailadila Deposit-5 Mine for about 14 years in different capacities as a mining engineer. In the year 1987, he was posted to the production department at the head office for coordination between production projects, railways, ministry and MMTC India Limited for smooth flow of material for different customers and for exports. In the year 1994, Mr. Sharma was posted in the commercial department and has worked in different capacities in the commercial department. He has approximately 37 years of experience in different operations connected to the mining and marketing of iron ore.

Mr. Santhanam Venkatesan, aged 58 years, is the Director (Production) of our Company since August 1, 2008. Mr. Venkatesan holds a Bachelor's Degree in Metallurgy from the Indian Institute of Technology, Madras and a Post Graduate Diploma in Computer Systems from the Institute of Public Enterprise. He joined our Company as an Executive Trainee in 1973. During the course of his service with our Company, he had been closely associated with various functions in iron ore mining including research and development activities of our Company. Prior to his appointment on the Board, Mr. Venkatesan was functioning as General Manager, Bailadila iron ore mine, Kirandul Complex in Chhattisgarh. He has an experience of approximately 37 years in the field of mining and mineral processing.

Mr. Narendra Kumar Nanda, aged 49 years, is the Director (Technical) of our Company since December 1, 2008. He holds a Bachelor's Degree in Mining with a 1st Division from Indian School of Mines, Dhanbad and a Master's Degree in Mining from Indian School of Mines, Dhanbad. He has also received a Certificate of Recognition as Qualified Person to prepare Mining Plans from Indian Bureau of Mines and possesses a 1st Class Competency Certificate to manage multifarious open cast mines issued by the Director General of Mine Safety, Dhanbad. He is a fellow member of the Institution of Engineers (India), a fellow member of the Mining Engineers Association of India and a Council Member of the Mining Engineers Association of India. He has approximately 27 years of experience in the field of mining. Prior to being appointed on the Board of our Company, Mr. Nanda was associated with Hindustan Copper Limited from August 19, 1982 to December 29, 1983. He joined our Company as Deputy Mining Engineer in the year 1999 and has served in various positions such as Statutory Mines Manager and General Manager-Head of the project until the Government of India appointed him as Director (Technical) on the Board of our Company with effect from December 1, 2008.

Mr. Swaminathan Thiagarajan, aged 55 years, is the Director (Finance) of our Company since July 9, 2009. Mr. Thiagarajan holds a Bachelor's Degree in Science from the University of Madras and is a Chartered Accountant and fellow member of the Institute of Chartered Accountants of India. He has approximately 30 years of experience in the field of Finance. He joined our Company in March 1979 and has served in various capacities in different units of our Company during his service with our Company. Prior to his appointment as Director (Finance) by the Government of India, he was serving as Executive Director (Finance) of our Company. He is experienced in the areas of taxation, accounting, tax planning, financial management etc.

Mr. Udai Pratap Singh, aged 51 years, is a nominee of the Government of India and was appointed as a Director of our Company on December 11, 2007. Mr. Singh was an officer with the Indian Administrative Services since 1984 and is presently serving as the Joint Secretary, Ministry of Steel, Government of India. He has a professional experience of about 26 years. Prior to this he served in various capacities / positions in the Government.

Mr. Rajendra Nath Aga, aged 64 years, is a Non-Executive Director of our Company and was appointed as a Director on June 4, 2007. Mr. Aga retired as Member Railway Board, Indian Railways. He holds a Masters of Science Degree in Physics from The Delhi University. He has over 36 of experience in the field of rail transportation and management.

Dr. (Mrs.) Indira Misra, aged 64 years, Non-Executive Director of our Company was appointed as a Director on June 4, 2007. Dr. (Mrs.) Misra holds a Degree in Law from Pt. Ravishankar Vishvavidyalaya, Raipur, Post Graduation Degree in English from the University of Delhi, Masters Degree in Political Science from the University of York, United Kingdom and a Ph. D from the Barkatulla Vishvavidyalaya, Bhopal. She was also an officer with the Indian Administrative Services from 1969 till 2005 in Madhya Pradesh / Chhatisgarh cadres. She retired as the Additional Chief Secretary of Government of Chhattisgarh on September 30, 2005. Dr. (Mrs.) Misra has about 36 years experience in Administration. She also served in various capacities in the Government during her service period prior to retirement.

Mrs. Teresa Bhattacharya, aged 67 years, is a Non-Executive Director of our Company and was appointed as a Director on December 24, 2007. She holds a Bachelor's Degree in Mathematics and a Master's Degree in English from the Madras University. She was also an officer with the Indian Administrative Services from 1965 to March 2002. She retired as the Chief Secretary of Government of Karnataka. She also served as Secretary, Department of Energy, Government of Karnataka, Chairman-cum-Managing Director of NGEF Limited and as the Chairman-cum-Managing Director of Mysore Sugars Limited, apart from other posts. She has over 36 years of experience in the field of administration in Government, including public sector management, energy and personnel management.

Mr. Yogendra Kumar Sharma, aged 64 years, is a Non-Executive Director of our Company and was appointed as a Director on June 19, 2009. He holds a Bachelor's Degree in Commerce from the University of Rajasthan and is a Fellow Member of the Institute of Chartered Accountants of India. Mr. Sharma has been the Founder Honorary Secretary of Jaipur Branch of Institute of Chartered Accountants of India. He is the Ex-Honorary Secretary of Jaipur Club Limited, the Ex-President of Jaipur Club Limited, the founder of Nu-Life Housing Cooperative Society Limited and the Vice Chairman of the District Sports Council, Jaipur. Mr. Sharma has about 41 years experience in practise as a chartered accountant.

Mr. Abdul Kalam, aged 65 years, Non-Executive Director of our Company, was appointed as a Director on June 19, 2009. He holds a Degree in Mining from Banaras Hindu University in 1996. Mr. Kalam has approximately 37 years experience in Coal India Limited and the coal sector.

Mr. Raju Satyanarayana Kanumuri, aged 65 years, Non-Executive Director of our Company was appointed as a Director on June 19, 2009. Mr. Raju Satyanarayana Kanumuri holds a Master's degree in Applied Geology from M. S. University, Baroda. He has an experience of 36 years in the field of mining, mineral beneficiation and mineral testing. Mr. Raju Satyanarayana Kanumuri retired as Controller General of the Indian Bureau of Mines, Government of India in June 2004. Mr. Raju Satyanarayana Kanumuri has also been the director of Jawaharlal Nehru Aluminium Research and Development Center from January 1, 2003 until June 30, 2004. Mr. Raju Satyanarayana Kanumuri joined National Aluminium Company Limited as a part-time non-official director on September 27, 2007. His present honorary assignments include (i) Member of a high power committee constituted by the Ministry of Mines, Government of India to review and restructure the functions of the Indian Bureau of Mines; and (ii) Member of Scrutiny Committee for Mineral Awards constituted by Ministry of Mines.

Relationships between Directors

None of the Directors of our Company are related to each other.

Arrangements and understanding with major shareholders

Other than the Directors appointed or nominated by the Ministry of Steel, Government of India, none of the Directors have been appointed pursuant to any arrangement or understanding with the major shareholders, customers, suppliers or others, of our Company.

Details of Service Contracts

Except as otherwise provided in this section, there are no service contracts entered into by our Company with any Director for the provision of benefits or payments of any amount upon termination of employment.

Borrowing power of the Board

As per the Articles, the Board has been authorised to borrow funds or secure the payment of any sums of money subject to the approval of the President of India and as per the provisions of Section 292 of the Companies Act by means of a resolution passed at the meeting of the Board except in the case of borrowings from the banks for the purposes of meeting the working capital requirements on the hypothecation of our Company's current assets.

Details of Appointment of the Directors

Name of Director	Office Orders issued by the MoS	Term
Mr. Rana Som	No. 2 (16) 2006 RMI dated October 30, 2007 and January 8, 2008	Appointment with effect from November 2, 2007 for a period of five years or till the date of superannuation, whichever is earlier.
Mr. Vinod Kumar Sharma	No. 2 (17) 2006-RMI dated September 20, 2007 and March 12, 2008	Appointment with effect from October 3, 2007 for a period of five years till the date of superannuation, whichever is earlier.
Mr. Santhanam Venkatesan	No. 2 (19)/2006 RM-I (Vol. II) dated July 22, 2008	Appointment with effect from August 1, 2008 for a period of five years or till the date of superannuation, whichever is earlier.
Mr. Narendra Kumar Nanda	No. 4 (19)/2007 RM-I (Vol. II) dated November 21, 2008	Appointment with effect from December 1, 2008 for a period of five years or till the date of superannuation, whichever is earlier.
Mr. Swaminathan Thiagarajan	No. 4 (5)/2008 RM-I (Vol. II) dated July 8, 2009	Appointment with effect from July 9, 2009 for a period of five years or till the date of superannuation, whichever is earlier.
Mr. Udai Pratap Singh	No. 2 (12)/2004-RM-I dated December 11, 2007	Appointment with effect from December 11, 2007 until further orders.
Mr. Rajendra Nath Aga	No. 2 (13)/2005-RM-I dated June 4, 2007	Appointment with effect from June 4, 2007 for a

Name of Director	Office Orders issued by the MoS	Term
		period of three years.
Dr. (Mrs.) Indira Misra	No. 2 (13)/2005-RM-I dated June 4, 2007	Appointment with effect from June 4, 2007 for a period of three years.
Ms. Teresa Bhattacharya	No. 2 (13)/2005-RM-I dated December 24, 2007	Appointment with effect from December 24, 2007 for a period of three years.
Mr. Yogendra Kumar Sharma	No. 4 (18)/2007-RM-I dated June 3, 2009	Appointment with effect from June 19, 2009 for a period of three years.
Mr. Abdul Kalam	No. 4 (18)/2007-RM-I dated June 3, 2009	Appointment with effect from June 19, 2009 for a period of three years.
Mr. Raju Satyanarayana Kanumuri	No. 4 (18)/2007-RM-I dated June 3, 2009	Appointment with effect from June 19, 2009 for a period of three years.

Except for our Company's executive Directors who are entitled to statutory benefits upon termination of their employment with our Company along with certain post retirement medical benefits, no other Director is entitled to any benefit upon termination of his employment with our Company.

Remuneration of the Managing Director/ Whole-Time Directors of our Company

The following table sets forth the details of the remuneration for our Company's whole-time directors for the year ended March 31, 2009. In addition to the amounts specified below, they are also entitled to benefits/facilities such an official vehicle and petrol charges reimbursement, medical reimbursements, leave travel concessions, gratuity, reimbursements for maintenance of a residential office and official entertainment.

(Rs.)

Sr. No.	Name	Salary and certain allowances, including basic pay, dearness pay and stagnation pay	Dearness Allowance	Provident fund	Other incentives and arrears	Total income for Fiscal 2009
1.	Mr. Rana Som	559,088	211,708	104,612	796,790	1,672,198
2.	Mr. Vinod Kumar Sharma	487,953	186,581	97,805	762,446	1,534,785
3.	Mr. Santhanam Venkatesan	481,350	182,374	96,866	705,654	1,466,244
4.	Mr. Narendra Kumar Nanda	489,468	185,263	93,694	750,709	1,519,134
5.	Mr. Swaminathan Thiagarajan	484,785	183,728	92,015	476,290	1,236,818

Mr. Udai Pratap Singh, Director nominated by the Government of India, is not entitled to any remuneration from our Company as he has been nominated by the MoS, Government of India. Our Company's independent Directors are paid sitting fees as per the guidelines issued by the Government of India. For the year ended March 31, 2009, the independent Directors were paid sitting fees of Rs. 10,000 for attending each meeting of the Board or any meetings of any of the committees of the Board pursuant to a resolution of the Board dated January 30, 2007.

Details of terms and conditions of employment of the Managing Director/ Whole-Time Directors of our Company

Our Company's Managing Director and Whole-Time Directors are appointed by the President of India through the MoS. The MoS also prescribes the terms and conditions of employment of the Managing Director and the Whole-Time Directors.

1. **Mr. Rana Som** was appointed as a Chairman – cum- Managing Director of our Company with effect from November 2, 2007 by the President of India pursuant to Letter No. 2 (16) 2006 RMI dated October 30, 2007 issued by MoS. The terms of his appointment have been set out in the Letter No. 2 (16) 2006 RMI dated January 8, 2008 issued by the MoS.

The significant terms and conditions governing the appointment of Mr. Rana Som are as under:

Term	Appointment with effect from November 2, 2007 for a period of 5 years or until he attains the age of superannuation or until further orders of the MoS. The appointment may be terminated by either side on providing three months notice or on payment of three months salary in lieu

	thereof.
Basic Salary	Rs. 30,750 per month (Schedule A) (in the existing scale of Rs. 27,750 – 750 – 31,500 per month) from the date of his assumption of office i.e. November 2, 2007.
Dearness Allowance	In accordance with the New Industrial Dearness Allowance Scheme prescribed in the Office Memorandum of the Department of Public Enterprises dated June 25, 1999.
Housing and furnishing	Entitled to suitable residential accommodation to be provided by the Company. In the event he is desirous of taking his own house on a self lease basis he is required to execute a lease deed in favour of the Company. The Company shall be entitled to recover 10% of the basic salary on account of rent recovery. In the event that the actual rent payable by the Company in respect of a leased accommodation is less than 10% of the basic salary, then the recovery of rent would be restricted to the actual rent payable by the Company.
Annual Increment	Eligible to draw his annual increment on the anniversary date of his appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay is reached. One stagnation increment equal to the rate of last increment drawn will be granted after completion of every two year period counting for increment from the date he reaches the maximum of his pay scale. He will be granted a maximum of three such increments.
Contributory Provident Fund and Gratuity	He will be governed for these benefits as per the rules of the Company.
City Compensatory Allowance	He will also be entitled for payment of City Compensatory Allowance as per the existing rates approved for its executives subject to an overall ceiling of Rs. 300 in A-I, Rs. 240 in "A" class cities, Rs. 180 and Rs. 120 in B-1 and B-2 class cities respectively.
Other benefits and Incentives	Entitled to travelling allowance, medical facilities, leave travel concession and disability leave in accordance with the rules of the Company.
Productivity linked incentive scheme	Entitled to incentive payments under the Productivity Linked Incentive Scheme as per the Office Memorandum of the Department of Public Enterprises dated June 25, 1999 and March 27, 2000.
Leave	Entitled to leave as per the rules of the Company.
Club membership	Entitled to become a member of two clubs at the expense of the Company subject to the condition that such memberships shall be coterminous with his tenure as Chairman cum Managing Director.
Other conditions	Not entitled to accept any appointment or post, without prior approval of the Government for a period upto two years from retirement.

2. **Mr. Vinod Kumar Sharma** was appointed as a Director (Commercial) of our Company with effect from October 3, 2007 by the President of India pursuant to Letter No. 2 (17) 2006 RMI dated September 20, 2007 issued by MoS. The terms of his appointment have been set out in the Letter No. 2 (17) 2006 RMI dated March 12, 2008 issued by the MoS.

The significant terms and conditions governing the appointment of Mr. Vinod Kumar Sharma are as under:

Term	Appointment with effect from October 3, 2007 for a period of 5 years or till he attains the age of superannuation or until further orders of the MoS. The appointment may be terminated by either side on providing three months notice or on payment of three months salary in lieu thereof.
Basic Salary	Rs. 27,050 per month (Schedule B) (in the existing scale of Rs. 25,750 – 650 – 30,950 per month) from the date of his assumption of office i.e. October 3, 2007.
Dearness Allowance	In accordance with the New Industrial Dearness Allowance Scheme prescribed in the Office Memorandum of the Department of Public Enterprises dated June 25, 1999.
Housing and furnishing	Entitled to suitable residential accommodation to be provided by the Company. In the event he is desirous of taking his own house on a self lease basis he is required to execute a lease deed in favour of the Company. The Company shall be entitled to recover 10% of the basic salary on account of rent recovery. In the event that the actual rent payable by the Company in respect of a leased accommodation is less than 10% of the basic salary, then the recovery of rent would be restricted to the actual rent payable by the Company.
Annual Increment	Eligible to draw his annual increment on the anniversary date of his appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay is reached. One stagnation increment equal to the rate of last increment drawn will be granted after completion of every two year period counting for increment from the date he reaches the maximum of his pay scale. He will be granted a maximum of three such increments.
Contributory Provident Fund and Gratuity	He will be governed for these benefits as per the rules of the Company.
City Compensatory	He will also be entitled for payment of City Compensatory Allowance as per the existing rates

Allowance	approved for its executives subject to an overall ceiling of Rs. 300 in A-I, Rs. 240 in "A" class cities, Rs. 180 and Rs. 120 in B-1 and B-2 class cities respectively.
Other benefits and incentives	Entitled to travelling allowance, medical facilities, leave travel concession and disability leave in accordance with the rules of the Company.
Productivity linked incentive scheme	Entitled to incentive payments under the Productivity Linked Incentive Scheme as per the Office Memorandum of the Department of Public Enterprises dated June 25, 1999 and March 27, 2000.
Leave	Entitled to leave as per the rules of the Company.
Club membership	Entitled to become a member of two clubs at the expense of the Company subject to the condition that such memberships shall be coterminous with his tenure as Director (Commercial).
Other conditions	Not entitled to accept any appointment or post, without prior approval of the Government for a period upto two years from retirement.

Details of the terms and conditions of the employment of the other whole-time Directors, Mr. Swaminathan Thiagarajan, Mr. Narendra Kumar Nanda and Mr. S. Venkatesan are yet to be notified by the MoS.

Shareholding of Directors in our Company

The Articles of our Company do not require the Directors to hold any qualification shares. None of the Directors of our Company hold any Equity Shares in our Company.

Interest of Directors

All of the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Company's Articles, and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our Company.

Except as stated in this section, respectively, no amount or benefits were paid or were intended to be paid to the Directors during the last two years from the date of filing of this Prospectus.

All the independent Directors are entitled to receive sitting fees for attending the Board/committee meetings as per the guidelines issued by the Government of India.

None of the Directors of our Company have any interest in any property acquired by our Company or our Subsidiaries within two years of the date of filing of this Prospectus or presently intended to be acquired by our Company or its Subsidiaries as disclosed in this Prospectus.

None of Directors were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Changes in the Board for the last three years

Name of Director	Designation	Date of Appointment	Date of Cessation	Reason for Change
Mr. Rana Som	Chairman cum Managing Director	November 2, 2007	Continuing	Appointed as Chairman cum Managing Director
Mr. Vinod Kumar Sharma	Director (Commercial)	October 3, 2007	Continuing	Appointed pursuant to the order of the MoS
Mr. Santhanam Venkatesan	Director (Production)	August 1, 2008	Continuing	Appointed pursuant to the order of the MoS
Mr. Narendra Kumar Nanda	Director (Technical)	December 1, 2008	Continuing	Appointed pursuant to the order of the MoS
Mr. Swaminathan Thiagarajan	Director (Finance)	July 9, 2009	Continuing	Appointed pursuant to the order of the MoS
Mr. Bhawani Singh Meena	Director	December 20, 2007	January 23, 2010	Withdrawal pursuant to order of the MoS
Mr. Udai Pratap Singh	Director	December 11, 2007	Continuing	Appointed pursuant to the order of the MoS
Mr. Rajendra Nath Aga	Director	June 4, 2007	Continuing	Appointed pursuant to

Name of Director	Designation	Date of Appointment	Date of Cessation	Reason for Change
				the order of the MoS
Dr. (Mrs.) Indira Misra	Director	June 4, 2007	Continuing	Appointed pursuant to the order of the MoS
Mrs. Teresa Bhattacharya	Director	December 24, 2007	Continuing	Appointed pursuant to the order of the MoS
Mr. Yogendra Kumar Sharma	Director	June 19, 2009	Continuing	Appointed pursuant to the order of the MoS
Mr. Abdul Kalam	Director	June 19, 2009	Continuing	Appointed pursuant to the order of the MoS
Mr. Raju Satyanarayana Kanumuri	Director	June 19, 2009	Continuing	Appointed pursuant to the order of the MoS
Mr. B. Ramesh Kumar	Chairman cum Managing Director	May 6, 2004	September 30, 2007	Superannuation
Mr. Murli Manohar	Director (Commercial)	March 11, 2004	September 30, 2007	Superannuation
Mr. V.K. Jain	Director (Production)	March 22, 2004	July 31, 2008	Superannuation
Mr. P.S. Upadhyaya	Director (Technical)	January 15, 2005	November 30, 2008	Superannuation
Dr. D.N. Pathak	Director	July 29, 2005	March 30, 2007	Withdrawal pursuant to order of the MoS
Ms. M. Prabhavathi	Director	October 25, 2005	October 24, 2008	Withdrawal pursuant to order of the MoS
Mr. Y.K. Sharma	Director	October 25, 2005	October 24, 2008	Withdrawal pursuant to order of the MoS
Dr. Uddesh Kohli	Director	October 25, 2005	October 24, 2008	Withdrawal pursuant to order of the MoS
Mr. R.G. James Kuttickattu	Director	October 25, 2005	October 24, 2008	Withdrawal pursuant to order of the MoS
Mr. K.R. Venkateswarlu	Director (Finance)	October 23, 2006	June 30, 2009	Superannuation
Mr. Ajoy Kumar	Director	April 13, 2006	December 11, 2007	Withdrawal pursuant to order of the MoS
Mr. A.K. Rath	Director	March 30, 2007	November 16, 2007	Withdrawal pursuant to order of the MoS

Corporate Governance

The provisions of the listing agreement entered into with the stock exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance are applicable to our Company. Our Company has complied with the corporate governance code in accordance with Clause 49 of such listing agreement, particularly, in relation to appointment of independent Directors to its Board and constitution of the audit committee, share transfer committee and the investor grievance committee. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has undertaken to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Our Company currently has twelve directors out of which five are whole-time directors, one is a government nominee director and in compliance with Clause 49 of the listing agreement entered into with the stock exchanges, our Company has atleast six independent Directors on its Board. In terms of the Clause 49 of the listing agreement entered into with the stock exchanges, our Company has constituted the following committees:

(a) Audit Committee;
(b) Shareholders' / Investors' Grievance Committee; and
(c) Share Transfer Committee.

Audit Committee

The audit committee was constituted by the Directors pursuant to a resolution passed at the meeting of the Board held on May 28, 1999 ("Audit Committee").

The Audit Committee currently comprises of the following Directors:

(i) Mr. R. N. Aga (Chairman of the Audit Committee);
(ii) Dr. (Mrs.) Indira Misra;
(iii) Ms. Teresa Bhattacharya; and
(iv) Mr. S. Venkatesan.

The Company Secretary of our Company acts as the secretary to the Audit Committee as laid down under the provisions of Clause 49.

Scope and terms of reference: The Audit Committee would perform the following functions with regard to accounts and financial management:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement' to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue rights issue etc) the statement of funds utilized for the purposes other than those stated in the offer document /prospectus/notice and the report submitted by the monitoring agency the utilisation of proceeds of a public or right issue, and making appropriate recommendation to the Board to take up the steps in the matter.
7. Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussion with internal auditors and/or auditors any significant findings and follow up thereon;
10. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
15. To review the follow up action on the audit observations of the Comptroller & Auditor General audit.
16. To review the follow up action taken on the recommendations of Committee on Public Undertakings of the Parliament.
17. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
18. Review and pre-approve all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
19. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
20. Consider and review the following with the independent auditor and the management:
    a. the adequacy of internal controls including computerized information system controls and security;
    b. Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
21. Consider and review the following with the management, internal auditor and the independent auditor:
    a. Significant findings during the year, including the status of previous audit recommendations.

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

The Audit Committee is required to review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor.

The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one-third of the members of the Audit Committee, whichever is greater, but there should be a minimum of two independent members present.

Powers of Audit Committee

The powers of Audit Committee include the following:

1. Investigation of any activity within its terms of reference;
2. Seeking information from any employee;
3. Obtaining outside legal or other professional advice;
4. Securing attendance of outsiders with relevant expertise, if it considers necessary.

Shareholders'/ Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee was constituted pursuant to a resolution passed at the meeting of Board dated June 14, 2002.

The Shareholders' / Investors' Grievance Committee currently comprises the following Directors:

1. Mr. Rajendra Nath Aga, the Chairman of the Audit Committee (Chairman of the Shareholders/Investors Grievance Committee);
2. Mr. Santhanam Venkatesan, Director (Production); and
3. Mr. Swaminathan Thiagarajan, Director (Finance).

Scope and terms of reference: The Shareholders' / Investors' Grievance Committee has been constituted to comply with the provisions of the listing agreement entered into with the Stock Exchanges.

The quorum of the Shareholders/Investor Grievance Committee shall be a minimum of two members including the Chairman.

Share Transfer Committee.

The Board has constituted the Share Transfer Committee pursuant to resolution passed at the meeting of Board dated September 7, 1993 to consider and approve all related issues of shares, transfers, transmissions, dematerialisation, re-materialisation etc.

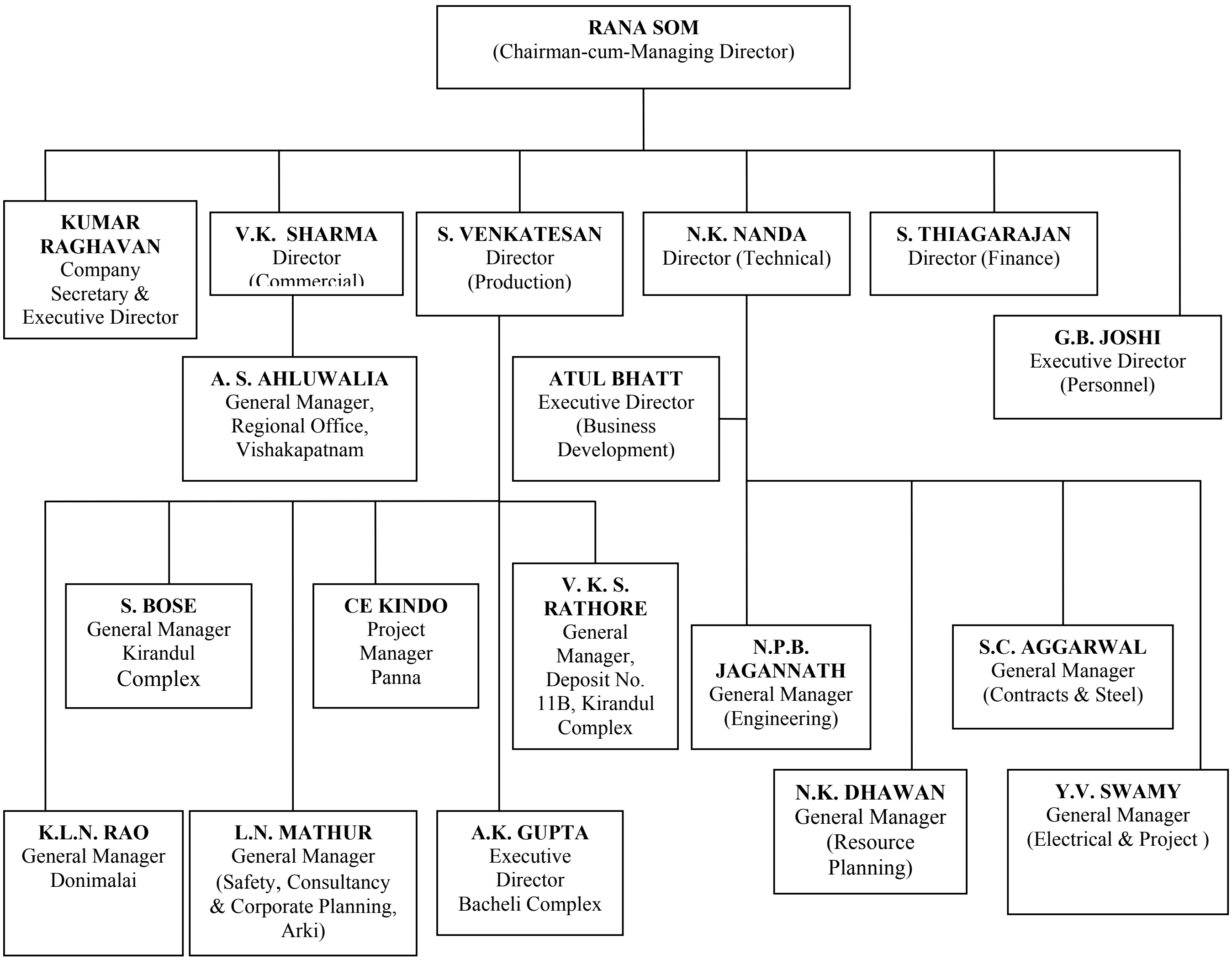
The members of the Share Transfer Committee are as under:

(i) Chairman-cum-Managing Director
(ii) Director (Finance)
(iii) Director (Commercial)
(iv) Director (Production)
(v) Director (Technical)
(vi) Company Secretary
(vii) Dy. Secretary

Remuneration Committee

The Remuneration Committee was constituted by the Board on June 14, 2002. The committee observed that the remuneration of the whole-time directors was paid as per the terms of their appointment orders issued by the Government of India. The non-executive directors were paid sitting fees as per the guidelines issued by the Government of India. Considering the above position, the committee had no specific role to play, the Board at its meeting held on October 31, 2006 dissolved the Remuneration Committee.

MANAGEMENT ORGANISATION CHART



Key Management Personnel

The details of our Company's key management personnel as on the date of this Prospectus are as follows:

Mr. G. B. Joshi, 58 years, is the Executive Director (Personnel) of our Company. He holds a Bachelor's and Master's Degree in Science from the Delhi University and a Post Graduate Diploma in Personnel Management and Industrial Relations and Labour Welfare from the Andhra Pradesh Productivity Council. He also holds a Master's Degree in Sociology from University of Jaipur and a Diploma in Personnel Management and Industrial Relations from the Punjab University. He started his career as an Assistant in the Department of Electronics, Government of India. He joined our Company as an Executive Trainee in 1976 and has held various positions within our Company during his service period of 33 years. He has been leading the Corporate Personnel Department since September 2005. The remuneration paid to him for the year ended March 31, 2009 was Rs. 1.23 million.

Mr. **Kumar Raghavan**, 55 years, is our Company Secretary and Executive Director (Law & Corporate Communication) of our Company. He holds a Master's Degree in Commerce from the University of Jaipur. He is a member of the Institute of Company Secretaries of India since January 1, 1981 and the Institute of Cost and Works Accountants of India since July 19, 1986. He started his career in the year 1977 as a company secretary trainee and has worked in different organisations before joining our Company. He joined our Company in 1985. He has held the post of Company Secretary of our Company since September 16, 1997 and Executive Director (Law & Corporate Communication) since May 28, 2007. The remuneration paid to him for the year ended March 31, 2009 was Rs. 1.145 million.

Mr. Y. V. Swamy, 57 years, is the General Manager (Electrical & Projects) of our Company. He has a Bachelor's Degree in Electrical Engineering from the Indian Institute of Technology, Madras. He started his career as an Executive Trainee in 1975 in our Company and has held various positions within our Company during his service period of 34 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 1.174 million.

Mr. Subimal Bose, 55 years, is the General Manager of the Kirandul Complex of our Company. He has a Bachelor's Degree in Mining Engineering from the Indian Institute of Technology, Kharagpur and has a First Class Mines Manager Certificate of Competency and a Certificate of Recognition as Qualified Person to prepare Mining Plans from the Indian Bureau of Mines. He started his career as an Executive Trainee in CCI Limited and held various positions within CCI Limited till October 2001. He joined our Company as Deputy General Manager (Mining) in Bailadila Iron Ore Mines, Bacheli Complex on November 12, 2001. He has held various positions within our Company during his service period of 8 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 0.87 million.

Mr. C. E. Kindo, 50 years, is the Project Manager, Diamond Mining Project, Panna of our Company. He has a Bachelor's Degree in Mining Engineering from the Indian School of Mines and has a First Class Mines Manager Certificate of Competency. He has also received a Certificate of Recognition as Qualified Person to prepare Mining Plans from Indian Bureau of Mines. He started his career as an Executive Trainee with our Company in the year 1983 and has held various positions within our Company during his service period of 26 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 0.96 million.

Mr. A. K. Gupta, 59 years, is the Executive Director Bailadila Iron Ore Mines, Bacheli Complex. He holds a Bachelor's Degree in Mining Engineering from Indian Institute of Technology, Kharagpur and has a First Class Mines Manager Certificate of Competency. He joined our Company as an Executive Trainee in the year 1973 and has held various positions within our Company during his service period of 36 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 1.22 million.

Mr. N. K. Dhawan, 58 years, is the General Manager (Resource Planning). He has a Bachelor's Degree in Mining Engineering from Indian School of Mining, Dhanbad and has a First Class Mines Manager Certificate of Competency. He started his career as an Executive Trainee in the Company in 1973. He left the Company to join the Bokaro Steel Plant and has served in various public and private sector companies including Cement Corporation of India before re-joining the Company in 1994. He has held various positions during his service period of 36 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 0.81 million.

Mr. A. S. Ahluwalia, 58 years, is the General Manager, Regional Office, Vishakapatnam. He holds a Bachelor's Degree in Electrical Engineering and has a Post Graduate Diploma in Computer Application. He joined our Company as an Executive Trainee in the year 1973 and has held various positions within our Company during his service period of 36 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 0.83 million.

Mr. S. C. Aggarwal, 59 years, is the General Manager (Contracts & Steel). He holds a Bachelor's Degree in Mechanical Engineering from the Kurukshetra University. He started his career in the private sector in 1971. He joined our Company as an Executive Trainee in 1973 and has held various positions within our Company during his service period of 36 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 1.20 million.

Mr. N. P. B. Jagannath, 57 years, is the General Manager (Engineering). He holds a Bachelor's Degree in Mechanical Engineering from the Bangalore University. He joined our Company as an Executive Trainee in 1974 and has held various positions within our Company during his service period of 35 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 1.19 million.

Mr. L. N. Mathur, 53 years, is the General Manager (Safety, Consultancy & Corporate Planning, Arki). He holds a Bachelor's Degree in Mining Engineering from the University of Jodhpur and a Diploma in Management from the All India Management Association Centre for Management Education. He also has a First Class Mines Managers Certificate of Competency from the Mining Board and Certificate of Recognition as Qualified Person to prepare Mining Plans from the Indian Bureau of Mines. He started his career in the private sector and has worked in various organisations including ACC Limited. He joined our Company on June 26, 1999 and has held various positions within our Company during his service period of 10 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 1.05 million.

Mr. K. L. N. Rao, 58 years, is the General Manager of the Donimalai Iron Ore Mine of our Company. He holds a Bachelor's Degree in Electrical Engineering from the Andhra University. He joined our Company as an Executive Trainee in 1975 and has held various positions within our Company during his service period of 34 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 1.12 million.

Mr. V. K. S. Rathore, aged 58 years, is the General Manager of Deposit 11/B , Kirandul Complex, of our Company. He holds a Bachelor's Degree in Mechanical Engineering from the University of Roorkee. He joined our Company as an Executive Trainee in 1975 and has held various positions within our Company during his service period of 34 years. The remuneration paid to him for the year ended March 31, 2009 was Rs. 0.68 million.

Mr. Atul Bhatt, aged 45 years is the Executive Director (Business Development). He holds a Bachelor's Degree in Chemical Engineering from the Indian Institute of Technology, Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management, Calcutta. He has 23 years of experience in marketing, market research, product development, sales forecasting and planning in various steel and mining related companies. Prior to being appointed as an Executive Director in our Company, Mr. Bhatt was associated with Metalex World SA, London from February 2009 until February 2010 and prior to that with Arcelor Mittal, London from September 2002 until December 2008. He was also associated with Tata Steel from June 1986 until August 2002.

All the key management personnel are on the rolls of our Company. However, as per the terms of the employment letter of the Company dated January 28, 2010, Mr. Atul Bhatt is presently in the temporary employment of our Company. He is on probation for a period of one year from the date of his appointment being February 19, 2010, which may be extended or curtailed at the discretion of the Company.

Further, all the Key Management Personnel mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board.

Details of Service Contracts of the Key Management Personnel (including retirement and termination benefits)

Except for the terms set forth in the appointment letters, the Key Management Personnel have not entered into any other contractual arrangements with our Company. Details of the terms set forth in such appointment letters are as hereinbelow:

Sr. No.	Name	Date of Appointment	Date of expiry of term	Termination / Retirement benefits, if any
1.	Mr. G.B. Joshi	September 1, 2005	September 30, 2011	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
2.	Mr. Kumar Raghavan	September 16, 1997	November 30, 2014	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
3.	Mr. Y.V. Swamy	August 14, 2008	February 28, 2013	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post

Sr. No.	Name	Date of Appointment	Date of expiry of term	Termination / Retirement benefits, if any
				Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
4.	Mr. Subimal Bose	September 1, 2009	October 31, 2014	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
5.	Mr. C.E. Kindo	September 1, 2009	January 31, 2019	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
6.	Mr. A.K. Gupta	September 1, 2009	May 31, 2010	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
7.	Mr. N.K. Dhawan	September 12, 2008	July 31, 2011	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
8.	Mr. A.S. Ahluwalia	July 18, 2002	August 31, 2011	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
9.	Mr. S.C. Aggarwal	August 14, 2008	May 31, 2010	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
10.	Mr. N.P.B. Jagannath	June 1, 2007	March 31, 2012	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
11.	Mr. L.N. Mathur	November 1, 2008	June 30, 2016	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
12.	Mr. K.L.N. Rao	August 29, 2009	March 31, 2011	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
13.	Mr. V. K. S. Rathore	August 7, 2008	November 30, 2012	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit,

Sr. No.	Name	Date of Appointment	Date of expiry of term	Termination / Retirement benefits, if any
				Transportation Allowance, Settling Allowance.
14.	Mr. Atul Bhatt	February 19, 2010	November 30, 2024	Provident Fund, Gratuity, Group Saving Linked Insurance Scheme, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.

Relationships among Key Management Personnel

None of the Key Management Personnel are related to each other.

Arrangements and understanding with major shareholders

None of the Key Management Personnel have been appointed pursuant to any arrangement or understanding with the major shareholders, customers, suppliers or others.

Payment of benefit to officers of our Company

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except certain post retirement medical benefits and statutory benefits upon termination of their employment in our Company or upon superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

All employees of our Company are entitled to the payment of an annual performance incentive in terms of the scheme approved in the 398th meeting of the Board which was held on September 19, 2007 in accordance with the letter No. 6(12)/96-RM-I dated July 4, 2007 issued by the Ministry of Steel and the departments memorandum No. 2(15)/2000-DPE (WC)/GLXIX dated March 27, 2000. The Board has approved a payment of Rs.29,000 per employee as annual performance incentive for the year 2008-09.

Pursuant to memoranda issued by the Department of Public Enterprises ("DPE") on November 26, 2008 and April 2, 2009, the GoI has empowered public sector undertakings, including our Company, to increase the pay scales of their respective whole time board members and executive officers. These memoranda also require such government enterprises to implement salary increases for employees below executive level and these wage increases are to be determined by the respective boards and management of the relevant government enterprises. Salary increases for all affected public sector employees will be retrospectively effected from January 1, 2007.

None of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company.

Shareholding of the Key Management Personnel

The following table details the aggregate of the shares held by our Company's Key Management Personnel in their individual capacity along with their relatives in our Company:

Name of Key Management Personnel	Number of equity shares
Mr. V. K. S. Rathore	10
Total	**10**

Interest of Key Management Personnel

None of our Company's Key Management Personnel have any interest in our Company and/or the Subsidiaries other than to the extent of the remuneration or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company and/or the Subsidiaries.

Changes in our Company's Key Management Personnel during the last three years

Sr. No.	Project/Department	Designation	From	Date of cessation	Reason
1	Mr. A. K. Gupta	Executive Director (Bailadila Iron Ore Mines Bacheli Complex)	September 1, 2009	Continuing	Appointed as Executive Director (Bailadila Iron Ore Mines Bacheli Complex)
2	Mr. N. K. Dhawan	General Manager (Resource Planning)	September 12, 2008	Continuing	Appointed as General Manager (Resource Planning)
3	Mr. Y. V. Swamy	General Manager (Electrical & Projects)	August 14, 2008	Continuing	Appointed as General Manager (Electrical & Projects)
4	Mr. Subimal Bose	General Manager, Kirandul Complex	September 1, 2009	Continuing	Appointed as General Manager, Kirandul Complex
5	Mr. C. E. Kindo	Project Manager, Diamond Mining Project, Panna	September 1, 2009	Continuing	Appointed as Project Manager, Diamond Mining Project, Panna
6	Mr. S. C. Aggarwal	General Manager (Contracts & Steel)	August 14, 2008	Continuing	Appointed as General Manager (Contracts & Steel)
7	Mr. N. P. B. Jagannath	General Manager (Engineering)	June 1, 2007	Continuing	Appointed as General Manager (Engineering)
8	Mr. L. N. Mathur	General Manager (Safety, Consultancy & Corporate Planning)	November 1, 2008	Continuing	Appointed as General Manager (Safety, Consultancy & Corporate Planning)
9	Mr. K. L. N. Rao	General Manager, Donimalai Iron Ore Mines	August 29, 2009	Continuing	Appointed as General Manager, Donimalai Iron Ore Mines
10	Mr. V. K. S. Rathore	General Manager, Deposit No. 11B, Kirandul Complex,	August 7, 2008	Continuing	Appointed as General Manager, Deposit No. 11B, Kirandul Complex,
11	Mr. Atul Bhatt	Executive Director (Business Development)	February 19, 2010	Continuing	Appointed as Executive Director (Business Development)
12	Mr. S. G. Padma Rao	Project Manager/ General Manager	September 11, 2008	August 31, 2009	Superannuation
13	Mr. R. K. Tiwari	Executive Director	October 20, 2006	August 31, 2009	Superannuation

Sr. No.	Project/Department	Designation	From	Date of cessation	Reason
14	Mr. Santhanam Venkatesan	General Manager	August 21, 2005	July 31, 2008	Appointed as Director (Production)
15	Mr. Narendra Kumar Nanda	General Manager	October 27, 2006	November 11, 2008	Appointed as Director (Technical)
16	Mr. B. S. A. Deekshit	General Manager	October 01, 2002	May 27, 2007	Superannuation
17	Mr. V. K. Sharma	General Manager	April 27, 2005	October 2, 2007	Appointed as Director (Commercial)
18	Mr. Deepak Vidyarthi	Executive Director	April 1, 2006	October 31, 2008	Superannuation
19	Mr. S. K. Sardar	General Manager	April 1, 2005	August 31, 2007	Superannuation
20	Mr. Swaminathan Thiagarajan	Executive Director	September 1, 2004	July 8, 2009	Appointed as Director (Finance)

Bonus or profit sharing plan for the Key Management Personnel

There is no bonus or profit sharing plan for our Company's Key Management Personnel.

Scheme of Employee Stock Options or Employee Stock Purchase

Our Company does not have any scheme of employee stock option or employee stock purchase.

Loans taken by Directors / Key Management Personnel

Except as disclosed hereunder, the Directors and Key Management Personnel have not taken any loan from our Company as on February 19, 2010.

Sr. No.	Name of Director/Key Management Personnel	Loan amount outstanding in (In Rs.)		
		House building advance	Computer loan	Car loan
1.	Mr. Vinod Kumar Sharma	132,823	-	35,588
2.	Mr. G. B. Joshi	2,190	-	108,000
3.	Mr. N.K. Dhawan	-	5,000	-
	Total	**135,013**	**5,000**	**143,588**

OUR PROMOTER AND GROUP COMPANIES

Our Promoter is the President of India, acting through the MoS, therefore disclosure of our 'group companies' cannot be provided. Our Promoter holds 98.38% of the pre-Offer paid-up Equity Share capital and assuming the sale of all the Offer Shares in the Offer, our Promoter will hold 90% of the post-Offer paid-up Equity Share capital of our Company.

DIVIDEND POLICY

The Company in the general meeting may declare a dividend to be paid to the shareholders according to their rights and interest in the profits of the Company. The dividend shall be declared or paid by the Company as per the provisions of the Companies Act. The dividend and dividend tax paid by our Company during the last five financial years and the nine months ended on December 31, 2008 and December 31, 2009 is presented below.

(*Rs. in million)*

Particulars	Nine months ended		Year ended				
	December 31, 2009	December 31, 2008	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	3,964.7	3,964.7	3,964.7	1,321.6	1,321.6	1,321.6	1,321.6
Face Value	1.00	1.00	1.00	10.00	10.00	10.00	10.00
No. of Shares	3,964,716,000	3,964,716,000	3,964,716,000	132,157,200	132,157,200	132,157,200	132,157,200
Rate of Dividend (%)							
Interim-first	-	-	103%	100%	77%	77%	38.5%
Interim-second	-	-	0%	231%	190%	115%	0%
Final	-	-	118%	162%	85%	84%	76%
Total Dividend Rate	-	-	**221%**	**493%**	**352%**	**277%**	**114.5%**
Amount of Dividend							
Interim – first	-	-	4,083.6	1,321.6	1,017.6	1,016.7	508.8
Interim – second	-	-	-	3,052.8	2,511.0	1,525.1	-
Final	-	-	**4678.4**	**2,140.9**	**1,123.3**	**1,113.9**	**1,004.4**
Total dividend	-	-	**8,762.0**	**6,515.3**	**4,651.9**	**3,655.7**	**1,513.2**
Corporate Dividend Tax							
Interim-first	-	-	694.0	224.6	142.7	142.6	66.5
Interim-second	-	-	-	518.8	352.2	213.9	-
Final	-	-	795.1	363.9	190.9	156.2	140.9
Total	-	-	**1,489.1**	**1,107.3**	**685.8**	**512.7**	**207.4**

A stock split was approved at an extraordinary general meeting of our shareholders held on April 03, 2008, resulting in each equity share of Rs. 10 being sub-divided into 10 equity shares of Re. 1 each and consequently the equity shares were sub-divided with effect from April 03, 2008.

However, the amounts paid as dividend in the past are not indicative of our dividend policy in the future.

The Company in a meeting of its Board held on January 23, 2010 declared an interim dividend of Re. 0.75 per Equity Share of Re. 1 each. The record date fixed for determining the eligible shareholders for payment of interim dividend was February 5, 2010.

Dividends are declared at the annual general meeting of the shareholders based on recommendations by the board. The Company's board may recommend dividends, at its discretion, to be paid to the Company's shareholders. The Company's board may also declare interim dividends. The Company's board considers a number of factors in making a recommendation to pay a dividend, including but not limited to the Company's profits, capital expenditure programmes and overall financial conditions. Pursuant to guidelines issued by the Ministry of Finance dated September, 2004, the minimum amount of dividend required to be declared is the higher of 20% of equity or 20% of profits after tax. The Company's dividend payout ratio, based on profit after tax, for Fiscals 2009, 2008, 2007 and 2006 was 20.04%, 20.04%, 20.05% and 20.00%, respectively. The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditor's Report on
Standalone Financial Statements of NMDC Limited

To

The Board of Directors,
NMDC Limited,
Hyderabad.

Dear Sirs,

1) We have examined the attached Standalone financial information of NMDC Ltd as approved by the Board of Directors of the Company prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 (the Act) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations,2009, as amended (SEBI Regulation) and terms of our engagement agreed with you in accordance with our letter dated 11-12-2009 in connection with the proposed Equity offering by the selling share holder, the Government of India, in NMDC Limited .

The preparation and presentation of these financial information is the responsibility of the Company's management.

2) These information have been extracted by the Management from the financial statements for the nine months ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008, March 31, 2007, and March 31, 2006, March 31, 2005. Audit for the financial year ended March 31, 2007, March 31, 2006 and March 31, 2005 was conducted by previous auditors, Laxminiwas & Jain, Chartered Accountants. The financial information included for these financial years ended i.e. 31st March, 2007, 31st March, 2006 , 31st March, 2005 are based on reports submitted by them and have been relied upon by us while expressing our opinion and reporting on various restated financial information and annexures thereof expressly stated in the following paragraphs.

3) Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the standalone financial information appropriately.

4) In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Regulations and terms of our engagement agreed with you, we further report that:

(a) The Standalone Restated Summary Statement of Assets and Liabilities of the Company for the half years ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in annexures referred under para 5 and 6.

(b) The Standalone Restated Summary Statement of Profit or Loss of the Company for the nine months ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in annexures referred under para 5 and 6.

(c) The Standalone Restated Summary Statement of Cash Flow of the Company for the nine months ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in annexures referred under para 5 and 6.

5) The annexures referred to above are given under various annexures "Notes on Adjustments made for Restated Financial statements "(Annexure-IVA), "Notes on Adjustments not made for Restated Financial statements" (Annexure-IVB), "Significant Accounting Policies" (Annexure-VA) and "Other Notes on Restated Financial Statements" (Annexure- VB)

6) Based on above and also as per the reliance placed on the reports submitted by the previous auditors, Laxminivas & Jain, Chartered Accountants for the respective years, we confirm that the restated financial information has been made after incorporating:

(i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(ii) Adjustments for the material amounts in the respective financial years to which they relate.

(iii) Further, there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

(a) We have also examined the following standalone and other financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the nine months ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008. In respect of the year ended March 31, 2007, March 31, 2006, March 31, 2005, these informations have been included based upon the reports submitted by the previous auditors, Laxminivas & Jain and relied upon by us:

(i) Statement of Dividend paid/proposed included in Annexure VI

(ii) Statement of Accounting Ratios included as restated in Annexure VII

(iii) Statement of Capitalisation as on 31-12-2009 included in Annexure VIII

(iv) Statement of Secured and Unsecured Loans as restated included in Annexure IX

(v) Statement of Tax Shelter included in Annexure X

(vi) Statement of Loans and Advances as restated included in Annexure XI

(vii) Statement of Sundry Debtors as restated included in Annexure XII

(viii) Statement of Investments as restated included in Annexure XIII

(ix) Statement of Other Income as restated included in Annexure XIV

(x) Statement of Related Party Transactions included in Annexure XV

(xi) Statement of Segment Reporting included in Annexure XVI

(xii) Statement of Contingent Liabilities included in Annexure XVII

In our opinion the financial information contained in Annexure I to XVII of this report read along with the Significant Accounting Policies, Notes and Changes in Significant Accounting Policies, (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part II B of Schedule II of the Act and the ICDR Regulations.

7) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed offering of equity shares by the selling share holder of the Company. Our report should not be used for any other purpose except with our prior written consent.

For M/s Ramamoorthy(N) & Co.
Chartered Accountants

CA. Surendranath Bharathi
Partner
M.No 23837

Date: 18-02-2010
Place: Hyderabad

NMDC LIMITED

SUMMARY OF STANDALONE STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Million) **Annexure - I**

	Particulars	**As at**		**As at**				
		31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A.	**Fixed Assets**							
	Gross Block	17,109.8	15,209.5	16,691.7	14,214.0	13,041.5	12,596.8	11,767.8
	Less: Depreciation	9,688.6	9,030.4	9,225.4	8,533.4	7,992.5	7,295.2	6,393.4
	Net Block	**7,421.2**	**6,179.1**	**7,466.3**	**5,680.6**	**5,049.0**	**5,301.6**	**5,374.4**
	Capital Work in Progress	4,327.6	1,831.2	2,483.1	1,118.3	1,129.7	561.6	314.7
	Total Fixed Assets	**11,748.8**	**8,010.3**	**9,949.4**	**6,798.9**	**6,178.7**	**5,863.2**	**5,689.1**
B.	**Investments**	**760.4**	**610.4**	**715.4**	**832.8**	**743.8**	**740.2**	**740.2**
C.	**Current Assets, Loans & Advances**							
	Inventories	3,361.6	2,716.9	3,009.1	1,664.2	1,285.8	1,279.5	1,194.0
	Sundry Debtors	5,040.1	14,349.5	10,164.6	4,888.3	2,843.7	3,172.0	2,137.1
	Cash & Bank Balances	120,770.2	88,814.2	97,396.5	71,988.0	48,491.7	31,094.6	19,048.2
	Other Current Assets	3,469.7	5,304.6	2,983.5	1,862.6	842.4	797.1	332.6
	Loans & Advances	4,030.4	2,281.4	4,033.2	2,437.9	1,820.4	1,214.6	1,086.5
	Total Current Assets, Loans & Advances	**136,672.0**	**113,466.6**	**117,586.9**	**82,841.0**	**55,284.0**	**37,557.8**	**23,798.4**
	Total Assets (A+B+C)	**149,181.2**	**122,087.3**	**128,251.7**	**90,472.7**	**62,206.5**	**44,161.2**	**30,227.7**
D.	**Liabilities & Provisions**							
	Current Liabilities	7,177.6	4,981.1	4,845.8	4,286.4	2,756.3	2,877.4	2,464.0
	Provisions	4,836.4	5,823.2	6,769.6	3,338.8	1,656.5	1,368.8	1,581.5
	Total current Liabilities & Provisions	**12,014.0**	**10,804.3**	**11,615.4**	**7,625.2**	**4,412.8**	**4,246.2**	**4,045.5**
	Deferred Tax Liabilities	682.5	110.0	580.4	60.1	266.0	184.6	121.3
	Grant-in-aid						1.7	1.7
	Total Liabilities (D)	**12,696.5**	**10,914.3**	**12,195.8**	**7,685.3**	**4,678.8**	**4,432.5**	**4,168.5**
E.	**Net Worth (A+B+C-D)**	**136,484.7**	**111,173.0**	**116,055.9**	**82,787.4**	**57,527.7**	**39,728.7**	**26,059.2**
	Represented by:							
	Shareholders' Funds							
	Share Capital	3,964.7	3,964.7	3,964.7	1,321.6	1,321.6	1,321.6	1,321.6
	Reserves & Surplus	132,732.3	107,434.0	112,313.2	81,711.3	56,474.1	38,706.6	25,085.1
	Total	**136,697.0**	**111,398.7**	**116,277.9**	**83,032.9**	**57,795.7**	**40,028.2**	**26,406.7**
	Misc. Expenditure not written off	-212.3	-225.7	-222.0	-245.5	-268.0	-299.5	-347.5
	Net Worth	**136,484.7**	**111,173.0**	**116,055.9**	**82,787.4**	**57,527.7**	**39,728.7**	**26,059.2**

Note: 1) The above statement should be read with the Notes on Adjustments made for Restated Financial Statements (Annexure IV A), Notes on Adjustment not made for Restated Financial Statements (Annexure IV B), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B).

2) Reserve and Surplus comprises of General reserve and Profit & Loss account.

NMDC LIMITED

SUMMARY OF STANDALONE STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. in Million) **Annexure - II**

	Nine months ended		For the Year ended				
	31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
INCOME							
Sales	42476.9	56262.8	75591.9	57091.6	41828.6	37073.8	22265.5
Income from Service	22.9	16.9	26.2	21.5	29.8	35.4	34.4
Income from Sale of Power	57.8		22.2				
Total Income from Operations	42557.6	56279.7	75640.3	57113.1	41858.4	37109.2	22299.9
Other Income	6161.5	6583.6	8840.4	6705.3	3546.9	1999.3	1052.8
Accretion / (Decretion) to Stock	105.8	734.0	1273.9	301.7	-64.9	44.2	-37.5
Total (A)	**48824.9**	**63597.3**	**85754.6**	**64120.1**	**45340.4**	**39152.7**	**23315.2**
EXPENDITURE							
Raising & Transportation Charges	267.9	296.6	443.3	253.8	186.4	129.0	126.9
Consumption of Raw Material, Stores & Spares	1389.3	1359.8	2135.2	1753.3	1574.6	1497.1	1277.8
Power, Electricity & Water	329.2	314.4	422.1	474.0	427.4	441.1	429.9
Payments & Benefits to Employees	2707.5	3303.9	4211.0	3556.2	1978.0	1803.0	1909.6
Repairs & Maintenance	393.9	268.2	516.4	394.3	296.6	227.6	183.8
Royalty & Cess	2291.5	435.4	627.9	543.6	895.6	547.6	510.5
Selling Expenses - Frieght	2572.9	4077.0	6502.3	3160.7	2215.0	3737.0	3407.0
- Others	874.4	1814.5	2039.5	2024.9	704.9	849.0	1074.7
Other Expenses	1444.6	986.8	1665.5	1914.9	1262.8	1039.5	1484.8
Sub-Total	12271.2	12856.6	18563.2	14075.7	9541.3	10270.9	10405.0
Less: Transfer to Capital Accounts	50.7	17.8	55.9	62.7	18.0	16.4	7.1
Net Operating Expenses	**12220.5**	**12838.8**	**18507.3**	**14013.0**	**9523.3**	**10254.5**	**10397.9**
Profit before Deprcn,Interest & Taxes	**36604.4**	**50758.5**	**67247.3**	**50107.1**	**35817.1**	**28898.2**	**12917.3**
Less: Depreciation	-486.6	-501.1	-735.6	-600.0	-800.2	-1136.9	-638.4
Less: Misc/Prom/DR Expr written off	-26.0	-26.0	-34.6	-34.6	-34.6	-60.7	-38.0
Add/(Less) Prior year items	-12.6		5.2	2.2	0.8	0.7	-4.4
Profit before Tax (B)	**36079.2**	**50231.4**	**66482.3**	**49474.7**	**34983.1**	**27701.3**	**12236.5**
Less: Provisions for -							
Income Tax - Current Year	12160.4	17022.1	22380.0	17010.0	11750.0	9450.0	4675.0
- Earlier Years (Net)			-187.0	112.7	-151.0	-194.7	-148.8
- Interest on Tax			-66.5	-9.9	65.6	72.2	-34.1
Total (D)	**12160.4**	**17022.1**	**22126.5**	**17112.8**	**11664.6**	**9327.5**	**4492.1**
Fringe Benefit Tax - Current Year			62.5	60.0	38.0	32.5	
- Earlier Years (Net)		65.4	49.2	-2.0	-3.0		
- Interest on Tax							

Total (E)		**65.4**	**111.7**	**58.0**	**35.0**	**32.5**	
Deferred Tax Adjustmnt for the year(F)	102.1	49.9	520.3	-205.9	81.4	63.3	190.0
(D+E+F)	**12262.5**	**17137.4**	**22758.5**	**16964.9**	**11781.0**	**9423.3**	**4682.1**
Profit after Tax as per audited Statement of accounts	**23816.7**	**33094.0**	**43723.8**	**32509.8**	**23202.1**	**18278.0**	**7554.4**
Adjustments on account of:							
a) Changes in Accounting Policies	15.5	-17.7	-18.3	-15.6	4.8	-9.3	704.7
b) Other Adjustments & Prior items	107.8	92.7	-17.0	-25.9	115.0	-433.8	446.9
c) Current Year Tax Impact	-41.9	-25.5	12.0	14.1	-40.3	149.1	-416.7
d) Deferred Tax Liability							-4.7
e) Tax impact - Others			-204.3	377.4	-176.5	-194.1	-52.0
Total Adjustments after Tax Impact	**81.4**	**49.5**	**-227.6**	**350.0**	**-97.0**	**-488.1**	**678.2**
Profit after Tax as Restated	**23898.1**	**33143.5**	**43496.2**	**32859.8**	**23105.1**	**17789.9**	**8232.6**
Opening Balance of P& L Account	9.1	16.5	16.5	19.3	14.9	5.3	5.3
Balance available for appropriations, as restated	**23907.2**	**33160.0**	**43512.7**	**32879.1**	**23120.0**	**17795.2**	**8237.9**
Less: Appropriations -							
Interim Dividend	2973.5	4083.6	4083.6	4374.4	3528.6	2541.8	508.8
Tax on Interim Dividend	505.4	694.0	694.0	743.4	494.9	356.5	66.5
Proposed Dividend (Final)			4678.4	2140.9	1123.3	1113.9	1004.4
Tax on Final Dividend			795.1	363.9	190.9	156.2	140.9
General Reserve Transfer			33252.4	25240.0	17763.0	13611.9	6512.0
Total Appropriations	**3478.9**	**4777.6**	**43503.5**	**32862.6**	**23100.7**	**17780.3**	**8232.6**
Balance of Profit & Loss Account	**20428.3**	**28382.4**	**9.2**	**16.5**	**19.3**	**14.9**	**5.3**

Note: 1) The above statement should be read with the Notes on Adjustments made for Restated Financial Statements (Annexure IV A), Notes on Adjustment not made for Restated Financial Statements (Annexure IV B), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B).

2) The reconciliation between the Audited and Restated Profit and Loss account is given in Notes on Adjustments made for Restated Financial Statements (Annexure IV A).

NMDC LIMITED

SUMMARY OF STANDALONE STATEMENT OF CASH FLOW, AS RESTATED

(Rs. in Million) **Annexure - III**

		Nine months ended		Year ended				
		31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A.	**Cash flow from Operating activities:**							
	Profit before tax & Extraordinary items	36,079.2	50,231.4	66,482.3	49,474.7	34,983.1	27,701.3	12,236.5
	Adjustments (see Annexure IVA)	123.3	75.0	-35.3	-41.5	119.8	-443.1	1,151.6
	Restated Profit before Tax	**36,202.5**	**50,306.4**	**66,447.0**	**49,433.2**	**35,102.9**	**27,258.2**	**13,388.1**
	Adjustments for :							
	Depreciation	486.6	501.1	735.6	599.7	801.9	1,138.8	656.3
	Interest on Investments - UTI Tax free bonds		-2.6		-15.5	-19.1	-15.5	-15.5
	Interest on deposit with Banks	-5,998.0	-6,469.6	-8,669.6	-6,382.8	-3,154.4	-1,609.9	-833.9
	Interest - Others	-9.5	-13.5	-18.3	-59.2	-113.2	-89.0	-29.1
	Increase in Provision for bad & doubtful advances	-0.8	-0.5	-6.3	9.5	2,254.5	4,937.8	-62.1
	Profit on Fixed Assets	-3.5	-0.1	-0.1	-6.4	-8.0	-7.4	-0.7
	Profit on sale of Investments				-26.0			
	Deferred revenue expenditure written off	26.0	26.0	34.6	34.6	34.6	60.7	-133.4
	Total Adjustments	**-5,499.2**	**-5,959.2**	**-7,924.1**	**-5,846.1**	**-203.7**	**4,415.5**	**-418.4**
	Operating profit before working capital	**30,703.3**	**44,347.2**	**58,522.9**	**43,587.1**	**34,899.2**	**31,673.7**	**12,969.7**
	Adjustments for changes in Working Capital:							
	- Inventories	-352.6	-1,052.7	-1,344.9	-378.4	-6.3	-85.5	-10.2
	- Receivables	5,124.5	-9,461.2	-5,270.2	-2,052.9	316.7	-1,030.8	-420.0
	- Loans & Advances	-228.5	-994.5	-908.8	-140.1	-2,194.9	-5,445.4	-517.5
	- Current Liabilities & Provisions	2,351.3	880.8	829.3	2,413.3	-90.1	340.5	1,090.2
	- Other current Assets	-486.2	-3,442.0	-1,120.9	-1,020.2	-45.3		
	Net changes in Working Capital	**6,408.5**	**-14,069.6**	**-7,815.5**	**-1,178.3**	**-2,019.9**	**-6,221.2**	**142.5**
	Cash generated from Operations	**37,111.8**	**30,277.6**	**50,707.4**	**42,408.8**	**32,879.3**	**25,452.5**	**13,112.2**
	Interest paid							
	Direct Taxes	-11,928.3	-15,936.0	-22,924.5	-17,649.4	-12,357.4	-9,758.8	-4,618.6
	Net Cash Flow from Operating Activities (A)	**25,183.5**	**14,341.6**	**27,782.9**	**24,759.4**	**20,521.9**	**15,693.7**	**8,493.6**
B.	**Cash flow from Investing Activities:**							
	Purchase of Fixed Assets	-446.3	-999.6	-2,523.3	-1,246.2	-558.3	-1,086.4	-553.4
	Changes in Capital Work in progress	-1,844.5	-712.9	-1,364.8	11.4	-568.1	-246.9	202.3
	Purchase of Investments	-45.0	-7.7	-112.7	-112.5	-3.6		

	Interest on tax-free Bonds		2.6		15.5	19.1	15.5	15.5
	Interest on deposits with Banks	5,998.0	6,469.6	8,669.6	6,382.8	3,154.4	1,609.9	833.9
	Interest - Others	9.5	13.5	18.3	59.2	113.2	89.0	29.1
	Sale of Investments		230.1	230.1	49.5			
	Sale/Deletion of Fixed Assets	8.3		2.0	21.3	17.0	27.8	26.6
	Changes in Deferred Revenue Expenditure	-16.3	-6.2	-11.1	-12.1	-3.1	-12.7	8.5
	Changes in Feasibility Expenditure							190.9
	Net Cash flow from Investing Activities (B)	**3,663.7**	**4,989.4**	**4,908.1**	**5,168.9**	**2,170.6**	**396.2**	**753.4**
C.	**Cash flow from Financing Activities:**							
	Grant-in-aid refunded					-1.7		-17.8
	Payment of Dividends	-4,678.4	-2,140.9	-6,224.5	-5,497.7	-4,642.5	-3,546.2	-971.3
	Tax on Dividends	-795.1	-363.9	-1,058.0	-934.3	-651.2	-497.3	-125.8
	Net Cash flow from Financing Activities (C)	**-5,473.5**	**-2,504.8**	**-7,282.5**	**-6,432.0**	**-5,295.4**	**-4,043.5**	**-1,114.9**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**23,373.7**	**16,826.2**	**25,408.5**	**23,496.3**	**17,397.1**	**12,046.4**	**8,132.1**
	Cash and Cash Equivalents at the beginning of the year	97,396.5	71,988.0	71,988.0	48,491.7	31,094.6	19,048.2	10,916.1
	Cash and Cash Equivalents at the end of the year	**120,770.2**	**88,814.2**	**97,396.5**	**71,988.0**	**48,491.7**	**31,094.6**	**19,048.2**
	Difference	**23,373.7**	**16,826.2**	**25,408.5**	**23,496.3**	**17,397.1**	**12,046.4**	**8,132.1**
	Components of Cash and Cash equivalents:							
	- Cash and Cheques in Hand	1.9	2.1	12.3	345.7	34.9	55.2	38.5
	Balance with scheduled banks							
	- Balance in Current Account	393.5	385.9	367.9	427.8	423.1	675.2	466.3
	- Balance in Term deposits	120,373.0	88,425.0	97,014.0	71,211.5	48,031.1	30,316.8	18,543.0
	- Balance with other banks/in transist.	1.8	1.2	2.3	3.0	2.6	47.4	0.4
		120,770.2	**88,814.2**	**97,396.5**	**71,988.0**	**48,491.7**	**31,094.6**	**19,048.2**

Notes: The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) Cash Flow Statement issued by the Institute of Chartered Accountants of India.

	NMDC LIMITED						
	NOTES ON ADJUSTMENTS MADE FOR STANDALONE RESTATED FINANCIAL STATEMENTS						
	(Rs. in Million)						**Annexure - IV A**
1	**Adjustments on changes in Accounting Policies and Prior period items:**						
		Nine months ended		**Year ended**			
		31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A.	**Profit after tax as per Audited Statement of Accounts:**	**23,816.7**	**33,094.0**	**43,723.8**	**32,509.8**	**23,202.1**	**18,278.0**	**7,554.4**
	Adjustments on account of :							
B.	Changes in Accounting Policies:							
	a) Reduction in Gross Block & WIP							349.4
	b) Provision due to change in method of providing depreciation							-16.7
	c) Mine Closure obligation							177.7
	d) Change in treatment of R&D Expr							171.4
	e) Change in Stock Valuation	15.5	-17.7	-18.3	-15.6	4.8	-9.3	22.9
	Sub Total (B)	15.5	-17.7	-18.3	-15.6	4.8	-9.3	704.7
C.	Other Adjustments due to shifting of income/expr to respective years:							
	a) Arrears due to Price Revision						-428.7	428.7
	b) Rebate given to CG parties	107.8		-107.8				
	c) Compensation & awards		2.4	-11.2			150.2	
	d) Lease Rent & Supervision chrgs							39.5
	e) Infrastructure Dev. & Env. Cess					136.5	-136.5	
	f) Arrears of Royalty		90.3	102.0	-25.9	-21.5	-18.8	-21.3
	Sub Total (C)	107.8	92.7	-17.0	-25.9	115.0	-433.8	446.9
	Total Adjustments (B+C)	**123.3**	**75.0**	**-35.3**	**-41.5**	**119.8**	**-443.1**	**1,151.6**
D.	Tax Adjustments:							
	a) Normal Tax impact of adjustments	-41.9	-25.5	-192.3	391.5	-216.8	-45.0	-468.7
	b) Deferred Tax impact of the adjustments							-4.7
	Sub Total (D)	-41.9	-25.5	-192.3	391.5	-216.8	-45.0	-473.4
E.	**Total adjustments (B+C+D)**	**81.4**	**49.5**	**-227.6**	**350.0**	**-97.0**	**-488.1**	**678.2**
F.	**Net Adjusted Profits after Tax (A+E)**	**23,898.1**	**33,143.5**	**43,496.2**	**32,859.8**	**23,105.1**	**17,789.9**	**8,232.6**

ADJUSTMENTS TO RESTATED STATEMENT OF PROFIT & LOSSES:

1. During the year 2004-05, the Company revised its Accounting Policy relating to 'Expenditure during construction', and reviewed the units capitalized in 2003-04 and capital work in progress which led to reduction in Gross Block of fixed assets of Rs.204.0 million, capital work in progress of Rs.162.2 million, depreciation of Rs.16.7 million and valuation of closing stock of Rs.1.0 million. This has resulted in reduction of profit by Rs. 350.5 million during the year 2004-05. Of this expenditure, Rs.16.8 million under the head 'capital work in progress' pertains to the year 2004-05 itself and hence not considered for restatement. The impact of the change to the extent it pertains to the year 2003-04 has been carried to the General Reserve for 2003-04 amounting to Rs.332.7 million, and the profit for 2004-05 has been accordingly restated.

2. Consequent to revision in accounting Policy relating to R&D expenditure, the expenditure incurred on Feasibility studies, being R&D in nature, amounting to Rs.177.9 million consisting of Rs.171.4 million pertaining to the period upto 2003-04 and Rs. 6.5 million pertaining to 2004-05 was charged to profit during 2004-05. For the purpose of restatement, the amount of Rs.171.4 million has been re-allocated against the General Reserve of 2003-04.

3. The Company introduced a new accounting policy in 2004-05 towards provision of liability on Mine Closure Obligation. An amount of Rs.378.2 million covering the years 2003-04 (Rs.177.7 million) and 2004-05 (Rs.200.5 million) has been charged to revenue in 2004-05. However, this was not considered as an element of cost of production and was not included for valuation of closing stock. This policy was revised in 2007-08 to the effect that Mine Closure Obligation became an element of cost of production and included for valuation of closing stock. Restatement of accounts has therefore been made by taking the Mine Closure Obligation liability relating to 2003-04 amounting to Rs.177.7 million to the General Reserve of 2003-04. The Closing stock of 2004-05 to 2006-07 has also been restated by including Mine Closure Obligation as an element of cost of production and profits of the respective years have also been restated for uniformity.

4. Royalty was being treated as Selling Expenses upto 2006-07 in respect of Donimalai Iron Ore Mine and not considered as an element of cost of production. This policy has been reviewed in 2007-08 and royalty is now treated as an element of cost of production in line with the practice being followed by the Company's other iron ore mines. The effect on closing stock of earlier years i.e., from 2004-05 to 2006-07 has been worked out and profitability has been restated to this effect.

5. The following items of income / expenditure have been taken out from the year (s) of accountal to the respective years to which they pertain for the purpose of restatement:

   (a) Iron ore sales price revision arrears of Rs.428.7 million accounted in year 2005-06 is taken to year 2004-05.
   (b) Rebate granted to some Chhattisgarh customers on sale price of iron ore amounting to Rs.107.8 million accounted in year 2009-10 is taken to year 2008-09.
   (c) An amount of Rs.150.2 million was due to be paid to MMTC Ltd in consequence of award of Dispute Resolution Committee in relation to sale or ore decided to belong to MMTC. The same was adjusted by MMTC against export sales revenue remitted during the year 2005-06 and treated as expenditure for accounting purposes. As this amount does not pertain to year 2005-06, the same has been taken out from that year and adjusted against General Reserve of 2003-04. Similarly, Rs.11.2 million (net) received from MMTC as a result of DRC award on price revision arrears and accounted for in year 2008-09 is taken back for adjustment against General Reserve of 2003-04.
   (d) Differential Royalty paid to the State Government by Bailadila iron Ore Projects amounting to Rs.102.0 million and accounted for in year 2008-09 is taken back to respective years to which it pertains, i.e., 2004-05, 2005-06, 2006-07 and 2007-08 and also adjusted against General Reserve of 2003-04.
   (e) Lease rent and supervision charges of Rs.39.5 million pertaining to Donimalai Iron Ore Mine upto the year 2003-04 accounted for in year 2004-05 is taken back for adjustment to General Reserve of 2003-04.
   (f) Infrastructure cess and Environmental Improvement Cess pertaining to Bailadila iron ore Projects amounting to Rs.136.5 million and accounted for in year 2006-07 is taken back to year 2005-06 to which it pertains.

NOTES ON ADJUSTMENTS NOT MADE FOR RESTATED FINANCIAL STATEMENTS

1. During the year 2004-05, the company revised its accounting policy with regard to valuation of stores and spares not moved for five years and above. Accordingly, "Stores & spares not moved for 5 years and above ***and identified as obsolete***" are valued at Re.1 per unit. Prior to this change, all stores and spares not moved for 5 years and above were being valued at 15% of cost. This has resulted in increase in net profit by Rs. 2.3 million during that year with a corresponding increase in stores and spares. However, as the policy has since been consistently followed each year till date, there is no impact on Financial Statements for the period 2004-05 to 2009-10.

2. During the year 2004-05, the life of internal communication equipment and some assets in office equipment has been reassessed w.e.f. 01-04-2004. The depreciation as worked out based on the revised life of the asset has resulted in a higher deprecation of Rs. 6.9 million with a corresponding decrease in profit for the year. Since the same has since been consistently followed each year till date, there is no impact on Financial Statements for the period 2004-05 to 2009-10.

3. During the year 2005-06, the life of programmable logic control systems has been technically reassessed with effect from 01-04-2005. The depreciation has been worked out based on the revised life of the asset in line with AS – 6 and the unamortized depreciable amount of the asset is charged to revenue over the revised remaining useful life. The above has resulted in a higher depreciation of Rs. 39.7 million with a corresponding decrease in profit for the year. As this involves prospective adjustment only, no recasting of accounts for the future years is required.

4. The policy with respect to prepaid expenses has been revised during the year 2006-07 enhancing the monetary ceiling of accounting the expenditure relating to unexpired period from Rs.0.05 million to Rs.0.2 million in each case. This has resulted in decrease in net profit by Rs. 2.1 million with a corresponding decrease in 'Loans and advances' as compared to the previous year 2005-06. No restatement has been done in respect of the above as the amounts involved are found not to be material.

5. During the year 2006-07, the company has revised its accounting policy on 'Prior Period Adjustments' enhancing the monetary ceiling of accounting income / expenditure relating to earlier years from Rs.0.05 million to Rs. 0.2 million in each case. This has resulted in decrease in prior period adjustments by Rs.0.03 million compared to the earlier policy. Since the change of accounting policy has no impact on the profit of the company and is not material, no restatement in the accounts is considered.

6. The company has revised the life of computer software to 3 years during the year 2006-07, as against amortizing the value over the period during which support service with free upgrades is available and in other case, in the year of purchase. This has resulted in decrease in depreciation by Rs.1.7 million with a corresponding increase in profit. No restatement has been done in respect of the above as the amounts involved are found not to be material.

7. Effective 1st April 2007, in line with revised AS – 15, Employee Benefits, the liability in respect of payments under employees family benefit scheme, leave travel concession (encashment / availment) and long service award has been provided on actuarial valuation, as against the earlier practice of recognizing the same on actual payments. Similarly, Gratuity liability accruing on account of ceiling on gratuity from Rs. 0.35 million to Rs.1.0 million w.e.f 01-01-2007, has been accounted under employees cost in the year 2008-09 as per AS 15. No restatement has been done for earlier years as the same requires prospective adjustment only.

8. During the year 2007-08, policy with respect to Inventories has been changed, and as a consequence, Fine ore lying in dump at the year end out of current year production is recognized as production and stock, as against the earlier practice of not considering the same. As a result, value of inventories – finished goods – iron ore has increased by Rs.163.8 million with corresponding increase in net profit. No recasting of accounts of earlier years has been done as quantity of fines dumped and lying in stock during each of the earlier years is not ascertainable.

9. The Accounting policy with respect to foreign exchange transactions has been revised during 2007-08, as a result of which, foreign exchange variance on purchase of fixed assets between the date of transaction and the date of settlement is charged to P&L account, as against the earlier practice of adjusting the same against the fixed assets. This has resulted in increase in income and net profit by Rs.1.0 million with no reduction in 'Fixed assets' during that year. The adjustment on this account has not been carried out in the earlier years as information to that effect is not available and the impact of the same to profit and Loss account is not expected to be material.

NMDC LIMITED

SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED DEC'09

A. BASIS OF ACCOUNTING

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

B. BALANCE SHEET

1. FIXED ASSETS:

1.1 Fixed Assets are stated at historical cost.

1.2 Assets acquired / constructed by the Company with the subsidy sanctioned by Iron Ore Mines Labour Welfare Cess Fund are capitalised to the extent of cost to the company. However, the work-in-progress and the subsidy thereon are shown separately till capitalisation.

1.3 The fixed assets acquired against Govt. Grants are shown in the Balance Sheet after deducting the grant received. However, where the grant received is equal to the cost of the asset, such asset is shown at a nominal value of Re.1/- per asset.

1.4 The Insurance Spares which can only be used in connection with an item of Fixed Asset and whose use is expected to be irregular, are capitalised and depreciated from the date of acquisition over the balance useful life of the respective assets.

2. DEPRECIATION:

2.1 Depreciation is charged on straight-line method based on the life of the assets determined by technical assessment. The rates are equal to or higher than those prescribed in Schedule-XIV to the Companies Act, 1956. In the case of assets acquired before 01.04.1987 depreciation is continued to be provided at the rates based on the lives adopted earlier.

2.2 Depreciation is charged on pro-rata monthly basis on additions / disposals of assets during the year taking the first day of the month for acquisition / commissioning and the last day of the month for disposals.

2.3 In respect of additions forming an integral part of an existing asset, depreciation is charged over the remaining useful life of the asset. In case the asset is already fully depreciated, such additions are depreciated in full.

2.4 Cost of leasehold land is amortized over the period of lease.

2.5 The life of the assets constructed on leasehold land is restricted to the lease period except in case of mining projects.

3 EXPENDITURE DURING CONSTRUCTION:

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

3.2 Expenditure incurred on supervision during the construction period in respect of projects for expansion of existing facilities or creation of new facilities are treated as period costs and charged to revenue. Further, all administrative expenses incurred during the period of delay in the construction and commissioning of facilities beyond the period contemplated by Detailed Project Report are similarly treated as revenue and charged to the Profit & Loss Account.

3.3 In respect of those projects under construction necessitating selection of a different technology than originally envisaged, for the reasons beyond the control of the management, the cumulative administrative expenses incurred on such projects having no other useful purpose till the date of the decision to go in for the new technology are charged to the profit and loss account for the year during which the relevant decision is taken. Further, all administrative expenses incurred on such projects subsequently till the new technology is identified are also treated as revenue and charged to the profit and loss account of the year in which they are incurred.

3.4 In the case of projects abandoned in the mid way due to unforeseen circumstances beyond the control of the management, the cumulative administrative expenditure incurred on such projects up to the date of abandonment are charged to the profit and loss account during the year of abandonment.

4 INVESTMENTS:

Long-term investments are stated at cost. A provision for diminution is made to recognise the decline in value, other than temporary, on an individual investment basis.

5 INVENTORIES:

Items of inventories as certified by the Management are valued on the basis mentioned below:

5.1. Finished Goods : At cost OR Net Realisable value whichever is lower.

5.2. Work-in-process : At cost OR Net Realisable value whichever is lower.

5.3. Work in process-Consultancy Contract job: At cost

5.4 Stores & Spares: At cost on weighted average method. However, Stationery, Medical, Canteen School stores, Cotton Waste Hospital stores and lab stores (excluding for R & D Lab): charged off to Revenue on procurement.

5.5 Stores & spares not moved for 5 years and above }
and identified as obsolete by technical assessment } At Re.1 per unit.

5.6 Stores-in-Transit: At cost.

5.7 Loose Tools & Implements: At cost on weighted average method**.**
5.8 No credit is taken in the Accounts in respect of :

5.8.1 Stock of run of mine ore, embedded ore low grade ore of Kumaraswamy Mine and slimes in case of Iron Ore.

5.8.2 Stock of run of mine ore generated during construction period pending assessment of quality and saleability.

5.8.3 Partly used stores and spares kept in stores.

5.8.4 Surplus/Obsolete stores and spares determined and not disposed of.

6. FOREIGN CURRENCY TRANSACTIONS:

6.1 Foreign Currency Transactions are accounted for at the exchange rates prevailing on the date of transactions.

6.2 Fixed Assets are translated at the exchange rates on the date of transaction. The exchange difference in each financial year, up to the period of settlement is taken to profit & loss account.

6.3 The monetary items in foreign currencies are translated at the closing exchange rate on the date of balance sheet and gains / losses thereon adjusted in the Profit & Loss Account.

7. GRANT-IN-AID:

7.1 The grant-in-aid received from Government of India for feasibility studies and the expenditure incurred thereon are shown separately until the feasibility expenditure is adjusted against the grant on fruition or abandonment of the feasibility study.

7.2 The grant-in-aid received from Government of India in respect of Research & Development is shown after adjusting the amounts utilised.

C. <u>PROFIT & LOSS ACCOUNT</u>

1. REVENUE RECOGNITION:

1.1 Export sales: Export sales are recognized on the date of Bill of Lading. However, final adjustments are made in the year of receipt of discharge port analysis.

1.2 Domestic sales: Domestic sales are accounted on the date of Railway receipt / Lorry receipt / Delivery challan.

1.3 Obsolete Stores & Scrap: Income is accounted on realization basis in respect of Used / surplus/obsolete/unserviceable materials and scrap.

2. EMPLOYEES BENEFITS:

2.1 Payments under Employees' Family Benefit Scheme:

Under the NMDC Employees' family benefit scheme, monthly payments are made till the normal date of retirement to the family members of those employees who are discharged from service due to medical reasons or death, on deposit of the amount envisaged in the scheme and liability for the payments are accounted for on the basis of actuarial valuation.

2.2 Leave Travel Concession: (Encashment / Availment):

Liability towards encashment / availment of Leave Travel Concession is accounted for on the basis of actuarial valuation.

2.3 Gratuity:

Gratuity payable to eligible employees is administered by a separate Trust, which has taken a Group gratuity policy with LIC. Demands made by the Trust including the annual contribution and risk premium for the future service gratuity of the LIC policy are charged to Profit & Loss Account.

2.4 Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation and remitted to a fund maintained by LIC.

2.5 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. The liability towards Settlement Allowance is remitted to a fund maintained by LIC.

3. GENERAL:

3.1. Research & Development Expenditure:

The expenditure on Fixed Assets relating to Research & Development is capitalized and depreciated in the same method as any other assets of the Company. Other Research & Development expenditure of revenue nature incurred during the year is charged of to Profit & Loss Account.

3.2. Mine Closure Obligation:

The liability to meet the obligation of mine closure and restoration of environment as per Mines & Minerals (Development and Regulation) Act 1957 (MMDR 1957) at the time of closure of the mine has been estimated on the basis of technical assessment and charged to Profit & Loss account on the basis of Run of Mine ore production of the mine. The liability is remitted to a Fund maintained by LIC.

3.3 Pre-paid Expenses:

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed Rs.2,00,000/- in each case.

3.4 Prior period adjustments:

Income/Expenditure relating to prior period of over Rs 2,00,000/- in each case arising out of errors and omissions are accounted as prior period adjustments.

3.5. Insurance Claims:

Insurance claims are accounted as under:

In case of transit insurance-on the basis of claim lodged with the Insurance company

In case of other Insurance – on the basis of Survey reports received

Differences between insurance claims accounted for and actual receipt are accounted as Miscellaneous Expenditure / Income in the year of settlement.

OTHER NOTES ON RESTATED FINANCIAL STATEMENTS

1. The salaries and other benefits for the Unionized Employees as well as Executive Employees (below board level) are due for revision with effect from 01.01.2007. The provision in this regard as on March 31, 2009 was Rs 1581.3 million out of which a sum of Rs 500 million has been paid during Apr-Dec'09 to LIC towards enhanced gratuity. A further provision of Rs 628.9 million has been made for the period ended Dec 31, 2009. The total provision on this account as on Dec 31, 2009 was Rs 1710.2 million.

2. Formal agreements/ Transfer deeds remain to be executed in respect of the following:-
   - Renewal of Mining Leases at Deposit 10 (Float Ore) and Panna and Donimalai.
   - Lease deeds in respect of parts of land for township at Bailadila-5, Bacheli and Bailadila-14, Kirandul.
   - Lease deeds in respect of land for Screening Plant at Visakhapatnam.
   - Mining Lease to the extent of 22.00 hectares of Silica Sand Plant near Lalapur (Allahabad).
   - Lease in respect of a portion of the land at R&D center measuring 7.0 acres has expired during Feb'07 and renewal of the lease is being pursued.
   - Lease deed in respect of land for Wind Electrical Generators at Banjangondalhalli / Annehal in Chitradurga Dist. Karnataka.

3. The Company assessed the Cash Generating Assets for the impairment as required under AS 28 issued by ICAI as per the details given below :-
   - After complying with the conditions laid down by the Hon'ble Supreme Court, the Panna Diamond Project has commenced regular operations in June 2009. Accordingly, the earlier impairment of assets was reviewed and reversal of Rs 226.1 million was made during the period ended 31/12/2009.
   - The assets of UPFO plant, which is under "care and maintenance", were impaired in 2005-06 and there is no change in the status as on 31.12.2009.
   - The impairment of assets has been reviewed during the year in respect of following cash generating units, included under the segment "Other Minerals and Services" and necessary adjustments have been carried out as detailed below:-

(Rs in Million)

Unit	Year of Impairment	Impaired Amount as on 01.04.2009	Adjustments during the Period ended 31st Dec'2009		Impaired Amount as on 31.12.2009
			Reversal	Addition	
UPFO, Vizag	2005-06	374.6	-	-	374.6
SSP, Lalapur	2005-06	125.4	-	-	125.4
DMP, Panna	2006-07	226.1	226.1	-	-

The Recoverable amount of the assets of the above units has been arrived at considering the "value in use". Since the value in use has resulted in negative cash flows, the recoverable amount has been taken as nil with out applying any discount rate.

4. It has been decided to lease / sell the plant and machinery of Silica Sand Project, Lalapur and action has been initiated accordingly.

5. The company has paid Rs 262.5 million for acquiring 40 million equity shares of Rs 10/- each in Krishnapatnam Railway Co. Ltd. Pending allotment of shares, the company has shown the amount as "Advance for Investment" under "Investments".

6. Disclosure pursuant to AS 15 (Revised 2005) - Employees Benefits

   The Company has adopted AS 15 (Revised 2005) for employees Benefits issued by ICAI as against erstwhile AS 15. Consequent to the adoption, the following disclosures related to accounting, etc is made as far as practicable under AS 15 (Revised 2005) requirement:

   Defined Benefit Plans:

Sl. No.	Plan	Description
01	Gratuity	Eligible amount is to be paid to the employees on separation by NMDC Group Gratuity Trust.

02	Accrued Leave Salary	Encashment of accumulated leave is payable as per the rules of the company to the employees during the service / on separation.
03	Settlement Allowance	Employees are paid eligible amount at the time of retirement for their settlement.
04	Post Retirement Medical Facilities	Retired employees, opting for the Post Retirement Benefit scheme on contribution of prescribed amount, can avail medical benefits as per the Scheme.
05	Leave Travel Concession	Payable to the eligible employees on availment / encashment of Home Town LTC / All India LTC.
06	Family Benefit Scheme	Monthly payments to disabled separated employees / legal heirs of deceased employees on deposit of prescribed amount, till the notional date of superannuation.
07	Long service Award	Employees are presented with an award in kind on rendering prescribed service.

7. Balance shown under creditors, debtors, claims recoverable and advances includes balances subject to confirmation / reconciliation and consequential adjustment, if any. Reconciliation is carried out on an on-going basis. Provisions, wherever considered necessary, have been made.

8. The company derates Rs 1/- per unit for non-moving and obsolete spares at the year end accounts. (Ref. para 5.5 Annexure VA) and an amount of Rs 0.2 million has been provided in the Financial year 2008-09. No such assessment has been done as of 31/12/2008 as well as 31/12/2009 and accordingly no such provision has been made in accounts, the amount whereof would not be material.

9. Previous year's figures along with the Restated Financial Statement of the earlier years, as may be required have been reclassified / regrouped wherever necessary to conform to year end classification.

NMDC LIMITED

STANDALONE STATEMENT OF DIVIDENDS PAID / PROPOSED

(Rs. in Million) **Annexure - VI**

Particulars	**Nine months ended**		**Year ended**				
	31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
Equity Share Capital	3,964.7	3,964.7	3,964.7	1,321.6	1,321.6	1,321.6	1,321.6
Face Value (Rs)	1.00	1.00	1.00	10.00	10.00	10.00	10.00
No. Shares	3,964,716,000	3,964,716,000	3,964,716,000	132,157,200	132,157,200	132,157,200	132,157,200
Rate of Dividend (%)							
Interim - First	75.00%	103.00%	103.00%	100.00%	77.00%	76.93%	38.50%
Interim - Second	-	-	-	231.00%	190.00%	115.40%	0.00%
Final	-	-	118.00%	162.00%	85.00%	84.29%	76.00%
Total Dividend Rate	75.00%	103.00%	221.00%	493.00%	352.00%	276.62%	114.50%
Amount of Dividend							
Interim - First	2,973.5	4,083.6	4,083.6	1,321.6	1,017.6	1,016.7	508.8
Interim - Second	-	-	-	3,052.8	2,511.0	1,525.1	-
Final	-	-	4,678.4	2,140.9	1,123.3	1,113.9	1,004.4
Total Dividend	2,973.5	4,083.6	8,762.0	6,515.3	4,651.9	3,655.7	1,513.2
Corporate Dividend Tax							
Interim - First	505.4	694.0	694.0	224.6	142.7	142.6	66.5
Interim - Second	-	-	-	518.8	352.2	213.9	-
Final	-	-	795.1	363.9	190.9	156.2	140.9
Total	505.4	694.0	1,489.1	1,107.3	685.8	512.7	207.4

NMDC LIMITED

STANDALONE STATEMENT OF ACCOUNTING RATIOS INCLUDED AS RESTATED

(Rs. in Million) **Annexure - VII**

Sl. No.	Particulars	Nine months ended		Year ended				
		31-12-2009	31-12-2008	31-03-2009	31-03-2008	31-03-2007	31-03-2006	31-03-2005
1	Restated Profit After Tax as per Annexure II (A)	23,898.10	33,143.50	43,496.20	32,859.80	23,105.10	17,789.90	8,232.60
2	Net Worth as per Annexure I (B)	136,484.70	111,173.00	116,055.90	82,787.40	57,527.70	39,728.70	26,059.20
3	No. of Equity Shares outstanding at the end of the year	3,964,716,000	3,964,716,000	3,964,716,000	132,157,200	132,157,200	132,157,200	132,157,200
4	Split of Shares adjusted for earlier periods.				1,189,414,800	1,189,414,800	1,189,414,800	1,189,414,800
5	No.of Equity shares outstanding after Split of shares (April'08) from Rs 10/- per share to Re 1/- per share.	3,964,716,000	3,964,716,000	3,964,716,000	1,321,572,000	1,321,572,000	1,321,572,000	1,321,572,000
6	Bonus shares 2,643,144,000 issued on 13th June'2008 (2:1 Ratio) adjusted for earlier periods.				2,643,144,000	2,643,144,000	2,643,144,000	2,643,144,000
7	Total No. of Equity Shares outstanding at the year end/Period end.(Post Split and Bonus Issue) (C)	3,964,716,000	3,964,716,000	3,964,716,000	3,964,716,000	3,964,716,000	3,964,716,000	3,964,716,000
8	Earnings Per Share (Rs.) (A÷C)	6.03	8.36	10.97	8.29	5.83	4.49	2.08
9	Return on Net Worth (%) (A÷B)	17.51	29.81	37.48	39.69	40.16	44.78	31.59
10	Net Asset Value Per Share (Rs.) (B÷C)	34.42	28.04	29.27	20.88	14.51	10.02	6.57

Note: 1) The Face value of Shares was split from Rs.10/- per Share to Rs.1/- per Share during the year 2008-09 (April'08) as a result of which the total number of shares increased from 132,157,200 of Rs.10/- each to 1,321,572,000 Shares of Re.1/- each.

2) 2,643,144,000 Shares of Rs.1/- each have been allotted as fully paid up Bonus Shares in the ratio of 2:1 during the year 2008-09 by way of capitalization of Reserves and Surplus. As a result of this Bonus issue, the Issued, Subscribed and Paid up Capital of the company has increased from Rs.132,15,72,000 to Rs.396,47,16,000.

Formula:

$$\text{Earnings Per Share (Rs.)} = \frac{\text{Restated Profit After Tax}}{\text{No. of Equity Shares outstanding during the year/ period (Post split and Bonus issue)}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax}}{\text{Net Worth}}$$

$$\text{Net Asset Value Per Share (Rs.)} = \frac{\text{Net Worth}}{\text{No. of Equity Shares outstanding during the year/ period (Post split and Bonus issue)}}$$

NMDC LIMITED

STANDALONE STATEMENT OF CAPITALIZATION AS ON 31-12-2009		
(Rs. in Million)		**Annexure - VIII**
	Pre-Issue as at 31-12-2009	**Post Issue**
Debt:		
- Short-term debt	-	-
- Long-term Debt	-	-
Total Debt	-	-
Shareholders' Funds:		
- Share Capital	3,964.7	3,964.7
- Reserves and Surplus	132,732.3	132,732.3
- Misc. Expenditure not written off	(212.3)	(212.3)
Total Shareholders' Funds	136,484.7	136,484.7
Debt/Equity Ratio	-	-
Long-term Debt / Equity	-	-

NMDC LIMITED

STANDALONE STATEMENT OF SECURED AND UNSECURED LOANS, AS RESTATED								
(Rs. in Million)								Annexure - IX
		As at		As at				
		31-12-2009	31-12-2008	31-03-2009	31-03-2008	31-03-2007	31-03-2006	31-03-2005
A.	**Secured Loans**							
	Cash Credit / Working Capital Loans	NIL						
	Other Loans from Banks							
	Total (A)							
B.	**Unsecured Loans**							
	Loans	NIL						
	Less: Adjustments							
	Total (B)							
	Total Secured and Unsecured Loans (A + B)							

NMDC LIMITED

STANDALONE STATEMENT OF TAX SHELTERS

	(Rs. in Million)							**Annexure - X**
	Particulars	31.12.2009	31.12.2008	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
A	(i) Profit before tax as per audited accounts	36,079.2	50,231.4	66,482.3	49,474.7	34,983.1	27,701.3	12,236.5
	(ii) Adjustments	123.3	75.0	(35.3)	(41.5)	119.8	(443.1)	1,151.6
	(iii) Profit before tax, as restated(i+ii)	**36,202.5**	**50,306.4**	**66,447.0**	**49,433.2**	**35,102.9**	**27,258.2**	**13,388.1**
	Tax Rate	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
	Tax at notional rate on profits	12,305.2	17,099.1	22,585.3	16,802.3	11,815.6	9,175.1	4,898.7
B	Less: Permanent Differences							
	i) Provision for Security Deposit	-	-	-	-	-	-	60.0
	ii) Exempted income	-	2.6	2.6	15.5	19.1	15.5	15.5
	iii) Adj. for doubtful debts & advances	-	-	(1.3)	(14.3)	(11.4)	3.2	0.5
	iv) VSS Expenditure	-	-	-	-	-	-	18.7
	v) Donations	-	-	-	(0.7)	(0.2)	(2.0)	-
C	Less: Timing Differences	-	-	-	-	-	-	-
	i) Diff. between Tax & Book Depreciation	300.2	144.0	640.9	309.0	(32.6)	(444.9)	328.2
	ii) Capital Expenditure of R&D	-	2.7	8.1	9.0	3.7	4.0	1.1
	iii) Withdrawal of IEDC	-	-	-	-	-	-	(204.0)
	iv) Retirement benefits	-	-	-	(911.3)	(16.1)	75.6	(6.0)
	v) Disallowance U/s 43B	-	-	(0.8)	1.3	121.5	(2.7)	(46.2)
	vi) Profit/(Loss) on sale of assets	-	-	(0.5)	31.7	7.8	7.4	(2.4)
	vii) Development Expenditure	2.4	2.4	3.3	3.3	3.3	(22.8)	-
	TOTAL OF (B+C)	**302.6**	**151.7**	**652.3**	**(556.5)**	**95.1**	**(366.7)**	**165.4**
D	Income from other sources/Capital Gains	-	-	13.2	8.5	-	-	695.1
E=A(iii)-(B+C)+D	**Taxable Income/(Loss)**	**35,899.9**	**50,154.7**	**65,807.9**	**49,998.2**	**35,007.8**	**27,624.9**	**13,917.8**
F	Tax as per normal provisions	12,202.4	17,047.6	22,368.1	16,994.4	11,783.6	9,298.5	5,092.5

NMDC LIMITED

STANDALONE STATEMENT OF LOANS AND ADVANCES AS RESTATED

(Rs. in Million) **Annexure - XI**

Particulars	As at		As at				
	31-12-2009	31-12-2008	31-03-2009	31-03-2008	31-03-2007	31-03-2006	31-03-2005
A. Loans & Advances							
(Net of Provisions)							
- Employees	127.1	142.3	141.6	153.0	168.4	173.3	182.1
- Directors	0.2	0.3	0.2	0.3	0.1	0.2	0.2
- Recoverable in cash or in kind for value to be received	1,490.0	1,466.7	1,315.2	588.8	423.0	533.2	508.9
-Inter Corporate Loans to PSUs	-	-	-	-	5.0	-	-
TOTAL (A)	1,617.3	1,609.3	1,457.0	742.1	596.5	706.7	691.2
B. Advance Tax paid							
(Net of Provisions)							
- Income Tax & TDS	1,523.7	70.7	1,768.3	1,263.4	768.9	106.6	-
- Fringe Benefit Tax	37.5	53.3	25.0	12.1	(4.0)	-	-
TOTAL (B)	1,561.2	124.0	1,793.3	1,275.5	764.9	106.6	-
C. Deposits							
(Net of Provisions)							
- Customs, Port Trust etc	73.5	79.1	58.4	11.3	33.4	12.0	9.4
- Others	778.4	469.0	724.5	409.0	425.6	389.3	385.9
TOTAL (C)	851.9	548.1	782.9	420.3	459.0	401.3	395.3
Total (A+B+C)	**4,030.4**	**2,281.4**	**4,033.2**	**2,437.9**	**1,820.4**	**1,214.6**	**1,086.5**
Particulars of Loans & Advances							
Secured	180.6	200.4	197.3	208.1	221.0	219.2	232.8
Unsecured - considered good	3,849.8	2,081.0	3,835.9	2,229.8	1,599.4	995.4	853.7
Total	**4,030.4**	**2,281.4**	**4,033.2**	**2,437.9**	**1,820.4**	**1,214.6**	**1,086.5**
Unsecured - considered doubtful & provided for	48.1	48.6	48.9	49.1	47.9	58.5	133.3
Loans and advances to:-							
Directors and entities related to Directors	0.2	0.3	0.2	0.3	0.1	0.2	0.2
Promoters and entities		NIL					

related to promoters	NIL		NIL	NIL	NIL	NIL	NIL
Issuers (To Group Companies)	1.7	1.5	0.4	NIL	NIL	NIL	NIL

NMDC LIMITED

STANDALONE STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(Rs. in Million) **Annexure - XII**

Particulars	As at		As at				
	31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A. Debts outstanding for a period exceeding six months:							
Unsecured:							
- Considered good	2,155.3	512.3	26.9	23.2	124.8	1,238.3	188.7
- Cosidered doubtful	14.5	20.6	14.5	20.6	12.3	0.7	4.8
Secured:	-	-	-	-	-	-	-
Total (A)	2,169.8	532.9	41.4	43.8	137.1	1,239.0	193.5
B. Other Debts							
Unsecured:							
- Considered good	2,884.8	13,837.2	10,137.7	4,865.1	2,718.9	1,933.7	1,948.4
- Cosidered doubtful	-	-	-	-	-	-	-
Secured:	-	-	-	-			
Total (B)	2,884.8	13,837.2	10,137.7	4,865.1	2,718.9	1,933.7	1,948.4
Total (A+B)	**5,054.6**	**14,370.1**	**10,179.1**	**4,908.9**	**2,856.0**	**3,172.7**	**2,141.9**
Less: Provision for Bad & Doubtful Debts (C)	14.5	20.6	14.5	20.6	12.3	0.7	4.8
Total (A+B-C)	**5,040.1**	**14,349.5**	**10,164.6**	**4,888.3**	**2,843.7**	**3,172.0**	**2,137.1**
Sundry Debtors including and related to Directors / Promoters / Issuer	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

NMDC LIMITED

STANDALONE STATEMENT OF INVESTMENTS, AS RESTATED

(Rs. in Milliom) **Annexure - XIII**

Particulars	As at		As at				
	31-12-2009	31-12-2008	31-03-2009	31-03-2008	31-03-2007	31-03-2006	31-03-2005
In Trust Securities:							
Non-Trade & Quoted at cost:							
6.75% Tax Free US 64 Bonds	-	-	-	230.1	230.1	230.1	230.1
UTI Balanced fund	-	-	-	-	23.5	19.9	19.9
In Shares:							
Trade & Unquoted at cost:							
396,006 Equity Shares of Rs.100 each fully paid up in Subsidiary Company - JKMDC Ltd, Jammu	39.6	39.6	39.6	39.6	39.6	39.6	39.6
Less: Investment Deration	39.6	39.6	39.6	39.6	39.6	39.6	39.6
	-	-	-	-	-	-	-
41,85,590 Equity Shares of FMG 2500/- each fully paid up in wholly owned subsidiary company - NMDC SARL, Madagaskar	72.0	72.0	72.0	72.0	72.0	72.0	72.0
Less: Investment Deration	72.0	72.0	72.0	72.0	72.0	72.0	72.0
	-	-	-	-	-	-	-
3.967 Equity Shares of N$1/- each fully paid up in wholly owned subsidiary company - Nam-India Minerals Development Corporation Ltd, Namibia	-	-	-	-	-	-	-
Less: Investment Deration	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
490,00,000 Equity Shares of Rs.10/- each fully paid up in Nilachal Ispat Nigam Limited, Bhubaneswar	490.0	490.0	490.0	490.0	490.0	490.0	490.0
105,000 Equity Shares of Rs.10/- each fully paid up in Romelt SAIL India Ltd, New Delhi	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Less: Investment Deration	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	-	-	-	-	-	-	-
765,000 Equity Shares of Rs.10/- each fully paid up in NMDC-CMDC Ltd	7.7	7.7	7.7	-	-	-	-
Non-trade & Unquoted at Cost:							
150 Shares of Rs.1,000/- each fully paid up in Wholesale Consumers Co-operative Stores, Kirandul	0.2	0.2	0.2	0.2	0.2	0.2	0.2
500 Shares of Rs.10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli	-	-	-	-	-	-	-

25 Shares of Rs.100 each fully paid up in NMDC Employees' Cooperative Society Ltd, Donimalai	-	-	-	-	-	-	-
500 Shares of Rs.100/- each fully paid up in NMDC Employees Co-operative Society Ltd, Panna	-	-	-	-	-	-	-
<u>Advance for Investment:</u>							
4 Crore Equity Shares of Rs.10/- each in Krishnapatnam Raiway Co.Ltd, partly paid pending allotment	262.5	112.5	217.5	112.5	-	-	-
Total	**760.4**	**610.4**	**715.4**	**832.8**	**743.8**	**740.2**	**740.2**
Notes:							
1. Aggregate amount of quoted Investments							
- Gross	Nil	Nil	Nil	230.1	253.6	250.0	250.0
- Net	Nil	Nil	Nil	230.1	253.6	250.0	250.0
2. Aggregate amount of un-quoted Investments							
- Gross	873.1	723.1	828.1	715.4	602.9	602.9	602.9
- Net	760.4	610.4	715.4	602.7	490.2	490.2	490.2

Note:- The investments in Three of the Subsidiary companies viz., J&KMDC Limited, NAM-India MDC (Pty) Limited and NMDC-SARL became irrecoverable due to complete erosion in their value, as the subsidiaries were incurring losses and were unable to transfer funds to the parent company. The diminution in value has been treated as "Investment Deration" by making a provision and retaining a nominal value of Ra 1/- in the case of each investment. Such accounting treatment is in compliance with para 32 of AS 13 issued by ICAI and is also in accordance with the Accounting Policy on investments.

NMDC LIMITED

STANDALONE DETAILS OF ITEM OF OTHER INCOME WHICH EXCEEDS 10 PERCENT OF TOTAL INCOME

(Rs. in Million) **Annexure - XIV**

	PERIOD ENDED DEC. 31		YEAR ENDED MARCH 31					NATURE OF INCOME
	2009	2008	2009	2008	2007	2006	2005	
OTHER INCOME EXCEEDING 10 PERCENT OF TOTAL INCOME								
Income from Investments	-	2.6	2.6	15.5	19.1	15.5	15.5	-
	-	-	-	-	-	-	-	
Interest On:	-	-	-	-	-	-	-	
Deposits with Banks	5,998.0	6,469.6	8,669.6	6,382.8	3,154.4	1,609.9	833.9	Recurring
Others	9.5	13.5	18.3	59.2	113.2	89.0	29.1	Recurring
Total Interest	**6,007.5**	**6,483.1**	**8,687.9**	**6,442.0**	**3,267.6**	**1,698.9**	**863.0**	
Profit on sale of Investments	-	-	-	26.0	-	-	-	Non - Recurring
Profit on sale of Assets	3.5	0.1	0.1	6.4	8.0	7.4	0.7	Non - Recurring
Gain in foreigh exchange variation	12.6	0.1	-	0.8	0.7	0.3	3.0	Non - Recurring
Miscellance income	137.9	97.7	149.8	214.6	251.5	277.2	170.6	Recurring
TOTAL	**6,161.5**	**6,583.6**	**8,840.4**	**6,705.3**	**3,546.9**	**1,999.3**	**1,052.8**	

Note : The figures for the years ended 31-03-2007, 31-03-2006 and 31-03-2005 have been given for comparision purposes only as they are less than 10% of the total income of the company.

Annexure - XV

NMDC LIMITED

STANDALONE STATEMENT OF RELATED PARTY TRANSACTIONS

List of Related Parties with whom transactions have taken place and their relationships:

Subsidiary Companies:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest
JK Mineral Development Corporation Limited	India	83.54% *
NMDC SARL	Madagascar	100%
Nam India Mineral Development Corporation Pty Ltd	Namibia	100%
NMDC CMDC Ltd.	India	51%

* J&K Minerals Limited plans to increase its equity Shareholding in J&KMDCL to 26% as agreed between J&K Minerals Ltd and the Company

Associate Companies:

1 Romelt - SAIL (India) Ltd, New Delhi

Key Management Personnel: (Directors)

1 Shri Rana Som
2 Shri V K Sharma
3 Shri S Venkatesan
4 Shri N K Nanda
5 Shri S Thiagarajan (From 09-07-2009)
6 Shri K R Venkateswarlu (Upto 30-06-2009)

								(Rs. in Million)
	Particulars	**Period ended**		**Year**				
		31-12-2009	**31-12-2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
1	**Subsidiary Companies:**							
	a) Investements:							
	Opening balance	119.3	111.6	111.6	111.6	111.6	111.6	111.6
	Investment made during the year	-	7.7	7.7	-	-	-	-
	Closing balance	119.3	119.3	119.3	111.6	111.6	111.6	111.6
	Investement deration/Provision	111.6	111.6	111.6	111.6	111.6	111.6	111.6
	b) Loans & Advances:							
	Opening balance	0.4	-	-	-	-	-	-
	Advances given during the year	1.3	1.5	3.3	1.6	1.8	2.0	1.2
	Adjusted against purchase of Assets	-	-	-	-	-	1.8	-
	Adjustment against amounts payable	-	-	-	-	0.2	-	1.2
	Advance written off during the year	-	-	2.9	1.6	1.6	0.2	-
	Closing balance	1.7	1.5	0.4	-	-	-	-

	c) Amounts payable							
	Opening balance	-	-	-	-	0.2	0.2	-
	Less: Adjustment against Loans & Advances	-	-	-	-	0.2	-	-
	Closing Balance	-	-	-	-	-	0.2	-
	d) Purchase of Assets	-	-	-	-	-	2.0	-
2	**Associate Companies**							
	Investments:							
	Opening balance	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	Paid during the year towards equity	-	-	-	-	-	-	-
	Closing blalance	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	Deration against diminution in value of Investment	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	Consultancy:							
	Paid during the year	-	-	-	-	-	0.3	4.8
3	**Key Management Personnel:**							
	Managerial Remuneration	6.7	3.1	11.3	5.1	4.2	4.2	4.0
	Assets sold at concessional values	0.2	0.1	0.1	0.1	-	-	-

NMDC LIMITED

STATEMENT OF SEGMENT REPORTING							
(Rs. in Million)							**Annexure - XVI**
	Consolidated Total						
Particulars	**Period ended**		**Year**				
	31-12-2009	**31-12-2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Revenue							
- External Sales	42,557.6	56,279.7	75,640.3	57,113.1	41,858.4	37,109.2	22,299.9
- Inter-Segment Sales							
Total Revenue	42,557.6	56,279.7	75,640.3	57,113.1	41,858.4	37,109.2	22,299.9
Result							
- Segment Result	29,222.1	43,062.1	56,969.6	42,136.1	31,296.4	26,295.5	11,718.6
- Unallocated Corporate Expenses	849.7	683.6	822.2	881.1	400.0	-308.6	-360.5
- Operating Profit	30,071.8	43,745.8	57,791.8	43,017.2	31,696.4	25,986.9	11,358.1
- Interest Expense							
- Interest & Investment Income	6,007.4	6,485.7	8,690.5	6,457.5	3,286.7	1,714.4	878.4
- Income Taxes	-12,262.5	-17,137.4	-22,758.5	-16,964.9	-11,781.0	-9,423.3	-4,682.1
Net Profit	23,816.7	33,094.0	43,723.8	32,509.8	23,202.1	18,278.0	7,554.4
Adjustments for Restatements	81.4	49.5	-227.6	350.0	-97.0	-488.1	678.2
Restated Segment Results	23,898.1	33,143.5	43,496.2	32,859.8	23,105.1	17,789.9	8,232.6
Other Information							
- Segment Assets	144,093.2	119,645.7	125,053.2	88,521.6	60,333.0	42,859.4	29,172.8
- Segment Liabilities	12,014.0	10,804.3	11,615.4	7,625.2	4,412.8	4,246.2	4,045.5
- Additions to assets during the year:							
Fixed Assets	442.8	996.1	2,519.7	1,239.8	558.1	1,086.4	553.4
Intangible Assets	3.6	3.5	3.6	6.4			
- Depreciation & Amortization expenses during the year	486.6	501.1	735.6	600.0	800.2	1,136.9	638.4
- Non-Cash expenses other than Depreciation & amortization	0.8	0.5	7.7	21.4	18.2	13.9	531.7

(Rs. in Million)							
	Iron Ore						
Particulars	**Period ended**		**Year**				
	31-12-2009	**31-12-2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Revenue							
- External Sales	42,463.2	56,262.0	75,591.1	57,053.2	41,709.2	36,694.7	21,805.9
- Inter-Segment Sales							
Total Revenue	42,463.2	56,262.0	75,591.1	57,053.2	41,709.2	36,694.7	21,805.9
Result							
- Segment Result	30,786.6	45,302.4	59,412.7	44,900.9	32,710.1	27,041.1	12,370.4
- Unallocated Corporate Expenses							
- Operating Profit							
- Interest Expense							
- Interest Income							
- Income Taxes							
Net Profit	30,786.6	45,302.4	59,412.7	44,900.9	32,710.1	27,041.1	12,370.4
Adjustments for Restatements	81.4	49.5	-227.6	350.0	-97.0	-488.1	569.5
Restated Segment Results	30,868.0	45,351.9	59,185.1	45,250.9	32,613.1	26,553.0	12,939.9
Other Information							
- Segment Assets	15,945.3	23,533.9	21,474.6	13,397.4	9,735.3	10,205.0	8,322.1
- Segment Liabilities	6,357.8	3,963.5	3,900.0	3,910.0	2,604.8	2,061.8	1,763.4
- Additions to assets during the year:							
Fixed Assets	313.9	985.5	2,483.3	1,167.8	539.7	947.5	482.7
Intangible Assets	3.5	0.4	0.4	2.4			
- Depreciation & Amortization expenses during the year	597.4	466.6	677.0	569.5	505.3	496.4	515.8
- Non-Cash expenses other than Depreciation & amortization	0.5	0.1	2.6	14.8	13.1	4.0	161.9

(Rs. in Million)

Particulars	Other Minerals & Services						
	Period ended		Year				
	31-12-2009	31-12-2008	2008-09	2007-08	2006-07	2005-06	2004-05
Revenue							
- External Sales	94.4	17.7	49.2	57.8	149.2	414.5	494.0
- Inter-Segment Sales							
Total Revenue	94.4	17.7	49.2	57.8	149.2	414.5	494.0
Result							
- Segment Result	198.0	-120.4	-221.3	-243.6	-474.1	-637.8	-157.3
- Unallocated Corporate Expenses							
- Operating Profit							
- Interest Expense							
- Interest Income							
- Income Taxes							
Net Profit	198.0	-120.4	-221.3	-243.6	-474.1	-637.8	-157.3
Adjustments for Restatements							108.7
Restated Segment Results	198.0	-120.4	-221.3	-243.6	-474.1	-637.8	-48.6
Other Information							
- Segment Assets	1,160.7	769.9	734.6	75.0	195.0	674.9	1,237.7
- Segment Liabilities	178.7	138.8	149.4	146.2	126.2	166.5	169.2
- Additions to assets during the year:							
Fixed Assets	115.8		0.2	8.3	2.7	73.8	8.2
Intangible Assets							
- Depreciation & Amortization expenses during the year	-142.4		17.7	-12.4	254.5	162.9	91.2
- Non-Cash expenses other than Depreciation & amortization		0.1	0.6	3.7	0.5	0.2	69.5

(Rs. in Million)							
	Other reconciliation items						
Particulars	**Period ended**		**Year**				
	31-12-2009	**31-12-2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Revenue							
- External Sales				2.1			
- Inter-Segment Sales							
Total Revenue				2.1			
Result							
- Segment Result	-1,762.5	-2,119.9	-2,221.8	-2,521.2	-939.6	-107.8	-494.5
- Unallocated Corporate Expenses							
- Operating Profit							
- Interest Expense							
- Interest Income							
- Income Taxes							
Net Profit	-1,762.5	-2,119.9	-2,221.8	-2,521.2	-939.6	-107.8	-494.5
Adjustments for Restatements							
Restated Segment Results	-1,762.5	-2,119.9	-2,221.8	-2,521.2	-939.6	-107.8	-494.5
Other Information							
- Segment Assets	126,987.2	95,341.9	102,844.0	75,049.2	50,402.7	31,979.5	19,613.0
- Segment Liabilities	5,477.5	6,702.0	7,566.0	3,569.0	1,681.8	2,017.9	2,112.9
- Additions to assets during the year:							
Fixed Assets	13.1	10.6	36.2	63.7	15.7	65.1	62.5
Intangible Assets	0.1	3.1	3.2	4.0			
- Depreciation & Amortization expenses during the year	31.6	34.5	40.9	42.9	40.4	477.6	31.4
- Non-Cash expenses other than Depreciation & amortization	0.3	0.3	4.5	2.9	4.6	9.7	300.3

Secondary Segments

(Rs. in Million)

Particulars	Period ended		Year				
	31-12-2009	31-12-2008	2008-09	2007-08	2006-07	2005-06	2004-05
Sales Revenue by location of Customers:							
Revenue from External Customers							
- Domestic	34,469.8	49,864.9	58,540.2	48,360.3	34,594.4	25,256.9	11,585.6
- Export: through MMTC	8,087.8	6,414.8	17,100.1	8,752.8	7,264.0	11,860.1	9,180.3
- Direct Export						-7.8	1,534.0
Total	**42,557.6**	**56,279.7**	**75,640.3**	**57,113.1**	**41,858.4**	**37,109.2**	**22,299.9**
Assets by Geographical Location:							
Location	**Carrying amount of Segment Assets**						
Chattisgarh	12,802.2	20,147.2	17,403.0	11,257.4	7,964.2	8,466.9	7,270.7
Andhra Pradesh	126,674.6	95,138.2	103,324.8	74,883.2	50,320.8	31,895.1	20,109.4
Others	4,616.4	4,360.3	4,325.4	2,381.0	2,048.0	2,497.4	1,792.7
Total	**144,093.2**	**119,645.7**	**125,053.2**	**88,521.6**	**60,333.0**	**42,859.4**	**29,172.8**
Location	**Additions to Fixed And Intangible Assets**						
Chattisgarh	204.9	380.0	1,023.6	1,085.2	427.7	461.7	421.9
Andhra Pradesh	13.2	13.4	33.9	30.8	15.7	49.4	54.3
Others	228.3	606.2	1,465.8	130.2	114.7	575.3	77.2
Total	**446.4**	**999.6**	**2,523.3**	**1,246.2**	**558.1**	**1,086.4**	**553.4**

Annexure - XVII

NMDC LIMITED

STANDALONE SUMMARY OF CONTINGENT LIABILITIES

(Rs. In Million)

Sl. No.	Particulars	At December 31,		At March 31,				
		2009	2008	2008-09	2007-08	2006-07	2005-06	2004-05
1	Statutory Claims against the company not acknowledged as debts.*	406.5	150.6	353.3	373.2	98.7	123.1	173.8
2	Claims against the company not acknowledged as debts.**	405.8	356.8	241.5	252.5	652.4	714.9	1,096.3
3	Uncalled Liability on shares partly paid in Krishnapatnam Railway Company Limited.	137.5	287.5	182.5	287.5	-	-	-
4	Estimated amount of contracts remaining to be executed on Capital accounts.	3,780.3	5,091.0	3,732.2	3,185.7	1,168.8	1,018.4	323.6
5	Contingent Liability on Bills discounted under LCs/counter guarantee given for Bank Guarantees.	-	-	155.4	2,476.7	1,680.4	2,384.7	2,354.0
	Total	**4,730.1**	**5,885.9**	**4,664.9**	**6,575.6**	**3,600.3**	**4,241.1**	**3,947.7**

* These include claims under Income Tax, Property Tax, Export Tax, Conservancy Tax, Sales Tax and Other acts.

** These include claims other than those covered in above and include claims by contractors under arbitration and other claims on company not acknowledge as debts.

Auditor's Report on

Consolidated Financial Statements of NMDC Limited

To

The Board of Directors,
NMDC Limited,
Hyderabad.

Dear Sirs,

1) We have examined the attached Consolidated financial information of NMDC Ltd and its newly formed subsidiary, NMDC-CMDC Limited as approved by the Board of Directors of the Company prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 (the Act) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations,2009,as amended, (SEBI Regulations) and in terms of our engagement agreed with you in accordance with our letter dated 11-12-2009 in connection with the proposed Equity offering by the selling share holder, the Government of India, in NMDC Limited .

   The preparation and presentation of these financial information is the responsibility of the Company's management.

2) These information have been extracted by the Management from the financial statements for the nine months ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005. Audit for the financial year ended March 31, 2007, March 31, 2006 and March 31, 2005 was conducted by previous auditors, Laxminiwas & Jain, Chartered Accountants. The financial information included for these financial years ended i.e. 31st March, 2007, 31st March, 2006 and 31st March, 2005 are based on reports submitted by them and have been relied upon by us while expressing our opinion and reporting on various restated financial information and annexures thereof expressly stated in the following paragraphs.

3) We have considered the audited financial statements of NMDC-CMDC Limited audited by Dodhy & Co., Chartered Accountants for the nine months ended 31st December, 2009 & 31st December, 2008 and for the Year ended March 31, 2009 audited by D.L.Goenka & Co., Chartered Accountants in so far as it relates to the amounts included in these Consolidated Restated Summary Statement of Asset & Liabilities, Profit & Loss Account and Cash flow statement for the nine months ended 31st December, 2009 & 31st December, 2008 and the Financial Year ended March 31, 2009 and are based solely on the report of other auditors.

   Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the consolidated financial information appropriately.

4) In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Regulations and terms of our engagement agreed with you, we further report that:

   (a) The Consolidated Restated Summary Statement of Assets and Liabilities of the Company and its subsidiary for the nine months ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in annexures referred under para 5 and 6.

   (b) The Consolidated Restated Summary Statement of Profit or Loss of the Company and its subsidiary for the nine months ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005, as set out in Annexure to this report and after making adjustments and regrouping as in our opinion were appropriate and more fully described in annexures referred under para 5 and 6.

   (c) The Consolidated Restated Summary Statement of Cash Flow of the Company and its subsidiary for the nine months ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in annexures referred under para 5 and 6.

5) The annexures referred to above are given under various annexures "Notes on Adjustments made for Restated Financial Statements" (Annexure-IVA), "Note on Adjustments not made for Restated Financial Statements" (Annexure-IVB),

"Significant Accounting Policies" (Annexure-VA) and "Other Notes on Restated Financial Statements" (Annexure-VB).

6) Based on above and also as per the reliance placed on the reports submitted by the previous auditors, Laxminivas & Jain, Chartered Accountants and other auditors Dodhy & Co., and D.L.Goenka & Co., for the subsidiary for the respective periods and year, we confirm that the restated financial information has been made after incorporating :

(i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(ii) Adjustments for the material amounts in the respective financial years to which they relate.

(iii) Further, there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

(a)We have also examined the following consolidated and other financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company and its subsidiary for the nine months ended 31-12-2009 & 31-12-2008 and the Financial Years ended March 31, 2009, March 31, 2008. In respect of the year ended March 31, 2007, March 31, 2006 and March 31, 2005, these informations have been included based upon the reports submitted by the previous auditors, Laxminivas & Jain and relied upon by us.

(i) Statement of Dividend Paid/Proposed included in Annexure VI

(ii) Statement of Accounting Ratios included as restated in Annexure VII

(iii) Statement of Capitalisation as on 31-12-2009 included in Annexure VIII

(iv) Statement of Secured and Unsecured Loans as restated included in Annexure IX

(v) Statement of Tax Shelter included in Annexure X

(vi) Statement of Loans and Advances as restated included in Annexure XI

(vii) Statement of Sundry Debtors as restated included in Annexure XII

(viii) Statement of Investments as restated included in Annexure XIII

(ix) Statement of Other Income as restated included Annexure XIV

(x) Statement of Related Party Transactions included in Annexure XV

(xi) Statement of Segment Reporting included in Annexure XVI

(xii) Statement of Contingent Liabilities included in Annexure XVII

In our opinion the financial information contained in Annexure I to XVII of this report read along with the Significant Accounting Policies, Notes and Changes in Significant Accounting Policies, (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part II B of Schedule II of the Act and the ICDR Regulations.

7) Our report is intended solely for use of the management and for inclusion in the offer document in connection the proposed offering of equity shares by the selling share holder of the Company. Our report should not be used for any other purpose except with our prior written consent.

For M/s Ramamoorthy(N) & Co.
Chartered Accountants

CA. Surendranath Bharathi
Partner
M.No 23837

Date: 18-02-2010
Place: Hyderabad

NMDC LIMITED								
SUMMARY OF CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED								
(Rs. in millions)								**Annexure - I**
	Particulars	**As at**		**As at**				
		31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A.	**Fixed Assets**							
	Gross Block	17,110.1	15,209.6	16,691.9	14,214.0	13,041.5	12,596.8	11,767.8
	Less: Depreciation	9,688.7	9,030.4	9,225.4	8,533.4	7,992.5	7,295.2	6,393.4
	Net Block	**7,421.4**	**6,179.2**	**7,466.5**	**5,680.6**	**5,049.0**	**5,301.6**	**5,374.4**
	Capital Work in Progress	4,327.6	1,831.2	2,483.1	1,118.3	1,129.7	561.6	314.7
	Total Fixed Assets	**11,749.0**	**8,010.4**	**9,949.6**	**6,798.9**	**6,178.7**	**5,863.2**	**5,689.1**
B.	**Investments**	752.7	602.7	707.7	832.8	743.8	740.2	740.2
C.	**Current Assets, Loans & Advances**							
	Inventories	3,361.6	2,716.9	3,009.1	1,664.2	1,285.8	1,279.5	1,194.0
	Sundry Debtors	5,040.1	14,349.5	10,164.6	4,888.3	2,843.7	3,172.0	2,137.1
	Cash & Bank Balances	120,782.5	88,828.7	97,410.3	71,988.0	48,491.7	31,094.6	19,048.2
	Other Current Assets	3,470.2	5,304.6	2,983.5	1,862.6	842.4	797.1	332.6
	Loans & Advances	4,029.2	2,281.4	4,032.9	2,437.9	1,820.4	1,214.6	1,086.5
	Total Current Assets, Loans & Advances	**136,683.6**	**113,481.1**	**117,600.4**	**82,841.0**	**55,284.0**	**37,557.8**	**23,798.4**
	Total Assets (A+B+C)	**149,185.3**	**122,094.2**	**128,257.7**	**90,472.7**	**62,206.5**	**44,161.2**	**30,227.7**
D.	**Liabilities & Provisions**							
	Current Liabilities	7,177.9	4,981.2	4,845.8	4,286.4	2,756.3	2,877.4	2,464.0
	Provisions	4,836.4	5,823.2	6,769.6	3,338.8	1,656.5	1,368.8	1,581.5
	Total current Liabilities & Provisions	**12,014.3**	**10,804.4**	**11,615.4**	**7,625.2**	**4,412.8**	**4,246.2**	**4,045.5**
	Minority Interest	5.6	7.1	6.7				
	Deferred Tax Liabilities	682.5	110.0	580.4	60.1	266.0	184.6	121.3
	Grant-in-aid						1.7	1.7
	Total Liabilities (D)	**12,702.4**	**10,921.5**	**12,202.5**	**7,685.3**	**4,678.8**	**4,432.5**	**4,168.5**
E.	**Net Worth (A+B+C-D)**	**136,482.9**	**111,172.7**	**116,055.2**	**82,787.4**	**57,527.7**	**39,728.7**	**26,059.2**
	Represented by:							
	Shareholders' Funds							
	Share Capital	3,964.7	3,964.7	3,964.7	1,321.6	1,321.6	1,321.6	1,321.6
	Reserves & Surplus	132,730.8	107,433.8	112,312.5	81,711.3	56,474.1	38,706.6	25,085.1
	Total	**136,695.5**	**111,398.5**	**116,277.2**	**83,032.9**	**57,795.7**	**40,028.2**	**26,406.7**
	Misc. Expenditure not written off	-212.6	-225.8	-222.0	-245.5	-268.0	-299.5	-347.5
	Net Worth	**136,482.9**	**111,172.7**	**116,055.2**	**82,787.4**	**57,527.7**	**39,728.7**	**26,059.2**

Note: 1) The above statement should be read with the Notes on Adjustments made for Restated Financial Statements (Annexure IV A), Notes on Adjustment not made for Restated Financial Statements (Annexure IV B), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B).

2) Reserve and Surplus comprises of General reserve and Profit & Loss account.

NMDC LIMITED

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. in millions) **Annexure - II**

	Period ended		Year ended				
	31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
INCOME							
Sales	42,476.9	56,262.8	75,591.9	57,091.6	41,828.6	37,073.8	22,265.5
Income from Service	22.9	16.9	26.2	21.5	29.8	35.4	34.4
Income from Sale of Power	57.8		22.2				
Total Income from Operations	42,557.6	56,279.7	75,640.3	57,113.1	41,858.4	37,109.2	22,299.9
Other Income	6,162.0	6,583.6	8,840.4	6,705.3	3,546.9	1,999.3	1,052.8
Accretion / (Decretion) to Stock	105.8	734.0	1,273.9	301.7	-64.9	44.2	-37.5
Total (A)	**48,825.4**	**63,597.3**	**85,754.6**	**64,120.1**	**45,340.4**	**39,152.7**	**23,315.2**
EXPENDITURE							
Raising & Transportation Charges	267.9	296.6	443.3	253.8	186.4	129.0	126.9
Consumption of Raw Material, Stores & Spares	1,389.3	1,359.8	2,135.2	1,753.3	1,574.6	1,497.1	1,277.8
Power, Electricity & Water	329.2	314.4	422.1	474.0	427.4	441.1	429.9
Payments & Benefits to Employees	2,708.4	3,304.1	4,211.4	3,556.2	1,978.0	1,803.0	1,909.6
Repairs & Maintenance	393.9	268.2	516.4	394.3	296.6	227.6	183.8
Royalty & Cess	2,291.5	435.4	627.9	543.6	895.6	547.6	510.5
Selling Expenses - Frieght	2,572.9	4,077.0	6,502.3	3,160.7	2,215.0	3,737.0	3,407.0
- Others	874.4	1,814.5	2,039.5	2,024.9	704.9	849.0	1,074.7
Other Expenses	1,446.3	987.1	1,666.4	1,914.9	1,262.8	1,039.5	1,484.8
Sub-Total	12,273.8	12,857.1	18,564.5	14,075.7	9,541.3	10,270.9	10,405.0
Less: Transfer to Capital Accounts	51.3	17.9	55.9	62.7	18.0	16.4	7.1
Net Operating Expenses	**12,222.5**	**12,839.2**	**18,508.6**	**14,013.0**	**9,523.3**	**10,254.5**	**10,397.9**
Profit before Deprcn,Interest & Taxes	**36,602.9**	**50,758.1**	**67,246.0**	**50,107.1**	**35,817.1**	**28,898.2**	**12,917.3**
Less: Depreciation	-486.6	-501.1	-735.6	-600.0	-800.2	-1,136.9	-638.4
Less: Misc/Prom/DR Expr written off	-26.0	-26.0	-34.6	-34.6	-34.6	-60.7	-38.0
Prior year items-Income(+)/Expr(-)	-12.7		5.2	2.2	0.8	0.7	-4.4
Profit before Tax (B)	**36,077.6**	**50,231.0**	**66,481.0**	**49,474.7**	**34,983.1**	**27,701.3**	**12,236.5**
Less: Provisions for -							
Income Tax - Current Year	12,160.4	17,022.1	22,380.0	17,010.0	11,750.0	9,450.0	4,675.0
- Earlier Years (Net)			-187.0	112.7	-151.0	-194.7	-148.8
- Interest on Tax			-66.5	-9.9	65.6	72.2	-34.1
Total (D)	**12,160.4**	**17,022.1**	**22,126.5**	**17,112.8**	**11,664.6**	**9,327.5**	**4,492.1**
Fringe Benefit Tax - Current Year			62.5	60.0	38.0	32.5	
- Earlier Years (Net)		65.4	49.2	-2.0	-3.0		
- Interest on Tax							
Total (E)		**65.4**	**111.7**	**58.0**	**35.0**	**32.5**	
Deferred Tax Adjustment for the year(F)	102.1	49.9	520.3	-205.9	81.4	63.3	190.0
(D+E+F)	**12,262.5**	**17,137.4**	**22,758.5**	**16,964.9**	**11,781.0**	**9,423.3**	**4,682.1**
Profit after Tax as per audited Statement of accounts	**23,815.1**	**33,093.6**	**43,722.5**	**32,509.8**	**23,202.1**	**18,278.0**	**7,554.4**
Adjustments on account of:							
a) Changes in Accounting Policies	15.5	-17.7	-18.3	-15.6	4.8	-9.3	704.7
b) Other Adjustments & Prior items	107.8	92.7	-17.0	-25.9	115.0	-433.8	446.9
c) Current Year Tax Impact	-41.9	-25.5	12.0	14.1	-40.3	149.1	-416.7
d) Deferred Tax Liability							-4.7

e) Tax impact - Others			-204.3	377.4	-176.5	-194.1	-52.0
Total Adjustments after Tax Impact	**81.4**	**49.5**	**-227.6**	**350.0**	**-97.0**	**-488.1**	**678.2**
Profit after Tax as Restated	**23,896.5**	**33,143.1**	**43,494.9**	**32,859.8**	**23,105.1**	**17,789.9**	**8,232.6**
Share of Minority	0.8	0.2	0.6				
Profit after Tax as Restated for the Group	**23,897.3**	**33,143.3**	**43,495.5**	**32,859.8**	**23,105.1**	**17,789.9**	**8,232.6**
Opening Balance of P& L Account	11.0	16.5	16.5	19.3	14.9	5.3	5.3
Balance available for appropriations, as restated	**23,908.3**	**33,159.8**	**43,512.0**	**32,879.1**	**23,120.0**	**17,795.2**	**8,237.9**
Less: Appropriations -							
Interim Dividend	2,973.5	4,083.6	4,083.6	4,374.4	3,528.6	2,541.8	508.8
Tax on Interim Dividend	505.4	694.0	694.0	743.4	494.9	356.5	66.5
Proposed Dividend (Final)			4,678.4	2,140.9	1,123.3	1,113.9	1,004.4
Tax on Final Dividend			795.1	363.9	190.9	156.2	140.9
Transfer to General Reserve			33,252.4	25,240.0	17,763.0	13,611.9	6,512.0
Total Appropriations	**3,478.9**	**4,777.6**	**43,503.5**	**32,862.6**	**23,100.7**	**17,780.3**	**8,232.6**
Balance of Profit & Loss Account	**20,429.4**	**28,382.2**	**8.5**	**16.5**	**19.3**	**14.9**	**5.3**

Note: 1) The above statement should be read with the Notes on Adjustments made for Restated Financial Statements (Annexure IV A), Notes on Adjustment not made for Restated Financial Statements (Annexure IV B), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B).

2) The reconciliation between the Audited and Restated Profit and Loss Account is given in Notes on Adjustments made for Restated Financial Statements (Annexure IV A).

NMDC LIMITED

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOW, AS RESTATED

(Rs. in millions) **Annexure - III**

		Period ended		Year ended				
		31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A.	**Cash flow from Operating activities:**							
	Profit before tax & Extraordinary items	36,077.6	50,231.0	66,481.0	49,474.7	34,983.1	27,701.3	12,236.5
	Adjustments (see Annexure IVA)	123.3	75.0	-35.3	-41.5	119.8	-443.1	1,151.6
	Restated Profit before Tax	**36,200.9**	**50,306.0**	**66,445.7**	**49,433.2**	**35,102.9**	**27,258.2**	**13,388.1**
	Adjustments for :							
	Depreciation	486.6	501.1	735.6	599.7	801.9	1,138.8	656.3
	Interest on Investments - UTI Tax free bonds		-2.6		-15.5	-19.1	-15.5	-15.5
	Interest on deposit with Banks	-5,998.0	-6,469.6	-8,669.6	-6,382.8	-3,154.4	-1,609.9	-833.9
	Interest - Others	-9.5	-13.5	-18.3	-59.2	-113.2	-89.0	-29.1
	Increase in Provision for bad & doubtful advances	-0.8	-0.5	-6.3	9.5	2,254.5	4,937.8	-62.1
	Profit on sale of fixed assets	-3.5	-0.1	-0.1	-6.4	-8.0	-7.4	-0.7
	Profit on sale of Investments				-26.0			
	Deferred revenue expenditure written off	26.0	26.0	34.6	34.6	34.6	60.7	-133.4
	Total Adjustments	**-5,499.2**	**-5,959.2**	**-7,924.1**	**-5,846.1**	**-203.7**	**4,415.5**	**-418.4**
	Operating profit before working capital	**30,701.7**	**44,346.8**	**58,521.6**	**43,587.1**	**34,899.2**	**31,673.7**	**12,969.7**
	Adjustments for changes in Working Capital:							
	- Inventories	-352.6	-1,052.7	-1,344.9	-378.4	-6.3	-85.5	-10.2
	- Receivables	5,124.5	-9,461.2	-5,270.2	-2,052.9	316.7	-1,030.8	-420.0
	- Loans & Advances	-228.5	-994.6	-908.9	-140.1	-2,194.9	-5,445.4	-517.5
	- Current Liabilities & Provisions	2,352.5	881.0	829.7	2,413.3	-90.1	340.5	1,090.2
	- Other current Assets	-486.7	-3,442.0	-1,120.9	-1,020.2	-45.3		
	Net changes in Working Capital	**6,409.2**	**-14,069.5**	**-7,815.2**	**-1,178.3**	**-2,019.9**	**-6,221.2**	**142.5**
	Cash generated from Operations	**37,110.9**	**30,277.3**	**50,706.4**	**42,408.8**	**32,879.3**	**25,452.5**	**13,112.2**
	Interest paid							
	Direct Taxes	-11,928.3	-15,936.0	-22,924.5	-17,649.4	-12,357.4	-9,758.8	-4,618.6
	Net Cash Flow from Operating Activities (A)	**25,182.6**	**14,341.3**	**27,781.9**	**24,759.4**	**20,521.9**	**15,693.7**	**8,493.6**
B.	**Cash flow from Investing Activities:**							
	Purchase of Fixed Assets	-446.4	-999.7	-2,523.5	-1,246.2	-558.3	-1,086.4	-553.4
	Changes in Capital Work in progress	-1,844.5	-712.9	-1,364.8	11.4	-568.1	-246.9	202.3
	Purchase of Investments	-45.0	-7.7	-112.7	-112.5	-3.6		
	Interest on tax-free Bonds		2.6		15.5	19.1	15.5	15.5
	Interest on deposits with Banks	5,998.0	6,469.6	8,669.6	6,382.8	3,154.4	1,609.9	833.9
	Interest - Others	9.5	13.5	18.3	59.2	113.2	89.0	29.1

	Sale of Investments		230.1	230.1	49.5			
	Sale/Deletion of Fixed Assets	8.3		2.0	21.3	17.0	27.8	26.6
	Changes in Deferred Revenue Expenditure	-16.9	-6.3	-11.1	-12.1	-3.1	-12.7	8.5
	Changes in Feasibility Expenditure							190.9
	Net Cash flow from Investing Activities (B)	**3,663.0**	**4,989.2**	**4,907.9**	**5,168.9**	**2,170.6**	**396.2**	**753.4**
C.	**Cash flow from Financing Activities:**							
	Contribution to Share Capital		15.0	15.0				
	Grant-in-aid refunded					-1.7		-17.8
	Payment of Dividends	-4,678.4	-2,140.9	-6,224.5	-5,497.7	-4,642.5	-3,546.2	-971.3
	Tax on Dividends	-795.1	-363.9	-1,058.0	-934.3	-651.2	-497.3	-125.8
	Net Cash flow from Financing Activities (C)	**-5,473.5**	**-2,489.8**	**-7,267.5**	**-6,432.0**	**-5,295.4**	**-4,043.5**	**-1,114.9**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**23,372.1**	**16,840.7**	**25,422.3**	**23,496.3**	**17,397.1**	**12,046.4**	**8,132.1**
	Cash and Cash Equivalents at the beginning of the year	97,410.4	71,988.0	71,988.0	48,491.7	31,094.6	19,048.2	10,916.1
	Cash and Cash Equivalents at the end of the year	**120,782.5**	**88,828.7**	**97,410.3**	**71,988.0**	**48,491.7**	**31,094.6**	**19,048.2**
	Difference	**23,372.1**	**16,840.7**	**25,422.3**	**23,496.3**	**17,397.1**	**12,046.4**	**8,132.1**
	Components of Cash and Cash Equivalents							
	- Cash & Cheques in hand	1.9	2.1	12.3	345.7	34.9	55.2	38.5
	Balance with Scheduled Banks							
	- Balance in Current A/cs	395.8	400.4	367.9	427.8	423.1	675.2	466.3
	- Balance in Term Deposits	120,383.0	88,425.0	97,027.8	71,211.5	48,031.1	30,316.8	18,543.0
	Balance with Other Banks / in transit	1.8	1.2	2.3	3.0	2.6	47.4	0.4
	Total	**120,782.5**	**88,828.7**	**97,410.3**	**71,988.0**	**48,491.7**	**31,094.6**	**19,048.2**

Notes: The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) Cash Flow Statement issued by the Institute of Chartered Accountants of India.

NMDC LIMITED							
NOTES ON ADJUSTMENTS MADE FOR RESTATED FINANCIAL STATEMENTS (CONSOLIDATED)							
(Rs. in millions)							**Annexure - IV A**
1	**Adjustments on changes in Accounting Policies and Prior period items:**						
		Period ended		**Year ended**			
		31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A.	**Profit after tax as per Audited Statement of Accounts:**	**23,815.1**	**33,093.6**	**43,722.5**	**32,509.8**	**23,202.1**	**18,278.0**	**7,554.4**
	Adjustments on account of:							
B.	Changes in Accounting Policies:							
	a) Reduction in Gross Block & WIP							349.4
	b) Provision due to change in method of providing depreciation							-16.7
	c) Mine Closure obligation							177.7
	d) Change in treatment of R&D Expr							171.4
	e) Change in Stock Valuation	15.5	-17.7	-18.3	-15.6	4.8	-9.3	22.9
	Sub Total (B)	15.5	-17.7	-18.3	-15.6	4.8	-9.3	704.7
C.	Other Adjustments due to shifting of income/expr to respective years:							
	a) Arrears due to Price Revision						-428.7	428.7
	b) Rebate given to CG parties	107.8		-107.8				
	c) Compensation & awards		2.4	-11.2			150.2	
	d) Lease Rent & Supervision chrgs							39.5
	e) Infrastructure Dev. & Env. Cess					136.5	-136.5	
	f) Arrears of Royalty		90.3	102.0	-25.9	-21.5	-18.8	-21.3
	Sub Total (C)	107.8	92.7	-17.0	-25.9	115.0	-433.8	446.9
	Total Adjustments (B+C)	**123.3**	**75.0**	**-35.3**	**-41.5**	**119.8**	**-443.1**	**1,151.6**
D.	Tax Adjustments:							
	a) Normal Tax impact of adjustments	-41.9	-25.5	-192.3	391.5	-216.8	-45.0	-468.7
	b) Deferred Tax impact of the adjustments							-4.7
	Sub Total (D)	-41.9	-25.5	-192.3	391.5	-216.8	-45.0	-473.4
E.	**Total adjustments (B+C+D)**	81.4	49.5	-227.6	350.0	-97.0	-488.1	678.2

F.	**Net Adjusted Profits after Tax (A+E)**	**23,896.5**	**33,143.1**	**43,494.9**	**32,859.8**	**23,105.1**	**17,789.9**	**8,232.6**
2	**Other changes and Adjustments**							

Annexure IV A

ADJUSTMENTS TO RESTATED STATEMENT OF PROFIT & LOSSES:

1. During the year 2004-05, the Company revised its Accounting Policy relating to 'Expenditure during construction', and reviewed the units capitalized in 2003-04 and capital work in progress which led to reduction in Gross Block of fixed assets of Rs.204.0 million, capital work in progress of Rs.162.2 million, depreciation of Rs.16.7 million and valuation of closing stock of Rs.1.0 million. This has resulted in reduction of profit by Rs. 350.5 million during the year 2004-05. Of this expenditure, Rs.16.8 million under the head 'capital work in progress' pertains to the year 2004-05 itself and hence not considered for restatement. The impact of the change to the extent it pertains to the year 2003-04 has been carried to the General Reserve for 2003-04 amounting to Rs.332.7 million, and the profit for 2004-05 has been accordingly restated.

2. Consequent to revision in accounting Policy relating to R&D expenditure, the expenditure incurred on Feasibility studies, being R&D in nature, amounting to Rs.177.9 million consisting of Rs.171.4 million pertaining to the period upto 2003-04 and Rs. 6.5 million pertaining to 2004-05 was charged to profit during 2004-05. For the purpose of restatement, the amount of Rs.171.4 million has been re-allocated against the General Reserve of 2003-04.

3. The Company introduced a new accounting policy in 2004-05 towards provision of liability on Mine Closure Obligation. An amount of Rs.378.2 million covering the years 2003-04 (Rs.177.7 million) and 2004-05 (Rs.200.5 million) has been charged to revenue in 2004-05. However, this was not considered as an element of cost of production and was not included for valuation of closing stock. This policy was revised in 2007-08 to the effect that Mine Closure Obligation became an element of cost of production and included for valuation of closing stock. Restatement of accounts has therefore been made by taking the Mine Closure Obligation liability relating to 2003-04 amounting to Rs.177.7 million to the General Reserve of 2003-04. The Closing stock of 2004-05 to 2006-07 has also been restated by including Mine Closure Obligation as an element of cost of production and profits of the respective years have also been restated for uniformity.

4. Royalty was being treated as Selling Expenses upto 2006-07 in respect of Donimalai Iron Ore Mine and not considered as an element of cost of production. This policy has been reviewed in 2007-08 and royalty is now treated as an element of cost of production in line with the practice being followed by the Company's other iron ore mines. The effect on closing stock of earlier years i.e., from 2004-05 to 2006-07 has been worked out and profitability has been restated to this effect.

5. The following items of income / expenditure have been taken out from the year (s) of accountal to the respective years to which they pertain for the purpose of restatement:
   (a) Iron ore sales price revision arrears of Rs.428.7 million accounted in year 2005-06 is taken to year 2004-05.
   (b) Rebate granted to some Chhattisgarh customers on sale price of iron ore amounting to Rs.107.8 million accounted in year 2009-10 is taken to year 2008-09.
   (c) An amount of Rs.150.2 million was due to be paid to MMTC Ltd in consequence of award of Dispute Resolution Committee in relation to sale or ore decided to belong to MMTC. The same was adjusted by MMTC against export sales revenue remitted during the year 2005-06 and treated as expenditure for accounting purposes. As this amount does not pertain to year 2005-06, the same has been taken out from that year and adjusted against General Reserve of 2003-04. Similarly, Rs.11.2 million (net) received from MMTC as a result of DRC award on price revision arrears and accounted for in year 2008-09 is taken back for adjustment against General Reserve of 2003-04.
   (d) Differential Royalty paid to the State Government by Bailadila iron Ore Projects amounting to Rs.102.0 million and accounted for in year 2008-09 is taken back to respective years to which it pertains, i.e., 2004-05, 2005-06, 2006-07 and 2007-08 and also adjusted against General Reserve of 2003-04.
   (e) Lease rent and supervision charges of Rs.39.5 million pertaining to Donimalai Iron Ore Mine upto the year 2003-04 accounted for in year 2004-05 is taken back for adjustment to General Reserve of 2003-04.
   (f) Infrastructure cess and Environmental Improvement Cess pertaining to Bailadila iron ore Projects amounting to Rs.136.5 million and accounted for in year 2006-07 is taken back to year 2005-06 to which it pertains.

Annexure IV B

NOTES ON ADJUSTMENTS NOT MADE FOR RESTATED FINANCIAL STATEMENTS

1. During the year 2004-05, the company revised its accounting policy with regard to valuation of stores and spares not moved for five years and above. Accordingly, "Stores & spares not moved for 5 years and above ***and identified as obsolete***" are valued at Re.1 per unit. Prior to this change, all stores and spares not moved for 5 years and above were being valued at 15% of cost. This has resulted in increase in net profit by Rs. 2.3 million during that year with a corresponding increase in stores and spares. However, as the policy has since been consistently followed each year till date, there is no impact on Financial Statements for the period 2004-05 to 2009-10.

2. During the year 2004-05, the life of internal communication equipment and some assets in office equipment has been reassessed w.e.f. 01-04-2004. The depreciation as worked out based on the revised life of the asset has resulted in a higher deprecation of Rs. 6.9 million with a corresponding decrease in profit for the year. Since the same has since been consistently followed each year till date, there is no impact on Financial Statements for the period 2004-05 to 2009-10.

3. During the year 2005-06, the life of programmable logic control systems has been technically reassessed with effect from 01-04-2005. The depreciation has been worked out based on the revised life of the asset in line with AS – 6 and the unamortized depreciable amount of the asset is charged to revenue over the revised remaining useful life. The above has resulted in a higher depreciation of Rs. 39.7 million with a corresponding decrease in profit for the year. As this involves prospective adjustment only, no recasting of accounts for the future years is required.

4. The policy with respect to prepaid expenses has been revised during the year 2006-07 enhancing the monetary ceiling of accounting the expenditure relating to unexpired period from Rs.0.05 million to Rs.0.2 million in each case. This has resulted in decrease in net profit by Rs. 2.1 million with a corresponding decrease in 'Loans and advances' as compared to the previous year 2005-06. No restatement has been done in respect of the above as the amounts involved are found not to be material.

5. During the year 2006-07, the company has revised its accounting policy on 'Prior Period Adjustments' enhancing the monetary ceiling of accounting income / expenditure relating to earlier years from Rs.0.05 million to Rs. 0.2 million in each case. This has resulted in decrease in prior period adjustments by Rs.0.03 million compared to the earlier policy. Since the change of accounting policy has no impact on the profit of the company and is not material, no restatement in the accounts is considered.

6. The company has revised the life of computer software to 3 years during the year 2006-07, as against amortizing the value over the period during which support service with free upgrades is available and in other case, in the year of purchase. This has resulted in decrease in depreciation by Rs.1.7 million with a corresponding increase in profit. No restatement has been done in respect of the above as the amounts involved are found not to be material.

7. Effective 1st April 2007, in line with revised AS – 15, Employee Benefits, the liability in respect of payments under employees family benefit scheme, leave travel concession (encashment / availment) and long service award has been provided on actuarial valuation, as against the earlier practice of recognizing the same on actual payments. Similarly, Gratuity liability accruing on account of ceiling on gratuity from Rs. 0.35 million to Rs.1.0 million w.e.f 01-01-2007, has been accounted under employees cost in the year 2008-09 as per AS 15. No restatement has been done for earlier years as the same requires prospective adjustment only.

8. During the year 2007-08, policy with respect to Inventories has been changed, and as a consequence, Fine ore lying in dump at the year end out of current year production is recognized as production and stock, as against the earlier practice of not considering the same. As a result, value of inventories – finished goods – iron ore has increased by Rs.163.8 million with corresponding increase in net profit. No recasting of accounts of earlier years has been done as quantity of fines dumped and lying in stock during each of the earlier years is not ascertainable.

9. The Accounting policy with respect to foreign exchange transactions has been revised during 2007-08, as a result of which, foreign exchange variance on purchase of fixed assets between the date of transaction and the date of settlement is charged to P&L account, as against the earlier practice of adjusting the same against the fixed assets. This has resulted in increase in income and net profit by Rs.1.0 million with no reduction in 'Fixed assets' during that year. The adjustment on this account has not been carried out in the earlier years as information to that effect is not available and the impact of the same to profit and Loss account is not expected to be material.

NMDC LIMITED

SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED DEC'09

A. BASIS OF ACCOUNTING

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

B. BALANCE SHEET

1. FIXED ASSETS:

1.1 Fixed Assets are stated at historical cost.

1.2 Assets acquired / constructed by the Company with the subsidy sanctioned by Iron Ore Mines Labour Welfare Cess Fund are capitalised to the extent of cost to the company. However, the work-in-progress and the subsidy thereon are shown separately till capitalisation.

1.3 The fixed assets acquired against Govt. Grants are shown in the Balance Sheet after deducting the grant received. However, where the grant received is equal to the cost of the asset, such asset is shown at a nominal value of Re.1/- per asset.

1.4 The Insurance Spares which can only be used in connection with an item of Fixed Asset and whose use is expected to be irregular, are capitalised and depreciated from the date of acquisition over the balance useful life of the respective assets.

2. DEPRECIATION:

2.1 Depreciation is charged on straight-line method based on the life of the assets determined by technical assessment. The rates are equal to or higher than those prescribed in Schedule-XIV to the Companies Act, 1956. In the case of assets acquired before 01.04.1987 depreciation is continued to be provided at the rates based on the lives adopted earlier.

2.2 Depreciation is charged on pro-rata monthly basis on additions / disposals of assets during the year taking the first day of the month for acquisition / commissioning and the last day of the month for disposals.

2.3 In respect of additions forming an integral part of an existing asset, depreciation is charged over the remaining useful life of the asset. In case the asset is already fully depreciated, such additions are depreciated in full.

2.4 Cost of leasehold land is amortized over the period of lease.

2.5 The life of the assets constructed on leasehold land is restricted to the lease period except in case of mining projects.

3. EXPENDITURE DURING CONSTRUCTION:

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

3.2 Expenditure incurred on supervision during the construction period in respect of projects for expansion of existing facilities or creation of new facilities are treated as period costs and charged to revenue. Further, all administrative expenses incurred during the period of delay in the construction and commissioning of facilities beyond the period contemplated by Detailed Project Report are similarly treated as revenue and charged to the Profit & Loss Account.

3.3 In respect of those projects under construction necessitating selection of a different technology than originally envisaged, for the reasons beyond the control of the management, the cumulative administrative expenses incurred on such projects having no other useful purpose till the date of the decision to go in for the new technology are charged to the profit and loss account for the year during which the relevant decision is taken. Further, all administrative expenses incurred on such projects subsequently till the new technology is identified are also treated as revenue and charged to the profit and loss account of the year in which they are incurred.

3.4 In the case of projects abandoned in the mid way due to unforeseen circumstances beyond the control of the management, the cumulative administrative expenditure incurred on such projects up to the date of abandonment are charged to the profit and loss account during the year of abandonment.

4 INVESTMENTS:

Long-term investments are stated at cost. A provision for diminution is made to recognise the decline in value, other than temporary, on an individual investment basis.

5 INVENTORIES:

Items of inventories as certified by the Management are valued on the basis mentioned below:

5.1 Finished Goods : At cost OR Net Realisable value whichever is lower.

5.2 Work-in-process : At cost OR Net Realisable value whichever is lower.

5.3 Work in process-Consultancy Contract job : At cost

5.4 Stores & Spares: At cost on weighted average method. However, Stationery, Medical, Canteen School stores, Cotton Waste Hospital stores and lab stores (excluding for R & D Lab): charged off to Revenue on procurement.

5.5 Stores & spares not moved for 5 years and above }
and identified as obsolete by technical assessment } At Re.1 per unit.
5.6 Stores-in-Transit: At cost.
5.7 Loose Tools & Implements: At cost on weighted average method.
5.8 No credit is taken in the Accounts in respect of :
5.8.1 Stock of run of mine ore, embedded ore low grade ore of Kumaraswamy Mine and slimes in case of Iron Ore.
5.8.2 Stock of run of mine ore generated during construction period pending assessment of quality and saleability.
5.8.3 Partly used stores and spares kept in stores.
5.8.4 Surplus/Obsolete stores and spares determined and not disposed of.

6 FOREIGN CURRENCY TRANSACTIONS:

6.1 Foreign Currency Transactions are accounted for at the exchange rates prevailing on the date of transactions.

6.2 Fixed Assets are translated at the exchange rates on the date of transaction. The exchange difference in each financial year, up to the period of settlement is taken to profit & loss account.

6.3 The monetary items in foreign currencies are translated at the closing exchange rate on the date of balance sheet and gains / losses thereon adjusted in the Profit & Loss Account.

7. GRANT-IN-AID:

7.1 The grant-in-aid received from Government of India for feasibility studies and the expenditure incurred thereon are shown separately until the feasibility expenditure is adjusted against the grant on fruition or abandonment of the feasibility study.

The grant-in-aid received from Government of India in respect of Research & Development is shown after adjusting the amounts utilised.

C. <u>PROFIT & LOSS ACCOUNT</u>

1. REVENUE RECOGNITION:

1.1 Export sales: Export sales are recognized on the date of Bill of Lading. However, final adjustments are made in the year of receipt of discharge port analysis.

1.2 Domestic sales: Domestic sales are accounted on the date of Railway receipt / Lorry receipt / Delivery challan.

1.3 Obsolete Stores & Scrap: Income is accounted on realization basis in respect of Used / surplus/obsolete/unserviceable materials and scrap.

2. EMPLOYEES BENEFITS:

2.1 Payments under Employees' Family Benefit Scheme:

Under the NMDC Employees' family benefit scheme, monthly payments are made till the normal date of retirement to the family members of those employees who are discharged from service due to medical
reasons or death, on deposit of the amount envisaged in the scheme and liability for the payments are accounted for on the basis of actuarial valuation.

2.2 Leave Travel Concession: (Encashment / Availment):

Liability towards encashment / availment of Leave Travel Concession is accounted for on the basis of actuarial valuation.

2.3 Gratuity:

Gratuity payable to eligible employees is administered by a separate Trust, which has taken a Group gratuity policy with LIC. Demands made by the Trust including the annual contribution and risk premium for the future service gratuity of the LIC policy are charged to Profit & Loss Account.

2.4 Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation and remitted to a fund maintained by LIC.

2.5 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. The liability towards Settlement Allowance is remitted to a fund maintained by LIC.

3. GENERAL:

3.1. Research & Development Expenditure:

The expenditure on Fixed Assets relating to Research & Development is capitalized and depreciated in the same method as any other assets of the Company. Other Research & Development expenditure of revenue nature incurred during the year is charged of to Profit & Loss Account.

3.2. Mine Closure Obligation:

The liability to meet the obligation of mine closure and restoration of environment as per Mines & Minerals (Development and Regulation) Act 1957 (MMDR 1957) at the time of closure of the mine has been estimated on the basis of technical assessment and charged to Profit & Loss account on the basis of Run of Mine ore production of the mine. The liability is remitted to a Fund maintained by LIC.

3.3. Pre-paid Expenses:

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed Rs.200,000/- in each case.

3.5 Prior period adjustments:

Income/Expenditure relating to prior period of over Rs 200,000/- in each case arising out of errors and omissions are accounted as prior period adjustments.

3.4. Insurance Claims:

Insurance claims are accounted as under:

In case of transit insurance-on the basis of claim lodged with the Insurance company

In case of other Insurance – on the basis of Survey reports received
Differences between insurance claims accounted for and actual receipt are accounted as Miscellaneous Expenditure / Income in the year of settlement.

Annexure V B

OTHER NOTES ON RESTATED FINANCIAL STATEMENTS

1. The consolidated accounts have been prepared by consolidating one subsidiary NMDC-CMDC Limited. However, accounts of J&KMDC, NMDC, SARL and Nam-India MDC (Pty) Ltd. have not been considered for consolidation in accordance with Accounting Standard 21 issued by the ICAI, as the companies suffer from long term impairment to transfer funds to the holding company. The following table indicates the period from which these companies suffer from such long term impairment.

Name the Subsidiary	Impairment
J&KMDCL	2000-01
NMDC SARL, Madagascar	2001-02
Nam-India MDC (Pty) Ltd	2003-04

2. The salaries and other benefits for the Unionized Employees as well as Executive Employees (below board level) are due for revision with effect from 01.01.2007. The provision in this regard as on March 31, 2009 was Rs 1581.3 million out of which a sum of Rs 500 million has been paid during Apr-Dec'09 to LIC towards enhanced gratuity. A further provision of Rs 628.9 million has been made for the period ended Dec 31, 2009. The total provision on this account as on Dec 31, 2009 was Rs.1710.2 million.

3. Formal agreements/ Transfer deeds remain to be executed in respect of the following:-
    - Renewal of Mining Leases at Deposit 10 (Float Ore) and Panna and Donimalai.
    - Lease deeds in respect of parts of land for township at Bailadila-5, Bacheli and Bailadila-14, Kirandul.
    - Lease deeds in respect of land for Screening Plant at Visakhapatnam.
    - Mining Lease to the extent of 22.00 hectares of Silica Sand Plant near Lalapur (Allahabad).
    - Lease in respect of a portion of the land at R&D center measuring 7.0 acres has expired during Feb'07 and renewal of the lease is being pursued.
    - Lease deed in respect of land for Wind Electrical Generators at Banjangondalhalli / Annehal in Chitradurga Dist. Karnataka.

4. The Company assessed the Cash Generating Assets for the impairment as required under AS 28 issued by ICAI as per the details given below :-
    - After complying with the conditions laid down by the Hon'ble Supreme Court, the Panna Diamond Project has commenced regular operations in June 2009. Accordingly, the earlier impairment of assets was reviewed and reversal of Rs 226.1 million was made during the period ended 31/12/2009.
    - The assets of UPFO plant, which is under "care and maintenance", were impaired in 2005-06 and there is no change in the status as on 31.12.2009.
    - The impairment of assets has been reviewed during the year in respect of following cash generating units, included under the segment "Other Minerals and Services" and necessary adjustments have been carried out as detailed below:-

(Rs in Million)

Unit	Year of Impairment	Impaired Amount as on 01.04.2009	Adjustments during the Period ended 31st Dec'2009		Impaired Amount as on 31.12.2009
			Reversal	Addition	
UPFO, Vizag	2005-06	374.6	-	-	374.6
SSP, Lalapur	2005-06	125.4	-	-	125.4
DMP, Panna	2006-07	226.1	226.1	-	-

The Recoverable amount of the assets of the above units has been arrived at considering the "value in use". Since the value in use has resulted in negative cash flows, the recoverable amount has been taken as nil with out applying any discount rate.

5. It has been decided to lease / sell the plant and machinery of Silica Sand Project, Lalapur and action has been initiated accordingly.

6. The company has paid Rs 262.5 million for acquiring 40 million equity shares of Rs 10/- each in Krishnapatnam Railway Co Ltd. Pending allotment of shares, the company has shown the amount as "Advance for Investment" under "Investments".

7. Disclosure pursuant to AS 15 (Revised 2005) - Employees Benefits

   The Company has adopted AS 15 (Revised 2005) for employees Benefits issued by ICAI as against erstwhile AS 15. Consequent to the adoption, the following disclosures related to accounting, etc is made as far as practicable under AS 15 (Revised 2005) requirement:

   Defined Benefit Plans:

Sl. No.	Plan	Description
01	Gratuity	Eligible amount is to be paid to the employees on separation by NMDC Group Gratuity Trust.
02	Accrued Leave Salary	Encashment of accumulated leave is payable as per the rules of the company to the employees during the service / on separation.
03	Settlement Allowance	Employees are paid eligible amount at the time of retirement for their settlement.
04	Post Retirement Medical Facilities	Retired employees, opting for the Post Retirement Benefit scheme on contribution of prescribed amount, can avail medical benefits as per the Scheme.
05	Leave Travel Concession	Payable to the eligible employees on availment / encashment of Home Town LTC / All India LTC.
06	Family Benefit Scheme	Monthly payments to disabled separated employees / legal heirs of deceased employees on deposit of prescribed amount, till the notional date of superannuation.
07	Long service Award	Employees are presented with an award in kind on rendering prescribed service.

8. Balance shown under creditors, debtors, claims recoverable and advances includes balances subject to confirmation / reconciliation and consequential adjustment, if any. Reconciliation is carried out on an on-going basis. Provisions, wherever considered necessary, have been made.

9. The company derates Rs 1/- per unit for non-moving and obsolete spares at the year end accounts. (Ref. para 5.5 Annexure VA) and an amount of Rs 0.2 million has been provided in the Financial year 2008-09. No such assessment has been done as of 31/12/2008 as well as 31/12/2009 and accordingly no such provision has been made in accounts, the amount whereof would not be material.

Previous year's figures along with the Restated Financial Statement of the earlier years, as may be required have been reclassified / regrouped wherever necessary to conform to year end classification.

NMDC LIMITED							
STATEMENT OF DIVIDENDS PAID / PROPOSED (CONSOLIDATED)							
(Rs. in millions)							Annexure - VI
Particulars	**Period ended**		**Year ended**				
	31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
Equity Share Capital	3,964.7	3,964.7	3,964.7	1,321.6	1,321.6	1,321.6	1,321.6
Face Value (Rs)	1.00	1.00	1.00	10.00	10.00	10.00	10.00
No. Shares	3,964,716,000	3,964,716,000	3,964,716,000	132,157,200	132,157,200	132,157,200	132,157,200
Rate of Dividend (%)							
Interim - First	75.00	103.00	103.00	100.00	77.00	76.93	38.50
Interim - Second	-	-	-	231.00	190.00	115.40	-
Final	-	-	118.00	162.00	85.00	84.29	76.00
Total Dividend Rate	**75.00**	**103.00**	**221.00**	**493.00**	**352.00**	**276.62**	**114.50**
Amount of Dividend							
Interim - First	2,973.5	4,083.6	4,083.6	1,321.6	1,017.6	1,016.7	508.8
Interim - Second	-	-	-	3,052.8	2,511.0	1,525.1	-
Final	-	-	4,678.4	2,140.9	1,123.3	1,113.9	1,004.4
Total Dividend	**2,973.5**	**4,083.6**	**8,762.0**	**6,515.3**	**4,651.9**	**3,655.7**	**1,513.2**
Corporate Dividend Tax							
Interim - First	505.4	694.0	694.0	224.6	142.7	142.6	66.5
Interim - Second	-	-	-	518.8	352.2	213.9	-
Final	-	-	795.1	363.9	190.9	156.2	140.9
Total	**505.4**	**694.0**	**1,489.1**	**1,107.3**	**685.8**	**512.7**	**207.4**

NMDC LIMITED

STATEMENT OF ACCOUNTING RATIOS INCLUDED AS RESTATED (CONSOLIDATED)

(Rs. in millions) **Annexure - VII**

Sl.	Particulars	Period ended		Year ended				
No.		31-12-2009	31-12-2008	31-03-2009	31-03-2008	31-03-2007	31-03-2006	31-03-2005
1	Restated Profit after Tax	23,897.3	33,143.3	43,495.5	32,859.8	23,105.1	17,789.9	8,232.6
	as per Annexure II (A)							
2	Net Worth as per	136,482.9	111,172.7	116,055.2	82,787.4	57,527.7	39,728.7	26,059.2
	Annexure I (B)							
3	No. of Equity Shares outstanding at the end of the year	3,964,716,000	3,964,716,000	3,964,716,000	132,157,200	132,157,200	132,157,200	132,157,200
4	Split of Share adjusted for earlier periods	-	-	-	1,189,414,800	1,189,414,800	1,189,414,800	1,189,414,800
5	No. of Equity Shares outstanding after Split of Shares (Apr '08) from Rs.10/- per share to Re 1/- per Share	3,964,716,000	3,964,716,000	3,964,716,000	1,321,572,000	1,321,572,000	1,321,572,000	1,321,572,000
6	Bonus Shares 2,643,144,000 issued on 13/06/2008 (2:1 ratio) adjusted for earlier periods	-	-	-	2,643,144,000	2,643,144,000	2,643,144,000	2,643,144,000
7	Total No. of Equity Shares outstanding at the Year end/Period end (Post Split and Bonus Issue) (C)	3,964,716,000	3,964,716,000	3,964,716,000	3,964,716,000	3,964,716,000	3,964,716,000	3,964,716,000
8	Earning Per Share (Rs.)	**6.03**	**8.36**	**10.97**	**8.29**	**5.83**	**4.49**	**2.08**
	(A ÷ C)							
9	Return on Net Worth (%)	**17.51**	**29.81**	**37.48**	**39.69**	**40.16**	**44.78**	**31.59**
	(A ÷ B)							
10	Net Asset Value Per Share (Rs.) (B ÷ C)	**34.42**	**28.04**	**29.27**	**20.88**	**14.51**	**10.02**	**6.57**

Note: 1) The Face value of Shares was split from Rs.10/- per Share to Re.1/- per Share during the year 2008-09 (April 2008) as a result of which the total number of shares increased from 132,157,200 of Rs.10/- each to 1,321,572,000 Shares of Rs.1/- each.

2) 2,643,144,000 Shares of Re.1/- each have been allotted as fully paid up Bonus Shares in the ratio of 2:1 during the year 2008-09 by way of capitalization of Reserves and Surplus. As a result, the Issued, Subscribed and Paid up Capital of the company has increased from Rs.132,15,72,000 to Rs.396,47,16,000.

Formula:

Restated Profit After Tax

Earning Per Share (Rs.) =---

No. of Equity Shares outstanding during the year / period (Post split and Bonus Issue)

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax}}{\text{Net Worth}}$$

$$\text{Net Asset Value Per Share(Rs)} = \frac{\text{Net Worth}}{\text{No. of Equity Shares outstanding during the year / period (Post split and Bonus Issue)}}$$

NMDC LIMITED		
STATEMENT OF CAPITALIZATION AS ON 31-12-2009 (CONSOLIDATED)		
(Rs. in millions)		**Annexure - VIII**
	Pre-Issue as at 31-12-2009	**Post Issue**
Debt:		
- Short-term debt	Nil	Nil
- Long-term Debt	Nil	Nil
Total Debt	Nil	Nil
Shareholders' Funds:		
- Share Capital	3,964.7	3,964.7
- Reserves and Surplus	132,730.8	132,730.8
- Misc. Expenditure not written off	-212.6	-212.6
Total Shareholders' Funds	**136,482.9**	**136,482.9**
Debt/Equity Ratio	-	-
Long-term Debt / Equity	-	-

NMDC LIMITED								
STATEMENT OF SECURED AND UNSECURED LOANS, AS RESTATED (CONSOLIDATED)								
							Annexure - IX	
(Rs. in millions)								
		As at		As at				
		31-12-2009	31-12-2008	31-03-2009	31-03-2008	31-03-2007	31-03-2006	31-03-2005
A.	**Secured Loans**							
	Cash Credit / Working Capital Loans							
	Other Loans from Banks							
	Total (A)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B.	**Unsecured Loans**							
	Loans							
	Less: Adjustments							
	Total (B)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Secured and Unsecured Loans (A + B)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	NMDC LIMITED							
	STATEMENT OF TAX SHELTERS (CONSOLIDATED)							
								Annexure - X
(Rs. in millions)								
	Particulars	**Period ended**		**Year ended**				
		31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A	**Profit before tax as per audited accounts**	36,077.6	50,231.0	66,481.0	49,474.7	34,983.1	27,701.3	12,236.5
	Adjustments (*See Annexure IVA)*	123.3	75.0	-35.3	-41.5	119.8	-443.1	1,151.6
	Profit before tax, as restated(i+ii)	**36,200.9**	**50,306.0**	**66,445.7**	**49,433.2**	**35,102.9**	**27,258.2**	**13,388.1**
	Tax Rate	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
	Tax at notional rate on profits	12,304.7	17,099.0	22,584.9	16,802.3	11,815.6	9,175.1	4,898.7
B	**Less: Permanent Differences**							
	i) Provision for Security Deposit							60.0
	ii) Exempted income		2.6	2.6	15.5	19.1	15.5	15.5
	iii) Adj. for doubtful debts & advances			-1.3	-14.3	-11.4	3.2	0.5
	iv) VSS Expenditure							18.7
	v) Donations				-0.7	-0.2	-2.0	
C	**Less: Timing Differences**							
	i) Diff. between Tax & Book Depretiation	300.2	144.0	640.9	309.0	-32.6	-444.9	328.2
	ii) Capital Expenditure of R&D		2.7	8.1	9.0	3.7	4.0	1.1
	iii) Withdrawal of IEDC							-204.0
	iv) Retirement benefits				-911.3	-16.1	75.6	-6.0
	v) Disallowance U/s 43B			-0.8	1.3	121.5	-2.7	-46.2
	vi) Profit/(Loss) on sale of assets			-0.5	31.7	7.8	7.4	-2.4
	vii) Development Expenditure	2.4	2.4	3.3	3.3	3.3	-22.8	
D	**TOTAL OF (B+C)**	**302.6**	**151.7**	**652.3**	**-556.5**	**95.1**	**-366.7**	**165.4**
E	Income from other sources/Capital Gains			13.2	8.5			695.1
F	**Taxable Income/(Loss) (A - D + E)**	**35,898.3**	**50,154.3**	**65,806.6**	**49,998.2**	**35,007.8**	**27,624.9**	**13,917.8**
G	**Add: Loss of Subsidiary not considered**	1.6	0.4	1.3				
H	**Taxable Income/(Loss) (F + G)**	**35,899.9**	**50,154.7**	**65,807.9**	**49,998.2**	**35,007.8**	**27,624.9**	**13,917.8**
I	Tax as per normal provisions	12,202.4	17,047.6	22,368.1	16,994.4	11,783.6	9,298.5	5,092.5

NMDC LIMITED							
STATEMENT OF LOANS AND ADVANCES AS RESTATED (CONSOLIDATED)							
(Rs. in millions)							Annexure - XI
Particulars	**As at**		**As at**				
	31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A. Loans & Advances							
(Net of Provisions)							
- Employees	127.1	142.3	141.6	153.0	168.4	173.3	182.1
- Directors	0.2	0.3	0.2	0.3	0.1	0.2	0.2
- Recoverable in cash or in kind for value to be received	1,488.8	1,466.7	1,314.9	588.8	423.0	533.2	508.9
-Inter Corporate Loans to PSUs	0.0	0.0	0.0	0.0	5.0	0.0	0.0
TOTAL (A)	1,616.1	1,609.3	1,456.7	742.1	596.5	706.7	691.2
B. Advance Tax paid							
(Net of Provisions)							
- Income Tax & TDS	1,523.7	70.7	1,768.3	1,263.4	768.9	106.6	0.0
- Fringe Benefit Tax	37.5	53.3	25.0	12.1	-4.0	0.0	0.0
TOTAL (B)	1,561.2	124.0	1,793.3	1,275.5	764.9	106.6	0.0
C. Deposits							
(Net of Provisions)							
- Customs, Port Trust etc	73.5	79.1	58.4	11.3	33.4	12.0	9.4
- Others	778.4	469.0	724.5	409.0	425.6	389.3	385.9
TOTAL (C)	851.9	548.1	782.9	420.3	459.0	401.3	395.3
Total (A+B+C)	**4,029.2**	**2,281.4**	**4,032.9**	**2,437.9**	**1,820.4**	**1,214.6**	**1,086.5**
Particulars of Loans & Advances							
Secured	180.6	200.4	197.3	208.1	221.0	219.2	232.8
Unsecured - considered good	3,848.6	2,081.0	3,835.6	2,229.8	1,599.4	995.4	853.7
Sub-Total	4,029.2	2,281.4	4,032.9	2,437.9	1,820.4	1,214.6	1,086.5
Unsecured - considered doubtful & provided for	48.1	48.6	48.9	49.1	47.9	58.5	133.3
Loans and Advances to:-							
Directors and entities related to Directors	0.2	0.3	0.2	0.3	0.1	0.2	0.2
Promoters and entities related to Promoters	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Issuer (To Group Companies)	1.7	1.5	0.4	Nil	Nil	Nil	Nil

NMDC LIMITED							
STATEMENT OF SUNDRY DEBTORS, AS RESTATED (CONSOLIDATED)							
(Rs. in millions)							Annexure - XII
Particulars	**As at**		**As at**				
	31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**
A. Debts outstanding for a period exceeding six months:							
Unsecured:							
- Considered good	2,155.3	512.3	26.9	23.2	124.8	1,238.3	188.7
- Cosidered doubtful	14.5	20.6	14.5	20.6	12.3	0.7	4.8
Secured:	-	-	-	-	-	-	-
Total (A)	2,169.8	532.9	41.4	43.8	137.1	1,239.0	193.5
B. Other Debts							
Unsecured:							
- Considered good	2,884.8	13,837.2	10,137.7	4,865.1	2,718.9	1,933.7	1,948.4
- Cosidered doubtful	-	-	-	-	-	-	-
Secured:	-	-	-	-	-	-	-
Total (B)	2,884.8	13,837.2	10,137.7	4,865.1	2,718.9	1,933.7	1,948.4
Total (A+B)	**5,054.6**	**14,370.1**	**10,179.1**	**4,908.9**	**2,856.0**	**3,172.7**	**2,141.9**
Less: Provision for Bad & Doubtful Debts (C)	14.5	20.6	14.5	20.6	12.3	0.7	4.8
Total (A+B-C)	**5,040.1**	**14,349.5**	**10,164.6**	**4,888.3**	**2,843.7**	**3,172.0**	**2,137.1**
Sundry Debtors including and related to Directors / Promoters / Issuer	0.0	0.0	0.0	0.0	0.0	0.0	0.0

NMDC LIMITED							
STATEMENT OF INVESTMENTS, AS RESTATED (CONSOLIDATED)							
(Rs. in millions)							Annexure - XIII
Particulars	As at		As at				
	31-12-2009	31-12-2008	31-03-2009	31-03-2008	31-03-2007	31-03-2006	31-03-2005
(Net of Provision)							
In Trust Securities:							
Non-Trade & Quoted at cost:							
6.75% Tax Free US 64 Bonds	-	-	-	230.1	230.1	230.1	230.1
UTI Balanced fund	-	-	-	-	23.5	19.9	19.9
In Shares:							
Trade & Unquoted at cost:							
396,006 Equity Shares of Rs.100 each fully paid up in Subsidiary Company - JKMDC Ltd, Jammu	39.6	39.6	39.6	39.6	39.6	39.6	39.6
Less: Investment Deration	39.6	39.6	39.6	39.6	39.6	39.6	39.6
	-	-	-	-	-	-	-
41,85,590 Equity Shares of FMG 2500/- each fully paid up in wholly owned subsidiary company - NMDC SARL, Madagaskar	72.0	72.0	72.0	72.0	72.0	72.0	72.0
Less: Investment Deration	72.0	72.0	72.0	72.0	72.0	72.0	72.0
	-	-	-	-	-	-	-
3.967 Equity Shares of N$1/- each fully paid up in wholly owned subsidiary company - Nam-India Minerals Development Corporation Ltd, Namibia	-	-	-	-	-	-	-
Less: Investment Deration	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
490,00,000 Equity Shares of Rs.10/- each fully paid up in Nilachal Ispat Nigam Limited, Bhubaneswar	490.0	490.0	490.0	490.0	490.0	490.0	490.0
	-	-	-	-	-	-	-
105,000 Equity Shares of Rs.10/- each fully paid up in Romelt SAIL India Ltd, New Delhi	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Less: Investment Deration	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	-	-	-	-	-	-	-
765,000 Equity Shares of Rs 10/-							
fully paid in NMDC-CMDC Ltd							
Non-trade & Unquoted at Cost:							
150 Shares of Rs.1,000/- each fully paid up in Wholesale Consumers Co-operative Stores, Kirandul	0.2	0.2	0.2	0.2	0.2	0.2	0.2

	-	-	-	-	-	-	-
500 Shares of Rs.10/- each fully paid up in NMDC Employees Co-operative Society Ltd, Bacheli	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
25 Shares of Rs.100 each fully paid up in NMDC Employees' Cooperative Society Ltd, Donimalai	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
500 Shares of Rs.100/- each fully paid up in NMDC Employees Co-operative Society Ltd, Panna	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Advance for Investment:	-	-	-	-	-	-	-
4 Crore Equity Shares of Rs.10/- each in Krishnapatnam Raiway Co.Ltd, partly paid pending allotment	262.5	112.5	217.5	112.5	-	-	-
Total	**752.7**	**602.7**	**707.7**	**832.8**	**743.8**	**740.2**	**740.2**

Notes:							
1. Aggregate amount of quoted Investments							
- Gross	Nil	Nil	Nil	230.1	253.6	250.0	250.0
- Net	Nil	Nil	Nil	230.1	253.6	250.0	250.0
2. Aggregate amount of un-quoted Investments							
- Gross	865.4	715.4	820.4	715.4	602.9	602.9	602.9
- Net	752.7	602.7	707.7	602.7	490.2	490.2	490.2

Note:- The investments in three of the Subsidiaries viz., J&KMDC Limited, NAM-India MDC (Pty) Limited and NMDC-SARL became irrecoverable due to complete erosion in their value, as the subsidiaries were incurring losses and were unable to transfer funds to the parent company. The diminution in value has been treated as “Investment Deration” by making a provision and retaining a nominal value of Re. 1/- in the case of each investment. Such accounting treatment is in compliance with para 32 of AS13 issued by ICAI and is also in accordance with the Accounting Policy on Investments.

NMDC LIMITED								
DETAILS OF ITEM OF OTHER INCOME WHICH EXCEEDS 10 PERCENT OF TOTAL INCOME (CONSOLIDATED)								
(Rs. in millions)								Annexure - XIV
	Period ended		**Year ended**					**Nature of Income**
	31-12-2009	**31-12-2008**	**31-03-2009**	**31-03-2008**	**31-03-2007**	**31-03-2006**	**31-03-2005**	
OTHER INCOME EXCEEDING 10 PERCENT OF TOTAL INCOME								
Income from Investments								
6.75% US 64	-	2.6	2.6	15.5	19.1	15.5	15.5	-
	-	-	-	-	-	-	-	
Interest On:	-	-	-	-	-	-	-	
Deposits with Banks	5,998.0	6,469.6	8,669.6	6,382.8	3,154.4	1,609.9	833.9	Recurring
Others	9.5	13.5	18.3	59.2	113.2	89.0	29.1	Recurring
Total	**6,007.5**	**6,483.1**	**8,687.9**	**6,442.0**	**3,267.6**	**1,698.9**	**863.0**	
Profit on sale of Investments	-	-	-	26.0	-	-	-	Non-Recurring
Profit on sale of Assets	3.5	0.1	0.1	6.4	8.0	7.4	0.7	Non-Recurring
Gain in foreign exchange variation	12.6	0.1	-	0.8	0.7	0.3	3.0	Non-Recurring
Miscellance income	137.9	97.7	149.8	214.6	251.5	277.2	170.6	Recurring
TOTAL	**6,161.5**	**6,583.6**	**8,840.4**	**6,705.3**	**3,546.9**	**1,999.3**	**1,052.8**	

Note: The figures for the years ended 31-03-2007, 31-03-2006 & 31-03-2005 have been given for comparison purposes only as they are less than 10% of the total income of the Company.

NMDC LIMITED

STATEMENT OF RELATED PARTY TRANSACTIONS

Annexure - XV

List of Related Parties with whom transactions have taken place and their relationships:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest
JK Mineral Development Corporation Limited	India	83.54% *
NMDC SARL	Madagascar	100%
Nam India Mineral Development Corporation Pty Ltd	Namibia	100%
NMDC CMDC Ltd.	India	51%

* J&K Minerals Limited plans to increase its equity Shareholding in J&KMDCL to 26% as agreed between J&K Minerals Ltd and the Company

i. Subsidiaries considered for consolidation

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest as at						
		31-12-2009	31-12-2008	31-03-2009	31-03-2008	31-03-2007	31-03-2006	31-03-2005
NMDC-CMDC Limited	India	51%	51%	51%	Nil	Nil	Nil	Nil

ii. Subsidiaries **not** considered for consolidation

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest as at						
		31-12-09	31-12-08	31-03-09	31-03-08	31-03-07	31-03-06	31-03-05
J&KMDC Limited	India	83.54%*	83.54%*	83.54%*	83.54%*	83.54%*	83.54%*	83.54%*
NMDC-SARL	Madagascar	100%	100%	100%	100%	100%	100%	100%
Nam-India MDC Limited	Namibia	100%	100%	100%	100%	100%	100%	100%

* J&K Minerals Ltd. Plans to increase its equity shareholding in J&KMDCL to 26%, as agreed between J&K Minerals Ltd., and the Company.

Associate Companies:
Romelt - SAIL (India) Ltd, New Delhi

Key Management Personnel: (Directors)

Shri Rana Som	(From 03-11-2007)
Shri V K Sharma	(From 03-10-2007)
Shri S Venkatesan	(From 01-08-2008)
Shri N K Nanda	(From 01-12-2008)
Shri S Thiagarajan	(From 09-07-2009)
Shri K R Venkateswarlu	(Upto 30-06-2009)

							(Rs. in millions)

NMDC LIMITED

	Particulars	Period ended		Year				
		31-12-2009	31-12-2008	2008-09	2007-08	2006-07	2005-06	2004-05
1	**Subsidiary Companies:**							
	a) Investments:							
	Opening balance	119.3	111.6	111.6	111.6	111.6	111.6	111.6
	Investment made during the year	-	7.7	7.7	-	-	-	-
	Closing balance	119.3	119.3	119.3	111.6	111.6	111.6	111.6
	Investement deration/Provision	111.6	111.6	111.6	111.6	111.6	111.6	111.6
		-	-	-	-	-	-	-
	b) Loans & Advances:	-	-	-	-	-	-	-
	Opening balance	0.4	-	-	-	-	-	-
	Advances given during the year	1.3	1.5	3.3	1.6	1.8	2.0	1.2
	Adjusted against purchase of Assets	-	-	-	-	-	1.8	-
	Adjustment against amounts payable	-	-	-	-	0.2	-	1.2
	Advance written off during the year	-	-	2.9	1.6	1.6	0.2	-
	Closing balance	1.7	1.5	0.4	-	-	-	-
		-	-	-	-	-	-	-
	c) Amounts payable	-	-	-	-	-	-	-
	Opening balance	-	-	-	-	0.2	0.2	-
	Less: Adjustment against Loans & Advances	-	-	-	-	0.2	-	-
	Closing Balance	-	-	-	-	-	0.2	-
		-	-	-	-	-	-	-
	d) Purchase of Assets	-	-	-	-	-	2.0	-
		-	-	-	-	-	-	-
2	**Associate Companies**	-	-	-	-	-	-	-
	Investments:	-	-	-	-	-	-	-
	Opening balance	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	Paid during the year towards equity	-	-	-	-	-	-	-
	Closing blalance	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	Deration against diminution in value of Investment	1.1	1.1	1.1	1.1	1.1	1.1	1.1
		-	-	-	-	-	-	-

	Consultancy:	-	-	-	-	-	-	-
	Paid during the year	-	-	-	-	-	0.3	4.8
		-	-	-	-	-	-	-
3	**Key Management Personnel:**	-	-	-	-	-	-	-
	Managerial Remuneration	6.7	3.1	11.3	5.1	4.2	4.2	4.0
	Assets sold at concessional values	0.2	0.1	0.1	0.1	-	-	-

NMDC LIMITED							
STATEMENT OF SEGMENT REPORTING (CONSOLIDATED)							
(Rs. in millions)							Annexure - XVI
	Consolidated Total						
Particulars	**Period ended**		**Year**				
	31-12-2009	**31-12-2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Revenue							
- External Sales	42,557.6	56,279.7	75,640.3	57,113.1	41,858.4	37,109.2	22,299.9
- Inter-Segment Sales							
Total Revenue	42,557.6	56,279.7	75,640.3	57,113.1	41,858.4	37,109.2	22,299.9
Result							
- Segment Result	29,221.3	43,061.9	56,968.9	42,136.1	31,296.4	26,295.5	11,718.6
- Unallocated Corporate Expenses	849.7	683.6	822.2	881.1	400.0	-308.6	-360.5
- Operating Profit	30,071.8	43,745.8	57,791.8	43,017.2	31,696.4	25,986.9	11,358.1
- Interest Expense							
- Interest & Investment Income	6,007.4	6,485.7	8,690.5	6,457.5	3,286.7	1,714.4	878.4
- Income Taxes	-12,262.5	-17,137.4	-22,758.5	-16,964.9	-11,781.0	-9,423.3	-4,682.1
Net Profit	23,816.7	33,094.0	43,723.8	32,509.8	23,202.1	18,278.0	7,554.4
Adjustments for Restatements	81.4	49.5	-227.6	350.0	-97.0	-488.1	678.2
Restated Segment Results	23,898.1	33,143.5	43,496.2	32,859.8	23,105.1	17,789.9	8,232.6
Other Information							
- Segment Assets	144,105.0	119,660.3	125,066.9	88,521.6	60,333.0	42,859.4	29,172.8
- Segment Liabilities	12,014.3	10,804.4	11,615.4	7,625.2	4,412.8	4,246.2	4,045.5
- Additions to assets during the year:							
Fixed Assets	442.8	996.1	2,519.7	1,239.8	558.1	1,086.4	553.4
Intangible Assets	3.6	3.5	3.6	6.4			
- Depreciation & Amortization expenses during the year	486.6	501.1	735.6	600.0	800.2	1,136.9	638.4
- Non-Cash expenses other than Depreciation & amortization	0.8	0.5	7.7	21.4	18.2	13.9	531.7

(Rs. in millions)							
	Iron Ore						
Particulars	**Period ended**		**Year**				
	31-12-2009	**31-12-2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Revenue							
- External Sales	42,463.2	56,262.0	75,591.1	57,053.2	41,709.2	36,694.7	21,805.9
- Inter-Segment Sales							
Total Revenue	42,463.2	56,262.0	75,591.1	57,053.2	41,709.2	36,694.7	21,805.9
Result							
- Segment Result	30,786.6	45,302.4	59,412.7	44,900.9	32,710.1	27,041.1	12,370.4
- Unallocated Corporate Expenses	-	-	-	-	-	-	-
- Operating Profit	-	-	-	-	-	-	-
- Interest Expense	-	-	-	-	-	-	-
- Interest Income	-	-	-	-	-	-	-
- Income Taxes	-	-	-	-	-	-	-
Net Profit	30,786.6	45,302.4	59,412.7	44,900.9	32,710.1	27,041.1	12,370.4
Adjustments for Restatements	81.4	49.5	-227.6	350.0	-97.0	-488.1	569.5
Restated Segment Results	30,868.0	45,351.9	59,185.1	45,250.9	32,613.1	26,553.0	12,939.9
Other Information							
- Segment Assets	15,945.3	23,533.9	21,474.6	13,397.4	9,735.3	10,205.0	8,322.1
- Segment Liabilities	6,357.8	3,963.5	3,900.0	3,910.0	2,604.8	2,061.8	1,763.4
- Additions to assets during the year:							
Fixed Assets	313.9	985.5	2,483.3	1,167.8	539.7	947.5	482.7
Intangible Assets	3.5	0.4	0.4	2.4			
- Depreciation & Amortization expenses during the year	597.4	466.6	677.0	569.5	505.3	496.4	515.8
- Non-Cash expenses other than Depreciation & amortization	0.5	0.1	2.6	14.8	13.1	4.0	161.9

(Rs. in millions)							
	Other Minerals & Services						
Particulars	**Period ended**		**Year**				
	31-12-2009	**31-12-2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Revenue							
- External Sales	94.4	17.7	49.2	57.8	149.2	414.5	494.0
- Inter-Segment Sales							
Total Revenue	94.4	17.7	49.2	57.8	149.2	414.5	494.0
Result							
- Segment Result	198.0	-120.4	-221.3	-243.6	-474.1	-637.8	-157.3
- Unallocated Corporate Expenses	-	-	-	-	-	-	-
- Operating Profit	-	-	-	-	-	-	-
- Interest Expense	-	-	-	-	-	-	-
- Interest Income	-	-	-	-	-	-	-
- Income Taxes	-	-	-	-	-	-	-
Net Profit	198.0	-120.4	-221.3	-243.6	-474.1	-637.8	-157.3
Adjustments for Restatements							108.7
Restated Segment Results	198.0	-120.4	-221.3	-243.6	-474.1	-637.8	-48.6
Other Information							
- Segment Assets	1,160.7	769.9	734.6	75.0	195.0	674.9	1,237.7
- Segment Liabilities	178.7	138.8	149.4	146.2	126.2	166.5	169.2
- Additions to assets during the year:							
Fixed Assets	115.8		0.2	8.3	2.7	73.8	8.2
Intangible Assets							
- Depreciation & Amortization expenses during the year	-142.4		17.7	-12.4	254.5	162.9	91.2
- Non-Cash expenses other than Depreciation & amortization		0.1	0.6	3.7	0.5	0.2	69.5

(Rs. in millions)							
	Other reconciliation items						
Particulars	**Period ended**		**Year**				
	31-12-2009	**31-12-2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Revenue							
- External Sales				2.1			
- Inter-Segment Sales							
Total Revenue				2.1			
Result							
- Segment Result	-1,762.5	-2,119.9	-2,221.8	-2,521.2	-939.6	-107.8	-494.5
- Unallocated Corporate Expenses	-	-	-	-	-	-	-
- Operating Profit	-	-	-	-	-	-	-
- Interest Expense	-	-	-	-	-	-	-
- Interest Income	-	-	-	-	-	-	-
- Income Taxes	-	-	-	-	-	-	-
Net Profit	-1,762.5	-2,119.9	-2,221.8	-2,521.2	-939.6	-107.8	-494.5
Adjustments for Restatements							
Restated Segment Results	-1,762.5	-2,119.9	-2,221.8	-2,521.2	-939.6	-107.8	-494.5
Other Information							
- Segment Assets	126,987.2	95,341.9	102,844.0	75,049.2	50,402.7	31,979.5	19,613.0
- Segment Liabilities	5,477.5	6,702.0	7,566.0	3,569.0	1,681.8	2,017.9	2,112.9
- Additions to assets during the year:							
Fixed Assets	13.1	10.6	36.2	63.7	15.7	65.1	62.5
Intangible Assets	0.1	3.1	3.2	4.0			
- Depreciation & Amortization expenses during the year	31.6	34.5	40.9	42.9	40.4	477.6	31.4
- Non-Cash expenses other than Depreciation & amortization	0.3	0.3	4.5	2.9	4.6	9.7	300.3

Secondary Segments

Particulars	Period ended		Year				
	31-12-2009	31-12-2008	2008-09	2007-08	2006-07	2005-06	2004-05
Sales Revenue by location of Customers:							
Revenue from External Customers							
- Domestic	34,469.8	49,864.9	58,540.2	48,360.3	34,594.4	25,256.9	11,585.6
- Export: through MMTC	8,087.8	6,414.8	17,100.1	8,752.8	7,264.0	11,860.1	9,180.3
- Direct Export						-7.8	1,534.0
Total	42,557.6	56,279.7	75,640.3	57,113.1	41,858.4	37,109.2	22,299.9
Assets by Geographical Location:							
Location	Carrying amount of Segment Assets						
Chattisgarh	12,802.2	20,147.2	17,403.0	11,257.4	7,964.2	8,466.9	7,270.7
Andhra Pradesh	126,674.6	95,138.2	103,324.8	74,883.2	50,320.8	31,895.1	20,109.4
Others	4,616.4	4,360.3	4,325.4	2,381.0	2,048.0	2,497.4	1,792.7
Total	144,093.2	119,645.7	125,053.2	88,521.6	60,333.0	42,859.4	29,172.8
Location	Additions to Fixed And Intangible Assets						
Chattisgarh	204.9	380.0	1,023.6	1,085.2	427.7	461.7	421.9
Andhra Pradesh	13.2	13.4	33.9	30.8	15.7	49.4	54.3
Others	228.3	606.2	1,465.8	130.2	114.7	575.3	77.2
Total	446.4	999.6	2,523.3	1,246.2	558.1	1,086.4	553.4

Note: The Figures for Segment Reporting have been adopted after considering the effects of restatement as detailed in Annexure IVA

	NMDC LIMITED							
	STATEMENT OF CONTINGENT LIABILITIES (CONSOLIDATED)							
(Rs. in millions)								Annexure - XVII
Sl. No.	**Particulars**	**Period ended**		**Year**				
		31-12-2009	**31-12-2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
1	Statutory Claims against the company not acknowledged as debts.*	406.5	150.6	353.3	373.2	98.7	123.1	173.8
2	Claims against the company not acknowledged as debts.**	405.8	356.8	241.5	252.5	652.4	714.9	1,096.3
3	Uncalled Liability on shares partly paid in Krishnapatnam Railway Company Limited.	137.5	287.5	182.5	287.5	-	-	-
4	Estimated amount of contracts remaining to be executed on Capital accounts.	3,780.3	5,091.0	3,732.2	3,185.7	1,168.8	1,018.4	323.6
5	Contingent Liability on Bills discounted under LCs/counter guarantee given for Bank Guarantees.	-	-	155.4	2,476.7	1,680.4	2,384.7	2,354.0
	Total	**4,730.1**	**5,885.9**	**4,664.9**	**6,575.6**	**3,600.3**	**4,241.1**	**3,947.7**

* These include claims under Income Tax, Property Tax, Export Tax, Conservancy Tax, Sales Tax and Other acts.

** These include claims other than those covered in above and include claims by contractors under arbitration and other claims on company not acknowledge as debts.

FINANCIAL STATEMENTS OF SPONGE IRON INDIA LIMITED

Auditor's Report on
Financial Statements of SIIL

Dt.18.02.2010

To
The Board of directors,
Sponge Iron India Limited,
HYDERABAD.

Dear Sirs,

1) We have examined the attached audited financial information of SIIL as approved by the Board of Directors of the Company prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 (the Act) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (SEBI Regulation) in connection with the proposed Equity offering by the selling share holder, the Government of India, in NMDC Limited.

   The preparation and presentation of these financial information is the responsibility of the Company's management.

2) This information has been extracted and audited by us from the financial statements for the nine months period ended 31st December, 2009, and the Financial statements for the years ended 31st March, 2009, 31st March, 2008 and 31st March, 2007 has been audited by the previous auditors, M/s. G. S. Murthy & Associates. The financial information included for these financial years ended i.e., 31st March, 2009, 31st March, 2008 and 31st March, 2007 are based on reports submitted by them and have been relied upon by us while expressing our opinion and reporting on various financial information thereof expressly stated.

   Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the audited financial information appropriately.

3) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed offering of equity shares by the share holders of the Company. Our report should not be used for any other purpose except with our prior written consent.

For A.V. Ratnam & Co.,
Chartered Accountants

CA. V Madhusudhan Phani

NMDC LIMITED

BALANCE SHEET OF SPONGE IRON INDIA LIMITED

SPONGE IRON INDIA LIMITED											
BALANCE SHEET PARTICULARS											
											(Rs. in Million)
					As at 31st		**As at 31st**		**As at 31st**		**As at 31st**
					Dec. 2009		**Mar. 2009**		**Mar. 2008**		**Mar. 2007**
SOURCES OF FUNDS:											
1	SHARE HOLDERS' FUNDS:										
	a)	Capital		650.98		650.98		650.98		650.98	
	b)	Reserves & Surplus		-23.87		73.52		82.69		33.15	
				---------	627.11	---------	724.50	---------	733.67	---------	684.13
2	LOAN FUNDS :										
	a)	Secured Loans		-		-		-		-	
	b)	Unsecured Loans		-		-		-		-	
				---------	-	---------	-	---------	-	---------	-
3	Deferred Tax Liability				59.22		63.05		75.11		79.62
					-----------		-----------		-----------		-----------
		TOTAL			**686.33**		**787.55**		**808.78**		**763.75**
					-----------		-----------		-----------		-----------
APPLICATION OF FUNDS :											
1	FIXED ASSETS :										
	a)	Gross Block		740.09		599.83		598.91		579.20	
		Less:Depreciation		429.82		419.67		406.21		391.96	
				---------		---------		---------		---------	
		Net Block		310.27		180.16		192.70		187.24	
	b)	Capital Work-in-Progress		11.29		2.96		0.00		0.00	
				---------	321.56	---------	183.12	---------	192.70	---------	187.24
					As at 31st		As at 31st		As at 31st		As at 31st
					Dec. 2009		Mar. 2009		Mar. 2008		Mar. 2007
2	CURRENT ASSETS, LOANS & ADVANCES:										
	a)	Current Assets									
		(i)	Inventories	40.88		96.60		42.77		65.65	
		(ii)	Sundry Debtors	36.87		14.52		29.13		49.54	
		(iii)	Cash and Bank Balances	254.64		468.54		550.18		483.05	
		(iv)	Other Current Assets	6.15		0.00		0.00		0.00	
	b)	Loans & Advances		122.34		100.87		67.52		62.32	
				---------		---------		---------		---------	
				460.88		680.53		689.60		660.56	
		Less: Current Liabilities & Provisions:		---------		---------		---------		---------	
			A. Current Liabilities:	51.44		43.63		42.94		62.10	
			B. Provisions:	44.67		32.47		30.58		21.95	

				--------- -		--------- -		--------- -		--------- -	
				96.11		76.10		73.52		84.05	
				--------- -		--------- -		--------- -		--------- -	
	NET CURRENT ASSETS				364.77		604.43		616.08		576.51
					-----------		-----------		-----------		-----------
		TOTAL			**686.33**		**787.55**		**808.78**		**763.75**
					-----------		-----------		-----------		-----------

PROFIT AND LOSS ACCOUNT OF SPONGE IRON INDIA LIMITED

SPONGE IRON INDIA LIMITED								
PROFIT AND LOSS ACCOUNT PARTICULARS								
								(Rs. in Million)
	For 9 months period		For the year ended		For the year ended		For the year ended	
	31st December, 2009		31st March, 2009		31st March, 2008		31st March, 2007	
INCOME:								
Sales Turnover	342.32		456.91		643.28			514.26
Less: Excise Duty	3.45		48.93		85.97			0.00
Net Sales Turnover	----------	338.87	-------- -	407.98	--------	557.31		514.26
Income from Consultancy Contracts		0.00		1.61		3.73		8.76
Other Income		20.80		55.03		47.62		41.21
Increase/(Decrease) in Stock		-51.37		62.03		(17.20)		(1.08)
		---------		-------- -		--------- -		----------
TOTAL		**308.30**		**526.65**		**591.46**		**563.15**
		---------		-------- -		--------- -		----------
EXPENDITURE:								
Consumption of Raw Materials		275.82		333.35		312.08		343.47
Consumption of Stores and Spares		6.45		9.31		13.38		10.11
Power, Fuel and Water		13.01		18.09		20.13		18.81
Payments and Benefits to Employees		87.46		147.39		107.48		99.56
Repairs and Maintenance		3.49		4.80		7.90		5.94
Interest		0.00		0.00		0.00		0.00
Other Expenses		12.73		13.09		17.58		12.57
Depreciation		10.15		13.57		14.29		12.64
		---------		-------- -		--------- -		----------
TOTAL		**409.11**		**539.60**		**492.84**		**503.10**
		---------		-------- -		--------- -		----------
Loss for the year before prior period adjustments and Taxes		-100.81		-12.95		98.62		60.05
Income/(Expenditure) prior period adjustments(net)		-0.36		0.00		0.19		2.88
		---------		-------- -		--------- -		----------
Loss Before Taxes		**-101.17**		**-12.95**		**98.81**		**62.93**
Taxes and provisions:								
a) Current Year Income Tax		0.00		7.66		38.10		23.28
b) Fringe Benefit Tax		0.05		0.62		0.45		0.65
c) Earlier Years Income Tax		0.00		0.00		0.00		2.03
d) Deferred Tax Asset/(Liability)		3.82		12.06		4.51		3.26
		---------		-------- -		--------- -		----------
Loss After Taxes		**-97.40**		**-9.17**		**64.77**		**40.23**
Profit brought forward from previous year		2.03		11.19		11.65		0.94
Profit available for Appropriations		-95.37		2.02		76.42		41.17

Less: Proposed Dividend		0.00		0.00		13.02		8.14
Tax on proposed Dividend		0.00		0.00		2.21		1.38
General Reserve		0.00		0.00		50.00		20.00
		---------		--------		---------		---------
Balance Profit Carried over to Balance Sheet		**-95.37**		**2.02**		**11.19**		**11.65**
		---------		--------		---------		---------

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of the Company's consolidated financial condition and results of operations together with the Company's restated audited consolidated financial statements for the nine months ended December 31, 2009 and December 31, 2008 and each of the years ended March 31, 2007, 2008 and 2009, including the notes thereto and the reports thereon, which appear elsewhere in this Prospectus. These consolidated financial statements have been prepared in accordance with Indian GAAP, the Companies Act, 1956 and SEBI Regulations and restated as described in the report of the Company's auditors dated February 18, 2010 which is included in this Prospectus under "Financial Statements". The consolidated restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS.

The Company's Fiscal ends on March 31 each year; all references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

Overview

The Company was the largest iron ore producer by volume in India in the last three Fiscals (according to the Federation of Indian Mineral Industries). The Company produces iron ore at its mining complexes at Kirandul (Chhattisgarh), Bacheli (Chhattisgarh) and Donimalai (Karnataka), each of which consists of several mines. The Company produces and sells iron ore lump, calibrated lump ore ("CLO") and fine ore. The Company also operates a mechanized diamond mine at Panna (Madhya Pradesh), and a wind power facility in Karnataka with seven wind mills (towers) with generation capacity of 1.50 Mega Watts each.

For the year ended March 31, 2009, approximately 92% of the Company's iron ore sales were made based upon long term sales contracts with customers, both domestic and in the export market. The remaining 8% was sold on the spot market at negotiated prices.

Outlook

The Company received an order dated January 18, 2010 from the Ministry of Corporate Affairs (MCA), Government of India, sanctioning the scheme of merger of Sponge Iron India Ltd. (SIIL) with the Company. The scheme will become effective from the date on which the certified copy of the order of MCA is filed with the Registrar of Companies (ROC), Andhra Pradesh, India. Under the MCA order, the order is required to be filed with the ROC within 30 days of receipt of the order. The Company, through its legal counsel for the merger process, filed an application on February 9, 2010 with the MCA seeking grant of extension of time for filing of the order of merger with the ROC within 30 days of the completion of the allotment of the Offer shares under the disinvestment process. (For further details, see "***Our Business***" on page 68 of this Prospectus). As SIIL is a customer of the Company and a loss making company, its acquisition could have a negative effect on our financial results.

Export duties on iron ore are currently low. Duties on fines were lifted completely (previously 8%), and duties for lump ore were reduced from 15% to 5% in December of 2008. In December of 2009, duties on fines were re-imposed at 5%, and those for lumps were raised to 10%. Increases in duties would result in an increase in our selling expenses. As growth in the demand for iron ore returns, there is a general expectation in India that duties on iron ore exports will be raised across the board.

Certain of the Company's mining operations are located in areas of India that are exposed to risk of attack by rebel groups. Such attacks have had and may continue to have a material adverse effect on our business, results of operations, and financial condition. For example, the slurry pipeline owned and operated by Essar Steel Limited at Chhattisgarh which carried the Company's iron ore slurry production from the Kirandul Complex to Vizag was damaged by Naxalite rebels in May 2009. The slurry pipeline is currently not functioning and, as a result, instead of slurry, the Company is selling fines to the customer by rail from the Kirandul and Bacheli complexes, which has had a material adverse effect on the revenues and profitability that the Company derives from the supply to this customer.

An important aspect of the Company's strategy is to diversify its mining operations to include the extraction of other minerals, including coal and gold. It further intends to diversify its operations by moving downstream through the establishment and operation of steel plants, iron ore pelletisation plants, and beneficiation plants. It can be expected that these diversification activities will have an impact on the Company's future financial condition and results of operation.

Finally, while the global economic downturn has shown signs of recovery, its continued lack of stability may continue to affect the Company's overall business and financial condition going forward.

Critical Accounting Policies

The Company's consolidated financial statements are prepared under the historical cost conventions in accordance with Indian GAAP and the relevant provisions of the Companies Act, 1956. The Company has restated its financial statements for the nine months ended December 31, 2009 and December 31, 2008 and for each of the years ended March 31, 2009, 2008 and 2007 which are included elsewhere in this Prospectus in accordance with SEBI Regulations. (See Notes on Adjustment made for Restated Consolidated Financial Statements, Annexure IVA.)

Preparation of financial statements in accordance with Indian GAAP and the provisions of the Companies Act, as well as their restatement to reflect guidance as per SEBI Regulations, require the Company's management to make judgements, estimates and assumptions that affect the reported amounts of the Company's assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenue and expenses. These judgements, assumptions and estimates are reflected in the Company's accounting policies.

Certain key accounting policies relevant to the Company's business and operations are described below. For a more detailed description of the Company's significant accounting policies, see Annexure V of the Consolidated Restated Financial Statements under Indian GAAP included in this Prospectus.

Revenue Recognition

Revenue from the sale of iron ore products in the export market is recognized on the date of shipping. However, final adjustments are made in the year of receipt by the purchaser. Revenue from the sale of iron ore products in the domestic market is accounted for on the date of receipt by the railway or trucking company.

Inventory

Items of inventory are carried on the Company's balance sheet at value as determined by management on the following basis:

Finished Goods: At cost or net realisable value, whichever is lower.

Work in Process: At cost or net realisable value, whichever is lower.

Work in Process-Consultancy Contract Job: At cost.

Stores and Spares (including spare parts primarily for heavy equipment such as, drills, shovels, dozers, plant equipment, etc): At cost according to the weighted average method. However, certain items such as stationery, medical, canteen, school stores, cotton waste, hospital stores and lab stores (excluding for the R&D Lab) are expensed on procurement.

Stores and Spares not moved for five years or more and identified as obsolete by technical assessment: At Re. 1 per unit.

Stores in Transit: At cost.

Loose Tools and Implements: At cost per the weighted average method.

No credit is taken in the accounts in respect of: stock of run of mine ore, embedded ore, low grade ore of the Kumaraswamy Mine and slimes in the case of Iron Ore; stock of run of mine ore generated during the construction period pending assessment of quality and saleability; partly used stores and spares kept as stores; or surplus/obsolete stores and spares awaiting disposal and not disposed of.

Fixed Assets

Fixed Assets are stated at historical cost. Assets acquired/constructed by the Company with subsidies provided by Iron Ore Mines Labour Welfare Cess Fund and/or Government Grants are capitalised once fully operational to the extent of the actual cost to the Company, i.e., net of the amount of the subsidy, if any. However, the work-in-progress and the subsidy thereon are shown separately until capitalisation.

Depreciation

Depreciation is provided on the straight line method and is based on the technically assessed life of fixed assets. These rates are generally equal or higher than the rates provided in schedule XIV of the Companies Act, 1956 resulting in higher depreciation charged to the Profit and Loss account each year.

At each balance sheet date the Company reviews the carrying amount of the fixed assets to determine whether there are factors giving rise to any indications of impairment. If any such factors exist, the Company provides for impairment loss as prescribed in Accounting Standard 28 – "Impairment of Assets" issued by the Institute of Chartered Accountants of India.

Employee Benefits

Payments under Employees' Family Benefit Scheme: Under the Company's employees' family benefit scheme, monthly payments are made until the normal date of retirement to family members of those employees who are discharged from service due to medical reasons or death (per the amount envisaged in the scheme), and liability for the payments are accounted for on the basis of actuarial valuation.

Leave Travel Concession: (Encashment/Availment): Liability towards encashment/availment of the leave travel concession is accounted for on the basis of actuarial valuation.

Gratuity: Gratuity payable to eligible employees is administered by a separate trust, which is subscribed to a Group gratuity policy with the Life Insurance Corporation of India ("LIC"). Demands made by the trust, including the annual contribution and risk premiums for future service gratuity of the LIC policy, are charged to profit and loss account.

Accrued Leave Salary: Liability towards accrued leave salary, as at the end of the year, is recognized on the basis of actuarial valuation and remitted to a fund maintained by LIC.

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. The liability towards Settlement Allowance is remitted to a fund maintained by LIC.

Mine Closure Obligation

The liability to meet the obligation of mine closure and restoration of the environment as per the Mines and Minerals (Development and Regulation) Act 1957 at the time of closure of the mine has been estimated by the Company on the basis of technical assessment of the likely cost of restoration and charged to the profit and loss account on the basis of run of mine ore production of the mine. The liability is remitted to a fund maintained by LIC. Provisions relating to mine closure obligations are reflected in "Other Expenses".

Factors Affecting Results of Operations and Financial Condition

The Company's results of operations and financial condition have been and will continue to be affected by a number of factors, including those set forth in the "Risk Factors" section in this Prospectus and the following factors, some of which may not be within the Company's control and/or may not be indicative of future results of operations.

Price of Products – Iron Ore

The unit prices of lump, CLO and fines for sale in the domestic and export markets for long-term customers are primarily based on their iron (Fe) content, and the terms of the sales contracts themselves. The Company's sales agreements generally contain a quantity allocation provision while the exact quantity to be supplied is negotiated on a yearly basis. The prices are agreed between the parties on a year to year basis for the duration of the contract. Most of the long-term agreements with domestic customers are due for renewal from April 2010 and for exports from April 2011. Consequently, the Company may be subject to fluctuations in iron ore product prices upon renewal of these contracts. Furthermore, there is a provision in all domestic long-term contracts for adjustment of prices in case of a variation in the market price of more than 25% during the course of the year. In addition, the Company's exports to China are based upon the spot market. Prices may be affected by a number of factors, including but not limited to the global and Indian supply of and demand for iron ore products and the performance of the Indian steel industry. See "***Industry Overview***" on page 60 of this Prospectus.

The following table sets forth the average sales realized by the Company per tonne of iron ore for the periods indicated:

	Nine Months Ended December 31		Year Ended March 31,		
	2009	2008	2009	2008	2007
	(Rs./tonne)				
Export (Average Gross Realisation)	3,102	4,291	4,414	2,317	2,228
Domestic (Average Realisation)	2,355	2,840	2,588	1,979	1,543
Total average realisation	2,468	2,954	**2,856**	**2,024**	**1,630**

Interruption of Operations

Certain of the Company's mining operations are located in areas of India that are exposed to risk of attack by rebel groups. Such attacks have had and may continue to have a material adverse effect on our business, results of operations, and financial condition. For example, the slurry pipeline owned and operated by Essar Steel Limited which was used to transport the Company's iron ore from the Kirandul Complex to the customer's facility in Vizag was damaged by Naxalite rebels in May of 2009. This has had a materially adverse effect on the revenues and profitability of the Company during the nine month period ended December 31, 2009. See "***Risk Factors***" on page xiii of this Prospectus.

Sales Volume

The sales volume of the Company's products is generally dependent upon the demand for the Company's products in domestic and export markets, production capacity and the availability of reliable and adequate transportation facilities. In addition, global economic conditions have a direct impact on such demand for the Company's products.

The following table sets forth the production and sales volume and sales turnover of the Company's iron ore products for the periods indicated:

	Nine Months Ended December 31		Year Ended March 31,		
	2009	2008	2009	2008	2007
	(millions of tonnes)				
Iron ore produced (lump and fine)	16.90	19.51	28.52	29.82	26.23
Iron ore sold (lump and fine)	17.21	19.05	26.47	28.18	25.59
Iron ore Sales Revenue (Rs. In millions)	2,463.2	56,262.0	75,591.1	57,053.2	41,709.2

Transportation Costs

The Company transports its iron ore products to port for export by rail. The Company's sale to domestic customers is on a "free on rail" / "free on truck" basis. Consequently, transportation is to be arranged by the customers at their cost. The railway freight costs, incurred by us on exports, comprised 34%, 22% and 21% of the Company's expenditures in the years ended March 31 2009, 2008 and 2007, respectively.

Railway freight rates are subject to revision by the Indian Railways and are beyond the control of the Company. Similarly, supply of rakes for ore transportation depends on the railways, and a shortage in supply of rakes is currently being experienced.

Generally, customers seek transportation of ore by road only where direct rail link is not available or uneconomical.

Foreign Exchange Rate Fluctuations

Export sales of iron ore accounted for 19% of the Company's total iron ore sales revenues in the nine months ended December 31, 2009 and 23% in Fiscal 2009. As the export sales are routed through MMTC Limited, the revenues paid to the Company are in Indian currency, although based upon the sales price in US dollars to MMTC Limited Consequently, fluctuation in the exchange rate of the Rupee against the US dollar will impact the Company's revenues. The Company does not engage in any hedging activities, however, from time to time, may engage in forward cover transactions with MMTC Limited to guard against fluctuations in connection with Forex.

Royalties

Royalty on Iron ore is payable on production at the rates determined by the Government. The royalty rates are subject to periodic revision. Royalty forms a part of the sale price applicable to domestic customers only. In August 2009, there was a change in royalty rates on iron ore to an ad valorem rate of 10% of sale value. Prior thereto, since 2004, royalty was being paid at a rate of Rs. 27 per tonne for lump ore and Rs. 19 per tonne for fine ore having an Fe content of 65% and above. Royalty on diamonds is currently paid on ad valorem basis.

Revenues

The Company's income consists primarily of: sales revenues from iron ore; sales revenue from diamonds; sales revenues from electricity generated by wind power operations; income from consultancy services and charges for use of the Company's iron ore screening plant; and other income, primarily interest earned from deposits with banks.

The table below sets forth the Company's total revenues for the periods indicated:

	Nine Months Ended December 31		**Year Ended March 31,**		
	2009	**2008**	**2009**	**2008**	**2007**
	(Rs. in millions)				
Income:					
Sales					
Iron ore – Export (through MMTC)	8,087.8	6,414.8	17,100.1	8,752.8	7,264.0
- Domestic	34,375.4	49,847.2	58,491.0	48,300.4	34,445.2
Total Iron Ore	42,463.2	56,262.0	75,591.1	57,053.2	41,709.2
Diamonds	13.7	0	0	37.5	106.0
Others	-	0.8	0.8	0.9	13.4
Total Sales Revenue	42,476.9	56,262.8	75,591.9	57,091.6	41,828.6
Income from Services	22.9	16.9	26.2	21.5	29.8
Income from Sale of Power (Wind)	57.8	-	22.2	-	-
Total Income from Operations (Revenue)	42,557.6	56,279.7	75,640.3	57,113.1	41,858.4
Other Income	6,162.0	6,583.6	8,840.4	6,705.3	3,546.9
Accretion/(Decretion) to Stock	105.8	734.0	1,273.9	301.7	(64.9)
Total...	**48,825.4**	**63,597.3**	**85,754.6**	**64,120.1**	**45,340.4**

The Company generates a significant portion of its revenue from certain key customers. In particular, Rashtriya Ispat Nigam Limited (RINL) and Essar Steel Limited together accounted for 37% and 37% of our iron ore sales revenue in Fiscal 2009 and for the nine months ended December 31, 2009, respectively. The Company's contracts with its customers are generally for a duration of five years, with most of the current agreements in respect of domestic sales due to expire on March 31, 2010 and most of the current agreements for exports due to expire in 2011.

Expenditures

The major components of the Company's expenditures are: consumption of stores and spares; payments and benefits to employees; railway freight and other selling expenses on exports; royalty; and other expenses consisting mainly of security expenses and expenditure on Corporate Social Responsibility. The Company's total expenditures, as a percentage of the Company's total income, were 22%, 23% and 23% for Fiscal 2009, 2008 and 2007 respectively.

Set forth below is a table showing the Company's consolidated expenditures (excluding depreciation and deferred revenue expenditure) as restated for the nine months ended December 31, 2009 and December 31, 2008, and for the years ended March 31, 2009, 2008 and 2007.

	Nine Months Ended December 31		Year Ended March 31,		
	2009	2008	2009	2008	2007
	(Rs. in millions)				
Expenditure:					
Raising and Transportation Charges........................	267.9	296.6	443.3	253.8	186.4
Consumption of Raw Materials, Stores and Spares	1,389.3	1,359.8	2,135.2	1,753.3	1,574.6
Power, Electricity and Water	329.2	314.4	422.1	474.0	427.4
Payments and Benefits to Employees......................	2,708.4	3,304.1	4,211.4	3,556.2	1,978.0
Repairs and Maintenance	393.9	268.2	516.4	394.3	296.6
Royalty and Cess...	2,291.5	435.4	627.9	543.6	895.6
Selling Expenses – Freight......................................	2,572.9	4,077.0	6,502.3	3,160.7	2,215.0
Selling Expenses – Other	874.4	1,814.5	2,039.5	2,024.9	704.9
Other Expenses..	1,446.3	987.1	1,666.4	1,914.9	1,262.8
Sub-Total	12,273.8	12,857.1	18,564.5	14,075.7	9,541.3
Less: Transfer to Capital Accounts.........................	51.3	17.9	55.9	62.7	18.0
Net Operating Expenses	**12,222.5**	**12,839.2**	**18,508.6**	**14,013.0**	**9,523.3**

Raising and Transportation Charges

Iron ore is transported by conveyors from the Company's screening plant to the Company's loading plant stock pile for loading into railway wagons. However, sometimes, due to saturation of stock piles, the ore is temporarily stored at various sites away from the loading plant. Raising and transportation charges represent expenditures incurred on the transportation of the ore from the various storage sites and loading the ore into wagons. In addition, where manual mining and screening operations are undertaken, the expenditure incurred thereon is accounted for under raising and transportation.

Power, Electricity and Water

Power, electricity and water represent the costs incurred by the Company in connection with the purchase of power, electricity and water for the operation of the mines, as well as supply to townships.

Payments and Benefits to Employees

Payments and benefits to employees represent salaries, allowances and incentives, gratuity and other welfare costs to employees.

Repairs and Maintenance

Repairs and maintenance includes the costs incurred by the Company in connection with the repairs and ongoing maintenance of the Company's heavy earth moving equipment, plants, conveyor belts, civil structures and vehicles.

Royalty and Cess

Royalty is payable on iron ore production at rates determined by the Government. Royalty on diamonds is paid on an ad valorem basis. Royalty also includes "dead rent", which is a fee payable with respect to mines not in operation but for which the Company is holding a lease.

Selling Expenses

Railway Freight

Railway freight charges consist of the cost of transporting the Company's iron ore, from the loading plant to the port, for export purposes. Railway freight charges in the domestic market are payable by the customer.

Other Selling Expenses

Other selling expenses consist of unloading charges, port charges, export duty, railway siding and shunting charges, sampling and draft survey charges and other export related expenses.

Other Expenses

The major components of other expenses are provisions for mine closure obligation under the Mines and Minerals (Development and Regulation) Act, 1957, industrial security expenditure, expenditure on Corporate Social Responsibility, insurance and other administrative and office running expenses like travelling, postage and stationery, publicity and advertisements, environmental development, consultancy fees and audit fees, etc.

Provision for Income Tax

Provision for income tax comprises both current and deferred taxes. Current tax is the amount of tax payable on the estimated taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised as a result of timing differences, being the difference between taxable income and accounting income that originates in one period and is capable of reversal in another subsequent period(s).

The Company's Results of Operations

Nine Months Ended December 31, 2009 compared with the Nine Months Ended December 31, 2008

Revenues

The Company's revenues (income from operations) for the nine months ended December 31, 2009 declined by 24.38 % to Rs. 42,557.6 million from Rs. 56,279.7 million for the nine months ended December 31, 2008. The decrease is partially attributable to the onset of the global recession in the third quarter of the year ended March 31, 2009 which resulted in a decrease in sales revenue from iron ore, due both to the decline in sales quantities (which declined by 1.84 million tonnes or 9.67 %) and in prices. In addition, rebel attacks in May 2009 leading to damage to the slurry pipeline owned and operated by Essar Steel Limited, contributed to this decrease in sales revenue from iron ore. The wind mill power generation project generated Rs. 57.8 million in revenue during the nine months ended December 31, 2009.

Other Income

Other income during the nine months ended December 31, 2009 declined by 6.40%, when compared to the corresponding period of the previous year. A sharp decline in the average interest yield on bank deposits, by 2.56% (from 8.11% for the nine months ended December 31, 2008 to 5.52% during the nine months ended December 31, 2009), was offset to a large extent by an increase in the amount of bank deposits (Rs. 31,958 million more than the corresponding period of the previous year).

Expenditure

The Company's total expenditure (including depreciation and deferred revenue expenditure) decreased by 4.63% to Rs. 12,747.8 million for the nine months ended December 31, 2009 from Rs. 13,366.3 million for the nine months ended December 31, 2008. The decrease was primarily due to (i) a reduction in freight expenditure as the average freight rate per tonne has declined substantially during the nine months ended December 31, 2009, (ii) reduction in export related selling expenses and (iii) payments and benefits to employees.

Consumption of Stores and Spares

There was a marginal increase of 2.17% in consumption of stores and spares, from Rs. 1,359.8 million during the nine months ended December 31, 2008 to Rs. 1,389.3 million during the nine months ended December 31, 2009. The increase is primarily due to the routine replacement of certain spares, including apron feeders, bucket assemblies and dumper engines.

Payments and Benefits to Employees

Expenditure on account of payments and benefits to employees decreased by 18.03% from Rs. 3,304.1 million for the nine months ended December 31, 2008 to Rs. 2,708.4 million for the nine months ended December 31, 2009. This decrease was mainly due to additional provisions made during the nine months ended December 31, 2008 for enhanced gratuity.

Royalty and Cess

Royalty expenses increased by 426.30%, from Rs. 435.4 million for the nine months ending December 31, 2008 to Rs. 2,291.5 million for the nine months ending December 31, 2009. This increase is primarily due to a change in royalty rates to an ad valorem rate of 10% of sale value, effective August 13, 2009. Previously, royalty was being paid at a rate of Rs. 27 per tonne and Rs. 19 per tonne for lump and fines, respectively, that had an Fe content 65% and above. The impact of this change was Rs. 1,929.29 million, which was partially offset by a decrease in production quantity of 2.6 million tonnes. Expenditure on royalty for the nine months ended December 31, 2008 included royalty of Rs. 90.3 million claimed by the State Government with retrospective effect. The effect of such payments has been considered in connection with the restated accounts by factoring them into the respective years to which they pertain.

Railway Freight

There was a decrease of 36.90%, from Rs. 4,077.0 million for the nine months ended December 31, 2008 to Rs. 2,572.9 million for the nine months ended December 31, 2009. This decrease is primarily due to a decrease in the weighted average freight rate, from Rs. 1,529 per metric tonne during the nine months ended December 31, 2008 to Rs. 1,057 per metric tonne during the nine months ended December 31, 2009 and also due to reduction in the quantities of iron ore dispatched for exports by 0.2 million tonnes.

Selling Expenses

Export duty on iron ore fines was lifted completely as of December 2008 and reduced for lump ore from 15% to 5%, which contributed to the decrease in selling expenses by 51.81%, from Rs. 1,814.5 million for the nine months ended December 31, 2008 to Rs. 874.4 million for the nine months ended December 31, 2009.

Other Expenses

The Company expended a higher amount on Corporate Social Responsibility (increasing from Rs. 124.6 million for the nine months ended December 31, 2008 to Rs. 521.8 million for the nine months ended December 31, 2009). This has partly contributed to an overall increase in other expenses of 47%, from Rs. 987.1 million for the nine months ended December 31, 2008 to Rs. 1,446.3 million for the nine months ended December 31, 2009. The increase was also attributable to an increase in security forces located at the production projects and the expenditure related thereto which increased from Rs. 184.3 million for the nine months ended December 31, 2008 to Rs. 275.1 million for the nine months ended December 31, 2009 or by 49%.

Profit before Tax

The Company's profit before tax decreased by 28%, to Rs. 36,077.6 million for the nine months ended December 31, 2009, from Rs. 50,231.0 million for the nine months ended December 31, 2008, primarily as a result of a decrease in sales quantity of 1.84 million tonnes and the impact of the decline in the price of iron ore.

Provision for Taxation

The Company's provision for taxation decreased by 28% to Rs. 12,262.5 million for the nine months ended December 31, 2009, from Rs. 17,137.4 million for the nine months ended December 31, 2008, due to lower profits. The applicable tax rate for the nine months ended December 31, 2009 and December 31, 2008 was 33.99%.

Net Profit after Tax

The Company's net profit after tax decreased by 28% to Rs. 23,815.1 million for the nine months ended December 31, 2009, from Rs. 33,093.6 million for the nine months ended December 31, 2008. Net Profit after tax as a percentage of total revenues was 49% for the nine months ended December 31, 2009 as compared to 52% for the nine months ended December 31, 2008.

Adjusted and Restated Net Profit after Tax

The Company's adjusted and restated net profit after tax for the nine months ended December 31, 2009 was Rs. 23,896.5 million, down from Rs. 33,143.1 million for the nine months ended December 31, 2008. This decrease amounted to 28%. Changes on account of accounting policies, prior period items, and taxation have been considered for purposes of the restated accounts. These changes have resulted in an increase in adjusted and restated net profits after tax by Rs. 9.5 million and Rs. 81.4 million for the nine months ended December 31, 2008 and 2009, respectively.

Fiscal 2009 compared with Fiscal 2008

Revenues

The Company's total revenues (income from operations) increased by 32.44% to Rs. 75,640.3 million for the year ended March 31, 2009 from Rs. 57,113.1 million in ended March 31, 2008. There was an increase in sales prices of iron ore for a majority of the year ended March 31, 2009 which resulted in an increase in iron ore sales of Rs. 20,699.7 million. The increase was, however, partially offset by a decline in sales quantities of 1.71 million tonnes of iron ore due to the onset of the recession beginning October-November 2008, and a decrease in prices in the latter part of this period, resulting in a reduction in sales of Rs. 2,161.8 million.

Other Income

Other income for the year ended March 31, 2009 increased by 31.84% when compared with the year ended March 31, 2008 on account of an increase in the balance of bank deposits by Rs. 25,743 million, though there was a slight decline in the average interest yield on deposits of 0.33%.

Expenditure

There was an increase in exports for the year ended March 31, 2009 which contributed to the increase in selling expenses. Total expenditures increased by 31.60%, to Rs. 19,273.6 million for the year ended March 31, 2009, from Rs. 14,645.4 million for the year ended March 31, 2008. This increase was mainly due to an increase in freight rates and also to the increase in export volume that resulted in an increase in freight expenses and other selling expenses.

Consumption of Stores and Spares

There was an increase in expenditure for consumption of stores and spares by 21.78%, from Rs. 1,753.3 million for the year ended March 31, 2008, to Rs. 2,135.2 million for the year ended March 31, 2009. The increase was primarily due to the routine replacement of spares, including gear boxes, and apron feeders, and also due to increased waste mining for preparation of mining benches in iron ore units.

Payment and Benefits to Employees

There was an increase of 18.42% in payments and benefits to employees from Rs. 3,556.2 million for the year ended March 31, 2008 to Rs. 4,211.4 million for the year ended March 31, 2009. This increase was primarily due to wage revision provisions that were effective January 1, 2007 with respect to employees.

Royalty and Cess

Royalty arrears pertaining to some previous years were paid during the year ended March 31, 2009 which resulted in a 15.51% increase from Rs. 543.6 million for the year ended March 31, 2008 to Rs. 627.9 million, despite an actual decrease in production of iron ore. This effect has been reflected in the restatements of the financial statements at the level of net profit after tax as adjusted.

Repairs and Maintenance

There was a 30.97% increase in expenditure from Rs. 394.3 million for the year ended March 31, 2008 to Rs. 516.4 million for the year ended March 31, 2009. The increase was primarily on account of scheduled maintenance and repair contract charges paid to equipment suppliers and also due to road improvements made at the Bacheli Complex.

Railway Freight

The dispatch quantity of iron ore for exports increased by 0.96 million tonnes during the year ended March 31, 2009. This contributed to an increase in expenditure on railway freights, by 105.72%, from Rs. 3,160.7 million for the year ended March 31, 2008 to Rs. 6,502.3 million for the year ended March 31, 2009. There was also an increase in freight rates over this period, with average railway freight rates increasing from Rs. 822 per metric tonne for the year ended March 31, 2008 to Rs. 1,433 per metric tonne for the year ended March 31, 2009. The increase in expenditure on railway freight was Rs. 2,831 million on account of price variance and Rs. 510 million on account of quantity variance.

Selling Expenses

For the year ended March 31, 2009, at Rs. 2,039.5 million, selling expenses remained stable.

Other Expenses

There was a 12.98% decrease in other expenses from Rs. 1,914.9 million for the year ended March 31, 2008 to Rs. 1,666.4 million for the year ended March 31, 2009. Rs. 250 million was provided for in the year ended March 31, 2008 in relation to the Golden Jubilee award to employees. There was no such expenditure for the year ended March 31, 2009. Furthermore, there was a decrease in advertising expenditure, which was partially offset by an increase in expenditure towards corporate social responsibility and security forces located at the production projects.

Profit before Tax

The Company's profit before tax increased by 34.37% to Rs. 66,481 million for the year ended March 31, 2009, from Rs. 49,474.7 million for the year ended March 31, 2008, primarily as a result of an increase in the sales prices of iron ore, and also due to an increase in interest income from deposits in banks. Profit before tax as a percentage of total revenues was 77.52% for the year ended March 31, 2009 as compared to 77.16% for the year ended March 31, 2008.

Provision for Taxation

The Company's provision for taxation increased by 34.15% to Rs. 22,758.5 million for the year ended March 31, 2009, from Rs. 16,964.9 million for the year ended March 31, 2008, due to higher profits. The Company's applicable tax rate for the years ended March 31, 2008 and 2009 was 33.99%.

Net Profit after Tax

The Company's net profit after tax increased by 34.49% and stood at Rs. 43,722.5 million for the year ended March 31, 2009, compared to Rs. 32,509.8 million for the year ended March 31, 2008. Net Profit after tax as a percentage of total revenue was 50.98% for the year ended March 31, 2009, as compared to 50.70% for the year ended March 31, 2008.

Adjusted and Restated Net Profit after Tax

The Company's adjusted and restated net profit after tax increased by 32.36% to Rs. 43,494.9 million for the year ended March 31, 2009, as compared to Rs. 32,859.8 million for the year ended March 31, 2008. Adjusted and restated net profit after tax as a percentage of total revenue was 50.72% for the year ended March 31, 2009 as compared to 51.25% for the year ended March 31, 2008.

The changes due to accounting policies, prior period items and taxation have been considered in the restated accounts. The latter considerations have resulted in a decrease in adjusted and restated net profits after tax by Rs. 227.6 million for the year ended March 31, 2009 and an increase of Rs. 350 million in adjusted and restated net profit after tax for the year ended March 31, 2008.

Fiscal 2008 compared with Fiscal 2007

Revenues

The Company's total revenues (income from operations) increased by 36.44%, to Rs. 57,113.1 million for the year ended March 31, 2008, from Rs. 41,858.4 million for the year ended March 31, 2007. There was an increase in sales revenues of iron ore attributable to both the increase in iron ore prices (Rs. 11,452.7 million) and an increase in the sales quantity of iron ore by 2.60 million tonnes (Rs. 3,891.3 million). The increase in sales revenue from iron ore was only marginally offset by the decline in sales quantities of diamonds (Rs. 86.9 million).

Other Income

Bank deposits during the year ended March 31, 2008 increased by Rs. 23,180 million compared to the year ended March 31, 2007, and the average interest yield also increased from 8.05% to 10.71%. This contributed to an increase in other income for the year ended March 31, 2008 as compared to the year ended March 31, 2007.

Expenditure

There was substantial increase in production during the year ended March 31, 2008, as compared to the year ended March 31, 2007 (3.59 million tonnes). This contributed to an increase in expenditure on account of direct costs. Export dispatches during the year ended March 31, 2008 increased substantially over the previous Fiscal, contributing to the increase in selling expenses. There was also an increase in freight rates, resulting in an increase in freight expenses. The increase in expenditure is also attributable to wage revision provisions.

Consumption of Stores and Spares

There was a substantial increase in production during the year ended March 31, 2008 as compared to the year ended March 31, 2007 (3.59 million tonnes). This was the main reason for an 11.35% increase in expenditure for consumption of stores and spares from Rs. 1,574.6 million for the year ended March 31, 2007 to Rs. 1,753.3 million for the year ended March 31, 2008. Furthermore, there were routine spare replacements (shovels, drills, dumpers, conveyor belts, etc.) which also contributed to the increase in expenditure thereto.

Payment and Benefits to Employees

There was an increase of 79.78% in payments and benefits to employees from Rs. 1,978 million for the year ended March 31, 2007 to Rs. 3,556.2 million for the year ended March 31, 2008. This increase is primarily due to wage revision provisions, the Accounting Standard 15 provision, golden jubilee special incentives and an increase in the dearness allowance, special incentive payable to employees, among other things.

Royalty and Cess

There was a decrease of 39.30% in royalties from Rs. 895.6 million for the year ended March 31, 2007 to Rs. 543.6 million for the year ended March 31, 2008.

Repairs and Maintenance

There was an increase of 32.93% in repairs and maintenance from Rs. 296.6 million for the year ended March 31, 2007 to Rs. 394.3 million for the year ended March 31, 2008.

Railway Freight

The quantity of dispatches for export rose by 0.68 million tonnes during the year ended March 31, 2008, as compared to the year ended March 31, 2007, resulting in an increase in expenditure on railway freight. Furthermore, there was also an increase in freight rates in the year ended March 31, 2008, compared with rates applicable to the previous Fiscal. This led to an increase in expenditure of 42.69% (Rs. 474.6 million on account of quantity variance and Rs. 471.1 million on account of price variance) from Rs. 2,215.0 million for the year ended March 31, 2007 to Rs. 3,160.7 million for the year ended March 31, 2008.

Selling Expenses

Export duties with effect from March 1, 2007 were levied for the first time at Rs. 300 per tonne, and thus expenditure on export duties were incurred for only one month in the year ended March 31, 2007. This levy continued through the year ended March 31, 2008. Mainly for this reason, selling expenditure was higher by 187.26%, or Rs. 1,320 million, for the year ended March 31, 2008 as compared to the year ended March 31, 2007.

Other Expenses

An amount of Rs. 250 million was provided during the year ended March 31, 2008 towards the golden jubilee award, to be paid in 2009 to employees upon the 50th anniversary of incorporation of the Company, contributing to the 51.64% increase, from Rs. 1,262.8 million for the year ended March 31, 2007 to Rs. 1,914.9 million for the year ended March 31, 2008. Furthermore, there was an increase in expenditure on account of advertisements, and CISF (central industrial security forces) security expenditure.

Profit before Tax

The Company's profit before tax increased by 41.42% to Rs. 49,474.7 million for the year ended March 31, 2008, from Rs. 34,983.1 million for the year ended March 31, 2007, primarily as a result of an increase in the price of iron ore, and also due to an increase in interest income from deposits in banks. Profit before tax as a percentage of total revenue was 77.16% for the year ended March 31, 2008, as well as the year ended March 31, 2007.

Provision for Taxation

The Company's provision for taxation increased by 44.00%, to Rs. 16,964.9 million for the year ended March 31, 2008 from Rs. 11,781.0 million for the year ended March 31, 2007, due to higher profit. The Company's applicable tax rate for the year ended March 31, 2008 and 2007 was 33.99%.

Net Profit after Tax

For the reasons stated above, the Company's net profit after tax increased by 40.11% to Rs. 32,509.8 million for the year ended March 31, 2008 from Rs. 23,202.1 million for the year ended March 31, 2007. Net Profit after tax as a percentage of total revenues was 50.70% for the year ended March 31, 2008 as compared to 51.17% for the year ended March 31, 2007.

Adjusted and Restated Net Profit after Tax

The Company's adjusted and restated net profit after tax for the year ended March 31, 2008 was Rs. 32,859.8 million, as compared to Rs. 23,105.1 million for the year ended March 31, 2007, and this increase amounted to 42.22%. Changes on account of accounting policies, prior items and taxation have been considered for purposes of the restatement of financials. The latter considerations have resulted in an increase in adjusted and restated net profits after tax of Rs. 350 million for the year ended March 31, 2008 and a decrease in adjusted and restated net profit after tax by Rs. 97 million for the year ended March 31, 2007.

Fiscal 2007 compared with Fiscal 2006

Revenues

The Company's total revenues (income from operations) increased by 12.8% to Rs. 41,858.4 million in the year ended March 31, 2007, from Rs. 37,109.2 million in the year ended March 31, 2006. The increase was primarily due to an increase in sales revenue and sales quantity of iron ore and interest on deposits with banks. Iron ore prices applicable to Japanese steel mills (export customers) increased by about 20% during the year ended March 31, 2007 over prices of the previous Fiscal, and total sales quantities also increased by 0.74 million tonnes. This increase was, however, partially offset by the decline in sales revenue from the sale of diamonds.

Other Income

Other income during the year ended March 31, 2007 increased by 77.40% over that of the year ended March 31, 2006. Bank deposits increased by Rs. 17,714.3 million over the corresponding period.

Expenditure

Despite an increase in iron ore production during the year ended March 31, 2007 by 14.44 % over production of the previous year, there was a reduction of expenditures by 9.55%. The decrease was attributable to a decrease in export dispatches (3.26 million tonnes in 2007 compared to 6.05 million tonnes in 2006) resulting in a decrease in freight expenses and selling expenses. Furthermore, the impairment loss during the year ending March 31, 2007, was only Rs. 221.8 million, compared to Rs. 505.7 million for the previous year.

Consumption of Stores and Spares

The increase in production by 3.29 million tonnes in the year ended March 31, 2007 over the production of the previous Fiscal was one of the main reasons for an increase in expenditure of 5.18% for the consumption of stores and spares in the year ended March 31, 2007 compared to the year ended March 31, 2006. This increase was also attributable to an increase in ore crushing screening and loading (OCSL) plant spares consumption, tyres and explosives, and an increase in explosives and lubricants, which vary directly with production levels.

Payment and Benefits to Employees

There was an increase of 9.71% from Rs. 1,803.0 million for the year ended March 31, 2006 to Rs. 1,978.0 million for the year ended March 31, 2007. This increase was primarily due to incentive payments, an increase in allowances on account of inflation, and an increase in welfare expenses for employees.

Royalty and Cess

There was an increase of 63.55% from Rs. 547.6 million from the year ended March 31, 2006 to Rs. 895.6 million for the year ended March 31, 2007. This was due to a provision for infrastructure cess and environmental development cess, amounting to Rs. 136.5 million for the year ended March 31, 2006 that was accounted for in the year ended March 31, 2007. This was considered for purposes of the restatement of financials.

Repairs and Maintenance

There was an increase of 30.32% from Rs. 227.6 million for the year ended March 31, 2006 to Rs. 296.6 million for the year ended March 31, 2007.

Railway Freight

There was a decrease of 40.72% from Rs. 3,737 million for the year ended March 31, 2006 to Rs. 2,215.0 million for the year ended March 31, 2007. This decrease is primarily due to a lesser quantity of exports by 2.78 million tonnes for the year ended March 31, 2007.

Selling Expenses

For the year ended March 31, 2007, selling expenses decreased to Rs. 704.9 million, as compared to Rs. 849.0 million for year ended March 31, 2006.

Other Expenses

There was an increase of 21.48% from Rs. 1,039.5 million for the year ended March 31, 2006 to Rs. 1,262.8 million for the year ended March 31, 2007. This increase is primarily due to an increase in corporate social responsibility, expenditure, restoration of conveyor belts, CISF expenses and provision for mine closure obligations.

Profit before Tax

The Company's profit before tax increased by 26.28% to Rs. 34,983.1 million for the year ended March 31, 2007 from Rs. 27,701.3 million for the year ended March 31, 2006, primarily as a result of the increase in the sales prices of iron ore, an increase in sales volumes, and also due to an increase in interest income from deposits in banks. Profit before tax as a percentage of total revenues was 77.16% for the year ended March 31, 2007 as compared to 70.75% for the year ended March 31, 2006.

Provision for Taxation

The Company's provision for taxation increased by 25.02% to Rs. 11,781.0 million for the year ended March 31, 2007 from Rs. 9,423.3 million for the year ended March 31, 2006, due to higher profit. The applicable tax rate for the year ended March 31, 2007 and 2006 was 33.99%.

Net Profit after Tax

The Company's profit after tax increased by 26.94% to Rs. 23,202.1 million for the year ended March 31, 2007 from Rs. 18,278 million for the year ended March 31, 2006. Profit after tax as a percentage of total revenues was 51.17% for the year ended March 31, 2007 as compared to 46.68% for the year ended March 31, 2006.

Adjusted and Restated Net Profit after Tax

The Company's adjusted and restated net profit after tax for the year ended March 31, 2007 was Rs. 23,105.1 million as against Rs. 17,789.9 millions for the year ended March 31, 2006, and this increase amounted to 29.88%. For this accounting period, prior items and tax were considered for purposes of restatement. These have resulted in a decrease in adjusted and restated net profits after tax of Rs. 97 million and Rs. 488.1 million for the years ended March 31, 2007 and 2006 respectively.

Review of Assets and Liabilities

Fixed Assets

Fixed assets comprise:

- gross block, which is mainly comprised of plant, machinery and equipment, but also includes vehicles, leasehold land, electrical installations and other fixed assets; and

- capital work in progress, including advances for capital expenditures, is mainly comprised of capital assets in construction or capital assets on order.

The following table illustrates the Company's fixed assets as of December 31, 2009 and 2008 and as of March 31, 2009, 2008 and 2007:

	As at December 31		As at March 31,		
	2009	2008	2009	2008	2007
	(Rs. in millions)				
Fixed Assets:					
Gross Block	17,110.1	15,209.6	16,691.9	14,214.0	13,041.5
Less: Depreciation..	9,688.7	9,030.4	9,225.4	8,533.4	7,992.5
Net Block...	7,421.4	6,179.2	7,466.5	5,680.6	5,049.0
Capital Work in Progress	4,327.6	1,831.2	2,483.1	1,118.3	1,129.7
	11,749.0	8,010.4	9,949.6	6,798.9	6,178.7

Investments

As of December 31, 2009, investments consisted primarily of investments in various unquoted companies.

The following table illustrates the Company's investments as of December 31, 2009 and 2008 and as of March 31, 2009, 2008 and 2007:

	As at December 31,		As at March 31,		
	2009	2008	2009	2008	2007
	(Rs. in millions)				
Quoted Investments..	-	-	-	230.1	253.6
Non-Quoted Shares[1]	752.7	602.7	707.7	602.7	490.2
Other Investments	-	-	-	-	-
Total	752.7	602.7	707.7	832.8	743.8

1. Investments in affiliates, subsidiaries, Joint Ventures, and associate companies.

Current Assets, Loans and Advances

Current assets, loans and advances are comprised mainly of:

- sundry debtors, which primarily relates to debts owed to us with respect to the sale of iron ore and wind-generated electricity;
- inventory of stores and spares, finished goods and work in progress;
- cash and bank balances;
- loans and advances, which primarily consist of advance income tax (net of provision), advances paid to suppliers, contractors and employees; and
- other current assets, which primarily relate to interest accrued but not due on deposits with banks.

The following table sets forth details of the Company's sundry debtors as of December 31, 2009 and 2008 and as of March 31, 2009, 2008 and 2007:

	As at December 31		As at March 31,		
	2009	2008	2009	2008	2007
	(Rs. in millions)				
Debts outstanding for a period:					
exceeding six months	2,169.8	532.9	41.4	43.8	137.1
Other debts	2,884.8	13,837.2	10,137.7	4,865.1	2,718.9
Less: Provision for Doubtful Debts	14.5	20.6	(14.5)	(20.6)	(12.3)
Total Debtors	**5,040.1**	**14,349.5**	**10,164.6**	**4,888.3**	**2,843.7**

Fluctuations in debtors primarily reflect an increase in prices made with retrospective effect, and collected subsequently from the parties.

The following table sets forth details of the Company's cash and bank balances as of December 31, 2009 and 2008 and as of March 31, 2009, 2008 and 2007:

	As at December 31		As at March 31,		
	2009	**2008**	**2009**	**2008**	**2007**
	(Rs. in millions)				
Cash and Cheques on Hand.	1.9	2.1	12.3	345.7	34.9
Balances with:					
Scheduled Banks on Current Accounts	395.8	400.4	367.9	427.8	423.1
Scheduled Banks on Deposit Accounts	120,383.0	88,425.0	97,027.8	71,211.5	4,8031.1
Other Banks / in Transit	1.8	1.2	2.3	3.0	2.6
Total	**120,782.5**	**88,828.7**	**97,410.3**	**71,988.0**	**48,491.7**

The following table sets forth details of the Company's loans and advances as of December 31, 2009 and 2008 and as of March 31, 2009, 2008 and 2007:

	As at December 31		As at March 31,		
	2009	**2008**	**2009**	**2008**	**2007**
	(Rs. in millions)				
Loans and Advances, net	1,616.1	1,609.3	1,456.7	742.1	596.5
Advance payment of taxes, net	1,561.2	124.0	1,793.3	1,275.5	764.9
Balance with customs, port trust, excise etc., net.	73.5	79.1	58.4	11.3	33.4
Deposits with others, net	778.4	469.0	724.5	409.0	425.6
Total	**4,029.2**	**2,281.4**	**4,032.9**	**2,437.9**	**1,820.4**

Current Liabilities and Provisions

Current liabilities and provisions primarily consist of (a) amounts payable to suppliers of equipment, stores and spares; (b) contractors for works executed; (c) royalty, electricity, sales tax and other indirect taxes; and (d) provision for employee benefits, as per Accounting Standard 15, such as gratuity, accrued leave salary, post retirement medical benefits, etc. The following table sets forth details of the Company's current liabilities and provisions as of December 31, 2009 and 2008 and as of March 31, 2009, 2008 and 2007:

	As at December 31		As at March 31,		
	2009	**2008**	**2009**	**2008**	**2007**
	(Rs. in millions)				
Current Liabilities and Provisions:					
Current Liabilities	7,177.9	4,981.2	4,845.8	4,286.4	2,756.3
Provisions	4,836.4	5,823.2	6,769.6	3,338.8	1,656.5
Total	**12014.3**	**10804.4**	**11,615.4**	**7,625.2**	**4,412.8**

Fluctuations in provisions primarily reflect provisions required to be made under Accounting Standard 15 - Employee Benefits and dividends (Interim/Final) proposed.

Long-Term and Short-Term Debt

The Company has not incurred any short term debt or long term debt.

Liquidity and Capital Resources

Historically, the Company has maintained a highly liquid profile and the ratio of current assets to current liabilities for the last five years has ranged from 5:1 for the year ended March 31, 2005 to about 18:1 for the year ended March 31, 2009. Therefore, the working capital requirements as well as capital expenditure have been met by internal resources generated each year and the Company has not typically resorted to any short term or long term borrowings from banks or other financial institutions. Deposits with banks were Rs. 97,014.0 million as of March 31, 2009.

Dividends

The Company's dividend payout and tax on dividend payout for Fiscal 2009, 2008, 2007 and 2006 was as follows:

	Year Ended March 31,			
	2009	2008	2007	2006
Dividend per Equity Share (in Rs.)......................	2.21	4.93	3.52	2.77
Dividend Payout (Rs. in millions)	8,762.0	6,515.3	4,651.9	3,655.7
Dividend Tax (Rs. in millions)	1,489.1	1,107.3	685.8	512.7

The Company in a meeting of its Board held on January 23, 2010 has declared an interim dividend of Re. 0.75 per Equity Share.

Dividends are declared at the annual general meeting of the shareholders based on recommendations by the board. The Company's board may recommend dividends, at its discretion, to be paid to the Company's shareholders. The Company's board may also declare interim dividends. The Company's board considers a number of factors in making a recommendation to pay a dividend, including but not limited to the Company's profits, capital expenditure programmes and overall financial conditions. Pursuant to guidelines issued by the Ministry of Finance dated September, 2004, the minimum amount of dividend required to be declared is the higher of 20% of equity or 20% of profits after tax. The Company's dividend payout ratio, based on profit after tax, for Fiscal 2009, 2008, 2007 and 2006 was 20.04%, 20.04%, 20.05% and 20.00% respectively. The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy for the future. See "***Dividend Policy***" on page 149 of this Prospectus.

Cash Flows

The table below summarises the Company's cash flows for the nine months ended December 31, 2009, and December 31, 2008, and Fiscals 2009, 2008, 2007 and 2006.

	Nine Months Ended December 31		Year Ended March 31,			
	2009	2008	2009	2008	2007	2006
	(Rs. in million)					
Net Cash from Operating Activities	25,182.6	14,341.3	27,781.9	24,759.4	20,521.9	15,693.7
Net Cash used in Investing Activities....	3,663.0	4,989.2	4,907.9	5,168.9	2,170.6	396.2
Net Cash used in Financing Activities ..	(5,473.5)	(2,489.8)	(7,267.5)	(6,432.0)	(5,295.4)	(4,043.5)
Net Increase/(Decrease) in Cash and Cash Equivalents	23,372.1	16,840.7	25,422.3	23,496.3	17,397.1	12,046.4

Net cash from Operating Activities

The Company's main source of cash flows is funds from operations. Changes in the Company's funds from operations are primarily determined by changes in the prices the Company has received for the Company's principal products (iron ore), and the Company's production volumes.

The Company's net cash flows from operating activities increased to Rs. 25,182.6 million for the nine months ended December 31, 2009, from Rs. 14,341.3 million for the nine months ended December 31, 2008. A decrease in operating profits has resulted in a decrease in direct tax payment. However, there has been an increase in current liabilities and provisions, as well as an increase in working capital adjustments, mainly on account of a substantial increase in receivables, resulting in an increase in net cash flows.

The Company's net cash flows from operating activities increased to Rs. 27,781.9 million for the year ended March 31, 2009, from Rs. 24,759.4 million for the year ended March 31, 2008. This is primarily due to increased operating profit, partly offset by an increase in inventories and receivables, as well as an increase in direct tax payments and a decrease in current liabilities.

The Company's net cash flows from operating activities increased to Rs. 24,759.4 million for the year ended March 31, 2008, from Rs. 20,521.9 million for the year ended March 31, 2007. This is primarily due to increased operating profit and an increase in current liabilities, partly offset by an increase in receivables; and an increase in direct tax payments.

The Company's net cash flows from operating activities increased to Rs. 20,521.9 million for the year ended March 31, 2007, from Rs. 15,693.7 million for the year ended March 31, 2006. This is primarily due to an increase in operating profit which is partly offset by an increase in loans and advances, and an increase in direct tax payments.

Net cash used in Investing Activities

The Company's net cash flows used in investing activities decreased to Rs. 3,663.0 million for the nine months ended December 31, 2009, from Rs. 4,989.2 million for the nine months ended December 31, 2008. The Company's primary use of cash was to finance capital expenditure on mines under development at Bailadila 11B, and Kumaraswamy, as well as expenditure on the integrated steel plant. Interest on deposits with banks, at Rs. 5,998.5 million, also declined from the Rs. 6,469.6 million of the prior year, mainly due to a substantial decrease in rates of interest being offered by the banks.

The Company's net cash flow used in investing activities decreased to Rs. 4,907.9 million for the year ended March 31, 2009, from Rs. 5,168.9 million for the year ended March 31, 2008. This is primarily due to increased expenditure on the purchase of fixed assets, and on capital work in progress in relation to the Company's development of the mines of Bailadila 11B and Kumaraswamy. This cash flow is partly offset by an increase in income from interest on bank deposits.

The Company's net cash flow used in investing activities increased to Rs. 5,168.9 million in the year ended March 31, 2008, from Rs. 2,170.6 million for the year ended March 31, 2007. This was primarily due to the increase in income from interest on bank deposits, along with lower outflows due to additions to fixed assets and capital work in progress.

The Company's net cash flow used in investing activities increased to Rs. 2,170.6 million for the year ended March 31, 2007 from Rs. 396.2 million for the year ended March 31, 2006. This was primarily due to a decrease in expenditure on fixed assets and capital work in progress, partly offset by the increase in income from interest on bank deposits.

Net cash used in Financing Activities

The Company's net cash used in financing activities increased to Rs. 5,473.5 million in the nine months ended December 31, 2009 from Rs. 2,489.8 million in the nine months ended December 31, 2008. The Company's primary use of cash for financing activities in this period was for payment of the final dividend of Rs. 4,678.4 million, and dividend tax thereon, for the year ended March 31, 2009. For the year ended March 31, 2008, the final dividend was Rs. 2,140.9 million along with dividend tax thereon.

The Company's net cash used in financing activities increased to Rs. 7,267.5 million for the year ended March 31, 2009, from Rs. 6,432 million for the year ended March 31, 2008. These amounts were utilized for payment of the final dividend of 2007-08 and the first interim dividend for the year ended March 31, 2009. During the year ended March 31, 2008, the final dividend for the year ended March 31, 2007 was paid, along with the first and second interim dividends for the year ended March 31, 2008.

The Company's net cash used in financing activities increased to Rs. 6,432 million for the year ended March 31, 2008, from Rs. 5,295.4 million for the year ended March 31, 2007. These amounts were utilized for payment of the final dividend for ended March 31, 2007 along with the first and second interim dividends for the year ended March 31, 2008. In the year ended March 31, 2007, the final dividend for the year ended March 31, 2006 was paid along with the first and second interim dividend for ended March 31, 2007.

Indebtedness

The Company has no debt.

Historical and Planned Capital Expenditure and other Investments

Capital expenditure represents the cash outflow towards payments for new schemes, purchase of equipments and other assets, expenditure incurred on R&D and Feasibility activities and investments in Joint Ventures and Subsidiary companies.

In the nine months ended December 31, 2009, the Company's total capital expenditure was Rs. 2,429.6 million, of which 41% was spent on new schemes, 53% on additions, modifications and replacements, 3% on Research and Development, 1% on feasibility studies and the remaining 2 % on investments in other ventures.

Of the new schemes, Rs. 68.8 million was spent on the Bailadila deposit 11B and Rs. 399.7 million on the integrated steel plant in Chhattisgarh. Amongst investments in other ventures, Rs. 45 million was spent on RVNL - the railway line to Krishnapatnam Port.

In the year ended March 31, 2009, the Company spent a total amount of Rs. 3,356.6 million on its capital expenditure programmes, such as the Bailadila deposit 11B at Rs. 1,155.8 million, being 34.43% of total expenditure, and the Windmill in Karnataka at Rs. 553.6 million, which was 16.49% of the total expenditure. The Company also spent Rs. 1,169.8 million on additions, modifications and replacements of its existing fixed assets, while Rs. 206.1 million was spent on R&D projects and Rs. 105 million was spent on investment in RVNL – the railway line to Krishnapatnam Port.

In the year ended March 31, 2008, the Company's capital expenditure amounted to Rs. 1,343.4 million. The major components of capital expenditure were Bailadila deposit 11B at Rs. 390.4 million, expenditure on additions, modifications and replacements at Rs. 638.3 million, Rs. 100.2 million on R&D expenditure, and Rs. 112.5 million on RVNL – the railway line to Krishnapatnam Port.

In the year ended March 31, 2007, the Company's capital expenditure was Rs. 1,127.5 million and the principal projects on which the expenditure was incurred were the Bailadila Deposits 10 and 11A, an existing project, at Rs. 39 million, Bailadila Deposit 11B, a new scheme, at Rs. 32.3 million, and Rs. 937.5 million on additions, modifications and replacements.

In the year ended March 31, 2006, Rs. 1,212.8 million was spent as capital expenditure. Of this amount, Rs. 232.3 million was spent on the existing project at the Bailadila Deposits 10 and 11A, Rs.157.2 million on the uniflow system, and Rs. 670.9 million spent on additions, modifications and replacements of existing fixed assets.

The Company has received the necessary authorizations for budgeted expenditure of an aggregate amount of Rs. 7,000 million for Fiscal 2010 on the Company's various new schemes, as well as additions, modifications and replacements to existing fixed assets and investments in other ventures.

Research and Development

For Fiscals 2009, 2008, 2007 and 2006, the Company spent Rs. 103.8 million, Rs. 72.4 million, Rs. 30.5 million and Rs. 15.0 million, respectively, on feasibility studies. For the nine months ended December 31, 2009, the Company spent Rs. 83.2 million on research and development expenditure.

	Nine Months Ended December 31		**Year Ended March 31,**			
	2009	**2008**	**2009**	**2008**	**2007**	**2006**
	(Rs. in million)					
Capital..	27.1	64.0	136.3	43.9	12.9	4.7
Recurring...	56.1	41.3	69.8	56.3	52.4	57.0
Total...	83.2	105.3	206.1	100.2	65.3	61.7
Total Research and Development expenditure as % of total revenues from operations .	0.20	0.19	0.27%	0.18%	0.16%	0.17%

For more information, see "Business – Research and Development".

Principal Sources of Liquidity

As at December 31, 2009, the Company's cash and cash equivalents amounted to Rs. 120.770.2 million. The Company's anticipated cash flow from operations, together with the Company's existing cash balances, are anticipated to be sufficient to meet the Company's operating and capital expenditure requirements for Fiscal 2010. The Company's anticipated cash flows for the remaining part of the fiscal year are secured through long-term contracts with customers, and hence the Company does not expect variation.

Off-Balance Sheet Arrangements and Financial Instruments

Contingent Liabilities

The following table sets forth the principal components of the Company's contingent liabilities as of December 31, 2009 and 2008, and as of March 31, 2009, 2008 and 2007.

	As at December 31		At March 31,			
	2009	2008	2009	2008	2007	2006
	(Rs. in million)					
Statutory Claims against the Company not acknowledged as debts[1]	406.5	150.6	353.3	373.2	98.7	123.1
Claims against the Company not acknowledged as debts[2]	405.8	356.8	241.5	252.5	652.4	714.9
Uncalled liability on shares partly paid in Krishnapatnam Railway Company Limited.	137.5	287.5	182.5	287.5	-	-
Estimated amount of contracts remaining to be executed on capital account	3,780.3	5,091.0	3,732.2	3,185.7	1,168.8	1,018.4
Contingent liability on Bills discounted under LCs/ counter guarantees given for bank guarantees....	-	-	155.4	2,476.7	1,680.4	2,384.7
Total...	4,730.1	5,885.9	4,664.9	6,575.6	3,600.3	4,241.1

(1) These include claims under Income tax, property tax, export tax, Conservancy tax, sales tax and other acts.
(2) These include claims other than those covered in (1) and include claims by contractors under arbitration and other claims on company not acknowledged as debts.

Contingent liabilities of Rs. 4,664.9 million as of March 31, 2009 included Rs. 105.29 million as a result of a claim raised by Nagarpalika Parishad at Bailadila Kirandul complex regarding export tax. The Company disputed the claim and filed a writ petition with the High Court of Chhattisgarh in 1997 on grounds that the State Government is not competent to levy any tax on minerals, which the Company believes is subject to federal jurisdiction. In addition, a Rs. 261.0 million claim was raised by the Deputy Conservator of Forest, Bellary regarding a forest development tax, with effect from August 27, 2008. The Company has filed a writ petition in the High Court of Karnataka, and court has given an interim order in favour of the Company. The other major contributors to the Company's contingent liabilities are related to contracts that remain to be executed on capital accounts.

Contingent liabilities of Rs. 6,575.6 million as of March 31, 2008 included Rs. 105.29 million as a result of the claim raised by Nagarpalika Parishad at Bailadila Kirandul complex regarding export tax, and the Rs. 261.0 million claim raised by the Deputy Conservator of Forest, Bellary regarding the forest development tax, with an effect from August 27, 2008 as detailed above. The other major contributors to the Company's contingent liabilities are related to contracts that remain to be executed on capital accounts, amounting to Rs. 3,185.7 million, and contingent liability on bills discounted under Letters of Credit and counter guarantees given for Bank Guarantees, amounting to Rs. 2,476.7 million.

Contingent liabilities of Rs. 3,600.3 million as of March 31, 2007 included the estimated amounts of contracts remaining to be executed on capital account of Rs. 1,168.8 million and contingent liability on bills discounted under Letters of Credit and counter guarantees given for Bank Guarantees of Rs. 1,680.4 million.

Contingent liabilities of Rs. 4,241.1 million as of March 31, 2006, included estimated amount of contracts remaining to be executed on capital account of Rs. 1,018.4 million and contingent liability on bills discounted under Letters of Credit and counter guarantees given for Bank Guarantees of Rs. 2,384.7 million.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO DATE OF LATEST FINANCIALS

There have been no other events, to the Company's knowledge, other than as described in this Prospectus, which may be called "unusual" or "infrequent", subsequent to December 31, 2009.

ANALYSIS OF CERTAIN CHANGES

Significant Economic Changes

To the Company's knowledge, except as the Company has described in this Prospectus, there are no known factors that will have a material adverse impact on the operations and finances of the Company.

Known Trends or Uncertainties

The Company's business has been impacted, and the Company expects it will continue to be impacted, by the trends identified above in the section entitled ***"Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting the Company's Financial Results"*** and elsewhere in this Prospectus. To the best of the Company's knowledge, there are no known factors which the Company expects to have a material adverse impact on the Company's revenues or income from continuing operations, except as described in this Prospectus.

Seasonality of Business

The Company's mining operations are affected by heavy rains and fog during the monsoon season which last for about 4 months. Production targets are adjusted accordingly with soft targets fixed for the second quarter (which covers the monsoon season), and more robust targets set for the first, third and fourth quarters of each fiscal year. In addition to the above, the Company is not insulated from usual business cycles of the industry in which the Company operates.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that were not yet effective as of the last financial period that may result in a change in the Company's significant accounting policies.

Increase in Company's Revenue

Other than the Company's anticipated normal growth in the regular course of business, the Company believes that the introduction of any new products would also contribute to an increase in its revenue.

Future Relationship Between Expenditure and Revenue

Except as described in the sections ***"Risk Factors"***, ***"Our Business"***, and ***"Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations"***, to the best of the Company's knowledge, there is no future relationship between expenditure and revenues that will have a material adverse impact on the operations and the finances of the Company.

Significant Regulatory Changes

To the best of the Company's knowledge, except as described in the section entitled "***Regulations and Policies"***, and elsewhere in this Prospectus, there have been no significant regulatory changes that could affect the Company's revenue from continuing operations.

New Products or Business Segments

The Company intends to continue to explore new business prospects in the regular course of its business. Apart from the new products under development as mentioned in the section entitled ***"Our Business"***, the Company has no current plans to establish any new business segments or develop any new products.

Competitive Conditions

The Company expects to face competitive conditions as described in the sections entitled "***Our Business***" and "***Risk Factors***" beginning on pages 68 and xiii, respectively, of this Prospectus.

FINANCIAL INDEBTEDNESS

As of December 31, 2009 our Company had nil outstanding secured or unsecured loans.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, its Subsidiaries and Directors and there are no defaults including non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or the Subsidiaries except as stated below, and no disciplinary action has been taken by SEBI or any stock exchange against our Company, its Directors or its Subsidiaries. Unless stated to the contrary, the information provided below is as on the date of this Prospectus.

Neither our Company nor the Subsidiaries and the Directors have been declared as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or pending against them.

I Litigation involving our Company and contingent liabilities of our Company

A. Contingent liabilities not provided for as on December 31, 2009

The contingent liabilities not provided for and outstanding guarantees as on December 31, 2009 (as disclosed in our Company's restated consolidated financial statements) are as set out below:

(Rs. in million)

Contingent Liabilities	Amount
A. Claims against our Company not acknowledged as debts consists of:	
Appeal pending in respect of levy of TDS	3.6
Disputed claims under Property Tax, Export Tax, Conservancy Tax, Sales Tax etc.	402.9
Claims by Contractors under arbitration	201.8
Other claims on Company not acknowledged as debts	204.0
B. Uncalled liability on Shares partly paid	
In Krishnapatnam Railway Company Limited	137.5
C. Estimated amount of contracts remaining to be executed on Capital Account	3780.3
Total	**4,730.1**

B. Pending Litigation against our Company

1. Mining matters

There are three mining litigations against our Company which are pending before various authorities in India. The details of the matters are as set out below:

(i) Bailadila Deposit No. 13 (ML)

MSPL Limited had filed an application for mining lease for Bailadila Deposit No. 13 which was rejected by the Government of Chhattisgarh by its order no. F3-84/96/12 dated November 10, 2006. MSPL Limited filed a Revision Application No. RA-12(20)/2007/RC-II on October 4, 2007 before the Mines Tribunal, New Delhi challenging this order. Our Company had applied for a mining lease for Bailadila Deposit No. 13 for a period of 30 years on October 28, 1994 and the same is in process. Our Company has received prior approval for grant of mining lease from the Ministry of Mines, Government of India, on February 13, 2007. The Government of Chhattisgarh communicated the 'precise area' for 413.745 ha. on October 8, 2007; the Indian Bureau of Mines accorded approval to the mining plan of NMDC on September 12, 2008. Our Company applied for the forest clearance on October 16, 2008. Our Company has also submitted a Wildlife Conservation Management Plan to the Chief Conservator Forest, Raipur on January 10, 2010. Our Company had requested impleadment in the revision application to which MSPL Limited has filed an objection on June 30, 2008. The matter is pending.

(ii) Ghatkuri Iron Ore Deposit

The Government of Jharkhand issued a gazette notification dated October 27, 2006 reserving Ghatkuri iron ore deposit for exclusive exploitation by public sector undertakings. Our Company had applied for prospecting licence and mining lease over an area of 22.337 square kilometres in Ghatkuri area. Our Company has filed Interlocutory Application No. 8 on February 6, 2009 before the Supreme Court of India to be impleaded in the Special Leave Petition (Civil) No. 8434 of 2007 between Monnet Ispat & Energy Limited and the Union of India and others arising out of Writ Petition No. 4151 of 2006 in relation to rejection of the applications of certain parties, including Monnet Ispat, for mining leases in this area. The order passed in Writ Petition No. 4151 of 2006 also stated that any inter-se dispute would be decided by the State Government, and that the order would not affect any party which was not a party to the proceedings in the High Court.

(iii) Malangtoli Iron Ore Deposit

Writ Petition Nos. WP/189/2010 and WP/194/2010 have been filed by our Company on January 12, 2010 against the Secretary, Ministry of Mines and others challenging the Order dated November 30, 2009 rejecting the Impleadment application dated October 31, 2008 of our Company under Rule 54(2) of the Mining Concession Rules, 1960 before the Mines Tribunal in revision applications pending before the Ministry of Mines in Revision Application Nos. 22/(13)/2001-RC-1, 22/(14)/2001-RC-1 and 22/(15)/2001-RC-1. These revision applications have been made in relation to an order dated March 31, 2001 by which prospecting license application of certain parties, including some respondents in both matters, had been rejected by the Government of Orissa. The petitioner has an interest in the area which is the subject matter of these revision applications. Our Company had conducted detailed exploration in the Malangtoli deposit between 1972 and 1977.

2. Arbitration Matters

There are four arbitration matters, wherein claims aggregating to approximately Rs. 32.40 million have been filed against us. We have filed counter claims aggregating to approximately Rs. 1.50 million, the details of which are as set out below:

(i) Our Company had issued Supply Order for allocation of iron ore in favour of Airan Steel & Power Private Limited, Bilaspur. Our Company had increased prices with retrospective effect from April 1, 2008 for all the customers, which was in accordance with the terms and conditions of the offer letter issued in favour of Airan Steel and Power Private Limited. Our Company later reduced the prices based on market scenario with effect from December 1, 2008. Airan Steel & Power Private Limited wanted the reduction in prices with effect from April 1, 2008. Airan Steel & Power Private Limited invoked the arbitration clause and the matter was referred for arbitration. Justice N.Y. Hanumanthappa, retired Chief Justice of the Orissa High Court has been appointed as the sole arbitrator. The financial implication is approximately Rs.7.60 million which is yet to be decided.

(ii) Our Company had issued Supply Order for allocation of iron ore in favour of Radha Madhav Industries Private Limited, Bilaspur. Our Company had increased prices with retrospective effect from April 1, 2008 for all the customers, which was in accordance with the terms and conditions of the offer letter issued in favour of Radha Madhav Industries Private Limited. Our Company later reduced the prices based on market scenario with effect from December 1, 2008. Radha Madhav Industries Private Limited wanted the reduction in prices with effect from April 1, 2008. Radha Madhav Industries Private Limited invoked the arbitration clause and the matter was referred for arbitration. Justice N.Y. Hanumanthappa, retired Chief Justice of the Orissa High Court has been appointed as the sole arbitrator. The financial implication is approximately Rs.7.00 million which is yet to be decided.

(iii) Our Company had entered into Supply Order for allocation of iron ore in favour of Mangal Sponge and Steel Limited, Bilaspur. Our Company had increased prices with retrospective effect from April 1, 2008 for all the customers, which was in accordance with the terms and conditions of the offer letter issued in favour of Mangal Sponge and Steel Limited. Our Company later reduced the prices based on market scenario with effect from December 1, 2008. Mangal Sponge and Steel Limited wanted the reduction in prices with effect from April 1, 2008. Mangal Sponge and Steel Limited invoked the arbitration clause and the matter was referred for arbitration. Justice N.Y. Hanumanthappa, retired Chief Justice of the Orissa High Court is proposed to be appointed as the sole arbitrator. The first hearing is yet to be held. The financial implication is approximately Rs.3.70 million which is yet to be decided.

(iv) Mr. B.P.Huchchannavar of M/s Murali and Manish Travels had filed a claim of approximately Rs.14.14 million against our Company towards the hiring of buses by our Company for transport of personnel working in Donimalai mines of our Company. The claimant had contended that our Company has failed to make timely payment of their invoices, price escalation of diesel etc. The claimant had invoked the arbitration clause and the matter was referred to Arbitration. Mr. S Jagannathan, Ex Director – Finance of our Company has been appointed as the Sole Arbitrator. Our Company has filed a counter claim of approximately Rs. 1.50 million against the claimant. The claimant has been given time to file its reply with relevant documents. The matter is pending.

3. Employee Matters

There are thirty two cases filed against our Company by its employees, pending before various courts in India. Out of these cases, claims in only three cases have been quantified which aggregate to approximately Rs. 0.77 million. Claim amounts for the remaining 29 cases have not been quantified. Brief details of these cases are as follows:

(i) Mr. K S Thakur and others have filed a Writ Petition WP/1856/94 before the High Court of Madhya Pradesh, Jabalpur against our Company seeking benefits and facilities in a similar manner in accordance with the Memorandum of Settlement dated July 7, 1989 as provided to other ministerial staff in respect of duty working hours and leave, and directions that the NMDC Service Regulations and the NMDC Leave Rules, 1972 be made applicable to the petitioners. The petitioners have also sought direction to quash the condition of high qualification for promotion given in clause 3(b) of the office order dated August 5, 1989 increasing the qualification level for promotions, pursuant to which the petitioners would no longer be qualified for promotion. Our Company has filed its reply to the petition. The matter is currently pending.

(ii) Mr. Phool Singh has filed a Writ Petition WP/5430/98 on May 3, 1999 before the High Court of Madhya Pradesh, Jabalpur against our Company seeking quashing of the order no. D4/Per/Estt/PF-0793-2013 dated March 19, 1998 rejecting his request for changing his date of birth specified in the records maintained by our Company for the purposes of claiming retirement and superannuation benefits. Our Company has filed its reply to the petition. The matter is currently pending.

(iii) Mrs. N P Henry has filed a Writ Petition WP/5768/2000 in September 2001 before the High Court of Chhattisgarh, Bilaspur against our Company to set aside the punishment orders dated July 30, 2000 and August 19, 2000 passed by our Company for reduction of her pay by two incremental stages in her present grade with cumulative effect. Mrs Henry was initially appointed as a teacher in 1967 but was transferred within our Company from the Personal Section to the Plant Section pursuant to our Company's order dated October 12, 1980, where she was required to do work as a dispatcher in addition to her original work. Due to excessive work allegedly allocated to her, she refused to do the work of a dispatcher. She was given a charge sheet dated December 11, 1995 which alleged that her sudden refusal to do the work of dispatcher from October 5, 1995 onwards caused avoidable dislocation of office work.

An enquiry was ordered against her and after recording the evidence the enquiry officer decided the matter in her favour. A second charge sheet was filed against her on April 5, 1997 to which she submitted an application dated May 1, 1997 seeking a clarification regarding the basis on which the second charge sheet had been issued stating that no provision under the Standing Orders of the project permits issuing another charge sheet on the same facts as an earlier enquiry. A second enquiry was ordered and the Enquiry Officer found that the charges against Mrs. N P Henry were proved. Pursuant to this, a show-cause notice was issued, to which Mrs Henry submitted a reply. The findings were issued on July 30, 2000, and Mrs. Henry appealed against the findings. The appeal was dismissed by the order dated August 19, 2000. These orders are the subject matter of the writ petition WP/5768/2000. Our Company has filed its reply to the petition. The matter is currently pending.

(iv) Mr. Laxman Singh Balad has filed a Writ Petition WP/1878/2001 against our Company and three others in September, 2001 before the High Court of Chhattisgarh, Bilaspur seeking a stay on departmental proceedings pursuant to the issuance of show cause notice dated July 7, 2001 and directing the respondents to conduct an impartial and comprehensive enquiry in relation to the classification of the petitioner as a Telangana as opposed to a Halba, a scheduled tribe community, in the State of Chhattisgarh and to resolve the issue and submit the report to the High Court. Our Company has filed its reply. Mr. Laxman Singh Balad expired on February 23, 2005. As the petition has abated due to the demise of Mr. Laxman Singh Balad, an application has been filed by our Company for dismissing the petition in April, 2005. The matter is currently pending.

(v) Mr. A D Mathur has filed a Writ Petition WP/2202/2002 on October 11, 2002 before the High Court of Chhattisgarh, Bilaspur against our Company seeking issue of directions to our Company to extend the benefit of time bound promotions to him with effect from the year 1997, that is, on completion of 15 years of service, when similarly situated employees were promoted, in addition to due seniority and arrears of salary with interest at 18% per annum. Our Company has filed its reply to the petition and the matter is currently pending.

(vi) Mrs. N P Henry has filed a Writ Petition WP/1110/2004 on March 17, 2004 before the High Court of Chhattisgarh, Bilaspur against our Company challenging the omission of our Company in not considering her for promotion to the post of Senior Assistant Grade-I with effect from June 30, 1998. Mrs. N. P. Henry has sought for quashing and setting aside the communications of adverse remarks on her performance by letters dated June 25, 1996 and June 26, 1999 issued by our Company. The matter is currently pending.

(vii) Mr. Vimal Kumar Roy Choudhury has filed a Writ Petition WP/4784/2005 before the High Court of Chhattisgarh, Bilaspur against our Company seeking quashing of the orders dated August 8, 2000 and January 18, 2005 and also directing our Company to rectify his date of birth in the records maintained by our Company, and to produce the entire service record for examination by the High Court. Our Company has filed the reply on December 13, 2005. The petitioner has filed an application for withdrawal of the petition on October 29, 2007. The matter is currently pending.

(viii) Mr. Raju Sahu has filed a Writ Petition WP/4765/2005 on September 19, 2005 before the High Court of Chhattisgarh, Bilaspur against our Company seeking issue of directions to our Company to release his salary for the period from June 18, 2002 until February 14, 2003. Mr. Sahu was implicated in a Criminal Case and was absent from work but he has claimed that in accordance with the standing orders of our Company, he is entitled to half of the salary for the period for which he is absent from work for which he is deemed to be suspended. Our Company has filed its reply to the petition. The matter is currently pending.

(ix) Mr. Gopichand D. Nayak has filed a Writ Petition WP(S)682/2009 on January 25, 2009 before the High Court of Chhattisgarh, Bilaspur against our Company seeking quashing of the appointment order No. D5/Per/Rectt/M.A.(Tr)/2008/692 dated December 9, 2008 issued by our Company and directing our Company to allow him to continue his employment on the post of Maintenance Assistant (Electrical) from the date of joining along with all consequential benefits. Our Company has filed its reply to the petition. The matter is currently pending.

(x) Ms. Vasanthi Rath, being aggrieved by her non-confirmation as an Assistant Teacher in the educational institution established by our Company has filed a writ petition No.WP/3806/92 on September 27, 1992 before the High Court of Madhya Pradesh, Jabalpur seeking regularization of her service as Assistant Teacher with effect from November 28, 1988 and to restore to her all benefits available to employees in similar posts. Our Company has filed its reply to the petition. The matter is currently pending.

(xi) Mr. R. S. Nair has filed a Writ Petition No.WP/856/02 in April 2002 before the High Court of Chhattisgarh, Bilaspur seeking quashing of the punishment order dated April 15, 2002 by which our Company had imposed punishment of demotion arising from the misuse of the House Building Advance drawn by the Petitioner, together with issue of directions to our Company to pay his salary and other service benefits, and a stay on the operation of the order during the pendency of the petition. Our Company has filed its reply to the petition. The matter is currently pending.

(xii) Mr. T. Stancilas has filed a Writ Petition No. WP/4300/96 before the High Court of Madhya Pradesh, Jabalpur seeking quashing of the order dated January 27, 1995 of the Labour Commissioner, Jabalpur whereby instead of recovering the amount under the provisions of Section 33(C)(1) of the Industrial Disputes Act, 1947, Mr. Stancilas has been directed to approach the Central Government Industrial Tribunal, Jabalpur for recovery of his back wages from October 1, 1986 from our Company as per the earlier order dated August 29, 1990 of the Central Government Industrial Tribunal, Jabalpur. Our Company has been made a party in this appeal and the matter is currently pending.

(xiii) Ms. Archana Agarwal has filed a Writ Appeal No.WA/125/2008 on April 28, 2008 before the High Court of Chhattisgarh, Bilaspur against our Company seeking setting aside of the High Court's order dated April 7, 2008 in WP/2444/2000 in which it was held that department action taken against her was valid even though teachers were not governed by the Industrial Employment (Standing order) Act, 1946. The matter is currently pending.

(xiv) Mr. Lalla Das Patre has filed a Writ Petition No. WP/946/2003 on March 5, 2003 before the High Court of Chhattisgarh, Bilaspur seeking quashing of the order dated May 5, 2002 by which our Company had terminated his services due to his alleged misuse of the House Building Advance provided by our Company, and the order dated July 22, 2002 passed in appeal, upholding the order dated May 5, 2002. He has also sought reinstatement with back wages. The matter is currently pending.

(xv) Mr. Damodar Das has filed a Writ Petition No.WP/1889/03 before the High Court of Chhattisgarh, Bilaspur against our Company seeking a stay on the operation and effect of order dated March 23, 2003 for his demotion to the lower post of Senior Assistant in RS-09 scale with minimum basic of Rs.5,750 with immediate effect for a period of three years arising from his continuous absence from office, together with wilful insubordination or disobedience as well as order of the appellate authority dated April 25, 2003 rejecting his appeal from the order dated March 23, 2003. The petitioner has filed an application dated January 25, 2007 stating that the punishment imposed had completed on March 22, 2006, and that the petitioner had requested our Company for restoration to the original post pursuant to representations dated July 20, 2006 and December 9, 2006. An office order was passed on March 8, 2007 pursuant to which the basic pay of the petitioner was restored. The matter is currently pending.

(xvi) Ms. Subali Kashyap has filed a Writ Petition No.WP/1423/04 on May 14, 2004 before the High Court of Chhattisgarh, Bilaspur seeking the issue of a direction to our Company to employ her son on compassionate grounds since her husband Mr. C. S. Kashyap, who was an employee of our Company, died while allegedly on duty. The matter is currently pending.

(xvii) Ms. Malti Dey has filed a Writ Petition No.WP/1424/04 before the High Court of Chhattisgarh, Bilaspur seeking employment for her son on compassionate grounds as she claims that her husband Mr. Kalipada Dey, who was an employee of our Company, died while allegedly on duty. Our Company has filed its reply. The matter is currently pending.

(xviii) Mr. Rene Curian has filed an Application No. 36(40)/2009 on December 23, 2009 before the Regional Labour Commissioner, Bellary against our Company claiming interest on account of delay in payment of gratuity due to him. The interest amount claimed is approximately Rs 0.23 million. The matter is currently pending.

(xix) Mr. T. S. Reddaiah and others, members of Metal Mines Workers Union, Bellary Division have filed a Suit No.42/2009 before the Court of the Civil Judge (Junior Division), Sandur against Mr. E. V. Ambannagouda and others in which our Company has been made a party seeking a declaration that the elections of the Union are illegal, declaration that the election of defendants as the elected body is illegal and requesting the Court to direct our Company not to recognize the Union in which the defendants are the office bearers and also not to entertain their claims. The matter is pending.

(xx) Mrs. H. K. Nagarathna and others have filed a W.C. No.05/2005 before the Commissioner for Workmen Compensation-cum-Labour Officer, Bellary on December 9, 2004 pursuant to the order of the High Court of Karnataka on September 10, 2004 in writ petition No. 18874/2004 (GM-CPC) directing the petitioner to approach the Commissioner under the Workmen's Compensation Act, 1923 for seeking compensation for the death of her husband Mr. H. K. Parappa arising from the hazardous work performed in the course of employment with our Company. Our Company has filed its reply. The matter is pending.

(xxi) Ms. S Bibi Banu and others have filed an appeal MFA-787/2004 before the High Court of Karnataka, Bangalore seeking modification of judgment and award dated October 8, 2003 by the Civil Judge (Senior Division) - cum - member, MACT – VI, Kudligi on October 8, 2003 insofar as it disallowed the claim of the appellant in granting compensation of only Rs.0.66 million against Rs.1 million prayed for in the claim arising from the accidental death of her husband S. Abdul Rawoof Naik. The matter is pending.

(xxii) The General Secretary ARM Ismail, Iron ore Labour Union has filed an appeal CR-122/2007 before the Central Government Industrial Tribunal, Bangalore against our Company's order dated March 31, 2006 terminating the services of Mr. H. T. Satyanarayana. The matter is pending.

(xxiii) Mr. Hiregowdra Shivakumar and others who were applicants to the post of field attendant of our Company have filed Writ Petition WP-31316/08 on November 13, 2008 before the High Court of Karnataka, Circuit Bench, Dharwad against our Company seeking quashing of the employment notification 1/2007 dated August 30, 2007 pursuant to which the petitioners had applied for the post of field attendant. The matter is pending.

(xxiv) Mr. K Ayyappa has filed a Writ Petition WP 64982/2009 before the High Court of Karnataka, Circuit Bench, Dharwad against our Company seeking quashing of the orders passed by our Company and the Appellate Authority dated February 10, 2009 and May 9, 2009 respectively, terminating his services from our Company and approving such termination respectively and seeking his reinstatement along with back wages and other financial benefits with effect from his date of removal. The matter is pending.

(xxv) Mr. Gotha Ahirwar has filed a Writ Petition WP 6102/2001 before the High Court of Chhattisgarh, Bilaspur challenging our Company's order terminating his service due to medical reasons. Our Company has filed a reply to the petition. The matter is pending.

(xxvi) Mr. Kantali has filed a petition no. CGIT/R/5/96 before the Central Government Industrial Tribunal, Jabalpur against our Company on the dispute on his date of birth as per his records and as per the records of our Company, subsequent to the decision in WP No. 3837 filed by him challenging the direction issued by the Ministry of Labour recommending that the document not be referred for adjudication. Our Company has filed a reply. The matter is pending.

(xxvii) Mr. Yashwant Singh has filed a Writ Petition WP (C) No. 2525/2007 before the High Court of Chhattisgarh, Bilaspur seeking the release of the original mark sheet of the final year from the office of Government Polytechnic Durg District, Durg where the petitioner had pursued a Diploma in Modern Office Management, and seeking directions to our Company to release the payment of wages due from March 2007 onwards to Mr. Yashwant Singh and to not remove the petitioner from service. The matter is pending.

(xxviii) Mr. Munna Lal Nag has filed a Writ Petition No. 1371/2004 before the High Court of Chhattisgarh at Bilaspur against the Order No. D-5/Pers/D.E./C03261/2004/1446 dated February 12, 2004 passed by the General Manager, Bailadila

Iron Ore Project, Deposit No. 5-10 and 11A, Bacheli, District Dantewada under which Mr. Nag had become an unauthorized occupant in the accommodation No. 1/FF/24, Bacheli on removal from service. The matter is pending.

(xxix) Mr. B. Alphonsus has filed a Writ Petition No. 22870/ 2009 before the High Court of Judicature, Andhra Pradesh at Hyderabad against our Company on October 23, 2009 seeking a declaration that the inaction in calling the petitioner for an interview for recruitment to the post of Assistant General Manager (Personnel) (E-5) as violative of the right of the petitioner and further seeking issue of directions to our Company to consider the candidature of the petitioner for such post. The matter is pending.

(xxx) Ms. Shanti Paul has filed a compensation claim WC Case No. 51/Compensation Act (P)/2002 before the Labour Court, Satna against Sarada Projects (Private) Limited and others in which our Company has been made a party. The claim is in respect of compensation arising out of the death of her husband Late Mr. Ramniwas Paul, a contract labourer of Sarada Projects (Private) Limited, who met with a fatal accident on January 3, 2001 while working in Deposit No.10 and 11A at Bacheli belonging to our Company. The total amount of financial implication involved in the case is Rs 0.20 million. The matter is pending.

(xxxi) Bharatiya Khadan Mazdoor Sangh, Bacheli has filed a Writ Petition 3055 of 1992 before the High Court of Madhya Pradesh, Jabalpur against our Company and others seeking quashing of the agreement dated October 8, 1991 entered into between our Company and Samyukta Khadan Mazdoor Sangh Union and quashing of the letter dated April 28, 1992 issued by the Assistant Labour Commissioner (Central), Jagdalpur. Bharatiya Khadan Mazdoor Sangh has also sought from the Court that directions be issued to our Company to provide the benefits of Clause 16 of the Industrial Employment Standing Orders Act 1946 pertaining to three times the wages to the workers in the case they are required to perform their duties on any of the festivals or national holidays as notified by our Company as was in practice before the agreement dated October 8, 1991. Our Company has filed its reply. The matter is pending.

(xxxii) Ms. Salochana Devi has filed a Case No. 123 of 2009 before the Civil Judge (Senior Division), Palampur, Himachal Pradesh seeking declaration that the plaintiff is entitled to the benefit of Family Pension on account of service rendered by her deceased husband between 1959 and February, 1976 when he expired while in service and mandatory injunction directing our Company to release the arrears of family pension from February 1976 till the date of filing of the suit with applicable interest. Our Company has filed a reply on August 6, 2009. The matter is pending.

4. Civil Suits

There are three civil cases filed against our Company, pending before various courts in India. Claim amounts for these cases have not been quantified. Brief details of these cases are as follows:

(i) Ms. Padmavati and others have filed Writ Petition No. 23385/2005 before the High Court of Karnataka, Bangalore against the State of Karnataka and others, including our Company on October 17, 2005. The petitioners have sought quashing the notification issued by the Government of Karnataka for renewal of lease for Kumaraswamy ML No. 1111 to our Company insofar as it relates to the land held by the petitioners. Our Company has filed Writ Petition No. 4108/2008 before the High Court of Karnataka, Bangalore on March 11, 2008 seeking quashing of the order of Land Tribunal, Sandur which granted repossession and occupancy rights to the petitioners, quashing of the certificates issued by the Tahsildar in this regard, and has sought an interim stay while the proceedings are pending before the High Court. The High Court has granted an interim stay on the Land Tribunal order pursuant to its interim order dated March 13, 2008. The matters are currently pending.

(ii) Mr. C. Ananda Rao has filed Original Suit No. 8444/95 on December 15, 1995 before Additional City Civil Judge, Bangalore against our Company seeking permanent injunction restraining our Company from improving, making constructions in or in any way changing the nature of the whole or a part of the property allegedly belonging to him. Our Company has filed a written statement on August 5, 1997. The witnesses of both the sides have been examined. The matter is currently pending.

(iii) Mr. Anees Siddiqui has filed an appeal FA No.110/98 before the High Court of Madhya Pradesh, Jabalpur against the order dated December 17, 1997 of the Additional District Judge, in favour of our Company. He had filed a suit in which he had stated that the acquisition of the land earlier owned by him, by our Company was temporary and not permanent. The High Court has granted stay on March 6, 1998, and the Court has directed the stay to be operative till further orders are issued. The matter is pending.

5. Motor Accident Cases

There are two motor accident cases filed against our Company. The claims in these cases aggregate to approximately 0.84 million. The brief details of these cases are as follows:

1. United India Insurance Company Limited has filed an appeal MA/1289/05 before the High Court of Chhattisgarh, Bilaspur seeking setting aside of the award dated June 28, 2005 passed by the Additional Motor Accident Claims Tribunal, South Bastar, Dantewada against it, wherein the Tribunal awarded compensation of Rs. 0.54 million with interest at 7.5% per annum from the date of application till realization to the claimant Mr. Rajendra Kumar Burad, who was injured in a road accident by a vehicle belonging to an official of our Company and was allegedly being driven in a rash and negligent manner. The matter has been posted for final hearing and is currently pending.

2. Mr. Muktum Hussain has filed an application MVC No. 174/2006 on April 22, 2006 before the District Judge (Senior Division) and MACT, Haveri against our Company as well as Oriental Insurance Company Limited for grant of compensation of Rs. 0.30 million on account of injuries sustained in an accident caused by a vehicle belonging to our Company that was deputed by our Company for election duty. Our Company has filed its reply. The matter is pending.

C. Pending Litigation by our Company

1. Mining Matters instituted by our Company

There are five mining litigation by our Company which are pending before various authorities in India. The details of the matter are as follows:

(i) Bailadila Iron Ore Deposit No.1

Our Company had filed an application for Prospecting License for an area of 1130 hectares of Bailadila Iron Ore Deposit No.1. Tata Steel Limited had applied for a Prospecting License for 3527 hectares in Bailadila Iron Ore Deposit No.1 on March 25, 2006 which was reduced to 2500 hectares later. The Government of Chhattisgarh passed an order F-3/63/2006/12 dated November 10, 2006 recommending grant of Prospecting License to Tata Steel Limited to the Central Government. The Central Government by its letter dated February 14, 2007 approved the recommendation of the Government of Chhattisgarh to grant prospecting license to Tata Steel Limited. Our Company filed a Revision Application No.12(1)/07-RC-II on January 17, 2007 with the Mines Tribunal, Delhi challenging the Government of Chhattisgarh's recommendation dated November 10, 2006 to the Central Government to grant the prospecting licence to Tata Steel Limited. Since the revision petition was not being listed, the petitioner filed Civil Writ No. 2127/2007 for quashing the recommendatory order of the State Government dated November 10, 2006 or directing the revisional authority to grant a stay until the proceedings were completed. This petition has subsequently been withdrawn. The Mines Tribunal by its order no. 9/2008 dated May 12, 2008 upheld the recommendation of the Government of Chhattisgarh. Further, our Company had also filed a Writ Petition No. 8004 of 2007 challenging the order of the Central Government approval of the recommendation of the Government of Chhattisgarh to grant Prospecting License to Tata Steel Limited. The contention was that the power to accord approval would accrue under the provisions of MMDR Act only in the event of strict compliance of the provisions of Forest (Conservation) Act, 1980 and that the same have not been complied with. Besides, our Company's preferential right had been ignored. The Central Government's recommendation has been quashed by the High Court of Delhi, New Delhi in the Writ Petition No.8004 by its order dated February 18, 2008. Tata Steel Limited has filed Letter Patents Appeal No. 135/2008 before the High Court of Delhi, New Delhi against the order dated February 18, 2008. Similarly, State of Chhattisgarh has also filed Letter Patents Appeal No. 151/2008. Our Company has filed its counter-affidavit in both the Letter Patent Appeals.

Our Company filed Civil Writ No. 4181 of 2008 before the High Court of Delhi against the order of the State Government of Chhattisgarh and the Mines Tribunal seeking quashing of the recommendation of the Government of Chhattisgarh dated November 10, 2006 and the order of the Mines Tribunal dated May 12, 2008.

The matters are pending.

(ii) Bailadila Iron Ore Deposit – 3

Our Company was granted a mining lease for Bailadila Iron Ore Deposit – 3 for 30 years valid from August 3, 1977. Our Company applied for renewal of the mining lease on April 12, 2006. On June 7, 2006, the Government of Chhattisgarh put the lease under lapse category and notified the area for re-grant through separate orders. Our

Company filed two Revision Applications nos.12/(12)/2006-RC-II and 12/(13)/2006-RC-II dated September 1, 2006 before the Mines Tribunal, Ministry of Mines, Government of India, against the lapse order and the notification for re-grant. On November 10, 2006, the Government of Chhattisgarh recommended the area for grant of the Prospecting License in favour of Essar Steel (Chhattisgarh) Limited for prior approval of the Central Government. Our Company filed a third Revision Application No. 12/(2)/2007-RC-II dated January 17, 2007 before Mines Tribunal, Ministry of Mines, Government of India against the recommendation dated November 10, 2006. The Ministry of Mines, Government of India upheld the order of the State Government and dismissed all three revision applications filed by our Company pursuant to the common final order No. 17/2007 on November 2, 2007 stating that our Company had failed to seek the permission of the State Government to discontinue its mining operations and revival of the lapsed order within the stipulated time under the Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960. Our Company has filed three Writ Petitions (WP 9583, 9584 and 9585 of 2007) before the High Court of Delhi on December 18, 2007 against the order dated November 2, 2007. The matters are currently pending.

The Central Government granted approval for the recommendation of the Government of Chhattisgarh on December 28, 2006 for grant of Prospecting License to Essar Steel (Chhattisgarh) Limited. On October 20, 2007, our Company filed Writ Petition No. 7984/2007 before the High Court of Delhi, New Delhi challenging the Central Government's order dated December 28, 2006 and clarification dated February 2, 2007. The matter is currently pending.

(iii) Ramandurg Iron Ore Deposit

Our Company filed a Writ Petition No.18445/2003 before the High Court of Karnataka, Bangalore on April 8, 2003 seeking quashing of notifications dated February 17, 2003 issued by the State Government of Karnataka insofar as it relates to dereserving of Ramandurg deposit and dated March 15, 2003 notifying the availability of the said deposit to the public. The High Court disposed of the Writ Petition by an order dated November 27, 2006 directing the State Government to consider our Company's application for mining lease without quashing the subject notifications.

The State Government of Karnataka filed a Writ Appeal No.781/2007 before the Division Bench of the High Court of Karnataka, Bangalore against the order dated November 27, 2006. The writ petition was dismissed by an order dated March 12, 2009, however, it also stated that no preferential rights had accrued to our Company pursuant to the Mines and Minerals (Development and Regulation) Act, 1957. Our Company filed a special leave petition in the Supreme Court on July 6, 2009 challenging the Division Bench of High Court order dated March 12, 2009.

Certain private parties challenged the order of the Division Bench of High Court dated March 12, 2009 before the full bench of the High Court which passed an order dated August 28, 2009 overruling the orders dated November 27, 2006 and March 12, 2009, which the private parties have challenged before the Supreme Court. The Supreme Court has clubbed this batch of special leave petitions with that of our Company's special leave petition referred to in the above paragraph. The Company has filed a Special Leave Petition on February 15, 2010 challenging the order dated August 28, 2009.

(iv) Kumaraswamy Iron Ore Deposit ML No. 1111

a) Our Company was granted a Mining Lease ML No.1111 for 30 years on October 18, 1972 by the Government of Karnataka. The said lease was renewed for a period of 20 years by a notification dated April 4, 2005 of the Government of Karnataka.

   Our Company filed a Writ Petition No. 10335/1998 before the High Court of Karnataka, Bangalore seeking intervention of the Government of Karnataka in the matter of boundary dispute between our Company and Deccan Mining Syndicate. This petition was disposed of by order dated March 31, 2008.

   Our Company then filed a Writ Appeal No. 1134/2008 before the High Court of Karnataka, Bangalore seeking setting aside of the order dated March 31, 2008 passed in the Writ Petition No. 10335/1998, except to the extent of upholding the renewal of mining lease of our Company and also to direct the Government of Karnataka to take a decision on the case remanded by the Central Tribunal regarding the claim of Deccan Mining Syndicate over an area of 188 acres of revenue land belonging to our Company which surrounds the lease of Deccan Mining Syndicate Private Limited and suspend the operation of the order relating to survey of the leased area. The matter is pending.

b) Deccan Mining Syndicate filed a Writ Petition No. 19766/2005 before the High Court of the Karnataka, Bangalore seeking quashing of the notification dated April 4, 2005 relating to renewal of the mining lease no.1111 to our Company. The said writ petition was disposed of by the High Court of Karnataka, Bangalore pursuant to an order dated March 31, 2008 directing the Government of Karnataka to do survey in view of observations made in the said order and redraw sketch of mining lease no.1111. Further, the order also stated that our Company should enclose the sketch with the lease deed for mining lease no.1111 and do the mining in only such area.

Our Company filed a Writ Appeal No. 1135/2008 before the High Court of Karnataka, Bangalore seeking setting aside of the order dated March 31, 2008 passed in the Writ Petition 19766/2005, only to the extent of the lease sketch accompanying the notification dated April 4, 2005 and also to direct the Government of Karnataka to take a decision on the case remanded by the Central Tribunal regarding the claim of Deccan Mining Syndicate of 188 acres of revenue land belonging to our Company which surrounds the lease of Deccan Mining Syndicate Private Limited. The matter is pending.

(v) Kumaraswamy Range – 185 Hectares

Our Company has filed a Writ Petition No. 20374/2007 in the High Court of Karnataka on December 18, 2007 seeking to quash the recommendation of the Director of Mines and Geology, Government of Karnataka to grant mining lease dated February 9, 2004 for 218.20 hectares in favour of MSPL Limited for an area held previously by Sandur Manganese & Iron Ore Limited and surrendered during its renewal. Our Company was the first applicant for grant of a lease for 413 hectares on October 8, 1987. Pursuant to the notification dated February 17, 2003 de-reserving certain areas in the State, including the area in contention, and pursuant to notification dated March 15, 2003 inviting applications for the de-reserved areas, our Company filed a fresh application dated April 16, 2003 for an area of 185 hectares. The matter is pending.

2. Income Tax Matters

We are involved in seven income tax proceedings which are pending before various authorities in India. Our Company has paid all the demands claimed by the Income Tax Department as detailed below and there is no additional financial implication on our Company. The details of these are as follows:

(i) Our Company has filed an Appeal No. 41477 dated June 20, 2000 before the High Court of Andhra Pradesh, Hyderabad challenging the order dated February 8, 2000 rejecting the Miscellaneous Petition No. 50/Hyd/1999 on the ground that interfering with an assessment order on the basis of a Supreme Court judgment cannot be said to be rectifying a mistake. In this case, the Deputy Commissioner of Income Tax(Assessments), Special Range-4, Hyderabad, through Assessment Order dated January 28, 1992 for the assessment year 1990-1991 excluded depreciation while calculating losses which would be eligible for set off for computation of chargeable book profits under the then Section 115J of the Income Tax Act, 1961. Our Company filed an appeal before the Commissioner of Income Tax (Appeals-IV), Hyderabad against the order of disallowance which was rejected by an order dated June 23, 1992. Our Company filed an Appeal No. ITA No. 1948/Hyd/92 before the Income Tax Appellate Tribunal, Hyderabad, Bench ‘A’ against the order of the Commissioner and the same was dismissed on December 11, 1997. It was then that our Company filed a Miscellaneous Petition for rectification of mistake before the Income Tax Appellate Tribunal, Hyderabad, Bench ‘A’ challenging the order dated December 11, 1997 in view of the Supreme Court judgment in Surana Steels Private Limited vs. DCIT which had held that depreciation should be included for the purpose of calculating losses eligible for set off for computing book profits under the then Section 115J of the Income Tax Act, 1961. The financial implication of this matter is Rs.30 million. The case is currently pending before the High Court of Andhra Pradesh.

(ii) Our Company has filed Miscellaneous Petition No. 171 before the High Court of Andhra Pradesh on March 17, 2006 for the restoration of the Appeal No.239 of 2005 on receipt of the approval from the Committee on Disputes dated February 20, 2006. The appeal has been filed before the High Court of Andhra Pradesh challenging the order dated July 13, 2007 (dismissal order) on the ground that the decision to dismiss the appeal was erroneous. The Commissioner vide order dated May 23, 2005 dismissed the representation of our Company and directed the assessing officer to recompute the income by disallowing the prior period expenses claimed during the year thereby duly allowing them in the year in which they were actually incurred. The order also allowed eligible depreciation of Rs.10.31 million relating to prior period which had already been added back to the returned income. Our Company, aggrieved by the order of the Commissioner had filed an appeal before the Income Tax Appellate Tribunal, Hyderabad, Bench ‘A’ which was dismissed on July 13, 2007. The financial implication of this matter is Rs 24.60 million. The case is currently pending.

(iii) Our Company has filed an Appeal No. I.T.T.A. No. 3075 of 2008 before the High Court of Andhra Pradesh, Hyderabad on October 13, 2008 challenging the order dated June 6, 2008 that was passed by the Income Tax Appellate Tribunal, Hyderabad, Bench ‘B’. Our Company maintains inventories at its different projects located at remote places for ensuring unhampered production and when these inventories become obsolete, our Company had a policy of writing off 85% of inventory and debiting the Profit and Loss account with the written off amount as it was a trading loss. The amount realised on sale of such obsolete inventory was being shown under the head “Miscellaneous Income” in the Profit and Loss Account of our Company. The Assistant Commissioner of Income

Tax, Circle-16(1), Hyderabad, through assessment order dated December 30, 2005 for the assessment year 2003-2004 disallowed the expenditure of Rs.18.48 million claimed as Miscellaneous Losses written off in respect of non moving stores and spare parts. Our Company filed an Appeal No. ITA No. 278/AC-16(1)/CIT(A) – V/2005-06 before the Commissioner of Income Tax (Appeals-V), Hyderabad for being aggrieved by the order of disallowance and the same was rejected by the Commissioner (Appeals) by an Order dated March 28, 2007. Subsequently, our Company filed an Appeal No. ITA No. 657/Hyd/07 before the Income Tax Appellate Tribunal, Hyderabad, Bench 'B' and the same was dismissed on June 6, 2008 on the ground that the amounts written off did not form part of the closing stock of our Company. The grounds of appeal is in the process of being filed by our Company. The financial implication of this matter is Rs.5.40 million. The case is currently pending.

(iv) Our Company has filed an appeal on January 30, 2009 before the Commissioner of Income-Tax (Appeals – V), Hyderabad against the order dated December 24, 2008 of the Additional Commissioner of Income Tax, Range-16, Hyderabad, through assessment order dated December 24, 2008 for the assessment year 2006-2007 disallowing punitive charges of Rs. 61.29 million for extra loading paid to Indian Railways for carrying iron ore produced in the mines of our Company to destination ports for export purposes, donation of Rs.50 million paid to Medical college at Jagdalpur and miscellaneous expenditure pertaining to writing off of obsolete and non moving stores and advances.

(v) The Additional Commissioner of Income Tax, Range-16, Hyderabad, through assessment order dated December 24, 2008 for the assessment year 2006-2007 had completed the assessment of the return filed under Section 115WE(3) of the Income Tax Act, 1961 for Fringe Benefit Tax and there was nil demand. Aggrieved by the order for the excess interest of Rs. 0.10 Million charged, our Company had filed an appeal before the Additional Commissioner of Income Tax. The matter is currently pending. Our Company has also filed a petition on December 14, 2007 before the Chief Commissioner of Income Tax, Hyderabad for waiver of interest of Rs.68.80 million charged under Section 234C of the Income Tax Act, 1961 for short payment of Advance Tax due on the first and second installments. The matter is currently pending. Our Company has also filed a petition on February 19, 2009 before the Additional Commissioner of Income Tax, Hyderabad for refund of interest of Rs.0.19 million charged under Section 234D of the Income Tax Act, 1961 as well as refund of Tax Deducted at Source amounting to Rs.6.28 million. The matter is currently pending.

(vi) The Company has filed an Appeal under Section 246A (1) (a) of the Income-tax Act, 1961 read with Rule 45 of the Income-tax Rules, 1962 before the Commissioner of Income-tax (Appeals – V), Hyderabad on February 10, 2010 against the assessment order passed by the Additional Commissioner of Income Tax, Range-16, Hyderabad under Section 143(3) read with Section 147 of the Income-tax Act, 1961 on December 29, 2009. The Assessment Order was in relation to the Assessment Year 2004-05 and provided that the Company is not eligible for the interest as the amount refunded was less than 10% of the taxes paid and the proviso to Section 244A (1)(a) of the I.T. Act was applicable. The Company was assessed for income tax for the previous year ended March 31, 2004 relevant to Assessment Year 2004-05 and filed a return of income of Rs. 4,519.8 million. The Assessing Officer determined the total income at Rs. 4,552.3 million. In the Assessment Order dated December 29, 2009, the Assessing Officer withdrew the interest allowed under Section 244A of the Income-tax Act, 1961 and adjusted the same towards interest relating to other year for an amount of Rs.12.36 million. It is the contention of the Company that its interest claim falls under the proviso to Section 244A (1) (b) that provides that in any other case, such interest shall be calculated at the rate of 0.5% every month or part of a month comprised in the period or periods from the date or, as the case may be, dates of payment of tax or penalty to the date on which the refund is granted. The financial implication involved in the case is Rs. 12.3 million and the matter is currently pending.

(vii) The Company has filed an Appeal under Section 246A (1) (a) of the Income-tax Act, 1961 read with Rule 45 of the Income-tax Rules, 1962 before the Commissioner of Income-tax (Appeals – V), Hyderabad on February 10, 2010 against the assessment order passed by the Additional Commissioner of Income Tax, Range-16, Hyderabad under Section 143(3) of the Income-tax Act, 1961 on December 29, 2009 (Assessment Year 2007-08). The Assessment Order disallowed the expenditure for punitive charges under the head "Selling Expenses" for an amount of Rs 40.7 million and contribution to Medical College under the head "Community Development" for an amount of Rs 100 million.

a. <u>Expenditure for punitive charges under the head "Selling Expenses" for an amount of Rs.40.7 million</u> – It is the contention of the Company that the punitive charges are on account of variation in the weight indicated in the Railway Receipts issued by the originating station of the Railways and the weight as recorded by the "in motion weigh bridge" of the Railways at various locations and should not be disallowed.

The Company contended that the additional freight levied by the Railways is not in the nature of penalty. It is a part of "Selling Expense" which is arising as a routine matter of business and the punitive charges are being charged by railways as a part of regular freight and not a penalty.

b. Contribution<u> to Medical College under the head "Community Development" for an amount of Rs 100 million</u> – It is the contention of the Company that the Company has paid Rs. 100 million towards contribution for medical college at Jagdalpur which is within the vicinity of the project area of the Company. The medical college was originally proposed to be set up at Raipur but was later shifted to Jagdalpur, where the Company is setting up a steel plant. The expenses have been incurred for setting up of a hospital which provides medical treatment to tribals and adivasis and other villages in and around Jagdalpur where the project office is located.

The financial implication involved in the case is Rs. 47.8 million and the matter is currently pending.

3. Sales Tax Matters

We are involved in six sales tax proceedings which are pending before various authorities in India. All of these proceedings are appeals filed by us. The total financial implication on our Company for the below mentioned matters is Rs.15.19 million. The details of these are as follows:

(i) Our Company has filed a Tax Revision Case No. 229 of 1999 before the High Court of Judicature at Andhra Pradesh, Hyderabad under Section 22(1) of the Andhra Pradesh General Sales Tax Act, 1957. The case has been filed challenging T.A.No.413 of 1996 wherein the Sales Tax Appellate Tribunal, Andhra Pradesh held that the surrender of REP licenses/exim scrips to the Government of India through the State Bank of India in compliance with the notification dated March 16, 1992 was a sale of those scrips and was liable to sales tax. Our Company has filed the case on the ground that it is actually a compensation for unutilized licenses for cancellation. The total financial implication of the case is nil as all taxes and interest thereon has been paid. The matter is pending.

(ii) The Chhattisgarh Sales Tax Authority has demanded sales tax from the project at Kirandul of our Company for sending iron ore on a regular basis to its Visakhapatnam Stock Yard and for selling reclaimed iron ore to Rashtriya Ispat Nigam Limited during the Financial Year ending March 31, 2003 on which Andhra Pradesh Sales Tax was already paid. The total demand raised along with the penalty is Rs 15.07 million, against which the Company has filed an appeal before Deputy Commissioner Appeals, Chhattisgarh Sales Tax Department, Raipur. The matter is pending.

(iii) Our Company has filed an appeal on August 10, 2001 before the Deputy Commissioner (Appeals), Commercial Taxes, Sagar challenging the sales tax Assessment Order No. 902/98 dated April 20, 2001 for the Financial Year ending March 31, 1998 in which a demand of Rs. 24,495 was raised on account of levy of central sales tax. Similarly, a levy of Rs.817 was also demanded by the Assistant Commissioner, Sagar pursuant to order no. 138/98 on account of entry tax for the period from April 1, 1997 until March 31, 1998 in relation to medicines and stationery items. Our Company has contended that such items do not attract any entry tax. The total financial implication involved in the case is Rs.25,312. The matter is pending.

(iv) Our Company has filed an appeal on September 20, 2002 before the Deputy Commissioner (Appeals), Commercial Taxes, Sagar against the entry tax on vehicles purchased by the Diamond mining project in the year 2000-2001 contending that excess entry tax is being demanded by the department. Our Company purchased the vehicles for an amount of approximately Rs. 6.98 million on June 4, 2000, but the assessment orders dated May 26, 2002 were passed by the STO, Naugaon for approximately Rs 1.3 million. The total financial implication involved in the case is Rs.50,391. The matter is pending.

(v) Our Company has filed an appeal on March 9, 2005 before the Deputy Commissioner (Appeals), Commercial Taxes, Sagar against Assessment Order for the Financial Year ending March 31, 2002. The total financial implication involved in the case is Rs 26,545. The matter is pending.

(vi) Our Company has filed an appeal on April 10, 2007 before the Deputy Commissioner (Appeals), Commercial Taxes, Sagar against Assessment Order for the year ended March 31, 2004 stating that an amount of Rs.21,263 was less deposited by our Company. Our Company's contention is that an amount of Rs.697,909 was wrongly included in the sale price and hence the differential amount of Rs.21,263 was not payable. The total financial implication involved in the case is Rs 21,263. The matter is pending.

4. Other Taxation Matters

We are involved in six tax proceedings under different statutes which are pending before various authorities in India. All of these proceedings are appeals filed by us. The total financial implication of four of these matters as on December 31, 2009 was Rs. 375.32 million. The financial implication for two matters cannot be quantified. The details of these are as follows:

(i) Our Company has filed a Writ Petition No. WP/1500/97 before the High Court of Chhattisgarh, Bilaspur against Municipal Council, Kirandul and others on March 31, 1997 seeking the quashing of the demand order dated March 10, 1997 for payment of export tax of approximately Rs.13.73 million and demand notices dated May 9, 2001 and June 25, 2001 respectively seeking payment of export tax of approximately Rs 41.87 million and seeking details of the properties of the petitioner so as to dispose of the properties and recover the amount due from the petitioner, and also seek a declaration that they do not have the authority or jurisdiction to impose export tax as it is violation of Article 301 of the Constitution of India which imposes restrictions on the State Legislature or the Municipality to impose such a tax. The financial liability as on December 31, 2009 is Rs. 105.30 million. Our Company has sought interim stay of the demand notice dated March 10, 1997 during the pendency of the Petition. The matter is currently pending.

(ii) Our Company has filed Writ Petition No. 2642/2009 before the High Court of Karnataka, Bangalore against the State of Karnataka and another challenging the levy of Forest Development Tax at 12% by the Government of Karnataka on the ores extracted from the mines located in the State, seeking to declare the notification dated September 12, 2008 to be ultra vires the provisions of the Karnataka Forest Act, 1963 and the Forest (Conservation) Act, 1980 and to quash the notification. The case has been admitted and stay granted by way of an interim order dated February 24, 2009 staying the operations of the notifications dated August 27, 2008 and September 12, 2008. Our Company has contended that once the land is dereserved for any non-forest purpose under Section 2 of the Forest (Conservation) Act, 1980, such purpose does not continue to be regulated under the provisions of the Forest Act, 1963 and Section 98A of the Karnataka Forest Act, 1963 is not applicable to mining activities in respect of any dereserved forest land. The financial liability as on December 31, 2009 is Rs. 257.82 million. The matter is currently pending.

(iii) Our Company has filed Writ Petition 2337/08/(MV-TAX) before the High Court of Karnataka, Bangalore against the State of Karnataka and another seeking directions to declare Section 3 of the Karnataka Motor Vehicles Act, 1957 as unconstitutional to the extent of its applicability to imposition of tax on dumpers, rockers and shovels and other vehicles used within mining area, as well as quashing the order dated December 3, 2007 issued by the Government of Karnataka levying motor vehicle tax of approximately Rs.8 million. The financial liability as on December 31, 2009 is Rs. 9.6 million. The matter is pending.

(iv) Our Company has filed a Writ Petition No. WP/1245/2001 before the High Court of Chhattisgarh, Bilaspur against Nagar Panchayat, Bade Bacheli, District Dantewada and the Government of Chhattisgarh challenging their authority to impose export tax and terminal tax on our Company and also quashing the notices dated May 17, 2001 and June 25, 2001 issued by the Nagar Panchayat seeking details of the iron ore transported from the mines of our Company. The financial liability as on December 31, 2009 is Rs. 2.60 million. The matter is pending.

(v) Our Company has filed Writ Petitions Nos. MP/886/91 and MP/887/91 before the High Court of Madhya Pradesh, Jabalpur for quashing of the notification for the notice of assessment and the demand notice for levy of entry tax for the years 1988 to 1991 on Kirandul and Bacheli mines respectively. The High Court has granted stay in both the matters on March 16, 1991. The matter is pending and listed for final arguments.

(vi) The Government of Madhya Pradesh has enacted Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam, 2005 (the Madhya Pradesh Rural Infrastructure and Road Development Act, 2005) which imposes levy on rural infrastructure and road development tax of upto 20% of annual value of mineral bearing land held for carrying on mining operations. Our Company had by filing a writ petition WP No. 8086/2006 before the High Court of Madhya Pradesh, Jabalpur sought quashing of the said act as the levy of tax as envisaged in the act was not within the purview of the Government of Madhya Pradesh. The High Court passed an order dated August 18, 2006 dismissing the writ petition filed by our Company. Our Company then filed a Special Leave Petition No. 59 of 2007 before the Supreme Court challenging the order dated August 18, 2006 in WP No. 8086/2006. The Supreme Court has by its order dated January 15, 2007 stayed the imposition of the tax pursuant to Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam, 2005. The matter is pending.

5. Employee Matters

There is one case filed by our Company against an employee, brief details of which are set out below:

Our Company has filed a WP No. 7698 of 2005 before the High Court of Andhra Pradesh, Hyderabad challenging the Order in ID No. 71 of 2002 dated December 6, 2004 passed by the Labour Court – I, Andhra Pradesh, Hyderabad wherein it was ordered to reinstate K.Dhanlakshmi into service with full back wages and continuity of service. The order removing her from services was passed in order No. 3(1)/R/87 dated September 30, 1999 wherein she was issued a charge sheet pursuant to Memorandum No. 3(1)R/87 dated January 20, 1999 under Rule 25 of the NMDC Employee's (Conduct, Discipline & Appeal) Rules, 1978 for misappropriating the concessional house building funds/Loans given by our Company to her to other channels for her personal use. The enquiry report had been submitted on July 30, 1999, pursuant to which show cause notice No. 3(1)/R/87 was issued on September 4, 1999. Pursuant to order dated April 7, 2005 in WPMP No. 10224 of 2005 in WP No. 7698 of 2005, the High Court of Andhra Pradesh, Hyderabad granted an interim suspension of the Order in I.D. No. 71 of 2002 subject to certain conditions. The matter is pending.

6. Civil Suits

There are three civil cases filed by our Company, pending before various courts in India. Out of these cases, claims in only two cases have been quantified which aggregate to approximately Rs. 0.8 million. Claim amounts for the remaining two cases have not been quantified. Brief details of these cases are as follows:

(i) Our Company has filed Writ Petition WP No. 29850/2009 on October 9, 2009 before the High Court of Karnataka, Bangalore against the Government of Karnataka and others for non-issue of Geological permits to our Company to transport the iron ore of all categories lying in the stock pile of our Company in Kumaraswamy Iron ore lease area in contravention of the written directions of the Director, Mines and Geology, Government of Karnataka dated October 3, 2009. The matter is currently pending.

(ii) Our Company had terminated the contract of Kailash Bus Services, Satna owned by Mr. Kailash Prasad Tamrakar who was providing shuttle bus services for employees of our Company due to non compliance with the terms of the agreement entered into with them. Mr. Kailash Prasad Tamrakar had filed a suit before the Additional District Judge, Panna for wrongful termination of the contract. The Additional District Judge, Panna passed an order referring the matter to arbitration. Mr. R N Shukla was appointed as the Sole Arbitrator. The Sole Arbitrator passed an award on June 23, 2005 against our Company awarding approximately Rs.1.50 million to Mr. Kailash Prasad Tamrakar. Our Company challenged the award by filing an appeal MA No.16/2005 before the Additional District Judge, Panna which was dismissed on January 31, 2007. Our Company preferred an appeal MA No.1122/2007 before the High Court of Madhya Pradesh, Jabalpur challenging the order dated January 31, 2007. The Court granted a stay by their order dated July 13, 2007 and also instructed our Company to deposit Rs. 0.50 million against the award amount which was deposited on October 18, 2007. The matter is pending.

(iii) Our Company has filed a Case No 628 of 2004 before the Civil Judge (Senior Division), Allahabad on November 22, 2004 against M/s Modiram Ramlal and Mr Pankaj Gupta. Our Company supplied Silica Sand to them on order basis and received payments through cheques. In the period from December 20, 2001 till January 29, 2002, six cheques issued by M/s Modiram Ramlal and Mr Pankaj Gupta dishonoured against which the present case has been filed. The matter is pending. The total amount of financial implication is approximately Rs.0.30 million.

7. Criminal Complaints

We have filed one criminal case, brief details of which are set out below::

Our Company has filed a Criminal Miscellaneous Writ Petition No. 6647 of 2008 before the High Court of Judicature at Allahabad on March 27, 2008 against the rejection of Criminal Complaint No. 477 of 2002 before the Additional Chief Judicial Magistrate, Allahabad under Section 138 of the Negotiable Instruments Act, 1881 read with Section 419 and 420 of the Indian Penal Code, 1908 and Revision Application No. 74 of 2005 before the Court of Additional Sessions Judge, Allahabad. The aforesaid pleadings were filed against M/s Modiram Ramlal and Mr Pankaj Gupta to whom our Company supplied Silica Sand and are in relation to the dishonour of six cheques aggregating to Rs 0.21 million. Our Company has also filed a Miscellaneous Stay Application No. 6647 of 2008 dated March 27, 2008 before the High Court of Judicature at Allahabad seeking a stay on the operation and effect of the judgment and order passed by the concerned authorities in Criminal Complaint No. 477 of 2002 and Revision No. 74 of 2005. The matter is currently pending.

8. Railway Tribunal Claims

We have filed one claim before the Railway Claims Tribunal, Secunderabad, brief details of which are as follows:

Our Company has filed O.A. No. 1239/2007 under Section 16 of the Railway Claims Tribunal Act, 1987 before the Railways Claims Tribunal, Secunderabad challenging the decision of the South Central Railway to apply a different classification of iron ore. The contention of our Company is that the classification of iron ore, which was under 125, was changed to 120 with effect from April 1, 2000 and that the South Central Railway has applied the revised classification for both 'lump ore' and 'fine ore' and freight was being charged under classification 120 effect from April 1, 2000 and that from July 20,2000, South Central Railway started charging the 'lump ore' under classification 125 on the plea that the rollback of classification with effect from April 1, 2000 was only for fine ore. The financial implication of the case for additional freight charges paid is Rs.30.10 million. The matter is pending.

D. Notices received by our Company

i) Legal Notices

Nil

ii) Miscellaneous Notices

Nil

E. Miscellaneous Matters

Applications for information from any public authority in India can be submitted under the Right to Information Act, 2005, as amended ("RTI Act"), to the Public Information Officer ("PIO") of such public authority with a nominal application fee. The PIO is expected to reply within 30 days, else the application is deemed refused. The applicant can ordinarily submit an appeal within 30 days from the receipt of the public authority's response, before a designated officer senior in rank to the PIO in such public authority. In certain exceptional cases, the PIO is given additional time to furnish the requested information. An appeal may be filed on grounds including non receipt of sufficient information or rejection of the application.

Our Company receives applications under the RTI Act in the usual course of its business, which are disposed off in accordance with the provisions of RTI. For the last monthly filing made for February 2010, our Company has reported seven applications out of which none have been rejected, five have been accepted and two were pending as on February 28, 2010.

II Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

III. Details of past penalties imposed on our Company by the authorities concerned

Except as stated in this section, there are no past penalties imposed on our Company by the authorities concerned.

IV. Potential Litigation against our Company

Except as stated in this section, there are no potential litigations against our Company that we are currently aware of or in connection with which, we have received notice.

V. Adverse findings against our Company as regards compliance with the securities laws

There are no adverse findings against our Company as regards compliance with the securities laws.

VI. Material Developments since the Last Balance Sheet Date

Except as disclosed in the section titled "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages xiii, 68 and 228 respectively, in the opinion of our Company's Board, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

VII. Outstanding dues to small scale undertaking(s) or any other creditors

There are no outstanding dues above Rs. 0.10 million to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

VIII. Outstanding Litigation against other companies whose outcome could have an adverse effect on our Company

Except as disclosed in this section, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company.

IX. Litigation against the Directors of our Company

A. Outstanding Litigation and Material Developments/Proceedings against our Directors

Except as disclosed in hereinbelow, there is no outstanding litigation involving our Directors including criminal prosecutions or civil proceedings involving our Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including disputed tax liabilities, past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act). However, incidental to the business of our Company, parties may from time to time file suits impleading our Company through or along its respective officers and Directors in their official capacity.

(i) ***Mr. Rana Som***

Nil

(ii) ***Mr. V.K.Sharma***

Nil

(iii) ***Mr. S.Venkatesan***

Nil

(iv) ***Mr. N.K.Nanda***

Nil

(v) ***Mr. S. Thiagarajan***

Nil

(vi) ***Mr. U.P.Singh***

Nil

(vii) ***Mr. R.N.Aga***

Nil

(viii) ***Dr (Mrs.) Indira Misra***

Nil

(ix) ***Ms Teresa Bhattacharya***

Nil

(x) ***Mr. Y.K.Sharma***

Nil

(xi) ***Mr. Abdul Kalam***

Nil

(xii) ***Mr. K.S.Raju***

Nil

B. Outstanding Litigation and Material Developments/Proceedings filed by the Directors

Except as stated in this section, there are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by the Directors.

C. Proceedings initiated against the Directors for economic offences

Except as stated in this section, there are no proceedings initiated against the Directors for any economic offences.

D. Details of past penalties imposed on our Directors by the authorities concerned

Except as stated in this section, there are no past penalties imposed on the Directors by the authorities concerned.

E. Litigations against the Directors involving violation of statutory regulations or alleging criminal offence

Except as stated in this section, there are no litigations against the Directors involving violation of statutory regulations or alleging criminal offence.

F. Criminal/ civil cases against the Directors towards tax liabilities

Except as stated in this section, there are no criminal/ civil cases against the Directors towards tax liabilities.

X. Disciplinary action taken by SEBI or the Stock Exchanges against our Company

No disciplinary action has been taken by SEBI or the Stock Exchanges against our Company.

XI. Litigation involving our Subsidiaries or any other company whose outcome could have a materially adverse effects on the positions of our Company

There are no outstanding litigation involving our Subsidiaries or against any other company whose outcome could have a materially adverse effect on the positions of our Company, including criminal prosecutions or civil proceedings, and there are no defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Subsidiaries, pertaining to matters likely to affect its operations, including disputed tax liabilities, prosecutions under any enactment in respect to Schedule XIII of the Companies Act.

OUTSTANDING LITIGATIONS INVOLVING SPONGE IRON INDIA LIMITED ("SIIL")

A. Pending litigation against SIIL

1. Employee Matters

There are twelve cases filed against Sponge Iron India Limited (hereinafter referred to in this section as "SIIL") by its employees, pending before various courts in India. Out of these cases, claims in only three cases have been quantified which aggregate to approximately Rs.0.74 million.

i) Mr. Shyam Prasad has filed a writ petition WP No. 26622/1998 before the High Court of Andhra Pradesh, Hyderabad against four officials of SIIL and another for directing the respondents to allot the tender work to the petitioner and to declare him as the successful bidder in the tender for supply of vehicles dated April 24, 1998. The petitioner further prayed for the declaration of the tender offer dated April 24, 1998 as illegal and arbitrary. The period of the contract has expired on August 31, 1999. The matter is pending.

ii) Mr. K. Veeriah has filed a writ petition WP No. 9362/1996 before the High Court of Andhra Pradesh, Hyderabad against SIIL and another challenging the award of the Industrial Tribunal-cum-Labour Court, Warangal which while rejecting the application of the petitioner, held that the denial of promotion to the petitioner did not amount to an industrial dispute. The petitioner also sought issue of directions to the tribunal to conduct a detailed enquiry into the dispute, and sought an interim relief of a stay of the award. SIIL has filed a reply. The matter is pending.

iii) Mr. C. Vittobha has filed a writ petition WP No.18013/2000 before the High Court of Andhra Pradesh, Hyderabad against SIIL and others seeking the issue of directions to SIIL to prepare a seniority list and to consider the petitioner's claim for the post of an executive in accordance with the policy applicable to SIIL for promotion of a person from a non-executive to an executive post. SIIL has filed a reply. The matter is pending.

iv) Mr. C. Vittobha has filed a writ petition WP No. 23690/2001 before the High Court of Andhra Pradesh, Hyderabad against SIIL and others seeking quashing of the order No. SI/Pers/9949/2412/2001 dated February 20, 2001 pursuant to which the petitioner was allegedly forced to accept the voluntary retirement scheme offered by SIIL, and further, the issue of directions to SIIL to reinstate him forthwith, with all consequential monetary benefits. SIIL has filed a reply. The matter is pending.

v) SIIL VR Workers Association has filed a writ petition WP No. 22754/2003 before the High Court of Andhra Pradesh, Hyderabad against SIIL and others seeking to declare illegal the settlement arrived at between SIIL and its recognized union, SIIL Mazdoor Sangh, on August 28, 2003 in so far as it relates to the denial of monetary benefits including arrears of wages to the workmen who are not on the rolls of SIIL as on August 28, 2003. The petitioner also sought the issue of directions to SIIL to pay the monetary benefits including arrears of wages on pay fixation arising out of the revised pay scales with effect from July 1, 1997 till the date when the workmen have severed their relationship with SIIL whether by retiring on acceptance by voluntary retirement scheme or otherwise, and to pay the difference in ex-gratia on recalculation on the basis of the revised pay scales and other benefits. The petitioners have further sought to direct SIIL to pay an ad hoc amount calculated on the basis of 50% of the arrears of wages payable to the members of the union under terms of the new settlement, for the period they actually worked between July 1, 1997 and the date on which the workman severed their relationship with SIIL by retiring on acceptance by voluntary retirement scheme. The petitioners have also sought that pending the disposal of the writ petition, to direct the Union of India (3rd respondent) to ensure that on occurrence of the disinvestment of SIIL, sufficient funds be allocated and kept aside to meet the payment of the above claims. SIIL has filed a reply. The matter is pending.

vi) Mr. S. Koteswara Sarama has filed a writ petition WP No. 6656/2004 before the High Court of Andhra Pradesh, Hyderabad against SIIL and another seeking declaration of the action of SIIL in not paying arrears consequent to revision of pay scales on August 16, 2002 with retrospective effect from January 1, 1997 for an amount of Rs. 0.6 million as illegal. The High Court allowed the petition WP MP No. 8633/2004 in WP No. 6656/2004 of the petitioner, and directed SIIL to deposit Rs. 0.20 million in any nationalized bank towards the tentative arrears payable to the petitioner. SIIL filed a writ appeal WA No.1196/2004 challenging the order in WPMP No. 8633/2004, and the order directing SIIL to deposit the above amount was set aside. SIIL has filed a reply in WP No. 6656/2004, and the matter is pending.

vii) Mr. K.V Subba Rao has filed a writ petition WP No. 8561/2004 before the High Court of Andhra Pradesh, Hyderabad against SIIL and others seeking issue of directions to SIIL to give arrears of payment for an amount of Rs.0.53 million subsequent to the revision of the pay scale with retrospective effect from January 1, 1997 until May 10, 2000 and to recalculate and pay the benefits under the voluntary retirement scheme and any other arrears together with interest of 12 per cent. The petitioner has also sought declaration of the office memorandum dated June 25, 1999 relating to non-extension of the revised pay scales with effect from January 1, 1997 to the petitioner as illegal. The matter is pending.

viii) Mr. L.V Shastry has filed a writ petition WP No.7979/2004 before the High Court of Andhra Pradesh, Hyderabad against SIIL and others seeking to declare the office memorandum dated June 25, 1999 as arbitrary and illegal. The petitioner has further sought issue of directions to extend the revised pay scales pursuant to office memorandum dated June 25, 1999 with effect from January 1, 1997 to the petitioner, and consequently, to pay the arrears of pay for the period from January 1, 1997 until October 15, 1998 and to recalculate and pay the benefits accruing under the voluntary retirement scheme, together with an interest of 12% on the above amount. The petitioner also sought the issue of directions to SIIL to give arrears of payment for an amount of Rs.0.40 million towards the arrears pending disposals of the writ petition. SIIL has filed a reply. The matter is pending.

ix) Mr. S.K Sadiq Ali and Mr. G. Ramdas filed a writ petition WP No.29078/2008 against SIIL and another seeking to set aside the order passed by the Industrial Tribunal-cum-Labour Court, Warangal in I.A. No. 281/2007 in MP No. 8/2006 whereby the Industrial Tribunal has passed an order stating that it did not have the jurisdiction to determine the validity of the settlement entered into before the Conciliation Office under the Industrial Disputes Act, 1947. A miscellaneous petition had been filed before the Tribunal seeking arrears of salary for approximately Rs.0.19 million and approximately Rs.0.16 million respectively, aggregating approximately Rs.0.35 million. SIIL has filed a reply. The matter is pending.

x) M/s Jayaram Constructions has filed an appeal CCCA No. 27/1995 in the High Court of Andhra Pradesh, Hyderabad for setting aside the Judgment and Decree in OS No. 280/1993 in favour of the Company. The petitioner further filed civil miscellaneous petition No. 1815/1995 in CCCA No. 27/1995 seeking an interim stay on the order in OS No. 280/1993 pursuant to which his claim for approximately Rs.0.18 million was dismissed. The High Court granted a stay order pursuant to satisfaction of certain conditions on February 10, 1995. The matter is pending.

xi) Mr. Jalla Subba Rao filed an appeal C.C.C.A. SR.No.15819/1996 against SIIL for setting aside the order and decree in O.S No. 1255/1986 according to which the Company was entitled to claim approximately Rs.0.77 million from the appellant. The appellant has filed a miscellaneous petition CCCAMP No. 151/2006 in CCCA No. 246/2006, whereby the Court has granted an interim stay on March 27, 2006 against the proceedings under EP No. 7/2005 in OS No.1255/1986 pending the above appeal. The matter is pending.

xii) The workmen of SIIL represented by the General Secretary, SIL Karmic Union have filed ID No. 67/2006 before the Industrial Tribunal-cum-Labour Court, Warangal on November 22, 2006 on the reference of the Government of Andhra Pradesh, challenging the decision of SIIL to discontinue the ad-hoc payment of Rs.110 with effect from May 1997 and the failure to implement the revised dearness allowance formula for unionised workers in addition to recovering the amounts paid to employees from July 1, 1992 to April 30, 1997 in ten equal monthly instalments. SIIL has filed the reply. The matter is currently pending.

2. Criminal Cases

i) A Criminal Case bearing no. STC No. 01/2007 has been filed by the Inspector of Factories, Khammam, Andhra

Pradesh, against SIIL, the factory occupier of SILL and the factory manager of SIIL, before the Judicial I Class Munsiff Magistrate (Additional) Kothagudem on March 10, 2007. The case is in relation to non-compliance with certain safety procedures under the Factories Act, 1948 and the Andhra Pradesh Factories Rules, 1950. The Factory Inspection Report was prepared by the Inspector of Factories, Khammam on December 13, 2006 and thereupon the Office of Director of Factories, Andhra Pradesh, Hyderabad approved the prosecution proposal against SIIL, directing the Inspector of Factories to file charge sheets against SIIL for contraventions on February 22, 2007. The Company has submitted certain compliance reports to the Director of Factories, Factories Department, Government of Andhra Pradesh and the Inspector of Factories, Khammam requesting for arranging an inspection. The Judicial I Class Munsiff Magistrate (Additional) Kothagudem issued summons to the SIIL on September 17, 2008 and the matter is currently pending.

3. Civil Cases

i) Mr. M. Govinda Rao and others have filed a Writ Petition No. 2850 of 2010 against the SIIL before the High Court of Judicature of Andhra Pradesh at Hyderabad on February 09, 2010 declaring the publication of the tender notification REF No. S4/RO/CC/5050A/1051/2010 dated January 13, 2010 in two local editions of Andhra Jyoti newspaper at Vijayawada and Khammam as illegal and unconstitutional and directing SIIL re-start the process of inviting tenders from public for transportation of iron ores. The petitioners contended that SIIL had published the advertisements inviting tenders for transporting iron ores in only two local editions which is in contravention of procedure and has resulted in preventing others from participating in the tender process. The matter is currently pending.

ii) S.T.C. Transports Private Limited has filed a Writ Petition No. 5771 of 2010 against SIIL before the High Court of Judicature of Andhra Pradesh at Hyderabad on March 10, 2010 contending that the publication of the tender notification dated January 13, 2010 inviting tenders for transportation of iron ore from Kirandal to Palvancha, Khammam District was arbitrary and unconstitutional. The said writ petition has been filed on the grounds that the petitioners were not given an opportunity of participation in the said tenders. The matter is currently pending.

B. PENDING LITIGATION FILED BY SIIL

1. Civil Matters

There are six civil cases filed against by SIIL, pending before various courts in India. Claims in only three cases have been quantified which aggregate to approximately Rs.18.68 million. Claim amounts for the remaining three cases have not been quantified. Brief details of these cases are as follows:

i) SIIL filed a writ appeal being WA No. 586/2008 challenging the order passed by the High Court of Andhra Pradesh, Hyderabad in W.P. No. 15090/2005 where the respondent had sought the issue of an order declaring the order issued by SIIL denying the respondent benefits and arrears amounting to Rs.0.50 million as illegal. The respondent retired on June 29, 2002 on attaining the age of superannuation. Approval was accorded on August 16, 2002 to extend certain increases in wages for the period 1996-1999 to employees on the roll as on August 16, 2002. The petitioner sought the issue of directions to apply the increase in wages with effect from January 1, 1997. The High Court had allowed the claim by the petitioner, but had not allowed interest on the claim. SIIL challenged the order granting the claim in WA No. 586 while the respondent has filed WA 1171/2008 challenging the decision to not award interest. The matters are pending.

ii) SIIL has filed a suit OS No. 121/2004 for the recovery of approximately Rs. 3 million against Talent Alloys Private Limited and others in the Court of the Chief Judge, City Civil Court, Hyderabad. An ex parte-order was passed allowing the recovery of such amount. The ex-parte order was challenged by way of an interim application. The matter is pending.

iii) SIIL has filed a suit OS No. 463/2008 against KCT Steels Private Limited and others in the Court of Chief Judge, City Civil Court, Hyderabad for the recovery of approximately Rs.2.46 million, arising out of the default of the payment due from the defendants. The matter is pending.

iv) SIIL has filed an appeal AS No. 425/2007 before the Chief Judge, City Civil Court, Hyderabad against M/s Haryana Concast Limited against the judgment passed by the Senior Civil Judge, City Civil Court on November 12, 2003 in OS No. 119/1995, which allowed the counter claim of the respondent. The total financial claim involved in the appeal is approximately Rs. 0.19 million. The matter is pending.

v) SIIL has filed a company application No. 50/1988 in company petition 15 of 183 before the High Court of Andhra Pradesh, Hyderabad on February 24, 1988 against M/s India Trading Corporation and M/s Neelam Steels Limited. The case is in relation to a purchase order issued by M/s Neelam Steels Limited for supply of 3,000 tonnes of sponge iron (super grade) wherein the cheques issued by M/s Neelam Steels Limited were dishonoured as a result of which

SIIL contended that it is liable to be wound up under Section 434 of the Companies Act, 1956. The High Court of Andhra Pradesh, Hyderabad passed an order dated October 23, 1987 winding up M/s Neelam Steels Limited and appointed the official liquidator. Meanwhile, M/s Neelam Steels Limited discharged the debt due to M/s India Trading Corporation and filed a review application before the High Court of Andhra Pradesh, Hyderabad to review the order dated October 23, 1987. The said order was set aside. In anticipation of M/s India Trading Corporation withdrawing the proceedings under Company Petition 15 of 1983, SIIL has prayed for its substitution for M/s India Trading Corporation in Company Petition 15 of 1983. The matter is currently pending.

vi) SIIL has filed Company Petition No. 198/1999 before the High Court of Punjab and Haryana, Chandigarh pursuant to an order passed for winding-up against M/s Haryana Concast Limited on November 5, 1999 where the total amount claimed is approximately Rs. 38.5 million. The matter is pending.

2. Criminal Cases

SIIL has filed 5 criminal cases before the various forums. Details of all the cases are given below:

(i) SIIL has filed three criminal complaints numbers C.C. No. 438 of 1994, C.C. No. 442 of 1994 and C.C. No. 444 of 1994 before the Court of Metropolitan Magistrate, Hyderabad on June 19, 1994 against M/s Partap Steels Limited and another under sections 138 and 142 of the Negotiable Instruments Act, 1881. SIIL supplied sponge iron to the respondents on credit basis against certain cheques amounting to approximately Rs.2.86 million representing the amounts payable towards the supply of sponge iron. Pursuant to letter dated March 26, 1994, SIIL called upon the respondents to arrange for the clearance of cheques issued against the amounts. It is the contention of the respondents that the cheques were issued only as a security and not towards the cost of the material and that there was an understanding between them and SIIL, that the payment against the cost of material should be made through demand drafts and the cheques were given in advance should be returned back against the delivery of demand drafts. The matters are pending.

(ii) SIIL has filed a Criminal Complaint No. 295 of 1998 before the Court of IX Metropolitan Magistrate, City Criminal Court, Hyderabad on August 19,1998 against Talent Alloys Private Limited and another under sections 138 and 142 of the Negotiable Instruments Act, 1881 for failure to pay the amount due under cheque number 715258 dated April 23, 1998 for approximately Rs.0.57 million towards the cost of 100 metric tonnes of sponge iron drawn on Catholic Syrian Bank Limited, Gandhipuram Branch, Coimbatore, Tamil Nadu. The matter is pending.

(iii) SIIL has filed a criminal complaint against Sree Aravindh Steels Limited under section 138 and 142 of the Negotiable Instruments Act being complaint CC No. 192/2001. The accused had provided the complainant with ten cheques for the amount due in consideration for the purchase of material, however, two of the cheques were dishonoured. Subsequently, our Company resubmitted our claim to the accused, who issued fresh cheques. However, these cheques were also dishonoured. The present complaint has been filed in respect of an amount of approximately Rs. 0.22 million. The accused company was declared sick by Board of Industrial and Financial Reconstruction and SIIL has filed its claim before Board of Industrial and Financial Reconstruction for an amount of Rs. 0.67 million.The matter is still pending.

(iv) SIIL has filed two criminal complaints bearing numbers CC 819/02 and CC 820/02 before the Court of the IX Metropolitan Magistrate at Hyderabad on September 9, 2002 against M/s Airan Comtrax Towers Private Limited and others under section 138 and 142 of the Negotiable Instruments Act, 1881 for failure to pay the amounts due under cheques bearing numbers 201066, 201076, 201097, 219920 and 219925. The respondents had issued certain purchase orders offering to purchase 250 metric tonne of the sponge iron lumps at Rs.4, 900 per metric tonne exclusive of excise duty and sales tax. M/s Airan Comtrax Towers Private Limited had issued five cheques towards part payment due in relation to the payment in respect of sale of sponge iron lumps that were dishonoured on July 17, 2002. The matter is pending.

(v) SIIL has filed three criminal complaints bearing numbers CC 820/06, CC 821/06, CC 822/06 before the Court of the VIth Additional Chief Metropolitan Magistrate, Nampally at Hyderabad on March 22, 2006 against M/s KCT Steels Pvt. Limited and others under section 138 and 142 of the Negotiable Instruments Act, 1881 for failure to pay the amounts due under cheques bearing numbers999962 to 999970. M/s KCT Steels Pvt. Limited had issued a purchase order dated July 15, 2005 offering to purchase 153 metric tonnes of sponge iron lumps at Rs.8,600/- per metric tonne exclusive of excise duty and sales tax. One M/s Madhavamanis Steels Private Limited undertook to pay the amount on behalf of M/s KCT Steels Private Limited who issued nine cheques in favour of SIIL to clear the outstanding amount of approximately Rs.1.60 million. The matter is pending.

3. Income Tax Matters

SIIL is involved in eight income tax proceedings which are pending before various authorities in India. The details of these are as follows:

1. The Deputy Commissioner of Income Tax, Hyderabad passed an assessment order and issued notice of demand dated November 30, 2009 under section 143(3) of the Income Tax Act, 1961 for approximately Rs.7.04 million for the assessment year 2007-2008 disallowing delays in cash disbursements to the employees, non inclusion of excise duty component on closing stock, write offs due to damages of stores and depreciation on sub-merged arc furnace ("SAF plant"). SIIL is in the process of filing an appeal against the aforesaid demand. SIIL has filed an appeal before the Commissioner of Income Tax (Appeals) to set aside the above assessment order. The matter is pending.

2. The Deputy Commissioner of Income Tax, Hyderabad passed an assessment order dated November 10, 2008, under section 143(3) of the Income Tax Act, 1961 for approximately Rs.6.30 million for the assessment year 2006-2007 disallowing delays in cash disbursements to the employees, non inclusion of excise duty component on closing stock, write offs due to damages of stores and depreciation on SAF plant. SIIL has filed an appeal before the Commissioner of Income Tax (Appeals) to set aside the above assessment order. The matter is pending.

3. The Deputy Commissioner of Income Tax, Hyderabad passed an assessment order under section 154 of the Income Tax Act, 1961 dated November 29, 2007 for approximately Rs.55.2 million (modified from approximately Rs.84.50 million pursuant to order dated June 25, 2008) for the assessment year 2005-2006, disallowing delays in cash disbursements to the employees, non inclusion of excise duty component on closing stock, write offs due to damages of stores and depreciation on SAF plant. SIIL has filed an appeal before the Commissioner of Income Tax (Appeals) to set aside the above assessment order. The matter is pending.

4. The Deputy Commissioner of Income Tax, Hyderabad passed an assessment order under section 143(3) of the Income Tax Act, 1961 dated October 31, 2007 for approximately Rs.54.01 million (modified from approximately Rs.67.20 million pursuant to order dated December 12, 2006) for the assessment year 2004-2005 disallowing various issues namely non inclusion of excise duty component on closing stock, write offs due to damages of stores and depreciation on SAF plant. SIIL has filed an appeal before the Commissioner of Income Tax (Appeals) to set aside the above assessment order. The matter is pending.

5. The Deputy Commissioner of Income Tax, Hyderabad passed an assessment order under section 143(3) of the Income Tax Act, 1961 dated February 28, 2006 for approximately Rs. 4.64 million for the assessment year 2003-2004 disallowing various issues namely non inclusion of excise duty component on closing stock, excess provisos of earned leave, proportionate disallowance of interest on inter-corporate deposits, railway sidings, write offs due to damages of stores and depreciation on SAF plant authorities. SIIL had filed an appeal before the Commissioner of the Income Tax(Appeals) against the assessment order and the same was disallowed. Thereafter SIIL filed another appeal against the order passed by the Commissioner of the Income Tax (Appeals) before the Income Tax Appellate Tribunal, Hyderabad. The matter is pending.

6. The Deputy Commissioner of Income Tax, Hyderabad passed an assessment order under section 143(3) read with section 147 of the Income Tax Act, 1961 dated October 31, 2006, for a nil demand on SIIL after setting off brought forward losses of the previous years for the assessment year 2002- 2003. However the Assessing officer disallowed the depreciation on SAF plant, depreciation on railway sidings, interest on Inter Corporate Deposits and treated the income relating to previous year as income of the assessment year. SIIL has filed an appeal before the Commissioner of Income Tax (Appeals). The matter is pending.

7. The Deputy Commissioner of Income Tax, Hyderabad passed an assessment order and demand notice dated February 28, 2006 imposing a demand of Rs.10.66 million for the assessment year 2001-2002 disallowing seeking on account of depreciation on SAF plant, depreciation on railway sidings, interest on Inter Corporate Deposits and treat the income relating to previous year as income of the assessment year. SIIL filed an appeal before the Commissioner of Income Tax which was allowed partly with regard to computing the provisions of section 115JB of the I.T Act, 1961 vide order no.0081/DC-3(2)/CIT (a)-IV/06-07 dated April 13, 2007, and the same was computed as nil. The Deputy Commissioner issued a rectification order dated May 9, 2007 giving effect to the above order. SIIL has filed another appeal dated March 21, 2007 before Income Tax Appellate Tribunal, Hyderabad against the disallowance of depreciation of SAF plant, railway siding, prior period expenditure and against the additions on account of arrears of salary and wage revision. The matter is pending.

8. The Deputy Commissioner on Income Tax, Hyderabad passed an assessment order and demand notice under section 143(3) read with section 147 of the Income Tax Act, 1961 dated September 28, 2006, for Rs. Nil on SIIL for the assessment year 2000-2001 as the income for the period was calculated as nil by setting off brought forward losses of the previous years. However the Assessing officer disallowed the depreciation on SAF plant, depreciation on railway sidings, interest on Inter Corporate Deposits and treated the income relating to previous year as income of the

assessment year. Deduction based on bad and doubtful debts was also disallowed. SIIL has filed an appeal dated December 18, 2006 before the Commissioner of Income Tax Appeals which is pending and the date of the hearing is not fixed.

4. Sales Tax Matters

SIIL is involved in seven sales tax proceedings which are pending before various authorities in India. All of these proceedings are appeals filed by SIIL. The total financial implication on SIIL for the below mentioned matters is Rs.14.02 million. The details of these are as follows:

1. SIIL has filed a tax revision case RTCSR No. 3592/2002 before the High Court of Andhra Pradesh, Hyderabad from the order of the Sales Tax Appellate Tribunal, Andhra Pradesh dated April 16, 1996 passed in T.A. No. 1136/2002. The Commercial Tax Officer, Kothagudem had assessed SIIL for gross and net turnovers of approximately Rs.248.46 million and approximately Rs.96.69 million respectively pursuant to proceedings dated March 30, 1996. SIIL is an assessee under the Andhra Pradesh General Sales Tax Act and Central Sales Tax Act. The Deputy Commissioner (Commercial Tax), Warangal division has revised the assessment above. SIIL has submitted that the amounts stated by the Deputy Commissioner (Commercial Tax) are nothing but the adjustment entries of debits and credits, and do not relate to any sale or purchase of goods warranting levy of tax on the amount. The total financial implication involved in the case is approximately Rs.9.97 million. The Tribunal rejected the contentions of the petitioner by order dated January 10, 2002.

2. SIIL has filed a tax revision case before the Additional Commissioner (CT)(Legal) from the order of the Deputy Commissioner (CT), Warangal. The Commercial Tax Officer, Kothagudem had assessed SIIL for gross and net turnovers of approximately Rs.373.62 million and approximately Rs.85.69 million respectively, which had been revised by the Deputy Commissioner (CT), Warangal. While the revision application was pending, SIIL has also filed an appeal before the Sales Tax Appellate Tribunal, and the revision petition is seeking stay of collection of the disputed tax of approximately Rs.0.79 million. SIIL is an assessee under the Andhra Pradesh General Sales Tax Act and Central Sales Tax Act. It the contention of SIIL that it had sold only small pieces of unburnt coal which has been segregated before the lumps of the coal are used in the process of burning in the kiln. The small pieces of coal which is not fit for use in the kiln is sold by SIIL as it still retains its combustible quality of burning, it tantamounts to coal and the sales of the same at the hands of SIIL constitutes second sales not liable to tax as coal is taxable at the point of first sale in the State. The total financial implication involved in the case is approximately Rs.0.79 million. The matter is pending.

3. Pursuant to show cause notice dated January 30, 2009, the net turnover of SIIL which had earlier been calculated as approximately Rs.558.28 million by the Assistant Commissioner, Warangal Division for the year 2003-2004 under the Central Sales Tax Act, 1957, was revised by the Deputy Commissioner (CT), Warangal division as approximately Rs.581.62 million. The increased liability of SIIL was that of Rs.0.69 million. SIIL has appealed against the revision. The matter is pending.

4. Pursuant to show cause notice dated January 30, 2009, the net turnover of SIIL which had earlier been calculated as approximately Rs.104.98 million by the Assistant Commissioner, Warangal Division for the year 2004-2005 under the Andhra Pradesh General Sales Tax Act, 1957, was revised by the Deputy Commissioner (CT), Warangal division as approximately Rs.104.67 million. The increased liability of SIIL was that of Rs.0.15 million. SIIL has appealed against the revision. The matter is pending.

5. Pursuant to notice dated February 19, 2007, the total amount payable by SIIL to the Tax Department was revised to Rs.6.56 million for the period from April 2005 until December 2006 pursuant to the provisions of the Andhra Pradesh value Added Tax Act, 2005. This has been challenged by SIIL. The matter is pending.

6. Pursuant to show cause notice dated May 27, 2009, the net turnover which had earlier been calculated as approximately Rs.307.09 million by the Assistant Commissioner (CT) LTU and INT, Warangal Division for the year 2003-2004 under the Central Sales Tax Act, 1957, was revised by the Assistant Commissioner (CT) LTU and INT, Warangal division as approximately Rs.307.09 million. The increased liability of SIIL was that of Rs.0.77 million. SIIL has appealed against the revision. The matter is pending.

7. Pursuant to show cause notice dated December 29, 2009, the net turnover which had earlier been calculated as approximately Rs.329.49 million by the Assistant Commissioner, Warangal Division for the year 2006-2007 under the Central Sales Tax Act, 1957, was revised by the Deputy Commissioner (CT), Warangal division as approximately Rs.329.29 million. The increased liability of SIIL was that of Rs.1.24 million. SIIL has appealed against the revision. The matter is pending.

5. Excise Matters

SIIL is involved in two excise proceedings which are pending before various authorities in India. All of these proceedings are appeals filed by SIIL. The total financial implication on SIIL for the below mentioned matters is Rs.1.3 million. The details of these are as follows:

a. A matter is pending before the CESTAT Southern Bench, Bangalore against the assessment of the Assistant Commissioner, Customs and Central Excise and Service Tax, Warangal. The Assistant Commissioner, Customs and Central Excise and Service Tax, Warangal has imposed a penalty of Rs 10,000/- against SIIL on the rationale that the purchase of steel against which cenvat credit has been availed by SIIL is not being used in relation to equipments participating in production activity and the same is being used for construction of buildings. The total amount of duty involved in the case is Rs. 0.3 million for the period from May, 2005 till December, 2007 and January, 2008 till November, 2008. The matter is currently pending.

b. SIIL has received four show cause notices from the Commissioner of Customs and Central Excise, Hyderabad and three show cause notices from the Assistance Commissioner of Customs, Central Excise and Service Tax, Warangal Division for various periods from January 2001 till June 2009, stating that SIIL is not eligible to avail cenvat credit on goods used in captive power plant of SIIL. SIIL has filed its reply. The total amount of duty for the said periods is Rs.1 million. The matter is yet to come up for hearing.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Offer and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Offer or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. It must be distinctly understood that in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinion expressed in this behalf.

A APPROVALS FOR THE OFFER

1. As per the letter no. F. No. 6(2)99-RM-I(Vol.III) dated December 23, 2009, from the Ministry of Steel, the Government of India has approved disinvestment of its shareholding in the Company by way of offer for sale. Pursuant to the decision the Ministry of Steel acting on behalf of the President of India has authorised the sale of 332,243,200 Equity Shares of par value Re. 1 each comprising 8.38% of the total paid-up Equity Share capital of the Company.

2. Further, the MoS has through its letter dated January 13, 2010 has granted approval for lock-in for 20% of the post Offer Equity Share capital of our Company for three years from the date of Allotment of Equity Shares in this Offer and lock-in of the balance pre-Offer Equity Share capital of our Company for a period of one year from the date of Allotment of Equity Shares in the Offer.

3. The Reserve Bank of India pursuant to its approval dated January 13, 2010, has approved the transfer of equity shares in this Offer to eligible non-resident investors including NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions.

4. NSE pursuant to its letter NSE/LIST/129/807-7 dated February 3, 2010 has granted its in-principle approval in respect of the Offer Shares.

5. BSE pursuant to its letter DCS/IPO/MT/IPO-IP/1313/2009-10 dated February 2, 2010 has granted its in-principle approval in respect of the Offer Shares.

B APPROVALS TO CARRY ON OUR BUSINESS

1. Certificate of Importer Exporter Code (Number 0989001245) dated June 13, 1989 issued by the Foreign Trade Development Officer, Ministry of Commerce, Government of India.

2. Registration-Cum-Membership Certificate no. 1353/*NEH dated February 20, 2009 issued by the Assistant Director, Federation of Indian Export Organisation, valid up to March 31, 2010.

3. ISO 9001:2000 certificate issued by Indian Register Quality Systems for The Donimalai Iron Ore Mine certified for “mining, processing and supply of iron ore” valid up to February 19, 2011.

4. Operational Health and Safety Standard (“OHSAS”) 18001: 2007 certification issued by Det Norske Veritas certifying the Donimalai Iron Ore Mine for “mining and processing of iron ore” valid until December 17, 2012.

5. Operational Health and Safety Standard (“OHSAS”) 18001:2007 issued by the Indian Register Quality Systems certifying the Bailadila Iron Ore Mine of the Company situated at Bacheli, for all activities related to “mining, processing and supply of iron ore”, valid until December 23, 2012.

6. The Quality Management System Standard, ISO 9001:2000 issued by Indian Register Quality Systems, certifying the research and development centre of our Company for “design and development of bulk material handling, slurry transportation and mineral processing technology; development of mineral based new products” valid till October 23, 2010.

7. Our Company’s PAN (Permanent Account Number) under the IT Act is AAACN7325A.

8. Our Company’s STC i.e. Service Tax Code No. is AAACN7325AST002.

9. Our Company’s STC i.e. Service Tax Code No. is AAACN7325AST003 with respect to Donimalai Iron ore Mine for goods transport agency service and renting of immoveable property.

10. Our Company's TAN (Tax Deduction Account Number) under the IT Act is JBPN00557E for Bailadila Iron Ore Project Deposit 14/11C.

11. Our Company's TAN (Tax Deduction Account Number) under the IT Act is JBPN00546A for Deposit No. 5, 10, & 11A, Bacheli.

12. Our Company's TAN (Tax Deduction Account Number) under the IT Act is JBPN00920D for Jagdalpur Plant.

13. Our Company's TAN (Tax Deduction Account Number) under the IT Act is BLRN02430B for Donimalai.

14. Our Company's TIN (Tax Payer's Identification Number) under the IT Act is 22402400318 for Bailadila Iron Ore Project Deposit 14.

15. Our Company's TIN (Tax Payer's Identification Number) under the IT Act is 22262301649 for Jagdalpur Plant.

16. Central Sales Tax number under Central Sales Tax (Registration and Turnover) Rules, 1957 is 10/01/1987-C.

17. Our Company's VAT Registration No. (TIN) under the Andhra Pradesh Value Added Tax Act, 2005 is 28260199941 issued on March 24, 2005 by the Government of Andhra Pradesh Commercial Taxes Department.

18. Our Company's VAT Registration No. (TIN) under the Karnataka Value Added Tax Act, 2003 is 29480014104 issued on October 22, 2008 by the Government of Karnataka, Department of Commercial Taxes.

19. CST (Central Sales Tax) registration certificate no. BSR/DNT/583 for Bailadila Iron Ore Project for mining of Iron Ore, at Kirandul.

20. CST (Central Sales Tax) registration certificate no. BSR/DNT/1 for Bailadila Iron Ore Project for mining of Iron Ore, at Kirandul.

21. CST (Central Sales Tax) registration certificate dated September 20, 1971 for Bailadila Iron Ore Project for mining of Iron Ore.

22. Certificate of registration no. 01/WCS/GTA/RIPS/STG/R-JDP/2009-10 dated November 20, 2009 issued under section 69 of the Finance Act, 1994 for payment of service tax with respect to Bailadila Iron ore Mine, Kirandul Complex on:
    a. Storage and warehousing services
    b. Goods transport agency's services
    c. Renting of immoveable property service
    d. Supply of tangible goods services

23. Certificate of registration no. 01/SWS/GTA/RIPS/STG/R-JDP/2008-2009 dated March 16, 2009 issued under section 69 of the Finance Act, 1994 for payment of service tax with respect to Bailadila Iron ore Mine, Bacheli Complex on:
    a. Storage and warehousing services
    b. Goods transport agency's services
    c. Renting of immoveable property service
    d. Supply of tangible goods services

24. Registration No. A.(2)/71 dated September 18, 1971 issued by the Assistant Labour Commissioner (Central) and the Registering Officer, Bellary to our Company's Donimalai Iron Ore Project under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing contractors for upkeeping and sanitation work in administrative building of the Company at Donimalai for the years 2009 -2010.

25. Registration No. J 48 (8)/81 ALC dated February 18, 2009 issued by the Deputy Chief Labour Commissioner, Jabalpur to our Company regarding amendment of Registration Certificate bearing no. J 48 (8)/81 ALC dated August 6, 2008. The amendment includes appointing contractors for labour supply at the canteen at Panna, Panna Township and Hospital at Majhgawan, the Company's Diamond Mining Project at Panna during the month of October 2008.

26. Registration No. R.P.22/4(3)/71 dated September 21, 1971 issued by the Assistant Labour Commissioner (Central) and the Registering Officer, Raipur, to our Company's Bailadila Iron Ore Project (Deposit No. 5) under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for providing house keeping services in the public buildings at Bacheli Deposit No. 5.

27. Registration No. R.P.22/4 (2)/71 dated September 21, 1971 issued by the Assistant Labour Commissioner (Central) and the Registering Officer, Raipur, to our Company's Bailadila Iron Ore Project (Deposit No. 14) under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing contractors for providing miscellaneous attendant work at various offices at Kirandul and for providing house keeping service in specified areas at Kirandul Township, Deposit no. 14.

28. Registration No. C.O.R. 04/ 2007 dated March 23, 2007 issued by the Assistant Labour Commissioner (Central) and the Registering Officer, Hyderabad, to our Company under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing contractors for running and maintenance of the canteen at the Company's head office and deployment of the security guards at the Company's Jubilee Hills guest house in Hyderabad.

C MINING LEASES AND APPROVALS

We have obtained the mining leases for operation of eight mining complexes at:

1. Kirandul, Chhattisgarh,
2. Bacheli, Chhattisgarh,
3. Donimalai, Karnataka,
4. Kumaraswamy, Karnataka,
5. Panna, Madhya Pradesh,
6. Arki, Himachal Pradesh,
7. Panthal, Jammu and Kashmir, and
8. Lalapur, Uttar Pradesh

The regulatory and statutory approvals for operating the abovementioned mining complexes are as under:

1. KIRANDUL, CHHATTISGARH

a. Mining Leases

Description	Area in hectares	Date of issue	Date of Expiry	Validity
Bailadila Iron Ore Project, Deposit – 14ML				
Land situated at Bailadila Reserve Forest, 65/F/2 Deposit No. 14 ML, part of forest compartment no. 624, 626, 627, 628, 629, 637 and 639 in (Pargana) in Dantewada, the registration district of South Baster, Sub-district of Dantewada and Thana Kirandul bearing cadastral survey nos. FOREST AREA.	322.368	September 12, 1995	September 11, 2015	Valid
Bailadila Iron Ore Project, Deposit – 14NMZ				
Land situated at Bailadila Reserve Forest, 65/F/2 Deposit No. 14 NML, part of forest compartment no. 626, 627, 638, 639 and 640 in (Pargana) in Dantewada, the registration district of South Baster, Sub-district of Dantewada and Thana Kirandul bearing cadastral survey nos. FOREST AREA.	506.742	December 07, 1995	December 06, 2015	Valid
Bailadila Iron Ore Project, Deposit – 11 ML				
Land situated at Bailadila Reserve Forest, 65/F/2 Deposit No. 11 ML, part of forest compartment no. 638, 640, 643, 645, 654 and 659 in (Pargana) in Dantewada, the registration district of South Baster, Sub-district of Dantewada and Thana Kirandul bearing cadastral survey nos. FOREST AREA.	874.924	September 12, 1997	September 11, 2017	Valid

b. Other Clearances

Sr. No.	Description	Date of issue	Date of Expiry
1.	Environment Clearance No. J-11015/483/2007-1A.II(M) issued by Government of India, Ministry of Environment and Forest, for expansion of Bailadila Iron Ore Project Deposit	September 11, 2007	Renewal incase of expansion of the project.

	No. 14/11C at Bailadila Range Hills at village Kirandul, South Bastar, Dantewada District, Chhattisgarh.		
2.	Forest Clearance No. 8-40/97/FC issued by Assistant Inspector General of Forests, Ministry of Environment and Forest, Government of India for renewal of mining lease over 506.72 hectare of forest land for Bailadila Iron ore Project in Bastar District of Madhya Pradesh (*Bailadila Iron Ore Project, Deposit – 14NMZ*)	June 18, 1999	20 years co-terminus with lease (*i.e. December 06, 2015*) under Mines and Minerals (Development and Regulation) Act, 1957 with effect from the date of expiry of the previous lease.
3.	Forest Clearance No. 8-98/97/FC issued by Assistant Inspector General of Forests, Ministry of Environment and Forest, Government of India for renewal of mining lease over 874.924 hectare of forest land for Bailadila Iron ore Project in Bastar District of Madhya Pradesh (*Bailadila Iron Ore Project, Deposit – 11*)	December 22, 1999	20 years co-terminus with lease (*i.e. September 11, 2017*) under Mines and Minerals (Development and Regulation) Act, 1957 with effect from the date of expiry of the previous lease.
4.	Forest Clearance No. 8-41/97/FC issued by Assistant Inspector General of Forests, Ministry of Environment and Forest, Government of India for renewal of mining lease over 322.368 hectare of forest land for Bailadila Iron ore Project in Bastar District of Madhya Pradesh (*Bailadila Iron Ore Project, Deposit – 14ML*)	June 01, 1998	Co terminus with lease (i.e. valid for a period of 20 years expiring on September 11, 2015)
5.	Licence no. E/HQ/CG/22/160(E36696) issued by Chief Controller of Explosives, Nagpur, for possession and use of explosives i.e. Cast Booster and Detonating Fuse at Bailadila Iron Ore Project, Deposit No. 14 and 11C, Kirandul.	November 29, 2006	March 31, 2010
6.	Licence no. E/HQ/CG/22/158(E36691) issued by Chief Controller of Explosives, Nagpur, for possession and use of explosives i.e. Nitrate Mixture at Bailadila Iron Ore Project, Deposit No. 14 and 11C, Kirandul.	November 29, 2006	March 31, 2010
7.	Licence no. E/HQ/CG/22/159(E36697) issued by Chief Controller of Explosives, Nagpur, for possession and use of explosives i.e. Nitrate Mixture, safety fuse, detonating fuse, detonators at Bailadila Iron Ore Project, Deposit No. 14 and 11C, Kirandul.	November 29, 2006	March 31, 2010
8.	Licence no. E/HQ/CG/22/161(E36686) issued by Chief Controller of Explosives, Nagpur, for possession and use of explosives i.e. Nitrate Mixture at Bailadila Iron Ore Project, Deposit No. 14 and 11C, Kirandul.	November 29, 2006	March 31, 2010
9.	Licence for Road Van bearing no E/CC/CG/25/310 (E38239) issued by Joint Chief Controller of Explosive, for transport of explosives by road van Bailadila Iron Ore Project, Deposit No. 14.	June 22, 1993	March 31, 2010
10.	Licence for Road Van bearing no E/CC/CG/25/292 (E37477) issued by Joint Chief Controller of Explosive, for transport of explosives by road van for Bailadila Iron Ore Project, Deposit No. 14.	December 12, 1997	March 31, 2014
11.	Licence for Road Van bearing no E/CC/CG/25/339 (E39664) issued by Joint Chief Controller of Explosive, for transport of explosives by road van for Bailadila Iron Ore Project, Deposit No. 14 and 11C.	March 22, 2007	March 31, 2014

2. BACHELI, CHHATTISGARH

a. Mining Leases

Description	Area in hectares	Date of issue	Date of Expiry	Validity
Bailadila Iron Ore Project Bacheli Deposit No. 5 ML				

Land situated at Bailadila Reserve Forest, 65-F/1 – Deposit No. 5, parts of forest compartment no. 648, 649, 650, 651, 652, 660, 661, 662 and 666 in Pargana Dantewada, the registration district of Dantewada, Sub-district of Dantewada and Thana Bacheli bearing cadastral survey numbers FOREST AREA .	540.05	September 13, 1995	September 12, 2015	Valid
Bailadila Iron Ore Project Bacheli Deposit No. 10 ML				
Land situated at Bailadila Reserve Forest sheet no. 65/F/2 – compartment no. 659, 667, 672, 669, 668 and 657	309.340	September 09, 1995	September 10, 2015	Valid
Bailadila Iron Ore Project Bacheli Deposit No. 10 Float Ore				
Land situated at Bailadila Reserve Forest, 65/F/2 Deposit no. 10(float ore), compartment no. 668 Dantewada, Bastar (M.P.) Sub-district Dantewada, bearing Cadastral survey no. FOREST AREA.	142.80	September 12, 1967	September 12, 2017	Valid

b. Other Clearances

Sr. No.	Description	Date of issue	Date of Expiry
1.	Environment Clearance No. J-11015/261/2007-1A.II(M) issued by Government of India, Ministry of Environment and Forest, for expansion of Bailadila Iron Ore Project Deposit No. 5 at Bailadila Range Hills at village Bacheli, District South Bastar, Dantewada District, Chhattisgarh.	July 23, 2007	Renewal in case of further expansion of the project.
2.	Environment clearance no. J-11015/2/92-IA/II(M) issued by Government of India, Ministry of Environment and Forest, for expansion of Bailadila Iron Ore Project Deposit 10/11A.	Ocotber 25, 1993	Renewal in case of further expansion of the project.
3.	Environment Clearance No. J-11015/416/2005-1A.II(M) issued by Government of India, Ministry of Environment and Forest, for expansion of Bailadila Iron Ore Project Deposit No. 11B at Village Kirandul, Tehsil Kirandul, District South Bastar, Dantewada District, Chhattisgarh.	September 11, 2006	Renewal in case of further expansion of the project.
4.	Forest Clearance No. 8-38/97/FC issued by Assistant Inspector General of Forests, Ministry of Environment and Forest, Government of India for renewal of mining lease over 540.050 hectare of forest land for Bailadila Iron ore Project in Bastar District of Madhya Pradesh (*Bailadila Iron Ore Project, Deposit – 5*)	June 18, 1999	20 years co-terminus with lease (*i.e. September 12, 2015*) under Mines and Minerals (Development and Regulation) Act, 1957 with effect from the date of expiry of the previous lease.
5.	Forest Clearance issued by Assistant Inspector General of Forests, Ministry of Environment and Forest, Government of India for renewal of mining lease of forest land for Bailadila Iron ore Project in Bastar District of Madhya Pradesh (*Bailadila Iron Ore Project, Deposit –10)*	July 29, 1998	20 years co-terminus with lease (*i.e. September 10, 2015*) under Mines and Minerals (Development and Regulation) Act, 1957 with effect from the date of expiry of the previous lease.
6.	Licence no. E/HQ/CG/22/168(E40678) issued by Chief Controller of Explosives, Nagpur, for possession and use of explosives i.e. Slurry Explosives and detonating fuse at Bailadila Iron Ore Project, Deposit No. 5, 10 and 11A, Bacheli.	May 02, 2008	March 31, 2010
7.	Licence no. E/HQ/CG/22/167(E40676) issued by Chief Controller of Explosives, Nagpur, for possession and use of explosives i.e. Slurry Explosives and detonating fuse at Bailadila Iron Ore Project, Deposit No. 5, 10 and 11A, Bacheli.	May 02, 2008	March 31, 2010
8.	Licence no. E/HQ/CG/22/169(E40676) issued by Chief Controller of Explosives, Nagpur, for possession and use of explosives i.e. Slurry Explosives and detonating fuse at Bailadila Iron Ore Project, Deposit No. 5, 10 and 11A, Bacheli.	May 12, 2008	March 31, 2010
9.	Licence no. E/HQ/CG/22/166(E40682) issued by Chief Controller of Explosives, Nagpur, for possession and use of explosives i.e. cast booster, safety fuse and detonators at	May 02, 2008	March 31, 2010

	Bailadila Iron Ore Project, Deposit No. 5, 10 and 11A, Bacheli.		
10.	Licence for Road Van bearing no E/CC/CG/25/369(E48413) issued by Joint Chief Controller of Explosive, for transport of explosives by road van for Bailadila Iron Ore Mine, Bacheli Complex, Post Bacheli District	January 13, 2009	March 31, 2010
11.	Licence for Road Van bearing no E/CC/CG/25/97(E8353) issued by Joint Chief Controller of Explosive, for transport of explosives by road van for Bailadila Iron Ore Mine, Bacheli Complex, Post Bacheli District, Deposit No. 5	August 01, 1997	March 31, 2010
12.	Licence for Road Van bearing no E/CC/CG/25/99 (E8365) issued by Joint Chief Controller of Explosive, for transport of explosives by road van for Bailadila Iron Ore Mine, Bacheli Complex, Post Bacheli District, Deposit No. 5	August 01, 1997	March 31, 2010
13.	Letter number BBSA/IR-2 and 3P-106(2) (b) 2009/1183, issued by Director of Mines Safety, Bhubaneswar Region, for relaxation under regulation 106 (2)(b) of the Metalliferous Mines Regulations, 1961 for using heavy earth moving machineries in conjunction with deep hole blasting at Bailadila Iron Ore Mine, Bacheli Complex.	March 18, 2009	4 years from the date of issue of the letter i.e. March 17, 2013
14.	Letter number BBSA/IR-2/P-162(16)/2007/133 issued by Director of Mines Safety, Bhubaneswar Region, for keeping holes charged at deposit no 5 under regulation 106 (16) of the Metalliferous Mines Regulations, 1961.	January 14, 2008	-
15.	Letter number BBSA/IR-2&3/P-106(2)(b)2008/2851-52, issued by Director of Mines Safety, Bhubaneswar Region, for relaxation under regulation 106 (2)(b) of the Metalliferous Mines Regulations, 1961 for using heavy earth moving machineries in conjunction with deep hole blasting at Bailadila Iron Ore Mine, Bacheli Complex.	September 16, 2008	5 years from the date of issue of the letter i.e. September 15, 2013
16.	Letter number BBSA/IR-2/P-155&162/2005/2393-94 issued by Director of Mines Safety, Bhubaneswar Region, to use explosives not in cartridge form in deep hole blasting at deposit no 5 .	September 13, 2005	September 12, 2010
17.	Letter number BBSA/IR-2/P-155&162/2005/2398-99 issued by Director of Mines Safety, Bhubaneswar Region, to use explosives not in cartridge form in deep hole blasting at deposit no 10 and 11A.	September 13, 2005	September 12, 2010
18.	Renewal of consent under section 21 of the Air (Prevention and Control Pollution) Act, 1981 bearing no. 1668/TS/ CECB/2009 for production capacity of 10.0 MTPA of RoM Iron ore issued by Member Secretary, Chhattisgarh Environment Conservation Board, Raipur (Deposit 5).	June 24, 2009	March 31, 2010
19.	Renewal of consent under Hazardous Waste (Management and Handling) Rules, 1989 as amended rules 2003 bearing no. 243/HSMD/R.O./CECB/2008 for used/spent oil in category no. 5.1 for 50KL/year issued by Member Secretary, Chhattisgarh Environment Conservation Board, Jagdalpur	February 05, 2008	January 26, 2011
20.	Renewal of consent under Hazardous Waste (Management and Handling) Rules, 1989 as amended rules 2003 bearing no. 483/HSMD/R.O./CECB/2007 for used/spent oil in category no. 5.1 for 100KL/year issued by Member Secretary, Chhattisgarh Environment Conservation Board, Jagdalpur	August 14, 2007	August 03, 2010
21.	Renewal of authorisation under rule 8 with rule 7(5) of the Bio-Medical Waste (Management and Handling) Rules, 1998 and Bio-Medical Waste (Management and Handling) amendment Rules 2000 bearing no. 1037/BMWH/H.O./CECB/2009 for generation, collection, reception, storage, transport, treatment and disposal of Bio-medical wastes on the premises situated at Bacheli.	February 10, 2009	July 19, 2011

3. *DONIMALAI AND KUMARASWAMY, KARNATAKA*

a. *Mining Leases*

Description	Area in hectares	Date of issue	Date of Expiry	Validity
Donimalai Iron Ore Project				
Land situated at Donimalai Range in Sandur, the Registration district of Bellary.	608.00	November 04, 1988	November 03, 2008	In-principle approval dated October 23, 2008 from Government of Karnataka and lease renewal is awaited for the period November 04, 2008 to November 03, 2028.
Kumaraswamy Iron Ore Project				
Land situated at Kumaraswamy at Subrayaneholli in Sandur, Sub-district Bellary	647.5	October 18, 2002	October 17, 2022	Valid

b. Other Clearances

Sr. No.	Description	Date of issue	Date of Expiry
1.	Environment Clearance No. J-11015/151/2008-1A.II(M) issued by Government of India, Ministry of Environment and Forest, for expansion of Donimalai Iron Ore Mine (mining lease area 608.0 hectares) from production capacity 4.0 to 7.0 MTPA and setting up of 1.80 MTPA BHJ/BHQ Beneficiation Plant and 1.2 MTPA Pellet Plant / Slime Beneficiation Plant at village Donimalai, in Sandur Taluka, in Bellary District, in Karnataka.	August 07, 2009	Renewal in case of further expansion of the project.
2.	Environment Clearance No. J-11015/20/2002-1A.II(M) issued by Government of India, Ministry of Environment and Forest, for expansion of Kumaraswamy Iron Ore Mine (mining lease area 647.5 hectares) at Subrayaneholli in Sandur, Sub-district Bellary	October 29, 2004	Renewal in case of further expansion of the project.
3.	Forest clearance no.8-107/91-FC(PF) for Donimalai Iron ore mining project	February 06, 2009	20 years co-terminus with lease under Mines and Minerals (Development and Regulation) Act, 1957 with effect from the date of expiry of the previous lease.
4.	Forest clearance no.A5(1)MNG.CR.5/00-01 for renewal of iron ore mines in Kumaraswamy range.	January 17, 2009	20 years co-terminus with lease under Mines and Minerals (Development and Regulation) Act, 1957 with effect from the date of expiry of the previous lease.
5.	Consent order no. 586/KSPCB/RO(BLY)DEO/AEO-1/F-46/2009-10/918 dated October 05, 2009 for discharge of effluents under Water (Prevention and Control of Pollution) Act 1974 and emission under the Air (Prevention and Control of Pollution) Act, 1981 for Kumaraswamy Iron Ore Project.	October 05, 2009	June 30, 2010
6.	Licence no. P/HQ/KA/15/341(P11346) issued by Joint Chief Controller of Explosives, South Circle Office, Chennai for licence to import and store 20KL petroleum.	March 07, 2008	December 31, 2010
7.	Licence no. P/SC/KA/14/1358(P35524) issued by Joint Chief Controller of Explosives, South Circle Office, Chennai for licence for storage of 14KL petroleum class B in tanks.	March 17, 2008	December 31, 2010
8.	Licence no. P/SC/KA/14/275(P31791) issued by Joint Chief Controller of Explosives, South Circle Office, Chennai for licence for storage of petroleum in tanks in connection with	April 04, 2008	December 31, 2010

	pump outfit for fueling motor conveyances.		
9.	Licence no. P/SC/KA/14/2353(P29794) issued by Joint Chief Controller of Explosives, South Circle Office, Chennai for licence for storage of petroleum in tanks in connection with pump outfit for fueling motor conveyances for 30KL petroleum class B.	July 01, 2008	December 31, 2010
10.	Authorisation for handling Hazardous Waste under rule 5(4) of Hazardous Waste (Management handling and Transboundary movement) Rules, 2008 bearing no. KSPCB/HWM/99 for used oil for 60KL/A issued by Senior Environmental Officer, Karnataka State Pollution Control Board for our Donimalai Iron Ore Mines.	June 02, 2008	June 30, 2013
11.	Licence for Road Van bearing no E/SC/KA/25/184(E42793) issued by Joint Chief Controller of Explosive, for transport of explosives by road van for Donimalai Iron Ore Project.	August 28, 2008	March 31, 2010
12.	Licence for Road Van bearing no E/SC/KA/25/185(E42795) issued by Joint Chief Controller of Explosive, for transport of explosives by road van for Donimalai Iron Ore Project.	August 28, 2008	March 31, 2010
13.	Permission no. SH/2/DNM/2162 for use of site missed emulsion at Donimalai Iron Ore Mine	November 24, 2005	November 23, 2010

4. PANNA, MADHYA PRADESH

a. Mining Leases

Description	**Area in hectares**	**Date of issue**	**Date of Expiry**	**Validity**
Panna Diamond Project				
Land situated at Hinota and Majhgawan in Panna registration district of Panna, Thana Panna . (*Main Mining Lease*)	113.332	July 15, 1965	July 14, 2005	Applied for renewal
Land situated at Hinota and Majhgawan in Panna registration district of Panna, Thana Panna. (*Supplementary Mining Lease*)	162.631	August 24, 1985	June 30, 2010	valid

b. Other Clearances

Sr. No.	**Description**	**Date of issue**	**Date of Expiry**
1.	Environmental Clearance bearing no. J. 11015/323/2005-IA,II(M) for Panna diamond mines at village Mejhgawan, Tehsil and District Panna, Madhya Pradesh.	January 13, 2006	Once every 5 years
2.	Forest clearance no.MC 2009/2215 for Panna diamond mines at village Mejhgawan, Tehsil and District Panna, Madhya Pradesh.	June 22, 2009	December 31, 2020. This clearance is subject to orders if any passed by the monitoring committee appointed by the Supreme Court of India.
3.	Renewal Consent no. 10165/TS/MPPCB/Mine/2009 issued by Member Secretary Madhya Pradesh Pollution Control Board under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for production of diamond and production capacity of 100,000 carats/year	November 18, 2009	October 31, 2010
4.	Renewal Consent no. 10151/TS/MPPCB/2009 issued by Member Secretary Madhya Pradesh Pollution Control Board under section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974 for Processing of diamond and production capacity of 100,000 carats/year	November 18, 2009	October 31, 2010
5.	Renewal Consent no. 10153/TS/MPPCB/2009 issued by Member Secretary Madhya Pradesh Pollution Control Board	November 18, 2009	October 31, 2010

	under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for processing of diamond and production capacity of 100,000 carats/year		
6.	Licence no. 1471/20/MPPCB/BMW-Panna-01/09 for operation of facility for generation, collection storage, treatment and disposal of bio-medical waste.	September 04, 2009	July 19, 2012
7.	Renewal Consent no. 10163/TS/MPPCB/Mine/2009 issued by Member Secretary Madhya Pradesh Pollution Control Board under section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974 for processing of diamond and production capacity of 100,000 carats/year	November 18, 2009	October 10, 2010

5. *ARKI, HIMACHAL PRADESH*

a. *Mining Leases*

Description	Area in hectares	Date of issue	Date of Expiry	Validity
Land situated at Kog, Sari, Baprun, Sherpur, Sujhala, Jhijhawan, Behli as per revenue records in Arki, the registration district Arki sub district Solan and Thana Arki bearing cadastral survey No. 53A/16.	232.60*	August 07, 1991	August 06, 2011	Valid

**includes private land admeasuring 148.24 hectares approved by the Government of Himachal Pradesh vide letter dated December 03, 2009*

6. *PANTHAL, JAMMU AND KASHMIR*

a. *Mining Leases*

Description	Area in hectares	Date of issue	Date of Expiry	Validity
Land situated at Kunkunialan Bhagta, Dadura Chandua, Dhar Vaishnodevi, in Reasi and Udhampur, the Registration district Udhampur, thana Katra.	485.3	January 02, 1989	January 10, 2019	Valid

7. *LALAPUR, ALLAHABAD*

a. *Mining Leases*

Description	Area in hectares	Date of issue	Date of Expiry	Validity
Land situated at Basahi and Girdhar in (Pargana) Barain registration district of Allahabad, Sub-district Bara and Thana Lalapur. (*Deed of Transfer of Mining Lease dated September 22, 1999 between U.P. State Mineral Development Corporation Limited and our Company*)	33.58*	September 22, 1999	December 14, 2006	Expired
Private Land situated at village Othgitarhar *(Deed of Sale dated August 28, 2001 between U.P. State Mineral Development Corporation Limited and our Company for construction of Magazine and Guardroom*)	0.0078	August 28, 2001	-	Valid
Private Land situated at village Kolhal *(Deed of Sale*	15.750	August 28,	-	Valid

dated August 28, 2001 between U.P. State Mineral Development Corporation Limited and our Company for construction of Magazine and Guardroom)		2001		

**includes private land admeasuring 20.608 hectares situated at villages Gidhar and Basahi purchased by our Company vide Deed of Sale dated December 11, 2002 between U.P. State Mineral Development Corporation Limited and our Company.*

b. Other Clearances

Sr. No.	Description	Date of issue	Date of Expiry
1.	Permission bearing number 469/Jabalpur for deep hole drilling and blasting under section 162(2)(b) of the Metalliferous Mine Regulations, 1961 granted by Director of Mines Safety	January 29, 1996	-
2.	Permission bearing number 464/ Jabalpur for using more than one type of explosives in a blast hole blasting operations in open cast working under section 162(5) of the Metalliferous Mine Regulations, 1961 granted by Director of Mines Safety.	January 29. 1996	-

MATERIAL PROVISIONS OF MINING LEASES

For material provisions of the above mentioned mining lease, refer to chapter titled "***Regulations and Policies***" beginning on page 99 of this Prospectus.

D PROSPECTING LICENSES / RECONNAISSANCE PERMIT AND APPROVALS

Following are the Prospective Licences / Reconnaisance permit granted for Diamond Mines at Andhra Pradesh and Madhya Pradesh:

1. Prospecting licence dated June 19, 2007 in favour of the Company for diamonds over an extent of 65.933 sq. kms. in Bairasamudram, Kannepalli, Santhekondapuram, Titakal, Yerrakondpuram, Brahmasamudram (M), Anantapur District for a period of 3 years, valid till June 18, 2010.

2. Prospecting licence dated June 19, 2007 in favour of the Company for diamonds over an extent of 21.349 sq. kms. in Baginayajanahalli (V) of Rayadurg (M), Belode S. Hosahalli and Bhupasamudram Village, Gummagatta (M), Anantapur District for a period of 3 years, valid till June 18, 2010.

3. Prospecting licence dated June 19, 2007 in favour of the Company for diamonds over an extent of 10.261 sq. kms. in Eradikera, Westkodipalli and Brahmasamudram villages, Brahamasamudram (M), Anantapur District for a period of 3 years, valid till June 18, 2010.

4. Prospecting licence dated June 19, 2007 in favour of the Company for diamonds over an extent of 3.413 sq. kms. in Kalyandurg and Garudapuram village, Kalyandurg (M), Anantapur District for a period of 3 years, valid till June 18, 2010.

5. Prospecting licence dated June 19, 2007 in favour of the Company for diamonds over an extent of 11.079 sq. kms. in Kalyandurg and Hillikallu village, Kalyandurg (M) and Budikonda R.F., Idukallu R.F. and Kalyandurg North R.F., Kalyandurg Range, Anantapur District for a period of 3 years, valid till June 18, 2010.

6. Prospecting licence dated June 19, 2007 in favour of the Company for diamonds over an extent of 3.999 sq. kms. in Pillalapali (V) of Brahmasamudram (M) and Pillalapalli R.F., Kalyandurg Range, Anantapur District for a period of 3 years, valid till June 18, 2010.

7. Prospecting licence dated June 19, 2007 in favour of the Company for diamonds over an extent of 1.215 sq. kms. in Idukalu R.F. and Kalyandurg Range, Anantapur District for a period of 3 years, valid till June 18, 2010.

8. Prospecting licence dated May 17, 2007 in favour of the Company for diamonds over an extent of 6.044 sq. kms. in Khairevu (V), Setturu (M) and Yenumuladoddi (V), Kundurpi (M), Anantapur District for a period of 3 years, valid till May 16, 2010.

9. Prospecting licence dated December 26, 2008 in favour of the company for diamond over an extent of 2314.38 Hect. in Baghain, District Panna for a period of 2 years valid upto December 25, 2010.

10. Prospecting licence dated December 26, 2008 in favour of the company for diamond over an extent of 194.73 Hect. in Sarang, District Panna for a period of 2 years valid upto December 25, 2010.

11. Reconnaissance Permit dated September 30, 2009 has been granted in favour of Company for diamond over an extent of 2092 sq.kms in Tikamgarh District of Madhya Pradesh for a period of three years, valid till December 16, 2012.

E APPROVALS FOR WIND POWER PROJECT

1. Government order no. DE 26 NCE 1999 dated May 13, 1999 sanctioning implementation of 5.8 M.W. capacity wind power project at Banjangondanahalli village in Chitradurga District to Suzlon Energy Limited.

2. Government order no. DE 344 NCE 2005 dated November 18, 2005 sanctioning enhancement of the capacity of wind power project from 5.8 M.W. to 15 M. W. at Banjangondanahalli village in Chitradurga District to Suzlon Energy Limited.

3. Commission Certificate no. EE(E)/SRS/CTA/08-09/1804-15 dated November 05, 2008 certifying that 6 nos (loc. No. BN-01 to BN-06) (06X1.5 MW = 9.0 MW) Wind Energy converters of our Company, at (Banjagondanahalli) Anchalu Village, Chitradurga District, Karnataka with associated electrical equipments interconnecting the wind mill farm with KPTCL grid at 220/66KV receiving station at Hiriyur through 66KV DC Line from Elukkurnahalli Substation at Suzlon Power Infrastructure Limited to 220KV/66KV Hiriyur Receiving Station and interconnecting the WTG's from Erukkurnahalli to Banjagondanahalli Hills with 33KV DC OH line has been commissioned on September 30, 2008 bearing RR No. BGH-01.

4. Government order no. EN 222 NCE 2008 dated September 24, 2008 issued for transfer of 9.00 M. W. wind power capacity at Anehalu village, Chitradurga District in favour of our Company from Suzlon Energy Limited.

5. Approval no. CEIG/DEI1/22605-10 dated September 27, 2008 issued by Office of Chief Electrical Inspector to Government, Bangalore according to commission of the 9.0 M. W. wind power project under rule no. 47A and Rule No. 63 of the India Electricity Rules 1956.

F APPROVALS FOR STEEL PLANT

1. Environment clearance no. F No. J-11011/681/2008-IA11(1) dated September 15, 2009 for our integrated steel plant at village Nagar nagar, Tehsil Jagdalpur, District Bastar, Chhattisgarh.

2. Rail Transport clearance vide letter dated February 17, 2009 bearing no. 2009/TTI/10/NMDC/5 issued by the Ministry of Railways for proposed 3 MTPA capacity steel plant taking off from Amagura railway station in Koraput-Kirandul section of east coat railway.

3. IEM acknowledgement no. 3588/SIA/IMO/2008 dated November 18, 2008 issued by Ministry of Industry, Department of Industrial Policy and Promotion, Secretariat of Industrial Assistance.

G APPROVALS FOR PELLET PLANTS

1. Donimalai Pellet Plant

a. Environmental clearance no. J-11015/151/2008-IA.II(M) dated August 07, 2009 granted by the Deputy Director, Government of India, Ministry of Environment and Forests valid until further expansion of the project.

2. Bacheli Pellet Plant

a. Sanction bearing no. 02-02/SE-III/3352 dated January 02, 2010 of 25000 KVA EHT power supply in phased manner on 132KV for their proposed pelletisation plant at BIOM, Bachelli.

H APPROVALS APPLIED FOR BUT NOT YET RECEIVED

I. APPLICATIONS PENDING FOR RENEWAL OF THE MINING LEASES AND OTHER RELATED CLEARANCES.

1. Application dated September 01, 2009 filed before Nodal Officer Cum Chief Conservator of Forests , O/o principal Chief Conservator of Forests, Government of Himachal Pradesh, Shimla, for obtaining permission for diversion of 84.36 hectares of Government land notified as forest land within 232.60 hectares miming lease area for mining of limestone at Arki, Kunihar Forest Division.

2. Form-J dated April 28, 2009 filed before Principal Secretary (Industrial Department), Government of Himachal Pradesh, Simla, for renewal of mining lease of Arki lime Stone Deposit over an area of 232.60 hectares.

3. Form-I for Application submitted to Ministry of Environment and Forest, New Delhi in March 2009, for prior environmental clearance for Arki Lime Stone Project, Solan, Himachal Pradesh.

4. Form-I for Application submitted to Ministry of Environment and Forest, New Delhi, for prior environmental clearance for the proposed 0.03MTPA Dead Burnt Magnesite Plant with 0.124 MTPA Magnesite Mine at Chipprian near Katra, Riasi District in the State of Jammu and Kashmir.

5. Application bearing no. GM(S,C&CP, Arki & J&KMDC) / 8 / 2009 dated August 04, 2009 to the Chief Engineer, Jammu for allocation of 1428 kVA electric power and submission of scheme for Panthal Magnesite Project.

6. Form-J dated December 09, 2005 filed before the Director, Department of Mining and Geology, Government of Uttar Pradesh, Lucknow, for renewal of mining lease for Lalapur Silica Sand Project.

7. Application made to Social Forestry Department for land diversion of over 10.374 hectares for Lalapur Silica Sand Project.

8. Application no. LSSP/Min/Expl/Licence/2009/20 dated March 19, 2009 before Deputy Chief Controller of Explosives, Allahabad, for renewal of licence for explosive magazine no. E/HQ/UP/22/45(E6336) for a period between April 04, 2009 to March 31, 2010 for Lalapur Silica Sand Project.

9. Application no. NMDC/ENV/EC/BACHELI /2010 dated February 17, 2010 before the Secretary, Government of India, Ministry of Environment and Forest for environmental clearance for expansion of Bailadila Iron Ore Mine Deposit 10/11A (ML area 309.34 ha: Deposit 10 and ML area 233.509 ha: Deposit 11A) from 5.0 to 7.0 MTPA and setting up a 2.0 MTPA Pellet Plant at Bailadila Reserve Forest.

10. Application dated October 15, 2008 before the Principal Chief Conservator Forest, Chhattisgarh for forest clearance of Bailadila Deposit 13.

II. APPLICATIONS FILED FOR IRON ORE MINES

1. Mining Lease Applications For Iron Ore

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Chhattisgarh				
1.	Bailadila Deposit No. 4	January 22, 1990	6.466	Pending
2.	Bailadila Deposit No. 13	October 28, 1994	4.1374	Awaiting for final grant
3.	Bailadila Deposit No. 14 FO	November 27, 1989	3.1779	Applied for renewal of the licence. Application for forest division has been filed on November 11, 2007 and the forest clearance is awaited
Jharkhand				
4.	Budhaburu	March 04, 2005	1.25	Pending
5.	Ankua	March 04, 2005	6.0852	Pending
6.	Jhilingburu	March 04, 2005	2.1008	Pending
7.	Ghatkuri	April 18, 2007	22.337	Pending
8.	Barajamda – Kankura	May 21, 2007	1.0623	Pending
Karnataka				

9.	Ramandurg	May 13, 1991	4.50	Pending
10.	Kumaraswamy	April 16, 2003	1.85	Pending
11.	Kumaraswamy (Subbarayanahalli)	September 22, 2009	0.4251	Pending
12.	Kudre Kanve Kaval	August 08, 2007	5.0829	Pending
13.	Jaisingpur	August 08, 2007	0.8903	Pending
14.	Bhavihalli	August 08, 2007	0.1416	Pending
15.	Narayanapura	August 08, 2007	1.5257	Pending
16.	Vyasanekera & Hanumanahalli	August 08, 2007	1.3355	Pending
17.	Sy. No. 278 of Kenkere	August 08, 2007	0.1214	Pending
18.	Rathal & Aihole	August 08, 2007	1.1129	Pending
19.	Bababudan	January 23, 2008	84.12	Pending
Orissa				
20.	Mankadnacha	September 12, 2005 and September 14, 2005	23.67	Pending

2. ***Prospecting Licence Applications For Iron Ore***

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Chhattisgarh				
1.	East of Bailadila Deposit No. 1	December 05, 2006	5.04	Pending
2.	South of Bailadila Deposit No. 1	December 05, 2006	3.3	Pending
3.	Bailadila Deposit FO Surrendered area	March 02, 2007	1.65	Pending
4.	Bailadila Deposit 14 SA	October 24, 2007	1.25322	Pending
5.	Bailadila Deposit 5 SA	October 24, 2007	1.322	Pending
6.	Bailadila Deposit 11 SA East	October 24, 2007	7.68131	Pending
7.	Bailadila Deposit 11 SA West	October 24, 2007	1.23489	Pending
8.	Kalgude Dongar (Talnar Area)	July 24, 2009	6.509	Pending
9.	Tulab Dongar (Talnar Area)	July 24, 2009	6.658	Pending
10.	Near Talnar Village	July 24, 2009	2.032	Pending
11.	Near Taneli Village (South of Bailadila 14)	September 23, 2009	37.95	Pending
12.	East of Jungra Village	September 23, 2009	13.50	Pending
13.	Near Padbera Village	September 23, 2009	12.06	Pending
14.	Near Hurtarar Village	September 23, 2009	15.61	Pending
Jharkhand				
15.	Ghatkuri	April 18, 2007	22.337	Pending
16.	Sasangada NE Block	May 21, 2007	1.1546	Pending
17.	Barajamda – Kankura	May 21, 2007	1.0623	Pending
Andhra Pradesh				
18.	Nemakal Area	June 20, 2008	7.7839	Pending

III. APPLICATIONS FILED FOR GOLD MINES

1. ***Mining Lease Applications For Gold***

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Jharkhand				
1.	Pahardia - Rungikocha	December 20, 2006	4.54	Pending
2.	Parasi – Kutachauli – Khotadih	December 21, 2006	6.0217	Pending

2. ***Prospecting Licence Applications For Gold***

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Jharkhand				
1.	Pahardia - Rungikocha	December 20, 2006	10.9595	Pending
2.	Parasi – Kutachauli - Khotadih	December 21, 2006	6.0217	Pending

IV. APPLICATIONS FILED FOR DIAMOND MINES

- ***Mining Lease Applications For Diamond***

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Andhra Pradesh				
1.	Anumpalli ML	July 17, 2006	1.55	Pending
2.	Venkatampalli ML	July 27, 2006	1.12	Pending
3.	Chigicherla ML	June 30, 2008	1.53	Pending
4.	Timmasamudram	December 11, 2006	4.81	Pending
5.	Wajrakarur	July 09, 2007	113.75	Pending

- ***Prospecting Licence Applications For Diamond***

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Andhra Pradesh				
1.	Timmasamudram	December 11, 2006	4.81	Pending
2.	Wajrakarur	July 9, 2007	113.75	Pending
Madhya Pradesh				
3.	Karmatia Block PL	February 2, 2006	8.00	Pending
4.	Rampura Block PL	February 2, 2006	10.00	Pending
5.	Lakshmipur Block PL	February 2, 2006	2.00	Pending

V. APPLICATIONS FILED FOR PLATINUM GROUP OF APPLICATIONS

1. ***Prospecting Licence Applications For Platinum Group of Applications***

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Uttar Pradesh				
1.	Tsganan area	August 17, 2006	3.705	Pending
2.	Dangli area	August 17, 2006	11.005	Pending
3.	Dangli RF	August 17, 2006	3.705	Pending

VI. APPLICATIONS FILED FOR BAUXITE

1. Mining Lease Applications For Bauxite

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Jharkhand				
1.	Mahuadih Village	March 17, 2008	0.64	Pending
2.	Kujam Village	March 17, 2008	0.82	Pending
3.	Utani, Akasi & Putrang Villages	March 17, 2008	0.92	Pending
4.	Kothi Village	March 17, 2008	0.99	Pending
5.	Kujam -Chirodih Villages	March 17, 2008	0.89	Pending

2. Prospecting Licence Applications For Bauxite

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Jharkhand				
1.	Mahuadih Village	December 18, 2008	0.64	Pending
2.	Kujam Village	December 18, 2008	0.82	Pending
3.	Utani, Akasi & Putrang Villages	December 18, 2008	0.92	Pending
4.	Kothi Village	December 18, 2008	0.99	Pending
5.	Kujam -Chirodih Villages	December 18, 2008	0.89	Pending

VII. APPLICATIONS FILED FOR COAL

1. Mining Lease Applications For Coal

Sr. No.	Name of the Deposit / Area	Date of Submission of Application	Area (in Sq. Kms.)	Status
Madhya Pradesh				
1.	Shahpur East	December 14, 2009	6.93	Pending
2.	Shahpur West	December 14, 2009	5.875	Pending

2. Allocation Applications for Coal Blocks

a. Coking Coal Blocks

Sr. No.	Coal field / Command area	Block	Area (Sq. Kms)	Status
Jharkhand				
1.	North Karanpura / CCL	Rauthpara	8.00	Pending
2.	Jharia / BCCL	Aluara	12	Pending
3.	Jharia / BCCL	Gaurigram	3.5	Pending
4.	Jharia / BCCL	Parbatpur North	8.00	Pending

b. Non-Coking Coal Blocks

Sr. No.	Coal field / Command area	Block	Area (Sq. Kms)	Status
Jharkhand				
1.	Rajmahal Rajmahal +B/ECL	Pirpainti Barahat (North)	10	Pending
2.	Auranga / CCL	Chiru	2	Pending
3.	Auranga / CCL	Jagaldagga	10	Pending

4.	Rajmahal	Pachwara South	6.5	Pending
5.	South Karanpura	Tokisud South	5.8	Pending
West Bengal				
1.	Raniguni / ECL	Nachan	15	Pending
2.	Raniguni / ECL	Kunur	8	Pending
3.	Raniguni / ECL	Shunuri	13	Pending
Maharashtra				
1.	Wardha / WCL	Andwan	4	Pending
Andhra Pradesh				
1.	Godavari Valley Coaldfield / SCCL	Tadicheria Block –II	18.75	Pending

VIII. APPLICATIONS FOR STEEL PLANT

1. Application dated March 23, 2009 made before Member Secretary, Chhattisgarh Environment Conservation Board, Raipur for consent for establishment of the proposed 3.0MTPA integrated steel plant at Nagar Narag, District Jagdalpur, Chhattisgarh.

2. Application no. NMDC/ISP/1/155/2009/506 dated January 20, 2009 for forest clearance of 21.27 hectares for the steel plant at Jagdalpur.

3. Application no. NMDC/ISP/1/155/2009/605 dated March 27, 2009 for forest clearance of 2.65 hectares for the steel plant at Jagdalpur.

IX. APPLICATIONS FOR PELLET PLANT

1. Donimalai Pellet Plant

a. Application dated March 28, 2009 for high tension installation under regulation of E.S.R. 1988 to Gulbarga Electricity Supply Company Limited.

b. Application in 'Form-1' bearing no. DNM/M&S/PPlant/01/2009 dated October 13, 2009 for tree felling permission under Sub-section (2) of section 8 under the Karnataka Preservation of Tress (Amendment) Act, 1987 made before the Range Forest Officer, Sandur.

REGISTERED PATENTS OF THE COMPANY

1. Patent no. 7,335,342B2 dated February 26, 2008 for preparation of Sodium Silicate from Kimberlite Tailing assigned to Council of Scientific and Industrial Research, New Delhi issued by United States Patent and Trademark office.

2. Patent no. 7,560,093B2 dated July 14, 2009 for preparation of Detergent Builder Zeolite from Kimberlite Tailing assigned to Council of Scientific and Industrial Research, New Delhi and National Mineral Development Corporation Limited issued by United States Patent and Trademark Office.

3. Patent no. 7,037,476B1 dated May 3, 2006 for preparation of Detergent Amorphous Silica from Kimberlite Tailing assigned to Council of Scientific and Industrial Research, New Delhi and National Mineral Development Corporation Limited issued by United States Patent and Trademark Office.

4. Registration bearing no. 179472 of 24-02-1992 dated February 24, 1992 for improved process for the production of ferric chloride by rapid dissolution in blue dust in HCL issued by the Controller of Patent, the Patent Office.

5. Certificate regarding grant of patent no. IN207971 dated July 02, 2007 for ceramic candle and filtration system from treated kimberlite waste for removal of fluoride from water rich in fluoride content, issued by the Controller of Patents, the Patent Office.

6. Certificate bearing no. D-CHE/0583 dated June 09, 2006 issued by Controller of Patents declaring that our Company is in possession of an invention for Extraction of Caustic Magnesia from Kimberlite of Panna Diamond Mine.

7. Notice of acceptance of complete specification for patent application no. 920/MAS/94 issued by the Patent Officer, Calcutta, informing our Company about the acceptance and issuance of notification in the Gazette of India, Part III section 2 dated September 30, 2000, within four months from the date of advertisement.

APPLICATIONS FILED FOR REGISTRATION OF PATENTS OF OUR COMPANY

1. Patent application no. 898/MAS/98 with respect to Kimberlite tailing for cold bonded tiles dated April 27, 1998 before the Patent Office, Chennai.

2. Patent application no. 900/MAS/98 with respect to novel process for utilisation of effluent from Chemical process dated April 27, 1998 before the Patent Office, Chennai.

Approvals and licences of Sponge Iron India Limited ("SIIL").

The statutory registrations, approvals, consents and permissions obtained by SIIL in respect of its business are as follows:

1. Andhra Pradesh Shops and Establishment Act.

SIIL is registered under Andhra Pradesh Shops and Establishment Act, 1988, the registration number being C27/62/86. The registration is required to be renewed every year and SIIL has applied for the renewal of the same, for the year 2010.

2. Factory License

SIIL has been allotted license no. 26542 and Registration No. 38316 under Factories Act, 1948, for the premises at Paloncha, Khammam District, Andhra Pradesh. SIIL has applied for renewal pursuant to application dated January 2, 2010 for the year 2010 and the license fee for the same has been paid.

3. Consent to operate under Air (Prevention and Control of Pollution) Act 1981x and Water (Prevention and Control of pollution), Act 1971 and Hazardous Waste (Management and Handling) Rules, 1989.

SIIL has been granted renewal consent under consent order no. APPCB/VJA/KTM/76/HO/2009 - 2626 dated January 4, 2009 under the Water (Prevention and Control of pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act 1981. SIIL has been also granted the authorization pursuant to letter no. KMM-19/PCB/HWM/2001 dated January 4, 2008 to operate a facility for collection, reception, storage, transport and disposal of hazardous wastes, pursuant to the above mentioned consent letter under the Hazardous Wastes (Management and Handling) Rules 1989. All the above mentioned approvals are valid till December 31, 2010.

4. Certificate for the Use of Boiler

There are three boilers which are operational in SIIL's plant in respect of which following certificates have been issued:

- Certificate number 60 dated August 20, 2009 bearing registration number AP-2402, issued by the Inspector of Boiler, Andhra Pradesh Boiler Inspection Department which is valid till August 1, 2010.
- Certificate number 61 dated August 20, 2009 bearing registration number AP- 2403 issued by the Inspector of Boiler, Andhra Pradesh Boiler Inspection Department which is valid till August 1, 2010.
- Certificate number 62 dated August 20, 2009 bearing registration number AP- 3067 issued by the Inspector of Boiler, Andhra Pradesh Boiler Inspection Department which is valid till August 1, 2010.

5. License to Import and Store Petroleum

SIIL has obtained the license to import and store petroleum issued by Deputy Chief Controller of Explosives, Hyderabad bearing number P/HQ/AP/15/301(P3766) to import and store petroleum at Paloncha, Khammam District, Andhra Pradesh. The license expired on December 31, 2009 and the application for renewal is pending.

6. License to Store Petroleum

SIIL has obtained license to store petroleum issued by Deputy Chief Controller of Explosives, Hyderabad bearing number P/SC/AP/14/974(P31150) to store petroleum at Paloncha, Khammam District, Andhra Pradesh. It is valid till December 31, 2012.

7. VAT Registration

Value Added Registration Number (TIN) 28300107628 under Andhra Pradesh Value Added Tax Act, 2005.

8. Central Sales Tax Registration

Central sale tax registration no. WGL/09/01/1176/81-82 the Central Sales Tax Act, 1956 for carrying on the business of sponge iron

9. Central Excise Tax Registration

Central excise registration no. AADCS4045DXM001 to manufacture of Sponge Iron, Pig Iron, Steel Casings, Nitrogen Gas, Granulated Slag, Non-alloy Steel ingots and silica manganese.

10. Service Tax Registration.

Service tax registration no. AADCS4045DST001 and location code 530503 under the Finance Act, 1994, issued by Assistant commissioner of Custom and Central Excise, Warangal Division. The following services are covered under the registration:

- consulting engineer,
- transport of goods by road,
- scientific and technical consultancy (test, inspection, certification)
- commercial training
- coaching, renting of immovable property services.

11. Mineral Dealer Registration

SIIL has obtained registration no.3050/MD-4/Oth-9/DDWGL/2007 under certificate of registration dated December 28, 2007 under the Andhra Pradesh Mineral Dealer Rules, 2000 for processing, storing, and selling of sponge iron. The registration is valid for a period of five years from December 28, 2007 till December 27, 2012. The minerals covered under the registration are iron ore, dolomite and coal.

12. Certificate of Verification under Andhra Pradesh Standards of Weights and Measurements Act, 1985.

SIIL owns two electric mechanical lorry weigh bridges for which the District Inspector of Legal Metrology has issued Certificates of Verification being CR.No. 1462155 (next verification is due on August 20, 2010) and CR.No. 628976 (next verification is due on May 5, 2010) respectively under the Andhra Pradesh Standards of Weight and Measurements Act, 1985.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

As per the letter no. F.No. 6(2)99-RM-I(Vol.III) dated December 23, 2009, from the Ministry of Steel, the Government of India has approved disinvestment of its shareholding in our Company by way of offer for sale. Pursuant to this decision, the Ministry of Steel acting on behalf of the President of India has been authorized to offer for sale 332,243,200 Equity Shares of par value Re. 1 each, comprising 8.38% of the total paid-up equity share capital of our Company.

Our Company has taken note of the Offer and authorised relevant persons to execute documents on its behalf pursuant to the Board resolution dated January 7, 2010. Further, the Board had approved the Red Herring Prospectus and this Prospectus, pursuant to the Board resolution at its meetings held on February 18, 2010 and March 14, 2010, respectively.

The Ministry of Steel has vide its letter no. F No. 6(2)99-RM-I (Vol.-III) dated January 13, 2010, granted approval for the lock in of 20% of the post Offer capital for three years from the date of Allotment and for the lock-in of the balance pre-Offer share capital of our Company (excluding the Offer Shares) for a period of one year from the date of Allotment.

We have obtained all necessary governmental, regulatory consents and approvals and have received all necessary contractual consents required for this Offer. The Reserve Bank of India has vide its letter dated January 13, 2010 approved the transfer of the Offer Shares to non-residents including, NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions. The NSE has pursuant to its letter NSE/LIST/129/807-7 dated February 3, 2010 granted its in-principle approval in respect of the Offer Shares. The BSE has pursuant to its letter DCS/IPO/MT/IPO-IP/1313/2009-10 dated February 2, 2010 granted its in-principle approval in respect of the Offer Shares. As per the extant policy, OCBs are not permitted to participate in the Offer without the prior approval of the RBI. For further details regarding the requirement for such approval and other ancillary matters in this regard, see the sections titled "***Regulations and Policies***" and "***Offer Procedure***" on pages 99 and 311 of this Prospectus, respectively.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Promoter and our Directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. Neither our Promoter nor any of our Directors have been or is a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or directions made by the SEBI.

Our Directors are not in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Neither our Company, our Promoter nor our Directors have been detained as wilful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Offer

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

(a) Our Company, our Directors, our Promoter, the persons in control of our Company, and the companies with which our Directors, Promoter or persons in control are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;

(b) The Equity Shares are listed on recognised stock exchanges and BSE is the Designated Stock Exchange for the purpose of this Offer;

(c) Our Company has entered into agreements dated July 6, 2007 with NSDL and April 12, 2007 with CDSL and Aarthi Consultants Private Limited for dematerialisation of our Equity Shares;

(d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Prospectus.

Our Company is eligible for this Offer as per Regulation 27 read with Regulations 26(1)(d) and 26(1)(e) of the SEBI Regulations as set out below:

- The Offer size of upto Rs. 99,672.96 million, does not exceed five times the pre-Offer net worth of our Company, which as on March 31, 2009, was Rs. 116,147.1 million (i.e., 5 x Rs. 116,147.1 million = Rs. 580,735.5 million). Our Company has not made any previous issues in Fiscal 2010; and

- Our Company has not changed its name in Fiscal 2009.

Hence, we are eligible for the Offer under the SEBI Regulations.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, we shall ensure that the number of Allottees, i.e., persons to whom the Offer Shares will be Allotted shall be not less than 1,000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, the Selling Shareholder shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Up to 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 8,262,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated to the QIBs on a proportionate basis.

Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid Bids being received from them at or above the Offer Price and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Offer Price.

Approximately 0.52 % of the Offer, or 1,743,200 Equity Shares, shall be reserved for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Offer Price.

Any unsubscribed portion in Employee Reservation Portion shall be added to the Net Offer to the public. In case of under-subscription in the Net Offer to the public category, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer to the public. Under subscription in any other category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholder in consultation with the BRLMs.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, UBS SECURITIES INDIA PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, EDELWEISS CAPITAL LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, MORGAN STANLEY INDIA PRIVATE LIMITED AND RBS EQUITIES (INDIA) LIMITED* HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, UBS SECURITIES INDIA PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, EDELWEISS CAPITAL LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, MORGAN STANLEY INDIA PRIVATE LIMITED AND RBS EQUITIES (INDIA) LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 25, 2010 WHICH READS AS FOLLOWS:

1. “WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS (“DRHP”) PERTAINING TO THE SAID OFFER;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY;

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID. *

4. WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER’S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER’S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT THE AUDITORS’ CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER’S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE OFFEROR ALONG WITH THE PROCEEDS OF THE OFFER. – NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE

COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – NOT APPLICABLE

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER TRANSFER OF EQUITY SHARES BEING SOLD IN THE OFFER MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE OFFEROR SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

***** *The certificate of registration of RBS Equities (India) Limited as a 'Category 1' Merchant Banker, obtained from SEBI in the name of ABN AMRO Asia Equities (India) Limited, was valid up to December 4, 2008. As required under Regulation 9(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, an application dated September 4, 2008 for renewal of the said certificate of registration, in the prescribed manner, was made on September 5, 2008 to SEBI, three months before the expiry of the said certificate of registration. Additionally, the certificate of registration of RBS Equities (India) Limited in the name of ABN AMRO Asia Equities (India) Limited is in the process of being changed in the name of RBS Equities (India) Limited. Pursuant to a letter dated March 4, 2009, RBS Equities India Limited has informed SEBI of its new certificate of incorporation dated January 30, 2009 consequent to change of its name from ABN AMRO Asia Equities (India) Limited to RBS Equities (India) Limited, issued by the Registrar of Companies, Mumbai. RBS Equities India Limited is currently awaiting the renewal certificate in the name of RBS Equities (India) Limited from SEBI.*

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY AND THE SELLING SHAREHOLDER FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER

CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE RHP.

All legal requirements pertaining to this Offer have been complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from our Company, the Selling Shareholder, the Directors and the BRLMs

Our Company, the Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.nmdc.co.in would be doing so at his or her own risk. The Selling Shareholder accepts no responsibility for any statements made other than those made in relation to the Equity Shares offered through the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the BRLMs, the Selling Shareholder and the Company dated January 23, 2010, as amended vide an addendum dated February 18, 2010 and the Underwriting Agreement entered into among the Underwriters, the Registrar to the Offer, the Selling Shareholder and us.

All information shall be made available by us, the Selling Shareholder and BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres, etc.

Our Company, the Directors, the Selling Shareholder and any member of the Syndicate shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Each of the BRLMs and their respective affiliates may engage in transactions with, and perform services for, the Company, its Subsidiaries and Joint Ventures or affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Company, its Subsidiaries and Joint Ventures or affiliates, for which they have received, or may in the future receive, compensation.

Disclaimer in respect of jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors), HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified under Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 250 million and pension funds with a minimum corpus of Rs. 250 million, the National Investment Fund or insurance funds set up and managed by the Army, the Navy or the Air Force of the Union of India and to permitted non-residents including FIIs, FVCIs (subject to receipt of appropriate approvals by the FVCI from the appropriate regulatory authority), multilateral and bilateral institutions, Eligible NRIs and eligible foreign investors, provided that they are eligible under all applicable laws to hold Equity Shares of our Company. This Prospectus does not, however, constitute an invitation to subscribe to or purchase the Offer Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Offer Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Offer Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Offer Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers"(as defined in Rule 144A under the Securities Act and referred to in this Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Prospectus as "QIBs") in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Offer Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the Securities Act.

All Other Offer Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Offer Shares offered pursuant to this Offer in India, by its acceptance of the Red Herring Prospectus and the Prospectus and of the Offer Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of the Red Herring Prospectus and this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Offer Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the Offer Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser is purchasing the Offer Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares offered pursuant to this Offer, was located outside the United States at the time the buy order for such Offer Shares was originated and continues to be located outside the United States;

(5) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; (iii) in accordance with Rule 144 under the Securities Act (if available); or (iv) any transaction exempt from the registration requirements of the Securities Act, and (B) in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

(7) the Offer Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE

TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(8) our Company will not recognize any offer, sale, pledge or other transfer of such Offer Shares made other than in compliance with the above-stated restrictions; and

(9) our Company, the Selling Shareholder, the Underwriters, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Offer Shares are no longer accurate, it will promptly notify our Company and the Selling Shareholder, and if it is acquiring any of such Offer Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in the Red Herring Prospectus and the Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter and our Company that:

1. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

2. in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Offer Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Offer Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Disclaimer clause of the NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/129807-7 dated February 3, 2010 permission to the Company to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Company securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of the BSE

Bombay Stock Exchange Limited ("the Exchange") has given vide its letter dated February 2, 2010 permission to this Company to use the Exchange's name in this offer document. It is to be distinctly understood that the offer document has not been cleared or approved by BSE; nor does it in any manner:-

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever

Disclaimer clause of BSEL

As required, a copy of the Offer Document has been submitted to Bangalore Stock Exchange Limited (BGSE). BGSE has given vide its Letter No. bss/:02/99-2010/FPI /572, dated 17/02/2010 permission to the Company to use the Exchange's name in the Offer Document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by BGSE should not in any way be deemed or construed that the offer document has been cleared or approved by BGSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Company's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Company; its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of CSE

The Calcutta Stock Exchange Ltd. ("the Exchange") has given its permission to the company to use the name of the Exchange in the Offer Document as a Non-Designated Stock Exchange on which the company's further securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the company.

This Exchange does not in any manner:

(i) Warrant, certify or endorse the correctness or completeness of any of the contents of the Offer Document, or

(ii) Warrant that the company's securities will be listed or will continue to be listed on this Exchange, or

(iii) Take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme of project of the company;

and it should not for any reason be deemed or construed that this Offer Document has been cleared by the Exchange. Every person who desires to apply for or otherwise acquires any securities of the company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated in the offer document or for any other reason whatsoever.

Disclaimer clause of MSE

Madras Stock Exchange Limited does not in any manner-

(i) Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document, or

(ii) Warrant that the company's securities will be listed or will continue to be listed on the Madras Stock Exchange, or

(iii) Take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of the company.

It should not, for any reason, be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Madras Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of DSE

Delhi Stock Exchange Limited ("the Exchange") has given vide its letter dated 16.02.2010 permission to this Company to use the Exchange's name in this offer document. It is to be distinctly understood that the offer document has not been cleared or approved by DSE; nor does it in any manner:-

(i) Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document, or

(ii) Warrant that this Company's securities will be listed or will continue to be listed on the Exchange, or

(iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus was filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, was delivered for registration with the RoC at the office of the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC situated at the address mentioned below.

The Registrar of Companies, Andhra Pradesh
2nd Floor, CPWD Building, Kendriya Sadan,
Sultan Bazar, Koti,
Hyderabad - 500 195
India

Listing

The Equity Shares of the Company are listed on the NSE, the BSE, the BSEL, the MSE, the CSE and the DSE.

In connection with the Offer and in accordance with Regulation 7(b)(iii) of the SEBI Regulations, our Company has applied to and received in-principle approval for the Offer from the BSE and the NSE. BSE is the Designated Stock Exchange with which the basis of allotment will be finalised for the Offer.

Our Company has filed the Red Herring Prospectus with the BSEL, the MSE, the CSE and the DSE for the purpose of information.

After the demat credit of the Offer Shares to the successful Bidders is completed, our Company will apply for the permission for trading of the Offer Shares offered through this Offer to the BSE and the NSE. If the permission to deal in and for an official quotation of the Offer Shares is not granted by the BSE and/or the NSE, the Selling Shareholder shall forthwith repay, without interest, all moneys received from the applicants in reliance on the Red Herring Prospectus. If such money is not repaid within eight days after the Selling Shareholder becomes liable to repay it (i.e., from the date of refusal or within 15 days from the date of Bid/Offer Closing Date, whichever is earlier), then the Selling Shareholder shall, on and from expiry of such eight day period, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

IMPERSONATION

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Selling Shareholder, the Directors, the Company Secretary and Compliance Officer, the Auditors, the legal advisors, the experts, the Bankers to the Company; and (b) the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Banks, the Bankers to the Offer and the Registrar to the Offer to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, Ramamoorthy (N) & Co., Chartered Accountants, have provided their written consent to the inclusion of the Auditors' Report and the report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, included in this Prospectus in the form and context in which they appear in this Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Expert Opinion

Except for the Auditors Report of our Auditors on the audited financial information and the report of the mining expert, Behre Dolbear included in this Prospectus, our Company has not obtained any expert opinions.

Offer Related Expenses

The expenses for the Offer include lead management fees, underwriting and selling commission, Registrar's fees, advertisement and marketing expenses, printing and distribution expenses, legal fees, SEBI filing fees, bidding software expenses and depository charges. The details of the estimated Offer expenses are set forth below.

S.No.	Activity Expense	Amount (Rs. million)	Percentage of Total Estimated Offer Expenditure	Percentage of Offer Size
1.	Fees of the Book Running Lead Managers	1.0	0.8%	0.0%
2.	Underwriting and selling commission (including commission to SCSBs for ASBA Applications)	0.0	0.0%	0.0%
3.	Fees to Registrar to the Offer	1.4	1.2%	0.0%
4.	Fees to the Legal Advisors	8.9	7.5%	0.0%
5.	Fees to the Bankers to the Offer	0.0	0.0%	0.0%
6.	Other Expenses (Printing and stationery, distribution and postage, advertisement and marketing expense etc.)	106.7	90.5%	0.1%
	Total Estimated Offer Expenses	**118.0**	**100**	**0.1%**

All expenses with respect to fees payable to the BRLMs, Registrar to the Offer, Legal Counsels and Bankers to the Offer as well as expenses towards the publication of advertisements in connection with the Offer will be paid by the Selling Shareholder in accordance with the terms of the engagement letter with the BRLMs.

Fees Payable to the BRLMs and Syndicate Members

The fees payable to the BRLMs and Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, as applicable, will be as stated in the engagement letter with the BRLMs, issued by the Selling Shareholder, a copy of which is available for inspection at our Registered and Corporate Office.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer by the Selling Shareholder including fees for processing of application or any other expenditure involved will be in accordance with the Registrar's Agreement entered into among our Company, the Selling Shareholder and the Registrar, a copy of which is available for inspection at our Registered and Corporate Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses and postage charges for refund.

Previous issues of Equity Shares otherwise than for cash

Except as stated in section titled "***Capital Structure***" on page 34 of this Prospectus, our Company has not issued any shares for consideration other than cash.

Particulars regarding Public or Rights Issues during the last five years by our Company and Subsidiaries

Neither the Company nor any of its Subsidiaries have made any public or rights issue in the last five years.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares as on the date of this Prospectus.

Partly Paid-Up Shares

There are no partly paid-up Equity Shares of our Company.

Investor Grievances and Redressal System

Our Company has a Shareholders/Investor Grievance Committee which meets as and when required, to deal with and monitor the redressal of complaints from shareholders. Generally, the investor grievances are dealt with within seven Working Days of the receipt of the complaint.

Our Company has adequate arrangements for redressal of Investor complaints and well-arranged correspondence system developed for letters of routine nature. Redressal norm for response time for all correspondence including shareholders complaints is 10 Working Days.

In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Status of Complaints

Investor complaints received by our Company since the IPO have been appropriately disposed off. The number of investor complaints received during the three years preceding the filing of this Prospectus is thirty six. As on date of filing the Prospectus, there are no investor grievances pending against our Company.

Mechanism for Redressal of Investor Grievances in this Offer

The agreement entered into among the Registrar to the Offer, our Company and the Selling Shareholder will provide for retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to this Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of Offer Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Offer Shares applied for, amount paid on application and the relevant Designated Branch or collection centre of SCSB where the physical ASBA Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company has appointed Mr. Kumar Raghavan as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems. He can be contacted at the following address:

Company Secretary and Compliance Officer

Mr. Kumar Raghavan
Company Secretary, Executive Director (L&CC)
NMDC Limited
Khanij Bhavan, 10-3-311/A, Castle Hills,
Masab Tank, Hyderabad – 500173
Andhra Pradesh, India
Telephone: +91-40- 23538757
Facsimile: +91-40 - 23538759
E-Mail: divest2010@nmdc.co.in

Promise v/s Performance

Our Company has not completed any public or rights issue in the ten years preceding the date of the Prospectus.

Stock Market Data for our Equity Shares

The high and low closing prices recorded on the Stock Exchanges for the preceding three years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

BSE

Year ending March 31,	High (Rs.)	Date of High	Volume on Date of High (No. of Shares)	Low (Rs.)	Date of Low	Volume on Date of Low (No. of Shares)	Average of the Closing Price for the Period
2007	4,800.00	12-May-06	600	1,900.00	13-Dec-06	100	2,721.88
2008	16,584.10	6-Nov-07	1,200	1,900.00	2-Apr-07	200	7,336.46
2009	13,461.10	9-Apr-08	1,131	10,113.60	4-Apr-08	2,704	11,289.01
2009	1,523.75	5-May-08	152,572	1,213.40	23-Apr-08	12,461	1,397.18
2009	510.15	22-May-08	233,953	124.15	2-Dec-08	12,948	226.74

Source: www.bseindia.com

NSE

Year ending March 31,	High (Rs.)	Date of High	Volume on Date of High (No. of Shares)	Low (Rs.)	Date of Low	Volume on Date of Low (No. of Shares)	Average of the Closing Price for the Year
2007	-			-			
2008	12,064.50	12-Mar-08	389	8,882.65	24-Mar-08	1,421	10,311.81
2009	13,560.25	9-Apr-08	1,798	10,188.00	4-Apr-08	1,899	11,341.82
2009	1,529.30	5-May-08	137,895	1,211.45	23-Apr-08	14,600	1,400.25
2009	512.05	22-May-08	239,390	123.85	2-Dec-08	14,636	226.72

Source: www.nseindia.com

The details relating to the high and low prices recorded on the stock exchanges for the six months preceding the date of filing of this Prospectus, the volume of Equity Shares traded on the days the high and low prices were recorded, average price of our Equity Shares during each such month, the volume of Equity Shares traded during each month and the average number of Equity Shares traded during such trading days, are stated below:

BSE

Period Beginning	Period Ending	High (Rs.)	Date of High	Volume on Date of High (No. of Shares)	Low (Rs.)	Date of Low	Volume on Date of Low (No. of Shares)	Average of Closing Prices for the Month	Total Volume of Securities for the Month
1-Sep-09	30-Sep-09	374.25	7-Sep-09	84,764	354.45	29-Sep-09	26,667	362.22	1,025,673
1-Oct-09	31-Oct-09	355.45	1-Oct-09	47,459	299.65	30-Oct-09	22,950	337.25	676,933
1-Nov-09	30-Nov-09	461.20	11-Nov-09	2,313,955	286.20	3-Nov-09	30,680	396.71	10,073,816
1-Dec-09	31-Dec-09	426.20	30-Dec-09	116,932	395.70	18-Dec-09	92,482	413.44	3,695,694
1-Jan-10	31-Jan-10	556.05	19-Jan-10	3,082,173	419.05	08-Jan-10	195,361	468.88	20,826,567
1-Feb-10	28-Feb-10	498.40	1-Feb-10	974,304	429.05	25-Feb-10	324,737	465.23	12,534,134
1-Mar-10	12-Mar-10	435.15	4-Mar-10	420,801	360.35	11-Mar-10	558,491	399.46	6,446,989

Source: www.bseindia.com

NSE

Period Beginning	Period Ending	High (Rs.)	Date of High	Volume on Date of High (No. of Shares)	Low (Rs.)	Date of Low	Volume on Date of Low (No. of Shares)	Average of Closing Prices for the Month	Total Volume of Securities for the Month
1-Sep-09	30-Sep-09	373.20	7-Sep-09	168,282	353.70	29-Sep-09	62,269	362.13	1,534,729
1-Oct-09	31-Oct-09	356.45	1-Oct-09	63,928	300.50	30-Oct-09	48,035	337.29	1,159,300
1-Nov-09	30-Nov-09	461.70	11-Nov-09	4,454,514	288.40	3-Nov-09	57,987	396.63	17,706,884
1-Dec-09	31-Dec-09	426.65	30-Dec-09	236,811	396.25	18-Dec-09	141,099	413.74	6,467,268
1-Jan-10	31-Jan-10	555.90	19-Jan-10	6,841,271	419.55	08-Jan-10	315,717	469.48	43,445,281
1-Feb-10	28-Feb-10	499.75	1-Feb-10	2,009,874	427.85	25-Feb-10	772,772	465.58	29,053,461
1-Mar-10	12-Mar-10	436.25	4-Mar-10	1,042,815	361.20	11-Mar-10	1,372,195	400.77	16,845,221

Source: www.nseindia.com

The market price was Rs. 419.05 on BSE on January 8, 2010, the trading day immediately following the day on which Board meeting was held to approve this Offer.

The market price was Rs. 419.55 on NSE on January 8, 2010, the trading day immediately following the day on which Board meeting was held to approve this Offer.

			Volume Traded at NSE	Volume Traded at BSE	Volume Traded at NSE	Volume Traded at BSE
Period Beginning	**Period Ending**		**# shares**		**Rs. in million**	
1-Apr-06	31-Mar-07	Year ended March 31, 2007	-	93,000.00	-	272
1-Apr-07	31-Mar-08	Year ended March 31, 2008	25,928.00	370,372.00	272	3,219
1-Apr-08	9-Apr-08		14,538.00	16,637.00	165	185
10-Apr-08	20-May-08		837,564.00	910,904.00	1,210	1,318
21-May-08	31-Mar-09	Year ended March 31, 2009	14,438,391.00	12,631,119.00	3,381	3,029
1-Jun-09	30-Jun-09	Jun-09	4,256,585.00	2,609,067.00	1,733	1,059
1-Jul-09	31-Jul-09	Jul-09	6,645,526.00	3,913,366.00	2,426	1,427
1-Aug-09	31-Aug-09	Aug-09	3,098,536.00	1,781,812.00	1,162	667
1-Sep-09	30-Sep-09	Sep-09	1,534,729.00	1,025,673.00	561	375
1-Oct-09	31-Oct-09	Oct-09	1,159,300.00	676,933.00	394	230
1-Nov-09	30-Nov-09	Nov-09	17,706,884.00	10,073,816.00	7,663	4,351
1-Dec-09	31-Dec-09	Dec-09	6,467,268.00	3,695,694.00	2,711	1,549
01-Jan-10	31-Jan-10	Jan-10	43,445,281.00	20,286,567.00	22,325	10,675

			Volume Traded at NSE	Volume Traded at BSE	Volume Traded at NSE	Volume Traded at BSE
01-Feb-10	28-Feb-10	Feb-10	29,053,461.00	12,534,134	13,911	5,994
01-Mar-10	12-Mar-10	Mar-10	16,845,221	6,446,989	6,610	2,530

Listed Subsidiaries or Joint Ventures

None of our Subsidiaries and Joint Ventures are listed on any stock exchange.

Changes in Auditors

The Auditors of our Company are appointed/re-appointed by the Office of the Comptroller and Auditor General of India every Fiscal.

M/s. Laxminiwas and Jain, Chartered Accountants were our Auditors until financial year 2006-2007. They ceased to be our Auditors at the annual general meeting held on August 31, 2007.

M/s Ramamoorthy (N) & Co. were appointed as Auditors of our Company for the financial year 2007-2008 *vide* the order of the Controller and Auditor General of India dated August 08, 2007 and were re-appointed for the financial years 2008-2009 and 2009-2010.

Capitalization of reserves or profits

Except as disclosed in the section "Capital Structure", we have not capitalized our reserves or profits at any time during last five years.

Revaluation of assets

There has been no revaluation of assets of our Company since its incorporation.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Offer Shares are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, this Prospectus, Bid cum Application Form, the ASBA Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note, the listing agreements and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Offer. The Offer Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue/offer of capital and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable.

Authority for this Offer

See ***"Other Regulatory and Statutory Disclosures"*** on page 290 of this Prospectus.

Ranking of Offer Shares

The Offer Shares shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend**.**

The Allottees will be entitled to dividends, if any, declared by our Company after the date of Allotment.

For a description of our Articles, see section titled "***Main Provisions of the Articles of Association***" on page 348 of this Prospectus.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per applicable law and regulation,

Face Value

The face value of Equity Shares is Re. 1 each. At any given point of time there shall be only one denomination for the Equity Shares.

The Price Band and the minimum bid lot as decided by the Selling Shareholder in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price,was published at least one working day prior to the Bid/Offer Opening Date in all the newspapers where the pre-Offer advertisement was published.

Compliance with Regulations issued by SEBI

Our Company and the Selling Shareholder shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements with the Stock Exchanges and our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see "***Main Provisions of Articles of Association***" on page 348 of this Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Regulations, the trading in the Offer Shares shall only be in dematerialised form for all investors. Since trading of the Offer Shares is in dematerialised mode, the tradable lot is one Offer Share. The Offer Shares shall be allotted only in dematerialised form. Allotment through this Offer will be done only in electronic form in multiples of one Offer Share subject to a minimum Allotment of 20 Offer Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship, subject to provisions contained in the Articles.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of the sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either to:

a. register himself or herself as the holder of the Equity Shares; or
b. make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of the Offer Shares will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective DP of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective DP.

Application by Eligible NRIs, FIIs registered with the SEBI and FVCIs registered with the SEBI

It is to be distinctly understood that there is no reservation for NRIs and FIIs registered with the SEBI or FVCIs registered with the SEBI.

As per RBI regulations, Overseas Corporate Bodies ("**OCBs**"), cannot participate in the Offer.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from or in a transaction not subject to registration requirements of the U.S. Securities Act. Accordingly, the Offer Shares are only being offered or sold (i) in the United States to entities that are both "Qualified Institutional Buyers" as defined in Rule 144A under the U.S. Securities Act and "Qualified Purchasers" as defined under the Investment Company Act and related rules and (ii) outside the United States to certain non-U.S. Persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Bid/Offer Period

Bidders may submit their Bids only in the Bid/Offer Period. The Bid/Offer Opening Date was March 10, 2010, and the Bid/Offer Closing Date was March 12, 2010.

Minimum Subscription

The Offer being an offer for sale, the requirement of minimum subscription is not a pre-condition for the completion of the Offer. However, in accordance with Regulation 26(4) of the SEBI Regulations, we shall need to ensure that the number of Allottees, i.e. persons to whom the Offer Shares will be Allotted under the Offer, shall be not less than 1,000.

Arrangement for Disposal of Odd Lots

As the Equity Shares trade on the stock exchanges in the lot size of one, no arrangements are required for disposal of odd lots.

Restriction on Transfer of Shares

Except for the lock-in of the Equity Shares held by our Promoter as detailed in ***"Capital Structure"***, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting except as provided in our Articles. For details, see ***"Capital Structure"*** and ***"Main Provisions of the Articles of Association"*** on pages 34 and 348 of this Prospectus, respectively.

Option to Receive Offer Shares in Dematerialised Form

Investors should note that Allotment of Offer Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting Allotment of the Offer Shares in physical form. The Offer Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Withdrawal of the Offer

The Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Offer anytime after the Bid/Offer Opening Date but before the Allotment. In such an event, a public notice would be issued in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification.

In the event the Selling Shareholder in consultation with the BRLMs withdraws the Offer after the Bid/Offer Closing Date, a fresh draft red herring prospectus will be submitted again to SEBI for its observations, in the event the Company or the Selling Shareholder subsequently decide to proceed with a further public offering. Notwithstanding the foregoing, the Offer is also subject to obtaining the final RoC approval of the Prospectus after it is filed with the RoC.

Withdrawal by QIBs

QIBs bidding in the QIB Portion cannot withdraw their Bid(s) after the Bid/Offer Closing Date. In addition, QIBs bidding in the QIB Portion are required to pay at least 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to such QIBs will be on a proportionate basis.

OFFER STRUCTURE

Further Public Offer of 332,243,200 Equity Shares through an Offer for Sale by the Selling Shareholder for cash at a price determined through the 100% Book Building Process under Schedule XI of the SEBI Regulations aggregating upto Rs. 99,672.96 million*. The Offer comprises a Net Offer to the public of 330,500,000 Equity Shares and an Employee Reservation Portion of 1,743,200 Equity Shares for purchase by Eligible Employees. The Offer shall constitute approximately 8.38% of the post-Offer share capital of our Company.

**Subject to finalisation of the Basis of Allotment. This amount will be reduced to the extent of the 5% discount to the Offer Price offered to the Retail Individual Bidders and the Eligible Employees bidding under the Employee Reservation Portion, based on actual allotment.*

	Employee Reservation Portion	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation*	Reservation of 1,743,200 Equity Shares	Up to 165,250,000 Equity Shares, or Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 49,575,000 Equity Shares or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than 115,675,000 Equity Shares or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for allocation	Reservation of 0.52% of the Offer **	Up to 50% of the Net Offer	Not less than 15% of the Net Offer, or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Net Offer, or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if the category is oversubscribed	Proportionate	Proportionate as follows: (a) 8,262,500 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) 156,987,500 Equity Shares shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	20 Equity Shares	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs. 100,000	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs. 100,000	20 Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid does not exceed the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid does not exceed the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount does not exceed Rs. 100,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid Lot	20 Equity Shares and in multiples of 20 Equity Shares thereafter	20 Equity Shares and in multiples of 20 Equity Shares thereafter	20 Equity Shares and in multiples of 20 Equity Shares thereafter	20 Equity Shares and in multiples of 20 Equity Shares thereafter
Allotment Lot	20 Equity Shares and in multiples of one Equity Share thereafter	20 Equity Shares and in multiples of one Equity Share thereafter	20 Equity Shares and in multiples of one Equity Share thereafter	20 Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply ***	Eligible Employees	Public financial institutions specified in	Resident Indian individuals, HUFs (in	Resident Indian Individuals, HUFs (in the

	Employee Reservation Portion	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
		Section 4A of the Companies Act, FIIs (and their sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual), scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, FVCIs registered with SEBI (subject to receipt of appropriate approvals by the FVCI from the appropriate regulatory authority), venture capital funds registered with the SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 250 million, pension funds with a minimum corpus of Rs. 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of GoI published in the Gazette of India and insurance funds set up and managed by the Army, Navy or Air Force of the Union of India	the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts, and any FII sub-account registered with SEBI, which is a foreign corporate or foreign individual	name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate.
Margin Amount	Full Bid Amount on bidding.	At least 10% of Bid Amount.***	Full Bid Amount on bidding.	Full Bid Amount on bidding.

* *Up to 50% of the Net Offer shall be available for allocation to QIBs on a proportionate basis subject to valid Bids received at a price at or above the Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Offer Price. However, if*

the aggregate demand from Mutual Funds is less than 8,262,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and available for allocation to the QIBs on a proportionate basis. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid Bids being received at or above the Offer Price. Additionally, not less than 35% of the Net Offer will be available for allocation to Retail Individual Bidders subject to valid Bids being received at or above the Offer Price. Further, 1,743,200 Equity Shares shall be available for allocation on a proportionate basis to our Eligible Employees, subject to valid Bids being received at or above the Offer Price.
*Under subscription in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholder in consultation with the BRLMs. For further details, see "**Offer Procedure**" on page 311 of this Prospectus.*

***Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Offer portion. In case of under-subscription in the Net Offer to the public category, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer to the public.*
**** In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*
[#] In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.

Retail and Employee Discount

A discount of 5% to the Offer Price determined pursuant to completion of the Book Building Process shall be offered to Retail Individual Bidder and Eligible Employees (the "Retail and Employee Discount").

Retail Individual Bidders and Eligible Employees bidding at a price within the Price Band have to make payment based on their highest bid price option. Retail Individual Bidders and Eligible Employees bidding at Cut-Off Price have to ensure payment at the upper end of the Price Band.

Retail Individual Bidders and Eligible Employees should note that discount is not offered on application but on allotment. The excess amount paid on application would be refunded to such Bidders after Allotment along with any other refund, if any.

Interest in Case of Delay in Despatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the stock exchanges and the SEBI Regulations, our Company and the Selling Shareholder undertake that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/Offer Closing Date;

- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Offer Closing Date and that instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful Bids shall be made within 15 days of the Bid/Offer Closing Date; and

- Interest shall be paid by the Selling Shareholder at 15% p.a. if the Allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Offer Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Offer Closing Date.

The Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Offer.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and shall be payable at par at places where Bids are received, except where refund or portion thereof is made through electronic transfer of funds or in case of Bids made through ASBA. Bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

In case of ASBA Bidders, the relevant SCSB will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Offer.

Bid/Offer Period

BID/OFFER OPENED ON	**March 10, 2010**
BID/OFFER CLOSED ON	**March 12, 2010**

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form, or in case of Bids submitted through ASBA, the designated branches of the SCSBs, except that on the Bid/Offer Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000; and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000 which may be entered up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges within half an hour of such closure. Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids at least one day prior to the Bid/Offer Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Offer Closing Date, as has been experienced in public offerings in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload and such Bids that cannot be uploaded will not be considered for allocation in the Offer. If such Bids are not uploaded, the Company, the Selling Shareholder, BRLMs and the Syndicate Members shall not be responsible. Bids will be accepted only on Working Days.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data entered in the physical Bid form, or for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment.

The Selling Shareholder, in consultation with the BRLMs, reserves the right to revise the Bid/Offer Period, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Bid/Offer Period, if applicable, will be widely disseminated by notification to the stock exchanges on which our Equity Shares are listed, by issuing a press release, and also by indicating the change on the web site of the BRLMs and at the terminals of the members of the Syndicate.

OFFER PROCEDURE

Book Building Procedure

The Offer is being made through the 100% Book Building Process wherein up to 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid bids being received from them at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Offer Price. Approximately 0.52% of the Offer, or 1,743,200 Equity Shares, shall be reserved for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received . Any unsubscribed portion in Employee Reservation Portion shall be added to the Net Offer to the public. In case of under-subscription in the Net Offer to the public category, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer to the public. Under subscription in any other category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholder in consultation with the BRLMs.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, the Selling Shareholder, in consultation with the BRLMs, may reject Bids at the time of acceptance of the Bid cum Application Form, provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, the Selling Shareholder, in consultation with the BRLMs, would have a right to reject the Bids only on technical grounds. The identity of QIB Bidders bidding in the Offer shall not be made public.

Investors should note that Allotment will only be in the dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' Depository Account shall be treated as incomplete and rejected. Bidders will not have the option of getting Allotment in physical form. The Offer Shares on Allotment shall be traded only in the dematerialised segment of the stock exchanges.

The information below is given for the benefit of the Bidders. Information for the benefit of ASBA Bidders is provided further below under the section titled "Offer Procedure- Offer Procedure for ASBA Bidders". The Company, the Selling Shareholder, the Book Running Lead Managers and the Syndicate Members are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations which may occur after the date of this Prospectus. Bidders are also advised to make their independent investigations and ensure that the number of Offer Shares Bid for do not exceed the applicable limits under applicable laws, regulations or approvals. Bidders are advised to make their own enquiries about the limits applicable to them.

Bid cum Application Form

Bidders, except ASBA Bidders, shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to Bidders, the Bid cum Application Form shall be serially numbered and date and time stamped at the Bidding Centres and such Bid cum Application Form shall be issued in duplicate signed by the Bidder and countersigned by the relevant member of the Syndicate. The Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company and the Selling Shareholder to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indian, NRIs applying on a non repatriation basis	White
Non-Residents, Eligible NRIs, FVCIs (subject to receipt of appropriate approvals by the FVCI from the appropriate regulatory authority), FIIs on a repatriation basis	Blue
Eligible Employees in the Employee Reservation Portion	Pink
ASBA Bidders (through physical form)	White

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB authorizing the blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA

Bidders. Upon the allocation, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholder to make the necessary changes in the Red Herring Prospectus and the ASBA Bid Cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);

- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;

- Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRI's other than Eligible NRIs are not eligible to participate in this Offer;

- Mutual Funds registered with SEBI;

- Indian Financial Institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI regulations and other regulations, as applicable);

- Venture Capital Funds registered with SEBI;

- Foreign Venture Capital Investors registered with SEBI, subject to receipt of appropriate approvals from appropriate regulatory authority;

- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;

- FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or a foreign individual;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Portion.

- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;

- Insurance companies registered with the Insurance Regulatory and Development Authority, India;

- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;

- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;

- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

- Insurance funds set up and managed by the Army, Navy or Air Force of the Union of India;

- Multilateral and Bilateral Development Financial Institutions; and

- Eligible Employees.

Note: As per existing regulations, OCBs cannot participate in the Offer, without the prior approval of RBI.

Pursuant to an approval dated January 13, 2010, the RBI has permitted the transfer of the Offer Shares by the Selling Shareholder to non-resident investors eligible to participate in the Offer, including FIIs, NRIs, FVCI, multilateral and bilateral development financial institutions at the offer price(s) determined under the SEBI Regulations.

Participation by associates of the BRLMs and the Syndicate Members

Associates/affiliates of the BRLMs and the Syndicate Members may bid and purchase the Offer Shares either in the QIB Portion or in the Non-Institutional Portion, as may be applicable to such investor. Such bidding and purchase may be on their own account or on behalf of their clients. However, BRLMs and Syndicate Members shall not be entitled to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations.

Bids by Mutual Funds

Under the SEBI Regulations, 5% of the QIB Portion, i.e., 8,262,500 Equity Shares, have been specifically reserved for Mutual Funds. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall be first considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than 8,262,500 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, if the aggregate demand from Mutual Funds is less than 8,262,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and available for allocation proportionately to the QIB Bidders.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which application is being made.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be lodged along with the Bid cum Application Form. Failing this, the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor. Bids by insurance companies registered with the IRDA, if bidding in the QIB Portion, may be rejected at the time of acceptance of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

- Bid cum Application Forms (blue in colour) have been made available for Eligible NRIs at our Registered and Corporate Office and members of the Syndicate.

- Eligible NRI may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour). Bid cum Application Forms by Eligible NRIs accompanied by payments through NRO accounts are liable to be rejected.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The offer of Offer Shares to a single FII, together with their existing holdings, should not exceed 10% of our post-Offer issued capital (i.e. 10% of 3,964,716,000 Equity Shares). In respect of an FII investing in the Offer Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. The said 24% limit can be increased up to 100% by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. As on the date of filing of this Prospectus, our Company has not obtained board or shareholders approval to increase the FII limit to more than 24%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors) (Amendment) Regulations, 2008 ("SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it or on behalf of it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Sub-accounts of FIIs are not permitted to issue offshore derivative instruments. Associates and affiliates of the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Offer Shares Allotted to them in the Offer.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors, respectively, registered with SEBI. Accordingly, the holding in any company by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/foreign venture capital investor. However, venture capital funds or foreign venture capital investors may invest not more than 33.33 % of their respective investible funds in various prescribed instruments, including in IPOs. **Further, FVCIs investing in this Offer should confirm that no approvals from the appropriate regulatory authorities are required to be obtained by the concerned FVCI.**

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

a. permanent and full-time employee of our Company as of the date of the Red Herring Prospectus and based and working in India as on the date of submission of the Bid cum Application Form; and
b. Director, whether whole-time or part-time, as of the date of the Red Herring Prospectus and based in India as on the date of submission of the Bid cum Application Form.

For the purpose of this definition, an employee who is recruited against regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed as a permanent employee. The maximum Bid Amount by an Eligible Employee under the Employee Reservation Portion cannot exceed Rs. 100,000.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- Only Eligible Employees (as defined above) would be eligible to apply in this Offer under the Employee Reservation Portion.
- Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder shall be the Eligible Employee as defined above.

- Bids by Eligible Employees, which are received at or above the Offer Price, would be considered for allocation under this category. Eligible Employees who Bid for Equity Shares of or for a value less than Rs. 100,000 in any of the Bid prices can apply at the Cut-off Price.
- The Bids must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter.
- The maximum Bid Amount under Employee Reservation Portion by an Eligible Employee cannot exceed Rs. 100,000.
- Bids by Eligible Employees can also be made in the "Net Offer" portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to 1,743,200 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Offer to the public. In case of under-subscription in the Net Offer to the public category, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer to the public.
- If the aggregate demand in this category is greater than 1,743,200 Equity Shares, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see **"*Offer Procedure - Basis of Allotment*"** on page 332 of this Prospectus.

Maximum and Minimum Bid Size

*For Retail Individual Bidders***:** The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid would be considered for allocation under the Non- Institutional Portion. The option to Bid at the Cut-Off Price is an option given to the Retail Individual Bidders, including ASBA Bidders, indicating their agreement to Bid and purchase at a discount of 5% to the final Offer Price as determined at the end of the Book Building Process.

*For Non-Institutional Bidders and QIBs***:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares thereafter. A Bid cannot be submitted for more than the size of this Offer. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them under applicable laws.

Under existing SEBI Regulations, a QIB Bidder bidding in the QIB Portion cannot withdraw its Bid after the Bid/Offer Closing Date and is required to pay the QIB Margin Amount upon submission of Bid. The identity of QIB Bidders bidding in the Offer shall not be made public.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion.

Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-Off Price and QIB Bidders cannot apply under the ASBA process.

*For Bidders in the Employee Reservation Portion***:** The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Eligible Employee has to ensure that the Bid Amount does not exceed Rs. 100,000. The option to Bid at the Cut-Off Price is given to the Bidders in the Employee Reservation Portion, including ASBA Bidders, whose Bid Amount does not exceed Rs. 100,000 indicating their agreement to Bid and purchase at a discount of 5% to the final Offer Price as determined at the end of the Book Building Process. The Allocation in the Employee Reservation Portion will be on a proportionate basis in case of oversubscription in this category.

A discount of 5% to the Offer Price determined pursuant to completion of the Book Building Process shall be offered to Retail Individual Bidder and Eligible Employees (the "Retail and Employee Discount").

Retail Individual Bidders and Eligible Employees bidding at a price within the Price Band have to make payment based on their highest bid price option. Retail Individual Bidders and Eligible Employees bidding at Cut-Off Price have to make payment at the upper end of the Price Band.

Retail Individual Bidders and Eligible Employees should note that discount is not offered on application but on allotment. Hence, they should not deduct the Retail and Employee Discount while submitting the Bid-cum-Application Form.

Information for the Bidders:

1. Our Company has filed the Red Herring Prospectus with the RoC at least three days before the Bid/Offer Opening Date.

2. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus.

3. The Selling Shareholder and the BRLMs declared the Bid/Offer Opening Date and the Bid/Offer Closing Date at the time of filing of the Red Herring Prospectus with the RoC and the same was published in two national daily newspapers (one in English and one in Hindi) and one Telugu daily newspaper (which is the regional newspaper), each with wide circulation.

4. The Members of the Syndicate shall accept Bids from the Bidder during the Bid/Offer Period in accordance with the terms of the Syndicate Agreement.

5. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.

6. Eligible investors (other than ASBA Bidders) who are interested in purchasing the Offer Shares should approach the BRLMs or the Syndicate Members or their authorised agent(s) to register their Bids.

7. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate, will be rejected.

Method and Process of Bidding

1. The Selling Shareholder in consultation with the BRLMs declared the Bid/Offer Opening Date and Bid/Offer Closing Date at the time of filing the Red Herring Prospectus with RoC and also published the same in two national daily newspapers (one each in English and Hindi newspapers), and in one Telugu daily newspaper (which is the regional newspaper), each with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI Regulations. The Price Band and the minimum Bid lot as decided by the Selling Shareholder, in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price and a statement that the investors may be guided in the meantime by the secondary market prices, was published at least one Working Day prior to the Bid/Offer Opening Date in two national daily newspapers (one each in English and Hindi newspapers), and in one Telugu daily newspaper (which is the regional newspaper), where the pre-Offer advertisement was published, each with wide circulation.

2. Bidders shall be eligible to submit Bids on all days during the Bid/Offer Period. The Members of the Syndicate shall accept Bids from all the Bidders and shall have the right to vet the Bids during the Bid/Offer Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.

3. The Bid/Offer Period shall be for a minimum of three Working Days. Where the Price Band is revised, the revised Price Band and Bid/Offer Period shall be published in the same newspapers where the pre-Offer advertisement was published and also indicating the change on the websites of the BRLMs and at the terminals of the other members of the Syndicate . The Bid/Offer Period may be extended, if required, by a minimum of three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days.

4. During the Bid/Offer Period, Bidders should approach the members of the Syndicate or their authorised agents to register their Bids.

5. The BRLMs dispatched the Red Herring Prospectus and other Offer material including ASBA Forms, to the Designated Stock Exchange, the Syndicate Members, Bankers to the Offer, investors' associations and SCSBs in advance.

The members of the Syndicate circulated copies of the Bid cum Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus were provided. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered and Corporate Office or from any of the members of the Syndicate.

The Bids should only be submitted on the prescribed Bid cum Application Form and should bear the stamp of the authorised representatives of the Syndicate. Bid cum Application Forms which do not bear the stamp of a member of the Syndicate will be rejected.

6. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. For details, please refer to the paragraph below titled "***Bids at Different Price Levels and Revision of Bids***" on page 317 of this Prospectus. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Offer Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid prices, will become automatically invalid.

7. The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of the Offer Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the section titled "***Build up of the Book and Revision of Bids***" on page 320 of this Prospectus.

8. The Members of the Syndicate will enter each Bid option, received from the Bidders mentioned in the Bid cum Application Form, into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

9. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "***Terms of Payment and Payment into the Escrow Account(s)***" on page 318 of this Prospectus.

10. The identity of QIB Bidders bidding in the Offer shall not be made public.

Bids at Different Price Levels and Revision of Bids

1. The Bidders can Bid at any price within the Price Band, in multiples of 20. The Price Band and the minimum Bid lot decided by the Selling Shareholder, in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price and a statement that the investors may be guided in the meantime by the secondary market prices, was published at least one Working Day prior to the Bid/Offer Opening Date in two national daily newspapers (one each in English and Hindi newspapers), and in one Telugu daily newspaper (which is the regional newspaper), where the pre-Offer advertisement was published, each with wide circulation.

2. In accordance with the SEBI Regulations, the Selling Shareholder, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period. The Cap Price should not be more than 120% of the Floor Price. The Floor Price can move up or down to the extent of 20% of the Floor Price as advertised at least one Working Day before the Offer Opening Date.

3. In case the Price Band is revised, the Bid/Offer Period shall be extended by a minimum three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. The revised Price Band and the Bid/Offer Period, if applicable, will be widely disseminated by notification to the SCSBs and stock exchanges, and by publishing the same in two national daily newspapers (one each in English and Hindi newspapers), and in one Telugu daily newspaper (which is the regional newspaper) in the place where our Registered and Corporate Office is situated and also by indicating the change on the websites of the BRLMs and at the terminals of the other Syndicate Members.

4. The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Offer Shares at a specific price.

5. Retail Individual Bidders and Eligible Employees applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at the Cut-Off Price. However, bidding at the Cut-Off Price is prohibited for QIB Bidders and Non-Institutional Bidders and such Bids from QIB Bidders, and Non-Institutional Bidders shall be rejected.

6. Retail Individual Bidders and Eligible Employees who Bid at the Cut-Off Price agree that they shall purchase the Offer Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion bidding at the Cut-Off Price shall deposit the Bid Amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and the Bidders in the Employee Reservation Portion at the Cut-Off Price, the Retail Individual Bidders and Eligible Employees who Bid at the Cut-Off Price, shall receive the refund of the excess amounts from the Refund Account in the manner described under the paragraph titled "***Payment of Refund***" on page 334 of the Prospectus.

7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion, who had Bid at the Cut-Off Price could either (i) revise their Bid or (ii) make

additional payment based on the higher end of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if such Bidders want to continue to Bid at the Cut-Off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders, the Bid for such Retail Individual Bidder will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at the Cut-Off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who have Bid at the Cut-Off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

9. The Selling Shareholder, in consultation with the BRLMs, shall finalise the Offer Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

10. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 20 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Terms of Payment and Payment into the Escrow Account(s)

Each Bidder shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form by drawing a cheque or demand draft in favour of the Escrow Account(s) of the Escrow Collection Bank(s) (for details see the section titled "***Offer Procedure-Payment Instructions***" on page 327 of this Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/stock invest/money order shall not be accepted. Each QIB shall provide its Margin Amount only to the Syndicate/ BRLMs. The Margin Amount based on the Bid Amount has to be paid at the time of the submission of the Bid cum Application form. The Margin Amount shall be entered and printed on the TRS.
The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies until the Designated Date. On or after the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Offer from the Escrow Account(s), as per the terms of the Escrow Agreement, into the Public Offer Account with the Banker(s) to the Offer. The balance amount after transfer to the Public Offer Account shall be held for the benefit of the Bidders who are entitled to refunds. No later than 15 days from the Bid/Offer Closing Date, the Selling Shareholder shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders, i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the section titled "***Offer Structure***" on page 307 of this Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for the Offer Shares and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date. If the payment is not made favouring the Escrow Account(s) within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form. Except as set forth under "***Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders***" on page 336 of this Prospectus, the Bidder will not receive interest on the Bid Amount.

Bidders should note that pursuant to the Escrow Agreement, the Selling Shareholder is entitled to earn interest on the funds deposited in the Escrow Accounts at interest rates mutually agreed between the Escrow Collection Banks and the Selling Shareholder, irrespective of whether or not the Offer is successful. The Bidders shall not receive any such additional interest earned by the Selling Shareholder.

Where the Bidder has been allocated lesser number of Offer Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation/ transfer, will be refunded to such Bidder within 15 days from the Bid/Offer Closing Date, failing which the Selling Shareholder shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

2. The Stock Exchanges will offer a screen-based facility for registering Bids for this Offer. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bid/Offer Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Offer Closing Date, the members of the Syndicate shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the Book Running Lead Managers on a regular basis. Bidders are cautioned that a high inflow of Bids typically experienced on the last day of the Bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids will not be considered for allocation. Bids will only be accepted on Working Days.

3. At the end of each day during the Bid/Offer Period, the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be uploaded on a regular basis, consolidated and displayed on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at the websites of each of the Stock Exchanges during the Bid/Offer Period.

4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor:
  - (*Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form*);
- Investor Category – individual, corporate, QIB, Eligible NRI, FVCI, FII Mutual Fund, Eligible Employee, etc.;
- Numbers of Offer Shares Bid for.
- Bid price.
- Bid cum Application Form number.
- Margin Amount paid upon submission of the Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

5. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Offer Shares shall be allocated or Allotted either by the Selling Shareholder or the members of the Syndicate or our Company.

6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

7. In case of QIBs, the Book Running Lead Managers and the Syndicate Members and/or their affiliates have the right to accept or reject the Bids. However, such rejection will be made at the time of receiving the Bids and only after assigning a reason for such rejection. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees applying in the Employee Reservation Portion, Bids would not be rejected except on the technical grounds listed in the section titled "***Offer Procedure–Grounds for Technical Rejections***" on page 329 of this Prospectus.

8. The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholder, our management or any scheme or project of our Company.

9. It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed to signify that the Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that our Equity Shares will continue to be listed on the Stock Exchanges.

10. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation or Allotment. In case of discrepancy of data between any of the Stock Exchanges and the members of the Syndicate, the

decision of the Book Running Lead Managers based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build up of the Book and Revision of Bids

1. Bids registered by various Bidders, through the members of the Syndicate shall be electronically transmitted to NSE/BSE mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the Book Running Lead Managers on a regular basis.

3. During the Bid/Offer Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

4. Revisions can be made in both the desired number of Offer Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The relevant member of the Syndicate will not accept incomplete or inaccurate Revision Forms.

5. The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

7. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus and this Prospectus. In case of QIBs bidding in the QIB Portion, the Book Running Lead Managers, the Syndicate Members and/or their affiliates shall collect the payment in the form of cheque or demand draft or through the electronic transfer of funds for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIBs.

8. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the concerned member of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

9. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for Allotment. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application form, the decision of the Book Running Lead Managers, based on the physical records of the Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

1. After the Bid/Offer Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with the Selling Shareholder. The Selling Shareholder, in consultation with BRLMs, shall finalise the Offer Price.

2. The allocation under the Employee Reservation Portion and to Retail Individual Bidders would be on a proportionate basis, in the manner specified in the SEBI Regulations, the Red Herring Prospectus and this Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price.

3. Up to 50% of the Net Offer shall be available for allocation to QIB Bidders on a proportionate basis subject to valid Bids received at or above the Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds in the Mutual Fund Portion is less than 8,262,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

4. Not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders in a manner specified in the SEBI Regulations, the Red Herring Prospectus and this Prospectus, in consultation with the Designated Stock Exchange and subject to valid Bids being received at or above the Offer Price, and, not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders, in a manner specified in the SEBI Regulations, the Red Herring Prospectus and this Prospectus, in consultation with the Designated Stock Exchange and subject to valid Bids being received at or above the Offer Price. Further, 1,743,200 Equity Shares shall be available for allocation on a proportionate basis to our Eligible Employees, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Offer to the public. In case of under-subscription in the Net Offer to the public category, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer to the public.

5. Under subscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholder in consultation with the BRLMs.

6. Allocation to Eligible NRIs, FIIs, foreign venture capital funds registered with SEBI applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the FIPB and RBI, while granting permission for Allotment of Offer Shares to them in this Offer.

7. The BRLMs, in consultation with the Selling Shareholder shall notify the members of the Syndicate of the allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

8. The Selling Shareholder reserves the right to cancel the Offer any time after the Bid/Offer Opening Date, but before the Allotment, without assigning any reasons whatsoever. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Offer Closing Date.

9. The Selling Shareholder, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

10. The Allotment details shall be hosted on the website of the Registrar to the Offer.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Offer Details

Sr.No.	Particulars	Offer details
1.	Offer Size	202 million equity shares
2.	Employee Reservation	2 million equity shares
3.	Net Offer Size	200 million equity shares
2.	Portion available to QIBs (50%)	100 million equity shares
	Of which	
a.	Reservation to MF (5%)	5 million equity shares
b.	Balance for all QIBs including MFs	95 million equity shares
5.	No. of QIB applicants	10
6.	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

Sr.No.	Type of QIB bidders#	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20

	Total		**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are MFs)

C. Details of Allotment to QIB Bidders/ Applicants

(*No. of equity shares in million*)

Type of QIB bidders	Equity shares bid for	Allocation of 5 million equity shares to MFs Proportionately (*See Note 2*)	Allocation of balance 95 million equity shares to QIBs proportionately *See Note 4*)	Aggregate allocation to MFs
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.50	3.74	4.24
MF5	20	0.50	3.74	4.24
	500	**5**	**95**	**42.42**

Notes:

(1) The illustration presumes compliance with the provisions of regulation 51(1) pertaining to minimum allotment.

(2) Out of 100 million equity shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category

(3) The balance 95 million equity shares [i.e. 100 – 5 (available for MFs)] will be allocated on proportionate basis among 10 QIB applicants who applied for 500 shares (including 5 MF applicants who applied for 200 shares).

(4) The figures at Col. No. IV are arrived as under:

(a) For QIBs other than mutual funds (A1 to A5) = No. of shares bid for (i.e Col II) X 95/495
(b) For mutual funds (MF1 to MF5) = {(No. of shares bid for (i.e Col II) less shares allotted (i.e., col. III)} X 95/495

(5) The numerator and denominator for arriving at allocation of 95 million shares to the 10 QIBs are reduced by 5 million shares, which has already been allotted to mutual funds at Col. No. (III).

Signing of Underwriting Agreement and RoC Filing

1. Our Company, the Selling Shareholder and the members of the Syndicate have entered into an Underwriting Agreement dated March 14, 2010 on finalisation of the Offer Price.

2. After signing the Underwriting Agreement, our Company has updated and filed the updated Red Herring Prospectus with the RoC, termed ‘Prospectus’. The Prospectus has details of the Offer Price, Offer size, underwriting arrangements and is complete in all material respects.

3. We will file a copy of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Announcement of Pre-Offer Advertisement

Subject to Section 66 of the Companies Act, following the filing of the Red Herring Prospectus with the RoC, our Company published an advertisement, in the form prescribed by the SEBI Regulations in two national daily newspapers (in English and Hindi) and in one Telugu daily newspaper (which is the regional newspaper), each with wide circulation.

Advertisement Regarding the Offer Price and Prospectus

Our Company will issue a statutory advertisement in the same newspapers where the pre-Offer advertisement was published after the filing of the Prospectus with the RoC. This advertisement shall include the information that has to be set out in the statutory advertisement, as applicable. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs, or Registrar to the Offer shall send to the members of the Syndicate a list of their Bidders who have been allocated/ Allotted Offer Shares in the Offer. The approval of the basis of Allotment by the Designated Stock Exchange for QIB may be done simultaneously with or prior to the approval of the basis of Allotment for the Non-Institutional Bidders, Retail Individual Bidders and Bids from Eligible Employees bidding in the Employee Reservation Portion. However, investors should note that the Selling Shareholder and the Company shall ensure that the date of Allotment of the Offer Shares to all investors in this Offer shall be the same date.

The BRLMs or the Syndicate Members or the Registrar would dispatch a CAN to the Bidders who have been allocated the Offer Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Bid Amount, as may be applicable, for all the Offer Shares allocated to such Bidder. QIB Bidders who have not paid the entire Bid Amount into the Escrow Account(s) at the time of bidding shall pay in full the amount payable into the Escrow Account(s) by the Pay-in Date specified in the CAN.

Bidders who have been allocated Offer Shares and who have already paid the Bid Amount into the Escrow Account(s) at the time of bidding shall directly receive the CAN from the Registrar to the Offer subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account(s). The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

The issuance of CAN is subject to "***Notice to QIBs: Allotment/Transfer Reconciliation and Revised CAN***" as set forth below.

Notice to QIBs: Allotment / Transfer Reconciliation and Revised CAN

After the Bid/Offer Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE systems. This shall be followed by a physical book prepared by the Registrar on the basis of the Bid cum Application Form received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a provisional CAN, indicating the number of Offer Shares that may be allocated to them. This provisional CAN and the final allocation is subject to (a) the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar, (b) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Offer, and (c) Allotment of the Offer Shares. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Offer Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Offer Shares. The CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Bid Amount for all the Offer Shares allocated to such QIB. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Offer Shares

The Selling Shareholder and the Company will ensure that the Allotment of the Offer Shares and the credit to the successful Bidders depository account is done within 15 days of the Bid/Offer Closing Date.

In accordance with the SEBI Regulations, the Offer Shares will be offered, transferred and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Offer Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Offer Shares that may be allocated/ Allotted to them pursuant to this Offer.

General Instructions

Do's:

- Check if you are eligible to apply as per the Red Herring Prospectus and under applicable laws, rules and regulations;

- Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour), the Employee Bid cum application Form (pink in colour);

- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of the Offer Shares will be in the dematerialized form only;

- Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

- Ensure that you have been given a TRS for all your Bid options;

- Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

- Except for Bids on behalf of the Central or State Government and the officials appointed by the courts and Bidders residing in the State of Sikkim, each of the Bidders should mention their Permanent Account Number (PAN) allotted under the I.T. Act;

- Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects with your Depository Participants; and

- Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don’ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid or revise the Bid to a price less than the Floor Price or higher than the Cap Price, provided however, if you are a Retail Individual Bidder or an Eligible Employee, do not bid below the Cut-off Price

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a member of the Syndicate;

4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

5. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

6. Do not fill up the Bid cum Application Form such that the Offer Shares Bid exceeds the Offer size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

7. Do not submit the Bid without the applicable Margin Amount;

8. Do not Bid for amount exceeding Rs. 100,000 in case of a Bid by Retail Individual Bidders and Eligible Employees; and

9. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate or the Registered Office of the Company.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable , which is white colour for Residents and Eligible NRIs applying on a non-repatriation basis, blue colour for NRIs, FVCIs (subject to receipt of appropriate approvals by the FVCI from the appropriate regulatory authority) and FIIs applying on a repatriation basis, pink colour for Bidders under the Employee Reservation Portion.

2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

3. For Retail Individual Bidders (including Eligible NRIs) and Eligible Employees under Employee Reservation Portion, the Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter, subject to a maximum Bid Amount of Rs. 100,000. For Retail Individual Bidders in case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to Bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at the Cut-off Price is an option given only to the Retail Individual Bidders and Eligible Employees under Employee Reservation Portion indicating their agreement to Bid and purchase at a discount of 5% to the Offer Price as determined at the end of the Book Building Process.

4. For Non-Institutional Bidders and QIB Bidders (including Eligible NRIs), Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares thereafter. Bids cannot be made for more than the Offer size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations. QIB Bidders cannot withdraw their Bid after the Bid/Offer Closing Date.

5. Eligible NRIs bidding at a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

5. Bids by Eligible NRIs, FIIs, eligible/permitted Sub-Accounts, FVCIs etc. on a repatriation basis shall be in the names of individuals, or in the names of FIIs or FVCIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

6. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

7. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

8. In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at Cut-off Price.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Syndicate Members nor the Registrar to the Offer nor the Escrow Collection Banks nor our Company nor the Selling Shareholder shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE OFFER SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allocation Advice and printing of Bank particulars on the refund order or making refunds electronically and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Offer. Hence the Bidders are advised to update their Demographic Details as provided to the DP and ensure they are true and correct.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Refund orders (where refunds are not being made electronically)/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, the Selling Shareholder, Escrow Collection Bank(s), the Syndicate Members nor the BRLMs/Registrar shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus and this Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds Registered with SEBI on a Repatriation Basis

Bids/Applications and revision to Bids/Applications must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three) and in the same order as their Depository Participant details.

3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of 20 thereafter that the Bid Amount exceeds Rs. 100,000.

For further details, please refer to the section titled "***Offer Procedure - Maximum and Minimum Bid size***" on page 315 of this Prospectus.

In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The members of the Syndicate, our Company and/or the Selling Shareholder will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Our Company has received the approval of the RBI for the Offer of the Offer Shares to non-residents including NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions. As per the RBI regulations, OCBs are not permitted to participate in the Offer without prior approval of the RBI.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the

Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a power of attorney by FIIs, VCIs and FVCIs (subject to receipt of appropriate approvals by the FVCI from the appropriate regulatory authority) a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The Selling Shareholder in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Selling Shareholder and the BRLMs may deem fit.

Payment Instructions

Escrow Mechanism

Our Company, the Selling Shareholder and the members of the Syndicate shall open Escrow Account(s) with the Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/Allotment in the Offer.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus, this Prospectus and the Escrow Agreement. The Escrow Collection Bank(s), for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. The Selling Shareholder is entitled to earn interest on the funds deposited in the Escrow Accounts at interest rates mutually agreed between the Escrow Collection Banks and the Selling Shareholder, irrespective of whether or not the Offer is successful. The Bidders shall not receive such additional interest earned by the Selling Shareholder. On or after the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Offer from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account and Refund Account as per the terms of the Escrow Agreement. The balance amount after transfer to the Public Offer Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and this Prospectus. Except as set forth under "***Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders***" on page 336 of this Prospectus, the Bidder will not receive interest on the Bid Amount.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Offer to facilitate collections from the Bidders.

Payment into the Escrow Account(s)

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account(s) and submit the same to the members of the Syndicate.

2. In case of QIBs bidding in the QIB Portion, where the margin is less than 100% of the Bid Amount, the balance amount shall be paid by the Bidders into the Escrow Account(s) within the period specified in the CAN. If the payment is not made in favour of the Escrow Account within the stipulated time, the Bid is liable to be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident QIB Bidders: "Escrow Account– NMDC Further Public Offer – QIB – R"
- In case of non-resident QIB Bidders: "Escrow Account– NMDC Further Public Offer – QIB– NR"
- In case of Resident Bidders: "Escrow Account– NMDC Further Public Offer - R"
- In case of Non Resident Bidders: "Escrow Account – NMDC Further Public Offer – NR"
- In case of Eligible Employees: "Escrow Account – NMDC Further Public Offer – Employees"

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account maintained with banks authorised to deal in foreign exchange in India.

5. In case of Bids by FIIs, or FVCIs (subject to receipt of appropriate approvals by the FVCI from the appropriate regulatory authority) the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

6. Where a Bidder has been allocated/Allotted a lesser number of Offer Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Offer Shares allocated will be refunded to the Bidder from the Refund Account within 15 days from the Bid/Offer Closing Date, failing which the Selling Shareholder shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

7. On or after the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Offer Account with the Bankers to the Offer.

8. On the Designated Date and no later than 15 days from the Bid/Offer Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

9. Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/Postal orders will not be accepted.

10. Bidders are advised to mention the number of application form on the reverse of the cheque/ demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment by Stockinvest

Payment through stockinvest would not be accepted in this Offer.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder/Applicant.

Other Instructions

Joint Bids in the Case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid cum Application Form (and not more than one). Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Applications by Eligible Employees can be made also in the "Net Offer" and such Bids shall not be treated as multiple Bids.

The Selling Shareholder reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Offer to detect multiple applications are given below:

1. All Bids with the same name and age as the case may be will be accumulated and taken to a separate process file, which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

In cases where there are more than 20 valid applicants having a common address, such Offer Shares will be kept in abeyance, post-Allotment and released on confirmation of KYC norms by the depositories.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, each of the Bidders should mention his/her PAN. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Further, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participants verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address.

Unique Identification Number ("UIN")

The requirement of UIN has been discontinued and irrespective of the amount of transaction, PAN is the sole identification number for all participants in the securities market.

Right to Reject Bids

In case of QIB Bidders, the Selling Shareholder in consultation with the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids by Eligible Employees bidding in the Employee Reservation Portion, the Selling Shareholder has the right to reject Bids based on technical grounds. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and this Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected, among other things, on the following technical grounds:

1. Amount paid does not tally with the amount payable in relation to the Bid Amount;

2. Age of First Bidder not given;

3. In case of partnership firms, the Offer Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons, except in case of minors where the bid is through the natural/legal guardian;

5. Pursuant to SEBI circular dated August 24, 2004 and all supplementary circulars issued thereto, including circulars dated July 20, 2006, September 26, 2006 and April 3, 2008, PAN not stated or GIR number stated instead (except for Bids on behalf of the Central or State Government and the officials appointed by the courts and Bidders residing in the State of Sikkim subject to the 'Depository Participants' verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address);

6. Bids for lower number of Offer Shares than specified for that category of investors;

7. Bids at a price less than Floor Price or Bids at a price more than the Cap Price,

8. Bids for number of Offer Shares which are not in multiples of 20;

9. Category not ticked;

10. Multiple Bids as described in the Red Herring Prospectus;

11. In case of Bid under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;

12. Bids accompanied by Stockinvest/money order/postal order/cash;

13. Signature of sole and/or joint Bidders missing;

14. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Members;

15. Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete;

16. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and as per the instructions in the Red Herring Prospectus;

17. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;

18. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

19. Bids by QIBs not submitted through the Syndicate Members / BRLMs;

20. Bids by OCBs;

21. Bids by persons in the Employee Reservation Portion not qualifying as Eligible Employees;

22. Bids by persons located in the United States other than "Qualified Institutional Buyers" and "Qualified Purchasers" as defined in Rule 144A of the Securities Act;

23. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;

24. Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines and approvals;

25. Bids that do not comply with the securities laws of their respective jurisdictions;

26. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;

27. Bids by Directors and employees not in accordance with laws, regulations, guidelines, circulars or notifications applicable to them; and

28. Bids by FVCIs without obtaining necessary consents and approvals, if required in terms of any applicable law, rule, regulation or guideline.

Equity Shares in Dematerialised Form with NSDL or CDSL

The Allotment of the Offer Shares in this Offer shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Company's current registrar and share transfer agent.

- Agreement dated July 6, 2007 with NSDL, our Company and Aarthi Consultants Private Limited;

- Agreement dated April 12, 2007 with Central Depository Services (India) Services Limited, our Company and Aarthi Consultants Private Limited.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

A Bidder applying for the Offer Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL.

The trading of the Offer Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Offer Shares applied for, date of the Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, credit of transferred shares in the respective beneficiary accounts, refunds, etc.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

- *makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- *otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allotment

A. ***For Retail Individual Bidders***

- Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at a discount of 5% to the Offer Price.
- Not less than 35% of the Net Offer or the Net Offer size less allotment to Non-Institutional and QIBs whichever is higher shall be available for Allotment to Retail Individual Bidders.
- If the aggregate valid demand in this category is less than or equal to 115,675,000 Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate valid demand in this category is greater than 115,675,000 Equity Shares at or above a the Offer Price, the Allotment shall be made on a proportionate basis.

B. ***For Non-Institutional Bidders***

- Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.
- Not less than 15% of the Net Offer or the Net Offer size less Allotment to QIBs and Retail Portion, which ever is higher, shall be available for Allotment to Non-Institutional Bidders.
- If the aggregate valid demand in this category is less than or equal to 49,575,000 Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- In case the aggregate valid demand in this category is greater than 49,575,000 Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis.

C. ***For Employee Reservation Portion***

- Bids received from the Eligible Employees at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Eligible Employees will be made at a discount of 5% to the Offer Price.
- If the aggregate valid demand in this category is less than or equal to 1,743,200 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their valid Bids.
- If the aggregate valid demand in this category is greater than 1,743,200 Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis.
- Only Eligible Employees are eligible to apply under Employee Reservation Portion.

D. ***For QIB Portion***

- Bids received from QIBs bidding in the QIB Portion at or above the Offer Price shall be grouped together to determine the total demand under this portion. The Allotment to QIBs will be made at the Offer Price.

- The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion.

    (ii) In the event that the aggregate valid demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.

    (iii) Offer Shares remaining unsubscribed, if any, and not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event of over subscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Offer Price shall be allotted Offer Shares on a proportionate basis for up to 95% of the QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Offer Shares Bid for by them, are eligible to receive Offer Shares on a proportionate basis along with other QIB Bidders.

    (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

  The aggregate allocation to QIB Bidders shall be up to 165,250,000 Equity Shares.

Under subscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholder in consultation with the BRLMs.

Method of Proportionate Basis of Allotment in this Offer

The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Offer shall be responsible for ensuring that the 'Basis of Allocation' is finalized in a fair and proper manner and in accordance with the SEBI Regulations.

The allocation shall be made in marketable lots, on a proportionate basis as explained below:

1. Bidders will be categorized according to the number of Offer Shares applied for.

2. The total number of Offer Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Offer Shares applied for in that category (number of Bidders in the category multiplied by the number of Offer Shares applied for) multiplied by the inverse of the over-subscription ratio.

3. Number of Offer Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Offer Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

4. In all Bids where the proportionate Allotment is less than 20 Offer Shares per Bidder, the Allotment shall be made as follows:

   - Each successful Bidder shall be Allotted a minimum of 20 Offer Shares; and

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Offer Shares Allotted in that category is equal to the number of Offer Shares calculated in accordance with 2 above.

5. If the proportionate Allotment to a Bidder is a number that is more than 20 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be Allotted Offer Shares arrived at after such rounding off.

Procedure and Time of Schedule for Allotment and demat Credit of the Offer Shares

This Offer will be conducted through the '100% Book Building Process' pursuant to which the members of the Syndicate will accept Bids for the Offer Shares during the Bid/Offer Period. The Bid/Offer Period commenced on March 10, 2010 and expired on March 12, 2010. Following the expiration of the Bid/Offer Period, the Selling Shareholder, in consultation with BRLMs, will determine the Offer Price, and the 'Basis of Allocation' and entitlement to Allotment based on the Bids received and subject to confirmation by the Stock Exchange(s). Successful Bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Offer Shares within a prescribed time. The SEBI Regulations require our Company and the Selling Shareholder will complete the Allotment to successful Bidders and credit the Offer Shares within 15 days of the expiration of the Bid/Offer Period.

Payment of Refund

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' address, bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. Hence Bidders are adviced to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Selling Shareholder, the Registrar, Escrow Collection Bank(s), Bankers to the Offer, the Syndicate Members nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Retail Individual Bidders and Eligible Employees should note that discount is not offered on application but on allotment. The excess amount paid on application would be refunded to such Bidders after Allotment along with any other refund, if any.

Mode of Making Refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres specified by the RBI, provided their branch is participating in the MICR clearing of that centre. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as registered with the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s) shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank branch is NEFT enabled and has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR code. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrars to the Offer. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.

4. RTGS – Applicants whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS provided their bankers are RTGS enabled. Such eligible applicants who indicate their preference to receive refund through RTGS to the bank account details registered with the depositories are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS or any other applicable mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the Bidder.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Selling Shareholder and the Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two Working Days of date of Basis of Allotment of the Offer Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/Offer Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days of Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company and the Selling Shareholder further undertake that:

- Allotment of Offer Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Offer Closing Date; and

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Offer Closing Date would be ensured.

The Selling Shareholder shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above as per the SEBI Regulations.

Letters of Allotment or Refund Orders

Our Company shall give credit to the beneficiary account with depository participants within two Working Days of finalisation of the basis of Allotment of Offer Shares, and shall dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Offer Closing Date. Applicants residing at sixty eight centers where clearing houses are managed by the RBI, will get refunds through ECS subject to adequate details being available in the demographic details received from the depositories, except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS.

Retail Individual Bidders and Eligible Employees should note that discount is not offered on application but on allotment. The excess amount paid on application would be refunded to such Bidders after Allotment along with any other refund, if any.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company and the Selling Shareholder further undertakes that:

- Allotment of Offer Shares will be made only in dematerialized form within 15 days from the Bid/Offer Closing Date; and

- Dispatch of refunds will be done within 15 days from the Bid/Offer Closing Date.

The Selling Shareholder will provide adequate funds required for dispatch of refunds orders or Allotment advice to the Registrar to the Offer.

The Selling Shareholder will pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund instruction are not given or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above as per the SEBI Regulations.

Refunds will be made through any of the modes described above and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

The Selling Shareholder and the Company agree that Allotment of the Offer Shares shall be made not later than 15 days from the Bid/Offer Closing Date. The Selling Shareholder agrees that it shall pay interest at 15% per annum if the Allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Offer Closing Date.

Any revision in the Bid/Offer Period, if applicable, will be widely disseminated by notification to the stock exchanges, by issuing a press release, and also by indicating the change on the web site of the BRLMs and at the terminals of the Syndicate.

UTILISATION OF OFFER PROCEEDS

The Selling Shareholder declares that all monies received out of this Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act.

The Selling Shareholder shall not have recourse to the Offer proceeds until the despatch of refund orders following the Allotment of the Offer Shares and demat credit of the Offer Shares to the successful Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- that the transfer of Offer Shares and refunds relating to the Offer shall be made within 15 days of the Bid/Offer Closing Date as far as possible, and that the Selling Shareholder shall pay interest of 15% per annum if Allotment has not been made and refund orders have not been dispatched within the aforesaid period.

- that the complaints received in respect of this Offer shall be attended to expeditiously. Our Company has authorised our Company Secretary as the Compliance Officer to redress all complaints, if any, of the investors participating in this Offer;

- that the funds required for making refunds or dispatch of Allotment advice by registered post or speed post shall be made available to the Registrar to the Offer by the Selling Shareholder;

- that the certificates of the securities/ refund orders to the eligible non-resident Indians or FIIs shall be despatched within specified time;

- that the refund instruction shall be given or Allotment advice to the successful Bidders shall be dispatched within specified time;

- that where the refunds are effected through the electronic transfer of funds, suitable communication shall be sent to the applicants within 15 days of closure of the Offer giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund;

- that the certificates of the Offer Shares/refund orders to the non-resident Indians shall be dispatched within specified time; and

- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment.

- that no further issue of securities shall be made by the Company until the later of the Offer Shares being Allotted, permission for trading in respect of the Offer Shares has been received and application monies are refunded.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

The Selling Shareholder undertakes the following:

- that the Offer for Sale is of 33,22,43,200 Equity Shares of our Company of face value Re. 1 each to be sold at a premium as may be determined through the Book Building Process in connection with the Offer.

- that the transfer of Offer Shares and refunds relating to the Offer shall be made within 15 days of the Bid/Offer Closing Date as far as possible, and that it shall pay interest of 15% per annum if Allotment has not been made and refund orders have not been dispatched within the aforesaid period.

- if the Selling Shareholder does not proceed with the Offer after the Bid/Offer Opening Date, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisement had appeared. The stock exchanges where the Equity Shares are listed shall also be informed promptly.

- if the Selling Shareholder withdraws the Offer after the Bid/Offer Closing, the Company shall be required to file a fresh draft offer document with the Securities and Exchange Board of India if the Company or the Selling Shareholder undertake a further public offering.

- that there shall be no recourse to the proceeds of the Offer until the despatch of refund orders following the Allotment of the Offer Shares and demat credit of the Offer Shares to the successful Bidders.

- that the Offer Shares have been held for more than one year prior to filing of the Draft Red Herring Prospectus with the SEBI and are free from any kind of lien, encumbrance, etc.

OFFER PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to purchase the Offer Shares in the Offer through the ASBA process. Our Company, the Selling Shareholder, the Syndicate Members and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Bidder (other than QIB) shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Offer and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalised, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount payable by the successful ASBA Bidders to the ASBA Public Offer Account. In case of withdrawal/failure of the Offer, the BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the blocked amount of the ASBA Bidders within one day from the day of receipt of such notification.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Syndicate Members and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. On submission of the ASBA Bid cum Application Form, the ASBA Bidders are deemed to have authorised (i) the SCSB to do all acts as are necessary to make the Application in the Offer, including uploading his/her Bid, blocking or unblocking of funds in the bank account maintained with the SCSB specified in the ASBA Bid cum Application Form, transfer of funds to the Public Offer Account on receipt of instruction from the Registrar to the Offer after finalisation of the basis of Allotment; and (ii) the Registrar to the Offer to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the ASBA Bid cum Application Form, upon finalisation of the basis of Allotment.

Upon completing and submitting the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholder to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, a Bidder (other than a QIB) can submit their application through ASBA process to Bid for the Offer Shares of our Company.

A QIB is not permitted to submit an application through the ASBA Process to Bid for the Offer Shares of our Company.

Maximum and Minimum Application Size for ASBA Bidders

ASBA Bidders in the Employee Reservation Portion, shall Bid for Offer Shares for an amount less than or equal to Rs. 100,000.

ASBA Bidders who are Resident Individual Bidders (including HUFs) who have Bid for Offer Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Offer, will be categorised as Retail Individual Bidders. ASBA Bidders that are not Retail Individual Bidders and who have Bid for Offer Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders.

Information for the ASBA Bidders:

a. The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs and shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs.

b. ASBA Bidder/ Applicant, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

c. The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

d. ASBA Bid cum Application Forms should bear the stamp of the Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.

e. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and should ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch. In case the amount available in the bank account specified in the ASBA Bid cum Application Form is insufficient for blocking the amount equivalent to the Bid Amount, the SCSB shall reject the application.

f. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form. No more than five ASBA Bid cum Applications can be submitted per bank account in the Offer.

g. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

Method and Process of Bidding

a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.

b. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Offer Shares bid for shall be Allocated to the ASBA Bidders.

c. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

d. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

e. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("**TRS**"). The TRS shall be furnished to the ASBA Bidder on request.

f. An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Offer Shares in this Offer.

Bidding

a. The Price Band and the minimum Bid Lot Size for the Offer shall be decided by the Selling Shareholder, in consultation with the BRLMs, and advertised in two national newspapers (in English and Hindi) and in one Telugu daily newspaper (which is the regional newspaper) at least one Working Day prior to the Bid/Offer Opening Date.

b. The Selling Shareholder in consultation with the BRLMs reserves the right to revise the Price Band, in accordance with SEBI Regulations.

c. In case of such revision, the Bid/Offer Period will be extended for a minimum of three Working Days subject to a maximum of 10 Working Days. Any revision in the Bid/Offer Period, if applicable, will be widely disseminated by notification to the stock exchanges on which the Equity Shares are listed, by issuing a public notice in the same newspapers where the pre-Offer advertisement were published and also by indicating the change on the website of the BRLMs, SCSBs and at the terminals of the members of the Syndicate.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Offer Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Offer.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid cum Application Form, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Offer and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Offer Account, or until withdrawal/failure of the Offer or until rejection of the ASBA Bid, as the case may be.

In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA shall be rejected by the relevant SCSB and no funds shall be blocked in the said ASBA Account. In the event of withdrawal or rejection of an ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Offer shall give instructions to the Controlling Branch of the relevant SCSB to unblock the funds in the relevant ASBA Account.

Electronic Registration of Bids by SCSBs

a. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

   (i) it has received the ASBA in a physical or electronic form; and

   (ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

b. The Stock Exchanges offer a screen-based facility for registering Bids for the Offer which will be available on the terminals of Designated Branches during the Bid/Offer Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Offer Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.

c. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online at all the Designated Branches of the SCSBs and on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at all the Designated Branches of the SCSBs during the Bid/Offer Period.

d. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

   - Name of the Bidder(s);
   - Application Number;
   - Permanent Account Number;
   - Number of Offer Shares Bid for;
   - Bid amount;
   - Depository Participant identification no.; and
   - Client identification No. of the Bidder's beneficiary account.

   In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

e. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Offer Shares bid for shall be Allocated to the ASBA Bidders.

f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

g. It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder or the BRLMs or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholder, our management or any scheme or project of our Company.

h. It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that our Offer Shares will continue to be listed on the Stock Exchanges.

i. The SCSB may reject the ASBA Bid upon receipt of ASBA Bid cum Application Form, if the bank account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, the Selling Shareholder would have a right to reject the Bids only on technical grounds.

j. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the BRLMs, the Selling Shareholder and the Designated Stock Exchange, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

b. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Offer Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Offer shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Offer shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Offer. Further the decision of the Registrar to the Offer in consultation with the BRLMs, the Selling Shareholder and the Designated Stock Exchange, in this regard shall be final and binding.

c. During the Bid/Offer Period, any ASBA Bidder who has registered his/ her or its interest in the Offer Shares is free to revise his/ her or its Bid using the printed ASBA Revision Form, which is a part of the ASBA Bid cum Application Form. However, the SCSB will not accept incomplete or inaccurate Revision Forms.

d. The ASBA Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the ASBA Bidders will have to use the services of the same Designated Branch of the SCSB with whom he/she or it holds the bank account. ASBA Bidders are advised to retain copies of the ASBA Revision Form and the revised Bid must be made only in such ASBA Revision Form or copies thereof.

Price Discovery and Allocation

After the Bid/Offer Closing Date, the BRLMs shall aggregate the demand generated under the ASBA process and which details are provided to them by the Registrar to the Offer. For further details, refer to the "***Offer Procedure-Price Discovery and Allocation***" on page 320 of this Prospectus.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Offer shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Offer Shares in the Offer. Investors should note that our Company and the Selling Shareholder shall endeavour to ensure that the demat credit of Offer Shares pursuant to Allotment shall be made on the same date to all investors in this Offer; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

Once the basis of allotment is approved by the Designated Stock Exchange, the Registrar to the Offer shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Offer Account and transfer the requisite money to the Public Offer Account designated for this purpose, within the timelines specified in the ASBA facility: (a) the number of Offer Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each valid ASBA Bid, (iii) the date by which funds referred to in sub para(ii) above, shall be transferred to the Public Offer Account, (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn/unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. The SCSBs shall then unblock the relevant bank accounts for, (a) the transfer of the requisite money to the Public Offer Account against each valid ASBA, (b) the withdrawn/rejected/unsuccessful ASBA Bids, (c) the excess amount, if any in the ASBA Account.

However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Offer by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Offer, in the event of withdrawal/failure of the Offer or rejection of the ASBA Bid, as the case may be.

Allotment of Offer Shares and Payment of Interest In Case Of Delay

(a) Our Company and the Selling Shareholder will ensure that the Allotment of Offer Shares is done within 15 days of the Bid/Offer Closing Date.

(b) As per the SEBI Regulations, **the Offer Shares will be transferred and allotted only in the dematerialised form to the Allottees**. Allottees will have the option to re-materialise the Offer Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

(c) Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 15 days of the Offer Closing Date.

(d) The Selling Shareholder shall pay interest at 15% per annum if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Offer Closing Date.

(e) The Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Offer.

GENERAL INSTRUCTIONS

Do's:

a. Check if you are eligible to Bid under ASBA process.

b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.

c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).

d. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as the Offer Shares will be Allotted in dematerialised form only.

e. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Offer/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company, the Selling Shareholder or Registrar or Lead Manager to the Offer.

f. Ensure that the ASBA Bid cum Application Form is also signed by the account holder in case the applicant is not the account holder.

g. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.

h. Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.

i. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.

j. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

m. Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, and Bidders residing in the State of Sikkim, each of the Bidders should mention their PAN allotted under the I. T. Act.

n. Ensure that the name(s) and PAN(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.

o. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

a. Do not submit an ASBA Bid if you are a QIB.

b. Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

c. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.

d. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.

e. Do not submit more than five ASBA Bid cum Application Form per bank account for the Offer.

f. Do not submit the GIR number instead of the PAN.

g. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

a. Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.

b. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

d. The Bids must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter subject to a maximum Bid such that the Bid Amount does not exceed the maximum investment limits prescribed under law.

e. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's Depository Account and Bank Details

ALL ASBA BIDDERS SHALL RECEIVE THE OFFER SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, THE PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA BID CUM APPLICATION FORM IS

SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Offer will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or our Company or the Selling Shareholder shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as the Offer Shares will be Allotted in dematerialised form only.

Payment Mechanism Under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Offer to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Offer shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Offer and consequent transfer of the Bid Amount to the ASBA Public Offer Account, or until withdrawal/failure of the Offer or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, the Selling Shareholder, in consultation with the BRLMs, reserves the right to reject such ASBA Bids.

The Selling Shareholder, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we and the Selling Shareholder, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Offer Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall ensure deletion of details of the withdrawn ASBA Bid from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid/Offer Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Offer. The Registrar to the Offer shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Offer to the SCSB on finalisation of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one ASBA Bid cum Application Form. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. However, submission of up to five ASBA Bid cum Application Forms per bank account in the Offer is permitted and shall not be treated as multiple Bids. In this regard, the procedures which would be followed by the Registrar to the Offer to detect multiple applications are described in "***Offer Procedure - Multiple Bids***" on page 329 of this Prospectus.

Permanent Account Number

For details, see "***Offer Procedure - Permanent Account Number or PAN***" on page 329 of this Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, and the Selling Shareholder would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Offer.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "***Grounds for Technical Rejection***" on page 329 of this Prospectus, applications under the ASBA process are liable to be rejected on, among other things, the following technical grounds:

1. Application on plain paper;
2. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Offer Shares Bid for;
3. Age of first Bidder not given;
4. Bid made by QIBs;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. ASBA Bid cum Application Forms not being signed by account holder, if the account holder is different from the Bidder;
7. PAN not stated, or GIR number furnished instead of PAN. See "***Offer Procedure - Permanent Account Number or PAN***" on page 329 of this Prospectus;
8. Bids for number of Offer Shares, which are not in multiples of 20;
9. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
10. Multiple Bids as defined in the Red Herring Prospectus;
11. In case of Bid under power of attorney, relevant documents are not submitted;
12. ASBA Bids accompanied by stockinvest/money order/postal order/cash;
13. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
14. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
15. ASBA Bid cum Application Form does not have the Bidder's depository account details;
16. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
17. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;

18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number; and
19. Bids by Directors and employees not in accordance with laws, regulations, guidelines circulars or notifications applicable to them.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Offer Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the Selling Shareholder, the BRLMs, the Syndicate Members and the Registrar to the Offer accept no responsibility for errors, omissions, commissions or any acts of SCSB's including any defaults in complying with its obligations under applicable SEBI Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Offer in case of any pre- or post-Offer related problems such as non-receipt of credit of Allotted Offer Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Offer Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see "***Other Regulatory and Statutory Disclosures - Impersonation***" on page 298 of this Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE OFFER

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, we and the Selling Shareholder undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Offer Closing Date; and
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Offer Closing Date.

The Selling Shareholder shall pay interest at 15% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allotment

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allotment to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see "***Offer Procedure- Basis of Allotment***" on page 332 of this Prospectus.

Method of Proportionate Basis of Allotment in the Offer

ASBA Bidders who are Resident Individual Bidders (including HUFs) who have Bid for Offer Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Offer, will be categorised as Retail Individual Bidders. ASBA Bidders that are not Retail Individual Bidders and who have Bid for Offer Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under "***Offer Procedure - Undertaking by our Company***" on page 347 of this Prospectus, with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider ASBA Applicant similar to other Bidders while finalizing the basis of allotment.

Utilisation of Offer Proceeds

The Selling Shareholder shall not have recourse to the Offer proceeds until the despatch of refund orders following the Allotment of the Offer Shares and demat credit of the Offer Shares to the successful Bidders.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of NMDC relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares/debentures and/or on their consolidation /splitting are detailed below:

Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

The regulations contained in Table A in the First Schedule to the Companies Act, 1956, shall apply to the Company subject and except in so far as they are amended and altered by the Articles of Association.

Main Provisions of the Articles of Association of NMDC Limited

6. **Company's shares not to be purchased:** No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's shares.

7. **Allotment of Shares:** Subject to the provisions of the Act and these Articles and to the rights of the President, the shares shall be under the control of the Directors, who may allot or otherwise dispose off the same to such persons on such terms and conditions as they think fit. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

8. **Commission for placing Shares:** The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debenture or debenture stock of the Company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares, debentures or debenture stock of the Company but so that, if the commission in respect of shares shall be paid or payable out of capital or out of profits the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed 5 percent of the price at which the shares are issued and 2½ percent of the price at which debenture or debenture stock are issued in each case subscribed or to be subscribed.
The commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

13. **Forfeiture of Shares:**

1) If a member fails to pay any call, or instalment of a call on the day appointed for payment thereof the Board may, at any time thereafter during such time as any part of the call or instalment remain unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

2) The notice aforesaid shall:

a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

3) If the requirements of any such notice as aforesaid are not compiled with, any share in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

4) A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.

5) At any time before sale of disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

14. **Effect of forfeiture:**

1) A person whose shares, have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, not-with-standing the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

2) The liability of such persons shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

15. **Declaration of forfeiture:**

1) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

3) The transferee shall thereupon be registered as the holders of the share.

4) The transferee shall not bound to see to the application of the purchase money, if any, nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal off the share.

16. **Provisions regarding forfeiture to apply in the case of non-payment of sums payable at a fixed time:** The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which, by terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

17. **Payment in anticipation of calls may carry interest:** The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held
by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 6 per cent per annum as the members paying such sum in advance and the Directors agree upon, and the Directors may, at any time, repay the amount so advanced upon giving to such member three months' notice in writing.

18**. Joint-Holders' liability to pay:** The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. **Company's lien on shares:** The Company shall have first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 24 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

20. **Enforcement of lien by sale:** The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some in respect of which the lien, exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or insolvency to the share.

21. **Application of proceeds of sale:** The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be effected by any irregularity or invalidity in the proceedings in reference to the sale.

22. **Transfer and transmission of shares:** The Directors may, in their absolute and uncontrolled discretion, refuse to register any proposed transfer of shares. Provided that registration of a transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

23. **Notice of refusal to register transfer:** If the Directors refuse to register the transfer of any shares they shall, within one month, of the date on which the instrument of transfer is delivered to the Company send to the transferee and the transferor notice of the refusal.

24. **Company not bound to recognize any interests in shares other than that of the registered holders:** Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent

jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.

25. **Execution of transfer:** The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

26. **Form of transfer:** Shares in the Company shall be transferred in such form as is prescribed under Section 108 of the Act.

27. **Transfer to be left at office and evidence of title to be given:** Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such evidence as the Company may require to prove the title of the transferor, on his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall on demand, be returned to the person depositing the same.

28. **Transmission by operation of law:**

i) On the death of a member, his legal representative shall be the only persons recognised by the Company as having any title to his interest in the share.

ii) So for as concerns any share held by any person as a nominee of the President (i) on the President requiring him to transfer any such share to the President or to any other person or persons nominated by him and on his failure to effect such transfer or (ii) on any such person becoming of unsound mind or becoming or being adjudicated as insolvent, or on such person being a company, being wound up voluntarily or by the Court or subject to the supervision of the Court the following provisions shall take effect namely –

a) The President may at any time serve the Company with a requisition to enforce the transfer of any such share.

b) The Company shall thereupon forthwith give to the holder of such share, or where the holder has become of unsound mind, to his nominee or other guardian, or where the holder has become or been adjudicated an insolvent, to the assignee of his estate and effects, or where the holder is dead or being a Company has been wound up as aforesaid to its liquidator, notice in writing of the requisition and unless within 14 days thereafter, the holder or as the case may be, the nominee or guardian or assignee or heirs or legal representatives of such holder shall execute in favour of the President or of any person or persons nominated by him a proper transfer in the prescribed form in respect of such share to the President and hand over the same along with the relative certificate in respect such share to the President or any person or persons nominated by him in that behalf, the Company may at any time thereafter execute a transfer in respect of such shares for and on behalf of such holder or of his estate and the same shall be deemed to have been duly and properly executed for and on behalf of such holder or of his estate, and thereupon the holder of his estate shall cease to have any interest whatsoever in such share and the certificate of such share, if not handed over as aforesaid shall thereupon stand cancelled and be and become void and of no effect, and the Company shall be entitled thereafter to issue a new Certificate in lieu thereof in favour of the President or of such person or persons as he may nominate.

30. **When Register of members and Debenture holders may be closed:** The register of members or the register of debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated.

31. **Directors' right to refuse registration subject to the provisions of section 3 of the Act:** The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

32. **Power to increase capital:** Subject to the approval of the President, the Directors may with the sanction of the company in general meeting, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

33. **On what condition new shares may be issued:** Subject to such directions as may be issued by the President in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine and in particular such shares may be preference shares;

Provided that no shares (not being preference shares) shall be issued carrying voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).

34. **How far new shares to rank with shares in original capital:** Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, transfer and transmission, lien, voting, surrender and otherwise.

35. **New shares to be offered to the members:** The new shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid upon these shares at that date and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

36. **Reduction of capital etc.:** Subject to the provisions of sections 100 to 104 of the Act and to such directions as may be issued by the President in this behalf the Company may, from time to time, by special resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise, and the Directors may, subject to the provisions of the Act, accept surrenders of shares.

37. **Sub-division and consolidation of shares:** Subject to the approval of President the Company in general meeting may, from time to time, sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by section 94 of the Act and shall file with the Registrar such notice of exercise of any such power as may be required by the Act.

37. (a) 1) **Dematerialisation / rematerialisation of securities**:

Notwithstanding anything contained in these articles, the company shall be entitled to dematerialise / rematerialise its securities and to offer securities in a dematerialised / rematerialised form pursuant to the Depositories Act.

2) Options for investors:

Every person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the Law, in respect of any security in the manner provided by the Depositories Act, and the company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the securities.

If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Security.

3) Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialised and shall be in fungible form. No certificate shall be issued for the securities held by the Depositories. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

4) Rights of depositories and beneficial owners

a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights in respect of the securities held by it.

c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities that are held by a depository.

5) Depository to furnish information

Every depository shall furnish to the company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be required by the company in that behalf.

6) Service of document

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

7) Transfer of securities

Nothing contained in Section 108 of the Act or these articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

8) Allotment of securities dealt with in depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

9) Distinctive numbers of securities held in a depository

Nothing contained in section 83 of the Act of these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

10) Register and index of beneficial owners

The Register and index of beneficial owner(s) maintained by a depository under the Depositories act shall be deemed to be the Register and Index of Members and Security holders for the purpose of these articles.

38. **Power to modify:** If at any time, the Capital, by reason of the issue of preference shares or otherwise, is divided into different classes of share, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act be modified, abrogated or dealt with by agreement between the Company and by any person purporting to contract on behalf of that class, provided that such agreement is (a) ratified in writing by the holders of atleast three-fourths of the nominal value of the issued shares of that class, or (b) confirmed by a resolution passed at a separate general meeting and supported by the votes of atleast three-fourths of the holders of shares of that class and all the provisions hereinafter contained as to general meeting shall mutatis mutandis apply to every such meeting except that the quorum thereof shall be members holding or representing by proxy one-fifth of the nominal amount of the issued shares of that class. This Article is not by implication to curtail the power of modification which the Company would have if the Article were omitted.

38. a) 1) The Company in general meeting may capitalize any part of the amount standing to the credit of any of the company's reserve to the credit of the profit and loss account, or otherwise available for distribution; and that such sum be accordingly set free for distribution in the manner specified in clause (2) below, amongst the members who would have been entitled thereof, if distributed by way of dividend and in the same proportions.

2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) either in or towards:

i) Paying up any amounts for the time being unpaid of any shares held by such members respectively.

ii) Paying up in full, un-issued shares or debentures of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause.

3) A share premium account and a capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of un-issued shares to be issued to members of the company as fully paid reserve bonus shares.

39. **Power to borrow:** Subject to the approval of the President and the provisions of Section 292 of the Act, the Board may by means of a resolution passed at meeting of the Board from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the Company provided that-

"No approval of the President would be necessary for borrowing from the banks for the purposes of meeting the working capital requirements on the hypothecation of the Company's current assets."

40. **Conditions on which money may be borrowed:** The Directors may, subject to the approval of the President secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular

by the issue of bonds, perpetual, or redeemable debentures or debenture stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

41. **Securities may be assignable free from equities:** Debentures, debenture-stock, bonds or other securities, may be made assignable free from any equities between the Company and the person to whom the same may be issued.

42. **Issue at discount etc. or with special privileges:** Subject to the approval of the President and the provisions of Section 117 of the Act any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending general meetings of the Company, appointment of Directors and otherwise. Debentures, Debenturestock, Bonds or other securities with the right of allotment of or conversion into shares shall be issued only with the consent of the Company in General Meeting.

43. **Persons not to have priority over any prior charge:** Whenever any uncalled capital of the Company is charged all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the shareholders or otherwise, to obtain priority over such prior charge.

44**. Indemnity may be given:** If the Directors or any of them or any other person shall become personally liable of the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

45. **General Meeting:** The first annual general meeting of the Company shall be held within 18 months of its incorporation. The next annual general meeting shall be held within 6 months after the expiry of the financial year in which the first annual general meetings was held, and thereafter an annual general meetings shall be held within 6 months after the expiry of each financial year. Except in the case when for any special reason, time for holding any annual general meeting (not being the first annual general meeting) is extended by the Registrar under Section 166 of the Act, no greater interval than 15 months shall be allowed to elapse between the date of one annual general meeting and that of the next. Every annual general meeting shall be held during business hours on a day other than public holiday either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the company is situated and the notices calling the meeting shall specify it as the annual general meeting. Such general meetings shall be called “Annual General Meetings” and all other meetings of the Company shall be called “extra-ordinary general meetings”.

46. **When Extra-ordinary meeting to be called:**

(1) The Directors may call an Extra-ordinary Meeting whenever they think fit.

(2) Subject to the provisions of Section 169 of the Act :

i) The Directors shall on the requisition of the holders of not less than one-tenth of the issued share capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to call an Extra-ordinary General Meeting of the Company.

ii) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office of the Company and may consist of several documents in like form, each signed by one or more requisitionists. In case of joint holders of shares all such holders shall sign the requisition.

iii) If the Directors do not proceed within 21 days from the date of the requisition being so deposited to cause a meeting to be called the requisitionists or a majority of them in value may themselves call the meeting but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.

iv) Any meeting called under this article by the requisitionists shall be called in the same manner as nearly as possible, as that in which meetings are to be called by the Directors.

v) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company out of any sum due or to become due from the Company by way of fees or other remuneration for their service to such of the Directors as were in default.

47. **Notice of meeting:** A general meeting of the Company may be called by giving not less than twenty one days notice in writing specifying the place, day and hour of meeting, with a statement of the business to be transacted at the meeting. Such notice shall be served on every member in the manner hereinafter provided, but with the consent in writing of all the members entitled to receive notice of same any particular meeting may be convened by such shorter notice and in such manner as those members may think fit.

Provided, however, that where any resolution is intended to be passed as special resolution at any general meeting as required by Section 189 (2) of the Act, notice of such meetings specifying the intention to propose the resolution as a special resolution shall be served.

48. **Omission to give notice:** The accidental omission to give any such notice to or the non-receipt of any such notice by any member shall not invalidate the proceedings at any meeting.

49. **Business of ordinary meeting:** The business of an ordinary meeting shall be to receive and consider the profit and loss account, the balance sheet, and the report of the Directors and the Auditors, to declare dividends and to transact any other business which under these Articles ought to be transacted at an ordinary meeting. All other business transacted at an ordinary meeting and all business transacted at an extra-ordinary meeting, shall be deemed special.

50. **Quorum:** Five members present in Person shall be a quorum for a general meeting.

51. **Right of President to appoint any person as his representative:**

1) The president so long as he is a shareholder of the Company, may from time to time appoint one or more persons (who need not be a member or members of the Company) to represent him at all or any meeting of the Company.

2) Any one of the persons appointed under sub-clause (1) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and shall be entitled to represent the President at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.

3) The President may, from time to time, cancel any appointment made under sub-clause (1) of this Article and make fresh appointments.

4) The production at the meeting of an order of the President shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.

5) Any person appointed by the President under this Article may, if so authorised, by such order, appoint a proxy, whether specially or generally.

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52. **Chairman of general meeting:** The Chairman of the Directors shall be entitled to take the chair at every general meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman, and if no Director shall be present, or if all the Directors present decline to take the chair then, the members present shall choose one of their members to be Chairman.

53. **When if quorum not present meeting to be dissolved and when to be adjourned:** If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present those members who are present shall be quorum and may transact the business for which the meeting was called.

54. **How questions to be decided at meetings:** Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.

55. **What is to be evidence of the passing of a resolution where poll not demanded:** At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands demanded by a member present in person or proxy or by duly authorised representative, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number of proportion of the vote recorded in favour of or against that resolution.

56**. Poll:** If a poll is duly demanded, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

57. **Power to adjourn general meeting**: The Chairman of a general meeting may, with the consent of the meeting, adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

58. **In what cases poll taken without adjournment:** Subject to the provisions of Section 180 of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

59. **Business may proceed notwithstanding demand of poll:** The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

60. **Chairman's decision conclusive:** The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meetings. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

61. **Votes of members:** Upon a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every share held by him.

62. **Voting by Proxy on show of hands:** A proxy shall not be entitled to vote on a show of hands.

63. **Votes in respect of shares of deceased and bankrupt members**: Any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that seventy two hours atleast before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to such shares, unless the Directors shall have previously admitted his right to such shares or his right to vote at such meeting in respect thereof.

64**. Joint holders:** Where there are joint registered holders of any share any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this clause by deemed joint holders thereof.

65. **Votes in respect of shares of members of unsound mind**: A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on poll by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

66. **Proxies permitted:** On a poll, votes may be given either personally or by proxy or by duly authorised representative.

67. **Instrument appointing proxy to be in writing:** A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

68. **Instrument appointing a proxy to be deposited at the office:** The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

69. **When vote by proxy valid though authority revoked:** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of insanity of the principal, or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation, or transfer or transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

70. **Form of proxy:** An instrument appointing a proxy shall be in the form prescribed in the Act.

71. **No member entitled to vote etc. while call due to Company:** No member shall be entitled to be present, or to vote on any question either personally or by proxy at any general meeting or upon poll, or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such members.

72. **Time for objection to vote:** No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

73. **Number of Directors:** The President shall from time to time determine the number of Directors of the Company which shall neither be less than two nor more than sixteen. The Directors shall not be required to hold any qualification shares.

74**. Appointment of Directors:**

a) The Chairman-cum-Managing Director / Managing Director /Chairman of the Board of Directors shall be appointed by the President and the terms and conditions of his appointment shall also be determined by the President.

b) The President shall appoint all members of the Board of Directors and all of them except the Government Directors may be appointed in consultation with the Chairman. Part-Time Non-Official Directors shall be appointed for such period, as may be determined by the President, but not exceeding three years at a time.

c) The Directors shall be paid such remuneration as the President may from time to time determine. The terms and conditions of appointment of wholetime Directors including the Managing Director shall also be determined by the President. Subject to the provisions of Section 314 of the Act such reasonable additional remuneration as may be fixed by the President may be paid to any one or more of the Directors for extra or special service rendered by him or them or otherwise.

d) The President may from time to time or at any time remove any Director including the Chairman from office at his absolute discretion except that any whole-time Director including the Chairman may be removed from office only in accordance with the terms of his appointment or if no such terms are specified on the expiry of 3 months' notice in writing or on payment of his salary in lieu of such notice.

e) At every Annual General Meeting of the Company one-third of the Part-Time Non-Official Directors shall retire by rotation. The Directors to retire shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall be determined by the President in consultation with the Chairman of the Company. Retiring Directors shall be eligible for reappointment.

f) The President shall have the power to fill any vacancy in the office of Director caused by retirement, removal, resignation, death or otherwise.

75. **General powers of Company vested in Directors:** The business of the Company shall be managed by the Directors who may pay all expenses incurred in getting the Company registered and may exercise all such powers of the Company as are not, by the Companies Act, 1956 or any statutory modification thereof for the time being in force or by these Articles, required, to be exercised by the Company in general meetings, subject nevertheless to the provisions of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

76. **Specific Powers to Directors:** Without prejudice to the general powers conferred by the last proceeding Article and the other powers conferred by these Articles but subject to the provisions of Section 292 of the Act, the Directors shall have the following powers, that is to say power:

1. To acquire property : to purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorised to acquire at such price, and generally on such terms and conditions as they think fit.

2. a) To authorise the undertaking of Capital works within the provision of funds made therefore in the annual budget.

b) To authorise the undertaking of works of a capital nature where Detailed Project Reports have been prepared with estimates of different component parts of the project and where such Project Reports have been approved by Government, and to invite and accept tenders relating to works included in the approved Detailed Project Reports, including variations, if any, in the approved estimates, provided such variations are not more than 10% for any particular component part and do not substantially change the scope of the Project.

c) Same as aforesaid in (a) above, to authorise the undertaking of works of a capital nature, not covered by clause (b) above, if required to be taken up in advance of the preparation of a Detailed Project Report or otherwise as individual works, whether a part of existing or new scheme, not exceeding rupees twenty crores provided that-

i) the funds required will be found within the budget allocation for the Company for that financial year; and

ii) the expenditure on such works in subsequent years will be the first call on the respective allocation.

3. To pay for property in debentures, etc. : to pay for any property, rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such

shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bond, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

4. To secure contracts by mortgage : to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit;

5. To create posts and make appointments thereto : to create all posts below the level of Directors on the Board, to make appointments thereto and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent or temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they may think fit;

Provided that appointments of persons (whether from the public or the private sector) to posts in the scale of pay of Rs.2500-3000 and above of persons who have already attained the age of 58 years shall be made only with the approval of the President;

Provided further that in the case of appointment of foreign technicians this provision shall not be applicable.

6. To appoint trustees: to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration or such trustee or trustees;

7. To bring and defend action etc. : to institute, conduct, defend compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company;

8. To refer to arbitration: to refer any claims or demands by or against the Company to arbitration and observe and perform the awards;

9. To give receipt: to make and give receipts, releases, and other discharges for money payable to the Company, and for the claims and demands of the Company;

10. To authorise acceptance etc. : to determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;

11. To appoint attorneys: from time to time to provide for the management of the affairs of the Company outside the mining areas which in the context includes the townships and sites of operations of the Company in such manner as they think fit, and in particular to appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;

12. Investment of moneys: To invest and deal with any of moneys of the Company not immediately required for purpose thereof, upon such securities and in such manner it may think fit and from time to time to vary or repeal such investments.

13. To give security by way of indemnity: to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

14. To give percentage: subject to the approval of the President, to give to any person employed by the Company a commission on the profits of any particular business transaction, or a share in the general profits of the Company, and such commission or share of profits shall be treated as part of the working expenses of the Company;

15. To make bye-laws: from time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants;

16. To provide for the welfare of employees or ex-employees of the Company or of its predecessors in business and the wives, widows and families or the dependents or connections of such employees or ex-employees, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonuses, profit sharing bonuses or benefits of any other kind, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds, profits sharing or other scheme or trusts or by providing or subscribing or contributing towards

places of instruction and recreation, hospitals, and dispensaries, medical and other attendances and other form of assistance, welfare or relief as the Board of Directors shall think fit;

17. To subscribe to charitable and other funds: To subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, or any other institution or objects, or for any exhibition subject to Section 293 of the Act;

18. To establish Local Board : from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India, or out of India, and to appoint any person to be members of such local Board and to fix their remuneration, and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than their power to make call, and to authorise the members for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or deligation may be made in such terms, and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation.

19. To make contracts etc.: to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company;

20. To sub-delegate powers: subject to Section 292 of the Act to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them, subject however, to the ultimate control and authority being retained by them; and

21. To appoint additional Director / Directors on nominations by the President.

22. The powers of the Board shall also stand amended to the extent as reflected in the MoUs entered into between the Company and the Government of India from time to time.

77. **Directors to cause minutes to be made in the books**:

1. The Directors shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of the Board of Directors or of every Committee of the Board to be kept, by making within thirty days of the conclusion of every such meeting concerned entries hereof in books kept for that purpose with the pages consecutively numbered.

2. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:

a) in the case of minutes of proceedings of a meeting of the Board or a Committee thereof, by the Chairman of the said meeting, or the Chairman of the next succeeding meeting;

b) in the case of minutes of proceedings of a general meeting by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

3. In no case minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

78. **Seal:** The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of atleast one Director or such other person as the Board may appoint for the purpose; and the said Director or the person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.

79. **Vacation of office by Directors:**

1) The office of a Director shall become vacant if :

a) he fails to obtain within the time specified in sub-section (1) of Section 270, or at any time thereafter ceases to hold, the share qualification, if any, required of him by the Articles of the Company;

b) he is found to be of unsound mind by a Court of competent jurisdiction;

c) he applies to be adjudicated as insolvent;

d) he is adjudged as insolvent;

e) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;

f) he fails to pay any call in respect of shares of the Company held by him whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure.

g) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;

h) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any Private Company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295;

i) he acts in contravention of Section 299;

j) he becomes disqualified by an order of Court under Section 203;

k) he is removed in pursuance of Section 284; or having been appointed a Director by virtue of his holding any office or other employment in the Company or as a nominee of the managing agent of the Company, he ceases to hold such office or other employment in the Company or, as the case may be, the managing agency comes to an end.

Not withstanding anything in clauses (d), (e) and (f) of sub-section (i), the disqualification referred to in those clauses shall not take effect;

a) for thirty days from the date of the adjudication, sentence or order;

b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence, or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed off or;

c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction, or order, and the appeal or petition, if allowed would result in the removal of the disqualification until such further appeal or petition is disposed off.

3. Subject to the provisions of sub-sections (1) and (2), if a person functions as a Director when he knows that the office of Director held by him has become vacant on account of any of the disqualifications, specified in the several clauses of sub-section (1), he shall be punishable with fine which may extend to five hundred rupees for each day on which he so functions as a Director.

81. **Meeting of Directors and Quorum:** The Board of Directors may meet together for despatch of business once atleast in every three calender months, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business of the Board of Directors shall be one-third of the total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher as provided in Section 287 of the Act.

82. **Place of meeting:** The meeting of the Board may be held at the Registered Office or anywhere else within India in the interest of the Company.

83. **Director may summon meeting. How questions to be decided:** A Director may at any time convene a meeting of the Directors. Questions arising at any meeting shall be decided by majority of votes. The Chairman shall have a second or casting vote.

84. **Power of Quorum:** A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.

85. **Chairman of Directors' meetings:** The President may nominate a Director as Chairman of the Directors' meetings and determine the period for which he is to hold office. If no such Chairman is nominated; or if at any meeting the Chairman is not present within 5 minutes after the time for holding the same, the Directors present may choose one of their numbers to be Chairman of the meeting.

86. **Power of Chairman**:

a) The Chairman shall reserve for decision of the President any proposal or decision of the Board of Directors or any matter brought before the Board of Directors which raises, in the opinion of the Chairman, an important issue and which is on that account fit to be reserved for decision of the President.

b) Without prejudice to the generality of the above provision, the Board of Directors shall Reserve the following for the decision of the President:

i) The Five Year and Annual Plans of developments and the capital budget of the Company.

ii) Any programme of capital expenditure for an amount which exceeds rupees twenty crores in cases which do not form part of sanctioned estimates, provided that within any financial year the funds required shall be found within the budget allocation for the project and provided also that the expenditure for such projects in subsequent years would be first call on the respective budget allocation, provided further that in cases where the detailed project reports have been prepared with estimates of different component parts of the projects and where such reports have been approved by the President, it shall not be necessary for the Board of Directors to obtain the President's sanction to the incurrence of the capital expenditure and the Board of Directors shall have the power to sanction the same, subject to the provision in the sanctioned estimates for each component part and the limit of rupees twenty crores shall not apply. Provided further that in cases of variation in approved estimates which are not more than 10% for any particular component part, the Board shall be competent to proceed with the work without further reference to the President provided there is no substantial variation in the scope of the Project.

iii) The Company's reserve budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government.

iv) The agreements involving foreign collaboration proposed to be entered into by the Company.

v) Any matter relating to the sale, lease, exchange, mortgage and / or disposal otherwise of the whole or substantial part of the undertaking of the Company.

vi) Any matter relating to -
a) the promotion of new company/companies;

b) entering into partnership and/or arrangement for sharing profits;

c) formation of subsidiary company/companies;

d) taking or otherwise acquiring share in any other company;

e) division of capital into different classes of shares; and

f) winding up of the company.

vii) the appointment of any person other than foreign technical personnel, who has attained the age of 58 years where the pay (including pension and / or pensionary equivalent or retirement benefits) proposed to be fixed for such person exceeds Rs.2500/- per mensem or where the minimum of the pay scale proposed to be given is Rs.2,500/- or more.

c) No action shall be taken by the Company in respect of any proposals or decisions of the Board of Directors reserved for the approval of the President until his approval to the same has been obtained. The President shall have the power to modify or reject such proposals or decisions of the Directors.

87. **Delegation of powers to Committees**: The Directors may, subject to the restrictions laid down in Section 292 of the Act, delegate any of their powers to committees consisting of such member or members of their body as they think fit and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Directors.

88. **Chairman of Meetings of Committees:** A Committee may elect a Chairman of their meetings. If no such Chairman is elected or if at any meeting the Chairman is not present within 5 minutes after the time appointed for holding the same, the members present may choose one of their members to the Chairman of the meeting.

89. **When acts of Directors or Committee valid notwithstanding defective appointments, etc.,:** All acts done by any meeting of the Directors, or a Committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a

Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

90. **Resolution without Board Meeting valid**: Subject to the provisions of Section 289 of the Act, a resolution in writing signed by all or a majority of Directors shall be as valid and effectual as if it had been passed at meeting of the Directors duly called and constituted.

91. **Reserve Fund:** Subject to such directions, as may, from time to time be issued by President in this behalf, the Directors may before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve fund, to meet contingencies or for equalising dividends or for special dividends, or for repairing, improving and maintaining of the property of the Company, and for amortisation of capital and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company, and may invest the several sums so set aside upon such investments, (other than shares of the Company) as they may think fit from time to time, deal with and vary such investments, and dispose off all or any part thereof for the benefit of the Company, and may divide the reserve funds into such special funds, as they think fit and employ the reserve funds or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.

92. **Dividends:** The profits of the Company available for payment of dividend subject to any special rights relating thereof created or authorized to be created by these presents and subject to the provision of these presents as to the reserve fund and amortisation of capital shall be divisible among the members in proportion to the amount of capital held by them respectively. Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company.

93. **Capital paid up in advance:** Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

94. **Declaration of dividends**: The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits but not dividend shall exceed the amount recommended by the Directors.

95. **Dividend out of profits only and not to carry interest**: No dividend shall be declared or paid by the Company except as per the provisions of Section 205 of the Act. No dividend shall carry interest as against the Company.

96. **When to be deemed net profits:** For the purpose of the last preceding Article the declaration of the Directors as to the amount of the profits of the Company shall be conclusive.

97. **Interim dividend**: The Directors may, from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

98. **Debts may be deducted**: The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts liabilities of engagements in respect of which the lien exists.

99. **Dividend and call together**: Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividends payable to him, and the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members be set off against the call.

100. **Dividends or bonus payable wholly or partly in specific assets**: Subject to the provisions of Section 205 of the Act, no dividend shall be payable except in cash.

101. **Effect of transfer**: A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.

102. **Retention in certain cases**: The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause (Article 28) entitled to become a member, or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

103. **Dividend to joint holders**: Any one of the several persons who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

104. **Payment by post**: Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled or in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

105. **Notice of dividend**: Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.

106. **Unclaimed dividend:** No unclaimed or unpaid dividend shall be forfeited by the Board unless the claim thereto become "barred by law and the Company shall comply with all the provisions of Section 205-A of the Act in respect of unclaimed or unpaid dividend.

107. **Accounts to be kept**: The Company shall cause to be kept proper books of accounts with respect to –

a) All sums of money received and expended by the Company and the matters in respect of which of the receipt and expenditure takes place.

b) All sales and purchase of goods by Company.

c) The assets and liabilities of the Company.

108. **Inspection of Account Books:** The books of account shall be kept at the Registered Office of the Company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

109. **Inspection by Member**: The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members (not being Directors) and not member (not being a Director) shall have any right inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.

110. **Annual Accounts and Balance Sheet:** At the first Annual General Meeting and subsequently at each Annual General meeting, the Directors shall lay before the Company a balance sheet and profit and loss account in the case of the first account since the incorporation of the Company, and in any other case since the preceding account made upto a date not earlier than the date of the meeting by more than six months.

111. **Annual Report of Directors**: The Directors shall make out in accordance with Section 217 of the Act and attach to every balance sheet a report with respect to the state of the Company's affairs the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance sheet or to a Reserve Fund, General Reserve or Reserve Account, to be shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors if authorised in that behalf by the Directors and when he is not so authorised shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account by virtue of sub-sections 1 and 2 of Section 215 of the Act.

112. **Contents of Profit and Loss Account:** Forms of balance sheet and profit and loss account should be in accordance with the provisions of Section 211 of the act. The profit and loss account shall in addition to the matters referred to in Section 211 of the Act, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of profit and loss may be laid before the meeting, and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reason why only a portion of such expenditure is charged against the income of the year.

113. **Balance sheet and profit and loss account to be sent to Members**: The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report to the registered address of every member of the Company in the manner in which notices are to be given hereunder at least twenty one days before the meeting at which it is to be laid before the members of the Company and shall deposit a copy at the Registered Office of the Company for inspection of the members of the Company during a period of at least twenty-one days before that meeting.

114. **Directors to comply with the provisions of Sections 209 to 222 of the Act**: The Directors shall in all respects comply with the provisions of Sections 209 to 222 of the Act, or any statutory modification thereof for the time being in force as may be applicable to the Company.

115. **Accounts to be audited annually**: Once at least in every year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors as provided in the Act.

116. **Appointment of Auditors**:

a) The Auditor/Auditors of the Company shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor General of India in accordance with the provisions of Section 619 of the Act and his/their remuneration, rights and duties shall be regulated by Sections 224 to 233 of the Act.

b) The Comptroller and Auditor General of India shall have power:

i) to direct the manner in which the Company's accounts shall be audited by the auditor/auditors and to give such auditor/auditors instructions in regard to any matter relating to the performance to his/their functions as such;

ii) to conduct a supplementary or test audit of the Company's accounts by such person/persons as he may authorise in this behalf and for the purpose of such audit, to have access, at all reasonable times, to all accounts, account books, vouchers, documents and other papers of the Company and to require information or additional information to be furnished to any person or persons and in such form as the Comptroller and Auditor General of India may, by general or special order, direct;

c) The Auditor/ Auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit;

d) Any such comment upon or supplement to the Audit Report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the audit report.

117. **Auditors' right to attend meetings:** The auditors of the Company shall be entitled to receive a notice and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and make any statement or explanation they desire with respect to the accounts.

118. **When accounts to be deemed finally settled**: Every account of the Company when audited and approved by a General Meeting shall be conclusive.

119. **Right of the President:** Notwithstanding anything contained in any of these Articles, President may, from time to time, issue such directives or instructions as may be considered necessary in regard to finances, conduct of business and affairs of the Company. The Company shall give immediate effect to the directives or instructions so issued. In particular the President shall have power to :

a) give directions to the Company as to the exercise and performance of its functions in matters involving the national security of substantial public interest and to ensure that the Company gives effect to such directions;

b) call for such returns, accounts and other information with respect to the property and activities of the Company as may be deemed necessary from time to time; and

c) determine in consultation with the Board of Company, annual, short and long term financial and economic objectives of the Company.

Provided that all directives issued by President shall be in writing addressed to the Chairman. The Board shall except, where President considers that the interest security requires otherwise, incorporate the contents of directives issued by President in the annual report of the Company and also indicate its impact on the financial position of the Company.

120. **How notices to be served on members:** A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address, (if he has no registered address) to the address, if any, supplied by him to the Company for the giving of notice to him.

121. **Notification of address by a holder of registered shares having no registered place of address:** A holder of registered shares who has no registered place of address may, from time to time, notify in writing to the Company his address which shall be deemed his registered place of address, within the meaning of the last preceding Article.

122. **When notice may be given by advertisement:** If a member has no registered address and has not supplied to the Company an address for the giving of notices to him, a notice addressed to him and advertised in newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly given to him on the day on which the advertisement appears.

123. **Notice to joint holders**: A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.

124. **How notice to be given to a deceased or bankrupt member:** A notice may be given by the Company to the person entitled to share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

125. **To whom notice of general meeting to be given**: Notice of every general meeting shall be given in the same manner herein before authorised to (a) every member of the Company except those members who having no registered address have not supplied to the Company an address for the giving of notice to them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member who but for his death or insolvency would be entitled to receive notice of the meeting, provided the Company has given due notice.

126. **Transferees etc., bound by prior notice:** Every person who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which previously to his name and address and title to the share being notified to and registered by the Company, shall be duly given to the person from whom he derives his title to such share.

127. **How notice to be signed:** The signature to any notice to be given to the Company may be written or printed.

128. **How time to be counted**: Where a given number of days notice or notices extending over any other period is required to be given the day of service shall unless it is otherwise provided, be counted in such number of other period.

129. **Distribution of assets on winding up:** If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid upon the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

130. **Secrecy clause:** No member shall be entitled to the discovery of or any information respecting any detail of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the members of the Company to communicate to the public.

131. **Indemnity**: Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor, Secretary and other Officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company, and have priority as between the members over all other claims.

132. **Individual responsibility of Directors:** No Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer of the Company or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of little to any property acquired by the order of the Directors for or on behalf of the Company, or for the sufficiency or deficiency or any security in or upon which any of the moneys, of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act any person with whom any moneys, securities of effects shall be deposited or for any loss occasioned by any error or judgement or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own negligence, default, misfeasance, breach of duty or breach of trust.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder were available for inspection at our Registered Office at Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad – 500173, Andhra Pradesh, India from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Material Contracts

1. Engagement Letter dated January 20, 2010 for the appointment of UBS Securities India Private Limited, Citigroup Global Markets India Private Limited, Edelweiss Capital Limited, Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited and RBS Equities (India) Limited as the BRLMs.

2. Offer Agreement dated January 23, 2010 among our Company, the Selling Shareholder and the BRLMs.

3. Addendum to the Offer Agreement dated February 18, 2010 among our Company, the Selling Shareholder and the BRLMs.

4. Agreement dated January 23, 2010 among our Company, the Selling Shareholder and the Registrar to the Offer.

5. Escrow Agreement dated March 8, 2010 among our Company, the Selling Shareholder, the BRLMs, the Syndicate Members, Escrow Collection Banks and the Registrar to the Offer.

6. Syndicate Agreement dated March 8, 2010 among our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs and Syndicate Members.

7. Underwriting Agreement dated March 14, 2010 among our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs and Syndicate Members.

Material Documents

1. Our Memorandum and Articles of Association as amended till date.

2. Our fresh certificate of incorporation consequent upon change of name dated September 17, 2007.

3. Letter no. 2(16) 2006 RMI dated October 30, 2007 issued by the Ministry of Steel appointing Mr. Rana Som, the Chairman – cum – Managing Director with effect from November 2, 2007.

4. Letter no. 2(16) 2006 RMI dated January 8, 2008 issued by the Ministry of Steel setting out the terms of appointment of Mr. Rana Som, the Chairman – cum – Managing Director.

5. Letter no. F.No. 6(2)99-RM-I (Vol.III) dated December 23, 2009 from the MoS conveying the approval granted by the GoI to the Offer.

6. Letter no. F.No. 6(2)99-RM-I (Vol.III) dated January 13, 2010 from the MoS granting approval for the lock-in of 20% of its post-Offer shareholding, i.e. 792,943,200 Equity Shares, for a period of three years from the date of Transfer in the Offer or for such other time as may be required in terms of Regulation 36(b) of the SEBI Regulations.

7. Letter dated January 21, 2010 from the MoS granting approval for the lock-in of 20% of the post-Offer shareholding i.e. 792,943,200 Equity Shares, during the period starting from the date of filing the Red Herring Prospectus with SEBI till the date of commencement of lock-in period.

8. Letter no. F.No. 6(2)99-RM-I (Vol.III) dated January 13, 2010 from the MoS to the Company authorizing Mr. Udai Pratap Singh, Joint Secretary, MoS to, *inter alia,* execute, sign and deliver such deeds, documents and agreements and to do all such acts, deeds required for the purpose of effecting the Offer on behalf of the Selling Shareholder.

9. Resolutions passed by our Board dated January 7, 2010, January 23, 2010, February 18, 2010 and March 14, 2010 in relation to this Offer.

10. Copies of letters by the MoS for the appointment and remuneration of our Executive Directors.

11. The Auditors Report prepared by the Auditors, M/s. Ramamoorthy (N) & Co., Chartered Accountants, dated February 18, 2010 and mentioned in "Financial Statements" in this Prospectus.

12. The Statement of Tax Benefits prepared by the Auditors, M/s. Ramamoorthy (N) & Co., Chartered Accountants, dated February 18, 2010 as mentioned in "Statement of Tax Benefits" in this Prospectus.

13. Copies of our annual reports for the past three Fiscals.

14. Copies of annual reports of SIIL for the past three Fiscals.

15. Scheme of Amalgamation of Sponge Iron India Limited with our Company under Sections 391 to 394 of the Companies Act.

16. Order dated January 18, 2010 by the Ministry of Corporate Affairs in the matter of the Scheme of Amalgamation of Sponge Iron India Limited with our Company under Sections 391 to 394 of the Companies Act.

17. Consent of the Auditors, M/s. Ramamoorthy (N) & Co., Chartered Accountants, in their capacity as statutory auditors and for inclusion of their Auditors Report on our financial statements in the form and context in which it appears in this Prospectus.

18. Consents of the Bankers to the Company, BRLMs, Syndicate Members, Registrar to the Offer, Bankers to the Offer, Legal Counsels, Directors of our Company, Company Secretary and Compliance Officer and the experts, as referred to in their respective capacities.

19. Agreement among NSDL, our Company and Aarthi Consultants Private Limited dated July 6, 2007.

20. Agreement among CDSL, our Company and Aarthi Consultants Private Limited dated April 12, 2007.

21. NSE letter NSE/LIST/129/807-7 dated February 3, 2010 granting approval to use its name in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

22. BSE letter DCS/IPO/MT/IPO-IP/1313/2009-10 dated February 2, 2010 granting approval to use its name in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

23. Due diligence certificate to SEBI from the BRLMs dated January 25, 2010.

24. Letter (no. FE.CO.FID/17969/10.21.178/2009-10) dated January 13, 2010 from the RBI approving the transfer of the Offer Shares to non-residents, including FIIs, NRIs, FVCIs and multilateral / bilateral financial institutions.

25. SEBI interim observation letter (Ref. No. CFD/DIL/SP/VG/193166/2010) dated February 1, 2010.

26. SEBI observation letter (Ref. No. CFD/DIL/ISSUES/SP/VG/194882/2010) dated February 15, 2010.

Shareholders' and Other Agreements

1. Shareholders Agreement & Joint Venture Agreement dated March 27, 2007 between Chhattisgarh Mineral Development Corporation Limited and the Company.

2. Joint venture agreement dated January 14, 2009 among Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, Coal India Limited, NTPC Limited and the Company.

3. Shareholders and Share Subscription Agreement dated October 13, 2006 among Rail Vikas Nigam Limited, State of Andhra Pradesh, Krishnapatnam Port Company Limited, Krishnapatnam Railway Company Limited and the Company.

Reports relating to our Industry

1. Worldsteel.org.

2. US Geological Survey, Mineral Commodity Summaries, January 2009.

3. Australian Bureau of Agricultural and Resources Economics, Report on Australian Commodities, December quarter 2009 and March quarter 2009.

4. Government of India, Ministry of Steel, Annual Report 2008-09.

5. Government of India, Ministry of Mines, Annual Report 2008-09.

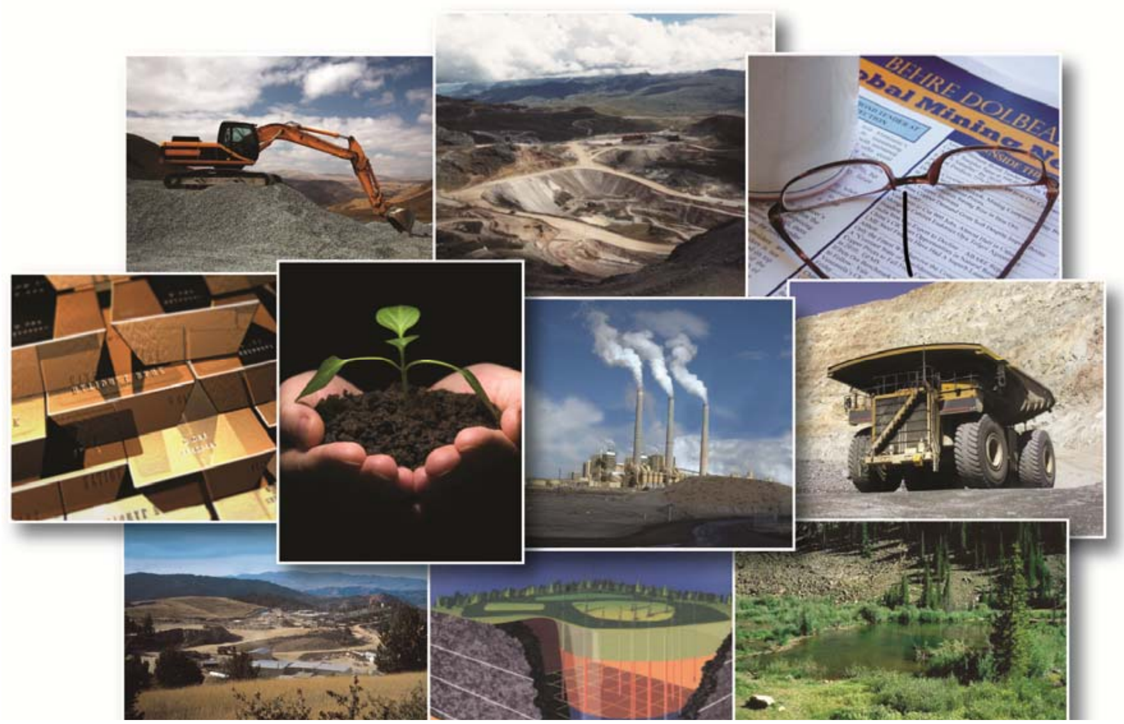
6. Government of India, Ministry of Mines, Monthly Statistics of Mineral Production, March 2008.

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

RESERVE REPORTS AS PER JORC CODE AND UNFC STANDARDS

NMDC LTD

JORC EQUIVALENT RESERVE ESTIMATE STATEMENT AS ON 01-01-2010
(BEHRE DOLBEAR PROJECT NUMBER J10-012)



29th January 2010

PREPARED BY:

BEHRE DOLBEAR INTERNATIONAL LIMITED,
Hydra House, 26 North Street, Ashford, Kent, TN24 8JR, United Kingdom
www.dolbear.com

A Member of the Behre Dolbear Group Inc.

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ANNEXURE

1.0 INTRODUCTION

NMDC Ltd is a public limited company incorporated under the Ministry of Steel, Government of India in the year 1958 with the mandate to explore and develop minerals to produce raw materials for the industry. It has grown to the status of the single largest producer of iron ore products in India with supplies to both domestic and overseas customers. The company has plans to step up its iron ore production to 50 million tonnes by the year 2015 from the 32.5 million tonnes produced in the year 2008-09, through development of new mines and expanding production capacity of the existing mines. It also has plans to expand its business through horizontal integration in the fields of coal, rock phosphate, limestone, gold and diamond. It is equipped with a Drilling Division to take up strategic exploration in iron ore rich States of India, at no cost to the State Governments, while concentrating on establishing additional resources through exploration in its existing tenements. It has developed a sophisticated Research & Development (R&D) Centre at Hyderabad to carry out technology development missions in mineral processing, flow sheet development, mineralogical studies and product development. The tenements of NMDC, that are considered for this report, are shown in **fig.1 (refer page no.18)**.

2.0 SCOPE OF WORK

The scope of this Report includes preparation of the JORC Compliant Ore Reserves/ Mineral Resources statement as on 01-01-2010, by reclassification of the United Nations Framework Classification (UNFC) Codified Reserves/ Resources of NMDC as on 01-04-2009, based on desk top reviewing in conjunction with the supportive documents provided; reconciliation of ROM production data from the working mines from 01-04-2009 to 31-12-2009 and discussion held with the concerned personnel from NMDC. The list of documents provided by the NMDC for this desk top review are listed in **Annexure-1.** In all, there are 12 tenements to be considered for this purpose and they are geographically distributed in five administrative States of India. Seven iron ore tenements (Bailadila group) are located in the state of Chhattisgarh and two (Bellary-Hospet group) in the state of Karnataka; one diamonds tenement (Panna) in the state of Madhya Pradesh; one magnesite tenement in the state of Jammu & Kashmir; and one limestone tenement in the state of Himachal Pradesh. A summary of Reporting of Exploration Results, Mineral Resources and Ore Reserve as per JORC Code is given in **Annexure 2**.

3.0 TENEMENTS GRANTED TO NMDC

The salient points related to these 12 tenements are briefly summarized below:

3.1 Iron ore tenements and deposits in Bailadila region of Chhattisgarh state (refer fig.2- page no. 19 & fig.3- page no.20)

The Mining Lease (ML) area granted/ under process & the corresponding validity period of the SEVEN iron ore tenements of Bailadila region are given in **Table 1**.

Table 1: Iron Ore Tenements in Chhattisgarh

	Tenement	Area	ML validity period
a	Deposit 5	540.050 ha	valid till 11-09-2015
b	Deposit 10	309.340 ha	valid till 10-09-2015
c	Deposit 11	874.924 ha	valid till 12-09-2017
d	Deposit 13	413.745 ha	Received Govt. approval but ML execution awaited
e	Deposit 14	322.368 ha	valid till 11-09-2015
f	Deposit 14 NMZ	506.742 ha	valid till 06-12-2015
g	Deposit 4	646.600 ha	Applied for ML on 22-01-1990 and pending with the State Government

3.2 Iron ore tenements in Bellary-Hospet sector of Karnataka state (refer fig.4 –page no.21)

The ML area granted & the validity period for the TWO iron ore tenements of Bellary-Hospet region are given in **Table 2**.

Table 2: Iron Ore Tenements in Karnataka

	Tenement	Area	ML validity period
a	Donimalai	608.000 ha	valid till 03-11-2028
b	Kumaraswamy	647.500 ha	valid till 17-10-2022

3.3 Diamonds tenement at Panna in Madhya Pradesh

a. Panna 113.332 ha Valid till 14-07-2005

3.4 Magnesite ore tenement at Panthal in Jammu & Kashmir

a. Panthal 485.000 ha Valid till 01-01-2009

3.5 Limestone tenement at Arki in Himachal Pradesh

a. Arki 232.680 ha Valid till 06-08-2011

4.0 IRON ORE TENEMENTS OF NMDC

4.1 Iron ore tenements in Chhattisgarh (refer Table 1)

The seven (7) iron ore tenements from the state of Chhattisgarh are located in the Bailadila hills Range. Deposit 11 consists of three ore bodies viz. 11A, 11B & 11C (minor part). Major part of ore body 11C has been named as Deposit 14 NMZ. For the purpose of simplicity of administration and optimal utilization of infrastructure & ore processing facilities, Deposits 10, part of Deposit 11 (11A) and Deposit 5 are grouped under Bacheli Complex; and Deposits 11 (11A), Deposit 14 NMZ (major part of 11C) and Deposit 14 are grouped under Kirandul Complex.

These iron ore deposits form part of Bailadila hills Range trending North-South with two sub-parallel ridges. Deposits 10, 11, 14 NMZ and 14 fall in the Eastern ridge where as Deposit 5 and Deposit 4 are located in the Western ridge. The Eastern and Western ridges merge and coalesce into one ridge in the North, far beyond Deposit 11 and widens towards South with the maximum width between Deposits 11 and 5. Mining operations have been in progress in five of the seven tenements.

The Bailadila iron ore series consists of feebly metamorphosed iron ore bearing sedimentary rocks of Precambrian age. The iron ore occurs as separate ore bodies on the crest of the high rising two sub-parallel ridges comprising of shale, Banded Hematite Quartzite (BHQ) and conglomerates containing pebbles of shale and quartzite. The concentration of iron ore took place by the process of leaching and supergene enrichment of BHQ. The iron ore occurs in several physical forms viz. hard ore, flaky friable ore, soft ore, laterite and blue dust; with widely ranging chemical properties. The iron ore bodies exhibit flat to low dips leading to their exploration by vertical drilling.

NMDC developed its own in-house exploratory drilling capabilities and the deposits were being explored in detail, by both core and non-core drilling of NX & BX size, with 50m/ 62.5m/ 100m/ 125m drill grids. The summary of exploratory drilling (number of boreholes and drilling metreage) carried out in the seven tenements is given in **Table 3.**

Table 3: Summary of Exploratory Drilling in Chhattisgarh group

	Tenement	No. of boreholes	Metreage drilled
a	Deposit 5	183	16,462
b	Deposit 10	78	7,329
c	Deposit 11	158	11,179
d	Deposit 13	93	9,115
e	Deposit 14	218	12,810
f	Deposit 14 NMZ	147	9,984
g	Deposit 4	81	6,085

While the core recovery from wet core drilling was high in hard ores, the same was relatively less in the soft ores/ blue dust. Where the core recoveries were poor, sludge samples were also collected and assayed. Dry drilling was also practiced in blue dust and soft ores. The boreholes were usually drilled to depths piercing the foot wall rocks consisting of BHQ/ shale. The borehole core, after geological logging, was sampled at 2m interval, subject to continuity of the same lithology by splitting longitudinally into two identical halves. One half was preserved for future reference where as the other half was crushed and pulverised to prepare samples for laboratory testing. The exploration samples in general were analyzed for iron, silica, alumina, phosphorous and LOI by ISI standards compliant volumetric/gravimetric or instrumental analytical procedures in the NMDC Research & Development (R&D) Laboratory located at Hyderabad. A few selective samples were also analyzed for sulphur and TiO2. Specific gravity and bulk density of different ore types were also determined in the same laboratory. The NMDC's R&D laboratory is equipped with all the necessary modern equipment and facilities to conduct mineral beneficiation experiments at laboratory and pilot plant scale; and develop process flow sheet to upgrade the iron ore products. viz. lumps and fines.

The exploration geological and sample assay data were assimilated into a single database; and validated before the same were utilized for the estimation of Ore Reserves/ Mineral Resources. The sample data (lithology and assay) along with the borehole collar survey data were transformed into geological cross/ longitudinal sections and slice plans superimposed with the correlation of different iron ore types, to establish the geologic continuity and geometry of iron ore body in 3-dimesions. The extrapolation of the sample data, beyond the extreme cross sections, has been limited to a maximum of 50m, laterally. The 2m sample data has been composited into 12m interval samples in the boreholes for use in the slice plan method of estimation. The estimation of ore-type-wise resources has been done by the cross sectional (at 50m/ 62.5m/ 100m/ 125m interval) and slice plan (at 12m vertical interval) methods, manually, by adopting 55% Fe cut-off. The thickness of iron ore bodies, measured from the boreholes, varies from 20m to 200m. The 12m composites were averaged for estimating the ore-type-wise quality parameters from the slice plans. The UNFC compliant estimates were prepared and used by NMDC to discharge the statutory obligation and also for the purpose of LOM design; and long/short term production planning and scheduling. The deposit evaluation and resource estimation by geostatistical methods, of a few tenements, was also being practised concurrently. Ultimate pit designing, with 12m high benches at 45^0 ultimate pit slope, has been done for each iron ore deposit both on cross sections and slice plans, manually, to establish the technical feasibility of mining and examine economic viability.

The Ore Reserves/ Mineral Resources statement as on 01-01-2010 is given in **Table 4 (refer page no.13).** **E**stimates of Fe% were provided by NMDC for this purpose.

The Exploration Results obtained, tenement-wise, from the outcrop sampling and pitting, outside the areas considered for Ore Reserves/ Mineral Resources estimation, as on 01-01-2010, are summarised in **Table 4a.** The outcrop mapping and the sampling indicate existence of iron ore mineralisation that needs to be explored further. The assays data provided by NMDC for these pit samples is limited to Fe% only.

Table-4a: Statement of Exploration results

Tenement	No. of Pits	Fe%	
		Range	Average
5	6 Deep pits	63.75 - 69.58	66.96
	12 Medium pits	64.80 - 69.58	59.65
10	2	52.30 - 62.29	59.65
11(11A)	6	54.72 - 67.57	65.59
11(11B)	18 Deep pits	Ore types indicated- no chemical analysis	
	2 Med.	Ore types indicated- no chemical analysis	
14	2	53.86-66.0	59.98
14 NMZ	10	56.04-67.93	62.25

The iron ore is mined by mechanized opencast mining method with 12m bench heights. The Run Of Mine (ROM) produced by drilling & blasting is loaded on to high capacity dump trucks by shovels and hauled to the ore processing plant, where the ore is processed by dry & wet process (crushing, screening and washing) to produce iron ore lumps and fines. NMDC, at present, has built an aggregated production capacity of 32.5 Million tonnes per annum (Mtpa) from all its operating mines and another 13.5 Mtpa production capacity would be built at Deposit 13, 5, & 10/11A. The iron ore products from these tenements are in great demand in domestic and international markets, equally, due to their superior quality. The annual average recoveries of lump and fines achieved from wet processing, for the last 5 years, range from 30 to 60% and 35 to 65% respectively; and the slimes loss varies between 5 to 8%.

Feasibility studies have been conducted departmentally or/ and by the external agencies to assess the technical feasibility and economic viability of each deposit. Statutory clearances are complete for all the iron ore tenements except for Deposits 13 and 4.

The ML grant execution of Deposit 13 is in progress, which would be developed, under a JV Company NMDC-CMDC Ltd. Feasibility report has been prepared in the year 2008 by NMDC to evaluate the technical feasibility and economic viability of exploiting this deposit. Separate captive processing facilities will be developed to treat the ore from this tenement.

The ML application of Deposit 4 was filed on 22-01-1990 and its Mining Plan was approved on 02-05-1991 by the Indian Bureau of Mines (IBM). NMDC's application to the State Government of Chhattisgarh D(T)/Bld-4/53/09/3341 dt. 27-10-2009 with a request to forward its ML application to the Government of India for approval is pending with the State Government.

4.2 Iron ore tenements in Karnataka (refer Table 2)

The projects, from two iron ore tenements viz. Donimalai and Kumaraswamy, located in the state of Karnataka, are in place with an aggregated production capacity of 7 Mtpa. The existing iron ore processing facilities at Donimalai would be availed to treat Kumaraswamy ore also, as the production from Donimalai tapers down in future, with the depletion of Ore Reserves.

The summary of exploratory drilling (number of boreholes and drilling metreage) done in the two tenements is given below in **Table 5**.

Table 5: Summary of Exploratory Drilling in Karnataka Group

	Tenement	No. of boreholes	Metreage drilled
a	Donimalai	350	19,592
b	Kumaraswamy	256	15,592

Donimalai iron ore deposit, consisting of 9 ore bodies, is located in the SE portion of Sandur schist belt of Precambrian age. The formations consist of Banded Iron Formation (BIF) and shale with associated tuffs, trending NNW-SSE and dipping at 70^0-80^0 ENE. The BIF is generally flanked by shale. Since the formations are steeply dipping, both inclined and vertical boreholes were drilled to explore the deposit.

The logging, sampling, assaying, cut-off grade, ore-type correlation, resource estimation procedures and mining methods adopted at Donimalai were similar to those described above under 'Iron ore tenements in Chhattisgarh'. The lumps and fines product recoveries obtained from the wet process during the last 5 years, from Donimalai iron ore deposit, range from 25% to 46% and 54% to 74% respectively with a slime loss of 7% to 9%.

Kumaraswamy iron ore deposit, consisting of two ore bodies, forms part of southern tip of Sandur schist belt of Precambrian age. The formations in the area strike WNW-ESE and dip at 15^0-35^0 N. The deposit has been explored by vertical boreholes. The logging, sampling, assaying, cut-off grade, ore-type correlation, resource estimation procedures and mining methods adopted here were similar to those described above under 'Iron ore tenements in Chhattisgarh', except that the mining bench height was kept at 6m. A crushing plant is proposed to be built on site at Kumaraswamy, and the crushed ore from this plant will be treated in the existing Donimalai processing facilities.

The Ore Reserve/ Mineral Resources statement as on 01-01-2010 is given in **Table 6 (refer page no.14).** Only Fe% estimates were provided by NMDC for this purpose.

Feasibility studies have been conducted departmentally or/ and by the external agencies to assess the technical feasibility and economic viability of each deposit. All statutory clearances are obtained for both the tenements except execution of ML. ML border settlement of Kumaraswamy tenement, with the neighbour, is pending in court of law.

The iron ore production (ROM), tenement-wise, from 1-4-2009 to 31-12-2009, is given in **Table 7**.

Table 7: Production of iron ore from 1-4-2009 to 31-12-2009

(Mt =Million tonne)

Tenement	Mt	Fe%	SiO2%	Al2O3%	P%
Deposit 5	4.812	66.27	1.76	1.54	0.031
Deposit 10	2.228	64.11	1.88	3.81	0.033
Deposit 11	0.235	64.91	2.00	3.74	0.033
Deposit 13	NIL	NIL	NIL	NIL	NIL
Deposit 14	2.084	64.92	2.59	2.15	0.041
Deposit 14 NMZ	3.356	64.75	2.51	2.27	0.033
Deposit 4	NIL	NIL	NIL	NIL	NIL
Donimalai	4.550	64.54	2.97	2.55	0.041
Kumaraswamy	0.473	64.72	2.00	2.12	0.066

5.0 DIAMONDS TENEMENT AT PANNA IN MADHYA PRADESH

It is located in the state of Madhya Pradesh. The formations belong to Vindhyan system of Precambrian age. The geological sequence in the area consists of Kaimur Sandstone and the diamond bearing Kimberlite pipe is considered to be an intrusive into the Kaimur Sandstone. The Kimberlite pipe is diamondiferous and it is in the shape of an inverted cone having 70^0 slopes downwards. The pipe's long axis is in the East-West direction and short axis in the North-South direction, with lengths of 320m and 280m respectively. The Kimberlite pipe was established up to a depth of 280m from the surface by drilling. The Kimberlite pipe was weathered up to a depth of 40m from the surface and this weathered formation was named as yellow/white tuff.

Initial exploration was carried out by Panna Diamond Syndicate and continued subsequently by Geological Survey of India (GSI), IBM and NMDC. Panna Diamond Syndicate drilled 14 vertical boreholes. IBM and GSI dug 21 test pits to collect bulk samples for testing Carats Per Hundred Tonnes (CPHT). Subsequently NMDC carried out geological mapping in 10 sq km area on 1:63000 scale and drilled 3700m in 154 boreholes, during year 1961-73, both vertical and inclined. The exploratory drilling was aimed at delineating the outline of the Kimberlite pipe from all directions. Specific gravity of kimberlite pipe was determined from test pit samples as 2.35 and underground openings as 2.63, which were averaged to 2.5.

Two shafts were placed in diametrically opposite sides, on the periphery of the kimberlite pipe, up to a depth of 90m each and connected them through a cross-cut of 280m length. Drives and cross cuts at 66m spacing, in a grid pattern, were driven from this cross cut, at 90m depth. From each 10m length of the underground opening, one bulk sample was collected. Whole material collected from each 10m intercept was sent to onsite pilot plant for the determination of CPHT.

Weathered zone and a part of the fresh kimberlite pipe, has been mined out (8,599,870t ore treated) up to a depth of 85m from the surface, with an incidence of 11.45 CPHT. The average incidence of diamonds was estimated from the bulk samples collected from the pits and the underground workings. The Proved Reserves were estimated up to a depth of 150m from the surface. The Indicated Mineral Resources were estimated beyond the Proved Reserve category up to a depth of 50m. The Inferred Mineral Resources were estimated beyond the Indicated Resource category up to a depth of further 50m. Exploitation of this deposit was being accomplished by open pit mining method with 10m high benches and an ultimate pit slope of 45^0. The Ore Reserves/ Mineral Resources statement as on 01-01-2010 is given in **Table 8** **(refer page no. 14).**

Lease renewal is under process since year 2005. Mining has been resumed from 19-6-2009, after a gap of 4 years. Forest clearance for supplementary Mining Lease, which was proposed for infrastructure facilities, is under process. During 19-6-2009 to 31-12-2009, 9293.38 Carats of diamonds were produced.

6.0 MAGNESITE ORE TENEMENT AT PANTHAL IN JAMMU & KASHMIR

Magnesite ore deposit of Panthal occurs within the dolomite formation which is underlain by flaggy limestone and overlain by cherty limestone. These litho units together with the underlying subordinate quartzite and slate bands, form main geological sequence lying in the Southern periphery of Sirban Limestone in-lier of Precambrian age.

The general trend of the formations is NW-SE and dips at 30^0 to 85^0 North to North East. Magnesite occurs in the form of irregular lenticular bodies of varying dimensions. The exploratory drilling was carried out by vertical core drilling of 1885m in 34 holes, at 100m x 50m grid. One 100m long Adit was driven along the strike from east to west. The lithology-wise samples were processed and analyzed for Cao, MgO, SiO2 and Al2O3. Cut off grade of 1.5% SiO2 was used to define high grade magnesite and +1.5% to 5.5%% for low grade magnesite. To reconcile the likely losses due to voids and fractures, the estimated resources were reduced by multiplying factor of 0.7. A specific gravity of 2.7 was used to estimate the Ore Reserve and Mineral Resource. The manual estimation was done from the slice plans at 8m interval. The ultimate pit has been designed with a stripping ratio of 1:0.43. The Ore Reserve/ Mineral Resources statement as on 01-01-2010 is given in **Table 9** **(refer page no.14).**

The magnesite from this deposit will be used to produce dead burnt magnesite by NMDC in its proposed plant and sell it for refractory manufacturing. The mine will be developed as semi-mechanized mine with magnesite broken to -200mm manually and overburden removal by mining machines. The -200mm ore will be crushed and screened to produce -50mm +20mm size ore product (66%). The -20mm size fines (34%) will be stacked for future use.

Government of J&K issued an interim order to renew ML for the next 10 years with effect from 11-01-2009. Environmental and Forest clearances are in process.

7.0 LIMESTONE TENEMENT AT ARKI IN HIMACHAL PRADESH

The Arki limestone deposit forms part of Basantpur formation of Shimla group. Core drilling of 23 boreholes in 2045m in 200m X 100m grid was done to explore the entire deposit. 2m samples from the boreholes core were analyzed for Cao, MgO, SiO2 and Acid Insoluble. The 2m samples were further composited into 8m lengths for estimation by slice plan method. The Ore Reserve/ Mineral Resources statement as on 01-01-2010 is given in **Table 10 (refer page no. 15).**

The Limestone has been categorized based on SiO2 cut off. A cut-off at 1.5% SiO2 was used to demarcate the low silica limestone category. The low silica limestone with >11% MgO has been designated as dolomite Limestone, which can be used by blending with low silica grade limestone. Specific gravity of 2.42 and 2.43 were used for estimation of low silica grade limestone and dolomitic limestone respectively. Resources were estimated manually from 8m slice plans. The stripping ratio from the ultimate pit design was computed at 1:0.

The limestone will be crushed and screened to -75mm +30mm, -30mm size fractions. The entire quantity of limestone produced will be sold to M/s ACL till the market tie up with the steel industry is concluded. The SM grade limestone (-75mm +30mm) will be sold to steel industry and the fines (-30mm) will be utilised by the cement plants.

Lease renewal, and Environmental and Forest clearances for this tenement are in process.

A summary statement of Ore Reserve and Mineral Resource of all tenements of NMDC considered in this report is presented in **Table 11-a to d (refer page no. 16 & 17)**.

8.0 BENCHMARK APPLIED

In this review, all quoted resources are based upon historical information which has been categorized against background of definitions adopted by the Australian Institute of Mining and Metallurgy (AusIMM) in the year 2004. Behre Dolbear have verified that this resource estimate represents JORC code 2004 and the resources mentioned in the statement can be regarded as JORC compliant.

9.0 DISCLAIMER

Behre Dolbear International Ltd (Behre Dolbear), do not accept any liability other than their statutory liability to any individual, organization, or a company and take no responsibility for any loss or damage arising from the use of this report, or information, data, or assumptions contained therein. With respect to the Behre Dolbear report, and its use thereof by NMDC, each entity does agree to indemnify and hold harmless Behre Dolbear, its shareholders, directors, officers, and associates from any and all losses, claims, damages, liabilities, or actions, to which they or any of them may become subject under any securities act, statute or common law and will reimburse them on a current basis for any legal, or other, expenses incurred by them in connection with investigating any claims, or defending any actions.

Behre Dolbear have reviewed historical technical data, as well as reports and studies produced by NMDC or other consulting firms. Our review was conducted on a reasonableness basis and Behre Dolbear have noted herein where the provided information has raised questions. Except for those instances in which we have noted questions, Behre Dolbear have relied upon the information provided as being accurate. Behre Dolbear assumes no liability for the accuracy of the information provided. We retain the right to change or modify our conclusions if new or undisclosed information is provided that might change our opinion.

Electronic mail copies of this report are not official unless authenticated and signed by Behre Dolbear and are not to be modified in any manner without Behre Dolbear's express written consent.

Measurement units used in this report are in the metric system.

10. COMPETENT PERSON'S CONSENT FORM

Competent Person's Consent Form
Pursuant to the requirements of Clause 8 of the 2004 JORC Code

Report Description

Report name: *NMDC Ltd tenements in India: JORC equivalent Reserve Estimate Statement*
Name of the Company releasing the Report: *M/s Behre Dolbear International Limited, UK*

Name of deposits:

1. *Iron ore tenements in Bailadila region of Chhattisgarh state*
   a. *Deposit 5*
   b. *Deposit 10*
   c. *Deposit 11*
   d. *Deposit 13*
   e. *Deposit 14*
   f. *Deposit 14 NMZ*
   g. *Deposit 4*
2. *Iron ore tenements in Bellary-Hospet sector of Karnataka state*
   h. *Donimalai*
   i. *Kumaraswamy*
3. *Diamonds tenement at Panna in Madhya Pradesh*
4. *Magnesite tenement at Panthal in Jammu & Kashmir*
5. *Limestone tenement at Arki in Himachal Pradesh*

Date of Report: *29-01-2010*

Statement

I, *Dr Rao Polavarapu Venkateswara* confirm that:

- I have read and understood the requirements of the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").

- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralization and type of deposit described in the Report, and to the activity for which I am accepting responsibility.

- I am a Member of *The Australian Institute of Mining and Metallurgy*.

- I have reviewed the Report to which this Consent Statement applies.

I am a consultant working for M/s Behre Dolbear International Limited, Hydra House, 26 North Street Ashford, Kent TN24 8JR, UK and have been engaged by NMDC Ltd to prepare the documentation for 7 iron ore tenements from Chhattisgarh state, 2 iron ore tenements from Karnataka state, one diamonds tenement from Madhya Pradesh state, one magnesite ore tenement from J&K state and one limestone tenement from Himachal Pradesh state on which the Report is based, for the period ended 01-01-2010.

I verify that the Report is based on and fairly and accurately reflects in the form and the context in which it appears, the information in my supporting documentation relating to Exploration Results, Mineral Resources and Ore Reserves.

CONSENT

I consent to the release of the Report and this consent statement by the directors of: *M/s Behre Dolbear International Limited, Hydra House, 26 North Street Ashford, Kent TN24 8JR, UK*

29-01-2010

(Signature of Competent Person) Date

Member **of The Australian Institute of Mining and Metallurgy** ***301057***

(Organization name) (Membership Number)

(Signature of witness)

Raju S Sagi
7-8-11/3 Club Road, Waltair uplands,
Visakhapatnam 530003 India
(Witness name and Residence)

Table 4: Statement of Ore Reserve and Mineral Resource (at 55% Fe cut-off) as on 01-01-2010: JORC Compliant

(Mt= Million tonne)

Iron Ore	**Proved Ore Reserves**		**Probable Ore Reserves**		**Total Ore Reserves**	**Measured Mineral Resources**		**Indicated Mineral Resources**		**Inferred Mineral Resources**		**Total Mineral Resources**	**Grand Total**
Tenement	Mt	Fe%	Mt	Fe%	Mt	Mt	Fe%	Mt	Fe%	Mt	Fe%	**Mt**	Mt
5	38.7	65.3	182.2	66.9	**220.8**							**0.0**	**220.8**
10	140.1	66.0			**140.1**			42.0	61.2	14.5	64.5	**56.5**	**196.6**
11	140.4	66.2			**140.4**	17.0	64.6					**17.0**	**157.4**
13	319.6	67.2			**319.6**							**0.0**	**319.6**
14	130.1	64.7			**130.1**					19.5	64.7	**19.5**	**149.7**
14 NMZ	60.6	65.9			**60.6**	3.0	65.5					**3.0**	**63.6**
4					**0.0**	105.0	65.5					**105.0**	**105.0**
Chattisgarh group	**829.5**		**182.2**		**1011.7**	**125.0**		**42.0**		**34.0**		**201.0**	**1212.7**

Tenement 11 consists of deposits 11A, 11B & 11C. The deposit-wise Ore Reserve/ Mineral Resource details are given below

Tenement-11: Deposit-wise Ore Reserve/ Mineral Resource details

Iron Ore	***Proved Ore Reserve***		***Probable Ore Reserve***		***Total Ore Reserve***	***Measured Mineral Resource***		***Indicated Mineral Resource***		***Inferred Mineral Resource***		***Total Mineral Resource***	***Grand Total***
Deposit	Mt	Fe%	Mt	Fe%	Mt	Mt	Fe%	Mt	Fe%	Mt	Fe%	**Mt**	**Mt**
11A	*25.4*	*65.4*			***25.4***	*1.4*	*65.8*					***1.4***	***26.8***
11B	*114.3*	*66.4*			***114.3***	*6.2*	*65.5*					***6.2***	***120.6***
11C	*0.7*	*64.7*			***0.7***	*9.4*	*64.4*					***9.4***	***10.1***
Total	**140.4**				**140.4**	**17.0**		**0.0**		**0.0**		**17.0**	**157.4**

Table 6: Statement of Ore Reserves and Mineral Resources (at 55% Fe cut-off) as on 01-01-2010: JORC Compliant														
														(Mt= Million tonne)
Iron Ore	**Proved Ore Reserve**		**Probable Ore Reserve**		**Total Ore Reserve**	**Measured Mineral Resource**		**Indicated Mineral Resource**		**Inferred Mineral Resource**		**Total Mineral Resource**	**Grand Total**
Tenement	Mt	Fe%	Mt	Fe%	**Mt**	Mt	Fe%	Mt	Fe%	Mt	Fe%	**Mt**	**Mt**
Donimalai	17.6	66.8			**17.6**							**0.0**	**17.6**
Kumaraswamy	130.4	64.0			**130.4**							**0.0**	**130.4**
Karnataka group	**147.9**		**0.0**		**147.9**	**0.0**		**0.0**		**0.0**		**0.0**	**147.9**
Total iron ore	**977.5**		**182.2**		**1159.6**	**125.0**		**42.0**		**34.0**		**201.0**	**1360.6**

Table 8: Statement of Ore Reserves and Mineral Resources as on 01-01-2010: JORC Compliant											
											(Mt= Million tonne)
Tenement	**Proved Ore Reserve**			**Indicated Resource**			**Inferred Resource**			**Total Resources**	**Grand Total**
Panna diamond	**Mt**	CPHT	Ct	Mt	CPHT	Ct	Mt	CPHT	Ct	**Mt**	**Mt**
	11.33	**9.515**	**1078457**	**3.58**	8.6		**2.38**	8.6		**5.96**	**17.29**

Table 9: Statement of Ore Reserves and Mineral Resources as on 01-01-2010: JORC Compliant									
									(Mt= Million tonne)
Tenement	**Proved Ore Reserve**				**Measured Mineral Resource**				**Total**
Panthal magnesite	Mt	MgO	SiO2	Cao	Mt	MgO	SiO2	Cao	Mt
	2.61	45.2	0.63	2.1	**1.44**	43.51	2.55	1.97	**4.05**

Table 10: Statement of Ore Reserves and Mineral Resources as on 01-01-2010: JORC Compliant											
											(Mt= Million tonne)
Tenement	**Proved Ore Reserve**					**Measured Mineral Resource**					**Total**
Arki limestone	Mt	CaO%	SiO2%	MgO%	Acid insol.%	Mt	CaO%	SiO2%	MgO%	Acid insol.%	Mt
	98.34	52.37	0.74	2.15	1.012	**21.13**	53.38	0.71	1.36	0.95	**119.5**

Table 11: Summary of Ore Reserve and Mineral Resource statement as on 01-01-2010

Table 11a: Iron ore

(Mt= Million tonne)

	Proved Ore Reserves		Probable Ore Reserves		Total Ore Reserves	Measured Mineral Resources		Indicated Mineral Resources		Inferred Mineral Resources		Total Mineral Resources	Grand Total
Tenement	Mt	Fe%	Mt	Fe%	Mt	Mt	Fe%	Mt	Fe%	Mt	Fe%	**Mt**	Mt
Deposit 5	38.7	65.3	182.2	66.9	**220.8**							**0.0**	**220.8**
Deposit 10	140.1	66.0			**140.1**			42.0	61.2	14.5	64.5	**56.5**	**196.6**
Deposit 11	140.4	66.2			**140.4**	17.0	64.6					**17.0**	**157.4**
Deposit 13	319.6	67.2			**319.6**							**0.0**	**319.6**
Deposit 14	130.1	64.7			**130.1**					19.5	64.7	**19.5**	**149.7**
Deposit 14 NMZ	60.6	65.9			**60.6**	3.0	65.5					**3.0**	**63.6**
Deposit 4					**0.0**	105.0	65.5					**105.0**	**105.0**
Donimalai	17.6	66.8			**17.6**							**0.0**	**17.6**
Kumaraswamy	130.4	64.0			**130.4**							**0.0**	**130.4**
Total iron ore	**977.5**		**182.2**		**1159.6**	**125.0**		**42.0**		**34.0**		**201.0**	**1360.6**

Note: Deposit 11 consists of deposits 11A, 11B & minor part of 11C; Deposit 14 NMZ consists of major part of Deposit 11C

Table 11b: Diamonds												
												(Mt= Million tonne)
Tenement	**Proved Ore Reserve**			**Indicated Resource**			**Inferred Resource**			**Total Resources**	**Grand Total**
Panna diamond	**Mt**	CPHT	Ct	Mt	CPHT	Ct	Mt	CPHT	Ct	**Mt**	**Mt**
	11.33	**9.515**	**1078457**	**3.58**	8.6		**2.38**	8.6		**5.96**	**17.29**

Table 11c: Magnesite ore									
									(Mt= Million tonne)
Tenement	**Proved Ore Reserves**				**Measured Mineral Resources**				**Total**
Panthal magnesite	Mt	MgO	SiO2	Cao	Mt	MgO	SiO2	Cao	Mt
	2.61	45.2	0.63	2.1	**1.44**	43.51	1.97	2.55	**4.05**

Table 11d: Limestone											
											(Mt= Million tonne)
Tenement	**Proved Ore Reservess**					**Measured Mineral Resource**					**Total**
Arki limestone	Mt	CaO%	SiO2%	MgO%	Acid insol.%	Mt	CaO%	SiO2%	MgO%	Acid insol.%	Mt
	98.34	52.37	0.74	2.15	1.012	**21.13**	53.38	0.71	1.36	0.95	**119.5**

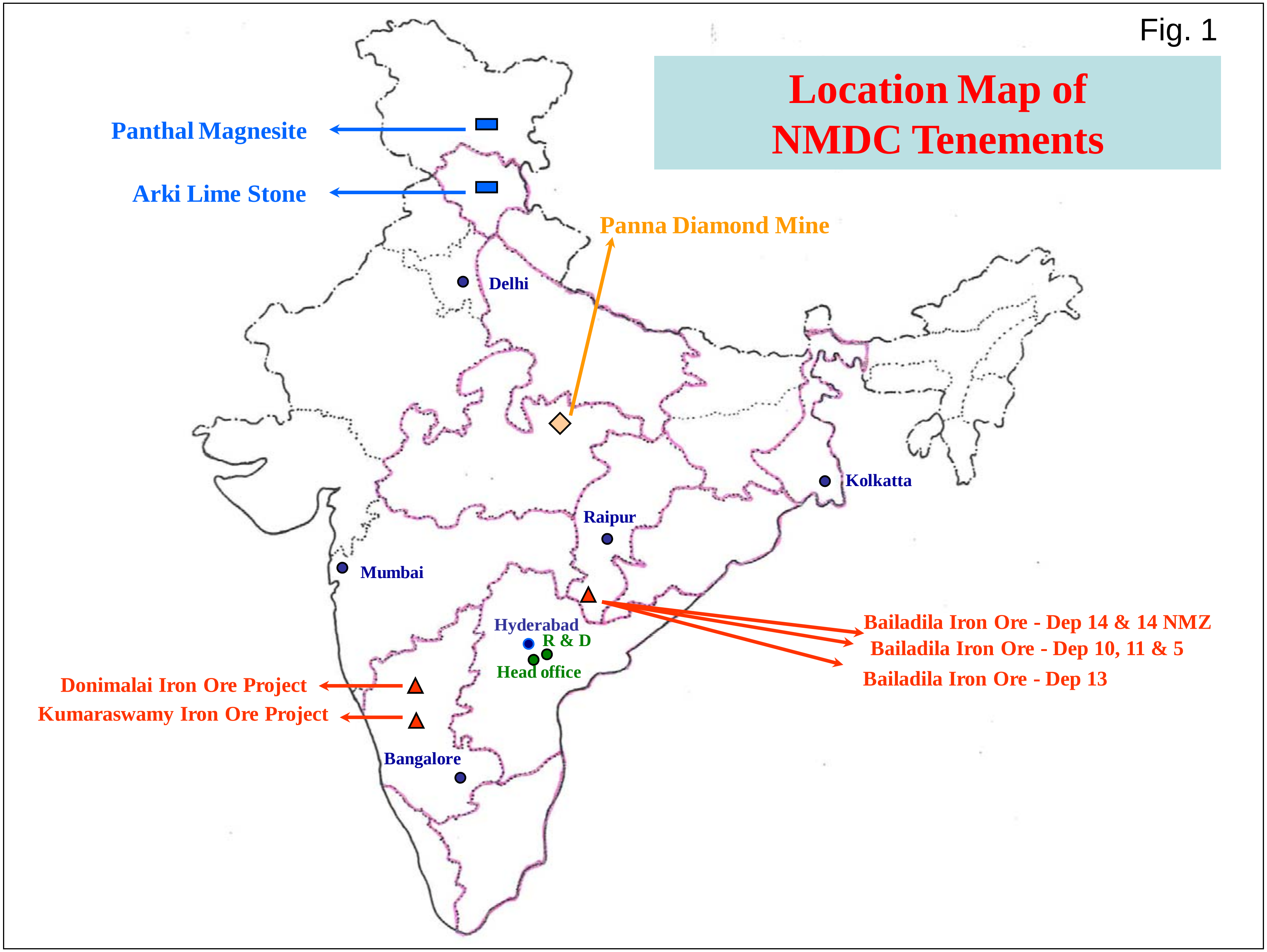


Fig. 1
Location Map of
NMDC Tenements
Panthal Magnesite
Arki Lime Stone
Panna Diamond Mine
Delhi
Kolkatta
Raipur
Mumbai
Hyderabad
R & D
Head office
Bailadila Iron Ore - Dep 14 & 14 NMZ
Bailadila Iron Ore - Dep 10, 11 & 5
Bailadila Iron Ore - Dep 13
Donimalai Iron Ore Project
Kumaraswamy Iron Ore Project
Bangalore

Fig. 2

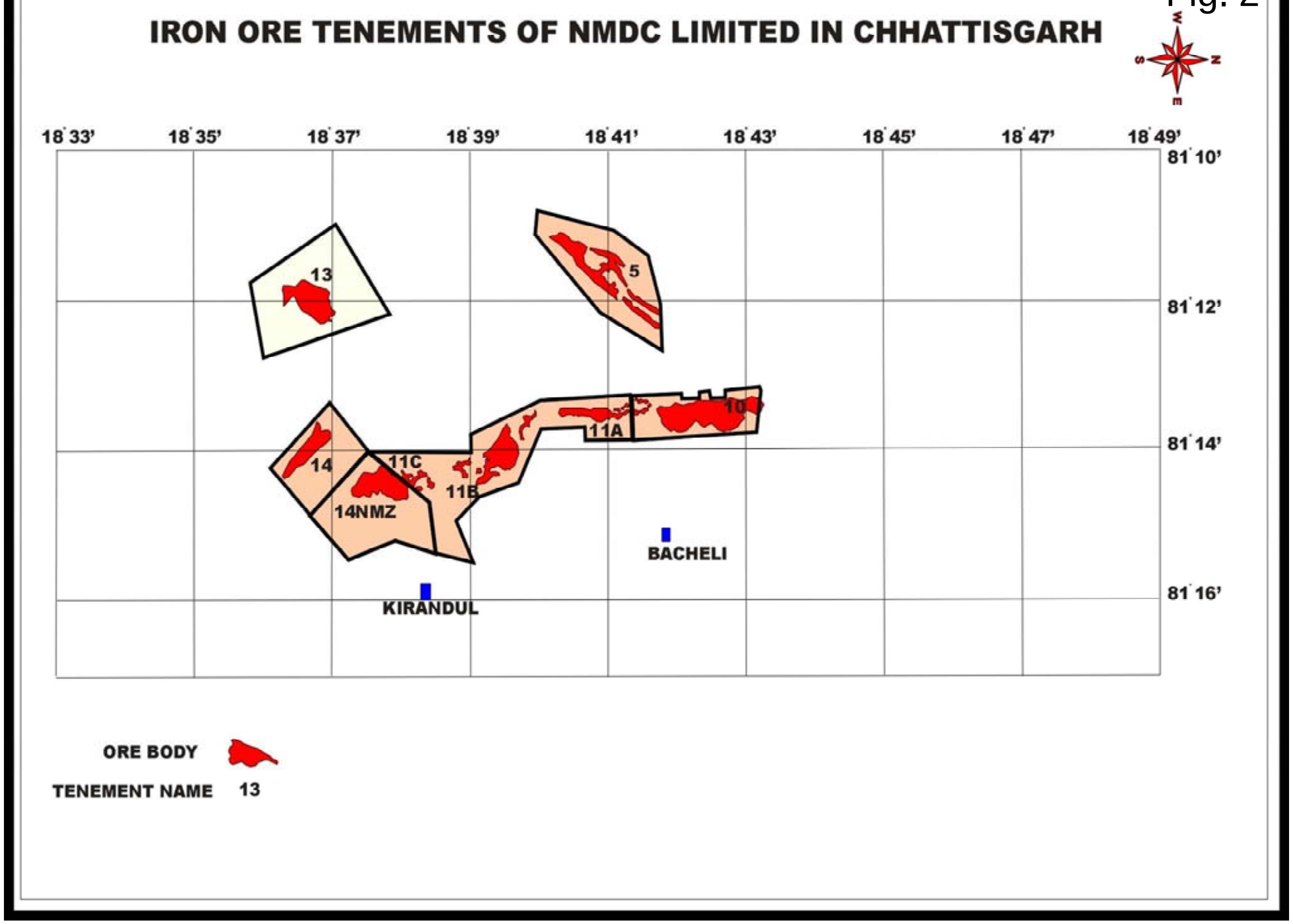
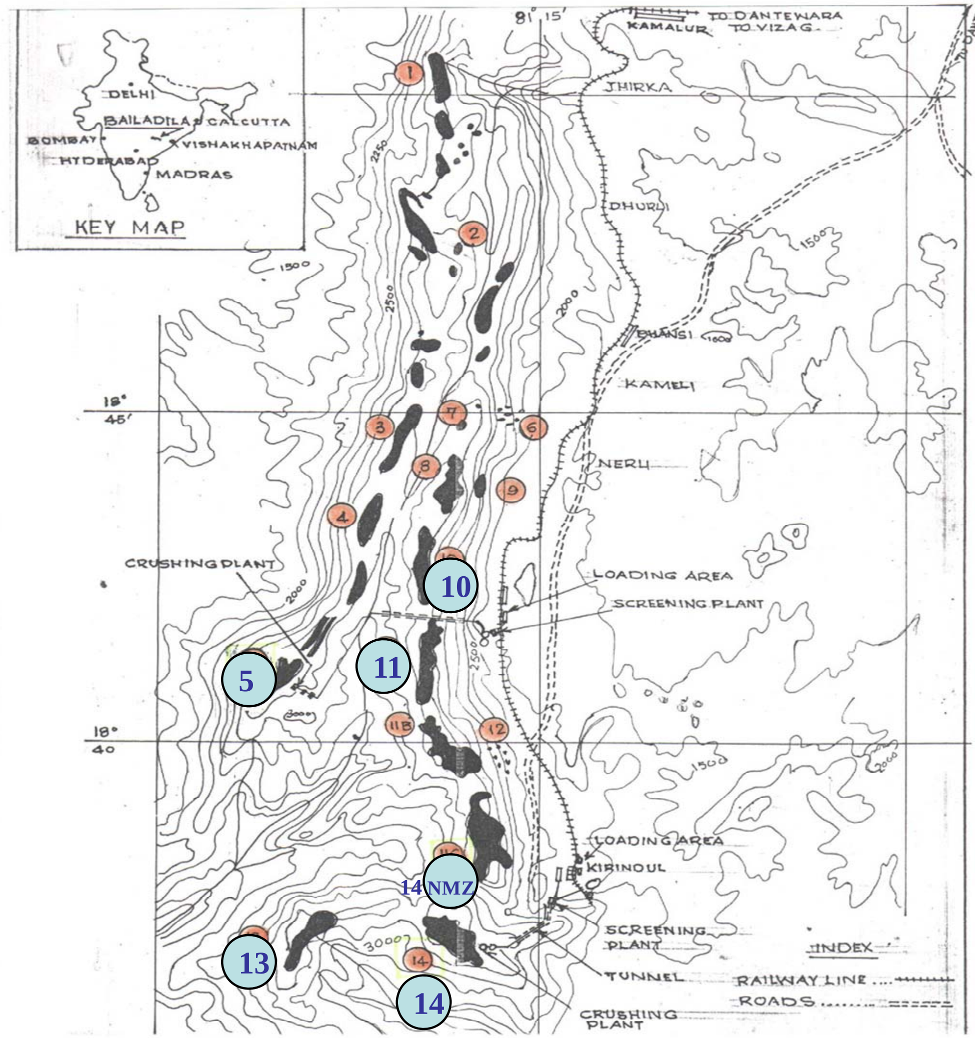

IRON ORE TENEMENTS OF NMDC LIMITED IN CHHATTISGARH
W
S
N
E
18° 33'
18° 35'
18° 37'
18° 39'
18° 41'
18° 43'
18° 45'
18° 47'
18° 49'
81° 10'
81° 12'
81° 14'
81° 16'
13
5
10
11A
14
11C
11B
14NMZ
BACHELI
KIRANDUL
ORE BODY
TENEMENT NAME
13

Fig. 3

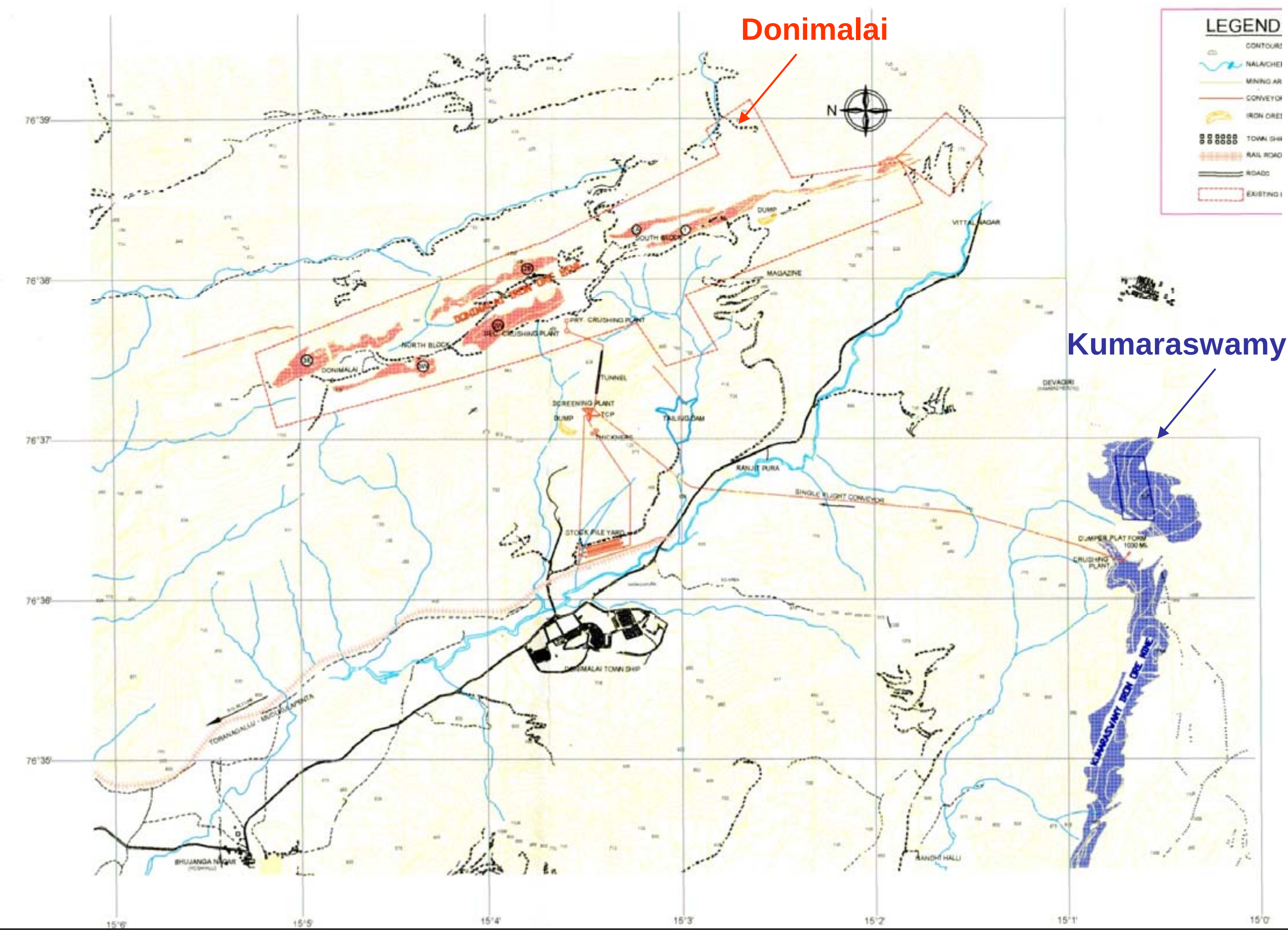
Iron Ore Deposits of Bailadila



NMDC iron ore Deposits

Fig. 4

Iron Ore Tenements in Karnataka



एनएमडीसी लिमिटेड
(भारत सरकार का उद्यम)
NMDC Limited
(A GOVT. OF INDIA ENTERPRISE)

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए,
कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 173.

Regd. Office : 'Khanij Bhavan' 10-3-311/A,
Castle Hills, Masab Tank, Hyderabad-500 173.

January 22, 2009

NMDC Limited (the "Company") is pleased to provide the following statement of mineral resources and ore reserves representing estimates of mineral resources and ore reserves at December 31, 2009 and April 1, 2009.

General statement on mineral resource and ore reserve estimation and reporting

The statement of mineral resources and ore reserves presented in this report has been produced in accordance with the United Nations Framework Classification for Energy and Mineral Resources ("UNFC").

The UNFC was created in order to meet the need for an international standard. UNFC is generally accepted code in India, replacing the Indian System in 1999. Resources in situ are categorized using the three basic criteria affecting extraction. 36 classes can be assigned to mineral resources but only 10 are used in practice. Three digit codes for individual categories are used to classify mineral resources based on 3-dimensional axis

Economic Axis (E) represents economic and commercial viability	(1) Economic (2) Potentially Economic (3)Intrinsically EconomicFeasibility
EconomicFeasibility Axis (F) represents the project status	(1) Feasibility Study and Mining Report (committed projects) (2) Pre-feasibility Study (contingent projects) (3) Geological Study (prospecting projects)
Geological Axis (G) represents the level of geological exploration	(1) Detailed Exploration (reasonably assured geology in place) (2) General Exploration (identified geologic conditions in place) (3) Prospecting (estimated geologic conditions in place) (4) Reconnaissance (potential geologic conditions in place)

Commodity prices and exchange rates used to estimate the economic viability of reserves are based on the Company's long-term forecasts (unless otherwise stated). The mineral resources and ore reserves tabulated are all held within existing, fully permitted mining tenements. The Company's mineral leases are of sufficient duration (or convey a legal right to renew for sufficient duration) to enable all reserves on the leased properties to be mined in accordance with current production schedules. Our mineral resources and ore reserves may include areas where some additional approvals remain outstanding, but where, based on the technical investigations we carry out as part of our planning process, and our knowledge and experience of the approvals process, we expect that such approvals will be obtained as part of the normal course of business and within the time frame required by the current schedule.

The information in this report relating to mineral resources and ore reserves is based on information compiled competent persons. All competent persons have been duly appointed and made aware of their responsibility to unbiased mineral resource and/or ore reserve estimation on an operational or project level according to the Company's mineral resource and ore reserve reporting policy. All

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ई-मेल / E-mail : hois@nmdc.co.in वेबसाइट / Website : www.nmdc.co.in

competent persons have sufficient relevant experience in the style of mineralisation, type of deposit and mining method as well as in the activity for which they have taken responsibility to be considered as a competent / qualified person under UNFC standard. The mineral resource and ore reserve estimates have been signed off by the relevant competent persons, who consent to the inclusion of the information in this report in the form and context in which it appears.

All of the mineral resources and ore reserves figures presented are reported in 100 per cent terms and represent estimates at December 31, 2009 (unless otherwise stated). All tonnes and grade information has been rounded, hence small differences may be present in the totals. All of the mineral resource information is inclusive of mineral resources (unless otherwise stated) that have been converted to ore reserves (i.e. mineral resources are not additional to ore reserves).

The information contained herein differs in certain respects from that reported to the Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves, December 2004 (the JORC Code).

Summary

Note: The following classes of recoverable coal, uranium and other solid mineral quantities are defined under UNFC:

1. Mineral Reserves including:
   - Proved Mineral Reserves: code 111
   - Probable Mineral Reserves: codes 121 + 122
2. Mineral Resources (Additional or Remaining Resources) including:
   - Feasibility Mineral Resources: code 211
   - Pre-Feasibility Mineral Resources: codes 221+222
   - Measured Mineral Resources: code 331
   - Indicated Mineral Resources: code 332
   - Inferred Mineral Resources: code 333
   - Reconnaissance Mineral Resources: code 334

In order to be as consistent as possible with the expert report that will be prepared based on the JORC code, we have not included Feasibility Mineral Resources, Pre-Feasibility Mineral Resources or Reconnaissance Mineral Resources in the tables attached herewith.

Below is a brief description of each of the codes:

UNFC Code	Term	Definition
111	Proved Mineral Reserve	Demonstrated to be economically mineable by a Feasibility Study or actual mining activity usually undertaken in areas of Detailed Exploration
121, 122	Probable Mineral Reserve	Demonstrated to be economically mineable by a Pre-feasibility Study usually carried out in areas of Detailed Exploration and General Exploration
211	Feasibility Mineral Resource	Demonstrated to be potentially economic by a Feasibility Study or prior mining activity usually carried our in areas of Detailed exploration
221, 222	Prefeasibility Mineral Resource	Demonstrated to be potentially economic by a Prefeasibility Study usually carried our in areas of Detailed Exploration and General Exploration
331	Measured Mineral Resource	Estimated to be of intrinsic economic interest based on Detailed Exploration establishing all relevant characteristics of a deposit with a high degree of accuracy

UNFC Code	Term	Definition
332	Indicated Mineral Resource	Estimated to be of intrinsic economic interest based on General Exploration establishing the main geological features of a deposit providing an initial estimate of size, shape, structure and grade
333	Inferred Mineral Resource	Estimated to be of intrinsic economic interest based on Prospecting having the objective to identify a deposit Estimates of quantities are inferred based on outcrop identification, geological mapping, indirect methods and limited sampling
334	Reconnaissance Mineral Resource (Potential Resource)	Based on Reconnaissance, having the objective to identify areas of enhanced mineral potential Estimates of quantities should only be made if sufficient data are available and when an analogy with known deposits of similar geological character is possible and then only within an order of magnitude

Comparison between UNFC and JORC

UNFC	JORC
3-dimensional	2-dimensional (geological and economic considerations)
41 categories for resource/reserve classification (10 generally used)	5 possible categories for resource/reserve classification
Used for government and regulatory reporting	Used for market reporting
Competent person required	Qualified or competent person required

Competent / Qualified Persons Statement

The information in this report is based on information compiled by Mr N. K. Dhawan, Mr D.P. Selvam, Dr K. S. Rao and Mr Saravan Kumar; all four of whom as at the time of compiling the information for inclusion in this report were all full time employees of NMDC Limited. Mr N. K. Dhawan, Mr D.P. Selvam, Dr K. S. Rao and Mr Saravan Kumar all have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking in order to qualify as competent / qualified persons and all consent to the inclusion in this report of the matters based on their information in the form and content in which it appears.

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22/1/2010

Mr D.P. Selvam (on behalf of NMDC Limited)

NMDC MINERAL RESERVES AS ON 31.03.2009 AS PER UNFC CODE

Mineral Reserve - Iron Ore

S.No.	Commodity Deposit	Ore Type	Proved Ore Reserve (111)					Probable Ore Reserve (122)					Total Ore Reserve					Reserve Life (Years)	Company's Percentage Interest in mine
		Iron Ore	Million of wet metric tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	Million of wet metric tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	Millions of wet metric tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %		
1	Bld. Dep. 5	Iron Ore	43.48	65.39	2.62	1.83	0.034	182.15	66.85	1.29	1.44	0.028	225.63	66.57	1.55	1.52	0.029	24	100 %
2	Bld. Dep.10	Iron Ore	142.37	65.91	0.97	0.69	0.034	56.46	62.03	4.09	3.05	0.034	198.83	64.81	1.86	1.36	0.034	45	100 %
3	Bld. Dep.11	Iron Ore	140.65	66.21	1.34	1.62	0.034	10.79	64.56	1.34	2.17	0.034	151.44	66.09	1.34	1.66	0.034	17	100 %
4	Bld. Dep.14	Iron Ore	132.23	64.68	2.74	1.33	0.031	19.51	64.70	2.67	1.43	0.032	151.74	64.68	2.73	1.34	0.031	27	100 %
5	Bld. Dep.14 NMZ	Iron Ore	63.93	65.81	1.06	1.65	0.044	2.99	65.52	1.09	1.20	0.036	66.92	65.80	1.06	1.63	0.044	9	100 %
6	Bld. Dep. 13	Iron Ore	319.59	67.23	0.89	1.03	0.040	0.00	0.00	0.00	0.00	0.000	319.59	67.23	0.89	1.03	0.040	46	51 %
7	Donimalai	Iron Ore	22.11	66.30	1.98	1.52	0.041	0.00	0.00	0.00	0.00	0.000	22.11	66.30	1.98	1.52	0.041	6	100 %
8	Kumaraswamy	Iron Ore	130.90	64.00	1.78	2.87	0.070	0.00	0.00	0.00	0.00	0.000	130.90	64.00	1.78	2.87	0.070	19	100 %

Mineral Reserve - Diamond

9	Panna Diamond	Diamond	Proved Ore Reserve (111)					Probable Ore Reserve (122)					Total Ore Reserve						
	Panna Diamond	Diamond	Millions of dry metric tonnes	Carats per tonne				Millions of dry metric tonnes	Carats per tonne				Millions of dry metric tonnes	Carats per tonne				Reserve Life (Years)	Company's Percentage Interest in mine
		Diamond	11.45	0.095				0	0				11.45	0.095				11	100 %

NMDC MINERAL RESERVES AS ON 31.03.2009 AS PER UNFC CODE

Other Mineral Reserve - Magnesite and Limestone

10	Panthal Magnesite	Magnesite	Proved Ore Reserve (111)				Probable Ore Reserve (121)				Total Ore Reserve					
			Million of wet metric tonnes	G-I (<1.5% SiO2)			Million of wet metric tonnes	G-II (1.5% - 5.50 % SiO2)			Million of wet metric tonnes				Reserve Life (Years)	Company's Percentage Interest in mine
				MgO %	SiO_2 %	CaO %		MgO %	SiO_2 %	CaO %		MgO %	SiO_2 %	CaO %		
		Tonnes G-1 (<1.5% SiO2)	2.61	45.20	0.63	2.10	0.74	39.50	1.20	9.84	3.35	43.94	0.76	3.81	30	74%

11	Arki Limestone	Limestone	Proved Ore Reserve (111)					Probable Ore Reserve (121)					Total Ore Reserve						
			Million of wet metric tonnes	CaO %	SiO_2 %	MgO %	Acid Insol.	Million of wet metric tonnes	CaO %	SiO_2 %	MgO %	Acid Insol.	Million of wet metric tonnes	CaO %	SiO_2 %	MgO %	Acid Insol.	Reserve Life (Years)	Company's Percentage Interest in mine
		Low silica limestone	90.99	53.38	0.71	1.36	0.95	-	-				90.99	53.38	0.71	1.36	0.95		
		Dolomitic Limestone	7.35	39.96	1.20	12.04	1.79	-	-				7.35	39.96	1.20	12.04	1.79		
	Total		98.34	52.38	0.75	2.16	1.01	-	-				98.34	52.38	0.75	2.16	1.01	33	100 %

NMDC RESOURCES AS ON 31.03.2009 AS PER UNFC CODE

Mineral Resources - Iron Ore

S.No.	Commodity Deposit	Ore Type	Measured Mineral Resource (331)					Indicated Mineral Resource (332)					Inferred Mineral Resource (333)					Total Mineral Resource					
			Millions of wet metric tonnes	% Fe	% SiO2	% Al2O3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Company's Percentage Interest in mine
1	Bld. Dep. 5	Iron Ore	-	-				-	-				49.02	66.34	0.98	1.70	0.029	49.02	66.34	0.98	1.70	0.029	100 %
2	Bld. Dep.10	Iron Ore	-	-	-	-	-	-	-	-	-	-	55.93	63.60	3.13	2.07	0.037	55.93	63.60	3.13	2.07	0.037	
3	Bld. Dep.14	Iron Ore	-	-				-	-				27.78	60.85	1.63	4.46	0.055	27.78	60.85	1.63	4.46	0.055	100 %
4	Bld. Dep. 14 NMZ (11 C)	Iron Ore	-	-				-	-				0.56	57.11	3.00	6.47	0.036	0.56	57.11	3.00	6.47	0.036	100 %
			Measured Mineral Resource (331)					Feasibility Mineral Resource(211)					Inferred Mineral Resource (333)					Total Mineral Resource					
			Millions of wet metric tonnes	% Fe	% SiO2	% Al2O3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Company's Percentage Interest in mine
5	Bld. Dep11 (11A, 11B & part of 11C)	Iron Ore	26.07	64.50	1.33	2.77	0.048	6.23	65.50	1.69	1.73	0.048	2.56	59.44	3.00	5.49	0.067	34.86	64.31	1.52	2.78	0.041	1.00
			Measured Mineral Resource (331)					Indicated Mineral Resource (332)										Total Mineral Resource					
			Millions of wet metric tonnes	% Fe	% SiO2	% Al2O3	% P	Millions of wet metric tonnes	% Fe	% SiO2	% Al2O3	% P						Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	
6	Bld. Dep. 4	Iron Ore	105.00	65.65	1.97	1.62	-	2.96	65.65	1.97	1.62	-						107.96	65.65	1.97	1.62	-	

Mineral Resource - Diamonds

S.No.	Commodity Deposit	Ore Type	Measured Mineral Resource (331)					Indicated Mineral Resource (332)					Inferred Mineral Resource (333)					Total Mineral Resource					
			Millions of dry metric tonnes	Carats per tonne				Millions of dry metric tonnes	Carats per tonne				Millions of dry metric tonnes	Carats per tonne				Millions of dry metric tonnes	Carats per tonne				Company's Percentage Interest in mine
7	Panna Diamond	Diamond	0	0				3.58	0.086				2.38	0.086				5.96	0.086				100 %

NMDC RESOURCES AS ON 31.03.2009 AS PER UNFC CODE

Other Material Commodities : Magnesite and Limestone

	Commodity Deposit	Ore Type	Feasibility Mineral Resource(211)				Pre-Feasibility Mineral Resource (221+222)				Inferred Mineral Resource (333)				Total Mineral Resource				Company's Percentage Interest in mine
			Millions of wet metric tonnes	% MgO	% SiO2	% CaO	Millions of wet metric tonnes	% MgO	% SiO_2	% CaO	Millions of wet metric tonnes	% MgO	% SiO_2	% CaO	Millions of wet metric tonnes	% MgO	% SiO_2	% CaO	
8	Panthal Magnesite	G-I Magnesite	0.60	45.20	0.63	2.10	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.60	45.20	0.63	2.10	
		G-II Magnesite	0.00	0.00	0.00	0.00	0.10	39.50	1.20	9.84	0.00	0.00	0.00	0.00	0.10	39.50	1.20	9.84	
	Total		0.60	45.20	0.63	2.10	0.10	39.50	1.20	9.84	0.00	0.00	0.00	0.00	0.70	44.39	0.71	3.21	74%

	Commodity Deposit	Ore Type	Feasibility Mineral Resource(211)					Pre-Feasibility Mineral Resource (221+222)					Inferred Mineral Resource (333)					Total Mineral Resource					Company's Percentage Interest in mine
			Millions of wet metric tonnes	% CaO	% SiO2	% MgO	Acid Insol.	Millions of wet metric tonnes	% CaO	% SiO_2	% MgO	Acid Insol.	Millions of wet metric tonnes	% CaO	% SiO_2	% MgO	Acid Insol.	Millions of wet metric tonnes	% CaO	% SiO_2	% MgO	Acid Insol.	
9	Arki Limestone	Limestone																					
		Low silica limestone	0	0	0	0	0	21.13	53.38	0.71	1.36	0.95	0	0	0	0	0	21.13	53.38	0.71	1.36	0.95	100 %

NMDC MINERAL RESERVES AS ON 31.12.2009 AS PER UNFC CODE

Mineral Reserve - Iron Ore

S.No.	Commodity Deposit	Ore Type	Proved Ore Reserve (111)					Probable Ore Reserve (122)					Total Ore Reserve					Reserve Life (Years)	Company's Percentage Interest in mine
		Iron Ore	Million of wet metric tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	Million of wet metric tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	Millions of wet metric tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %		
1	Bld. Dep. 5	Iron Ore	38.67	65.20	2.70	1.89	0.035	182.15	66.85	1.29	1.44	0.028	220.82	66.56	1.55	1.52	0.029	24	100 %
2	Bld. Dep.10	Iron Ore	140.14	65.91	0.97	0.67	0.034	56.46	62.03	4.09	3.05	0.034	196.60	64.80	1.86	1.36	0.034	45	100 %
3	Bld. Dep.11	Iron Ore	138.23	66.24	1.34	1.59	0.034	10.79	64.56	1.34	2.17	0.034	149.02	66.12	1.34	1.66	0.034	17	100 %
4	Bld. Dep.14	Iron Ore	130.15	64.66	2.76	1.33	0.031	19.51	64.70	2.67	1.43	0.032	149.66	64.67	2.73	1.34	0.031	27	100 %
5	Bld. Dep.14 NMZ	Iron Ore	60.57	65.79	1.07	1.66	0.045	2.99	65.52	1.09	1.20	0.036	63.56	65.78	1.06	1.63	0.044	9	100 %
6	Bld. Dep. 13	Iron Ore	319.59	67.23	0.89	1.03	0.040	0.00	0.00	0.00	0.00	0.000	319.59	67.23	0.89	1.03	0.040	46	51 %
7	Donimalai	Iron Ore	17.60	66.77	1.66	1.20	0.041	0.00	0.00	0.00	0.00	0.000	17.60	66.30	1.98	1.52	0.041	6	100 %
8	Kumaraswamy	Iron Ore	130.43	64.00	1.78	2.87	0.070	0.00	0.00	0.00	0.00	0.000	130.43	64.00	1.78	2.87	0.070	19	100 %

Mineral Reserve - Diamond

9	Panna Diamond	Diamond	Proved Ore Reserve (111)				Probable Ore Reserve (122)				Total Ore Reserve					
	Panna Diamond	Diamond	Millions of dry metric tonnes	Carats per tonne			Millions of dry metric tonnes	Carats per tonne			Millions of dry metric tonnes	Carats per tonne			Reserve Life (Years)	Company's Percentage Interest in mine
		Diamond	11.33	0.095			0	0			11.33	0.095			11	100 %

NMDC MINERAL RESERVES AS ON 31.12.2009 AS PER UNFC CODE

Other Mineral Reserve - Magnesite and Limestone

10	Panthal Magnesite	Magnesite	Proved Ore Reserve (111)				Probable Ore Reserve (121)				Total Ore Reserve					
			Million of wet metric tonnes	G-I (<1.5% SiO2)			Million of wet metric tonnes	G-II (1.5% - 5.50 % SiO2)			Million of wet metric tonnes				Reserve Life (Years)	Company's Percentage Interest in mine
				MgO %	SiO_2 %	CaO %		MgO %	SiO_2 %	CaO %		MgO %	SiO_2 %	CaO %		
		Tonnes G-1 (<1.5% SiO2)	2.61	45.20	0.63	2.10	0.74	39.50	1.20	9.84	3.35	43.94	0.76	3.81	30	74%

11	Arki Limestone	Limestone	Proved Ore Reserve (111)					Probable Ore Reserve (121)					Total Ore Reserve						
			Million of wet metric tonnes	CaO %	SiO_2 %	MgO %	Acid Insol.	Million of wet metric tonnes	CaO %	SiO_2 %	MgO %	Acid Insol.	Million of wet metric tonnes	CaO %	SiO_2 %	MgO %	Acid Insol.	Reserve Life (Years)	Company's Percentage Interest in mine
		Low silica limestone	90.99	53.38	0.71	1.36	0.95	-	-				90.99	53.38	0.71	1.36	0.95		
		Dolomitic Limestone	7.35	39.96	1.20	12.04	1.79	-	-				7.35	39.96	1.20	12.04	1.79		
	Total		98.34	52.38	0.75	2.16	1.01	-	-				98.34	52.38	0.75	2.16	1.01	33	100 %

NMDC RESOURCES AS ON 31.12.2009 AS PER UNFC CODE

Mineral Resources - Iron Ore

S.No.	Commodity Deposit	Ore Type	Measured Mineral Resource (331)					Indicated Mineral Resource (332)					Inferred Mineral Resource (333)					Total Mineral Resource					Company's Percentage Interest in mine
			Millions of wet metric tonnes	% Fe	% SiO2	% Al2O3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	
1	Bld. Dep. 5	Iron Ore	-	-				-	-				49.02	66.34	0.98	1.70	0.029	49.02	66.34	0.98	1.70	0.029	100 %
2	Bld. Dep.10	Iron Ore	-	-	-	-	-	-	-	-	-	-	55.93	63.60	3.13	2.07	0.037	55.93	63.60	3.13	2.07	0.037	
3	Bld. Dep.14	Iron Ore	-	-				-	-				27.78	60.85	1.63	4.46	0.055	27.78	60.85	1.63	4.46	0.055	100 %
4	Bld. Dep. 14 NMZ (11 C)	Iron Ore	-	-				-	-				0.56	57.11	3.00	6.47	0.036	0.56	57.11	3.00	6.47	0.036	100 %

S.No.	Commodity Deposit	Ore Type	Measured Mineral Resource (331)					Feasibility Mineral Resource(211)					Inferred Mineral Resource (333)					Total Mineral Resource					Company's Percentage Interest in mine
			Millions of wet metric tonnes	% Fe	% SiO2	% Al2O3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	
5	Bld. Dep11 (11A, 11B & part of 11C)	Iron Ore	26.07	64.50	1.33	2.77	0.048	6.23	65.50	1.69	1.73	0.048	2.56	59.44	3.00	5.49	0.067	34.86	64.31	1.52	2.78	0.041	1.00

S.No.	Commodity Deposit	Ore Type	Measured Mineral Resource (331)					Indicated Mineral Resource (332)										Total Mineral Resource					
			Millions of wet metric tonnes	% Fe	% SiO2	% Al2O3	% P	Millions of wet metric tonnes	% Fe	% SiO2	% Al2O3	% P						Millions of wet metric tonnes	% Fe	% SiO_2	% Al_2O_3	% P	
6	Bld. Dep. 4	Iron Ore	105.00	65.65	1.97	1.62	-	2.96	65.65	1.97	1.62	-						107.96	65.65	1.97	1.62	-	

Mineral Resource - Diamonds

S.No.	Commodity Deposit	Ore Type	Measured Mineral Resource (331)		Indicated Mineral Resource (332)		Inferred Mineral Resource (333)		Total Mineral Resource		Company's Percentage Interest in mine
			Millions of dry metric tonnes	Carats per tonne	Millions of dry metric tonnes	Carats per tonne	Millions of dry metric tonnes	Carats per tonne	Millions of dry metric tonnes	Carats per tonne	
7	Panna Diamond	Diamond	0	0	3.58	0.086	2.38	0.086	5.96	0.086	100 %

NMDC RESOURCES AS ON 31.12.2009 AS PER UNFC CODE

Other Material Commodities : Magnesite and Limestone

	Commodity Deposit	Ore Type	Feasibility Mineral Resource(211)				Pre-Feasibility Mineral Resource (221+222)				Inferred Mineral Resource (333)				Total Mineral Resource				Company's Percentage Interest in mine
			Millions of wet metric tonnes	% MgO	% SiO2	% CaO	Millions of wet metric tonnes	% MgO	% SiO_2	% CaO	Millions of wet metric tonnes	% MgO	% SiO_2	% CaO	Millions of wet metric tonnes	% MgO	% SiO_2	% CaO	
		G-I Magnesite	0.60	45.20	0.63	2.10	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.60	45.20	0.63	2.10	
8	Panthal Magnesite	G-II Magnesite	0.00	0.00	0.00	0.00	0.10	39.50	1.20	9.84	0.00	0.00	0.00	0.00	0.10	39.50	1.20	9.84	
	Total		0.60	45.20	0.63	2.10	0.10	39.50	1.20	9.84	0.00	0.00	0.00	0.00	0.70	44.39	0.71	3.21	74%

	Commodity Deposit	Ore Type	Feasibility Mineral Resource(211)					Pre-Feasibility Mineral Resource (221+222)					Inferred Mineral Resource (333)					Total Mineral Resource					Company's Percentage Interest in mine
			Millions of wet metric tonnes	% CaO	% SiO2	% MgO	Acid Insol.	Millions of wet metric tonnes	% CaO	% SiO_2	% MgO	Acid Insol.	Millions of wet metric tonnes	% CaO	% SiO_2	% MgO	Acid Insol.	Millions of wet metric tonnes	% CaO	% SiO_2	% MgO	Acid Insol.	
		Limestone																					
9	Arki Limestone	Low silica limestone	0	0	0	0	0	21.13	53.38	0.71	1.36	0.95	0	0	0	0	0	21.13	53.38	0.71	1.36	0.95	100 %

DECLARATION

We, the undersigned, hereby certify that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines and regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Prospectus are true, fair, accurate and correct.

Signed by all the Directors

Sd/-

Shri Rana Som
Chairman-cum-Managing Director

Sd/-

Shri V.K.Sharma
Director (Commercial)

Sd/-

Shri S. Venkatesan
Director (Production)

Sd/-

Shri N.K.Nanda
Director (Technical)

Sd/-

Shri S. Thiagarajan
Director (Finance)

Sd/-

Shri U.P. Singh
Director, NMDC Limited & Joint Secretary, Ministry of Steel

Sd/-

Shri R.N. Aga
Director

Sd/-

Dr. (Mrs.) Indira Misra
Director

Sd/-

Ms. Teresa Bhattacharya
Director

Sd/-

Shri Y.K. Sharma
Director

Sd/-

Shri Abdul Kalam
Director

Sd/-

Shri K.S. Raju
Director

Signed by the Selling Shareholders on behalf of President of India, acting through the Ministry of Steel, Government of India

Sd/-
Name: Shri U. P. Singh
Designation: Joint Secretary, Ministry of Steel

Place: New Delhi

Date: March 15, 2010