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RED HERRING PROSPECTUS
Please read Sections 60 and 60B of the Companies Act,
Dated November 15, 2010
Book Building Offer

MOIL LIMITED

Our Company was originally incorporated under the Companies Act, as amended, on June 22, 1962 under the name 'Manganese Ore (India) Limited'. The name of our Company was changed to MOIL Limited and a fresh certificate of incorporation was issued consequent upon change of name on August 17, 2010. Presently, the Registered Office is situated at Nagpur, Maharashtra. For details of the change in the Registered Office, see "***History and Certain Corporate Matters***" on page 98 of this Red Herring Prospectus.

Registered and Corporate Office: 'MOIL Bhavan', 1-A, Katol Road, Nagpur – 440 013, Maharashtra, India.; **Telephone:** +91 712-2806100/216; **Facsimile** +91 712-2591661;
Company Secretary and Compliance Officer: Mr. Neeraj Dutt Pandey; **Telephone**: +91 712-2806100/208; **Facsimile:** +91 712-2591661;
E-mail: ipo@moil.nic.in; **Website:** www.moil.nic.in

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

PUBLIC OFFERING OF 33,600,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF MOIL LIMITED ("MOIL" OR "OUR COMPANY") AT A PRICE BAND OF ₹ [•] TO ₹ [•], AGGREGATING UP TO ₹ [●] MILLION THROUGH AN OFFER FOR SALE FOR CASH BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF STEEL, GOVERNMENT OF INDIA, THE GOVERNOR OF THE STATE OF MAHARASHTRA ACTING THROUGH THE INDUSTRIES, ENERGY AND LABOUR DEPARTMENT, GOVERNMENT OF MAHARASHTRA AND THE GOVERNOR OF THE STATE OF MADHYA PRADESH ACTING THROUGH THE FINANCE DEPARTMENT, GOVERNMENT OF MADHYA PRADESH (INDIVIDUALLY A "SELLING SHAREHOLDER" AND COLLECTIVELY THE "SELLING SHAREHOLDERS"). THE OFFER COMPRISES OF A NET OFFER TO THE PUBLIC OF 32,928,000 EQUITY SHARES (THE "NET OFFER") AND A RESERVATION OF 672,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER AND NET OFFER SHALL CONSTITUTE 20 % AND 19.6 % OF THE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY[1]. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WIDELY ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE.

*[1] The Selling Shareholders in consultation with the BRLMs shall offer a discount of 5% to the Offer Price determined pursuant to the completion of the Book Building Process to the Eligible Employees and Retail Individual Bidders ("**Retail and Employee Discount**") and such discount will be advertised in all editions of Indian Express, Financial Express & Jansatta and Nagpur edition of Loksatta. The excess amount paid at the time of bidding shall be refunded to the Retail Individual Bidders and Eligible Employees*

If the Price Band is revised, the Bid/ Offer Period will be extended for a minimum of three additional Working Days after such revision, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks, ("**SCSBs**"), the Bombay Stock Exchange Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), by issuance of a press release, and also by indicating such changes on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate.

This Offer is in terms with Rule 19 (2) (c) of the Securities Contract Regulation Rules, 1957, as amended, for less than 25% of the post Offer Equity Share capital of our Company. This Offer is being made through the Book Building Process in compliance with the provisions of Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, (the "**SEBI ICDR Regulations**"), wherein at least 50% of the Net Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**" and such portion, the "**QIB Portion**"). Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider allocating up to 30% of the QIB Portion to Anchor Investors (the "**Anchor Investor Portion**"), out of which at least one third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion ("**Net QIB Portion**"). Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. In the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs (including Mutual Funds) subject to valid Bids being received from them at or above the Offer Price. If at least 50 % of the Net Offer cannot be Allotted to QIBs, all the application monies will be refunded forthwith. 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 at or above the Offer Price.

Further 672,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees (as defined hereafter), subject to valid Bids being received from them at or above the Offer Price. Bidders may participate in the Offer through the ASBA process by providing the details of the bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention of investors is invited to "***Offer Procedure***" on page 216 of this Red Herring Prospectus.

RISK IN RELATION TO FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times the face value. The Offer Price (as determined by the Selling Shareholders and our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through a Book Building Process and as stated in ***"Basis for the Offer Price"*** on page 43 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading market in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

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 our Company and the Offer, including the risks involved. The Equity 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 Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page xiii of this Red Herring Prospectus.

IPO GRADING

Pursuant to the SEBI ICDR Regulations, the Offer has been graded by Credit Analysis and Research Limited and has been assigned a grade of CARE IPO Grade 5 indicating strong fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. For more information on the IPO Grading, see "***General Information***" on page 19 of this Red Herring Prospectus.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Each of our Company and the Selling Shareholders, having made all reasonable inquiries, accept responsibility for and confirm that this Red Herring Prospectus contains all information with regard to our Company, the Selling Shareholders and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects, that the opinions and intentions expressed herein are honestly held and that each of our Company and the Selling Shareholders are not aware of other facts, the omission of which makes this Red Herring 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 Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approvals from BSE and the NSE for the listing of our Equity Shares pursuant to their letters dated October 1, 2010 and October 19, 2010, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
EDELWEISS CAPITAL LIMITED 14th Floor, Express Towers, Nariman Point, Mumbai - 400 021, India. **Telephone :** +91 22 4086 3535 **Facsimile :** +91 22 4086 3610 **E-mail :** moil.ipo@edelcap.com **Investor Grievance E-mail :** customerservice.mb@edelcap.com **Website :** www.edelcap.com **Contact Person :** Jibi Jacob/ Vishal Gupta **SEBI Registration No :** INM0000010650	**IDBI CAPITAL MARKET SERVICES LIMITED** 5th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021, India **Telephone :** +91 22 4322 1212 **Facsimile :** +91 22 2285 0785 **E-mail :** moil.ipo@idbicapital.com **Investors Grievance Email :** redressal@idbicapital.com **Website :** www.idbicapital.com **Contact Person :** Piyush Bansal/ Subodh Mallya **SEBI Registration No :** INM000010866	**J.P. MORGAN INDIA PRIVATE LIMITED** J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, India **Telephone :** +91 22 6157 3000 **Facsimile :** +91 22 6157 3911 **E-mail :** moil_ipo@jpmorgan.com **Investors Grievance Email :** investorsmb.jpmipl@jpmorgan.com **Website :** www.jpmipl.com **Contact Person :** Prateek Trehan **SEBI Registration No :** INM000002970	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot no. 17 – 24, Vittalrao Nagar Madhapur, Hyderabad – 500 081, India **Telephone :** +91 40 2342 0815 **Facsimile :** +91 40 2343 1551 **Email**: moil.ipo@karvy.com **Investor Grievance ID :** moil.ipo@karvy.com **Website :** http://karisma.karvy.com **Contact Person :** M. Murali Krishna **SEBI Registration No. :** INR000000221

BID/OFFER PROGRAMME

FOR ALL BIDDERS	**OFFER OPENS ON FRIDAY, NOVEMBER 26, 2010[1]**
FOR QIBs	**OFFER CLOSES ON TUESDAY, NOVEMBER 30, 2010[2]**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**OFFER CLOSES ON WEDNESDAY, DECEMBER 1, 2010**

[1]Our Company and the Selling Shareholders may, consider participation by Anchor Investors. Anchor Investors shall submit their Bid one day prior to the Bid/ Offer Opening Date.
[2] The QIB book will close one day prior to the Bid/ Offer Closing Date

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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.

Unless the context otherwise indicates, all references in this Red Herring Prospectus to "our Company" or to "MOIL" are to MOIL Limited, a public limited company incorporated under the Companies Act and all references in this Red Herring Prospectus to "we" or "us" or "our" are to our Company and the joint venture companies, on a consolidated basis.

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, Shah Baheti Chandak and Co., Chartered Accountants.
Board or Board of Directors	The board of directors of our Company or a committee constituted thereof.
CPMO	Central Provinces Manganese Ore Company Limited, a British company incorporated in the United Kingdom.
Director(s)	The directors of our Company.
Equity Shares	The equity shares of our Company of face value ₹ 10 each.
GoM	The State Government of Maharashtra
GoMP	The State Government of Madhya Pradesh
Investor Grievance Committee	The Shareholders/ Investor Grievance Committee constituted by the Board on September 10, 2010.
Joint Ventures	The joint ventures of our Company as referred to in "***History and Certain Corporate Matters-Joint Ventures***" on page 102 of this Red Herring Prospectus.
Key Management Personnel	The personnel listed as key management personnel in "***Our Management- Key Management Personnel***" on page 121 of this Red Herring Prospectus.
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended.
Promoter	The President of India, acting through the Ministry of Steel, Government of India.
Promoter Group	In addition to our Promoter, includes such persons and entities constituting our promoter group pursuant to Regulation 2 (1)(zb)(d) of the SEBI ICDR Regulations namely the Governor of the state of Madhya Pradesh, acting through the Finance Department, Government of Madhya Pradesh and the Governor of the state of Maharashtra, acting through the Industries, Energy and Labour, Government of Maharashtra.
Registered and Corporate Office	The registered and corporate office of our Company, located at MOIL Bhawan, 1-A, Katol Road, Nagpur-440 013, Maharashtra, India.
RMFA	RINL MOIL Ferro Alloys (Private) Limited - a joint venture company registered under the Companies Act and promoted by our Company and Rashtriya Ispat Nigam Limited.
RoC or Registrar of Companies	The Registrar of Companies, Maharashtra, Mumbai located at Mumbai.
Selling Shareholders	The President of India, acting through the Ministry of Steel, Government of India, Governor of Madhya Pradesh, acting through the Finance Department, Government of Madhya Pradesh and the Governor of Maharashtra, acting through the Industries, Energy and Labour, Government of Maharashtra
SMFA	SAIL MOIL Ferro Alloys (Private) Limited - a joint venture company registered under the Companies Act and promoted by our Company and Steel Authority of India Limited.

Offer Related Terms

Term	Description
Allotment Advice	In relation to Bidders other than Anchor Investors, the note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after discovery of the Offer Price in accordance with the Book Building Process, including any revisions thereof.
Allotted/Allotment/Allot	The transfer of the Equity Shares to successful Bidders pursuant to the Offer.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer, who makes a minimum Bid of ₹ 100 million under the Anchor

Term	Description
	Investor Portion.
Anchor Investor Bidding Date/ Period	The date one day prior to the Bid/ Offer Opening Date, prior to or after which the Syndicate will not accept any Bids from Anchor Investors.
Anchor Investor Portion	Equity Shares representing up to 30% of the QIB Portion, available for allocation to Anchor Investors at the Anchor Investor Price in accordance with the SEBI ICDR Regulations.
Anchor Investor Price	The price at which Allotment is made to Anchor Investors in terms of the Red Herring Prospectus, which shall be higher than or equal to the Offer Price, but not higher than the Cap Price.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder.
ASBA Bidders	Prospective investors in this Offer, not being Anchor Investors, who intend to Bid/ apply through the ASBA process.
ASBA Form/ 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 or Application Supported by Blocked Amount	The application (whether physical or electronic) used to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Revision Form	The forms used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms (if submitted in physical form).
Banker(s) to the Offer/ Escrow Collection Banks	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 HDFC Bank Limited, Kotak Mahindra Bank Limited, ICICI Bank Limited, The Hongkong and Shanghai Banking Corporation, State Bank of India, IDBI Bank Limited, Punjab National Bank, Syndicate Bank, Bank of India
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Offer which is described in '***Offer Procedure- Basis of Allotment***' on page 240 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/ Offer Period by the Anchor Investors, to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto.
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 a Bidder (other than an ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus and which will be considered as an application for Allotment.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form or the ASBA Form, as the case may be.
Bid/ Offer Closing Date	Except in relation to Anchor Investors, the date after which the members of the Syndicate and SCSBs will not accept any Bids for the Offer and which shall be notified in one English national newspaper, one Hindi national newspaper and one Marathi newspaper, each with wide circulation and in case of any revision, the extended Bid/ Offer Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. In case of QIBs, the Bid/ Offer Period will close one day prior to the Bid/ Offer Closing Date.
Bid/ Offer Opening Date	Except in relation to Anchor Investors, the date on which the members of the Syndicate and SCSBs start accepting Bids for the Offer and which shall be notified in one English national newspaper, one Hindi national newspaper and one Marathi newspaper, each with wide circulation and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
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 (excluding Anchor Investors) can submit their Bids, including any revisions thereof.
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 cum Application Form (in case of an ASBA Bidder).
Bidding Centres	A centre for acceptance of the Bid cum Application Form.
Book Building Process	The book building process as described in Schedule XI of the SEBI ICDR 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 Edelweiss Capital Limited, IDBI Capital Market Services Limited and J.P. Morgan India Private Limited.
CAN or Confirmation of Allocation Note	In relation to Anchor Investors, the note or advice or intimation including any revisions thereof, sent to each successful Anchor Investors indicating the Equity Shares allocated after discovery of the Anchor Investor Price.
Cap Price	The higher end of the Price Band in this case being [●], and any revisions thereof, above which the Offer Price will not be finalized and above which no Bids will be accepted.
Client ID	Client identification number of the Bidder's beneficiary account.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Offer by the ASBA Bidders with the Registrar to the Offer and the Stock Exchanges and a list of which is available at

Term	Description
	http://www.sebi.gov.in/pmd/scsb.pdf. or any such other website as may be prescribed by SEBI from time to time
Cut-Off Price	Any price within the Price Band finalized by the Selling Shareholders and our Company in consultation with the BRLMs at which only Retail Individual Bidders and Eligible Employees will be eligible for the Retail and Employee Discount.
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depository Participant or DP	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form, a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf or any such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSB is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated September 27, 2010 filed with SEBI.
Eligible Employee	A permanent and full-time employee of our Company or a Director of our Company (excluding any person not eligible under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India as on the date of submission of the Bid cum Application Form/ASBA Form and who continue to be in the employment of our Company until submission of the Bid cum Application Form/ASBA Form. An employee of our Company who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form/ ASBA Form will also be deemed a 'permanent employee' of our Company.
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 Bid on the basis of the terms thereof.
Employee Reservation Portion	The portion of the Offer, being 672,000 Equity Shares, available for allocation to Eligible Employees on a proportionate basis. The Employee Reservation Portion is 0.4 % of the post-Offer paid up capital of our Company.
Escrow Account	Account(s) opened with the Escrow Collection Bank(s) and in whose favor the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount.
Escrow Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and, where applicable, remitting refunds of the amounts collected to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof.
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 or the ASBA Revision Form.
Floor Price	The lower end of the Price Band in this case being [●], below which the Offer Price will not be finalized and below which no Bids will be accepted and which shall not be lesser than the face value of the Equity Shares, including revisions thereof.
GIR number	General index registration number.
IPO Grading Agency or CARE	Credit Analysis and Research Limited, the credit rating agency appointed by our Company for grading this Offer.
Listing Agreement	Our Company's equity listing agreements entered into with the stock exchanges.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only.
Net Offer	The Offer less the Employee Reservation Portion.
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors, to be allocated to QIBs (including Mutual Funds) on a proportionate basis.
Non-Institutional Bidders	All Bidders (including Sub-Accounts which are foreign corporates or foreign individuals) who are not Qualified Institutional Buyers, Retail Individual Bidders or Eligible Employees Bidding under Employee Reservation Portion.
Non-Institutional Portion	The portion of the Offer, being not less than 15% of the Net Offer or 4,939,200 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.

Term	Description
Offer Agreement	The agreement entered into on September 23, 2010 among our Company, the Selling Shareholders and the BRLMs.
Offer Price	₹ [●] per Equity Share, being the final price within the Price Band finalized by the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers, at which the Equity Shares will be transferred, in terms of the Red Herring Prospectus and the Prospectus, by the Selling Shareholders at the Pricing Date.
Offer/ Offer for Sale	Public offer of 33,600,000 Equity Shares through an offer for sale by the Selling Shareholders for cash at a price of ₹ [●] per Equity Share, aggregating up to ₹ [●] million, consisting of the Net Offer and the Employee Reservation Portion.
Price Band	The price band between the Floor Price and Cap Price, including any revisions thereof.
Pricing Date	The date on which the Selling Shareholders and our Company in consultation with the BRLMs will finalize the Offer Price.
Prospectus	The prospectus of our Company to be filed with the RoC relating to the Offer post the Pricing Date pursuant to Section 60 B of the Companies Act, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process on the Pricing Date, including any corrigendum 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 Portion	The portion of the Offer, being not less than 50% of the Net Offer or not less than 16,464,000 Equity Shares, available for allocation to QIBs on a proportionate basis.
Qualified Institutional Buyers or QIBs	As defined under the SEBI ICDR 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 ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, insurance funds set up and managed by the army, the navy or the air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Red Herring Prospectus or RHP	This red herring prospectus issued by our Company in accordance with Sections 60 and 60B of the Companies Act and the SEBI ICDR Regulations which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The Red Herring Prospectus will become a Prospectus upon filing with the RoC after the Pricing Date.
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, Kotak Mahindra Bank Limited and State Bank of India
Registrar to the Offer/Registrar	Karvy ComputerShare Private Limited
Registrar's Agreement	The agreement entered into on September 23, 2010 among our Company, the Selling Shareholders 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 applying through their Karta's and NRIs) who have Bid for the Equity Shares for an amount less than or equal to ₹ 200,000 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 11,524,800 Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders other than ASBA Bidders to modify the quantity of Equity 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 http://www.sebi.gov.in/pmd/scsb.pdf or any such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	The BSE and the NSE.
Sub- Account	Sub-accounts of FIIs registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995 as amended from time to time.
Syndicate Agreement	The agreement among the members of the Syndicate, our Company, the Registrar to the Offer and the Selling Shareholders in relation to the collection of Bids in the Offer (excluding Bids by the ASBA Bidders).
Syndicate Members	Intermediaries registered with the SEBI permitted to carry out activities as an underwriter, in this case being Edelweiss Securities Limited

Term	Description
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Members.
Transaction Registration Slip or TRS	The slip or document issued by a member of the Syndicate or the SCSBs (only on demand) to a Bidder as proof of registration or revision of the Bid.
Underwriters	BRLMs and the members of the Syndicate.
Underwriting Agreement	The agreement among our Company, the Selling Shareholders and the Underwriters to be entered into on or after the Pricing Date.
Working Day(s)	All days except Sunday and any public holiday except during the Bid/ Offer Period where a working day means all days other than a Saturday, Sunday or a public holiday on which banks in Mumbai are open for business.

Conventional / General Terms and Abbreviations

Term	Description
₹ or Rs. or INR	Indian Rupees.
Act or Companies Act	Companies Act, 1956, as amended.
Air Act	Air (Prevention and Control of Pollution) Act, 1981, as amended.
ALC	Assistant Labour Commissioner.
AO	Assessing officer.
AS	Accounting Standard.
Bhilai	Bhilai Steel Plant
BSE	The Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
CESTAT	Customs Excise and Service Tax Appellate Tribunal.
CIT	Commissioner of Income Tax.
CLRA or Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
CSR	corporate social responsibility
CY	calendar year
Depositories Act	Depositories Act, 1996, as amended.
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.
DGMS	Directorate General of Mines Safety
DIN	Director Identification Number.
DP ID	Depository Participant's Identity.
DPE	Department of Public Enterprises.
DPE's OM	Department of Public Enterprises Office Memorandum.
EDP	electronic data processing
EGM	Extraordinary general meeting of the shareholders of our Company.
ENRC	Eurasian Natural Resources Corporation
Environment Act	The Environment (Protection) Act, 1986, as amended.
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.
ERP	enterprise recourse planning
ESI Act	The Employees State Insurance Act, 1948, as amended.
ESOP	Employees' stock option plan.
Factories Act	Factories Act, 1948, as amended.
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, as amended, 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.
Fiscal/FY	period of 12 months ended March 31, 2010 of that particular year
Forest Act	Forest (Conservation) Act, 1980, as amended.
FVCI	Foreign Venture Capital Investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.

Term	Description
GDP	Gross Domestic Product.
GoI	The Government of India.
GPS	global positioning systems
Ha	Hectares
Hazardous Wastes Rules	The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
HUF	Hindu Undivided Family.
IBM	Indian Bureau of Mines
IFRS	International Financial Reporting Standards.
IIP	Index of Industrial production
Indian GAAP	Generally Accepted Accounting Principles in India.
IPO	Initial Public Offering.
IT Act	Income Tax Act, 1961, as amended.
JPY	Japanese Yen.
JVC	Joint Venture Company
LIC	Life Insurance Corporation of India.
MCA or MoCA	Ministry of Corporate Affairs.
MF	Mutual Funds.
Million	1,000,000.
Mines Act	Mines Act, 1952, as amended.
Minimum Wages Act	Minimum Wages Act, 1963, as amended.
MMDR Act	Mines and Minerals (Regulation and Development) Act, 1957, as amended.
MMR 1961	The Metalliferous Mines Regulations, 1961
MNRE	Ministry of New and Renewable Energy.
MoEF	Ministry of Environment and Forests.
MoS	Ministry of Steel.
MoU	Memorandum of Understanding.
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.
OHSAS	Occupational Health and Safety Management System
PAN	Permanent Account Number allotted under the IT Act.
PAT	Profit after tax.
PIO	Public Information Officer.
PL	prospecting license
R&D	research and development
RBI	The Reserve Bank of India.
RINL	Rashtriya Ispat Nigam Limited
RMMS	Rashtriya Manganese Mazdoor Sangh
RoNW	Return on net worth.
RP	Reconnaissance Permit
RTGS	Real Time Gross Settlement.
RTI Act	Right to Information Act, 2005, as amended.
SAIL	Steel Authority of India Limited.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended.
SEC	Securities and Exchange Commission.
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

Term	Description
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.
VSAT	very small aperture terminal
w.e.f.	With effect from.
Water Act	Water (Prevention and Control of Pollution) Act, 1974, as amended.
Water Cess Act	Water (Prevention and Control of Pollution) Cess Act, 1977, as amended.

Technical and Industry Related Terms

Term	Definition
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.
BF	Blast Furnace
ChCr	Charge Chrome
cu.m	cubic meter
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.
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.
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.
EMD	Electrolytic Manganese Di-oxide
Exploration	Prospecting, sampling, mapping, drilling and other work involved in searching for ore.
FeMn	Ferro Manganese, a ferro alloy with a high content of manganese
FeSi	Ferro Silicon
Grade	Proportion (by weight) of the valuable element within the mineralized rock.
HC	high carbon
HCFeCr	High Carbon Ferro Chrome
HCFeMn or HCFM	High Carbon Ferro Manganese
HEMM	Heavy Earth Moving Machinery
IFAPA	Indian Ferro Alloys Producers' Association
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.
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.
km	kilometers
LC	low carbon
Lc Fe Cr	low carbon ferro chrome
LHD	Load Haul Dumper

Term	Definition
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).
Magnetic Separation	A process in which magnetically susceptible material is extracted from a mixture using a magnetic force.
Manganese or Mn	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.
MC	medium carbon
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.
Metamorphic Rock	The result of the transformation of an existing rock type, the protolith, in a process called metamorphism, which means 'change in form'.
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.
Mineralization	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.
MW	megawatts
OMS	Output Per Manshift
Open-cast Mine	A mine that is entirely on the surface. Also referred to as an open-cut 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.
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.
Ref FeMN	refined ferro manganese
Refined Hc Fe Cr	refined high carbon ferro chrome
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 Mines
SDL	Side Discharge Loader

Term	Definition
SiMn	Silico Manganese
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.
t or tonne	Metric tonne equivalent to 2,204.6 lb or 1,000 kilogrammes.
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.
Total Reserves	That part of the reserves from a mine which our 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 Red Herring Prospectus to "India" are to the Republic of India. All references in this Red Herring 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 Red Herring Prospectus is derived from our audited restated standalone financial statements as of and for the half year ended September 30, 2010 and 2009 and as of and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 prepared in accordance with Indian GAAP and the Companies Act and adjusted in accordance with the SEBI ICDR Regulations, as stated in the report of our Auditors, included in "***Financial Information***" on page 129 of this Red Herring 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 Red Herring 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 Red Herring 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 ICDR Regulations on the financial disclosures presented in this Red Herring 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." or "₹" 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 Red Herring 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 Red Herring 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 Red Herring 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.

Fiscal	Period End (₹)	Period Average (₹)
2006	44.61	44.28
2007	43.59	45.29
2008	39.97	40.24
2009	50.95	45.91
2010	45.14	47.42
April 1, 2010 to September 30, 2010	44.92	46.09

Source: www.rbi.org.in

NOTICE TO INVESTORS

United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and, unless so registered, 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 ("**Regulation S**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring 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 this Red Herring Prospectus as "**QIBs**"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

European Economic Area

This Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the offer contemplated in this Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the Underwriters to produce a prospectus for such offer. None of the Underwriters and our Company has authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers relating to the Equity Shares contemplated in this Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

We have included statements in this Red Herring 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, 64 and 129, respectively, of this Red Herring 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 Red Herring Prospectus. Neither our Company, the Selling Shareholders 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 BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks or any of the other risks and uncertainties discussed in this Red Herring Prospectus actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. These risks and uncertainties are not the only issues that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effect of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Offer, including the merits and risks involved.

Unless otherwise stated, the financial information of our Company used in this section is derived from our audited standalone financial statements under Indian GAAP, as restated.

PART I. INTERNAL RISKS

Risks Relating to our Business and Operations

1. ***Information relating to our reserve and resource base included in this Red Herring Prospectus are estimates, and our actual production, revenues and expenditure with respect to our reserves and resources may differ materially from these estimates.***

   Our future performance depends on, among other things, the accuracy of our estimates of our reserve and resource base. We base our estimates of our reserve and resource base on geological, engineering and economic data collected and analyzed by our internal team of geologists and mining engineers. We follow the United Nations Framework Classification for Fossil Energy and Mineral Resources ("**UNFC Framework**"). In connection with this Offer, IMC, an independent mining and geological consultancy firm, has prepared a report in connection with the validation and audit of our resource and reserves. IMC has reviewed the practice and estimation methods undertaken by us for reporting resources and reserves and has reviewed our resources and reserves in accordance with the criteria for internationally recognized reserve and resource categories of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004) (the "**JORC Code**"). The report prepared by IMC dated October 30, 2010 (the "**JORC Report**") is annexed to this Red Herring Prospectus as Annexure I.

   The methodology followed for manganese ore reserve and resource estimation and classification under the UNFC Framework is different from, and may not be comparable with, that followed under the JORC Code. For example, the UNFC Framework provides for many more categories of recoverable minerals than the JORC Code. In particular the UNFC Framework includes Feasibility Mineral Resources, Pre-Feasibility Mineral Resources and Reconnaissance Mineral Resources. In addition, while the JORC Code takes into account geological and economic considerations, the UNFC Framework involves a third dimension, reflecting the degree of assurance of resource/reserve estimates with respect to economic viability. In addition, the reserve and resource information included in this Red Herring Prospectus is not intended to, and may not be in compliance with, the reporting requirements of the Securities Exchange Commission of the United States.

   We have historically followed the UNFC Framework for our reserve and resource base estimation, and intend to continue to follow the UNFC Framework for such reserve and resource base estimation and reporting as a listed company following this Offer. Consequently, your ability to evaluate our reserve and resource base following this Offer will be dependent upon your familiarity with the UNFC Framework. Additionally, any estimates of reserves and resources that we may prepare following this Offer may not provide you with a basis for comparison of our estimated reserve and resource base with that of other listed mining companies.

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 our mining and production subsequent to the date of an estimate may lead to revision of estimates. If our reserve estimates differ materially from mineral quantities that we 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, we may need to revise our manganese ore reserves downwards, which may adversely affect the life of mine plans, and consequently affect the aggregate value of our mining asset base.

There are various factors and assumptions inherent in the estimation of our reserve and resource base and the cost associated with mining such reserves that may materially differ from actual production, revenues and expenditure with respect to our reserves. These factors and assumptions include: interpretation of geological and geophysical data; geological and mining conditions, which may not be fully identified by available exploration data and/or may differ from our experiences in areas where we currently mine; quality of the manganese ore and the percentage of manganese ore ultimately recoverable; the assumed effects of regulation, including the issuance of required permits, and taxes, including royalties, and other payments to governmental agencies; assumptions concerning the timing for the development of the reserves; and assumptions concerning equipment and productivity, future manganese ore prices, operating costs, including for critical supplies such as fuel and explosives, capital expenditures and development costs. Many of the factors, assumptions and variables involved in estimation of our reserve and resource base are based on data that are currently available and subject to variations over time.

No information relating to our reserve and resource base included in this Red Herring Prospectus should be interpreted as assurance of the economic lives of our manganese ore reserves and resources or the profitability of our future operations. Any material inaccuracy in, or future variations from, our estimates related to our reserves and resources could result in decreased profitability from lower than expected revenues and/or higher than expected costs, which could adversely affect our business prospects, financial condition and the price of our Equity Shares. You should therefore not place undue reliance on the manganese ore reserve and resource data contained in this Red Herring Prospectus.

2. ***Prices and sales volumes for our manganese ore and manganese products are dependent on the steel industry, and any decrease in such demand or prices could adversely affect our revenues and results of operations.***

Sales prices and volumes in the manganese ore mining industry depend mainly on the prevailing and expected level of demand for manganese ore in the 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 manganese ore. Historically, international prices for manganese ore has 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 the steel industry and various other factors beyond our control. The price of manganese is directly affected by the steel industry, which is cyclical in nature. The prices of steel products are influenced by many factors, including demand, worldwide production capacity, capacity-utilization rates, raw-material costs, exchange rates, trade barriers and improvements in steel-making processes.

Any significant decrease in demand for steel products or decline in the price of these products could result in reduced manganese ore demand and manganese ore prices which could significantly reduce our revenues, thereby materially and adversely affecting our business, financial condition, results of operations and prospects. The recent global market fluctuations and economic downturn affected the steel industry internationally, including in India, resulting in a decrease in the demand and prices for manganese ore in 2009. For example, prices of manganese ore fell sharply in the latter part of Fiscal 2009, which impacted our sales prices and our revenues for that period. Commodity prices and the market for manganese ore may continue to be volatile and subject to wide fluctuations in the future. Prices also may be affected by various circumstances, including speculative trades, government actions, including the imposition of tariffs and import duties, an increase in capacity or an oversupply of manganese ore and manganese products or the development of product substitutes or replacements. These external factors and the volatility of the commodity markets make it difficult to estimate future prices.

Furthermore, we do not hedge or mitigate our exposure to the risk of fluctuations in the prices of our products. As a result, a decline in the prices we receive for manganese ore or in the market for manganese ore would adversely affect our revenues and results of operations, and a sustained drop in prices for manganese ore or our other products would have a material adverse effect on our business, financial condition, results of operations and prospects.

3. ***Our operations are subject to various risks inherent to mining operations and related activities, which could result in materially increased operating expenses, decreased production levels, as well as significant occupational hazards. Further, our insurance coverage may prove inadequate to satisfy potential claims against us resulting from such risks and hazards, which may affect our financial condition.***

Our mining operations are subject to a number of operating risks involving conditions and events that could increase our operating expenses and decrease our production levels. These conditions and events include, among others: poor mining conditions resulting from geological, hydrologic or other conditions; adverse weather and natural disasters, such as heavy rains, flooding and other natural events affecting operations, transportation or customers; the unavailability of skilled and qualified labor and contractors; the unavailability of materials, equipment (including heavy earthmoving machinery) or other critical supplies such as explosives, fuel, lubricants and other consumables of the type or quantity required to meet production expectations; the lack of capacity of, and longer distances from rail and road transportation facilities and rail and road transportation delays or interruptions; delays, challenges to, and difficulties in acquiring, maintaining or renewing necessary permits, including environmental permits, or mining or surface rights; accessibility of project sites; delays or difficulties in, the unavailability of, or unexpected increases in the cost of acquiring or developing new mining reserves and surface rights; competition and/or conflicts with other natural resource extraction activities and production within our operating areas; a major incident or accident at a mine site, that causes all or part of the operations of a mine to cease for a period of time or explosions or inundations in underground mines; unexpected equipment failures and maintenance problems; law and order problems; loss of man days due to labor problems; power interruptions; and current and future health, safety and environmental regulations or changes in interpretation or implementation of current regulations. The occurrence of any of these conditions and events may materially increase our cost of mining operations and delay or disrupt production at particular mines, either permanently or for varying lengths of time, which could have a material adverse effect on our business, results of operations and financial condition, in particular, since our operations involve high fixed costs.

In addition, our business operations involve significant occupational risks and hazards that are inherent to mining activities and that may not be eliminated through the implementation of preventive measures, including the consequences, damages and disruptions resulting from the occurrence of natural disasters such as earthquakes, fire, severe weather, floods and power outages. Natural disasters or accidents can result in unexpected additional hazards, such as fires, explosions, mining and processing equipment failures, mine collapses, discharge of toxic gases, and damage or destruction of mining facilities. These risks and hazards could result in personal injury, grievous hurt or even death of our personnel, which could in turn result in litigation costs, damage to or destruction of properties, environmental damage, business interruption, legal liability and damage to our business reputation and corporate image.

Our existing insurance policies cover risks relating to explosives, fuel and lubricants, various machinery and plants, electricity generation stations and other stores and spares, see "***Our Business- Insurance***" on page 87 of this Red Herring Prospectus. Although we maintain this insurance in accordance with applicable Indian legal requirements, which we believe is typical in our industry, and in amounts which we believe to be commercially appropriate, we may become subject to liabilities, including liabilities for pollution or other hazards, against which we are not insured, are not adequately insured, or cannot be insured. Our insurance coverage may not cover the full extent of any claims made against us, including for environmental or industrial accidents or pollution. In addition, insurance against certain 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 such risks may involve additional costs relating to mine reclamation, rehabilitation of affected persons, environmental clean-up, disaster recovery and workers' compensation. In addition, any uninsured loss or damage to property, associated legal proceedings or business disruption may cause us to incur substantial costs and the diversion of resources, which could have a material adverse effect on our business, financial condition and results of operations. If we were to incur substantial liabilities or if our business operations were interrupted for a substantial period of time, we could incur costs and suffer losses. Our insurance policies contain certain exclusions and limitations on coverage which may result in our claims not being honoured to the extent of the losses or damages suffered by us. In addition, our insurance policies may not continue to be available at economically acceptable premiums, or at all. 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 our results of operations and financial condition.

4. ***If we are unable to successfully exploit our existing reserves and acquire and develop additional reserves or the ore mined is of a lower quality than expected, our business prospects and growth plans may be adversely affected.***

Our continuing growth and success depends on our ability to conduct successful exploration and development activities at our existing mines and to acquire and develop additional reserves. Our manganese ore reserves may not be capable of being mined at costs comparable to our current costs. Additionally, if we encounter geophysical or geological conditions different from that predicted by past exploration activities, sampling and similar examination, our reserve estimates may have to be adjusted downward. In the event that the manganese ore mined is of a lower quality than expected, the demand for, and realizable price of, our manganese ore may decrease, thereby affecting our profitability and financial condition.

Similarly, if we fail to acquire or develop additional economically viable reserves on a continuing basis in pace with our production levels, our existing reserves will decline and may eventually be depleted, which would adversely affect our business, results of operation and financial condition. Our strategy for increasing our manganese ore resources and reserves includes leveraging our exploration capabilities to enhance our reserve and resource base in India. However, there can be no assurance that our planned development and exploration projects and acquisition initiatives will result in additional reserves or that such reserves will result in profitable mining activities being able to be carried out at current production levels or at all. In particular, we may not be able to successfully identify new exploration areas with appropriate geophysical or geological conditions, or we may not receive prospecting licences for any such areas identified, thereby reducing our ability to locate further ore bodies. An area of 814.71 hectares in the State of Maharashtra has been reserved for us by a notification from the Ministry of Mines in October 2009. We have applied for prospecting licenses with respect to this area. In the event that this is not granted we may not be able to develop or carry out prospecting operations in these areas.

Exploration activities involve significant cost and we cannot assure you that we will be able to recover such 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. Our ability to acquire additional reserves in the future could be limited by restrictions under future debt agreements, competition from other manganese 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, we may not be able to accurately assess the geological characteristics of any reserves that we acquire. 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 prices may result in a reduction in the value of manganese ore reserves that we acquire, as a lower proportion of the mineral deposits contained therein would be economically exploitable at the lower prices. As a result, if we have not accurately assessed the geological characteristics of the reserves we acquire, or if a decrease in prices occurs subsequent to acquisition, we may not be able to obtain the economic benefits that we anticipated at the time of acquisition of reserves, which may adversely affect our results of operations and financial condition

5. ***Underground mining is particularly hazardous and subject to unexpected disruptions, resulting in higher production costs and capacity expansion constraints, all of which could adversely impact our strategy, financial condition and results of operations.***

Seven of the mines we currently operate are underground mines. Production of manganese ore from our underground mines represented 67.5% of our total production of manganese ore for the six months ended September 30, 2010. The weighted average cost of production per tonne of our underground mines is approximately 40% higher than the weighted average cost of production per tonne of our opencast mines.

Underground mining activities are inherently risky and hazardous. Specific risks associated with the underground mining operations include underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharge of gases or toxic chemicals, flooding, sinkhole formation and ground subsidence during underground drillings, removal and processing of manganese ore. There can be no assurance that accidents will not occur in the future, resulting in death, serious injury to our personnel or destruction of property and equipment. These conditions and events may materially increase our cost of mining operations and delay or disrupt production at particular mines, either permanently or for varying lengths of time, which could have a material adverse effect on our business, results of operations and financial condition, in particular, since our operations involve high fixed costs.

In addition, the cost of production of underground mines is significantly higher than that for open cast mines. Underground mines involve higher exploration costs, higher investment in equipment and technology as well as higher operating costs, compared to that involved in open cast mines. For example, our underground mining activities involve the hydraulic sand stowing system, which involves removal of manganese ore at each level and filling in such space with sand. Our unit production costs are significantly affected by production volumes given the relatively fixed nature of our cost base in the short term, and any inability to maximize capacity utilization could adversely impact our cost competitiveness. In addition, some of our mines are significantly old mines with deep shafts and we may not be able to achieve full mechanization of such mines. There can be no assurance that production costs related to our underground mining activities will not increase, which could adversely affect our ability to sustain or increase production levels, as well as our financial condition and results of operations.

Furthermore, production at deep underground mines cannot be adjusted to address increased demand as quickly as production from open cast mines, particularly because of technical requirements and safety norms and regulations. Capacity expansion in underground mines is therefore relatively constrained. There can be no assurance that such constraints will not prevent or delay the development of our mines and the expansion of our mining operations.

6. ***We may not be able to continue to meet the annual performance targets set by the Government, which may result in our losing our classification as a Mini Ratna public sector company and would have an adverse affect on our financial condition.***

At the beginning of each financial year, we enter into negotiations with the GoI, acting through the Ministry of Steel, and agree to certain performance targets relating to our operations and financial performance, the terms of which are set out in memoranda of understanding executed between the GoI and our Company. If we meet such performance targets, we are eligible for an 'Excellent' rating by the GoI. As a result of being granted 'Excellent' ratings for the years 1999-2008, we were granted *Mini Ratna* public sector company status in 2008. There can be no assurance that we will continue to meet these performance targets, and in the event of such failure, we may lose our status as a *Mini Ratna* public sector company. This would result in our loss of powers delegated to us by virtue of being classified as a *Mini Ratna* public sector company. For further details on the mechanism of this system of performance targets and ratings, please see "***History and Certain Corporate Matters- Major Events and Milestones***" on page 99 of this Red Herring Prospectus.

7. ***We are involved in several legal proceedings that, if determined against us, could have an adverse impact on our financial condition and results of operations.***

As on the date of filing of this Red Herring Prospectus, we are involved in several legal proceedings related to our business and operations, in particular,

- We are presently involved in a litigation whereby the GoMP has alleged that our Company had not obtained environmental clearance for the operation of the integrated manganese benefaction plant leading to a violation of applicable environmental laws in connection with the operation of our beneficiation facility at Balaghat;
- There is a public interest litigation filed against us whereby it is claimed that water supply scheme currently being implemented by our Company at our Balaghat Mine would deprive the local inhabitants of the area of their water resources, on which they are dependent for their lives and livelihood;
- We are involved in a litigation which has challenged the new wage agreement as entered into between our Company and our major labor union. It is alleged that the new wage agreement is void and illegal;

- In addition, we are involved in various proceedings relating to disputes with employees and workmen, land acquisition and land matters, civil and arbitration cases and tax related proceedings. These proceedings are currently pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. In the event of any adverse development, such as a change in applicable law and regulations and adverse rulings by the relevant courts or tribunals, we may need to make provisions with respect to such claims, which could increase our expenses and liabilities;
- There can be no assurance that these legal proceedings will be decided in our favor. Any adverse decision may have a material adverse effect on our business, reputation, financial condition and results of operations.

The various litigations against our Company may be summarized as follows:

Authority before which litigation/claim is pending	**No. of cases outstanding**	**Amount involved (₹ million)**
Government and regulatory authorities	25	22.95*
Courts	41	2.36*
Other litigations	1	28.20
Total	67	53.51*

* To the extent ascertainable.

Our outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable in the summary below.

Nature of the proceedings/ claims	**No. of cases outstanding**	**Amount involved (₹ million)**
Legal proceedings against our Company		
Employee-related proceedings	56	1.53*
Tax related proceedings	3	23.17*
Mining related matters	4	0.61*
Arbitration matters	1	28.20
Property Matters	3	Not ascertainable
Total	67	53.51*
Legal proceedings initiated by our Company		
Criminal proceedings	1	3.55
Tax related proceedings	8	104.25
Civil suits	2	64.17
Mining related matters	1	-
Employee related matters	13	0.11
Total	25	172.08

* To the extent ascertainable.

For further information relating to legal proceedings involving our Company, see "***Outstanding Litigation and Material Developments***" on page 154 of this Red Herring Prospectus.

8. ***Operating mines requires obtaining and maintaining leasehold rights, approvals and clearances based on a five-year plan, which are not granted in perpetuity. Further, our mining leases are typically granted for 20 years some of which, representing 23.1 % of the total number of mining leases, have expired and are in the process of renewal. Our business and operations are dependent on our ability to obtain, maintain and renew relevant mining leases. If we are not able to obtain, maintain and renew such mining leases, approvals and clearances on acceptable terms, or at all, our production and result of operations could be adversely affected.***

Our exploration and mining activities depend on the grant, renewal or continuance in force of mining leases of which some are valid only for a definite period of time and may provide for early termination. Operating mines requires obtaining and maintaining leasehold rights and approval of a five-year mining plan, which contains annual extraction limits, as well as stoping permissions, forest clearances and environmental approvals relating to the specific plans described in the mining plan. These rights are not granted in perpetuity. Our mining leases are typically granted for a period of 20 years. We have 26 mining leases with respect to our ten mines, of which six are currently in the process of renewal. We have applied for the renewal of these leases within 12 months prior to the expiry date. Pursuant to Rule 24A(6) of the Mineral Concession Rules, 1960, as amended, the mining leases are deemed to have been extended until the State Government approves renewal thereof, if the renewal application is made at least one year before the expiry of the lease. However, we have not yet received a formal notification of the renewal of these five mining leases from the relevant regulatory authorities. We have received notifications renewing certain areas under the four out of these five mining leases. 25 of our mining leases are due to expire within the next 12 years. For further details, see "***Government and Other Approvals- Mining Leases and Approvals***" on page 173 of this Red Herring Prospectus.

There can be no assurance in future that we will be able to obtain mining leases on acceptable terms or in a timely manner, or, if obtained, that such rights may not involve conditions that restrict our ability to conduct our operations or to do so profitably. Moreover, in India, entering into new mining leases or extending existing mining leases is time-consuming and requires the review and approval of several Indian governmental authorities. Furthermore, private individuals and the general public 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. Our mining leases contain various obligations and restrictions, including the requirement for commencing operations within two years of the grant of the lease and for seeking prior Government approval for assignment or any other form of transfer of the lease. If we breach these obligations, we may suffer adverse consequences, such as suspension or termination of mining lease, forfeiture of security deposit and notices from the State Government requiring us to pay the rent, royalty or remedy the breach within 60 days from the receipt of such notice. In case of repeated breach of the covenants, relevant government authorities may, without any further notice, impose such penalty not exceeding twice the amount of the annual dead rent. Dead rent is a fixed annual payment made under the MMDR Act by our Company. Once our Company becomes liable to pay royalty, either the dead rent or the royalty, whichever is higher, is paid. In addition, changing circumstances may require us to amend our mining leases. There can be no assurance that the relevant Indian regulatory authorities will agree to future amendments of our obligations. The loss of any of our mining leases would have a material adverse effect on our business, financial condition, results of operations and profits.

Although the percentage of total production represented by those areas of the mines for which licenses are pending is not considered significant by our Company, if any of the leases that have expired are not renewed by the GoI or the relevant State Government, our results of operations and financial condition, as well as mining prospects and future growth could be adversely affected.

We cannot assure you we will be able to renew all our leases, which will have a material adverse effect on our business, results of operations and financial condition. Also see "***Our operations are subject to extensive governmental and environmental regulations. Any failure to comply with such requirements, including obtaining required permits, approvals and leases, in a timely manner may adversely affect our operations. A number of our applications for licenses and approvals in relation to the operating of our mines and plants remain pending, representing 14.1% (excluding pending renewals) of our total licenses and approvals***" on page xxi of this Red Herring Prospectus.

9. We derive 51.5% of our revenues from our top ten customers. The loss of revenues from such customers, in particular, Maharashtra Elektrosmelt Limited and Bhilai Steel Plant, would have an adverse impact on our results of operations and financial condition.

Our top ten customers represented approximately 51.5% of our sales of manganese ore for Fiscal 2010. Our key customers include Maharashtra Elektrosmelt Limited and Bhilai Steel Plant ("**Bhilai**"), which are both state entities that are subsidiaries of SAIL and which together accounted for 22.1% of our manganese ore sales revenue in Fiscal 2010. There can be no assurance that any of the agreements with these customers will be entered into anew upon expiration thereof, or that any such new agreements will be entered into on terms and conditions satisfactory to us. If we fail to enter into new agreements on acceptable terms with any of our top ten customers, and in particular with our two key customers, our business, financial condition, results of operations and prospects could be materially and adversely affected.

10. ***Our sales contracts for manganese ore have durations of only three months, which could impact our results of operations.***

We enter into three month supply agreements with our customers for the sale of our manganese ore, which are tied to the fiscal quarters. We enter into fresh contracts at the beginning of each quarter. If we have difficulties entering into new contracts to replace our existing sales contracts for any particular quarter, our results of operations could be adversely affected, in particular, on a quarter-to-quarter basis.

11. ***If we are unable to acquire land and associated surface rights to access our reserves, we may be unable to mine our reserves which could materially and adversely affect our business, results of operations and financial condition.***

We are required to acquire the land and associated surface rights overlying our manganese ore reserves prior to commencing mining activities on such land. Such land acquisition is governed by the process stipulated under the Land Acquisition Act, 1894. There have been instances of litigation proceedings filed against us claiming additional compensation for such compulsory acquisition. We are involved in two such litigations currently. We also face continual encroachment and adverse possession of lands over which we have the right to use such property for commercial purposes. We have filed four litigation proceedings against such encroachment of lands over which we have possession through mining leases. For further details on these litigation proceedings relating to compensation against compulsory acquisition of land as well as encroachment, please see "***Outstanding Litigation and Material Developments***" on page 154 of this Red Herring Prospectus. We may face difficulties in the acquisition of land in a timely manner, particularly in respect of land owned by private parties and forest land, resulting in delays in some of our projects. In addition, for the land with respect to our underground mines, we do not acquire the entire land below which we have reserves. We may be unable to mine our reserves if we are unable to acquire the relevant land and associated surface rights to access our reserves.

We have in the past experienced significant delays in obtaining relevant statutory and regulatory approvals for the acquisition of land and surface rights to commence mining activities on some of our projects, including delays related to negotiation of rehabilitation packages for existing owners and displaced communities and the implementation of the rehabilitation and resettlement process. We cannot assure you that we will not face such delays in the future. With respect to forest land to be acquired, we have in the past faced, and may face in the future, significant procedural delays in obtaining the requisite approvals from the Ministry of Environment and Forests (the "**MoEF**"). For example, at our Dongri Buzurg mine, our application for the renewal of a mining lease for an area of 70.50 hectares was pending since December 20, 1999. We have received a formal notification on October 6, 2010 in relation to 67.62 hectares out of the total mining area for which renewal was sought. However, the remaining 2.88 hectares, which is under forest cover and requires further approval from the MoEF is currently still pending. Also see "***Our operations are subject to extensive governmental and environmental regulations. Any failure to comply with such requirements, including obtaining required permits, approvals and leases, in a timely manner may adversely affect our operations. A number of our applications for licenses and approvals in relation to the operating of our mines and plants remain pending, representing 14.1% (excluding pending renewals) of our total licenses and approvals***" on page xxi of this Red Herring Prospectus.

There can be no assurance that we will be able to acquire land and associated surface rights for all of our projects or that the land acquisition will be completed in a timely manner, at commercially reasonable terms, including for any relocation and resettlement costs, without opposition, or at all. In circumstances where the GoI and/or relevant State Governments facilitate the acquisition, transfer or lease of, or secure rights of way over, relevant tracts of land, there can be no assurance that all requisite approvals relating to the acquisition or transfer of, or lease of such land or the granting of such right of way over land or the registration of the acquired or leased land, or the transfer of such land, will be completed in a timely manner and on terms that are commercially acceptable to us, if at all. For further information relating to the regulatory approvals required in connection with acquiring land or surface rights in forest areas, see "***Regulations and Policies- Laws Relating to the Mining Industry***" and "***Government and Other Approvals- Mining Leases and Approvals***" on pages 89 and 173, respectively of this Red Herring Prospectus. In addition, our ability to acquire land and associated surface rights overlying our reserves may be adversely affected by infrastructure development and structures built on such land.

In addition, the public may oppose the acquisition or lease of land due to the perceived adverse impact it may have on surrounding communities or the environment. We may face significant opposition to the development of our mines from local communities, non-government organizations and other parties. Such opposition or circumstances is beyond our control and even if we are able to overcome any such opposition, we may be subject to significant expenses arising from the rehabilitation and resettlement of communities affected by our projects. We may be required to incur in the future significant expenses towards the rehabilitation and resettlement of affected individuals and families.

To summarize, any inability to acquire land and associated surface rights to access our existing or future reserves in a timely manner on commercially acceptable terms or at all could have a material and adverse effect on our business, results of operations and financial condition.

12. ***The proceeds from this Offer will not be available to us.***

As this Offer is by way of an offer for sale of Equity Shares by the Selling Shareholders, the proceeds from this Offer will be remitted to the Selling Shareholders and our Company will not benefit from such proceeds.

13. ***Our operations are subject to extensive governmental and environmental regulations. Any failure to comply with such requirements, including obtaining required permits, approvals and leases, in a timely manner may adversely affect our operations. A number of our applications for licenses and approvals in relation to the operating of our mines and plants remain pending, representing 14.1% (excluding pending renewals) of our total licenses and approvals.***

In addition to obligations under the mining leases, numerous governmental permits, approvals, licenses and leases are required in connection with our operations as the mining sector is subject to numerous laws and extensive regulation by national, state and local authorities in India. 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, 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 licenses, and other enforcement measures that could have the effect of closing or limiting production from our operations. Bringing mines into operation and operating such mines requires obtaining approval of a mining plan, which stipulate extraction limits, as well as applicable forest and environmental approvals in respect of the mine. In connection with our mining operations, we are required to obtain various regulatory approvals including, but not limited to, consents to operate under environmental statutes such as the Air Act, Water Act, authorizations under the hazardous waste rules and licenses for the possession and use of explosives, permissions under Regulation 107(3) of the Metalliferous Mines Regulations, 1961 for carrying out stoping operations and exemptions under regulation 106(2) of the Metalliferous Mines Regulations, 1961 for extraction of manganese ore through mechanized open cast methods.

In the past we have faced and expect to face in the future significant delays in obtaining such approvals and permits including renewals for expired approvals and permits. For example, our application dated September 14, 1993 for the renewal of one of our mining leases for an area of 79.55 hectares in the village of Sukli, Balaghat for a further period of 20 years from September 27, 1994 in relation to Sukli mine is pending. We have received formal notification for the renewal of mining leases for certain areas relating to our Balaghat and Tirodi mines from the relevant regulatory authorities. In relation to the Balaghat mine, out of 182.3004 hectares for which renewal was sought, we have received a formal notification in relation to 172.398 hectares, and in relation to the Tirodi Mine, out of 478.04 hectares for which renewal was sought, we have received a formal notification in relation to 254.593 hectares. The remainder of the areas for which renewal approval has not been granted is awaiting forest clearance. The Balaghat and Tirodi mines accounted for 27.4% and 29.3% and 9.8% and 9.2% of our total manganese ore production in Fiscal 2010 and the six months ended September 30, 2010, respectively. In the event that the remainder of the areas covered by the mining leases for these mines are not approved for renewal by the relevant regulatory authorities, we may have to discontinue operations at these mines, which would have a material adverse effect on our results of operations and financial condition, as well as our prospects and future growth.

There can be no assurance that we have in the past obtained or complied with the conditions stipulated in all relevant statutory and regulatory approvals and permits in connection with our operations, including any breach of the extraction limits prescribed by the authorities including those imposed by the DGMS, MoEF and the State Pollution Control Boards.

For example, mining activities were undertaken at Sitapatore and Sukli mines. However, since both mines are located under forest cover, mining operations were suspended following the decision of the Ministry of Environment and Forest. The Sitapatore mine was subsequently granted forest and environment clearance in January 16, 2009. A portion of the Sukli mine aggregating to 26.88 hectares has not been granted such clearance and production remains suspended as a result of the proximity to forest cover.

We engage contractors and other third parties in the course of our operations in these mining areas. These third parties are also required under the applicable legislation to obtain licenses, approvals and permits in relation to the services they may provide to us. If they do not obtain such approvals, or such approvals expire and are not renewed by these third parties, operations at our mines may be affected.

Our operations are also subject to continued review and applicable statutory and regulatory requirements may be amended or modified. There can be no assurance that the approvals, licenses, registrations and permits issued in our favor will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. 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 us to substantial costs and liabilities or require suspension of activity or closure of our mines or other facilities. New legislation or regulations, or different or more stringent interpretation or enforcement of existing laws and regulations, may also require us or our customers to change operations significantly or incur increased costs, which could have a material adverse effect on our results of operations or financial condition. For further information relating to statutory and regulatory approvals relating to our operations, see "***Government and Other Approvals- Mining Leases and Approvals***" on page 170 of this Red Herring Prospectus. A significant number of specific approvals are required from governmental authorities in India for mining companies, and such approvals are subject to continuing compliance with safety and environmental standards and disclosure requirements.

We have applied for 26 licenses and approvals in relation to the operation of our mines and plants which remain pending, representing 14.1% (excluding pending renewals) of our total licenses and approvals. Production of manganese ore from the areas relating to licenses and approvals that remain pending represent an insignificant amount of our total production of manganese ore. For detailed information regarding these pending licenses and approvals, see "***Government and Other Approvals- Mining Leases and Approvals***" on page 170 of this Red Herring Prospectus.

By an application dated September 22, 2009, our Company has applied for the registration of trademarks (Application No. 2026949) relating to our logo and name as appearing on the front page of this Red Herring Prospectus. For further details, see "***Registration of our trademark or logo under the Trademarks Act, 1999 may not be successful, which could affect our results of operations***" on page xxx and "***Government and Other Approvals- Intellectual Property Rights***" on page 194 of this Red Herring Prospectus.

14. ***The Draft Mines and Minerals (Development and Regulation) Bill, 2010 that has been proposed to replace the Mines and Mineral Development and Regulation Act, 1957 may adversely affect our results of operations and financial condition.***

The Ministry of Mines, Government of India is in the process of drafting the Mines and Minerals (Development and Regulation) Bill, 2010 (the "**Draft Bill**") which, in its current form, proposes to implement the National Mining Policy, 2008. Upon the receipt of the requisite governmental approvals, the Draft Bill is proposed to replace the Mines and Mineral Development and Regulation Act, 1957 (the "**MMDR Act**").

The Draft Bill, in its current form, replaces the procedure of renewal of mining leases currently applicable under the MMDR Act, provides for expeditious disposal of mining applications, and an efficient dispute resolution mechanism, among other things. In the provisions of the Draft Bill, mining leases are proposed to be extended when an application is made at least 24 months prior to the expiry of the lease. The Draft

Bill further contemplates that, with respect to the land in which minerals vest, the holder of a license will be liable to pay reasonable annual compensation to the person holding occupation or usufruct or traditional rights of the surface of the land over which the license has been granted ("**Stakeholders**"), as mutually agreed, or failing such mutual agreement, as determined by the relevant State Government. The Draft Bill also contemplates that the holder of the mining lease is also liable to an annuity equal to 26.0% of the profit as annual compensation and employment and other assistance in accordance with the Rehabilitation and Resettlement Policy of the concerned State Government. In respect of mining operations which are unprofitable, the Draft Bill provides for payment of an amount equivalent to royalty paid in the previous year as compensation to the Stakeholders. For detailed information regarding the provisions of the Draft Bill, see "***Regulations and Policies- Mines and Minerals (Development and Regulation) Bill, 2010***" on page 91 of this Red Herring Prospectus.

In its current form, we are unable to determine the impact that the Draft Bill, if enacted, would have on our business, results of operation and financial condition as its provisions require substantial interpretation, which makes its application uncertain, and there can be no assurance as to that the Draft Bill will be passed into law in its current form or that the form of the legislation that is finally passed into law will not be substantially different from the current form of the Draft Bill. However, the Draft Bill purports to address many areas that are critical to our business and future results of operations and financial condition in the future, including our ability to obtain new mining blocks, renew our existing mining licenses and obtain new mining licenses and the level of compensation and royalties we pay in respect of mining licenses we seek to renew or new mining licenses we seek to obtain and there can be no assurances that any law adopted as a result of the proposed introduction of the Draft Bill will not have a materially adverse impact on us in these or other areas, or a material impact on our business, results of operation and financial condition as a whole.

Upon the finalisation of the form and content of the Draft Bill, and upon the approval of the Government of India, it may be introduced in Parliament in the near future. Upon such introduction, the Draft Bill is likely to go to a standing committee for further deliberations. The Draft Bill is subject to changes based on such debates and discussions and if approved, shall be the law which will apply to the mining sector in India. There can be no assurance that such law will not have a material impact on our business, acquisitions of mines in the future, our results of operations and our financial condition.

15. ***Compliance with environmental laws and regulations requires ongoing expenditures and considerable capital commitments. We may incur material costs to comply with, or suffer material liabilities or other adverse consequences as a result of failure to comply with, environmental laws and regulations.***

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including with respect to limitations on land use, including forest land; mine permit and licensing requirements; risks of exploration activities; reclamation and restoration of mines after mining is completed; management of materials used in mining operations; the storage of manganese ore produced and associated risks; the storage, treatment and disposal of wastes; remediation of contaminated soil and groundwater; air quality standards; water pollution; protection of human health, plant-life and wildlife and discharge of hazardous materials into the environment. We are presently involved in litigation whereby the GoMP has claimed that our Company had not obtained environmental clearance for the operation of the Integrated Manganese Benefaction Plant at the Balaghat mine. We are also involved in a public interest litigation whereby it is claimed that a water supply scheme currently being implemented by our Company would deprive the local inhabitants of the area of the water resources on which they are dependent for their lives and livelihood. If we are unsuccessful in defending this litigation, we may be required to amend or dispose of our water supply scheme. For further details on the litigations in which we are currently involved, see "***Outstanding Litigation and Material Developments***" on page 154 of this Red Herring Prospectus.

Our mining operations involve significant environmental hazards including land degradation resulting in land subsidence and destruction of surface infrastructure, deforestation, damage to the local ecosystem, as well as water pollution and dilapidation of the water table in and around mining areas. We are required to undertake various measures to minimize the impact of our operations on the environment and to protect natural resources. Existing compliance requirements which involve material costs include the need to reduce dust and the management of wastes and wastewater. We are required to 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. We are required to submit an annual statistical report on these monitoring results to the Indian environmental authorities. These authorities conduct independent tests from time to time to validate our results. If our emissions exceed certain levels established by the site permits we 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.

We may not be able to satisfy any of our remediation, rehabilitation and other obligations under environmental laws and regulations in a timely manner or at all, which could result in financial or other penalties. To the extent that such penalties are significant, this may result in our cash flows being insufficient to meet our obligations. In addition, such failure to satisfy our legal obligations could lead to the suspension or loss of our licence or mining lease contracts. The occurrence of any of these risks could have a material adverse effect on our business, financial condition, results of operations and prospects. For further information on the environmental regulations applicable to us, see "***Regulations and Policies***" on page 89 of this Red Herring Prospectus.

16. ***Some of our records relating to forms filed with the Registrar of Companies are not traceable and we may be subject to penalty.***

We are unable to trace copies of certain prescribed forms, such as Form 2, required under the Companies Act filed with the Registrar of Companies by our Company in respect of the allotment of Equity Shares to the GoI, the GoM, the GoMP and CPMO prior to 1980. As a result, the information in relation to these allotments in this Red Herring Prospectus has been obtained from the statutory registers maintained by our Company. While we believe that these forms were duly filed on a timely basis, we have not been able to obtain copies of these documents, including from the Registrar of Companies. We cannot assure you that these form filings made under the Companies Act will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect. However, there is no perceptible impact on the operations of our Company due to non-availability of copies of forms required to be filed under the Companies Act.

17. ***We have certain contingent liabilities that have not been provided for in our accounts, and if such contingent liabilities materialize it may adversely affect our financial condition.***

The following table sets forth the principal components of our contingent liabilities as of the dates indicated:

	As at September 30		As at March 31,		
	2010	2009	2010	2009	2008
	(₹ million)				
Statutory Claims against us not acknowledged as debts[1]	0.5	-	--		11.4
Claims against us not acknowledged as debts[2].........................	139.0	28.8	44.7	16.5	51.2
Estimated amount of contracts remaining to be executed on capital account..	312.0	95.9	90.4	163.2	402.5
Contingent liability on Bills discounted under LCs/counter guarantees given for bank guarantees.......................................	18.6	18.1	18.2	17.1	16.6
Total	470.1	142.8	153.3	196.8	481.7

(1) These include claims under Income tax, profession tax, entry 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.

The contingent liability amounts recorded in our restated standalone financial statements represent estimates and assumptions of our management based on advice received. There can be no assurance that any or all of these contingent liabilities and will not become direct liabilities. In the event any or all of these contingent liabilities and become direct liabilities, it may have an adverse effect on our business, financial condition and results of operations. For further information relating to our contingent liabilities, see "***Management's Discussion and Analysis of our Financial Condition and Results of Operations – Contingent Liabilities and Capital Commitments***" on page 150 of this Red Herring Prospectus.

18. ***We depend on key equipment and machinery to conduct our mining operations, and the non-availability of such equipment at reasonable cost may adversely affect our operations and financial results.***

Our mining and processing operations depend on various key equipment and heavy earthmoving machinery. Although our policy is to purchase only new, not second hand, equipment, some of our equipments are old and require continuous maintenance, upgrading and replacement. 22.5% of the equipment we consider most vital to our business is more than 10 years old. For further information regarding the age and remaining balance of life of our Company's vital equipment, see "***Business—Manganese Ore Mining and Production Process—Mining Process—Equipment***" on page 78 of this Red Herring Prospectus. Acquisition of mining equipment is capital intensive and if such equipment cannot be utilized in a productive and efficient manner as a result of various circumstances including difficult geo-mining conditions in our mines or the non-availability of skilled manpower, our operations and profitability may be adversely affected. Further, if there is any potential delay or default on the part of equipment suppliers or if we are unable to acquire advanced technology or equipment in a timely manner or fail to appropriately upgrade existing technology and equipment, we may not be able to fully exploit our reserves, which could have an adverse effect on our business, financial condition, results of operations and prospects. In addition, due to the significant expansion of mining investments worldwide, mining equipment prices have increased significantly in recent years. Increase in the cost of mining equipment and spares may increase our cost of production and could adversely affect our profitability.

19. ***We are dependent on the availability and reliability of adequate transportation infrastructure and related facilities in connection with the dispatch of our manganese ore and other products and any failure of, or disruption in, these services could have a material adverse effect on our business, results of operations, financial condition and prospects.***

We depend on the availability of adequate transportation infrastructure and related facilities for the transportation of manganese ore to our customers and to our processing facilities. We depend primarily on a combination of rail and road transportation to deliver manganese ore to our customers. Road and rail transportation accounted for approximately 55% and 45%, respectively, of manganese ore dispatch in Fiscal 2010. Sales to our customers are on a "free on rail"/"free on truck" basis, and transportation is arranged by our customers at their cost. Our sales volumes may be constrained by inadequate transportation capacities, including non-availability of adequate railway infrastructure. Disruptions in railway traffic could impact our ability to transport our goods, impacting our results of operation and financial condition. We are also dependent on third party road transportation providers, including truckers, for the supply of manganese ore from the mine to our processing facilities and the railway sidings and also for the supply of our manganese ore to customers. Non-availability of adequate road transportation, including in the form of transportation strikes, have had in the past, and could have in the future, an adverse effect on our supply of materials and dispatch arrangements for our manganese ore and other products. Road and rail transportation may also be adversely affected as a result of adverse weather conditions, mechanical failures, infrastructure damage, accidents, strikes, insurgency threats in the regions we operate in, adequate highway infrastructure, taxes in various state and local municipalities and customers' ability to arrange adequate and cost-effective transportation, or other factors beyond our control. In addition, in some cases, state-owned physical infrastructure suffers from a lack of funding and maintenance. Any deterioration of the transport infrastructure in India could disrupt the transportation of goods and supplies, and interrupt business operations. The failure to maintain adequate transportation services or a disruption in transportation services could cause transportation delays for our manganese ore and other products and affect our ability to ensure supply to our customers, which could impact our results of operations and sales volumes.

20. ***Some of our mining and processing operations, including transportation of manganese ore to dispatch points, are conducted through third party contractors. As a result, we are exposed to fluctuations in contractor costs and risks relating to the quality of their services which may affect our results of operations***.

We conduct a part of our mining and overburden removal operations through third-party contractors. We also engage third party contractors for transportation of all of our manganese ore from our mines to loading points, transportation of materials, loading of manganese ore on wagons and a range of activities ancillary to our mining and processing operations. We are required to pay the contractors for their services according to specified rates fixed by us. We cannot assure you that skilled third parties or contractors will continue to be available at reasonable rates or at all and in the areas in which we conduct our projects. We have experienced increases in the cost of third party contractors in recent years, resulting from, among other factors, increases in the cost of engaging contract labourers, machinery and equipment and fuel costs incurred by these contractors. For example, our total payments to contractors for mining, development, transportation and railing services increased by approximately 2% from Fiscal 2009 to Fiscal 2010. We are also exposed to risks relating to the quality of the services of, and the equipment and supplies used by contractors. The timing and quality of our projects depends on the availability and skill of these parties, as well as contingencies affecting them, including labour and raw material shortages and industrial actions such as strikes and lockouts. Any failure by our contractors to comply with their obligations under their operating agreements (whether as a result of financial or operational difficulties or otherwise), any termination or breach of our operating agreements by our contractors, any protracted dispute with a contractor, any material labor dispute between our contractors and their employees or any major labor action by those employees against our contractors could materially adversely affect our operations. Furthermore, we may not be able to recover from a contractor any losses that may be suffered by us due to any performance shortfalls of our contractors.

21. We may not be successful in pursuing our strategy to effectively diversify our operations to achieve higher forward-integration, including by increasing production of value-added manganese products. Our inability to integrate or expand our operations and production as planned could have an adverse effect on our financial condition and results of operations and there can be no assurance that our expansion plans will achieve their anticipated benefits.

We are currently engaged primarily in the mining and extraction of manganese ore and are also exploring the possibility of purchasing manganese ore mines internationally to expand the core manganese ore business operation. We aim to become a vertically-integrated manganese ore producer, by leveraging our midstream and downstream capability through our beneficiation and value-added production plants, together with use of captive power generation such as that from our wind power farms. For further information regarding our beneficiation plants and wind power farms, see "***Business—Manganese Ore Mining and Production Process—Mining Process—Beneficiation Plants***" and "***Business—Wind Power Farms***" on pages 80 and 84, respectively, of this Red Herring Prospectus.

We intend to focus on expanded production of value-added products using manganese ore, in particular, through use of joint ventures. In light of increasing demand from the Indian steel industry, we have entered into joint ventures with SAIL and RINL for the establishment of ferro alloy plants for the production of ferro alloys using our manganese ore, in order to enable us to capture a larger proportion of the value chain in the manganese industry. For further details in relation to the Joint Ventures, please see "***History and Certain Corporate Matters – Joint Ventures***" on page 102 of this Red Herring Prospectus.

We expect to have the flexibility to timely adjust our allocation of resources to these joint ventures for the production of value-added products and to the other projects described above, however, we cannot be sure that we will succeed. If we are unable to leverage our midstream and downstream capability alongside our core manganese ore operations, our strategy, financial condition and results of operations could be adversely affected. Furthermore, even if we are successful in expanding such midstream and downstream operations, there can be no assurance that we will obtain the results anticipated.

22. We may encounter problems relating to the establishment or operation of joint ventures, which could adversely impact our strategy and results of operations.

We have entered into joint ventures with SAIL and RINL. These joint venture projects are at an early stage of implementation. Our 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 ours; take actions contrary to our 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 us. Any disputes that may arise between us and our joint venture partners may cause delays, suspension or abandonment of our projects. 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 our other operations and future access to new assets. Further, planned projects under such joint ventures are not yet operational and may never become operational. Any of the foregoing may have an adverse effect on our business, prospects, financial condition and results of operations and our ability to implement our growth strategy.

In addition, as a part of our growth strategy, we continue to be alert to opportunities to pursue suitable joint venture and strategic partnership opportunities. We may not be able to identify suitable joint venture or strategic partners or we may not complete transactions on terms commercially acceptable to us, or at all. We cannot assure you that we will be able to successfully form such alliances and ventures or realize the anticipated benefits of such alliances and joint ventures. Any unforeseen costs or losses can adversely affect our business, results of operations and financial condition.

23. ***Stringent labor laws in India may adversely affect our profitability, including as a result of the requirements for registration and licenses relating to our contract labourers and exposure to potential contributions for such labourers under relevant regulations.***

India has stringent labor 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 us to maintain flexible human resources policies, discharge employees or downsize, which may adversely affect our business and profitability. We are also involved in 69 litigation proceedings concerning the reinstatement of employees and workers and claims for back wages and increased benefits.

In addition, we conduct a part of our mining and overburden removal operations and transportation activities through third party contractors. Although we are registered as a principal employer under the CLRA for our projects, any delay or non-receipt of such registrations may adversely affect our ability to employ contract labour and our operations. We engage contractors under the provisions of the CLRA who, in turn, engage contract labourers. If these contractors do not possess requisite licenses under the CLRA, or do not pay wages or provide amenities as stipulated under the CLRA, we as principal employer would be liable to provide these facilities and privileges under the CLRA. Further, on an application made by the contract labourers, the appropriate court or tribunal may direct that the contract labourers are required to be regularised or absorbed, and/or our Company to make certain contributions in this regard. Non- compliance with these obligations and requirements may result in the imposition of penalties and fines which may adversely affect our profitability.

24. ***Strikes and industrial actions or disputes could affect our result of operations and financial condition.***

The majority of our employees are members of MOIL Kamghar Sangathan, which is affiliated with the Indian National Trade Union Congress. There can also be no assurance that work stoppages or other labor-related developments (including the introduction of new labor legislation in India) will not adversely affect our results of operations or financial condition.

We also depend on third party contractors for the provision of various services associated with our business and operations such as sinking and deepening of shafts, transportation. Such third party contractors and their employees/workmen are also subject to labor 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.

25. ***The mining industry is an intensely competitive industry, and we may have difficulty effectively competing with other mining companies in the future, which may affect our financial condition.***

The worldwide manganese ore industry is characterized by intense competition. We compete with other domestic Indian manganese ore producers, as well as with manganese ore imported into India. Even though we are the largest producer of manganese ore in India in terms of volume in 2008 *(Source: Indian Bureau of Mines, Indian Mineral Yearbook, 2008)*, other producers of manganese ore in India include Tata Steel Limited, Mangilal Rungta, Sandur Manganese and Iron Ores Limited and Orissa Mining Development Corporation Limited, as well as other private mine owners. Some of these competitors may have more resources than we do. Competition from foreign or other Indian manganese ore producers may result in us losing market share and revenues. Competitive activity in our industry can have a significant impact on the price we realize for our products, and could therefore have a material adverse effect on our results of operations or financial condition.

26. ***Any significant increase in the cost of fuel, materials and spares used in our mining operations, or any disruption in supply of materials and supplies, could have a material adverse effect on our business and cease, disrupt or delay our operations.***

We use significant quantities of fuel and lubricants, explosives, steel and other materials, as well as spare parts and other consumables in our operations. Any significant fluctuation in global oil prices may expose us to fluctuations in our cost of fuel. We have not historically hedged, and currently do not hedge, our fuel price risk. We also require explosives for overburden removal and mining operations. The price of explosives has increased significantly in recent years. If the price for explosives continue to increase, our costs of production could increase. Spare parts for heavy earthmoving machinery and other spares also represent a significant cost. Due to worldwide increases in the price of steel and rubber, prices for spares for our mining equipment and machinery have increased significantly in recent years. A limited number of suppliers exist for certain supplies, such as explosives and spares for certain HEMM. Shortages in materials used in the manufacturing of supplies and mining equipment, which, in some cases, do not have ready substitutes, could limit our ability to obtain such supplies or equipment. Any significant increase in our manganese ore production cost, whether as a result of increases in the prices of fuel, materials and spares, equipment or machinery, used in our mining operations, or any disruption in supply of materials and supplies, could have a material adverse effect on our business and cease, disrupt or delay our operations.

27. ***Certain of our mining operations are located in politically unstable areas. Such security risks have had and may continue to have an adverse effect on our business, results of operations and financial conditions, in addition to placing our assets and personnel at risk.***

Our mining operations in Ukwa are located in an area of India that is exposed to risks of attack by Naxalite militants. The Ukwa mine accounted for 4.7%, 4.6% and 5.0% of our total manganese ore production in Fiscal 2009, 2010 and the six months ended September 30, 2010, respectively. Such attacks may be directed at our property or personnel, at property belonging to our customers or at the state-owned infrastructure used for the transportation of our manganese ore and other manganese products. There can be no assurance that such threats will not continue, or even increase, in the future, or that any security measures undertaken by us will be effective in the prevention of such attacks or limiting the consequences thereof. Any such attacks, or the threat of such attacks, whether or not successful, may disrupt our operations and/or delivery of our manganese ore and other manganese products and may adversely impact our business, results of operations and financial condition, as well as place our assets and personnel at risk.

28. ***Significant increases in our employee remuneration and benefits may adversely affect our results of operations.***

Employee remuneration and benefits represents the largest component of our total expenditure and represented 13.3%, 17.7%, 16.3% and 11.2% of our total income in the six months ended September 30, 2010 and in Fiscal 2010, 2009 and 2008, respectively. Salaries, wages and benefits for our non-executive employees is governed by a memorandum of settlement entered into on August 27, 2009 and is effective for a period of ten years from August 1, 2007. Salaries, wages and benefits of our executive employees are determined by the GoI and are fixed for a period of ten years. The current compensation level for our executive employees is effective for a period of ten years from January 1, 2007. In addition, the Pay Committee of the GoI has recommended that all public sector undertakings should formulate an employees' stock option plan ("**ESOP**") and that 10.0% to 25.0% of the performance related payment should be paid as ESOPs. Although we presently do not have an ESOP scheme, the effect of the implementation of such an ESOP scheme by our Company is not presently possible to quantify. Significant increases in our employee remuneration and benefits may adversely affect our expenses and may adversely affect our financial condition.

29. ***We are dependent on our senior management personnel as well as the availability of qualified personnel and our business and operations will be adversely affected if we cannot attract and retain qualified personnel.***

Our growth strategies will place significant demands on our management and other resources, and we will be required to continue to improve operational, financial and other internal controls. Our ability to maintain and grow our business and operations and implement our growth strategies will depend on our ability to maintain the necessary management resources and the ability to attract, train and retain personnel with skills that enable us to keep pace with evolving industry standards. In particular, as our business grows, we believe that our future success will depend on our ability to attract and retain highly skilled and qualified personnel, which is not guaranteed.

We are dependent on our senior management personnel, including members of our Board. If we lose the services of any of our key senior management, it may be difficult to find, relocate and integrate adequate replacement personnel into our operations, which could adversely affect our operations and the growth of our business. We are also dependent on qualified technical employees such as geologists and mining engineers for our exploration and mining operations. As a public sector undertaking, the GoI policies regulate and control the emoluments, benefits and perquisites that we pay to our employees, including our key managerial personnel and other employees. We may be unable to compete with private sector companies for qualified personnel because of more competitive salaries and benefits packages provided by them. Additionally, some of our mining operations are located in remote and politically sensitive areas, with various law and order problems. In addition, as some of our key personnel approach retirement age, we need to have appropriate succession plans in place and to successfully implement such plans. If we cannot attract and retain qualified personnel, it could have a material adverse impact on our business, financial condition, and results of operations.

In addition, payment of performance-related pay to our management and employees is conditioned upon our fulfilment of certain performance targets. In the event that we do not meet our minimum performance targets, such performance-related pay will not be paid to our employees, and we may face difficulties in retaining and attracting employees for our operations in the future.

30. If we are unable to pass on to our customers any significant increases in the statutory levies applicable on the manganese ore we produce, our results of operations could be adversely affected.

Indirect taxes and statutory levies such as royalty and cess are an important component of the cost of our manganese ore and value-added manganese products sold to our customers. These indirect statutory levies and taxes are paid by our customers. A substantial portion of our royalties are levied on an ad valorem basis based on the sale price. Cess is payable to certain State Governments at rates on an ad valorem basis as stipulated by the respective State Government. If such royalties, cess and other duties are significantly increased or additional duties and cess are levied and we are unable to pass on such increases to our customers, our margins would be reduced and results of operations could be adversely affected.

31. A violation of applicable health and safety requirements and the occurrence of accidents could disrupt our operations and increase operating costs, which may have an adverse affect on the financial performance.

Central and State safety and health regulations applicable to the mining industry in India provide a comprehensive regulatory framework for protection of employee safety, and compliance with these requirements imposes significant costs. Moreover, new health and safety legislation and regulations may be introduced that may adversely affect our operations. Any failure to comply with applicable health and safety laws and regulations could result in temporary shutdowns of all, or a portion of our mines and processing and handling facilities, which may disrupt our operations and result in imposition of costly remedial measures. In addition, we do not make provisions for our workers' compensation liabilities relating to accidents and other hazards, which could adversely affect our future operating results. We do not maintain insurance coverage against various potential risks associated with our operations, including any accidents or other hazards, and there can be no assurance that we will not be required to make significant payouts in this connection in the future.

32. We have experienced negative cash flows in the past. Any negative cash flows in the future would adversely affect our results of operations and financial condition.

We had negative investing cash flows of ₹ 109.83 million, ₹ 411.57 million and ₹ 434.41 million in fiscal 2006, 2007 and 2008 respectively as we continued to invest in our mining and prospecting activities. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

33. Registration of our trademark or logo under the Trademarks Act, 1999 may not be successful, which could affect our result of operations.

We have applied for the registration of our trademark and logo, which registration may be opposed by third parties or rejected by the relevant government authorities. We cannot assure you that our application for the registration of our trademark and logos will be successful. Failure to protect our intellectual property rights through registration under the Trademarks Act, 1999 may allow a third party to use our intellectual property without our consent, and if this occurs, our brand equity may be diluted or adversely affected. For further details on our application for trademark registration, please see "***Government and Other Approvals-Intellectual Property Rights***" on page 194 of this Red Herring Prospectus.

34. The interests of our Directors may cause conflicts of interest in the ordinary course of our business, which could affect our financial condition.

Conflicts may arise in the ordinary course of decision-making by the Board of Directors of our Company. Some of our non-executive Directors may also be on the board of directors of certain companies engaged in businesses similar to the business of our Company. There is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. For further details of the companies where our Directors are involved by way of directorship, please see "***Our Management- Interest of Directors***" on page 114 of this Red Herring Prospectus.

35. Our Company may be faced with time and cost overruns in the future that may affect our results of operations.

Even though our Company has not encountered time and cost overruns in the past five years, we cannot assure that we will not face such overruns in the future. Our expansion plans are subject to a number of uncertainties, and we cannot assure you that we will be able to implement our expansion plans and enter into new projects in a cost efficient and timely manner or at all. Any failure to do so would adversely affect the development and operation of the relevant mines as well as our results of operations.

We are also exposed to risks relating to the time and cost overruns in the delivery of services, equipment and supplies provided by third party contractors (whether as a result of financial or operational difficulties or otherwise). Such failures by our third party contractors to comply with their obligations under their operating agreements (whether as a result of financial or operational difficulties or otherwise) could materially adversely affect the development or operation of any mines affected.

36. Our wind power operations are subject to a number of risks, including dependence on a single customer for revenues, the impact of changes in weather conditions on revenues and the effects of wind power regulation, which could affect our financial condition.

We operate wind power generation facilities on the Nagda Hills and the Ratedi Hills in the state of Madhya Pradesh that are subject to risks relating to dependence on a specific customer and the contractual relationship with the electricity grids, as well as to a number of risks inherent to wind power generation activities, including sensitivity to changes in weather conditions and the costs of compliance with regulatory requirements. Revenues from our wind power generation facilities are derived from sales to only one customer and remain in the nascent stage, accounting for less than 1.0% of our net sales in Fiscal 2010 and the six months ended September 30, 2010.

We have a production capacity of 4.8 MW from the wind farm located on the Nagda Hills in the district of Dewas in the state of Madhya Pradesh. The electricity produced by such plant is distributed to the grids of the Madhya Pradesh state distribution and transmission companies at 33 KV system voltages. Subject to a two percent fee, the same amount of electricity is then distributed by these grids to the Balaghat mine and our ferro manganese plant. If this arrangement were to be discontinued, results of operations of this wind farm project could be adversely affected. Any interruption, whether due to overload or accidental, could also adversely affect our production.

From the inception of our wind power project until now, all the electricity generated by our wind farm located on Ratedi hills in the district of Dewas in the state of Madhya Pradesh, which has a production capacity of 15.2 MW has been sold to Madhya Pradesh Power Trading Company Limited pursuant to a Power Purchase Agreement dated June 27, 2008. As a result, our wind power operations are dependent on revenue from sales to this one customer. If this arrangement were to be discontinued, we might be required to enter into sale deeds for power with other customers. Consequently, future success of this business would largely depend on continued demand for, and our ability to provide, renewable energy to this customer or to arrange for sales to successors on acceptable terms. For further information regarding the profitability of our wind power segment and our wind power generation capacity, see "***Business—Wind Power Farm***." on page 84 of this Red Herring Prospectus.

Changing global environmental and weather conditions may affect the generation from our wind power project. The profitability of our 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. 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 or events related to environmental and meteorological conditions, such as lightning strikes, could reduce the productivity of our 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 our wind farm incapable of generating adequate, or any, electrical energy.

Further, the operation of wind farms is subject to regulation by various government agencies at the central and state (or provincial) levels. Changes in the regulatory environment, and the actions of regulatory bodies, including delays in obtaining the required regulatory approvals, could affect our business. Additionally, the construction of wind turbines involves excavation and the installation and use of concrete platforms. We may be required to remove obsolete turbines and to complete reclamation work in the event that our wind farm is abandoned. The costs to complete reclamation work and remove obsolete turbines may be significant. Environmental regulators may impose restrictions on our operations which would limit our ability to generate revenues. We 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.

37. ***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. Our failure to successfully adopt IFRS could have a material adverse effect on our stock price.***

Our financial statements, including the restated standalone financial statements provided in this Red Herring 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 Red Herring 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 Red Herring 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 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, we have not determined with any degree of certainty the impact that such adoption will have on our 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 we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our 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 our 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.

Risk Factors Relating to this Offer

38. Our Company will continue to be controlled by the GoI following this Offer, and our other shareholders will be unable to affect the outcome of shareholders' voting.

Upon the completion of this Offer, assuming the Offer is fully subscribed, the GoI will own 120,235,680 Equity Shares, or approximately 71.57% of our paid up Equity Share capital. Consequently, the GoI, acting through the Ministry of Steel, will continue to control us and have the power to elect and remove our directors and therefore determine the outcome of proposals for corporate action that require approval by the Board or the shareholders, including operational budgets, capital expenditure, proposed five year plans, revenue budgets, and payment of dividends. The GoI will retain control over the decisions requiring adoption by the shareholders acting by a simple majority or three-fourth majority. The interests of the GoI with respect to such matters and the factors that they will take into account when exercising their voting rights may not be consistent with those of our other shareholders, including investors that purchase the Offer Shares in this Offer.

In addition, the GoI influences our operations through their various departments and policies. Under the Articles of Association, the GoI may issue directives with respect to the conduct of our business or our affairs or impose other restrictions. For further information on our Articles of Association, see "***Main Provisions of the Articles of Association***" on page 247 of this Red Herring Prospectus.

In addition, as a public sector undertaking, we are required to comply with certain restrictions with respect to the nature of our investments, which effectively restrict us from making certain investments that may provide a higher rate of return.

39. There is no existing market for the Equity Shares and the price of the Equity Shares may be volatile and fluctuate significantly in response to various factors.

There is no existing market for the Equity Shares. An active market for the Equity Shares may not develop or be sustained after this Offer. The market price of our Equity Shares may vary from the Offer Price after this Offer. The market price of our Equity Shares may fluctuate significantly due to factors beyond our control, including, but not limited to: volatility in the Indian and global securities markets; external factors affecting our operating results, including the risks outlined in this section; investor perceptions of our future performance; changes in factors affecting general market valuations of companies in the manganese ore industry, including changes in the price of manganese ore and manganese products; announcements by us or others of significant technological developments, contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments; political developments or other governmental action or regulation in India or other countries; and additions or departures of key personnel. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares. There is a risk that you will not be able to sell your Equity Shares at a price at or above the Offer Price.

40. You will not be able to sell immediately any of the Equity Shares you subscribe to in this Offer on an Indian stock exchange.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat" accounts with Depositary Participants in India are expected to be credited within two Business Days of the date on which this Offer and Allotment is approved by the Board. Thereafter, upon receipt of final approval of the Stock Exchanges, trading in the Equity Shares is expected to commence. There can be no assurance that the Equity Shares allocated to investors prior to the commencement of trading will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

41. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.***

Pursuant to guidelines issued by the Ministry of Finance in September 2004, the minimum amount of dividend required to be declared is the higher of 20.0% of equity or 20.0% of profits after tax. According to this guideline, our minimum payout is 20.0% of profits after tax. See "***Dividend Policy***" on page 128 of this Red Herring Prospectus. We have in the past paid dividends to the GoI. However, the amount of our future dividend payments, if any, is subject to the discretion of the Directors, and will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance as to whether our Company will pay a dividend in the future and if so the level of such future dividends.

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 Shareholders and our Company, 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 our control, including but not limited to, variations in operating results in our reporting periods, changes in financial estimates by securities analysts, fluctuations in commodity prices, changes in market valuation of similar companies, announcements by us 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, assuming the Offer is fully subscribed, the President of India, acting through the Ministry of Steel, GoI, will hold 120,235,680 Equity Shares, or approximately 71.57%, of our 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, we may raise funds through further equity or convertible offerings. Our 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. However, 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 our ability to raise financing on terms commercially acceptable to us.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our 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 our 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 we can sell, Equity Shares at a particular point in time.***

We may be 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 our 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.

47. ***There is no guarantee that the Equity Shares will be listed and traded on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing and trading of Equity Shares will not be granted until after those Equity Shares have been transferred. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Risks Relating to Investments in India and Global Economic Conditions

48. ***Global economic conditions have been challenging and had 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 our business and financial performance, and may have an impact on the price of our Equity Shares.***

Recent global market and economic conditions were unprecedented and challenging with tighter credit conditions and an economic recession witnessed in most major economies in 2009. Although major economies seem to be recovering slowly, continued concerns about a potential double dip into recession remains. Such concerns extend to energy costs, geopolitical issues, the availability and cost of credit and the level of debt of certain countries, which have contributed to increased market volatility and diminished expectations for western and emerging economies.

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 our 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.

49. All of our assets and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.

All of our assets and employees are located in India, and we intend 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 liberalization, 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 we cannot assure you that such liberalization policies will continue. The present government, formed in May 2009, has announced policies and taken initiatives that support the continued economic liberalization 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 liberalization 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 liberalization and deregulation could adversely affect business and economic conditions in India generally and could adversely affect our business, in particular, if new restrictions are introduced or if existing restrictions are increased.

50. As the domestic Indian market constitutes the sole source of our 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.

The performance and growth of our 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 manganese 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 we produce and, as a result, on our financial condition, results of operations and prospects.

51. Terrorist attacks and other acts of violence involving India or other neighboring countries could adversely affect our operations directly, or may result in a more general loss of customer confidence and reduced investment in these countries that reduces the demand for our 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 neighboring 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 neighboring 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, we may not be able to continue our 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 our operations directly, including through disruptions to the transportation lines over which we transport our goods, such as domestic railway lines. In particular, certain of our 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.

52. ***If natural disasters or environmental conditions in India, including floods and earthquakes, affect our mining and production facilities, our revenues could decline.***

Natural calamities such as floods, rains, heavy downpours and earthquakes could disrupt our mining and production activities and distribution chains and damage our 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. 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 our operations are located, the GoI or local, state or other authorities may restrict water supplies to us and other industrial operations in order to maintain water supplies for drinking and other public necessities, which would cause us to reduce or close our operations.

53. ***If India's inflation worsens or the prices of oil or other raw materials rise, we may not be able to pass the resulting increased costs to our 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 our products to increase, which would adversely affect our results of operations and financial condition if we cannot pass these added costs on to customers.

Prominent Notes:

- Public Offer of 33,600,000 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million, of our Company through an Offer for Sale by the Selling Shareholders. The Offer comprises a Net Offer and an Employee Reservation Portion. The Offer shall constitute 20% of the post-Offer paid-up Equity Share capital of our Company and the Net Offer shall constitute 19.6% of the post-Offer paid-up Equity Share capital of our Company. The Selling Shareholders, in consultation with the Book Running Lead Managers, shall offer a discount of 5% of the Offer Price to the Retail Individual Investors and the Eligible Employees bidding under the Employee Reservation category.

- The average cost of acquisition of Equity Shares by our Promoter is ₹ 0.88 which has been calculated on the basis of the average of amounts paid by it to acquire the Equity Shares currently held by it.

- Except as disclosed in "***Financial Information***" on page 129, there have been no transactions between our Company and our joint ventures during the last Fiscal including the nature and cumulative value of the transactions.

- The net worth of our Company on a standalone basis as at March 31, 2010 and September 30, 2010 was ₹ 16,767.16 million and ₹ 20,082.10 million, respectively, as per the restated standalone financial statements.

- The NAV/book value per Equity Share as at March 31, 2010 was ₹ 99.80 and as at September 30, 2010 was ₹119.54 as per our restated standalone financial statements. For more information, see "***Financial Information***" on page 129.

- Except as disclosed in the table below, our Promoter and Directors and their relatives have not purchased, sold or financed the purchase or sale of any securities of our Company in the past six months preceding the date of filing this Red Herring Prospectus.

Date of Transfer	Name of the Transferor	Name of the Transferee	No. of Shares
July 12, 2010	Ms Indranil Kaushal, nominee shareholder on behalf of the President of India	Ms A. Dhanalakshmi, nominee shareholder on behalf of the President of India	1
July 12, 2010	Mr. Rakesh Bhatnagar, nominee shareholder on behalf of the President of India	Mr. Suresh Kumar, nominee shareholder on behalf of the President of India	1

- Investors may contact the Book Running Lead Managers for any complaint pertaining to this Offer. All grievances relating to ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder.

SECTION III - INTRODUCTION

SUMMARY OF INDUSTRY

Outlook on Indian Economy

India, the world's largest democracy in terms of population had a Gross Domestic Product ("GDP") on purchasing power parity basis at approximately USD 3,561 bn in 2009 with India's GDP at 7.4% for FY10 *(Source: Central Intelligence Agency Factbook 2009 & RBI).* This makes it the fourth-largest economy in the world after USA, China and Japan. The low annual growth rate of the economy of India which stagnated at about 3.5% from 1950s to 1980s has increased to above 8% average GDP growth from 2004-2009, making India as one of the fastest growing emerging economies in the world. CARE Research expects the overall GDP to touch the double digit figure by 2015 at 10% led by higher domestic consumption and growth in exports.

Manganese Ore

Globally, manganese is the fourth most used metal after iron, aluminium and copper. Over 90% of the world's production of manganese is utilized in the desulphurization and strengthening of steel. *(Source: CARE Research)*. The manganese ore and alloy industry has historically derived demand from the steel industry and hence is directly exposed to the volatility and the cyclicality of the global steel industry. Manganese ore is smelted to produce manganese ferroalloys (such as ferromanganese and silico manganese), which are used in steel-alloying applications. The performance of the manganese alloy industry is the key determinant of the manganese ore demand.

Overview of the Global Manganese Ore Industry

Many steel-making countries do not possess manganese ore resources. In CY2009, land-based total manganese reserves in the world are placed at 5,200 million tonnes, of which South Africa alone accounted for more than 75%, followed by the Ukraine (10%), Australia and India (3%) each and China and Brazil accounted for about 2% and 1% respectively. *(Source: United States Geological Survey (USGS) - Mineral Commodity Summaries, January 2009).*

Many countries are involved in the trading of manganese ore in the global markets. According to the company presentation (Eurasian Natural Resources Corporation (ENRC)), during the CY2007, Australia, South Africa, Gabon and Brazil were the major exporters of manganese ore in the world. While the major importers, included China, European countries (Spain, Italy, Norway, France, Slovakia, Belgium, Poland, Finland, Czech Republic and Germany) and Asian countries (South Korea, Japan and Taiwan) and the USA (*Based on latest publically available data*).

World demand for manganese depends directly on the outlook of the steel industry. During CY01 to CY09, global steel capacities have grown at a CAGR of about 6.5% reaching to 1,750 million tonnes. CARE Research foresees the global demand for steel to increase at a CAGR of about 5.3% in the next two years.

Overview of the Indian Manganese Ore Industry

As of March 31, 2005, total resources of manganese ore in India are placed at 378.6 million tonnes as per the United Nations Framework Classification ("UNFC") system. Out of these, 138.2 million tonnes are categorised as reserves (150 million tonnes according to United States Geological Survey ("USGS")) and the balance are in the remaining resources category (*Based on latest publically available data*).

State-wise, Orissa tops the total resources list with 40% share followed by Karnataka 22%, Madhya Pradesh 16%, Maharashtra 8%, Goa 5% and Andhra Pradesh 4%. Rajasthan, Gujarat, Jharkhand and West Bengal together shared about 5% of the total resources. (Source: Indian Bureau of Mines (IBM)).

Grade-wise, ferromanganese grade accounts for only 7%, medium grade 8%, BF grade 34% and the remaining 51% are of mixed, low, others, unclassified and not known grades including 0.5 million tonnes of battery or chemical grade. (*Source: Indian Bureau of Mines ("IBM")) Based on latest publically available data*).

Domestic Demand-Supply Scenario in India:

Demand for manganese ore and ferro alloys has increased considerably due to the increase in the production of steel. CARE Research expects the domestic steel demand to grow at a CAGR of about 9.2% from during the period FY11 to FY15. According to the National Steel Policy, 2005, projected steel production is likely to double within a decade's time. In view of this, there is likely to be a huge demand gap between the availability and requirement of ferro alloys if the production of ferro alloys fails to match the growth in production of steel.

During fiscal 2002 to fiscal 2010, the domestic steel consumption has doubled up, growing at a CAGR of about 8.5% from 31 million tonnes to 59 million tonnes by increasing the domestic capacity at a CAGR of 10% from about 34 million tonnes to about 72 million tonnes during the same period.

In order to achieve the projected demand of ferro alloys, there will be large requirements of quality manganese ore. Therefore, either huge quantity of manganese ore is to be imported or the same could be converted into ferro alloys externally and then imported into India. Slower pace in the development of new mines as against the robust demand from the steel industry has already pushed India in becoming a net importer of manganese ore in the last 3 years.

Future outlook of Manganese ore

With the expectations of robust growth in the domestic steel production, CARE Research foresees, demand for manganese ore is likely to increase during the next few years. CARE Research foresees the domestic manganese ore demand to grow at a CAGR of about 9% during the next 2-3 years and reach levels of 4.1 million tpa by FY12. The rising requirement of ferro alloy products for the steel and other metal-producing industries are likely to be the prime reason for a positive growth in the domestic demand for manganese ore.

SUMMARY OF OUR BUSINESS

Unless otherwise indicated, the financial information relating to our Company set forth in this section relates to our restated audited financial statements for the six months ended September 30, 2010 and September 30, 2009 and each of the years ended March 30, 2010, 2009 and 2008

Overview

We were the largest producer of manganese ore by volume in India in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). Our production of manganese ore increased from 864,890 tonnes in Fiscal 2006 to 1,093,363 tonnes in Fiscal 2010. According to the JORC report prepared by IMC dated October 30, 2010, as on October 1, 2010, we have access to 21.7 million tonnes of proved and probable reserves and a total of 69.5 million tonnes of measured, indicated and inferred mineral resources of manganese ore. Further, 55.0% of our proved and probable manganese ore reserves, as of October 1, 2010, have an average manganese content of 40.0% or higher. 27.5% of our proved and probable manganese ore reserves as of October 1, 2010, have an average manganese content ranging from 36.0% to 39.9%. In addition, none of our mines produce low grade manganese (i.e., below 30.0% manganese content). For further details on our reserves and resources, see "***Manganese Ore Resources and Reserves***" on page 70 of this Red Herring Prospectus.

We believe that we benefit from our long operating history of mining manganese ore in India based on more than four decades of experience since incorporation. We currently operate seven underground mines (Kandri, Munsar, Beldongri, Gumgaon, Chikla, Balaghat and Ukwa mines) and three opencast mines (Dongri Buzurg, Sitapatore, and Tirodi). We produced 1,364,575 tonnes, 1,175,318 tonnes, 1,093,363 tonnes and 516,749 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. We produced 700,776 tonnes of manganese ore from our underground mines and 392,587 tonnes of manganese ore from our opencast mines in Fiscal 2010. We are actively involved in exploration and development activities with a view to increasing our proved manganese ore reserves. In addition, an area of 814.71 hectares in the State of Maharashtra has been reserved for us by a notification from the Ministry of Mines in October 2009. We have applied for prospecting licenses with respect to this area.

Manganese ore is primarily used to make ferro-alloys for steel production. According to the Indian Ministry of Steel, India was the fifth largest producer of crude steel in the world in 2009 and is expected to become the second largest producer of crude steel in the world by 2015-2016. The Indian steel industry has continued to advance on a growth trajectory and it is anticipated that by 2011-2012, the crude steel production capacity in India will be nearly 124 million tonnes (Source: Ministry of Steel Annual Report 2009-2010), which in turn is expected to result in continued demand for manganese ore in India. We accounted for approximately 50.0% of India's total production of manganese ore in Fiscal 2008 (*Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008*).

In addition to medium grade manganese ore, our products include manganese dioxide and chemical grade manganese ore. At the Balaghat and Dongri Buzurg mines, which are our largest mines, we have beneficiation plants to upgrade the quality of the manganese ore produced, which we sell commercially and also use in the manufacturing of our value-added products such as high carbon ferro manganese ("**HCFM**") and electrolytic manganese dioxide ("**EMD**"). As of September 30, 2010, processing capacity at the Balaghat and Dongri Buzurg mines was 500,000 tonnes and 400,000 tonnes per annum ("**TPA**"), respectively. We intend to expand our value-added production capacity and have entered into joint ventures with Steel Authority of India Limited ("**SAIL**") and Rashtriya Ispat Nigam Limited ("**RINL**") to set up ferro alloy plants in Chhattisgarh and Andhra Pradesh, respectively, which are collectively expected to produce ferro manganese (with a proposed installed capacity of 51,000 TPA) and silico manganese (with a proposed installed capacity of 112,500 TPA). For further details on these joint ventures and the agreements on the basis of which they have been formed, see "***History and Certain Corporate Matters- Joint Ventures***" on page 102 of this Red Herring Prospectus. We also operate two wind farms with an aggregate capacity of 20.0 MW located at Nagda Hills and Ratedi hills near Dewas in the state of Madhya Pradesh. We aim to achieve higher forward-integration by expanding our midstream and downstream capability through our beneficiation and value-added production plants, while also benefiting from captive power generation from our wind power farms.

We sell all of the manganese ore we produce in the Indian market, primarily to ferro-alloy producers in the steel industry. Manganese ore sales (gross) represented approximately 89.1%, 82.5%, 83.7% and 84.7% of our total income in Fiscal Years 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. Manganese ore is primarily sold to our customers pursuant to quarterly sales contracts. Our key customers include Maharashtra Elektrosmelt Limited and Bhilai Steel Plant ("**Bhilai**"), which are both state entities that are a subsidiary and a division of SAIL, respectively and which together accounted for 22.1% of our manganese ore sales revenue in Fiscal 2010. Our top ten customers represented approximately 51.5% of our sales of manganese ore for Fiscal 2010.

We were conferred the *Mini Ratna* status in 2008, which provides us with certain operational and financial autonomy. In particular, we are not required to obtain the concurrence of the government to incur capital expenditure for the implementation of certain mechanization programs and purchase of equipment. We have established a dedicated environment management program and continue to focus on various environmental initiatives including land reclamation and restoration in opencast mines, water harvesting and afforestation at our mines and other environmental issues that may result from our mining operations. We have conducted a number of forestation programs and green belt development programs in and around our mining lease areas. We were awarded the National Energy Conservation Award for Kandri mine for the year 2009

Our total income was ₹ 10,154.5 million, ₹ 14,394.1 million, ₹ 10,878.5 million and ₹ 6,924.9 million in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. Our profit after tax, as restated, was ₹ 4,615.6 million, ₹ 6,902.9 million, ₹ 4,656.2 million and ₹ 3,315.0 million in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively, or 45.5%, 48.0%, 42.8% and 47.9% of our total income in such periods. As of September 30, 2010, our cash and bank balances were ₹ 17,628.8 million and we had no debt.

Our Competitive Strengths

- Largest producer of manganese ore in India with access to significant reserves
- Well positioned to capture the growth potential of the Indian steel industry
- Track record of growth and efficient operations
- Strategic location of our mines provides us with competitive advantages
- Strong track record of financial performance
- Strong capabilities for exploration, mine planning and research development
- Experienced senior management and large pools of skilled manpower

Our Business Strategies

- Maintain our leadership position in India and continue to increase production levels at our existing mines to capitalize on expected growth of the Indian steel sector
- Engage in intensive exploration through our extensive lease holdings to prove additional reserves
- Achieve higher forward integration to capture additional margin
- Continue to increase margins, efficiency, profitability and control costs
- Continue our focus on developing environmentally friendly and socially sustainable operations

SUMMARY OF RESERVES AND RESOURCES AS PER JORC AND UNFC STANDARDS

Manganese Ore Resources and Reserves under JORC Code

We have access to significant resources and reserves of manganese ore. 55% of our proved and probable manganese ore reserves as of October 1, 2010 have an average manganese content of 40.0% or higher. In connection with this Offer, IMC, an independent mining and geological consultancy firm, has prepared a report in connection with the validation and audit of our resource and reserves. IMC has reviewed the practice and estimation methods undertaken by us for reporting resources and reserves and has reviewed our resources and reserves in accordance with the criteria for internationally recognized reserve and resource categories of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004) (the "**JORC Code**"). The report prepared by IMC dated October 30, 2010 (the "**JORC Report**") is annexed to this Red Herring Prospectus. Classification of mineral resources and reserves under the JORC Code differ from those under UNFC. For details, see "***Our Business***" on page 64 of this Red Herring Prospectus.

Manganese Ore Resources and Reserves under the UNFC Framework

Our Company prepares and regularly reports its mineral resources in accordance with the United Nations Framework Classification for Energy and Mineral Resources ("**UNFC**"). For details, see "***Our Business***" on page 64 of this Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited]
Summary of statement of assets and liabilities, as restated

₹ in millions

	Particulars		As at 30-09-2010	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	**Fixed assets**							
	(a)	Gross block	3,802.20	3,570.27	3,420.00	3,024.76	1,833.07	1,471.97
	(b)	Less : Depreciation	1,737.96	1,604.86	1,363.63	1,135.97	988.36	860.30
	(c)	Net block	2,064.24	1,965.41	2,056.37	1,888.79	844.71	611.67
	(d)	Less : Revaluation reserve	0.00	0.00	0.00	0.00	0.00	0.00
	(e)	Net block after revaluation reserve	2,064.24	1,965.41	2,056.37	1,888.79	844.71	611.67
	(f)	Capital work in progress	225.17	221.78	154.53	85.53	411.34	125.58
	(g)	Total fixed assets	2,289.41	2,187.19	2,210.90	1,974.32	1,256.05	737.25
B	**Investments**		22.13	2.13	1.13	0.13	0.13	0.15
C	**Current assets, loans and advances**							
	(a)	Inventories	454.22	463.82	570.74	235.17	312.65	593.42
	(b)	Sundry debtors	897.03	857.45	610.89	1,589.29	499.86	455.68
	(c)	Cash and bank balances	17,628.76	14,870.98	12,321.72	6,085.53	3,214.94	2,181.40
	(d)	Other current assets	543.87	597.77	541.39	215.11	114.32	62.42
	(e)	Loans and advances	368.04	631.30	406.68	254.29	171.49	195.50
	(f)	Total current assets, loans and advances	19,891.92	17,421.32	14,451.42	8,379.39	4,313.26	3,488.42
D	**Total assets (A + B + C)**		22,203.46	19,610.64	16,663.45	10,353.84	5,569.44	4,225.82
E	**Liabilities and provisions**							
	(a)	Current liabilities	1,540.33	1,458.65	1,831.50	1,332.84	823.95	556.46
	(b)	Provisions	473.23	1,256.50	1,437.50	990.78	116.95	109.82
	(c)	Total current liabilities and provisions	2,013.56	2,715.15	3,269.00	2,323.62	940.90	666.28
	(d)	Deferred tax liabilities	107.80	128.33	185.02	167.68	95.40	18.62
	(e)	Total liabilities	2,121.36	2,843.48	3,454.02	2,491.30	1,036.30	684.90
F	**Net worth (A + B + C - E)**		20,082.10	16,767.16	13,209.43	7,862.54	4,533.14	3,540.92
G	**Represented by :**							
	(a)	Share capital	1,680.00	1,680.00	280.00	280.00	280.00	153.25
	(b)	Reserves and surplus	18,402.10	15,087.16	12,929.43	7,582.54	4,253.14	3,387.67
	(c)	Less : Revaluation reserve	0.00	0.00	0.00	0.00	0.00	0.00
	(d)	Reserves and surplus (Net of revaluation reserve)	18,402.10	15,087.16	12,929.43	7,582.54	4,253.14	3,387.67
	(e)	Total share capital *plus* reserves	20,082.10	16,767.16	13,209.43	7,862.54	4,533.14	3,540.92
	(f)	Less : Miscellaneous expenditure not written off	0.00	0.00	0.00	0.00	0.00	0.00
	(g)	**Net worth**	20,082.10	16,767.16	13,209.43	7,862.54	4,533.14	3,540.92

Note : The above statement should be read with notes on adjustments made to restated financial statements (Annexure 5-A), notes on adjustments not made to restated financial statements (Annexure 5-B), other notes to restated financial statements (Annexure 5-C) and significant accounting policies (Annexure 6)

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited]
Summary of statement of profit and loss, as restated

₹ in millions

	Particulars		For six months ended	For the year ended				
			30-09-2010	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	**Income**							
	(a)	Net sales (Manufactured goods)	6,350.50	9,693.95	12,933.44	9,775.38	4,173.23	3,313.24
	(b)	Other income	613.67	1,299.80	1,117.06	466.42	283.91	206.26
	(c)	Accretion/(-)decretion to stocks	(39.26)	(115.22)	343.59	(87.32)	(289.73)	117.87
	(d)	Total	6,924.91	10,878.53	14,394.09	10,154.48	4,167.41	3,637.37
B	**Expediture**							
	(a)	Ore raising and operating expenses	1,258.51	2,523.27	2,880.91	1,782.81	1,479.88	1,377.52
	(b)	Manufacturing and electricity generation expenses	196.93	371.85	443.24	288.64	259.35	195.88
	(c)	Administrative and selling expenses	369.52	615.23	721.74	475.96	224.22	196.78
	(d)	Research and development expenses	11.89	28.77	16.72	27.94	20.80	12.81
	(e)	Write offs and provisions	3.52	9.27	16.60	68.80	52.24	46.55
	(f)	Expenses for diversion of forest land	3.69	9.22	0.66	0.50	11.57	1.90
	(g)	Total operating expenses	1,844.06	3,557.61	4,079.87	2,644.65	2,048.06	1,831.44
C	**Profit before depreciation, interest and taxation**		5,080.85	7,320.92	10,314.22	7,509.83	2,119.35	1,805.93
D	Less : Depreciation		(133.10)	(252.99)	(246.66)	(160.77)	(140.80)	(114.72)
	Less : Interest and finance charges		0.00	0.00	0.00	0.00	0.00	0.00
E	Add/(Less) : Prior period items		0.00	0.00	0.00	0.00	32.92	(1.15)
F	**Profit before tax**		4,947.75	7,067.93	10,067.56	7,349.06	2,011.47	1,690.06
G	**Provisions for taxation**							
	(a)	Income tax for current year	1,661.07	2,446.04	3,409.98	2,364.49	608.72	581.31
	(b)	Income tax for earlier years	0.00	16.14	(0.35)	3.35	(8.88)	(37.49)
	(c)	Interest on income tax	0.00	0.00	0.00	41.04	1.02	3.16
	(d)	Fringe benefits tax for current year	0.00	0.00	2.96	2.97	2.76	3.18
	(e)	Fringe benefits tax for earlier years	0.00	(1.02)	(0.30)	(0.61)	(0.08)	0.00
	(f)	Total	1,661.07	2,461.16	3,412.29	2,411.24	603.54	550.16
	(g)	Deferred tax adjustment for the period	(20.54)	(56.69)	17.34	139.67	65.84	(5.27)
	(h)	Total provisions for taxation	1,640.53	2,404.47	3,429.63	2,550.91	669.38	544.89
H	**Net profit after tax as per audited accounts**		3,307.22	4,663.46	6,637.93	4,798.15	1,342.09	1,145.17
I	**Extraordinary items (Net of tax)**		0.00	0.00	0.00	0.00	0.00	0.00
J	**Net profit after tax and extraordinary items**		3,307.22	4,663.46	6,637.93	4,798.15	1,342.09	1,145.17
K	**Adjustments on account of -**							
	(a)	Changes in accounting policies	11.57	1.35	(21.14)	47.28	37.31	(3.43)
	(b)	Prior period items					(32.92)	34.07
	(c)	Other adjustments		(35.27)	449.34	(329.18)	(30.43)	(3.15)
	Tax impact							
	(a)	Current year tax impact	(3.84)	11.53	(163.57)	109.26	16.40	(0.60)
	(b)	Deferred tax liability/asset	0.00	0.00	0.00	(12.96)	(10.94)	(4.12)
	(c)	Tax impact - other adjustments	0.00	15.13	0.36	3.04	(8.34)	(37.42)
	Total adjustments after tax impact		7.73	(7.26)	264.99	(182.56)	(28.92)	(14.65)
L	**Profit after tax, as restated**		3,314.95	4,656.20	6,902.92	4,615.59	1,313.17	1,130.52

Note : The above statement should be read with notes on adjustments made to restated financial statements (Annexure 5-A), Notes on adjustments not made to restated financial statements (Annexure 5-B), other notes to restated financial statements (Annexure 5-C) and significant accounting policies (Annexure 6)

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited]
Summary of statement of cash flow, as restated

₹ in millions

		Particulars	For six months ended 30-09-2010	For the year ended 31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	**Cash flow from operating acivities :**							
	(a)	Profit before tax and extra-ordinary items	4,947.75	7,067.93	10,067.56	7,349.06	2,011.47	1,690.06
	(b)	Adjustments (see Annexure)	11.57	(33.92)	428.20	(281.90)	(26.04)	27.49
	(c)	**Restated profit before tax**	4,959.32	7,034.01	10,495.76	7,067.16	1,985.43	1,717.55
	Adjustments for :							
	(d)	Depreciation	133.10	252.99	246.66	160.77	140.80	114.72
	(e)	Discarded assets written off	0.00	1.23	1.76	1.44	2.09	0.36
	(f)	Interest on deposit with banks	(578.29)	(1,216.79)	(1,038.70)	(434.39)	(219.97)	(134.42)
	(g)	Interest - others	(11.90)	(25.25)	(3.45)	(11.68)	(30.13)	(50.71)
	(h)	Gratuity/leave encashments - additional implications of AS-15				(156.03)		
	(i)	Total adjustments	(457.09)	(987.82)	(793.73)	(439.89)	(107.21)	(70.05)
	(j)	Operating profit before working capital	4,502.23	6,046.19	9,702.03	6,627.27	1,878.22	1,647.50
	Adjustments for changes in working capital :							
	(k)	Inventories	9.60	106.91	(335.57)	77.48	280.77	(103.50)
	(l)	Receivables	(39.58)	(246.56)	978.41	(1,089.44)	(44.18)	198.06
	(m)	Loans & advances	263.26	(224.62)	(152.38)	(82.80)	24.01	(57.57)
	(n)	Current liabilities & provisions	(722.12)	(610.54)	962.71	1,455.01	351.40	(284.83)
	(o)	Other current assets	53.91	(56.36)	(326.29)	(100.79)	(51.92)	(21.13)
	(p)	Net changes in working capital	(434.93)	(1,031.17)	1,126.88	259.46	560.08	(268.97)
	(q)	**Cash generated from operations**	4,067.30	5,015.02	10,828.91	6,886.73	2,438.30	1,378.53
	(r)	Direct taxes	(1,644.38)	(2,377.82)	(3,592.84)	(2,451.56)	(672.26)	(587.01)
	(s)	**Net cash flow from operating activities (A)**	2,422.92	2,637.20	7,236.07	4,435.17	1,766.04	791.52
B	**Cash flow from investing acivities :**							
	(a)	Purchase of fixed assets	(231.94)	(163.25)	(416.00)	(1,206.29)	(375.93)	(181.97)
	(b)	Changes in capital work in progress	(3.39)	(67.25)	(69.00)	325.81	(285.77)	(112.99)
	(c)	Purchase/sale of investments	(20.00)	(1.00)	(1.00)	0.00	0.03	0.00
	(d)	Interest received on deposits with banks	578.29	1,216.79	1,038.70	434.39	219.97	134.42
	(e)	Interest received - others	11.90	25.25	3.45	11.68	30.13	50.71
	(g)	**Net cash flow from investing activities (B)**	334.86	1,010.54	556.15	(434.41)	(411.57)	(109.83)
C	**Cash flow from financing acivities :**							
	(a)	Payment of dividends	0.00	(940.80)	(1,330.00)	(966.00)	(280.00)	(199.23)
	(b)	Tax on dividends	0.00	(157.68)	(226.03)	(164.17)	(40.93)	(27.94)
	(c)	**Net cash flow from financing activities (C)**	0.00	(1,098.48)	(1,556.03)	(1,130.17)	(320.93)	(227.17)
	Net increase in cash and cash equivalents		2,757.78	2,549.26	6,236.19	2,870.59	1,033.54	454.52
	Cash and cash equivalents at the -							
	Beginning of the year		14,870.98	12,321.72	6,085.53	3,214.94	2,181.40	1,726.88
	End of the year		17,628.76	14,870.98	12,321.72	6,085.53	3,214.94	2,181.40
	Net increase in cash and cash equivalents		2,757.78	2,549.26	6,236.19	2,870.59	1,033.54	454.52
Note	Cash and cash equivalents at the end of year consist of the following							
	(a)	Cash in hand	0.89	0.61	0.75	0.76	0.92	0.86
	(b)	Balance with scheduled banks -						
		In fixed deposits	17,515.86	14,650.17	12,255.55	5,713.45	3,186.37	2,145.21
		In current accounts	112.01	220.20	65.42	371.32	27.65	35.33
			17,628.76	14,870.98	12,321.72	6,085.53	3,214.94	2,181.40

Note : The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India

THE OFFER

The following table summarizes the details of the Offer:

Equity Shares offered through this Offer	33,600,000 Equity Shares[1]
Of which	
Employee Reservation Portion	672,000 Equity Shares available for allocation on a proportionate basis[2]
Therefore,	
Net Offer to public	32,928,000 Equity Shares
Of which	
1. QIB Portion	At least 16,464,000 Equity Shares available for allocation on a proportionate basis[3]
Of which	
Available for allocation to Mutual Funds only	[•] Equity Shares
Balance for all QIBs including Mutual Funds	[•] Equity Shares
2. Non-Institutional Portion	Not less than 4,939,200 Equity Shares available for allocation on a proportionate basis
3. Retail Portion	Not less than 11,524,800 Equity Shares available for allocation on a proportionate basis
Pre and Post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	168,000,000 Equity Shares
Equity Shares outstanding after the Offer	168,000,000 Equity Shares
Use of Offer Proceeds	Our Company will not receive any proceeds from the Offer. For further details please see "***Objects of the Offer***" on page 42 of this Red Herring Prospectus.

The Selling Shareholders are offering for sale 33,600,000 Equity Shares which have been held by them for a period of at least one year as on the date of filing of this Red Herring Prospectus.

[2] *The Employee Reservation Portion is 0.4 % of the post-Offer paid up capital of our Company. 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, 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 (except for the QIB Portion), 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 Shareholders in consultation with the BRLMs and Designated Stock Exchange.*

[3] *Our Company and the Selling Shareholders may in consultation with the BRLMs, consider allocating up to 30% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations out of which at least one third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. For details see "**Offer Procedure**" on page 216 of this Red Herring Prospectus.*

GENERAL INFORMATION

Our Company was incorporated on June 22, 1962 as a public limited company with the RoC under the name Manganese Ore (India) Limited under the provisions of the Companies Act. Subsequently, the name of our Company was changed from Manganese Ore (India) Limited to MOIL Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 17, 2010. This name change was deemed appropriate on the basis that our Company is better known within the industry, to its customers and the general public as MOIL.

For details with regard to changes in our name, status and registered office, see '***History and Certain Corporate Matters'*** on page 98 of this Red Herring Prospectus.

Registered and Corporate Office

Our registered and corporate office is presently situated at the following address:

MOIL Bhawan,
1-A, Katol Road,
Nagpur- 440 013
Maharashtra, India
Telephone: + 91 71 2280 6100/216
Facsimile: +91 71 2259 1661
Email: ipo@moil.nic.in
Website: www.moil.nic.in

Registration Number: 12398 of 1962-63
Corporate Identity Number: U99999MH1962GOI012398

Address of the RoC

The RoC is situated at the following address:

Registrar of Companies, Maharashtra, Mumbai
Everest, 5th Floor,
100 Marine Drive
Mumbai- 400 002
Maharashtra, India

Board of Directors

Our Board of Directors comprises the following members:

Name, Designation, Age, DIN and Occupation	Residential Address	Other Directorships
Mr. Kumar Jitendra Singh Chairman and Managing Director Age: 58 DIN: 00626836 Occupation: Service	No. 1060, Sector IV-B, Bokaro Steel City- 827 004 Jharkhand, India	None
Dr. Dalip Singh Nominee Director Government of India Age: 54 DIN: 02211894	745, Makhan Singh Block, Asiad Village, Khelgaon, New Delhi- 110047 India	• Rashtriya Ispat Nigam Limited • Hindustan Steelworks Construction Limited • MSTC Limited • Orissa Minerals Development Corp. Limited

Name, Designation, Age, DIN and Occupation	Residential Address	Other Directorships
Occupation: Service		• Eastern Investment Limited • Bisra Stone Lime Co. Limited
Mr. Azeez M. Khan Nominee Director, Government of Maharashtra Age: 57 DIN: 01999371 Occupation: Service	32, 5th Floor, Yashodhan, Dinshaw Waccha Road, Churchgate, Mumbai- 400 020 Maharashtra, India	• Maharashtra Ex-Servicemen Corporation Limited • Maharashtra Airport Development Company Limited • Mahanagar Gas Limited • Maharashtra Vikrikar Rokhe Pradhikaran Limited
Mr. M. A. V. Goutham Director (Finance) Age: 58 DIN: 00101447 Occupation: Service	C- 3 Vishnu Kamal Apartment, Shivaji Nagar, Nagpur- 440 001 Maharashtra, India	• SAIL and MOIL Ferro Alloys Private Limited • RINMOIL Ferro Alloys Private Limited
Mr. Anup K. Mehra Director (Commercial) Age: 55 DIN: 01503228 Occupation: Service	5th Floor, Mahima Kamlini Apartments, Palm Road, Civil Lines, Nagpur- 440 001 Maharashtra, India	• SAIL and MOIL Ferro Alloys Private Limited • RINMOIL Ferro Alloys Private Limited
Mr. Gururaj Pandurang Kundargi Director (Production and Planning) Age: 54 DIN: 02256516 Occupation: Service	C-01, Pioneers Regency, Near Utkarsh Nagar, Gitti Khadan, Katol Road Nagpur- 440 013 Maharashtra, India	• SAIL and MOIL Ferro Alloys Private Limited • RINMOIL Ferro Alloys Private Limited
Mr. Vijay V. Kale Independent Director Age: 53 DIN: 03129738 Occupation: Practicing Chartered Accountant	R-865, New Rajinder Nagar, New Delhi- 110 060 India	• M/s V.V. Kale & Co (Partner)
Dr. Madhu Vij Independent Director Age: 55 DIN: 00025006 Occupation: Professor, Faculty of Management Studies, New Delhi	18/8 Kalkaji, New Delhi- 110 019 India	• M/s Marg Strategic Consultants Limited
Dr. Subir K. Bhattacharyya	34/2 Mahim Halder Street,	• National Fertiliser Limited

Name, Designation, Age, DIN and Occupation	Residential Address	Other Directorships
Independent Director Age: 64 DIN: 00026534 Occupation: Retired	Kolkata- 700026 West Bengal, India	• Tayo Rolls Limited
Mr. Sanjeeva Narayan Independent Director Age: 50 DIN: 00038772 Occupation : Practicing Chartered Accountant	A-33, Pandara Road New Delhi- 110003 India	• M/s Ashwani and Associates (Partner) • D&M Components Limited • Hindon Mercantile Limited • Elegant Advisory Services Private Limited • Emjay Oversease Private Limited • Shanti Portfolios Private Limited
Mr. Hem Chander Disodia Independent Director Age: 62 DIN: 03315444 Occupation : Retired	HNO 1681, Sector-21 Ward-29, Panchkula- 134112, Haryana, India	None
Mr. Bal Kishan Gupta Independent Director Age: 61 DIN: 03105907 Occupation : Retired	11/VI, Nizam Palace, 234/4, A. J. C. Bose Road, Kolkata, 700020, West Bengal, India	None

For further details in relation to our Directors, please refer to "***Our Management***" page 107 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company has appointed Mr. Neeraj Dutt Pandey, our Company Secretary of our Company as the Compliance Officer. His contact details are as follows:

Mr. Neeraj Dutt Pandey
Company Secretary
MOIL Limited
MOIL Bhavan,
1-A Katol Road, Nagpur – 440 013,
Maharashtra, India
Telephone: +91 71 2280 6100/216
Facsimile: +91 71 2259 1661
E-Mail: ipo@moil.nic.in
Website: www.moil.nic.in

Investors can contact the Compliance Officer or the Registrar to the Offer or the BRLMs 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.

All complaints, queries or comments received by SEBI shall be forwarded to the BRLMs who shall respond to the same.

Book Running Lead Managers

Edelweiss Capital Limited

14th Floor, Express Towers,
Nariman Point,
Mumbai - 400 021
Maharashtra, India
Telephone: +91 22 4086 3535
Facsimile: +91 22 4086 3610
E-mail: moil.ipo@edelcap.com
Investor Grievance E-mail: customerservice.mb@edelcap.com
Website: www.edelcap.com
Contact Person: Jibi Jacob / Vishal Gupta
SEBI Registration Number: INM0000010650

IDBI Capital Market Services Limited

5th Floor, Mafatlal Centre,
Nariman Point,
Mumbai 400 021
Maharashtra, India
Telephone: +91 22 4322 1212
Facsimile: +91 22 2285 0785
E-mail- moil.ipo@idbicapital.com
Investors Grievance E-mail: redressal@idbicapital.com
Website: www.idbicapital.com
Contact Person: Piyush Bansal / Subodh Mallya
SEBI Registration No: INM000010866

J.P. Morgan India Private Limited

J.P. Morgan Tower,
Off. C.S.T. Road,
Kalina, Santacruz - East,
Mumbai - 400 098
Maharashtra, India
Telephone: +91 22 6157 3000
Facsimile: +91 22 6157 3911
E-mail: moil_ipo@jpmorgan.com
Investors Grievance Email: investorsmb.jpmipl@jpmorgan.com
Website: www.jpmipl.com
Contact Person: Prateek Trehan
SEBI Registration No: INM000002970

Syndicate Members

Edelweiss Securities Limited

2nd floor, MB Towers, Plot No. 5, Road No. 2
Banjara Hills, Hyderabad 500 034, India
Telephone: +91 22 6747 1342
Facsimile: +91 22 6747 1347
E-mail: moil.ipo@edelcap.com

Website: www.edelcap.com
Contact Person: Mr. Prakash Boricha / Ms. Pinki Dhodia
SEBI Registration number: NSE: INB231193310 / BSE: INB011193332

Legal Counsels

Domestic Legal Counsel to the Selling Shareholders and our Company

Fox Mandal and Co.
FM House
A-9, Sector 9
Noida 201 301
NCR of Delhi, India
Telephone: +91 12 0391 9555
Facsimile: +91 12 0254 2222
Email: newdelhi@foxmandallittle.com

International Legal Counsel to the Selling Shareholders and our Company

Gide Loyrette Nouel LLP
125 Old Broad Street
London
EC2N 1AR
United Kingdom
Telephone: +44 20 7382 5500
Facsimile: +44 20 7382 5501
Email: gln.london@gide.com

Domestic Legal Counsel to the Underwriters

Luthra and Luthra Law Offices
103, Ashoka Estate
24, Barakhamba Road
New Delhi- 110 001
India
Telephone: +91 11 4121 5100
Facsimile: +91 11 2372 3909
Email: delhi@luthra.com

International Legal Counsel to the Underwriters

DLA Piper Singapore Pte Limited
80 Raffles Place
#48-01 UOB Plaza 1
Singapore 048624
Telephone: +65 6512 9595
Facsimile: +65 6512 9500

Registrar to the Offer

Karvy Computershare Private Limited
Plot no. 17 – 24, Vittalrao Nagar
Madhapur
Hyderabad – 500 081, India
Telephone: +91 40 2342 0815

Facsimile: +91 40 2343 1551
Email: moil.ipo@karvy.com
Investor Grievance ID: moil.ipo@karvy.com
Website: http://karisma.karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

All grievances relating to the ASBA process should be addressed to the Registrar to the Offer, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account, the Number and the Designated Branch where the ASBA Form was submitted.

Bankers to the Offer /Escrow Collection Banks

HDFC Bank Limited
HDFC Bank Limited, FIG-OPS Department, - Lodha, I Think Techno Campus, O-3, Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai - 400 042
Telephone: +91 22 3075 2928
Facsimile: +91 22 2579 9801
Email: deepak.rane@hdfcbank.com, figdelhi@hdfcbank.com, ajit.mann@hdfcbank.com
Contact Person: Deepak Rane
SEBI Registration No.: INBI00000063

Kotak Mahindra Bank Limited
5th Floor, Dani Corporate Park, 158, CST Road, Santacruz (E), Mumbai 400 098
Telephone: +91 22 6759 5336/ +91 22 6605 6631
Facsimile: +91 22 6759 5374
Email: amit.kr@kotak.com
Contact Person: Amit Kumar
SEBI Registration No.: INBI00000927

ICICI Bank Limited
Capital Markets Division, 30, Mumbai Samachar Marg, Mumbai -400 001
Telephone: +91 22 6631 0312/ +91 22 6631 0311
Facsimile: +91 22 2261 1138/ +91 22 6631 0350
Email: viral.bharani@icicibank.com
Contact Person: Viral Bharani
SEBI Registration No.: INB100000004

The Hongkong and Shanghai Banking Corporation
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
Telephone: +91 98 2178 0250
Facsimile: +91 22 4035 7657
Email: mustafasanchawalla@hsbc.co.in, anitakohli@hsbc.co.in
Contact Person: Mustafa Sanchawalla
SEBI Registration No.: INBI00000027

State Bank of India
Capital Market Branch
Address: Videocon heritage (Killic House), Ground Floor, Charanjit Rai Marg, Mumbai 400 001
Telephone: +91 22 2209 4932/ +91 22 2209 4927
Facsimile: +91 22 2209 4921 / +91 2209 4922
Email: nib.11777@sbi.co.in, sbi11777@yahoo.co.in
Contact: Surekha Shinde
SEBI Registration No.: INBI00000038

IDBI Bank Limited
Unit No.2, Corporate Park, Sion Trombay Road, Chembur, Mumbai -400 071

Telephone: +91 22 6690 8402
Facsimile: +91 22 2528 6173
Contact Person: Mr M.N. Kamat
Email:mn.kamat@idbi.co.in
SEBI Registration No.: INBI00000076

Punjab National Bank
Capital Market Services Branch, 5, Sansad Marg, New Delhi
Telephone: +91 11 2373 7531/ +91 11 2373 7533
Facsimile: +91 11 2373 7528
Email: bo4552@pnb.co.in
Contact: Mr. S K Sachdeva / Mr. BB Aggarwal
SEBI Regn: INBI00000084

Syndicate Bank
26A, Syndicate Bank Building, P.M. Road, Fort, Mumbai -400 023
Telephone: +91 22 2262 1844/ +91 22 2270 4013
Facsimile: +91 22 2270 0995
Email: cmsc@syndicatebank.co.in, ashokreddy@syndicatebank.co.in
Contact Person: Mr Ashok Reddy
SEBI Registration No.: INBI00000035

Bank of India
Star House, C-5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Telephone: +91 22 6668 4594
Facsimile: +91 22 6668 4591
Email: headoffice.SDM@bankofindia.co.in
Contact Person: Mr K.V. Raghavendra
SEBI Registration No.: INBI00000009

Self Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs are provided at http://www.sebi.gov.in/pmd/scsb.pdf or any such other website as may be prescribed by SEBI from time to time.

For details on designated branches of SCSBs collecting the ASBA Form, please refer the above mentioned SEBI link.

Refund Bankers

HDFC Bank Limited
HDFC Bank Limited, FIG-OPS Department, - Lodha, I Think Techno Campus, O-3, Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai - 400 042
Telephone: +91 22 3075 2928
Facsimile: +91 22 2579 9801
Email: deepak.rane@hdfcbank.com, figdelhi@hdfcbank.com, ajit.mann@hdfcbank.com
Contact Person: Deepak Rane
SEBI Registration No.: INBI00000063

Kotak Mahindra Bank Limited
5th Floor, Dani Corporate Park, 158, CST Road, Santacruz (E), Mumbai 400 098
Telephone: +91 22 6759 5336/ +91 22 6605 6631
Facsimile: +91 22 6759 5374
Email: amit.kr@kotak.com
Contact Person: Amit Kumar
SEBI Registration No.: INBI00000927

State Bank of India
Capital Market Branch
Address: Videocon heritage (Killic House), Ground Floor, Charanjit Rai Marg, Mumbai 400 001
Telephone: +91 22 2209 4932/ +91 22 2209 4927
Facsimile: +91 22 2209 4921 / +91 2209 4922
Email: nib.11777@sbi.co.in, sbi11777@yahoo.co.in
Contact: Surekha Shinde
SEBI Registration No.: INBI00000038

Auditors

Shah Baheti Chandak and Co., Chartered Accountants
205 Ghatate Chambers, Panchasheel Square,
Nagpur- 440 012
Maharashtra, India
Telephone: +91 71 2242 2719
Facsimile: +91 71 2244 5589
Email: sbcngp@gmail.com

Bankers to our Company

Syndicate Bank
84, Sarda Kunj, Sewa Sadan Chowk, A.C. Road,
Gandhibagh,
Nagpur- 440 018
Maharashtra, India
Telephone: +91 71 2272 4460
Facsimile: +91 71 2272 4460
Email: mh5251nagmain@syndicatebank.co.in
Website: www.syndicatebank.in
Contact Person: O. B. Maharaj

IDBI Bank Limited
Unit No. 2, Corporate Park, Near Swastik Chambers
Sion-Trombay Road, Chembur
Mumbai- 400 071
Telephone: +91 22 6690 8402
Facsimile: +91 22 6690 8424
Email: mn.kamat@idbi.co.in
Website: www.idbibank.com
Contact Person: M. N. Kamat

Bank of India
Nagpur, Mid Corporate Branch
S.V, Patel Marg
Nagpur- 400 001
Maharashtra, India
Telephone: +91 71 2254 6189
Facsimile: +91 71 2254 2899
Email: MCB.nagpur1@bankofindia.co.in
Website: www.bankofindia.com
Contact Person: H. K. Rohella

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

The following table sets forth the *inter se* allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No	Activity	Responsibility	Coordinator
1.	Capital structuring with relative components and formalities such of type of instruments etc.	Edelweiss Capital Limited ("**Edelweiss**"), IDBI Capital Market Services Limited ("**IDBI Caps**"), J.P. Morgan India Private Limited ("**J.P. Morgan**"),	Edelweiss
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing including co-ordination with Auditors for preparation of financials.	Edelweiss, IDBI Caps, J.P. Morgan	Edelweiss
3.	Drafting and approving all statutory advertisements	Edelweiss, IDBI Caps, J.P. Morgan	Edelweiss
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	Edelweiss, IDBI Caps, J.P. Morgan	J.P. Morgan
5.	Appointment of other intermediaries viz., Registrar(s), Printers, Escrow Collection Banks, Advertising Agency, IPO Grading Agency, Monitoring Agency (if required)	Edelweiss, IDBI Caps, J.P. Morgan	J.P. Morgan
6.	Preparation of road show presentation and FAQs for the road show team	Edelweiss, IDBI Caps, J.P. Morgan	J.P. Morgan
7.	International Institutional marketing strategy: • Finalize the list and division of investors for one to one meetings, in consultation with our Company, and • Finalizing the International road show schedule and investor meeting schedules	Edelweiss, IDBI Caps, J.P. Morgan	J.P. Morgan
8.	Domestic Institutional marketing strategy: • Finalize the list and division of investors for one to one meetings, institutional allocation in consultation with our Company. • Finalizing the list and division of investors for one to one meetings, and • Finalizing investor meeting schedules	Edelweiss, IDBI Caps, J.P. Morgan	IDBI
9.	Retail / HNI marketing strategy: • Finalise centers for holding conference for brokers etc. • Finalise media, marketing & PR Strategy • Follow up on distribution of publicity and issue materials including form, prospectus and deciding on the quantum of the Offer material • Finalise bidding centers	Edelweiss, IDBI Caps, J.P. Morgan	Edelweiss
10.	Pricing, managing the book and coordination with Stock-Exchanges for Book building software, bidding terminals and mock trading	Edelweiss, IDBI Caps, J.P. Morgan	IDBI

Sr. No	Activity	Responsibility	Coordinator
11.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc.	Edelweiss, IDBI Caps, J.P. Morgan	IDBI
12.	The Post Offer activities for the Offer will involve essential follow up steps, which include the finalisation of basis of allotment, dispatch of refunds, demat and delivery of shares, finalisation of listing and trading of instruments and demat of delivery of Equity shares with the various agencies connected with the work such as the Registrar(s) to the Offer and Escrow Collection Banks. (The BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with our Company)	Edelweiss, IDBI Caps, J.P. Morgan	IDBI

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, the appointment of a monitoring agency is not required.

IPO Grading Agency

Credit Analysis and Research Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road
Sion (East), Mumbai- 400 022
Telephone: +91 22 6754 3456
Facsimile: +91 22 6754 3457
E-mail: care@careratings.com
Contact Person: Sanjay Agarwal

IPO Grading

Pursuant to the SEBI ICDR Regulations, the Offer has been graded by CARE**,** a SEBI registered credit rating agency. The IPO grade has been assigned a grade of CARE IPO Grade 5 indicating strong fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. A copy of the report provided by CARE, furnishing the rationale for its grading is available for inspection at our Registered Office 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.

Disclaimer of IPO Grading Agency

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements CARE shall not he liable for any losses incurred by users from any use of the IPO grading.

Expert

Except for the report of CARE in respect of the IPO Grading of the Offer (a copy of which is annexed to this Red Herring Prospectus as Annexure III), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange, the report provided by Shah Baheti Chandak and Co. dated October 30, 2010, the Auditors Report of our Auditors on the audited financial information and the JORC Report and the UNFC Report provided by IMC dated October 30, 2010 (a copy of which has been annexed to this Red Herring Prospectus as Annexure I and Annexure II respectively) and except for such persons or entities deemed to be experts under the Companies Act, our Company has not obtained any expert opinions.

Project Appraisal

The objects of the Offer are to carry out the disinvestment of 33,600,000 Equity Shares by the Selling Shareholders and to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Accordingly, no project appraisal is required.

Book Building Process

"**Book building**" refers to the process of collection of Bids from the investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Bid cum Application Forms. The Offer Price shall be determined by the Selling Shareholders and our Company 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) Our Company;
(2) The Selling Shareholders;
(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 Book Building Process, wherein at least 50% of the Net Offer shall be Allotted to QIBs. In case we do not receive subscription of at least 50% of the Net Offer from QIBs, we shall refund the subscription monies forthwith.

The Selling Shareholders and our Company may, in consultation with the Book Running Lead Managers, consider allocating up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. Allocation to Anchor Investors shall be subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 million. Further, Anchor Investors shall pay on application the entire Bid Amount. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than [●] 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 QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Offer Price.

Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders 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 at or above the Offer Price. Under subscription, if any, in any category (except in the QIB Portion), would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholders and our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange. Further, 672,000 Equity Shares are reserved from the Offer for allocation on a proportionate basis to Eligible Employees, subject to valid bids being received at or above the Offer Price. Under subscription, if any, in the Employee Reservation Portion, shall be added to the Net Offer. In the event of under subscription in the Net Offer, spill over to the extent of under subscription shall be allowed to the Employee Reservation Portion. However, the Employee Reservation Portion is 0.4 % of the post-Offer paid up capital of our Company.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the Net QIB Portion are not allowed to withdraw their Bids after the QIB Bid/ Offer Closing Date. However, Anchor Investors will not be allowed to withdraw their Bids after the Anchor Investor Bidding Date. For further details, please refer to "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" on pages 207, 210 and 216, of this Red Herring Prospectus, respectively.

Our Company and the Selling Shareholders will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Offer. Our Company and the Selling Shareholders 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 "***Offer Procedure***" on page 216 of this Red Herring Prospectus;

2. Ensure that you have a PAN number and 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. 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 IT 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' 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 "***Offer Procedure***" on page 216 of this Red Herring 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 this Red Herring Prospectus and in the respective forms;

5. Ensure the correctness of your Demographic Details, 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 may 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 (including Anchor Investors but excluding ASBA Bidders) will only have to be submitted to members of the BRLMs and their Affiliates.

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 ₹ 20 to ₹ 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 Centers 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 (₹)	Cumulative Quantity	Subscription
500	24	500	16.6%
1,000	23	1,500	50.0%
1,500	22	3,000	100.0%
2,000	21	4,500	166.7%
2,500	20	6,000	250.0%

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., ₹ 22 in the above example. The issuer, in consultation with Book Running Lead Managers, will finalize the offer price at or below such cut-off, i.e., at or below ₹ 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

In accordance with the SEBI ICDR Regulations, the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer at anytime including after the Bid/ Offer Opening Date, without assigning the reasons thereof. Provided, if the Selling Shareholders and our Company withdraw the Offer after the Bid/ Offer Closing Date, the Selling Shareholders will give the reason thereof within two days of the Bid/ Offer Closing Date by way of a public notice in the same newspapers where the pre-Offer advertisement had appeared. The Stock Exchanges shall also be informed promptly and the Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the date of receipt of such notification.

In the event the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/ Offer Closing Date, a fresh offer document will be filed with the RoC/ SEBI in the event we subsequently decide to proceed with the public offering.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus.

In terms of the SEBI ICDR Regulations, QIBs are not allowed to withdraw their Bids after the QIB Bid/ Offer Closing Date. Since, the Bidding Period for QIBs will close one day prior to the Bid/ Offer Closing Date, QIBs will not be able to withdraw their Bids after Tuesday, November 30, 2010 i.e., one day prior to the Bid/ Offer Closing Date.

Bid / Offer Programme

OFFER PROGRAMME	
FOR ALL BIDDERS	**OFFER OPENS ON FRIDAY, NOVEMBER 26, 2010**[1]
FOR QIBs	**OFFER CLOSES ON TUESDAY, NOVEMBER 30, 2010**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**OFFER CLOSES ON WEDNESDAY, DECEMBER 1, 2010**

[1]*Anchor Investors shall Bid on the Anchor Investor Bidding Date*

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10 a.m. and 5.00 p.m**. (Indian Standard Time) during the Bid/ Offer Period as mentioned above at the Bidding Centers mentioned on the Bid cum Application Form or in case of Bids submitted through ASBA Form to the Syndicate Members and the Designated Branches **except that on the Bid/ Offer Closing Date** (which for the QIBs Bidding under the Net QIB Portion may be a day prior to that of the other non Anchor Investor Bidders)**, the Bids shall be accepted only between 10 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded till (i) 4.00 p.m. in case of Bids by QIBs in the Net QIB Portion. On the Bid/ Offer Closing Date for Retail Individual Bidders, Eligible Employees, and Non-Institutional Bidders 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 Non-Institutional Bidders and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders and Eligible Employees, which may be extended 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 Book Running Lead Managers 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, non QIB Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Bid/ Offer Closing Date. Non QIB Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will only be accepted on Working Days.

In order that the data captured by the brokers in the electronic book is accurate, the members of the Syndicate, the SCSBs may be permitted one additional day, post Bid/ Offer Closing Date, to amend some of the data fields entered by them in the electronic bidding system.

On the Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from 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 and ASBA Forms as stated herein and reported by the Book Running Lead Managers to the Stock Exchange within half an hour of such closure.

The Selling Shareholders and our Company, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed and advertised at least two Working Days before the Bid/ Offer Opening Date.

In case of revision in the Price Band, the Bid/ Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be published in a widely read English, Hindi and a Marathi newspaper, (i.e., all edition of Indian Express, Financial Express & Jansatta, and Nagpur edition of Loksatta), each with wide circulation and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate.

Underwriting Agreement

After the determination of the Offer Price but prior to filing of the Prospectus with the RoC, each of our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered for sale through the Offer. It is expected that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will also be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name, Address, telephone, fax and email of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

Name, Address, telephone, fax and email of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]
Total	[●]	**[●]**

The abovementioned is indicative and is subject to finalization and the execution of definitive documentation after the pricing and actual allocation.

In the opinion of our Board of Directors (based on certificates given to them by the Underwriters), the resources of each of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. Each of the abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors, at its meeting held on [●] has accepted and entered into the Underwriting Agreement with the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to 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 Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations mentioned in the underwriting agreement, will also be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the underwriting agreement.

CAPITAL STRUCTURE

The share capital of our Company as of the date of filing this Red Herring Prospectus and both before and after the Offer is set forth below.

Share Capital	*(₹ in Million)*	
	Aggregate nominal value	**Aggregate value at Offer Price**
A. Authorized Capital[1]		
250,000,000 Equity Shares	2,500	
B. Issued, Subscribed And Paid-Up Capital		
168,000,000 Equity Shares	1,680	
C. Present Offer to the public in terms of this Red Herring Prospectus[2]		
I. Offer for Sale		
33,600,000 Equity Shares[3]	336	[●]
Out of which:		
(i) **Employee Reservation Portion**		
672,000 Equity Shares are reserved for allotment to Eligible Employees	6.7	[●][5]
(ii) **Net Offer to Public**		
32,928,000 Equity Shares	329.3	[●]
Out of which:		
(a) QIB Portion of at least 16,464,000 Equity Shares[4]	164.6	[●]
(b) Non-Institutional Portion of not less than 4,939,200 Equity Shares	49.4	[●]
(c) Retail Portion of not less than 11,524,800 Equity Shares	115.2	[●][5]
D. Equity Capital after the Offer		
168,000,000 Equity Shares	1,680	1,680
E. Share Premium Account		
Before the Offer	Nil	Nil
After the Offer	Nil	[●]

[1]*The changes in authorized share capital of our Company are as follows:*

Sr. No.	Particulars of Increase of Authorized Share Capital	Date of Shareholders' Meeting	AGM/EGM
1.	Authorized share capital increased from 600,000 Equity Shares of ₹ 100 each aggregating ₹ 60,000,000 to 1,700,000 Equity Shares of ₹ 100 each aggregating ₹ 170,000,000	May 24, 1986	EGM
2.	Authorized share capital increased from 1,700,000 Equity Shares of ₹ 100 each aggregating ₹ 170,000,000 to 3,000,000 Equity Shares of ₹ 100 each aggregating ₹ 300,000,000	September 26, 1990	AGM
3.	Authorized share capital increased 3,000,000 Equity Shares of ₹ 100 each aggregating ₹ 30,00,00,000 to 100,00,000 Equity Shares of ₹ 100 each aggregating ₹ 100,00,00,000	July 30, 2007*	AGM
4.	Authorized share capital increased from 10,000,000 Equity Shares of ₹ 100 each aggregating ₹ 1,000,000,000 to 250,000,000 Equity Shares of ₹ 10 each aggregating ₹ 2,500,000,000.	August 28, 2009**	EGM

* *By way of a shareholders' resolution dated July 30, 2007, the authorised preference share capital consisting of 200,000 7½% cumulative preference shares of ₹100 each aggregating to ₹20,000,000 were converted into the authorised equity share capital of our Company.*

** *By way of a shareholders resolution dated August 28, 2009, the face value of Equity Shares of our Company was reduced from ₹100 per Equity Share to ₹10 per Equity Share. Cumulative number of Equity Shares increased from 2,800,000 Equity Shares of ₹100 each to 28,000,000 Equity Shares of ₹10 each.*

[2] *The Offer to the public is by an offer for sale by the Selling Shareholders of 33,600,000 Equity Shares.*

[3]

(a) *As per the letter no. 4 (11)/2008- RM II (Vol. II) dated September 20, 2010 from the Deputy Secretary, Ministry of Steel, the Government of India has approved the disinvestment of 10% of the total paid-up Equity Share capital of our Company aggregating to 16,800,000 Equity Shares.*

(b) *As per the letter no. MOIL-1010/CR-625/IND-9 dated July 19, 2010, from Principal Secretary (Industries), the Government of Maharashtra has approved the disinvestment of 5% of the total paid-up Equity Share capital of our Company aggregating to 8,400,000 Equity Shares.*

(c) *As per the letter no. 857/IV/B-7-DMC/2010 dated July 20, 2010, from the Director Budget and the Additional Secretary, Finance Department, the Government of Madhya Pradesh has approved the disinvestment of 5% of the total paid-up Equity Share capital of our Company aggregating to 8,400,000 Equity Shares.*

[4] *Allocation to QIBs, except Anchor Investors, is proportionate as per the terms of this Red Herring Prospectus. At least 50% of the Net Offer shall be Allotted to the QIBs. The Selling Shareholders and our Company may, in consultation with the BRLMs, consider allocating up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining Net QIB Portion. Under-subscription in the Mutual Fund Portion would be included for allocation to the remaining QIBs on a proportionate basis.*

[5] *Subject to finalization of the Basis of Allotment; the Selling Shareholders in consultation with the BRLMs shall offer a discount of 5 % to the Offer Price, determined pursuant to the completion of the Book Building Process, to the Eligible Employees and Retail Individual Bidders. The Employee Reservation Portion is 0.4 % of the post-Offer paid up capital of our Company.*

Notes to the Capital Structure

1. (a) Equity Share Capital History of our Company

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (₹)	Issue Price (₹)	Consideration	Reason(s) for Allotment	Cumulative Paid-up Capital (₹)
September 8, 1962	19,400	19,400	100	100	Cash	Subscription to memorandum by GoI and its nominees	1,940,000
	19,400	38,800	100	100	Cash	Fresh allotment to GoM	3,880,000
	19,400	58,200	100	100	Cash	Fresh allotment to GoMP	5,820,000
	56,000	114,200	100	-	Other than cash [1]	Subscription to memorandum by CPMO and its nominee	11,420,000
February 2, 1963	43	114,243	100	100	Cash	Further Allotment to GoI	11,424,300
March 24,1963	43	114,286	100	100	Cash	Further Allotment to GoM	11,428,600
October 7,1963	43	114,329	100	100	Cash	Further Allotment GoMP	11,432,900
November 30, 1963	4,975	119,304	100	100	Cash	Further Allotment to GoI	11,930,400
	4,975	124,279	100	100	Cash	Further Allotment to GoM	12,427,900
	14,380	138,659	100	-	Other than cash[2]	Further Allotment to CPMO	13,865,900
December 24, 1963	4,975	143,634	100	100	Cash	Further Allotment to GoMP	14,363,400

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (₹)	Issue Price (₹)	Consideration	Reason(s) for Allotment	Cumulative Paid-up Capital (₹)
March 22, 1983	20,000	163,634	100	100	Cash	Further Allotment to GoI	16,363,400
April 29, 1983	10,000	173,634	100	100	Cash	Further Allotment to GoMP	17,363,400
	5,000	178,634	100	100	Cash	Further Allotment to GoM	17,863,400
September 24, 1983	15,000	193,634	100	100	Cash	Further Allotment to GoI	19,363,400
March 16, 1984	5,000	198,634	100	100	Cash	Further Allotment to GoM	19,863,400
July 11, 1984	7,200	205,834	100	100	Cash	Further Allotment to GoM	20,583,400
July 25, 1985	35,000	240,834	100	100	Cash	Further Allotment to GoI	24,083,400
May 24, 1986	10,000	250,834	100	100	Cash	Further Allotment to GoI	25,083,400
September 5, 1986	5,000	255,834	100	100	Cash	Further Allotment to GoM	25,583,400
December 4, 1986	10,000	265,834	100	100	Cash	Further Allotment to GoM	26,583,400
February 28, 1987	150,000	415,834	100	100	Cash	Further Allotment to GoI	41,583,400
May 26, 1987	7,200	423,034	100	100	Cash	Further Allotment to GoMP	42,303,400
September 26, 1987	140,000	563,034	100	100	Cash	Further Allotment to GoI	56,303,400
September 29, 1988	277,000	840,034	100	100	Cash	Further Allotment to GoI	84,003,400
	20,000	860,034	100	100	Cash	Further Allotment to GoM	86,003,400
	9,900	869,934	100	100	Cash	Further Allotment to GoMP	86,993,400
September 29, 1989	215,800	1,085,734	100	100	Cash	Further Allotment to GoI	108,573,400
	20,000	1,105,734	100	100	Cash	Further Allotment to GoM	110,573,400
	7,780	1,113,514	100	100	Cash	Further Allotment to GoMP	111,351,400
September 26, 1990	314,000	1,427,514	100	100	Cash	Further Allotment to GoI	144,231,400
	10,000	1,437,514	100	100	Cash	Further Allotment to GoM	143,751,400
	4,800	1,442,314	100	100	Cash	Further Allotment to GoMP	144,231,400
September 20, 1991	20,000	1,462,314	100	100	Cash	Further Allotment to GoM	146,231,400
	21,560	1,483,874	100	100	Cash	Further Allotment to GoMP	148,387,400
September 28, 1992	26,740	1,510,614	100	100	Cash	Further Allotment to GoMP	151,061,400
September 23, 1993	11,900	1,522,514	100	100	Cash	Further Allotment GoMP	152,251,400
November 23, 1994	10,000	1,532,514	100	100	Cash	Further Allotment to GoM	153,251,400
October 17, 2006	1,033,874	2,566,388	100	-	Other than Cash	Bonus Issue to GoI on the basis of proportionate holding as on the date of board meeting	256,638,800

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (₹)	Issue Price (₹)	Consideration	Reason(s) for Allotment	Cumulative Paid-up Capital (₹)
	121,900	2,688,288	100	-	Other than Cash	Bonus Issue to GoM on the basis of proportionate holding as on the date of board meeting	268,828,800
	111,712	2,800,000	100	-	Other than Cash	Bonus Issue to GoMP on the basis of proportionate holding as on the date of board meeting	280,000,000
By way of a shareholders resolution dated August 28, 2009, the face value of Equity Shares of our Company was reduced from ₹100 per Equity Share to ₹10 per Equity Share. Cumulative number of Equity Shares increased from 2,800,000 Equity Shares of ₹100 each to 28,000,000 Equity Shares of ₹10 each.							
December 29, 2009	114,196,400	142,196,400	10	-	Other than Cash	Bonus Issue to GoI in the ratio of 1:5	1,421,964,000
	13,464,500	155,660,900	10	-	Other than Cash	Bonus Issue to GoM in the ratio of 1:5	1,556,609,000
	12,339,100	168,000,000	10	-	Other than Cash	Bonus Issue to GoMP in the ratio of 1:5	**1,680,000,000**

[1] *Fresh allotment to CPMO for transfer of fixed assets and consumable stores to MOIL Limited in terms of the agreement dated June 8, 1962 between the GoI and CPMO. For further details on the agreement please see "**History and Certain Corporate Matters- Brief Corporate History of our Company**" on page 98 of this Red Herring Prospectus.*

[2] *Further allotment to CPMO towards the satisfaction of outstanding sum due on fixed assets and stores transferred by CPMO to MOIL Limited in terms of the agreement dated June 8, 1962 between the GoI and CPMO and in accordance with the said agreement between GoI and CPMO and on the basis of valuation approved by Controller of Capital Issues (CCI), being part value of fixed assets and consumable stores transferred. For further details on the agreement please see "**History and Certain Corporate Matters- Brief Corporate History of our Company**" on page 98 of this Red Herring Prospectus.*

(b) Preference share capital history

Date of Allotment Transfer/ Redemption	Number of Preference Shares	Cumulative number of shares	Face Value (₹)	Issue Price (₹)	Consideration	Reason(s) for Allotment	Cumulative Paid-up Preference Capital (₹)
September 08,1962	28,000	28,000	100	-	Other than Cash[1]	Subscription to Memorandum by CPMO	2,800,000
February 02, 1963	9,700	37,700	100	100	Cash	Fresh Allotment to GoI	3,770,000
March 24, 1963	9,700	47,400	100	100	Cash	Fresh Allotment to GoM	4,740,000
October 7, 1963	9,700	57,100	100	100	Cash	Fresh Allotment to GoMP	5,710,000
November 30, 1963	2,509	59,609	100	100	Cash	Fresh Allotment to GoI	5,960,900
	2,509	62,118	100	100	Cash	Fresh Allotment to GoM	6,211,800
	7,190	69,308	100	-	Other than Cash[2]	Fresh Allotment to CPMO	6,930,800
December 24, 1963	2,509	71,817	100	100	Cash	Fresh Allotment to GoMP	7,181,700
March 30, 1992[3]	(36,627)	35,190	100	Redemption	Cash (Redemption)	Redemption of shares of GoI	3,519,000

	(17,595)	17,595	100	Redemption	Cash (Redemption)	Redemption of shares of GoM	1,759,500
	(17,595)	0	100	Redemption	Cash (Redemption)	Redemption of shares of GoMP	0

[1] *Fresh allotment to CPMO for transfer of fixed assets and consumable stores to MOIL Limited in terms of the agreement dated June 8, 1962 between the GoI and CPMO. For further details on the agreement please see "**History and Certain Corporate Matters- Shareholders Agreements**" on page 105 of this Red Herring Prospectus.*

[2] *Further allotment to CPMO towards the satisfaction of outstanding sum due on fixed assets and stores transferred by CPMO to MOIL Limited in terms of the agreement dated June 8, 1962 between the GoI and CPMO and in accordance with the said agreement between GoI and CPMO and on the basis of valuation approved by Controller of Capital Issues (CCI). For further details on the agreement please see "**History and Certain Corporate Matters- Shareholders Agreements**" on page 105 of this Red Herring Prospectus.*

[3] *All preference shares of our Company have been redeemed as per the resolution passed by our Board on March 30, 1992 with effect from April 1, 1992*

Note: On October 30, 1973, 12,208 Cumulative Preference Shares bearing 7.5% interest were transferred from the GoI to SAIL by way of an instrument of transfer dated March 20, 1973. These were transferred back to the GoI under the provisions of Sections 9 and 29 of the Public Sector Iron and Steel Companies (Restructuring) and Miscellaneous Provisions Act, 1976 with effect from May 1, 1978.

*On October 3, 1977, 35,190 preference shares were transferred from CPMO to the GoI for an amount calculated @ ₹ 75 per share payable in cash by GoI in terms of the agreement dated September 21, 1977 between GoI and CPMO. For further details on the agreement please see "**History and Certain Corporate Matters- Shareholders Agreements**" on page 105 of this Red Herring Prospectus.*

On June 29, 1978, 5,386 preference shares each were transferred from the GoI to the GoM and the GoMP respectively

Allotment of Equity Shares for consideration other than cash

There has not been any allotment of Equity 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	Reason(s) for allotment	Benefit to our Company
September 8, 1962	CPMO	56,000	100	-	Transfer of Fixed Assets and Consumable Stores to our Company in terms of the agreement dated June 8, 1962 between the GoI and CPMO.	Transfer of Fixed Assets and Consumable Stores to our Company in terms the agreement dated June 8, 1962 between the GoI and CPMO.
November 30, 1963	CPMO	14,380	100	-	Satisfaction of balance sum due on fixed assets and stores transferred to MOIL Limited as determined in accordance with the agreement dated June 8, 1962 between GoI and CPMO.	Satisfaction of balance sum due on fixed assets and stores transferred to MOIL Limited as determined in accordance with the agreement dated June 8, 1962 between GoI and CPMO.
October 17, 2006	Government of India	1,033,874	100	-	Bonus issue on the basis of proportionate holding as on the date of board meeting.	N.A
	Government of Maharashtra	121,900	100	-	Bonus issue on the basis of proportionate holding as on the date of board meeting.	N.A
	Government	111,712	100	-	Bonus issue on the basis of	N.A

	of Madhya Pradesh				proportionate holding as on the date of board meeting.	
December 29, 2009	Government of India	11,4196,400	10	-	Bonus issue in the ratio of 1:5	N.A
	Government of Maharashtra	13,464,500	10	-	Bonus issue in the ratio of 1:5	N.A
	Government of Madhya Pradesh	12,339,100	10	-	Bonus issue in the ratio of 1:5	N.A

Allotment of Preference Shares for consideration other than cash

There has not been any allotment of Preference Shares in our Company for consideration other than cash other than as shown in the table below:

Date of Allotment	Name of shareholder	Number of Preference Shares allotted	Face value	Issue price	Reason(s) for allotment	Benefit to our Company
September 08,1962	CPMO	28,000	100	-	Transfer of Fixed Assets and Consumable Stores to our Company in terms of the agreement dated June 8, 1962 between the GoI and CPMO.	Transfer of Fixed Assets and Consumable Stores to our Company in terms of the agreement dated June 8, 1962 between the GoI and CPMO.
November 30, 1963	CPMO	7,190	100	-	Satisfaction of balance sum due on fixed assets and stores transferred to MOIL Limited as determined in accordance with the agreement dated June 8, 1962 between GoI and CPMO.	Satisfaction of balance sum due on fixed assets and stores transferred to MOIL Limited as determined in accordance with the agreement dated June 8, 1962 between GoI and CPMO.

Note: All preference shares of our Company have been redeemed as per the resolution passed by our Board on March 30, 1992 with effect from April 1, 1992

2. **Details of the Promoter's build-up of Equity Shares in our Company, Promoter's minimum contribution and Equity Shares subject to lock-in**

(a) Details of build up of the equity shareholding in our Company of the President of India, acting through the Ministry of Steel, Government of India- being the Promoter of our Company:

Date of Allotment/transfer	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration	Reason(s) for Allotment/transfer
September 8, 1962	19,400	100	100	Cash	Subscription to Memorandum
February 2, 1963	43	100	100	Cash	Further Allotment
November 30, 1963	4,975	100	100	Cash	Further Allotment
October 30, 1973	(24,412)	100	-	Other than cash	Transfer to SAIL
October 3, 1977	70,380	100	60	Cash	Acquired from CPMO[1]

Date of Allotment/transfer	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration	Reason(s) for Allotment/transfer
May 1, 1978	24,412	100	-	Other than cash	Acquired from SAIL[2]
June 29, 1978	(21,544)	100	-	Not available	10772 shares each transferred to GoM and GoMP
March 22, 1983	20,000	100	100	Cash	Further Allotment
September 24, 1983	15,000	100	100	Cash	Further Allotment
July 25, 1985	35,000	100	100	Cash	Further Allotment
May 24, 1986	10,000	100	100	Cash	Further Allotment
February 28, 1987	150,000	100	100	Cash	Further Allotment
September 26, 1987	140,000	100	100	Cash	Further Allotment
September 29, 1988	277,000	100	100	Cash	Further Allotment
September 29, 1989	215,800	100	100	Cash	Further Allotment
September 26, 1990	314,000	100	100	Cash	Further Allotment
October 17, 2006	1,033,874	100	-	Other than Cash	Bonus Issue on the basis of proportionate holding as on the date of board meeting
By way of a shareholders resolution dated August 28, 2009, the face value of Equity Shares of our Company was reduced from ₹100 per Equity Share to ₹10 per Equity Share. Cumulative number of Equity Shares held by GoI increased from 2,283,928 Equity Shares of ₹100 each to 22,839,280 Equity Shares of ₹10 each.					
December 29, 2009	114,196,400	10	-	Other than Cash	Bonus Issue in the ratio of 1:5
Total	**137,035,680**[3]				

[1] *Vide an agreement dated September 21, 1977, CPMO transferred all its shares in the equity and preference capital of our Company. This constituted 35,190 Cumulative Preference Shares at an interest rate of 7.5% and having a face value of ₹ 100 transferred at a price of ₹75 per preference share and 70,380 equity shares having a face value of ₹100 transferred at ₹60 per equity share. CPMO further relinquished the right to claim any further dividend, whether in arrears or otherwise, from our Company. For further details on the agreement please see "**History and Certain Corporate Matters- Shareholders Agreement**" on page 105 of this Red Herring Prospectus.*

[2] *Under the provisions of Sections 9 and 29 of the Public Sector Iron and Steel Companies (Restructuring) and Miscellaneous Provisions Act, 1976, all the shares in the equity share capital of our Company held by SAIL were transferred to the GoI with effect from May 1, 1978.*

[3] *Total Shares include 8 shares held by nominee shareholders on behalf of the President of India comprising of one share held by each of Mr. Kumar Jitender Singh, Mr. M. A. V. Goutham, Mr. Anup K. Mehra, Mr. Gururaj Pandurang Kundargi, the whole time Directors of our Company and Dr. Dalip Singh, Ms. A. Dhanalakshmi, Mr. Ravi Chandra and Mr. Suresh Kumar.*

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

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, Equity Shares held by our Promoter aggregating to 20% of the post Offer equity capital of our Company shall be considered as promoter's contribution and locked-in for a period of three years from the date of Allotment ("**Promoter's Contribution**").

The Promoter has pursuant to letter dated September 23, 2010, granted its consent to include 33,600,000 (Thirty Three Million, Six Hundred Thousand) Equity Shares held by it as Promoter's Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter's Contribution from the date of transfer in the Offer, for a period of three years, or for such other time as required under SEBI ICDR Regulations.

Details of Promoter's Contribution are as provided below:

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, Government of India	33,600,000	20	20

All Equity Shares, which are being considered for the purpose of the Promoter's Contribution, are eligible for such purpose as per the SEBI ICDR Regulations. The promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under these 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 Promoter's Contribution:

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

(b) are not resulting from a bonus issue by utilization of revaluation reserves, unreleased profits of our Company or from a bonus issue against Equity Shares which are ineligible for Promoter's Contribution; or

(c) have not been acquired for consideration other than cash and revaluation of assets or from a transaction involving capitalization of intangible assets in last three years; or

(d) are not arising out of securities acquired during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Offer.

c) Details of share capital locked in for one year

The Promoter through its letter dated September 23, 2010 granted approval for the lock-in of its pre-Offer shareholding, less shares offered for sale for a period of three years and one year as required under SEBI ICDR Regulations. The Promoter has agreed to lock-in 33,600,000 shares representing 20% of the post offer Equity Capital of our Company for three years and the balance shares for one year or such other time as required under the SEBI ICDR Regulations.

Further the Governor of Madhya Pradesh, acting through the Department of Finance, Government of Madhya Pradesh has pursuant to letter dated September 23, 2010 has agreed to comply with the one-year lock-in provision of the SEBI ICDR Regulations and shall not sell, transfer, charge, pledge or otherwise encumber any locked-in Equity Shares till such time that the lock-in remains effective, save and except as may be permitted under the SEBI ICDR Regulations.

Further the Governor of Maharashtra, acting through the Department of Industries, Energy and Labour, Government of Maharashtra, has pursuant to letter dated September 23, 2010 has agreed to comply with the one-year lock-in provision of the SEBI ICDR Regulations and shall not sell, transfer, charge, pledge or otherwise encumber any locked-in Equity Shares till such time that the lock-in remains effective, save and except as may be permitted under the SEBI ICDR Regulations.

d) Other Requirements in respect of Lock in

Pursuant to Regulation 39 read with Regulation 36 (b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoter, which are locked in for a period of one year, as specified above, may be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Pursuant to regulation 40 of the SEBI ICDR Regulations:

(i) the Equity Shares held by the Promoters and locked-in as Promoters' Contribution may be transferred to and amongst the Promoter Group or 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.

(ii) the Equity Shares held by persons other than Promoters prior to the Offer and locked-in for one year, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

Pursuant to Regulation 35 of the SEBI ICDR Regulations, the Selling Shareholders shall ensure that lock-in as referred to above is recorded by the NSDL and the CSDL. Shares not dematerialized shall be stamped 'not transferable' indicating the period of non-transferability

Further, Equity Shares which may be Allotted to Anchor Investors, as part of the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in the Offer.

2. Shareholding pattern of our Company is set out below as per Clause 35 of the Listing Agreement:

a. Before the Offer

Category Code	**Category of Shareholders**	**Number of Shareholders**	**Total Number of Shares**	**Number of Shares Held in dematerialized form**	**Total Shareholding as a percentage of total number of shares**		**Shares Pledged or otherwise encumbered**	
					As a percentage of A+B	**As a percentage A+B+C**	**Number of shares**	**As a percentage**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals / Hindu Undivided Family	NA	Nil	NA	NA	NA	NA	NA
(b)	Central Government/ State Government(s)	3	168,000,000[1]	47,764,320	100.00%	100.00 %	0	0
(c)	Bodies Corporate	NA	Nil	NA	NA	NA	NA	NA
(d)	Financial Institutions / Banks	NA	Nil	NA	NA	NA	NA	NA
(e)	Any Other (specify)	NA	Nil	NA	NA	NA	NA	NA
	Sub-Total (A)(1)	3	168,000,000	47,764,320	100.00%	100.00 %	0	0
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	NA	Nil	NA	NA	NA	NA	NA
(b)	Bodies Corporate	NA	Nil	NA	NA	NA	NA	NA
(c)	Institutions	NA	Nil	NA	NA	NA	NA	NA
(d)	Any Other (specify)	NA	Nil	NA	NA	NA	NA	NA

Category Code	Category of Shareholders	Number of Shareholders	Total Number of Shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of A+B	As a percentage A+B+C	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
	Sub-Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3	168,000,000	47,764,320	100.00%	100.00%	0	0
(B)								
(1)	**Institutions**							
(a)	Mutual Funds/UTI	NA	Nil	NA	NA	NA	NA	NA
(b)	Financial Institutions / Banks	NA	Nil	NA	NA	NA	NA	NA
(c)	Central Government/ State Government(s)	NA	Nil	NA	NA	NA	NA	NA
(d)	Venture Capital Funds	NA	Nil	NA	NA	NA	NA	NA
(e)	Insurance Companies	NA	Nil	NA	NA	NA	NA	NA
(f)	Foreign Institutional Investors	NA	Nil	NA	NA	NA	NA	NA
(g)	Foreign Venture Capital Investors	NA	Nil	NA	NA	NA	NA	NA
(h)	Any Other (specify)	NA	Nil	NA	NA	NA	NA	NA
	Sub-Total (B)(1)	NA	Nil	NA	NA	NA	**0**	**0**
(2)	**Non-institutions**							
(a)	Bodies Corporate	NA	Nil	NA	NA	NA	NA	NA
(b)	Individuals -	NA	Nil	NA	NA	NA	NA	NA
		NA	Nil	NA	NA	NA	NA	NA
	i. Individual shareholders holding	NA	Nil	NA	NA	NA	NA	NA

Category Code	Category of Shareholders	Number of Shareholders	Total Number of Shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of A+B	**As a percentage A+B+C**	**Number of shares**	**As a percentage**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
	nominal share capital up to ₹ 1 lakh.							
		NA	Nil	NA	NA	NA	NA	NA
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	NA	Nil	NA	NA	NA	NA	NA
(c)	Any Other (specify)	NA	Nil	NA	NA	NA	NA	NA
	Sub-Total (B)(2)	0	0	0	0	0	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)	NA	Nil	NA	NA	NA	0	0
	TOTAL (A)+(B)	**3**	**168,000,000**	**47,764,320**	**100%**	**100%**		
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	**3**	**168,000,000**	**47,764,320**	**100%**	**100%**	**0**	**0**

[1] *Includes 8 shares held by nominee shareholders on behalf of the President of India*

a. After the Offer

Category Code	Category of Shareholders	Number of Shareholders	Total Number of Shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of A+B	**As a percentage A+B+C**	**Number of shares**	**As a percentage**

(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals / Hindu Undivided Family	NA	Nil	NA	NA	NA	NA	NA
(b)	Central Government/ State Government(s)	3	134,400,000[1]	14,164,320	80.00%	80.00%	0	0
(c)	Bodies Corporate	NA	Nil	NA	NA	NA	NA	NA
(d)	Financial Institutions / Banks	NA	Nil	NA	NA	NA	NA	NA
(e)	Any Other (specify)	NA	Nil	NA	NA	NA	NA	NA
	Sub-Total (A)(1)	3	134,400,000	14,164,320	80.00%	80.00%	0	0
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	NA	Nil	NA	NA	NA	NA	NA
(b)	Bodies Corporate	NA	Nil	NA	NA	NA	NA	NA
(c)	Institutions	NA	Nil	NA	NA	NA	NA	NA
(d)	Any Other (specify)	NA	Nil	NA	NA	NA	NA	NA
	Sub-Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3	134,400,000	14,164,320	80.00%	80.00%	0	0
(B)								
(1)	**Institutions**		33,600,000[2]	33,600,000	20%	20%	Nil	Nil
(a)	Mutual Funds/UTI							
(b)	Financial Institutions / Banks							
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							

Category Code	Category of Shareholders	Number of Shareholders	Total Number of Shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of A+B	**As a percentage A+B+C**	**Number of shares**	**As a percentage**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(e)	Insurance Companies							
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors							
(h)	Any Other (specify)							
	Sub-Total (B)(1)							
(2)	**Non-institutions**							
(a)	Bodies Corporate							
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.							
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.							
(c)	Any Other (specify)							
	Sub-Total (B)(2)							
	Total Public Shareholding (B)=(B)(1)+(B)(2)[2]		33,600,000	33,600,000	20%	20%	Nil	Nil
	TOTAL (A)+(B)		**168,000,000**	**47,764,320**	**100%**	**100%**		

Category Code	Category of Shareholders	Number of Shareholders	Total Number of Shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of A+B	As a percentage A+B+C	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)		**168,000,000**	**47,764,320**	**100%**	**100%**	**0**	**0**

[1] *Includes 8 shares held by nominee shareholders on behalf of the President of India*
[2] *Assuming that the Offer is fully subscribed*

3. **The list of all shareholders of our Company and the number of Equity Shares held by them is as under:**

The list of our Company's shareholders and the number of Equity Shares held by them is provided below:

a. Shareholders as on the date of filing this Red Herring Prospectus:

Sr. No.	Name of Shareholder	No of Shares	% of Shareholding
1	President of India	137,035,672	81.6%
2	Governor of Maharashtra	16,157,400	9.6%
3	Governor of Madhya Pradesh	14,806,920	8.8%
4	Kumar Jitendra Singh[1]	1	Negligible
5	M. A. V. Goutham[1]	1	Negligible
6	Anup K. Mehra[1]	1	Negligible
7	Gururaj Pandurang Kundargi[1]	1	Negligible
8	Dr. Dalip Singh[1]	1	Negligible
9	A. Dhanalakshmi[1]	1	Negligible
10	Ravi Chandra[1]	1	Negligible
11	Suresh Kumar[1]	1	Negligible

[1] Held on behalf of the President of India

b. Shareholders 10 days prior to the date of filing this Red Herring Prospectus:

Sr. No.	Name of Shareholder	No of Shares	% of Shareholding
1	President of India	137,035,672	81.6%
2	Governor of Maharashtra	16,157,400	9.6%
3	Governor of Madhya Pradesh	14,806,920	8.8%
5	Kumar Jitender Singh[1]	1	Negligible
5	M. A. V. Goutham[1]	1	Negligible

Sr. No.	Name of Shareholder	No of Shares	% of Shareholding
6	Anup K. Mehra[1]	1	Negligible
7	Gururaj Pandurang Kundargi[1]	1	Negligible
8	Dr. Dalip Singh[1]	1	Negligible
9	A. Dhanalakshmi[1]	1	Negligible
10	Ravi Chandra[1]	1	Negligible
11	Suresh Kumar[1]	1	Negligible

[1] Held on behalf of the President of India

c. Shareholders two years prior to the date of filing this Red Herring Prospectus:

Sr. No.	Name of Shareholder	No of Shares	% of Shareholding
1	President of India	2,283,920	81.6%
2	Governor of Maharashtra	269,290	9.6%
3	Governor of Madhya Pradesh	246,782	8.8%
4	K.L. Mehrotra[1]	1	Negligible
5	M. A. V. Goutham[1]	1	Negligible
6	Anup K. Mehra[1]	1	Negligible
7	Gururaj Pandurang Kundargi[1]	1	Negligible
8	Dr. Dalip Singh[1]	1	Negligible
9	Sanjay Mangal[1]	1	Negligible
10	Rakesh Bhatnagar[1]	1	Negligible
11	Ravi Chandra[1]	1	Negligible

[1] Held on behalf of the President of India

4. As on the date of filing this Red Herring Prospectus, the total number of holders of Equity Shares is 11 which includes 8 nominee shareholders holding Equity Shares on behalf of the President of India.

5. Our Company has issued Equity Shares during the one year prior to the date of the Draft Red Herring Prospectus. For more information please refer "***Share Capital History of our Company***" on page 26 of this Red Herring Prospectus.

6. Except as disclosed in the table below, our Promoter and Directors and their relatives have not purchased, sold or financed the purchase or sale of any securities of our Company in the past six (6) months preceding the date of filing this Red Herring Prospectus.

Date of Transfer	Name of the Transferor	Name of the Transferee	No. of Shares
July 12, 2010	Ms Indranil Kaushal, nominee shareholder on behalf of the President of India	Ms A. Dhanalakshmi, nominee shareholder on behalf of the President of India	1
July 12, 2010	Mr. Rakesh Bhatnagar, nominee shareholder on behalf of the President of India	Mr. Suresh Kumar, nominee shareholder on behalf of the President of India	1

8. 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 Red Herring Prospectus until the Offer Shares have been Transferred or the refund of application monies has been completed.

9. Our 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.

10. Our Company has not issued any Equity Shares out of revaluation reserves.

11. Our Company does not have any scheme of employee stock option or employee stock purchase.

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

13. All of the Equity Shares are fully paid up and there are no partly paid up Equity Shares.

14. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares after the Offer.

15. Our Promoter will not participate in the Offer. The Directors, Key Managerial Personnel and our Company's employees involved in the decision making process for price fixation for the Offer will not participate in the Offer**.**

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

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

18. As on date of this Red Herring Prospectus, none of the BRLMs or their associates holds any Equity Shares in our Company. The BRLMs and their respective affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business and have engaged or may in the future engage, in commercial banking and investment banking transactions with our Company for which they have received, and may in future receive, customary compensation.

19. All the transactions in Equity Shares by the Promoter between the date of filing of the Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transaction.

20. 0.4% of the post-Offer paid up capital of our Company aggregating to 672,000 Equity Shares, have been reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at the Offer Price. Eligible Employees bidding under the Employee Reservation Portion can also Bid in the Net Offer and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 672,000 Equity Shares, allocation shall be made on a proportionate basis.

21. Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Offer to the public. Under-subscription, if any, in any category (except in the QIB Portion) shall be met with spill-over from other categories, at the sole discretion of the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. The Employee Reservation Portion is 0.4 % of the post-Offer paid up capital of our Company.

22. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

23. The Equity Shares transferred pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

24. Our Company has issued 140,000,000 Equity Shares on December 29, 2009 as a bonus issue in the ratio of 1:5. Such issue of shares was made out of the free reserves of our Company. Other than this issue, there have been no other issues of Equity Shares a price lower than the Offer Price in one year preceding the date of filing of this Red Herring Prospectus.

OBJECTS OF THE OFFER

The objects of the Offer are to carry out the disinvestment of 33,600,000 Equity Shares by the Selling Shareholders and to achieve the benefits of listing the Equity Shares on the Stock Exchanges, Our Company will not receive any proceeds from the Offer and all proceeds shall go to the Selling Shareholders.

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.

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

S. No.	Activity Expense	Amount (₹ million)	Percentage of Total Estimated Offer Expenditure	Percentage of Offer Size
1.	Fees of the Book Running Lead Managers	[•]	[•]	[•]
2.	Underwriting and selling commission (including commission to SCSBs for ASBA Applications)	[•]	[•]	[•]
3.	Fees to Registrar to the Offer	[•]	[•]	[•]
4.	Fees to the Legal Advisors	[•]	[•]	[•]
5.	Fees to the Bankers to the Offer	[•]	[•]	[•]
6.	Expenses for advertisement and marketing	[•]	[•]	[•]
7.	Other Expenses (Printing and stationery, distribution, fees to auditors, depositaries and postage etc.)	[•]	[•]	[•]
	Total Estimated Offer Expenses	[•]	[•]	[•]

All expenses with respect to and in connection with the Offer would be paid by the Selling Shareholders, through the Department of Disinvestment, Ministry of Finance, Government of India. No offer related expenses are being borne by the Company.

BASIS FOR THE OFFER PRICE

The Offer Price will be determined by the Selling Shareholders and our Company in consultation with the BRLMs on the basis of the assessment of market demand for the offered Equity Shares through a Book Building Process and on the basis of certain quantitative and qualitative factors, including those set forth in this section. The face value of our Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and [●] times the face value at the Cap Price. The EPS and NAV presented in this section are based on the face value of ₹ 10 per equity share.

Potential investors in our Equity Shares should carefully read ***"Risk Factors"*** and ***"Financial Information"*** on pages xiii and 129 of this Red Herring Prospectus respectively.

Qualitative Factors

1. Largest producer of manganese ore in India with access to significant reserves
2. Well positioned to capture the growth potential of the Indian Steel Industry
3. Track record of growth and efficient operations
4. Strategic location of our mines provides us with competitive advantages
5. Strong track record of financial performance
6. Strong capabilities for exploration, mine planning and research development
7. Experienced senior management and large pools of skilled manpower

For detailed discussion on the above factors, see '***Our Business***' on page 64 of this Red Herring Prospectus.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements for the years ended March 31, 2008, 2009, 2010 and the six-month period ended September 30, 2010, each of which was prepared in accordance with Indian GAAP. For details, see '***Financial Statements***' on page F-1 of this Red Herring Prospectus.

Note: With effect from August 28, 2009, our equity shares with the face value of ₹ 100 each have been split into Equity Shares of face value of ₹10 each. Accordingly, all accounting ratios have been calculated on post-split basis.

Earning Per Share (EPS)

As per our Restated Standalone Financial Statements:

Particulars	**Basic & Diluted EPS (in ₹)**	**Weight**
Year ended March 31, 2008	27.47	1
Year ended March 31, 2009	41.09	2
Year ended March 31, 2010	27.72	3
Weighted Average	**32.14**	
Six months ended September 30, 2010 (not annualized)	19.73	

Note: 1) EPS (Basic and Diluted) has been computed by dividing profit/(loss) after tax for the respective years, by Equity Shares outstanding at the period/ year end (post split and bonus)

2) Basic and Diluted EPS has been computed in accordance with Accounting Standard 20 – Earnings per Share.

2. Price/ Earnings (P/E) ratio in relation to Offer Price of ₹ [●] per share of ₹ 10 each

P/E ratio based on Basic and Diluted EPS

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
P/E ratio based on EPS for the year ended March 31, 2010 of ₹ 27.72	[●]	[●]
P/E based on weighted average EPS of ₹ 32.14	[●]	[●]

Mining Industry P/E

i) Highest: 225.0
ii) Lowest: 4.3
iii) Industry Composite: 22.5

Source: Capital Market Volume XXV/18*, Nov 01 – Nov-14, 2010, Industry Classification: Mining/Minerals/Metals*

3. Return on Net Worth (RONW) in the last three years.

Return on Net Worth as per our Restated Standalone Financial Statements:

Particulars	RONW %	Weight
Year ended March 31, 2008	58.70	1
Year ended March 31, 2009	52.26	2
Year ended March 31, 2010	27.77	3
Weighted Average	**41.09**	
Six months ended September 30, 2010	16.51	

Note: RONW has been computed as a percentage of Restated net profit/(loss) after tax to the net worth

Minimum Return on Total Net Worth after the Offer required to maintain pre – Offer EPS for the year ended March 31 2010

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

4. Net Asset Value per Equity Share of face value ₹ 10 each

NAV as per our Restated Standalone Financial Statements:

Particulars	NAV (₹)
Year ended March 31, 2010	99.80
Six months ended September 30, 2010	119.54
After Issue #	119.54
Issue Price # #	[●]

There will be no change in the net worth post-Offer as the Offer is by way of offer for sale by the Selling Shareholders.
#*Offer Price per Share will be determined on conclusion of Book Building Process.*

Note: NAV per Equity Share has been computed by dividing net worth by Equity Shares outstanding during the period/year (post split and bonus)

5. Comparison with Industry Peers

Name of the company	Face Value (₹)	Diluted EPS (₹)	RONW%	Book Value	P/E Multiple
MOIL Limited #	10	27.72	27.77	99.80	[•]
Peer Group					
Core Manganese Mining Cos.					
There is no direct comparable listed peer in India with which we can be compared with.					
Other Mineral Mining Cos.					
Sandur Manganese & Iron Ore Limited	10	33.34	13.64	244.46	27.55
NMDC	1	8.69	24.19	35.94	32.73
SESA Goa	1	25.31	29.38	86.75	13.53

 # For the year ended March 31, 2010 – Based on Restated Standalone Financial Statements.
For Peer Group Companies; The diluted EPS, RONW and NAV figures are based on the standalone audited results for the year ended March 31, 2010 and P/E is based on the standalone diluted EPS for the financial year ended March 31, 2010 and Market Price (BSE) as on November 10, 2010.

The Offer Price of ₹ [●] has been determined by the Selling Shareholders and our Company in consultation with the BRLMs and on the basis of assessment of market demand for the Equity Shares through the Book Building Process. The BRLMs believe that the Offer Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "***Risk Factors***" and "***Financial Statements***" on pages xiii and F-1, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

To
The Board of Directors,
MOIL Limited
MOIL Bhawan
Katol Road,
NAGPUR.

Sub:- Statement of Probable Tax Benefits.

Dear Sir,

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

The contents of the 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 our Company and the interpretations of current tax laws in force in India.

Several of these benefits are subject to our 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 fulfilment 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 our 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 IPO of our Company and is not to be used, referred to or distributed for any other purpose.

For SHAH BAHETI CHANDAK & CO.,
CHARTERED ACCOUNTANTS
FRN NO. 109513W

PLACE : **NAGPUR**
DATE : **23.09.2010**

(ASHOK CHANDAK)
PARTNER
Memb. No. **030828**

STATEMENT OF PROBABLE TAX BENEFITS

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these taxes 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 fulfil.

(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 Act is exempt from tax.

2. Under Section 10(38) of the Act, long term capital gain on transfer of equity shares 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) 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 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).

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).

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 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 in the long term specified asset (Bonds) by an assessee during any financial year should not exceed ₹50 Lacs.

6. U/s 70(2) 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 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.

1.2 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 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.

1.3 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.

1.4 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.

1.5 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.

1.6 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. <u>To the shareholders of the company</u>

2.1 <u>Resident Shareholders</u>

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 as business expense from the income chargeable under the head “Profit and gains of business or profession” arising from taxable securities transactions.

ii) 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 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 **<u>Mutual Funds :</u>**

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 **<u>Foreign Institutional Investors (FIIs)</u>**

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 <u>Benefits available under the Wealth Tax Act,1957</u>:-

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 in case 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 scheme.

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.

SECTION IV – ABOUT OUR COMPANY

THE MANGANESE ORE INDUSTRY

*The information in this section has been extracted from the Indian Manganese Ore Industry Report - CARE Research, October 2010. The data has not been prepared or re-classified by us for the purpose of presentation. Neither we, BRLMs nor any other person connected with the Offer has independently verified the information provided in this chapter. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors**" on page xiii in this Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.*

*CARE Research, a division of the Credit Analysis & Research Limited ("**CARE**") has used due care and caution in preparing the report based on the information available in the public domain. However, CARE Research does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of the report used for the information in this section may be published/ reproduced in any form or manner without prior written permission of CARE Research.*

Introduction

Outlook on Indian economy

India, the world's largest democracy in terms of population had a Gross Domestic Product (GDP) on purchasing power parity basis at approximately USD 3,561 bn in 2009 with India's GDP at 7.4% for FY10 **(Source Central Intelligence Agency Factbook 2009 & RBI).** This makes it the fourth-largest economy in the world after USA, China and Japan. During the pre-liberalisation period, India was always considered an agrarian economy adhering to socialist policies with more than 70% of the GDP being contributed by agriculture growth. In 1991, the Government of India (GoI) initiated a series of economic reforms to promote industrial growth to bring in economic stability and growth. The new policies (liberal) included opening of international trade and investment, privatisation, tax reforms etc to transform the economy from socialism to capitalism. Due to this, the low annual growth rate of the economy of India which stagnated at about 3.5% from 1950s to 1980s has increased to above 8% average GDP growth from 2004-2009. This makes India one of the fastest growing emerging economies in the world. CARE Research expects the overall GDP to touch the double digit figure by 2015 at 10% led by higher domestic consumption and growth in exports.

FY	2006	2007	2008	2009	2010	2011e	2012e	2013e	2014e	2015e
GDP	9.49	9.71	9.22	6.72	7.44	8.50	9.00	9.00	9.50	10.00
Agriculture	5.25	3.68	4.73	1.58	0.22	4.00	3.00	3.00	3.00	4.00
Services	11.10	10.17	10.51	9.75	8.53	10.00	11.00	11.00	11.50	11.50
Industry	9.28	12.75	9.49	3.87	9.27	8.50	9.00	9.50	10.00	10.50

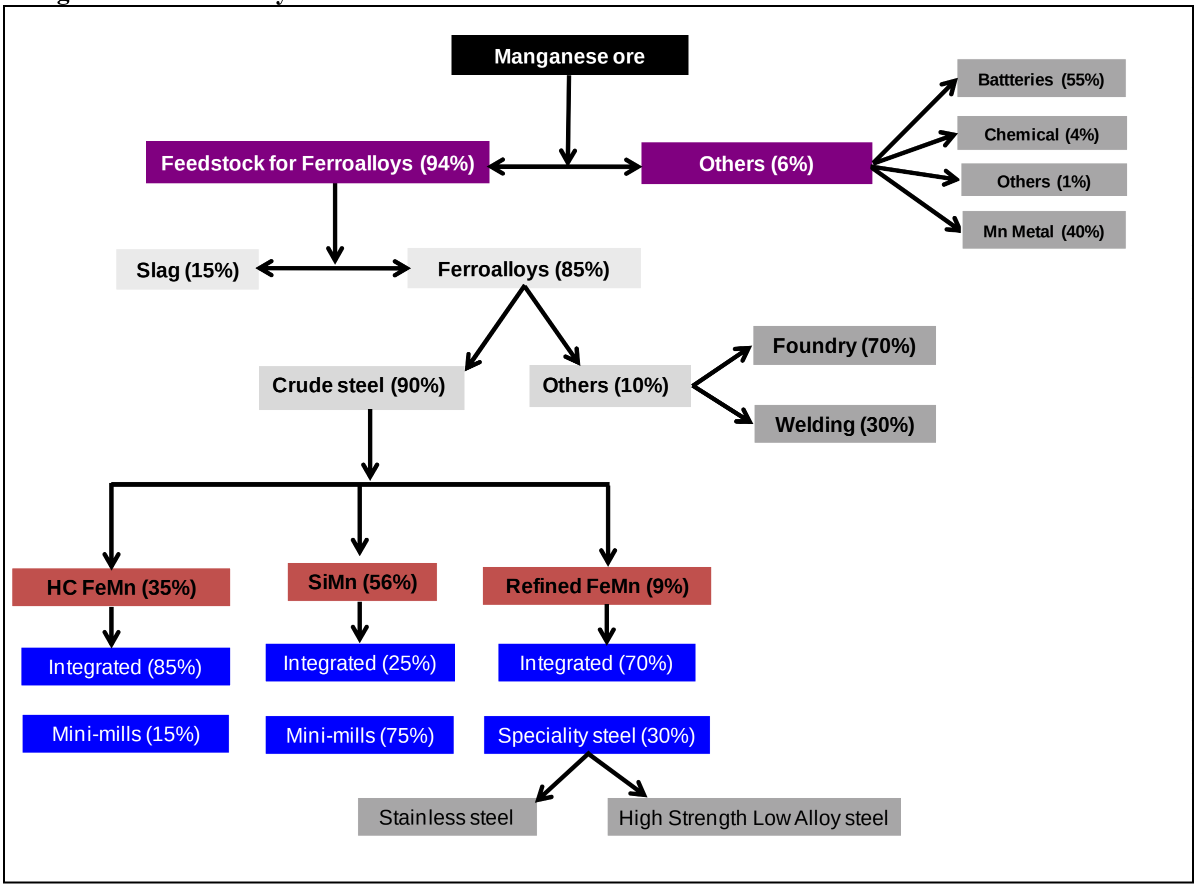
Source: RBI & CARE Research (Economics Cell) (As of October 2010)

The Index of Industrial production (IIP), a barometer of the manufacturing activity in the country, has shown a growth of 11.6% in the first quarter of FY11 as against the growth of 3.9% in the same quarter of the FY10. The strong performance of IIP in last few months and the improving business sentiment underscores that the Indian economy is firmly on the recovery path. The recuperating demand conditions on the back of the government stimulus package, improving employment situation, resumption in foreign capital inflows, recovering financial markets and stabilising export demand have supported growth momentum of the Indian economy. GDP growth of 7.4% during FY10 has been one of the highest achieved globally during the difficult times.
According to CARE Rating's Economic Research team, India's GDP growth is expected to accelerate to about 8.5% in FY11 and further increase to 9% in FY12. Robust recovery seen in the last quarter of FY10 is likely to continue the momentum, driven by buoyant performance of the industrial sector, a better performance of the monsoon relative to last year, and sustained resilience of services sector.

Manganese Ore:

World over, manganese is the fourth most used metal after iron, aluminium and copper. Over 90% of the world's production of manganese is utilized in the desulphurization and strengthening of steel. It improves the strength, toughness, hardness and workability of steel. (Source CARE Research)
The Manganese ore and alloy industry has historically derived demand from the steel industry and hence is directly exposed to the volatility and the cyclicality of the global steel industry. Manganese ore is smelted to produce manganese ferroalloys (such as ferromanganese and silico manganese), which are used in steel-alloying applications. The performance of the manganese alloy industry is the key determinant of the manganese ore demand.

Manganese Ore Industry Structure:



Note: HC FeMn- High Carbon Ferro Manganese, SiMn- Silico Manganese, FeMn – Ferro Manganese
Source: CARE Research

The global steel industry enjoyed a boom in demand as the world consumption of the metal increased at a Compounded Annual Growth Rate (CAGR) of approximately 8% during the period 2002 (calendar year (CY)) to CY07. Growth in demand along with the increase in profitability encouraged steel producers across the globe to enter into a phase of massive capacity expansions, consolidations and mergers and acquisitions. The virtual cycle of the growing investments and output came to a halt in the second half of CY08, due to the global financial crises which had the effect of reducing global demand for almost all the base metals.

With the strong back up from central banks across the countries and various governments' stimulus packages among other things, the demand for most base metals began to show signs of revival in the latter half of CY09. In response to the increase in demand, there was a revival of dormant steel production capacities too. In line with the movements in the steel production cycle, manganese ore and alloy prices remained subdued in the first half of the CY09. Supply cutbacks swept the manganese sector in an effort to match the reduced levels of demand, which were maintained into the third quarter of 2009. Demand began to improve during the second half of the year, when producers responded to the improved order levels by announcing furnace restarts. Both ore and alloy prices will continue to be influenced by steel production trends and the stocking and destocking cycles.

Different alloys properties and application:

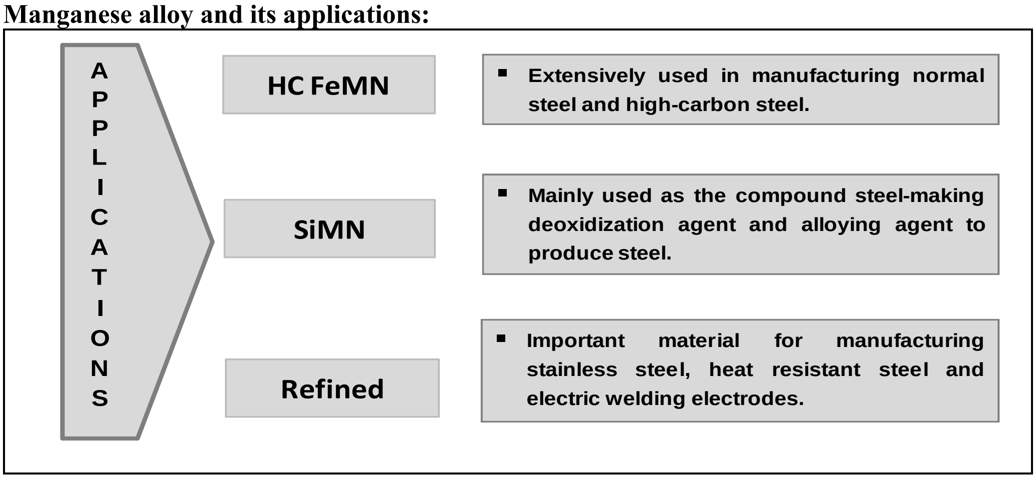
Manganese (ore and alloy) as a raw material is used by different industries for its peculiar properties. It has numerous applications which affect our daily lives as consumers, whether it is of objects made of steel, portable batteries or aluminium beverage cans. One vital use/feature of manganese which is not widely appreciated is its role as an essential element in maintaining human health as it is used in water purification.

High and medium grade ore is used in the production of ferro manganese, medium to low grade ore is used in the production of silico-manganese, while the low grade ore is used in the blast furnaces for the production of hot metal.

Grade Specifications:

High Grade	**Grade with >= 44% Mn content**
Medium Grade	**Grade with > 30% and < 44% Mn content**
Low Grade	**Grade with =< 30% Mn content**

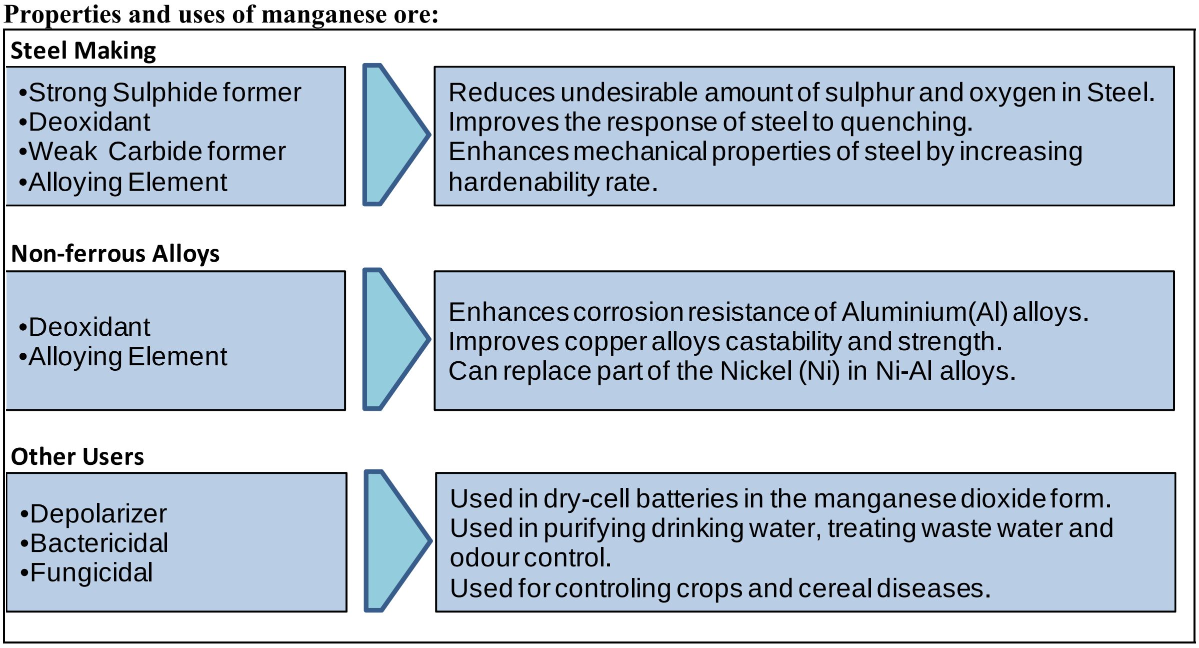
Manganese alloy and its applications:



Source: CARE Research

The graph below states the different properties of manganese ore that makes it a strategic metal in most of the industrialized countries. There is no technology or material that exists currently that can be seen as a practical replacement for manganese.

Properties and uses of manganese ore:



Source: CARE Research

Overview of the Global Manganese Ore Industry:

Global manganese ore reserves:

Many steel-making countries do not posses' manganese ore resources. North America has less than 1% of the world manganese ore reserves. Additionally, the USA has lean grade reserves and potentially high extraction cost. Despite having large ore reserves, countries such as the Ukraine import high grade ore which is used to enrich their low grade ore production. This leads to active global trade in Mn ore and Mn alloys between countries.

As of CY09, land-based total manganese reserves in the world are placed at 5,200 million tonnes, of which South Africa alone accounts for more than 75%, distantly followed by the Ukraine (10%), Australia and India (3%) each. China and Brazil account for about 2% and 1% respectively. (Source: United States Geological Survey (USGS)).

Global manganese ore reserves base 2009:

Global Ore Reserves Base (CY2009)	Million Tonnes	(% of Total)
South Africa	4,000	77
Ukraine	520	10
Australia	160	3
India	150	3
China	100	2
Gabon	90	2
Brazil	57	1
Mexico	8	0.2
Other Countries	115	2
Total	**5,200**	**100**

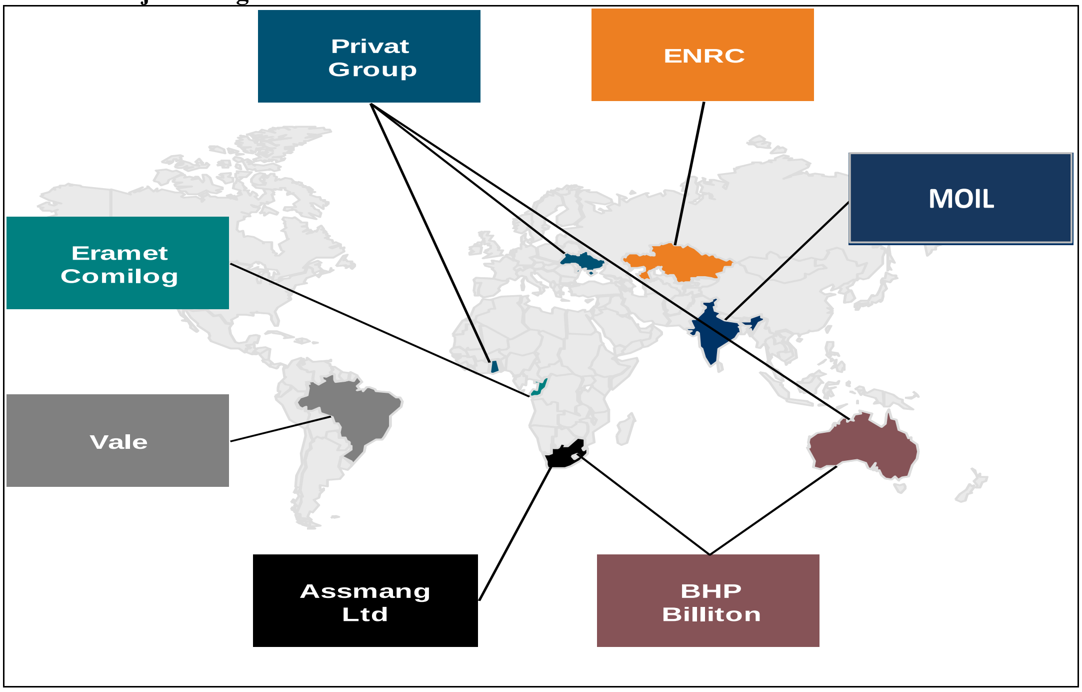
Source: USGS-(Report- US Geological Survey, Mineral Commodity Summaries, January 2009)

Many countries are involved in the trading of manganese ore in the global markets. Manganese ore primarily comes from Gabon, South Africa, Australia, Ukraine and Brazil and traded to Japan, France, Norway and South Korea etc. Some countries such as China, the USA and France import manganese ore which is either processed and consumed or used to manufacture ferro-alloys and re-export them.

According to the company presentation (Eurasian Natural Resources Corporation (ENRC)), during the CY2007, Australia, South Africa, Gabon and Brazil were the major exporters of manganese ore in the world. While the major importers, included China, European and Asian countries and the USA (Based on latest publically available data).

Europe includes Spain, Italy, Norway, France, Slovakia, Belgium, Poland, Finland, Czech Republic, and Germany. Asia includes S Korea, Japan, and Taiwan

World's Major Manganese Ore Producers:



Source: USGS website, CARE Research

Global player Performance (Manganese segment):

	ENRC Limited (1)	BHP Billiton Limited (2)	Eramet Limited (3)	OM Holdings Limited (3)	Vale Limited (4)	Assore/ Assomang Limited (5)
Reserves (Million Tonnes)	28.1	267.6	81.0	20.5	73.9	150.4
Grade (Percent)	21.0	37-48	N.A	21.4	37.9	38-45
Annual Production (Million Tonnes)	0.9#	4.47#	2.0	0.65	1.7	3.1 ##
Manganese Sales (US$ Million)	81.2 *	2536.0*	1653.0*	200.0	145.0*	558.0*
Manganese EBITDA (US$ Million)	N.A	1349.0**	(35)*	19.0*	40*	262.0*
Manganese Sales (As a % of Total Sales)	N.A	3.4	48.0	82.0	0.006	60.0

Source: Company Annual Reports

Note: Manganese segment refers to mining of manganese ore and/or production of manganese metals and or alloys.

(1) *ENRC (Eurasian Natural Resources Corporation), (Financial year ended 31st December 2009) # Ore Production*

(2) *BHP (Broken Hill Proprietary) Billiton, (Financial year ended 30th June 2009) # Ore Production (Group + Third Party)*

(3) *(Financial year ended 31st December 2009).*

(4) *Vale Limited (formerly known as Companhia Vale Do Rio Doce) (Financial year ended 31st December 2009).*

(5) *(Financial year ended 30th June 2009) ## Excluding Intra group sales.*

World's Major Manganese Ferro Alloy Producers:

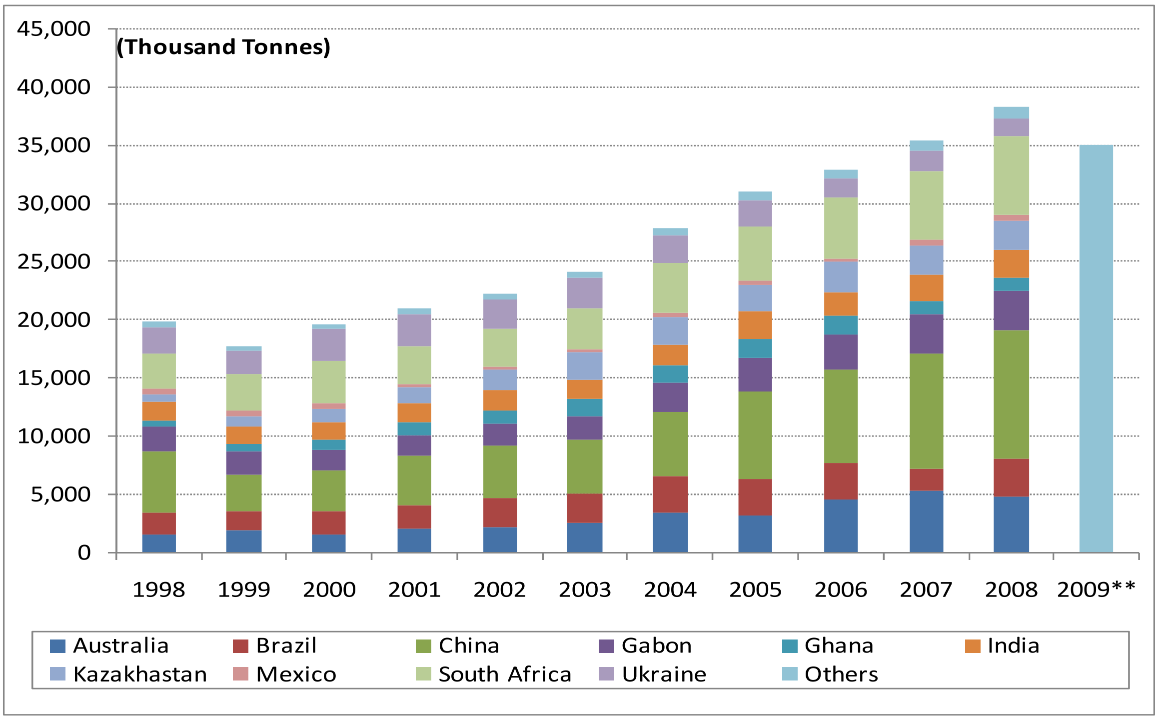
Country	Producer		FeMn		FeMn	SiMn
		HC	MC	LC		
Brazil	Companhia Vale Do Rio Doce	✓	✓			✓
France	Eramet	✓				✓
China	Erdos EJM Manganese Alloy Co					✓
	Henan Anyang Xinxin Ferroalloys					✓
	Hunan Ferroalloy Group Company Limited				✓	✓
	Jinzhou Nichiden Ferroalloy Company					✓
	OM Holdings Qinzhou Plant					✓
	Shanghai Shenjia Ferroalloys Co Ltd	✓	✓	✓		✓
	Xiangtan Manganese Mine				✓	
	Zunyi Ferroalloy (Group) Co Ltd	✓	✓	✓		✓
Japan	Mizushima Ferroalloy Co Ltd	✓	✓	✓		✓
	Nippon Denko	✓	✓	✓		✓
South Africa	Assmang	✓	✓	✓		✓
	Samancor Manganese	✓	□	□		□
	Transalloys		□			□
Ukraine	JSC Nikopol Ferroalloys Plant				□	□
	Zaporozhye Ferroalloy Works				□	□

Source: USGS website

The total quantity of manganese ore mined by major mines across the globe has shown a substantial decline in the CY2009 on a year-on-year basis. Global steel output in CY09 declined by about 8% (Source: International Iron and Steel Institute (IISI), Steel Statistical Year book CY10, CARE Research) and this decrease in the production of crude steel caused a dip in demand and hence a reduction in the production of manganese ore. Having anticipated the decline in steel production, all the major miners reduced their mining activities in the first half of CY09 in order to control the fall in manganese ore prices. Miners such as BHP Billiton, Vale, Eramet and Assmang had decreased their production of manganese ore by 30-40% during this period. (Source: Various company announcements)

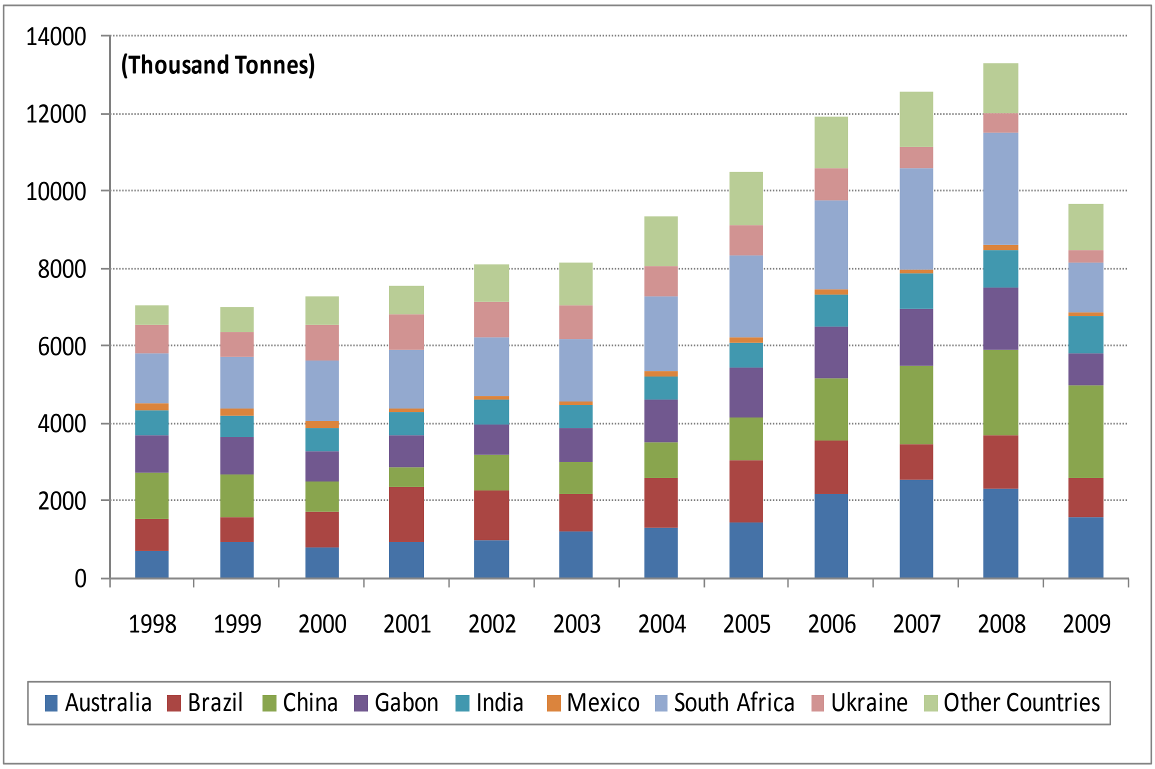
During CY 09, the manganese ore production decreased by approximately 9% on a year-on-year basis to 35 million tonnes when compared with the previous year (Source USGS website, Report on Mineral Commodity Summaries and CARE Research). Despite the adverse conditions, ore production in India and Australia remained in the positive zone. In terms of the mined manganese content, only India and China continued to remain in the positive territory largely on account of an increase in mining activity in the third and fourth quarter of CY09 (Source USGS website and CARE Research).

Region-wise manganese ore production:



*Note: Above years refer to Calendar year**Region-wise ore production for CY2009 N.A.*
Source: USGS website, CARE Research

Manganese content, Region-wise manganese ore production:



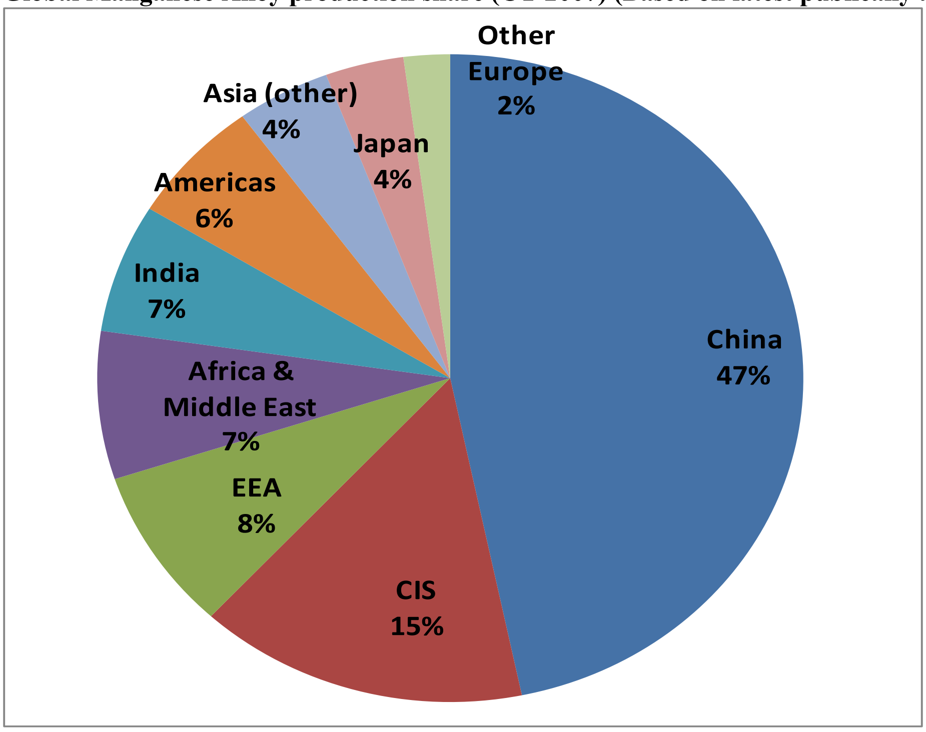
Note: Above years refer to Calendar year
(Manganese content refers to the actual manganese that can be extracted from the manganese ore)
Source: USGS website, CARE Research

Global Ferro Alloy demand-supply scenario (Based on latest publically available data):

(Thousand Tonnes) Supply	2004	2005	2006	2007	CAGR (%)
HC FeMn	3820	3584	4051	4432	5.1
Ref FeMn	968	1023	1068	1125	5.1
SiMn	6010	6048	6688	7600	8.1
TOTAL	**10798**	**10655**	**11806**	**13157**	**6.8**
Demand					
HC FeMn	3764	3667	4093	4724	7.9
Ref FeMn	1007	1070	1060	1176	5.3
SiMn	5960	6104	6595	7659	8.7
TOTAL	**10731**	**10840**	**11748**	**13559**	**8.1**
Balance					
HC FeMn	56	-83	-42	-292	
Ref FeMn	-38	-47	7	-51	
SiMn	50	-56	93	-59	
TOTAL	**68**	**-86**	**58**	**-402**	

Source: Eurasian Natural Resources Corporation (ENRC) presentations

Global Manganese Alloy production share (CY 2007) (Based on latest publically available data):



Source: Company presentations; CARE Research

Outlook:

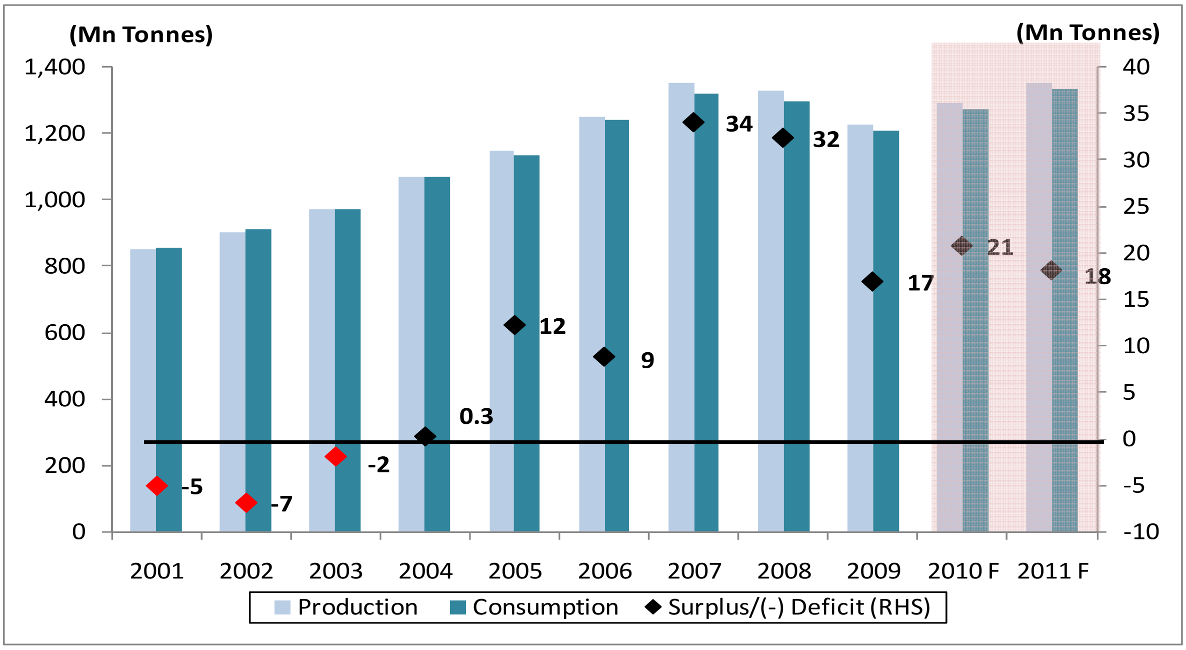
World demand for manganese depends directly on the outlook of the steel industry. There are numerous grades of steel and each requires a different amount of manganese. Some manganese which is to be converted into steel is present in the iron (hot metal) coming either from the iron ore charge or from the addition of manganese ore to the blast furnace. This manganese is only a small part of the total requirement and it is partly oxidized during the different processes that convert the hot metal into steel. Hence most of the manganese addition is made in the steel melting shop. The majority of it is in the form of manganese ferro-alloys, but there are some cases when it can be added in the form of ore.

Currently the average unit consumption for industrialized countries is about 10kg of manganese per ton of steel. Changes in steel have had an effect on manganese requirements. For constant unit consumption, manganese demand follows the growth in steel production. Manganese requirements for other metallurgical applications or for non-metallurgical uses do not represent a quantity large enough to significantly affect the overall manganese demand as a direct function of steel production growth. Hence to estimate the demand for manganese, it is pertinent to estimate the demand for steel:

Steel Industry Outlook:

During CY01 to CY09, global steel capacities have grown at a CAGR of about 6.5% reaching to 1,750 million tonnes. Most of these capacity expansions came from the emerging economies where the internal demand was largely unaffected by the global financial crisis. Global crude steel production during the same period increased at a CAGR of about 4.7% reaching about 1,227 million tonnes in CY09.

Global demand-supply balance:



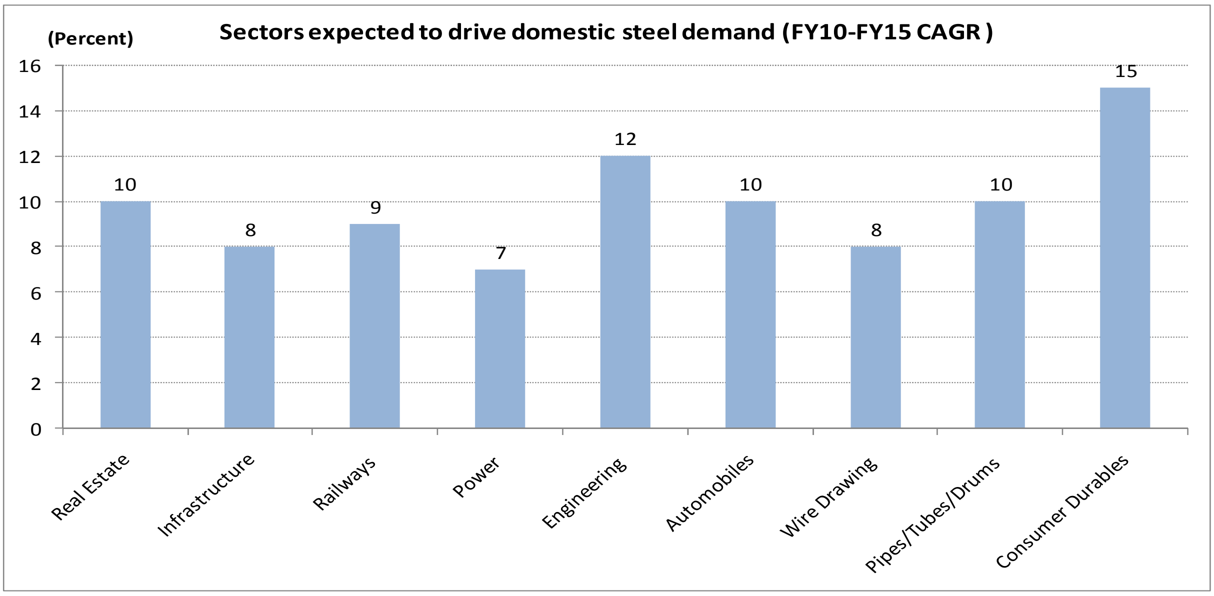
Source: CARE Research

CARE Research foresees the global demand for steel to increase at a CAGR of about 5.3% in the next two years. China will continue to dominate the global steel industry accounting for about half the global demand as well as the production of the metal. Increasing urbanization and upcoming new cities will continue to drive the demand for steel as the Chinese construction industry accounts for more than 50% of the Chinese end-use steel demand.

Domestic steel consumption to grow at a CAGR of 9.2% during FY 11 – FY15….

During Fiscal Year 2002 to Fiscal Year2010, the domestic steel consumption has doubled up, growing at a CAGR of about 8.5% from 31 million tonnes to 59 million tonnes. The Indian steel industry has been closely following the robust growth in demand by increasing the domestic capacity at a CAGR of 10% from about 34 million tonnes to about 72 million tonnes during the same period. Domestic crude steel production also increased at a CAGR of 11% from 28 million tonnes to 65 million tonnes.

Sectors expected to drive the domestic steel demand:



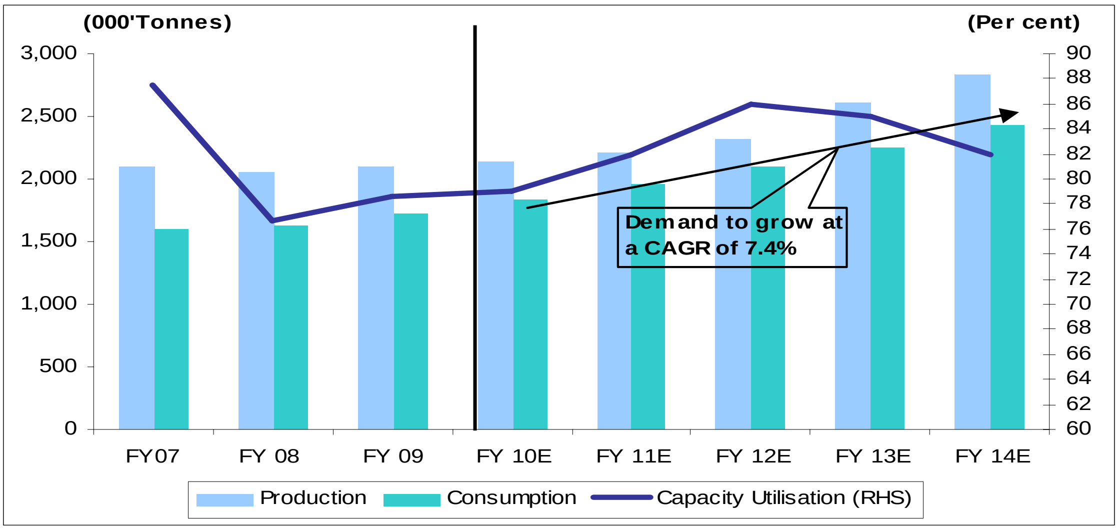
Source: CARE Research

CARE Research expects the domestic steel demand to grow at a CAGR of about 9.2% during the period FY11 to FY15. The domestic demand is likely to grow from 59.4 million tonnes in FY10 (which includes the double-counting effect) to about 92 million tonnes by FY15. While the long products segment is likely to grow at a CAGR of about 9%, the flat steel products segment is likely to grow at about 9.5% during the same period.

Stainless Steel Industry:

During the next five years (FY10-FY14), CARE Research expects domestic demand for stainless steel to increase at a CAGR of around 7%, mainly on account of an increase in demand from the construction and the transportation industry. Domestic production is also expected to follow the consumption growth and likely to increase at a CAGR of around 6% during the same period.

Domestic demand-supply scenario:



Source: CARE Research

Future outlook of Manganese ore:

With the expectations of robust growth in the domestic steel production, CARE Research foresees, demand for manganese ore is likely to increase during the next few years. CARE Research foresees the domestic manganese ore demand to grow at a CAGR of about 9% during the next 2-3 years and reach levels of 4.1 million tpa by FY12. The rising requirement of ferro alloy products for the steel and other metal-producing industries are likely to be the prime reason for a positive growth in the domestic demand for manganese ore.

Overview of the Indian Manganese Ore Industry:

As of 31st March, 2005, total resources of manganese ore in India are placed at 378.6 million tonnes as per the United Nations Framework Classification (UNFC) system. Out of these, 138.2 million tonnes are categorised as reserves (150 million tonnes according to United States Geological Survey (USGS website)) and the balance are in the remaining resources category. (Based on latest publically available data).Grade-wise, ferromanganese grade accounts for only 7%, medium grade 8%, BF grade 34% and the remaining 51% are of mixed, low, others, unclassified and not known grades including 0.5 million tonnes of battery or chemical grade. (Source: Indian Bureau of Mines (IBM)). (Based on latest publically available data).

State-wise, Orissa tops the total resources list with 40% share followed by Karnataka 22%, Madhya Pradesh 16%, Maharashtra 8%, Goa 5% and Andhra Pradesh 4%. Rajasthan, Gujarat, Jharkhand and West Bengal together shared about 5% of the total resources. (Source: Indian Bureau of Mines (IBM))

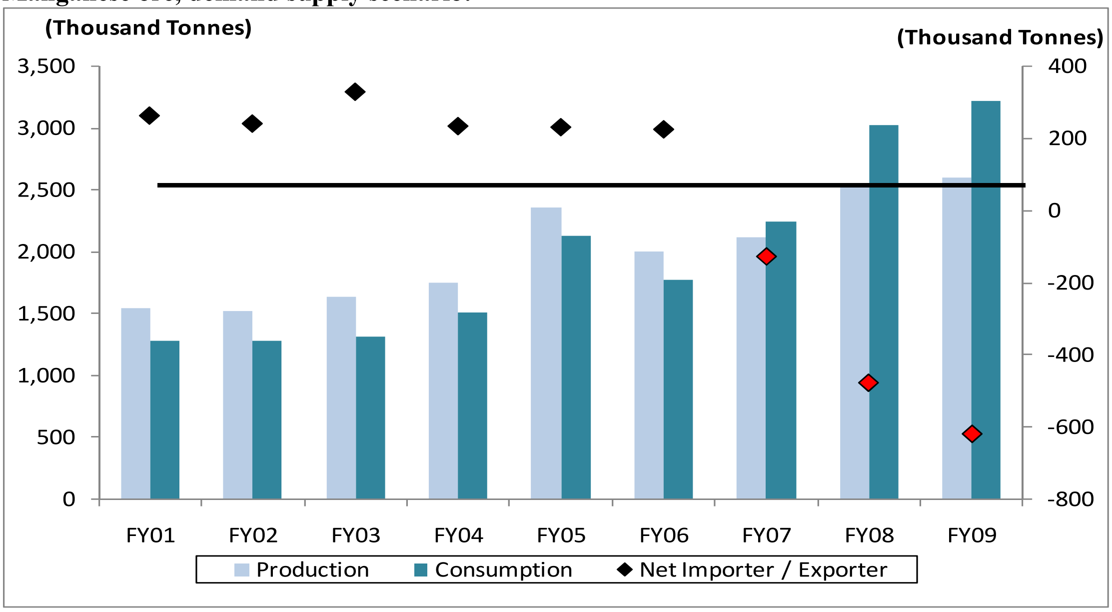
Manganese ore mining in India is carried out by both the opencast as well as underground methods. Of the 126 mines, eight are underground (three in Madhya Pradesh and five in Maharashtra).

Domestic demand-supply scenario in India:

Demand for manganese ore and ferro alloys has increased considerably due to the increase in the production of steel. According to the National Steel Policy, 2005, projected steel production is likely to double within a decade's time. In view of this, there is likely to be a huge demand gap between the availability and requirement of ferro alloys if the production of ferro alloys fails to match the growth in production of steel.

In order to achieve the projected demand of ferro alloys, there will be large requirements of quality manganese ore. Therefore, either huge quantity of manganese ore is to be imported or the same could be converted into ferro alloys externally and then imported into India. Slower pace in the development of new mines as against the robust demand from the steel industry has already pushed India in becoming a net importer of manganese ore in the last 3 years.

Manganese ore, demand supply scenario:

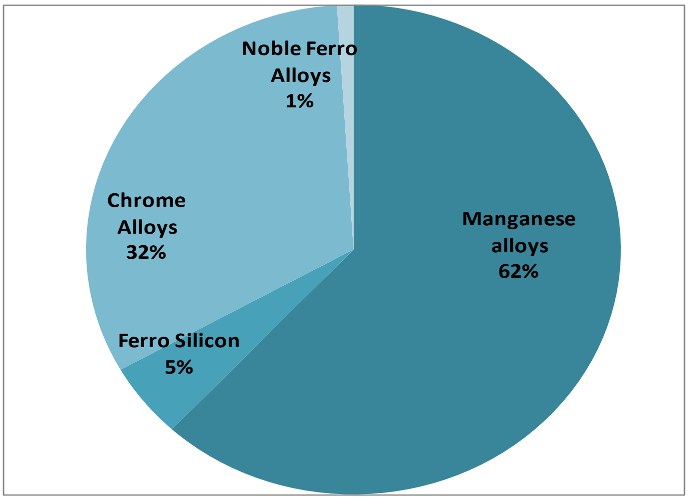


Source: IBM (Indian Bureau of Mines), CARE Research

Indian Ferro Alloy Industry:

Since liberalization, the Indian ferro alloys industry has accounted for almost 7% of the world manganese alloy production. Despite the global meltdown, the ferro alloys industry has registered a production growth of 7.2% during Fiscal 2010. Ferro alloys are used in the production of steel as de-oxidant and alloying agents. As of today the ferro alloy capacity in India is around 4 mtpa. The industry produced 2.22 million tonnes of ferro alloys during FY09, a reduction of about 5.9% as compared to the previous year's production of 2.36 million tonnes. (Source: Indian Ferro Alloys Producers Association (IFAPA).

India has 4 million tonnes of Ferro Alloy Capacity:



Source: Industry, CARE Research

India, Ferro Alloys Production:

Production (Thousand Tonnes)				
Ferro Alloys	**FY07**	**FY08**	**FY09**	**CAGR (%)**
HC Fe Mn	281.0	378.0	370.5	14.8
Refined Fe Mn	15.7	13.2	14.1	-5.2
Si Mn	738.3	858.6	845.4	7.0
Refined Si Mn	44.7	52.8	46.0	1.4
Fe Si	92.6	83.7	99.6	3.7
Hc Fe Cr	801.1	948.4	814.9	0.9
Refined Hc Fe Cr	0.2	0.2	2.4	246.4
Other Ferro Alloys	27.8	29.7	27.5	-0.5
Total	**1,973.4**	**2334.7**	**2,190.5**	**5.4**

Source: IFAPA (Indian Ferro Alloys Producers Association

India, Ferro Alloys Exports:

Exports (Thousand Tonnes)				
Ferro Alloys	**FY07**	**FY08**	**FY09**	**CAGR (%)**
HC Fe Mn	42.0	101.2	101.3	55.3
Refined Fe Mn	12.2	12.6	20.2	28.7
Si Mn	152.1	262.6	300.4	40.5
Fe Si	7.9	9.4	37.2	117.0
Hc Fe Cr	287.7	483.0	491.7	30.7

Other Ferro Alloys	8.6	9.3	9.3	4.0
Total	**510.5**	**878.1**	**960.1**	**37.1**

Source: IFAPA (Indian Ferro Alloys Producers Association)

India, Ferro Alloys Imports:

Imports (Thousand Tonnes)				
Ferro Alloys	**FY07**	**FY08**	**FY09**	**CAGR (%)**
HC Fe Mn	1.0	2.0	6.0	144.9
Refined Fe Mn	11.0	20.0	16.0	20.6
Si Mn	0.2	0.5	0.2	0.0
Fe Si	86.8	96.3	82.7	-2.4
Hc /Lc Fe Cr/ Ch Cr	19.1	20.2	12.4	-19.4
Other Ferro Alloys	9.1	17.2	15.4	30.1
Total	127.2	156.2	132.7	2.1

Source: IFAPA (Indian Ferro Alloys Producers Association)

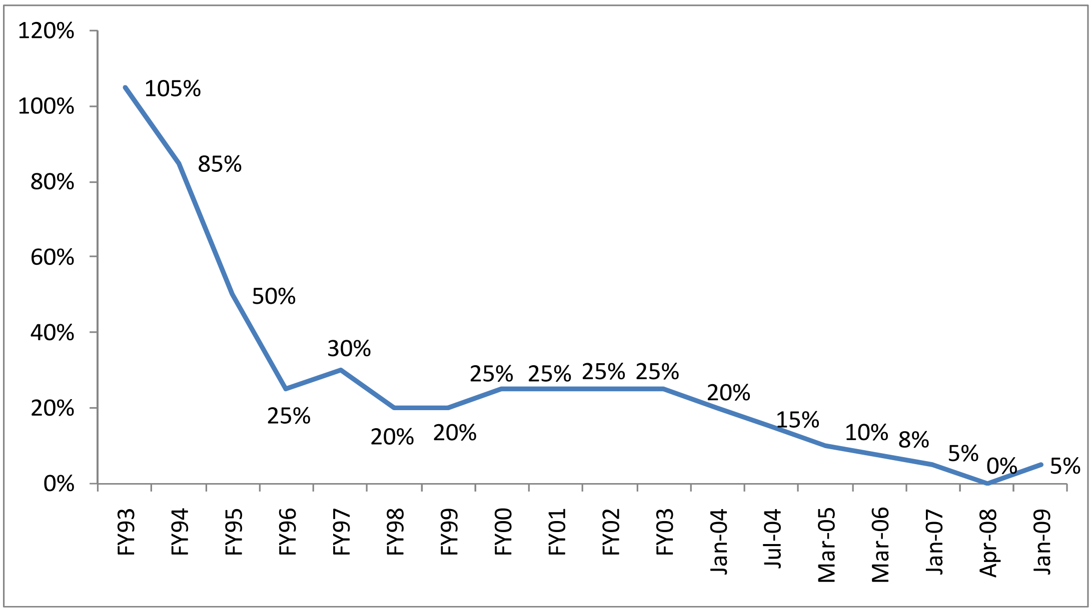
Trade Policy (based on publicly available data):

The Foreign Trade Policy, 2004-09 (effective from 1st September 2004 and as amended with effect from 1st April 2008) puts restrictions on exports of manganese ore with more than 46% Mn content. Exports are allowed either through MMTC (Minerals and Metals Trading Corporation) or through MOIL (for manganese ore produced in MOIL) mines under the State Trading Enterprise policy.

Import Policy:

The amended Foreign Trade Policy, 2004-09 as effective from April 1, 2008 is as follows: Imports of manganese ore and concentrates including ferruginous manganese ores and concentrates containing 10% or more manganese (calculated on dry weight basis), agglomerated manganese ore sinters, etc. are freely allowed for imports **(based on publicly available data)**.

Ferro Alloy Changes in customs duty (based on publicly available data):



Source: CARE Research

OUR BUSINESS

Unless otherwise indicated, the ore reserves and resources set forth in this section are in accordance with the JORC code, pursuant to the assessment of IMC-SRG Consulting (P) Ltd, Kolkata ("IMC") pursuant to their report (the "JORC Report") dated October 30, 2010 that appears as Annexure I to this Red Herring Prospectus. Further, unless otherwise indicated, the financial information relating to our Company set forth in this section relates to our restated audited financial statements for the six months ended September 30, 2010 and September 30, 2009 and each of the years ended March 30, 2010, 2009 and 2008.

Overview

We were the largest producer of manganese ore by volume in India in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). Our production of manganese ore increased from 864,890 tonnes in Fiscal 2006 to 1,093,363 tonnes in Fiscal 2010. According to the JORC report prepared by IMC dated October 30, 2010, as on October 1, 2010, we have access to 21.7 million tonnes of proved and probable reserves and a total of 69.5 million tonnes of measured, indicated and inferred mineral resources of manganese ore. In addition, 55.0% of our proved and probable manganese ore reserves, as of October 1, 2010, have an average manganese content of 40.0% or higher. Further, 27.5% of our proved and probable manganese ore reserves as of October 1, 2010, have an average manganese content ranging from 36.0% to 39.9%. In addition, none of our mines produce low grade manganese (i.e.below 30.0% manganese content). For further details on our reserves and resources, see "***Manganese Ore Resources and Reserves***" on page 70 of this Red Herring Prospectus.

We believe that we benefit from our long operating history of mining manganese ore in India, based on more than four decades of experience since incorporation. We currently operate seven underground mines (Kandri, Munsar, Beldongri, Gumgaon, Chikla, Balaghat and Ukwa mines) and three opencast mines (Dongri Buzurg, Sitapatore/Sukli, and Tirodi). We produced 1,364,575 tonnes, 1,175,318 tonnes, 1,093,363 tonnes and 516,749 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. We produced 700,776 tonnes of manganese ore from our underground mines and 392,587 tonnes of manganese ore from our opencast mines in Fiscal 2010. We are actively involved in exploration and development activities with a view to increasing our proved manganese ore reserves. In addition, an area of 814.71 hectares in the State of Maharashtra has been reserved for us by a notification from the Ministry of Mines in October 2009. We have applied for prospecting licenses with respect to this area.

Manganese ore is primarily used to make ferro-alloys for steel production. According to the Indian Ministry of Steel, India was the fifth largest producer of crude steel in the world in 2009 and is expected to become the second largest producer of crude steel in the world by 2015-2016. The Indian steel industry has continued to advance on a growth trajectory and it is anticipated that by 2011-2012, the crude steel production capacity in India will be nearly 124 million tonnes (Source: Ministry of Steel, Annual Report 2009-2010), which in turn is expected to result in continued demand for manganese ore in India. We accounted for approximately 50.0% of India's total production of manganese ore in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008).

In addition to medium grade manganese ore, our products include manganese dioxide and chemical grade manganese ore. At the Balaghat and Dongri Buzurg mines, which are our largest mines, we have beneficiation plants to upgrade the quality of the manganese ore produced, which we sell commercially and also use in the manufacturing of our value-added products such as high carbon ferro manganese ("**HCFM**") and electrolytic manganese dioxide ("**EMD**"). As of September 30, 2010, processing capacity at the Balaghat and Dongri Buzurg mines was 500,000 tonnes and 400,000 tonnes per annum ("**TPA**"), respectively. We intend to expand our value-added production capacity and have entered into joint ventures with Steel Authority of India Limited ("**SAIL**") and Rashtriya Ispat Nigam Limited ("**RINL**") to set up ferro alloy plants in Chhattisgarh and Andhra Pradesh, respectively, which are collectively expected to produce ferro manganese (with a proposed installed capacity of 51,000 TPA) and silico manganese (with a proposed installed capacity of 112,500 TPA). For further details on these joint ventures and the agreements on the basis of which they have been formed, see "***History and Certain Corporate Matters-Joint Ventures***" on page 102 of this Red Herring Prospectus. We also operate two wind farms with a total aggregate capacity of 20.0 MW in Nagda Hills and Ratedi hills near Dewas in the State of Madhya Pradesh. We aim to achieve higher forward-integration by expanding our midstream and downstream capability through our beneficiation and value-added production plants, while also benefiting from captive power generation from our wind power farms.

We sell all of the manganese ore we produce in the Indian market, primarily to ferro-alloy producers in the steel industry. Manganese ore sales (gross) represented approximately 89.1%, 82.5%, 83.7% and 84.7% of our total income in Fiscal Years 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. Manganese ore is primarily sold to our customers pursuant to quarterly sales contracts. Our key customers include Maharashtra Elektrosmelt Limited and Bhilai Steel Plant ("**Bhilai**"), which are both state entities that are a subsidiary and a division of SAIL, respectively and which together accounted for 22.1% of our manganese ore sales revenue in Fiscal 2010. Our top ten customers represented approximately 51.5% of our sales of manganese ore for Fiscal 2010.

We were conferred the *Mini Ratna* status in 2008, which provides us with certain operational and financial autonomy. In particular, we are not required to obtain the approval of the government to incur capital expenditure for the implementation of certain mechanization programs and purchase of equipment. For further information on our operational and financial autonomy, see "***History and Certain Corporate Matters- Major Events and Milestones***" on page 98 of this Red Herring Prospectus. We have established a dedicated environment management program and continue to focus on various environmental initiatives including land reclamation and restoration in opencast mines, water harvesting and aforestation at our mines and other environmental issues that may result from our mining operations. We have conducted a number of forestation programs and green belt development programs in and around our mining lease areas. We were awarded the National Energy Conservation Award for Kandri mine for the year 2009.

Our total income was ₹ 10,154.5 million, ₹ 14,394.1 million, ₹ 10,878.5 million and ₹ 6,924.9 million in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. Our profit after tax, as restated, was ₹ 4,615.6 million, ₹ 6,902.9 million, ₹ 4,656.2 million and ₹ 3,315.0 million in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively, or 45.5%, 48.0%, 42.8% and 47.9% of our total income in such periods. As of September 30, 2010, our cash and bank balances were ₹ 17,628.8 million and we had no debt.

Our Competitive Strengths

- ***Largest producer of manganese ore in India with access to significant reserves***

We were the largest producer of manganese ore by volume in India in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). We produced 1,364,575 tonnes, 1,175,318 tonnes, 1,093,363 tonnes and 516,749 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. We accounted for approximately 50.0% of India's total production of manganese ore in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). We believe that we benefit from our Company's long operational history of mining manganese ore in India for over four decades. Based on a comparison between our reserves under the United Nations Framework Classification for Energy and Mineral Resources ("**UNFC**") framework as of 2009, and data provided from the last study performed by United States Geological Survey in 2009, we believe we hold approximately 17.0% of the proved reserves of manganese ore in India. Under the JORC Code, as specified in the JORC Report, as of October 1, 2010, we have access to 21.7 million tonnes of proved and probable reserves and a total of 69.5 million tonnes of measured, indicated and inferred mineral resources of manganese ore. The Balaghat and Dongri Buzurg mines have reserves with an average content of 40.0% and 42.0%, respectively. We continue to expand our manganese ore production business. According to the JORC report prepared by IMC dated October 30, 2010, 55.0% of our proved and probable manganese ore reserves, as of October 1, 2010, have an average manganese content of 40.0% or higher. Further, 27.5% of our proved and probable manganese ore reserves as of October 1, 2010 have an average manganese content of 36.0%-39.9%. In addition, none of our mine produces low grade manganese (i.e., below 30.0% manganese content). Further, most of our manganese ore proved reserves are deposited in areas with favorable geological and mining conditions. Additionally, our proved and probable reserves are of regular shape, as opposed to pocket deposits, which allows us to cost effectively extract manganese ore from such deposits.

- ***Well positioned to capture the growth potential of the Indian steel industry***

According to the Ministry of Steel, India is currently the fifth largest producer of crude steel in the world with a crude steel production of 66.34 million tonnes in 2009 (Source: Ministry of Steel, Annual Report 2009-2010). The Indian steel industry is expected to continue to advance on a strong growth trajectory and the crude steel production capacity in India will be nearly 124 million tonnes (Source: Ministry of Steel, Annual Report 2009-2010). This is expected to result in continued demand for manganese ore. In addition, we believe that the gradual trend towards the use of silico manganese in the steel industry will continue, providing an opportunity for improved market potential for our medium grade ore. We accounted for approximately 50.0% of the total supply of manganese ore in India in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008) and we believe, based on our significant reserves, that we are well positioned to serve the increase in demand expected from the steel industry.

- ***Track record of growth and efficient operations***

As the largest producer of manganese ore by volume in India in Fiscal 2008, we are able to achieve economies of scale in procurement of input materials, production efficiency, marketing, sales, and other aspects of our operations. As a result of investments carried out by us in a phased manner since 2001, the Dongri Buzurg mine is fully mechanized and all of our other mines are semi-mechanized. In part due to this progressive mechanization of our mines, our production of manganese ore has increased from 864,890 tonnes in Fiscal 2006 to approximately 1,093,363 tonnes in Fiscal 2010. In particular, the improvement can be attributed to the implementation of efficient monitoring systems and heavy earth moving machinery ("**HEMM**") at our opencast mines and the deepening and sinking of vertical shafts at our underground mines. Mechanization allows for higher recovery rates, permitting an increasing percentage of our manganese ore to be recovered by way of crushing, screening and sorting of waste, thus improving productivity and higher sales. We own all the equipment we use in our operations and use third parties primarily for overburden removal. This gives us flexibility in our operations as we are not affected by any delay in equipment supplies and do not depend on third parties for our operations. In October 2009, we were awarded OHSAS 18001:2007 Certificate for the implementation of an Occupational Health and Safety Management System at our Balaghat and Dongri Buzurg mines.

Further, in order to maintain the quality of our manganese ore, we have also recently invested in WD-XRF machines for quality control in order to analyze the composition of manganese ore more efficiently. In addition, we believe that we maintain a good relationship with the labor union and have not lost any significant employee time due to strikes or labor unrest for the past 25 years. Our Output per Man Shift ("**OMS**") increased from 0.664 OMS per tonnes in Fiscal 2007 to 0.728 OMS per tonnes in Fiscal 2010.

We believe all of the above elements favor cost-efficient production, which increases our profitability. This, in turn, provides the potential for additional funds for capital expenditures that may both sustain and increase production levels at our existing mines, and support exploration efforts to prove additional reserves.

- ***Strategic location of our mines provides us with competitive advantages***

All our mines are located in central India, in the states of Maharashtra and Madhya Pradesh, benefiting from well-developed road and rail infrastructure. We believe our central location also gives us a marketing advantage over competitors, since it facilitates transportation of our products, resulting in lower cost and faster time of delivery for our customers. In addition, we believe that the higher transportation costs associated with imported manganese ore provide us with improved competitive positioning in our market. The proximity to sources for most of the resources and equipment required for mining of manganese ore, as well as for the manufacturing of value-added products, enable us to minimize our procurement costs for such materials, resulting in a competitive advantage.

- ***Strong track record of financial performance***

Currently, we are a debt free Company. We believe that our strong track record of financial performance and cash flows from our existing operations provide us with sufficient resources to fund our projects, support our working capital requirements and maintain a healthy level of cash on our balance sheet. Supported by high revenues generated primarily by sales to steel industry participants under quarterly contracts driven by domestic demand for quality manganese ore, we have been able to establish our current financial position. Our total income was ₹ 10,154.5 million, ₹ 14,394.1 million, ₹ 10,878.5 million and ₹ 6,924.9 million in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. Our profit after tax, as restated, was ₹ 4,615.6 million, ₹ 6,902.9 million, ₹ 4,656.2 million and ₹ 3,315.0 million in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively, or 45.5%, 48.0%, 42.8% and 47.9% of our total income in such periods. With significant cash resources generated by operations (with cash balances of ₹ 6,085.5 million, ₹ 12,321.7 million, ₹ 14,871.0 million and ₹ 17,628.8 million as of March 31, 2008, 2009, 2010 and September 30, 2010, respectively) and no debt, we benefit from a liquidity position that we believe will provide us with significant flexibility going forward. We were also awarded the MOU Excellence Award every year since 1999.

- ***Strong capabilities for exploration, mine planning and research development***

To maintain our leadership position in the Indian market, we are actively involved in exploration and development activities with a view to increasing our proved manganese ore reserves. In addition, an area of 814.71 hectares in the State of Maharashtra has been reserved for us by a notification from the Ministry of Mines in October 2009. We have applied for prospecting licenses with respect to this area. We have a planning division that includes geologists and mining engineers that focuses on exploration activities at potential mineral deposits. We already spent ₹ 21.55 million, ₹ 13.76 million and ₹ 20.09 million in Fiscal 2008, Fiscal 2009 and Fiscal 2010, respectively, on exploratory drilling for a total meterage of 4,254.25 meters, 4,710.10 meters and 4,766.50 meters, respectively.

- ***Experienced senior management and large pools of skilled manpower***

We benefit from our experienced management team. Our key management personnel have an average of over 20 years of experience in the mining industry, bringing to our Company extensive knowledge of exploration and production, cost and operational efficiencies and financial management. We also have loyal and skilled employees who also possess significant industry experience. We believe we maintain good relations with our employees and unions and have not lost any significant employee time due to strikes or labor unrest for the past 25 years. We believe that our personnel policies, as well as modern mechanization efforts leading to better safety standards at our mining operations, have enabled us to attract and retain well qualified and technically skilled personnel. As on October 31, 2010, we had 6,693 employees. In October 2009, we were awarded OHSAS 18001:2007 Certificate for the implementation of an Occupational Health and Safety Management System at our Balaghat and Dongri Buzurg mines.

Our Business Strategies

- ***Maintain our leadership position in India and continue to increase production levels at our existing mines to capitalize on expected growth of the Indian steel sector***

In Fiscal 2008, we accounted for approximately 50.0% of India's total production of manganese ore (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). We are committed to maintaining our leadership position in the Indian manganese ore market by increasing our production capacity in line with demand growth, expanding on our value-added product line to capture industry trends, controlling costs and strengthening relationships with our customers. In addition, we have also entered into two joint ventures, with SAIL and RINL, to set up ferro alloy plants in Chhattisgarh and Andhra Pradesh, respectively, which are expected to produce ferro manganese and silico manganese, in order to secure further potential sources of demand for our manganese ore and to capture a larger part of the value chain from the sale of these value-added products using manganese ore to the domestic steel industry. For further details on these joint ventures and the agreements on the basis of which they have been formed, see "***History and Certain Corporate Matters-Joint Ventures***" on page 102 of this Red Herring Prospectus. The Indian steel industry is expected to continue to advance on a strong growth trajectory and the crude steel production capacity in India should be nearly 124 million tonnes by 2011-12 (Source: Ministry of Steel, Annual Report 2009-2010). This is expected to result in continued demand for manganese ore.

To meet such demand, we plan to expand our manganese ore production capacity at our existing mines. We aim to carry out the following projects in the coming years in order to expand as well as to sustain our production capacity for manganese ore:

Projects	Estimated Capital Cost (in millions of ₹)	Actual/ Estimated Commencement Date	Estimated Completion Date	Potential Benefit of Project
Deepening of Production Shaft at Balaghat Mine	65.1	June 2007	December 2010	To increase ROM production from 340,000 T to 475,000 T
Deepening of Holm's Shaft at Balaghat Mine	190.0	March 2011	March 2015	
High speed shaft for mining at deeper levels at Balaghat Mine	3,000.0	Company has issued work order to Central Mines Planning & Design Institute Limited, a subsidiary of Coal India Limited, for preparation of techno-economic feasibility report	2016	
Sinking of vertical shaft at Gumgaon Mine	160.1	Company is appointing Central Mines Planning & Design Institute Limited, a subsidiary of Coal India Limited, for taking up the techno-economic feasibility study	April 2011	To increase ROM production from 60,000 T to 100,000 T
Sinking of vertical shaft at Munsar Mine	252.0	May 2010	April 2014	To increase ROM production from 30,000 T to 60,000 T
Sinking of vertical shaft at Ukwa Mine	181.1	Finalization of work order is in process	April 2014	To increase ROM production from 55,000 T to 100,000 T
Development of Dongri Buzurg opencast mine	1,800.0	March 2011	March 2014	To increase ROM production from 350,000 T to 560,000 T
Township at mines	2,030.0	Our Company has entered into two letters of intent in October 2010 accepting tenders for construction of residential buildings	2014-15	To build up infrastructure at mines

In connection with these expansion projects, we have committed ₹ 839.8 million for Fiscal 2011 and ₹ 1,077.1 million for Fiscal 2012 in capital expenditure to such projects and have already spent ₹ 241.8 million as of October 31, 2010.

- ***Engage in intensive exploration through our extensive lease holdings to prove additional reserves***

We intend to add to our current reserves and resources by undertaking exploration in and around our existing lease areas. In addition, an area of 814.71 hectares in the State of Maharashtra has been reserved for us by a notification from the Ministry of Mines in October 2009. We have applied for prospecting licenses with respect to this area. In addition, we are engaged in ongoing exploration efforts in portions of our approximately 1,798.9 hectares of land already held under long-term mining leases in relation to our existing mining complexes. We plan to conduct exploration by geophysical methods on unassessed areas of these leases, which will require core drilling for an assessment of reserves. For details, see "***Our Business- Exploration and Development***" on page 78 of this Red Herring Prospectus. We believe that our significant total lease holdings provide us with vast potential to intensively pursue exploration to prove additional reserves in the future.

- ***Achieve higher forward integration to capture additional margin***

We aim to become a vertically-integrated manganese ore producer, by leveraging our midstream and downstream capability through our beneficiation and value-added production plants, together with use of captive power generation. We intend to focus on expanded production of value-added products using manganese ore. In light of increasing demand from the domestic steel industry, we have entered into joint ventures with SAIL and RINL for setting up ferro alloy plants that will use manganese ore produced at our mines and believe this will also enable us to capture a substantial portion of the manganese value chain. For further details on these joint ventures and the agreements on the basis of which they were formed, see "***History and Certain Corporate Matters-Joint Ventures***" on page 102 of this Red Herring Prospectus. We intend to continue to evaluate additional opportunities to create synergies by means of joint ventures with domestic and/or international partners for both upstream and downstream activities.

We further intend to build on our experience in mining manganese ore and our successful expansion into value added products, such as HCFM and EMD, to further diversify our product offering by mining for other types of minerals. In this respect, in light of the positive trends in the Indian power generation market, we are also in the process of evaluating potential forays into coal block mining.

- ***Continue to increase margins, efficiency, profitability and control costs***

We view improving efficiency, equipment and technology and cost control measures as the critical elements for maximizing our profitability and maintaining our competitiveness. We intend to pursue the mechanization process at our mines by investing further in new technologies, in order to improve cost-efficiency through higher recovery rates and reduced production costs associated with labor. We are currently implementing progressive mechanization of our production systems and focusing on developing our mines with high yields and high productivity. We believe that the use of advanced equipment and technology will enable us to achieve significant productivity enhancements. We plan to introduce modern mine planning technologies for our underground mines, deeper opencast mines and mines with regular shape deposits. To improve productivity, we aim to continue to deploy advanced mining facilities and technologies, such as fully/semi-automated equipment and sophisticated mining methods. In particular, we installed side discharge loaders ("**SDL**"), load haul dumpers ("**LHD**") and Granby cars with battery operated locomotives in our underground mines. We also invested in high speed drills with faster rates of penetration along with higher capacity excavators with loader attachment having a total capacity of 4.5 cubic meter ("**cu.m**") at our opencast mines. We intend to allocate more resources to mines which we believe have higher growth potential.

- ***Continue our focus on developing environmentally friendly and socially sustainable operations***

We have established a dedicated environment management program and continue to focus on various environmental initiatives including land reclamation and restoration in opencast mines, water harvesting and afforestation at our mines and other environmental issues that may result from our mining operations. We have conducted a number of forestation programs and green belt development programs in and around our mining lease areas. In addition, seven out of our ten mines are underground mines, which we believe are less damaging to the environment as compared to opencast mines because they result in less surface disturbance. We work along with the National Environmental Engineering Research Institute, which is based at Nagpur, India, which has provided us with an integrated biotechnological approach for rejuvenation of spoil dumps. We have conducted a number of forestation programs and green belt development programs in and around our mining lease areas.

In addition, we have dedicated investments to corporate social responsibility ("**CSR**") activities, focusing on education, health, medi-care, drinking water, infrastructure development and self-employment. These services are provided in consultation with local people and local administrations. We intend to pursue our CSR policy by utilizing ₹ 54.2 million in Fiscal 2011 and have already spent ₹ 15.7 million in Fiscal 2010 towards such initiatives. We seek to continue to focus on maintaining a safe work environment through the implementation of our safety policy and a structured multidisciplinary internal safety oversight body to oversee safety in our operations. We continue to focus on reducing employee injury incident rates and avoid lost time injuries. We have in the past received awards for our safety performance and have recently received the National Safety Award for Longest Accident Free Period for the year 2007 at Dongri Buzurg mine and Lowest Injury Frequency Rate for the year 2007 at Beldongri mine.

Manganese Ore Resources and Reserves

Resources and Reserves under the JORC Code

We have access to significant resources and reserves of manganese ore. 55.0% of our proved and probable manganese ore reserves, as of October 1, 2010, have an average manganese content of 40.0% or higher. In connection with this Offer, IMC, an independent mining and geological consultancy firm, has prepared a report in connection with the validation and audit of our resource and reserves. IMC has reviewed the practice and estimation methods undertaken by us for reporting resources and reserves and has reviewed our resources and reserves in accordance with the criteria for internationally recognized reserve and resource categories of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004) (the "**JORC Code**"). The report prepared by IMC dated October 30, 2010 (the "**JORC Report**") is annexed to this Red Herring Prospectus as Annexure I. Classification of mineral resources and reserves under the JORC Code differ from those under UNFC. With the exception of the summary information set forth for information purposes in the section "***Resources and Reserves under the UNFC Framework***" below, the ore reserves and resources statistics set forth in this section are only those compiled in accordance with the JORC Code. Our Company's report of its reserves and resources under UNFC is included elsewhere in this RHP for information purposes only. The following table summarizes our measured, indicated and inferred resources as at October 1, 2010, as classified by the JORC Code and as assessed by IMC in the JORC Report:

Manganese Ore Resources - JORC

	Measured[1]	Indicated[2]	Total	Inferred[3]
	(million tonnes)			
Balaghat (Madhya Pradesh)	12.7	7.1	19.8	1.5
Dongri Buzurg (Maharashtra)	3.3	7.5	10.8	0.2
Chikla (Maharashtra)	1.2	2.4	3.6	0.6
Tirodi (Madhya Pradesh)	1.2	0.0[4]	1.2	0.5
Kandri (Maharashtra)	0.6	2.7	3.3	0.0
Beldongri (Maharashtra)	0.4	0.1	0.5	0.0
Ukwa (Madhya Pradesh)	4.4	1.4	5.8	3.0
Munsar (Maharashtra)	0.7	2.5	3.2	1.5
Gumgaon (Maharashtra)	2.6	0.6	3.2	0.7
Sitapatore/Sukli (Madhya Pradesh)	0.0[4]	0.2	0.2	0.2[2]
Dumps	9.7	0.0	9.7	0.0
Total	36.8	24.5	61.3	8.2

(1) Measured Resources are part of mineral resources for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence.
(2) Indicated Resources are part of mineral resources for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence.
(3) Inferred Resources are part of mineral resources for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a low level of confidence.
(4) Negligible

An Ore Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. The following summarizes our proved and probable reserves as at October 1, 2010 as classified under the JORC Code and as assessed by IMC in the JORC Report:

Manganese Ore Reserves - JORC

Mine Name/State	Type of Ore	Average Manganese Grade	Proved Reserves[1]	Probable Reserves[2]	Total Reserves
			(million tonnes)		
Balaghat (Madhya Pradesh).....................	Oxide	40.0%	6.9	2.1	9.0
Dongri Buzurg (Maharashtra)	Dioxide	42.0%	3.0	0.0	3.0
Chikla (Maharashtra)...............................	Oxide	36.0%	0.5	0.6	1.1
Tirodi (Madhya Pradesh).........................	Oxide	32.0%	0.1	0.8	0.9
Kandri (Maharashtra)	Oxide	38.0%	0.4	0.0	0.4
Beldongri (Maharashtra)	Oxide	30.0%	0.2	0.0	0.2
Ukwa (Madhya Pradesh)	Oxide	38.0%	1.4	1.4	2.8
Munsar (Maharashtra)	Oxide	32.0%	0.1	1.2	1.3
Gumgaon (Maharashtra)..........................	Oxide	36.0%	1.6	0.0	1.6
Sitapatore/Sukli (Madhya Pradesh)	Oxide	32.0%/30.0%	0.0	0.0	0.0
Dumps			1.4	0.0	1.4
Total			15.6	6.1	21.7

(1) Proved Ore Reserves are the economically mineable part of Measured Mineral Resources.
(2) Probable Ore Reserves are the economically mineable part of Indicated, and in some circumstances, Measured Mineral Resources.
*Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

Resources and Reserves under the UNFC Framework

Our Company prepares and regularly reports its mineral resources in accordance with the UNFC. The reserves and resources set forth below are a summary of our Company's resources and reserves as of October 1, 2010 in accordance with UNFC. The report prepared in accordance with UNFC is annexed to this Red Herring Prospectus as Annexure II ("**UNFC Report**").

Manganese Ore Resources – UNFC

	Measured[1]	Indicated[2]	Inferred[3]
		(million tonnes)	
Balaghat (Madhya Pradesh).....................................	0.0	1.5	0.0
Dongri Buzurg (Maharashtra)..................................	0.0	0.0	0.0
Chikla (Maharashtra)...	0.0	0.3	0.3
Tirodi (Madhya Pradesh)...	0.0	0.2	0.1
Kandri (Maharashtra)...	0.0	0.0	0.0
Beldongri (Maharashtra)..	0.0	0.0	0.0
Ukwa (Madhya Pradesh)	0.0	0.0	3.1
Munsar (Maharashtra)..	0.0	0.0	1.5
Gumgaon (Maharashtra)..	0.0	0.0	0.7
Sitapatore/Sukli (Madhya Pradesh)	0.0	0.0	0.1
Total...	0.0	2.0	5.8

(1) Measured resources under UNFC are mineral deposits estimated to be of intrinsic economic interest based on detailed exploration establishing all relevant characteristics of a deposit with a high degree of accuracy.
(2) Indicated resources under UNFC are mineral deposits 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.
(3) Inferred resources under UNFC are mineral deposits estimated to be of intrinsic economic interest based on prospecting having the objective of identifying a deposit. Estimates of quantities are inferred based on outcrop identification, geological mapping, indirect methods and limited sampling.

The following summarizes our proved and probable reserves as determined under UNFC as of October 1, 2010:

Manganese Ore Reserves – UNFC

Mine Name/State	Average Manganese Grade	Proved Reserves[1]	Probable Reserves[2]	Total Reserves
		(million tonnes)		
Balaghat (Madhya Pradesh)......................................	40.0%	10.6	2.5	13.1
Dongri Buzurg (Maharashtra)	42.0%	3.5	0.0	3.5
Chikla (Maharashtra)..	36.0%	0.8	0.4	1.2
Tirodi (Madhya Pradesh)..	32.0%	0.3	1.0	1.3
Kandri (Maharashtra)	38.0%	1.0	0.1	1.1
Beldongri (Maharashtra)	30.0%	0.3	0.0	0.3
Ukwa (Madhya Pradesh)	38.0%	2.5	2.1	4.6
Munsar (Maharashtra)	32.0%	0.2	0.6	0.8
Gumgaon (Maharashtra)...	36.0%	2.5	0.2	2.7
Sitapatore/Sukli (Madhya Pradesh)	30.0%/ 32.0%	0.1	0.0	0.1
Dumps				
Total		21.8	6.9	28.7

(1) Proved ore reserves under UNFC are mineral deposits demonstrated to be economically mineable by a feasibility study or actual activity usually undertaken in areas of detailed exploration.
(2) Probable ore rreserves under UNFC are mineral deposits demonstrated to be economically mineable by a pre-feasibility study usually carried out in areas of detailed exploration and general exploration.

Feasibility Manganese Ore Resources – UNFC

Mine Name/State	Feasibility Resources[1]	Pre-Feasibility Resources[2]	Total
	(million tonnes)		
Balaghat (Madhya Pradesh)......................................	2.6	4.5	7.1
Dongri Buzurg (Maharashtra)	0.0	7.9	7.9
Chikla (Maharashtra)..	0.0	2.4	2.4
Tirodi (Madhya Pradesh)..	0.0	0.3	0.3
Kandri (Maharashtra)	0.0	2.2	2.2
Beldongri (Maharashtra)	0.0	0.1	0.1
Ukwa (Madhya Pradesh)	0.0	1.3	1.3
Munsar (Maharashtra)	0.0	2.5	2.5
Gumgaon (Maharashtra)...	0.0	0.6	0.6
Sitapatore/Sukli (Madhya Pradesh)	0.0	0.2	0.2
Total	2.6	22.0	24.6

(1) Feasibility mineral resources are mineral deposits demonstrated to be potentially economic by a feasibility study or prior mining activity usually carried out in areas of detailed exploration.
(2) Pre-feasibility mineral resources are mineral deposits demonstrated to be potentially economic by a pre-feasibility study usually carried out in areas of detailed exploration and general exploration.

Manganese Ore Production

Set forth below is a chart of key production statistics for the production of manganese ore at our ten mining complexes for the periods stated.

Manganese Ore Production

Deposits	Fiscal						Six Months Ended September 30, 2010	
	2008		2009		2010			
	Manganese Ore Production	Percentage of Manganese Ore Production	Manganese Ore Production	Percentage of Manganese Ore Production	Manganese Ore Production	Percentage of Manganese Ore Production	Manganese Ore Production	Percentage of Manganese Ore Production
	(tonnes)	(%)	(tonnes)	(%)	(tonnes)	(%)	(tonnes)	(%)

Deposits	Fiscal						Six Months Ended September 30, 2010	
	2008		2009		2010			
	Manganese Ore Production	Percentage of Manganese Ore Production	Manganese Ore Production	Percentage of Manganese Ore Production	Manganese Ore Production	Percentage of Manganese Ore Production	Manganese Ore Production	Percentage of Manganese Ore Production
	(tonnes)	(%)	(tonnes)	(%)	(tonnes)	(%)	(tonnes)	(%)
Underground Mines								
Balaghat	300,051	22.0	284,563	24.2	300,000	27.4	151,452	29.3
Chikla	300,786	22.0	198,037	16.9	150,047	13.7	79,049	15.3
Kandri	59,099	4.3	60,546	5.2	65,619	6.0	29,492	5.7
Munsar	65,415	4.8	62,635	5.3	60,760	5.6	23,713	4.6
Ukwa	52,511	3.9	55,422	4.7	50,751	4.6	25,929	5.0
Gumgaon	47,001	3.5	42,405	3.6	41,001	3.8	24,634	4.8
Beldongri	51,239	3.8	46,220	3.9	32,598	3.0	14,637	2.8
Total Underground	**876,102**	**64.2**	**749,828**	**63.8**	**700,776**	**64.1**	**348,906**	**67.5**
Opencast Mines								
Dongri Buzurg	345,572	25.3	300,101	25.5	282,758	25.9	115,328	22.3
Tirodi	141,141	10.3	123,549	10.5	106,764	9.8	47,435	9.2
Sitapatore/Sukli	1,760	0.1	1,840	0.2	3,065	0.3	5,080	1.0
Total Opencast	**488,473**	**35.8**	**425,490**	**36.2**	**392,587**	**35.9**	**167,843**	**32.5**
Total	**1,364,575**	**100.0**	**1,175,318**	**100.0**	**1,093,363**	**100.0**	**516,749**	**100.0**

Value-Added Production

Our manganese downstream processing consists of two principal value-added products: HCFM with a carbon grade of 6.0% to 8.0% and EMD. The following table sets out our HCFM and EMD capacity and production levels for the periods indicated:

		Year ended March 31,			Six months ended September 30,
	Capacity	**2008**	**2009**	**2010**	**2010**
		(in tonnes)			
HCFM with grade of 6.0% to 8.0%	10,000 TPA	11,130	10,120	9,555	4,771
EMD	1,000 TPA	1,122	1,240	1,150	390

Our Mining Complexes

Our principal operations include our ten manganese ore mines, six of which are located in the Nagpur and Bhandara districts of Maharashtra (our Kandri, Munsar, Beldongri, Gumgaon, Dongri Buzurg and Chikla mines) and four of which are located in the Balaghat district of Madhya Pradesh (our Balaghat, Sitapatore, Tirodi and Ukwa mines).

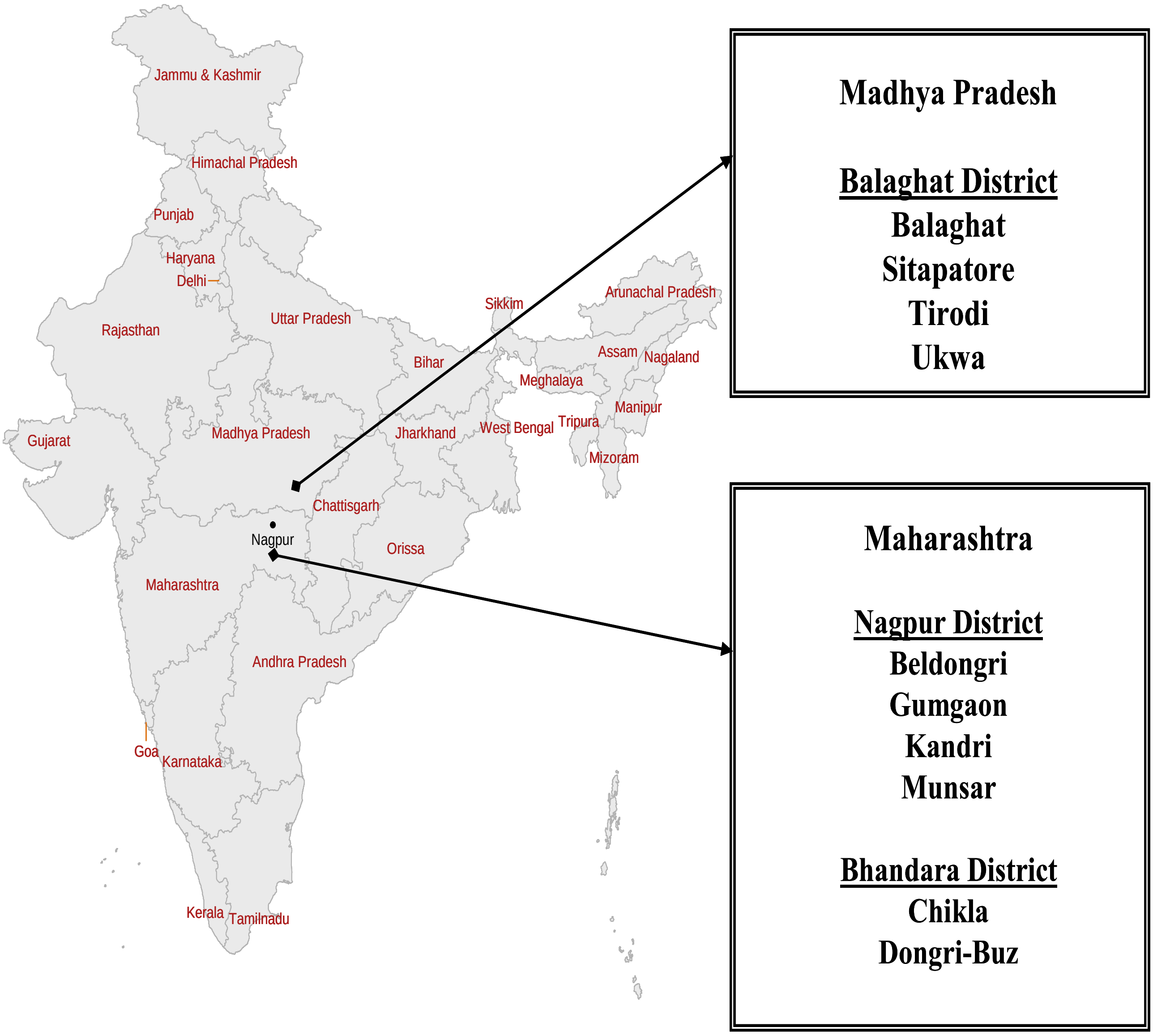
Geology and Mineralization

Our manganese deposits belong to the Munsar formation of saucer series.

The saucer group consists of about 4.5 km thick succession of hornblende granulites, manganiferous marbles, gondites, calciphyres, quartzites and quartz schists. The rocks of the group are largely of sedimentary origin and were subsequently metamorphosed and invaded by acid and basic plutonic rock.

The Munsar formation contains some of the richest manganese deposits of India.

The following map shows the location of our mining complexes:



Description of the Mines:

Balaghat Mine

The Balaghat mine is an underground mine located in the Balaghat district in the state of Madhya Pradesh. Our mining operations at Balaghat produced 300,051 tonnes, 284,563 tonnes, 300,000 tonnes and 151,452 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The manganese ore produced from our Balaghat mine is primarily sold to ferro alloy producers. The Balaghat mine accounted for 22.0%, 24.2%, 27.4% and 29.3% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The Balaghat mine produces manganese ore with an average grade of 40.0%.

Balaghat mine is located approximately 217 km north of Nagpur. The nearest railway station is Balaghat which is approximately 5.0 kilometers ("**km**") from Balaghat. Mining was started in 1903 and exploration commenced in 1950. To date, 64 boreholes have been drilled up to level 21 within the lease hold area. In the first phase from 1950-51, five boreholes were drilled from the surface. In the second phase, from 1977-1983, the mine was explored from underground. The ore zone was established up to level 12 (present shaft depth) during the third phase. In the present phase, which was commenced in 1990, the depth persistency has been proved down to level 21. Exploration to identify additional ore continues.

In order to sustain the existing level of production at the Balaghat mine and also to increase such production in 2011 to meet increased demand, we have commenced work to deepen the vertical shaft beyond the 10th level up to the 15th level. The total work comprises 157 meters of sinking, lining and equipping. The expected total cost of the project is ₹ 65.1 million and the expected date of completion is December 2010. As of October 31, 2010, 145 meters of sinking has been completed.

Dongri Buzurg Mine

The Dongri Buzurg mine is an open cast mine located in the Bhandara district in the state of Maharashtra. Our mining operations at Dongri Buzurg produced 345,572 tonnes, 300,101 tonnes, 282,758 tonnes and 115,328 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The manganese ore produced from our Dongri Buzurg mine is primarily sold to the chemical industry and ferro alloy producers. The Dongri Buzurg mine accounted for 25.3%, 25.5%, 25.9% and 22.3% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The Dongri Buzurg mine produces manganese ore with an average grade of 42.0%.

Dongri Buzurg is our only mine that is fully mechanized. Dongri Buzurg is situated approximately 120 km north-east of Nagpur. This mine was discovered in 1895. Mining started in 1902 and has continued to date. Exploration has been conducted sporadically with pitting, trenching and boreholes.

Chikla Mine

The Chikla mine is an underground mine located in the Bhandara district in the state of Maharashtra. Our mining operations at Chikla produced 300,786 tonnes, 198,037 tonnes, 150,047 tonnes and 79,049 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The manganese ore produced from our Chikla mine is primarily sold to ferro alloy producers. The Chikla mine accounted for 22.0%, 16.9%, 13.7% and 15.3% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively.

The manganese deposit of Chikla is located approximately 116 km from Nagpur. This mine was discovered in 1894 and a mining lease was granted in 1904. Since then, mining operations have been carried out as has sporadic exploration. Currently, exploration work by nine boreholes has been suggested mainly to establish the mineralization along the strike at a depth down to 470'.

Tirodi Mine

The Tirodi mine is an open cast mine located in the Balaghat district of Madhya Pradesh. Our mining operations at Tirodi produced 141,141 tonnes, 123,549 tonnes, 106,764 tonnes and 47,435 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The manganese ore produced from our Tirodi mine is primarily sold to ferro alloy producers. The Tirodi mine accounted for 10.3%, 10.5%, 9.8% and 9.2% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively.

The Tirodi mine is approximately 140 km north of Nagpur. The production at this mine is divided in four sections, including Paunia, North Tirodi, South Tirodi and Jamrapani. This mine was discovered in 1895. Mining started in 1902 and has continued to date. Exploration has been conducted sporadically with pitting, trenching and boreholes.

Kandri Mine

The Kandri mine is an underground mine located in the Nagpur District of Maharashtra. Our mining operations at Kandri produced 59,099 tonnes, 60,546 tonnes, 65,619 tonnes and 29,492 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The manganese ore produced from our Kandri mine is primarily sold to ferro alloy producers and the Bhilai Steel Plant. The Kandri mine accounted for 4.3%, 5.2%, 6.0% and 5.7% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively.

The Kandri manganese deposit is located approximately 42 km north east of Nagpur and is 10.0 km from the closest railway station of Ramtek. The production of manganese ore at this mine started in 1898 and the first shipment was made in 1900. Mining operations are currently conducted through the underground method but opencast mining has been used in the past. However, it is currently proposed to exploit manganese ore of the south limb extension above level 50 by opencast mining.

Ukwa Mine

The Ukwa mine is an underground mine located in the Balaghat district of Madhya Pradesh. Our mining operations at Ukwa produced 52,511 tonnes, 55,422 tonnes, 50,751 tonnes and 25,929 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The manganese ore produced from our Ukwa mine is primarily sold to ferro alloy producers. The Ukwa mine accounted for 3.9%, 4.7%, 4.6% and 5.0% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively.

The Ukwa mine is located approximately 40 km from Balaghat. The mine is accessible by the Balaghat to Baiyar road. The mine is approximately 40 km from the closest railway station at Balaghat. This mine was discovered in 1884. Originally, commencing in 1904, the mine was worked by the opencast method, extracting the ore outcropping on the hill top. Subsequently, the mine was converted to the underground method and worked through inclines. Exploration work has been carried out by drilling 73 boreholes covering 9,019 meters of total drilling. This exploration covers the entire strike length to the deepest level in the mine.

In order to increase the production from 55,000 tonnes to 100,000 tonnes, we are contemplating sinking new vertical shafts at our Ukwa mine.

Gumgaon Mine

The Gumgaon mine is an underground mine located in the Nagpur district of Maharashtra. Our mining operations at Gumgaon produced 47,001 million tonnes, 42,405 million tonnes, 41,001 million tonnes and 24,634 million tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The manganese ore produced from Gumgaon mine is primarily sold to ferro alloy producers. The Gumgaon mine accounted for 3.5%, 3.6%, 3.8% and 4.8% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively.

The Gumgaon mine is located 38 km north of Nagpur. Production at this mine commenced in 1900. It was operated through the opencast method until 1962 and then was converted to the underground method. This deposit has been proved to the depth of 120 meters below the surface with 49 boreholes. However, considerable strike length remains for exploration. At present, further exploration has been suggested with 18 boreholes, mainly to prove the depth continuity at deeper levels down to 180 meters below the surface and also along the strike.

Further, to exploit this ore safely and systematically, a vertical shaft is being sunk at this mine at an estimated cost of ₹ 160.1 millions. The project is expected to be completed by April 2011.

Munsar Mine

The Munsar mine is an underground mine located in the Nagpur district of Maharashtra. Our mining operations at Munsar produced 65,415 tonnes, 62,635 tonnes, 60,760 tonnes and 23,713 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The manganese ore produced from our Munsar mine is primarily sold to ferro alloy producers and the Bhilai Steel Plant. The Munsar mine accounted for 4.8%, 5.3%, 5.6% and 4.6% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively.

The Munsar manganese deposit is located approximately 46 km north of Nagpur. The nearest railway station is Ramtek, which is about 4 km from the mine. The area has been explored through 65 boreholes and intersected in 46 locations, thereby proving the mineralization to a depth of level 243 or 120 meters below ground level. The total meterage drilled is 4,685.

The sinking of vertical shaft is under consideration to increase production from 30,000 tonnes to 60,000 tonnes at a cost of ₹ 252 million.

Beldongri Mine

The Beldongri mine is an underground mine located in the Nagpur district of Maharashtra. Our mining operations at Beldongri produced 51,239 tonnes, 46,220 tonnes, 32,598 tonnes and 14,637 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. The manganese ore produced from our Beldongri mine is primarily sold to ferro alloy producers. The Beldongri mine accounted for 3.8%, 3.9%, 3.0% and 2.8% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively.

The Beldongri mining complex consists of the Beldongri mine, the New Satuk mine and the Old Satuk mine. The complex is approximately 10.0 km from the nearest railway station of Ramtek. The area has been explored through 30 boreholes. However, only 24 intersections have been encountered in these boreholes. The maximum depth through these boreholes is approximately 150 meters below ground level. The total meterage covered in these boreholes is 2,264 meters.

Sitapatore/Sukli

The Sitapatore and Sukli mines are open cast mines located in the Balaghat district of Madhya Pradesh. Mining activities were historically undertaken through six pits at Sitapatore and eight pits at Sukli. However, since both mines are located under forest cover, no mining operations were conducted after the decision of the Ministry Of Environment and Forest dated January 16, 2009. The Sukli mine was partially granted forest and environment clearance in February 3, 2009. A portion of the Sukli mine of approximately 26 hectares has not been granted such clearance and production remains suspended as a result of its location less than 250 meters from forest land.

Our mining operations at Sitapatore produced 1,760 tonnes, 1,840 tonnes, 3,065 tonnes and 5,080 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. Our manganese ore produced from Sitapatore and Sukli mines is primarily sold to ferro alloy producers. The Sitapatore and Sukli mines accounted for 0.1%, 0.2%, 0.3% and 1.0% of our total manganese production in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively.

The Sitapatore and Sukli mines are adjacent to each other and located approximately 15 km southwest of our Tirodi mine.

Process for Acquiring Reconnaissance Permits, Prospecting Leases and Mining Leases

The process for acquiring new mining leases involves three stages. As a first step, we apply for and obtain a Reconnaissance Permit ("**RP**") covering the area in which we intend to engage in exploration for specific minerals. The RP is granted by the relevant State government and then a RP deed covering the intended area is executed. We then commence reconnaissance survey activities during the three year term of the RP.

At a second stage, on the completion of the reconnaissance survey, we 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 by the State Government, the relevant deeds are executed and we are permitted to conduct exploration activities during the term of the PL, generally for up to a maximum of five years.

Further, on completion of exploration activities, we apply for a mining lease for the targeted area. Mining leases are typically granted for an initial period of 40 years and subsequently renewed for a period of 20 years, subject to environmental, expansion and certain other clearances. Mining leases can be terminated for breach of existing statutory laws or environmental protection laws. Under its mining leases, we are required to pay a royalty, which is generally set every three years by the central government of India. This royalty is paid to the respective State governments, based on sales.

We are required to apply for renewal of our mining leases one year before their expiry date. The mining leases may be deemed renewed even if we have not received the renewal of the mining lease, provided we have applied for renewal within the prescribed period of time. For further information, see "***Government and Other Approvals-Mining Leases and Approvals***" on page 170 of this Red Herring Prospectus and "***Regulations and Policies- Laws Relating to the Mining Industry***" on page 89 of this Red Herring Prospectus.

Status of Mining Leases

For information in relation to our Mining Leases and other related clearances and approvals please see "***Government and other Approvals- Mining Leases and Approvals***" on page 169 of this Red Herring Prospectus.

Exploration and Development

We are actively involved in exploration and development activities with a view to increasing our proved manganese ore reserves. We have a planning division that includes geologists and mining engineers that focuses on exploration activities at potential mineral deposits. We remain involved in the exploration and development of mining assets in order to establish and maintain our leadership in the Indian market. We are focused on establishing additional reserves and resources by undertaking exploration in and around existing deposits and the areas within the existing lease areas. In particular, we conducted geo-physical exploration by gravity and magnetic method. We are also increasing the level interval at Balaghat mine from 30 meters to 45 meters to achieve higher productivity.

Exploration and development professionals include geologists, mining engineers and surveyors holding postgraduates degrees. Most of these professionals have several years of experience in the exploration of manganese ore and other minerals. The equipment used for these exploration and development activities includes, among other things, polarizing microscopes, stereomicroscopes, global positioning systems ("**GPS**"), differential GPS, proton precession ground magnetometers, total stations and digital planometers. Such activities also require the use of software, such as Map Info, Encom Map Discover for 3D modeling, Magna and Isatis for geo statistics, Surfer, Corel Draw and GPPS Pathfinder.

In addition, an area of 814.71 hectares in the State of Maharashtra has been reserved for us by a notification from the Ministry of Mines in October 2009. We have applied for prospecting licenses with respect to this area. Some of this land is adjacent to existing mines currently operated by us. We intend to conduct exploration by geophysical analysis based on which core drilling can be taken up for assessment of its reserves.

Manganese Ore Mining and Production Process

Mine Planning

Detailed projections for short term and long term mining projects are prepared on the basis of available geological information, anticipated customer demand, surface features such as habitat, forest area, railway lines, roads and rivers. These project reports address various issues, including mine size, selection of appropriate technology, broad equipment specification, project implementation schedule, production schedule, environmental impact and surface infrastructure requirement as well as the economic evaluation of the project. For opencast projects, these detailed project reports also address the pit limit, mine geometry and areas for disposal of overburden during the mining process and reclamation and rehabilitation of mined out areas. For underground projects, location and size of mine entries, size and orientation of mine panels, ventilation, pumping, transportation of manganese ore and material and power supply, are covered in detail in the project reports. In these detailed project reports, we also provide the amount and quality of manganese ore to be produced during the period.

Detailed operations plans are prepared for short-term planning of our mines. These operations plans take into consideration the latest geological/geographical factors, any unanticipated circumstances at the mine, including differences between the projected and the actual ratios, the configuration of the ore zone, equipment failures and malfunctions and operating costs.

Production Process

We have been producing manganese ore for over four decades. Initially, production was limited to open pit, non-mechanized mining, which was highly labor intensive. Upon depletion of the ore bodies that were closer to the surface, we began to extract ore from deposits located deeper underground through horizontal (usually hillside or mountainside) entrances, or "**adits**", and entrances made at an angle, or "**inclines**". Mining activity was originally limited to shallow depths. Seven of our mines are now operated underground and three are opencast mines. Our underground and opencast mining operations are described in further detail below.

Mining Process

The manufacturing processes for our manganese products involve mining and processing of ore in different grades. Mining constitutes our upstream operations, which we conduct at our ten operating mines. Ore processing constitutes our midstream operations, in which run-of-mine ("**ROM**") are crushed, washed, screened and subject to sorting involving the removal of rocks from ROM. Manganese ore that does not meet minimum cut-off grade requirements, along with other associated host rock, is kept separately in a different heap within safe distance as a result of technological developments. Up to 25.0% of manganese ore sold is recovered by way of crushing, screening and sorting, of wastes from previous mining operations. This is referred to as "**dump**" production. Our downstream operations consist of value addition, including through beneficiation, which improves the quality of manganese ore, and production of value-added products such as EMD and HCFM. Manganese ore sales represented approximately 89.1%, 82.5%, 83.7% and 84.7% of our total income in Fiscal Years 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively.

All of our mines are semi-mechanized, while our mine at Dongri Buzurg is fully mechanized.

Opencast Mining

We operate three mines using the opencast method, Dongri Buzurg, Tirodi and Sitapatore. Opencast mining is undertaken at the excavation sites through the use of shovel, dumper and blasting techniques.

Opencast mining is carried out by long-hole drilling and blasting with a non-electric detonating system. Ground vibrations and slope stability are the two major constraints that tend to adversely affect the production and development of these mines. We conduct scientific studies of rock mass undertaken by scientific agencies such as National Institute of Rock Mechanics, Central Institute of Mining and Fuel Research and Indian School of Mines to overcome such constraints. Vibrations are measured for every blast with seismograph recorders. The use of this data and the analytical results from the implementation of these recent scientific studies has achieved desirable effects in terms of slope stability and control of ground vibration.

The ROM excavated is hauled to our beneficiation plant by truck, while the wastes are hauled to waste dumps in the vicinity of the mine.

As a result of the introduction of HEMMs, the production and productivity of our opencast mines has improved. In particular, hydraulic excavators with a bucket capacity of 3.5 cu.m./4.2 cu.m and 35 tonne rear dumpers have been used in our opencast mines.

We prepare detailed project reports for our opencast mines and practice the following process:

- prepare approach roads and ramps in compliance with applicable regulations;
- prepare benches in hang wall and foot wall in compliance with applicable safety regulations by using HEMMs;
- conduct deep-hole blasting with large diameter holes as may be required by the width and height of benches and rock strata; and
- remove and transport the ore to the crushers, screening and beneficiation plants and simultaneously remove and transport the overburden left over from our mining operations.

Underground Mining

We operate seven mines using the underground method at Balaghat, Ukwa, Chikla, Munsar, Kandri, Beldongri and Gumgaon.

Excavations at such mines are carried out through a series of different levels by way of horizontal cut and fill method. Such method consists in removing the ore at each level and filling in the excavated underground space by sand. Such filling is done by using hydraulic sand stowing. We have changed from manual filling to a hydraulic sand stowing system. All our underground mines now use the hydraulic sand stowing system. Such method consists in the excavation in the form of steps by setting up underground spaces often referred to as stopes at 30 meter vertical intervals with cross cuts at 30 meters. Winzes, or openings from inside the mine to connect to lower levels, are sunk from the upper level to the lower level for lowering the fill material and for ventilation. The haulage road is generally placed 30 meters away from the hang wall or footwall contact.

A crown pillar of five meters thickness is left against the upper level for the safety and stability of that level. Wherever the span of the ore body is more than 12 meters, post pillars of 5x5 meter size are also left in the stope to provide support. For support of the roof back, we currently use cable bolts and roof bolts at all our underground mines. This method is considered as environmentally friendly as it has replaced the timber square set support we previously used.

The underground production is transported to the surface by skip or tubs, where it is sorted manually or mechanically at the crushing and screening plant.

We prepare detailed project reports for our underground mines and implement the following processes:

- prepare means of access to the mine (vertical shaft, inclines or adits);
- conduct underground development in both horizontal and vertical directions by using the stopping method;
- conduct drilling and blasting in the ore body in stages on a slice-by-slice pattern (from bottom upwards);
- remove the blasted ore from the stopes to the haulage road level through the ore pass;
- load the ore into tubs and transport it to the main ore pass;
- hoist the ore from the chute to the pit opening; and
- transport the hoisted ore by conveyor belts, tubs and trucks for processing at the beneficiation plants,

We also provide temporary and permanent support to carry out our operations safely and conduct hydraulic sand stowing after we complete the ore slicing.

Equipment

We conduct all our mining operations using our own equipment, materials, supplies and labor. We have a large fleet of mining equipment of various specifications. As of October 31, 2010, for open cast mining operations, we had ten hydraulic excavators, 32 dumpers, six dozers and eight drills. As of October 31, 2010, for underground mines, we had five SDLs and one LHD. We use third parties primarily for overburden removal.

All of the equipment purchased by our Company is new and there is no second-hand equipment owned by our Company as of the date of this RHP. Only 22.5% of the equipment that we consider most vital to our business (including four front-end loaders, three excavators, four dozers, eight dumpers and six winders) is more than ten years old. Of such vital equipment, only two front-end loaders, the three excavators, two dozers and one dumper are estimated to have two or less years of life remaining.

Beneficiation Plants

At our Balaghat and Dongri Buzurg mines, which are our largest mines, we have developed beneficiation plants to produce value-added manganese products such as HCFM and EMD. These products together accounted for 6.9%, 6.9%, 4.8% and 5.9% of our total sales in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010.

In 2001, we set up an integrated manganese ore beneficiation plant with a processing capacity of 400,000 TPA at our Dongri Buzurg mine. The entire ROM produced from this mine is processed through this plant. This plant consists of a bunker with a capacity of 500 MT, conveyors, a feeder, a crusher and two wet screens with four hoppers. Manganese ore with a size above 25 mm is subject to a sorting process to remove waste, which takes place at the ore cleaning floor. The ore processed through the screen is sold directly without any further processing.

Our second beneficiation plant was set up in 2007 at our Balaghat mine and has a capacity of 500,000 TPA. The entire ROM produced from the Balaghat mine is processed through this plant. This plant consists of conveyors, feeders, crushers, wet screening, classifier, two fully automated electronically controlled air pulsated jigs, picking conveyor belts and various hoppers for storage of ROM and products. The manganese ore extracted from the mine is delivered to the plant bunker before being screened. The entire ROM is fed to a vibrating screen with a 75 mm aperture. The ore with a size over 75mm is conveyed from the screen to a crusher to reduce its size below 75 mm. Such ore is then collected on a conveyor belt and sent back to the same screen. The ore with a size between 25 mm and 75 mm is subject to a second screening and a sorting process to remove rocks from the lumps. Lumps with a grade of 49.5% are then sold directly without any beneficiation process. The ore with a size below 25 mm goes through another round of screening where it is separated from the ore with a size below 6 mm, and further undergoes the jigging process. This plant has two fully mechanized electronically controlled air pulsated jigs for processing ore with a size between 6 mm and 25 mm and ore with a size between 2 mm and 6 mm, such process consists of removing the sand silica mixed with the ore by controlled air pulsated jigs. As a result of the difference in density between silica/waste and ore, these pulsations remove the silica/waste from the ore and ore remains at the bottom. Upon completion of the process, the ore with a size above 6 mm has a grade of 48.0%. The ore with a size below 6 mm is sent to a classifier to be segregated between hutch with a grade of 30.0% to 45.0% and fines of a size between 0.2mm to 6mm, these fines are further processed in second air pulsated jigs to produce another product with a grade of 46.0% to 47.0%.

EMD Processing

We are the major producer of EMD in India (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). EMD, which is used in the manufacturing of dry cell batteries, is produced through hydro and electro metallurgical processing. Our EMD plant was set up at the Dongri Buzurg mine with an initial capacity of 700 TPA in 1991. This capacity has been increased to 1,000 TPA since 2001.

The manganese ore fines with a grade of 34.0% are reduced by third party contractors and then conveyed to a leaching vessel. The leaching process consists of mixing manganese ore with sulphuric acid between three and four hours to produce a manganese sulphate solution. Such manganese sulphate solution is then filtered to remove the sludge and then conveyed to the electrolytic cell. Manganese dioxide flakes are produced in such cells under the effect of temperature and the electrolysis process. The remaining deposit from such cell is called 'spent'. This spent is then conveyed back to the leaching vessel and processed again to obtain further flakes. Acid is removed from such flakes in the neutralization tank and crushed. These flakes are then sold for use in the production of dry cell batteries.

Manganese Ferro-alloy Processing

Our ferro manganese plant is located at the Balaghat mine and has a capacity to produce 10,000 TPA of HCFM.

Producing ferro manganese requires various raw materials including manganese ore, iron ore to increase its Fe content, coke, steam coal and dolomite. All these raw materials are mixed in a hopper and fed through pipes into a five MVA submersed arc furnace. In this process, due to the flow of current, electric arc is produced underneath the charge, which produces the necessary heat for reaction for smelting of ferro manganese. The process in the furnace lasts approximately three to four hours, with temperatures reaching between 1,200 and 1,400 degrees Celsius. Upon completion of this process, impurities are removed in the form of slag from molten ferro manganese metals. Such ferro manganese metal has residual carbon between 6.0% and 8.0% as most of the carbon is removed through the reduction process in the furnace.

Power

Electricity for our operations is supplied from the state electricity distribution companies for the States of Maharashtra and Madhya Pradesh where our mines are located. The electricity produced by our 4.8 MW wind farm is fully utilized for captive consumption for the mining operations and the ferro manganese plant at the Balaghat mining complex. All our mines are equipped with stand-by power generator back-up facilities.

Quality Control

In order to maintain the quality of our manganese ore, we have recently invested in WD-XRF machines for quality control in order to analyze the composition of manganese ore more efficiently. Our quality control measures also include regular inspection of manganese ore quality at mining faces, monitoring of manganese ore quality throughout the production, preparation and transportation process and prompt responses to customer feedback regarding our manganese ore quality.

Strategic Investments/Initiatives

SAIL Joint Venture

On February 11, 2008, to establish a new distribution channel for our manganese ore, we entered into a 50:50 joint venture with SAIL to set up a ferro manganese and silico manganese plant. Such ferro alloys plant has been proposed to be set up at Nandini, near Bhilai, in Chhattisgarh. SAIL agreed to lease the land required for this proposed plant to the Joint Venture Company ("**JVC**"). We agreed to provide manganese ore of suitable quality at a price to be set out in the manganese purchase agreement to be entered into by the JVC and us. SAIL agreed to enter into a ferro manganese and silico manganese purchase agreement with the JVC, with SAIL having a right of first refusal to purchase the ferro manganese and silico manganese produced by the JVC. SAIL also agreed to provide support services, power and raw materials required by JVC for the production of ferro manganese and silico manganese. The plant is intended to have an installed capacity of 106,000 tonnes per annum, comprising 31,000 tonnes of ferro manganese and 75,000 tonnes of silico manganese. All preliminary steps for implementing the project have been completed and tenders have been released for the procurement of major equipment. The project is scheduled to be completed within a timeframe of 24 months at an estimated cost of ₹ 3,920.00 million. The debt equity ratio of the JVC is 1:1. The JVC shall be responsible for arranging all the funds needed for this project.

RINL Joint Venture

On May 7, 2009, we also entered into a 50:50 joint venture with Rashtriya Ispat Nigam Limited (RINL) for the creation of a ferro manganese and silico manganese plant, proposed to be set up at Bobbili, Vizag District of Andhra Pradesh. We agreed to lease the land required for this proposed plant to the JVC. We agreed to provide manganese ore of suitable quality at a price set out in the manganese purchase agreement to be entered into by the JVC and us. RINL agreed to enter into a ferro manganese and silico manganese purchase agreement with the JVC, with RINL having a right of first refusal to purchase the ferro manganese and silico manganese produced by the JVC. RINL also agreed to provide support services and raw materials required by JVC for the production of ferro manganese and silico manganese. The plant is intended to have an installed capacity of 57,500 tonnes per annum, comprising of 20,000 tonnes of ferro manganese and 37,500 tonnes of silico manganese. All preliminary steps for implementing the project have been completed and tenders have been released for the procurement of major equipment. This project is scheduled to be completed within a timeframe of 24 months at an estimated cost of ₹ 2,061.9 million. The debt equity ratio of the JVC is 1:1. The JVC shall be responsible for arranging all the funds needed for this project.

For further details on these Joint Ventures and the agreements on the basis of which these Joint Ventures have been formed, see "***History and Certain Corporate Matters-Joint Ventures***" on page 102 of this Red Herring Prospectus.

Materials, Energy and Water

We purchase various materials and other supplies required for our operations, including diesel, explosives, cement, timber, coke, steel, sand and other safety materials. We incur significant expenditure on diesel fuel and explosives. We require bulk and cartridge explosives and accessories for blasting of overburden and manganese ore.

Procurement is carried out through tenders. We source our explosives from vendors selected through an open tender from various vendors in India. We typically enter into contracts for the supply of bulk and cartridge explosives and accessories with vendors determined through the tender process for a period of one year. We require electricity for our mining operations for the operation of various equipment and facilities and for lighting of our facilities and offices. We source electricity primarily from the state distribution companies. See "***Our Business- Wind Power Farm***" on page 88 of this Red Herring Prospectus.

Manganese Ore Sales

We sell our products through our sales and marketing division to our customers primarily pursuant to quarterly sales contracts. For Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, 91.9%, 92.1%, 94.5% and 92.7%, respectively, of our total sales of manganese ore, EMD, HCFM and HCFM slag was derived from manganese ore sales.

The following table shows the breakdown in sales by value of manganese ore, EMD, HCFM, ferro manganese slag and EMD for the periods stated:

Particulars	Fiscal						Six months ended September 30, 2010	
	2008		2009		2010			
	Sales	Percentage of Total Sales	Sales	Percentage of Total Sales	Sales	Percentage of Total Sales	Sales	Percentage of Total Sales
	(₹ in million)[1]	(%)	(₹ in million)[1]	(%)	(₹ in million)[1]	(%)	(₹ in million)[1]	(%)
Manganese ore	9,051.0	91.9	11,872.8	92.1	9,100.9	94.5	5,863.7	92.7
EMD	74.6	0.8	92.8	0.7	58.0	0.6	34.8	0.6
HCFM	604.0	6.1	800.3	6.2	402.7	4.2	345.7	5.5
Ferro manganese slag	118.1	1.2	131.4	1.0	68.6	0.7	82.7	1.3
Total	**9,847.7**	**100**	**12,897.3**	**100**	**9,630.2**	**100**	**6,326.9**	**100**

Sale values include royalty and excise duty where applicable. All sales are in the Indian domestic market.

The following table shows the breakdown in sales by volume in tonnes for manganese ore, EMD, HCFM and ferro manganese slag for the periods stated:

Particulars	Fiscal			Six months ended September 30, 2010
	2008	2009	2010	
	(tonnes)	(tonnes)	(tonnes)	(tonnes)
Manganese ore	1,392,188	1,023,486	1,175,230	500,770
EMD	1,592	1,419	856	511
HCFM	10,277	9,424	7,479	5,233
Ferro manganese slag	11,305	10,565	10,911	6,588
Total	**1,415,362**	**1,044,894**	**1,194,476**	**513,102**

Sale Contracts

Our sales contracts for manganese ore have three-month terms tied to the fiscal quarters and specify the chemical and physical composition of the manganese ore to be sold to the customer. At the time of dispatch, sampling is carried out by an independent sampler to ensure that the relevant requirements are met. The samples obtained are analyzed in our laboratories. In order to maintain the quality of our manganese ore, we have also recently invested in WD-XRF machines for quality control in order to analyze the composition of manganese ore more efficiently. Our sales contracts also provide for price adjustment in the event of any variation in the manganese content of manganese ore dispatched to the customers as compared to that required under the contract, as well as a quantity allocation provision which provides for the quantity and grade of manganese ore to be supplied to our customers. Prices as agreed between the parties when entering into the agreement are subject to change by us.

Sales are typically on a ‘free on truck' or on a ‘free on rail' basis, such that transportation is arranged by the customer at its cost, including loading charges.

Sales by e-auction

In 2006, we began selling value-added products by means of e-auction. Currently HCFM, HCFM slag, manganese dioxide and manganese oxide are sold through e-auction. The service provider for our sales by e-auction is MSTC Limited, which is a Government of India undertaking under the Ministry of Steel.

Pricing

Prices for manganese ore are fixed on a quarterly basis and vary depending on the grade. Prices are determined by taking into consideration international prices for manganese ore as well as the demand and supply position in India prevailing at the time.

Due to the fact that EMD is purchased by only a limited number of customers, we set EMD prices and advertise on our website for direct sale to such customers.

The following table shows the average prices obtained by us for manganese ore, HCFM, HCFM slag and EMD for the periods indicated:

	Year ended March 31,					Six months ended September 30,
	2006	2007	2008	2009	2010	2010
	(Average Sales realization in ₹ per tonne) [1]					
Manganese Ore................	3,987.6	3,209.6	6,501.3	11,600.4	7,744.0	11,709.4
EMD................................	58,000.00	54,386.0	46,827.9	65,413.0	67,710.3	68,186.6
HCFM	29,812.3	30,765.4	58,768.4	84,921.6	53,842.2	66,055.0
FM Slag...........................	1,186.8	3,033.3	10,450.5	12,440.2	6,283.8	12,558.3

1 Prices include royalty and excise duty where applicable

Export

Due to the large demand from the Indian manufacturers, we sell all of our production in the domestic market.

Distribution, Logistics and Transport

All our mines are well connected with both state and national highways, as described for each mine in more detail under "***Status of Mining Leases***" on page 76. All of our sales are domestic sales, for which sales are conducted on either a 'free on rail' or 'free on truck' basis, such that transportation is arranged by the customer at its cost. With the exception of HCFM and EMD, which are solely dispatched for transportation by road, customers can choose the mode of transport as between road and rail.

Customers

We sell our manganese ore to ferro alloy manufacturers that supply ferro alloys directly to steel plants. Approximately 99.0% of manganese ore production in Fiscal 2010 was sold to manganese ore alloy manufacturers. Our key customers include Maharashtra Elektrosmelt Limited and Bhilai, which are both state entities that are subsidiaries of SAIL and which together accounted for 22.1% of our manganese ore sales revenue in Fiscal 2010. Our top ten customers represented approximately 51.5% of our sales of manganese ore for Fiscal 2010.

Wind Power Farm

We operate two wind farms with a total capacity of 20.0 MW.

In August 2006, we set up our first wind farm, which is located on the Nagda Hills in the Dewas district in the state of Madhya Pradesh. This wind farm has six wind turbine generators with an aggregate capacity of 4.8 MW. We have leased the property where our wind farm is situated for a period of 25 years. Subject to a 2.0% fee, we distribute the electricity produced to Madhya Pradesh state distribution and transmission companies pursuant to a contract entered into in 2006. The same quantum of electricity is then distributed by their grids to our Balaghat mine and our ferro manganese plant at Balaghat.

In July 2008, we set up our second wind farm, which is located on Ratedi hills in the Dewas district in the state of Madhya Pradesh. This wind farm has 19 wind turbine generators capable with an aggregate capacity of 15.2 MW. We have leased the property where our wind farm is situated for a period of 20 years. Pursuant to a contract entered into on June 27, 2008, all the electricity produced from this wind farm is sold to the Madhya Pradesh Power Trading Company Limited.

For the six months ended September 30, 2010, sales of electricity to Madhya Pradesh Power Trading Company Limited, our only external customer for electricity generated by our wind farms, amounted to 58.7 million, or less than 1% of our total sales revenues for such period.

We have obtained all regulatory approvals that would enable us to carry out operations at these wind farms. For further details on such approvals, please see "***Government and Other Approvals-Approvals for Ratedi Wind Power Project***" on page 190 of this Red Herring Prospectus

Competition

For our sales of manganese ore, we compete both with other domestic Indian manganese ore producers and with importers of manganese ore. Even though we are the largest producer of manganese ore in India in terms of volume, other producers of manganese ore in the Indian market include Tata Steel Limited, Mangilal Rungta, Sandur Manganese and Iron Ores Limited and Orissa Minerals Development Company Limited, as well as other private mine owners.

Environmental Management

Our operations are subject to numerous environmental laws and regulations relating to air emission, water discharge, hazardous substances, waste management, mining site reclamation and restoration, and ground water quality and availability. We have established a dedicated environment management program and continue to focus on various environmental initiatives including land reclamation and restoration in opencast mines, afforestation and rehabilitation at our mines and other environmental issues that may result from our mining operations, such as air, dust, water and noise pollution and we aim to comply with all relevant Indian regulations. We seek to follow environmentally responsible practices and abide by relevant Indian environmental laws and regulations in all aspects of our business.

We have constructed peripheral drains all along the periphery of old dumps to prevent flow of silt material during the monsoon season and to avoid the flow of turbid water flow downstream. We have also built tailing dams for containing the slime discharged from its screening plants.

We have taken a number of measures to reduce land erosion, including constructing pitching walls and digging contour trenches. Regular maintenance of HEMMs and plant equipment has contributed to the reduction of noise pollution.

Restoration and conservation of the forest in mined-out areas is our prime objective. We have conducted a number of forestation programs and green belt development programs in and around our mining lease areas.

We undertake 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 the mines that we operate. Environmental parameters generally have been found to be well within prescribed permissible limits.

Safety

Although mining is an inherently hazardous activity, we have endeavored to conduct our mining operations safely. To that end, we regularly monitor our safely procedures and review our safety record.

As part of our efforts to help ensure safety in our mining operations, we use technologically advanced mining methods and equipment, and we have followed all safety requirements and procedures, including training for a number of employees working in the mines and implementation of a policy of strict compliance with the Mines Act 1952 and MMR. A number of training courses to help raise safety awareness levels have also been conducted among our workforce relating to the use of machinery and equipment in our mines and processing plants. We strictly adhere to the regulations stipulated by the Directorate General of Mines Safety. We have in the past received awards for our safety performance and have recently received the National Safety Award for Longest Accident Free Period for the year 2007 at Dongri Buzurg mine and for the year 2008 at Chikla mine and Lowest Injury Frequency Rate for the year 2007 at Beldongri mine and for the year 2008 at Dongri Buzurg mine.

Corporate Social Responsibility

We have strengthened our corporate social responsibility ("**CSR**") activities, focusing on education, health, Medicare, drinking water and infrastructure development. These services are provided in consultation with local residents and the local administration. Typically, in order to fund our CSR activities, we allocate between 0.5% and 2.0% of our retained earnings in the previous fiscal year towards the CSR budget. For Fiscal 2010, we conducted various CSR activities, such as several welfare programs, various donations, sponsorship of 500 cataract surgeries and free eye examination camp for approximately 1,000 children, and providing financial assistance for various other projects.

In addition, we have carried out a number of CSR programs, such as construction of roads, cremation sheds, construction and renovation of schools, constructing drains and providing water supply facilities, in villages adopted by us and also at other villages in the vicinity of our mines. In Fiscal 2010, the total expenditure on CSR and related activities was ₹ 15.7 million. We intend to pursue our CSR policy and have allocated ₹ 54.2 million for Fiscal 2011 towards our CSR initiatives.

Research and Development

Mining activities and development require a strong base of suitable research and development. We have our in-house research and development ("**R&D**") department based at our corporate office in Nagpur. In Fiscal 2010, we utilized approximately ₹ 28.8 million in activities conducted by our research and development department in association with research institutes such as Central Institute of Mining and Fuel Research, National Institute of Rock Mechanics, Indian School of Mines, Mineral Exploration Corporation Limited and Geological Survey of India. Our R&D department has also been involved in exploration, safety, production planning, beneficiation processes and productivity improvement. Our R&D department has contributed to the adoption of new technologies to improve production by opencast and underground methods, such as roof supporting equipment for underground applications and the increase of level interval at Balaghat mine from 30 meters to 45 meters to achieve higher productivity. Through our R&D department's efforts and planning we set up our integrated mineral beneficiation plants at our Balaghat and Dongri Buzurg mines. The R&D department is currently involved in a number of projects including the study of fill material and hydrological and geo-mechanical studies at Kandri and Dongri Buzurg mines. The department is also involved in the installation of an electro-hydraulic load dump machine and an electro-hydraulic drilling machine at the Balaghat mine.

IT systems

We have developed our information technology systems over the past few years. The implementation of our IT systems is conducted in-house by our electronic data processing ("**EDP**") team. In 2003-2004, a detailed systems study in different divisions such as finance, marketing, human resource, purchase and production was undertaken by the EDP team in order to introduce an effective and efficient IT system designed to respond to our specific needs. Most of the applications have been designed and developed in-house by our EDP team from time-to-time. We are planning on implementing a suitable enterprise recourse planning ("**ERP**") system to cater to various functions of our operations. We are also considering the various products available in the market that would be useful for our mining operations.

In 2005, we commissioned two servers at our head office to cater to our data processing requirements. A local area data network connecting more than 150 computers was designed and implemented. We recently replaced these servers with two high-end servers to cater to our growing internal IT needs. Two MBPS broadband internet connectivity has been provided at our head office for internet access and increasing learning capacities. All our production units at the mines are equipped with computers, printers and power conditioning equipments. All our mines in locations that are remote from Nagpur are connected to our head office through a 128 kbps very small aperture terminal ("**VSAT**") connectivity for day-to-day data transfer and inter-unit data sharing. All of our mines' offices have also been provided with internet access through VSAT.

Regulatory Environment

For a description of the regulatory environment in which we operate in India, see "***Regulations and Policies***" on page 89 of this Red Herring Prospectus.

Employees

The following table sets forth the number of our employees for the periods indicated:

Particulars	As on March 31,			As on October 31, 2010
	2008	2009	2010	2010
Executives	270	316	316	322
Non Executives	2,503	2,535	2,470	2,540
Workers	4,028	3,972	3,948	3,831
Total	**6,801**	**6,823**	**6,734**	**6,693**

The majority of our employees are members of MOIL Kamghar Sangthan, which is affiliated with the Indian National Trade Union Congress. We believe that we have a good relationship with the union and we have not lost any significant amount of significant employee time due to strikes or labor unrest for the past 25 years.

The Wage Settlement under Section 12(3) Industrial Disputes Act, 1947 was signed on August 27, 2009 at Nagpur and covers the wages of all the categories of our employees other than executive employees. As a public sector undertaking, salaries, wages and benefits of our executive employees are determined by the Government of India and are fixed for a period of ten years. The most recent pay revision for our executive employees was finalized in 2007 and will expire in 2017.

Training of Employees

We have an in-house training program for both our executive and non-executive employees. Training programs are conducted once a week at the Munsar Mine training centre and is open to both technical and non-technical employees.

Insurance

We maintain a personal accident insurance policy for all our employees and a key management personnel policy. We have an insurance policy for the coverage of our office building in Nagpur against any damage due to earthquakes or fire.

We maintain insurance policies for our mining activities. Such insurance policies cover our HEMMs, our vehicles, road and railways weigh bridges at various mines and our WDXRF machines. All of our plants as well as our wind energy farms are protected against fire and special perils.

However, our insurance does not cover other potential risks associated with our operations. In particular, we do not have insurance for certain types of environmental hazards, such as pollution or other hazards arising from our 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 our financial condition or results of operation. Moreover, no assurance can be given that we will be able to maintain our existing level of insurance in the future at the same rates. For details, see "***Risk Factors***" on page xiii of this Red Herring Prospectus.

Intellectual Property

We have applied for the trademark registration of our logo and our name under the Trademarks Act, 1999 on September 22, 2009. For details, see "***Government and Other Approvals- Intellectual Property Rights***" on page 194 of this Red Herring Prospectus. Also see "***Registration of our trademark or logo under the Trademarks Act, 1999 may not be successful, which could affect our results of operations***" on page xxx of this Red Herring Prospectus.

Properties

The land upon which our Registered and Corporate Office in Nagpur is located is owned by us. All of our regional offices, mines and plants are situated either on leasehold land granted through mining leases from the Government of India or purchased from a third party on a freehold basis.

The only property acquired by our Company in the last two years has been from the Andhra Pradesh Industrial Infrastructure Corporation Limited, by way of an Agreement for Sale of Land dated May 31, 2010. The Agreement for Sale of Land transfers land admeasuring 49.398 hectares located at Plot Nos. 290 to 294, 306 to 310 and 325 to 363, Growth Centre, Bobbili being Survey Nos. 52/P, 53/P, 54/P, 55/P, 56/P 57/P and 58/P of Mettavalasa Village, Survey Nos. 1 to 9 of Panukuvasala village and Survey No. 32 Part of Gollapalli village, District Viziangaram, Andhra Pradesh for a consideration of ₹ 8,872,643.

The Agreement for Sale of Land further provides that our Company is to use the land only for setting up of an industrial unit for the preparation of various grades of manganese ore blends and smelting of manganese ore to produce ferro alloys. Within 6 months of taking possession of the property, our Company is required to commence construction of the factory buildings and commence production within 4 years of taking possession of the property.

Our Company is also barred from transferring the ownership or constitution of the business without the prior consent of the Andhra Pradesh Industrial Infrastructure Corporation Limited.

Awards

We received the National Safety Award for 'Longest Accident Free Period' for the year 2007 at Dongri Buzurg mine and for the year 2008 at Chikla mine and 'Lowest Injury Frequency Rate' for the year 2007 at Beldongri mine and for the year 2008 at Dongri Buzurg mine. We were also awarded an 'Excellent' MOU Rating every year since 1999, the MOU Excellence Award for 2007, the National Energy Conservation Award for Kandri mine for the year 2009 and the National Quality Circle Award 2009. For other awards, see "***History and Certain Corporate Matters-Awards and Certifications***" on page 99 of this Red Herring Prospectus.

REGULATIONS AND POLICIES

Laws relating to the Mining Industry

Our Company is 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 regulation of mines and the development of 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 upon which a lessee may use land for the purposes of mining operations. If the land upon 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 must inform the relevant 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 manganese ore and other minerals listed in the First Schedule of the MMDR Act, prior approval of the Government of India is required to be obtained before 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 environmental clearance from the MoEF, Government of India under the Environment (Protection) Act, 1986, as amended (the "**Environment Act**"). In any particular 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 kilometers. 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 kilometers, 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 kilometers.

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 any individual state, a person can be granted a maximum area of 25 square kilometers in one or more prospecting licenses, 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 license 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. 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

In accordance with the provisions of the MMDR Act, royalties on minerals removed or consumed from a leased area at a specified rate, or the dead rent, whichever is higher, will be payable to the State Government by the lessee. 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 manganese ore of all grades is at a rate of 3% of sale price on an ad valorem basis and manganese ore concentrates at a rate of 1% of sale price on an ad valorem basis.

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 upon whether the land is agricultural or non-agricultural.

The National Mineral Policy, 2008

The Planning Commission had appointed a High Level Committee (the "**Hoda Committee**") in 2005 to make recommendations regarding the National Mineral Policy and the MMDR Act. National Mineral Policy, 2008 was notified, based on the Hoda Committee Report. The salient features of National Mineral Policy, 2008 are as under-

- Development of capital market structures to attract risk investment into survey and prospecting.
- Development of a proper inventory of resources and reserves, a mining tenement registry and a mineral atlas, on a priority basis.
- Enforcement of mining plans for adoption of proper mining methods and optimum utilization of minerals.
- Designing of framework of sustainable development which takes care of bio diversity issues and special care to be taken to protect the interest of host and indigenous (tribal) populations through developing models of stakeholder interest based on international best practice.
- Devising of innovative structures for developing and financing the infrastructure needs of mining sector.
- Provision of fair share of value of minerals to the mineral bearing states.
- Financial and operational assistance to be provided to states to address the problem of illegal mining.
- Establishment of appropriate educational and training facilities for human resource development.
- States to ensure with transparency, facilitation and regulation of exploration and mining activities of investors and entrepreneurs, and provision of infrastructure and tax collection, and
- Arms' length distance to be ensured between mining Public Sector Undertakings and regulatory arm of the state.

Mines and Minerals (Development and Regulation), Bill, 2010

In order to implement the National Mineral Policy, 2008, the Ministry of Mines, Government of India, in consultation with State Governments and other stakeholders, is in the process of formulating the Draft Mines and Minerals (Development and Regulation), Bill, 2010, ("**Draft Bill**") which, if enacted, is scheduled to replace the MMDR Act. In its current form, the salient features of the Draft Bill are as under-

- The Draft Bill provides for a higher level of control by the Central Government as compared to the existing MMDR Act.
- The Draft Bill provides for general restrictions on mineral concessions in cases of reconnaissance, prospecting, general exploration, detailed exploration and mining activities, none of which may be carried out without appropriate licenses granted with specific exemptions granted for certain agencies.
- The transfer of the mining lease or any rights under the mining lease or any arrangement, contract or understanding whereby the lessee may directly or indirectly be financed or controlled by a person other than the lessee requires the prior consent of the State Government. Further, any change in control of the lessee would also require the prior consent of the State Government.
- The Draft Bill also provides that all mining operations shall be carried out in accordance the mining plan prepared for the purposes of the mining lease. The lessee is required to commence mining operations within a period of two years from the date of execution of the lease and thereafter conduct such operations in a scientific, skillful and workman-like manner. This period of commencing mining operations may be extended with prior consent of the State Government.
- The holder of a mining lease shall, in respect of any person or persons holding occupation or usufruct or traditional rights of the surface of the land over which the lease has been granted be, liable to an annuity equal to twenty-six per cent of the profit (after deduction of tax paid) on account of annual compensation and provide employment and or other assistance in accordance with the Rehabilitation and Resettlement Policy of the concerned State Government
- The Draft Bill grants wide powers to the Central Government for the conservation of strategic mineral resources in the national interest and for the scientific development and exploitation of all mineral resources. Further, the Central Government, in order to facilitate the scientific development and exploration of mineral resources and to ensure the protection of the environment and prevention and control of pollution from prospecting and mining related operations, is empowered to develop a National Sustainable Development Framework in consultation with the State Governments as well as the establishment of a National Mineral Fund.

Upon the finalisation of the form and content of the Draft Bill, and upon the approval of the Government of India, it may be introduced in Parliament in the near future. Upon such introduction, the Draft Bill is likely to go to a standing committee for further deliberations. The Draft Bill is subject to changes based on such debates and discussions and if approved, shall be the law which will apply to the mining sector in India.

Laws relating to Mines Safety

The Mines Act, 1952, as amended, ("**Mines Act**"), along with the rules and regulations therein, seeks to regulate the working condition in mines by providing for measures to be taken for the safety of the workers employed. The Mines Act has been enacted with the objective of providing for the health, safety and welfare of workers employed in the mines against industrial and occupational hazards. The enactment provides duties, guidelines and standards that are to be maintained during mining operations and management of mines; hours and limitation of employment; leave with wages of mine workers. It empowers the Central Government to appoint qualified persons as inspectors and chief inspectors of mines who shall have the power to inspect and examine any part of the mine at any time, in order to ascertain whether the provisions of the Mines Act, and the rules and regulations therein, are being followed. General disobedience of orders or non compliance of provisions of the Mines Act may result in both criminal and civil penalties.

The Mines Act is administered through the Director General of Mines Safety, with the objective of reduction in risk of occupational diseases and casualty to persons employed in mines, is the regulatory agency for safety in mines and oversees compliance with the Mines Act and the rules and regulations thereunder.

Metalliferous Mines Regulations, 1961

The Metalliferous Mine Regulations, 1961 provide guidelines to obtain permissions and exemptions to carry out stoping operations, permissions to use explosives, assess the fitness and abilities of all levels of mining staff, including, but not limited to, mine managers, engineers, supervisors, and surveyors. The regulations deal with the prevention of accidents, and with the necessary steps in case of accidents or disease. The regulations also outline the types of mining plans, the methods of working under various conditions, the types of instruments and equipment to be used, the transportation of workers and material, lighting, and related matters.

Other mining laws and regulations that may be applicable to our 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;
- 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. This no objection clearance will be granted following a notified public hearing, the 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.

The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution.

With respect to forest conservation, the Forest Act prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the government without the approval of the central government.

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. The Water Act aims to prevent and control water pollution and to restore 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 the 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 complies 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 a stipulated surcharge to the assessing authority at a state level on the basis of water consumed. 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 complies 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 our 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 policy guidelines.

MNRE

The mandate of MNRE includes research, development, commercialization 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, sitting, 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 specialized 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, 2011, is also exempt from tax subject to the fulfillment of certain conditions prescribed under the Income Tax Act, 1961.

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, 2011 subject to the fulfillment of certain conditions prescribed under the Income Tax Act, 1961 and the 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. We have made an application dated September 23, 2010 to the RBI for the transfer of Equity Shares to non-residents in the Offer.

Calculation of Total Foreign Investment in Indian Companies

Circular 1 of 2010 dated April 1, 2010 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (the **"Circular"**) sets out the procedure for the calculation of foreign investment in an Indian company. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP as on March 31, 2010. All the press notes, press releases, clarifications on FDI issued by DIPP as on March 31, 2010 stand rescinded as on March 31, 2010. This is set out below.

Investment in Indian companies can be made both by non-resident as well as resident Indian entities. Any non-resident investment in an Indian company constitutes direct foreign investment. Investment by resident Indian entities may comprise of both resident and non-resident investment. Thus, an Indian company will be considered to have received indirect foreign investment if the Indian investing company contains an element of foreign investment. Such indirect investment may also subsist as a cascading investment i.e. through a multi-layered structure.

For the purpose of the computation of indirect foreign investment, foreign Investment in Indian company shall include all types of foreign investments i.e. FDI; investment by FIIs (holding as on March 31); NRIs; ADRs; GDRs; Foreign Currency Convertible Bonds (FCCB); fully, compulsorily and mandatorily convertible preference shares and fully, compulsorily and mandatorily convertible Debentures.

(i) **Calculating foreign direct investment:** All investment directly by a non-resident entity into an Indian company will be considered as foreign investment.

(ii) **Calculating foreign indirect investment:** Foreign investment by an Indian company will not be considered as foreign indirect investment in the case of Indian companies which are 'owned **and** controlled' by resident Indian citizens and/or Indian companies which are owned and controlled by resident Indian citizens.

For cases where condition (ii) above is not satisfied or if the investing company is owned **or** controlled by 'non resident entities', the entire investment by the investing company into the subject Indian company will be considered as foreign indirect investment, provided that, as an exception, the foreign indirect investment in only the 100% owned subsidiaries of operating-cum-investing/investing companies, will be limited to the foreign investment in the operating-cum-investing/ investing company. This exception is made since the downstream investment of a 100% owned subsidiary of the holding company is akin to an investment made by the holding company and the downstream investment should be a mirror image of the holding company. This exception, however, is strictly for those cases where the entire capital of the downstream subsidy is owned by the holding company in Company X would be computed in the ratio of 75: 25 in the total investment of Company Y in Company X.

(iii) **Calculating total foreign investment:** The total foreign investment will be the sum total of direct and indirect foreign investment.

(iv) **Applicability:** The method of calculation illustrated above will apply at every stage of investment in Indian Companies and thus to each and every Indian company.

The policy for downstream investment by Indian companies seeks to lay down and provide clarification with regard to compliance with the foreign investment norms on entry route, conditionalities and sectoral caps. The 'guiding principle' is that downstream investment by companies 'owned' or 'controlled' by non resident entities will be required to follow the same norms as in the case of a foreign direct investment i.e. only as much can be done by way of indirect foreign investment through downstream investment as can be done through direct foreign investment and what can be done directly can be done indirectly under same norms.

The guidelines for the calculation of total foreign investment, both direct and indirect in an Indian company, at every stage of investment, including downstream investment, have been detailed above. As per the Circular:

(i) 'Operating Company' is an Indian company which is undertaking operations in various economic activities and sectors; and

(ii) 'downstream investment' means foreign indirect investment by one Indian company into another Indian company by way of the subscription or acquisition of shares

The Circular provides guidelines for downstream investment by investing Indian companies 'owned or controlled by non resident entities'. Further, the policy on downstream investment comprises policy for (a) only operating companies, (b) operating-cum-investing companies and (c) only investing companies as below:

a) Only operating companies: Foreign investment in such companies must comply with the relevant sectoral conditions on entry route, conditionalities and caps with regard to the sectors in which such companies are operating.

b) Operating-cum-investing companies: Foreign investment into such companies must comply with the relevant sectoral conditions on entry route, conditionalities and caps with regard to the sectors in which such companies are operating. Further, the subject Indian companies into which downstream investments are made must comply with the relevant sectoral conditions on entry route, conditionalities and caps in regard of the sector in which the subject Indian companies are operating.

c) Investing companies: Foreign Investment in Investing Companies will require the prior Government/FIPB approval, regardless of the amount or extent of foreign investment. The Indian companies into which downstream investments are made by such investing companies must comply with the relevant sectoral conditions relating to entry route, conditionalities and caps applicable to the sector in which such Indian companies are operating.

For infusion of foreign investment into such companies which do not have any operations nor any downstream investments, Government/FIPB approval would be required, regardless of the amount or extent of foreign investment. Further, as and when such company commences business(s) or makes downstream investment it will have to comply with the relevant sectoral conditions relating to entry route, conditionalities and caps.

For Operating-cum- investing companies and investing companies and for companies which have not commenced operations, downstream investments can be made subject to the following conditions:

a) such company must notify SIA, DIPP and FIPB of its downstream investment within 30 days of such investment even if capital instruments have not been allotted along with the modality of investment in new/existing ventures (with/without expansion programme);

b) downstream investment by way of induction of foreign equity in an existing Indian company must be duly supported by a resolution of the Board of Directors supporting the said induction and a copy of any shareholders agreement;

c) issue/transfer/pricing/valuation of shares shall be in accordance with applicable SEBI/RBI guidelines; and

d) for the purpose of downstream investment, the operating cum investing companies and the investing companies will have to bring in requisite funds from abroad and not leverage funds from domestic market for such investments. This would, however, not preclude downstream operating companies from raising debt in the domestic market.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief Corporate History of our Company

Our Company was incorporated on June 22, 1962 as a public limited company with the RoC under the name Manganese Ore (India) Limited under the provisions of the Companies Act. Subsequently, the name of our Company was changed from Manganese Ore (India) Limited to MOIL Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 17, 2010. This name change was deemed appropriate on the basis that our Company is better known within the industry, to its customers and the general public as MOIL.

In 1896, a British company by the name of Central Provinces Prospecting Syndicate was set up. In 1924, it changed its name to the Central Provinces Manganese Ore Company Limited ("**CPMO**"). CPMO ran extensive mining operations for manganese ore within the present-day state of Madhya Pradesh prior to Indian independence.

Our Company was set up pursuant to an agreement dated June 8, 1962 between the GoI and CPMO (the "**1962 Agreement**"). Pursuant to the terms of this agreement, our Company was incorporated and certain assets of CPMO were transferred to us in return for 49% of Equity Shares of our Company. Our Company was incorporated with a view to *inter alia*, obtain and work mining leases for manganese ore over the Nagpur, Dongri Buzurg and other areas.

In 1977, CPMO ceased its involvement with our Company following a sale of its entire shareholding and certain other properties and assets associated with our operations to the Government of India, for an aggregate consideration of ₹ 15,067,758 pursuant to an agreement dated September 21, 1977, (the "**1977 Agreement**"). The transfer of all these assets, both movable and immovable was made free from any and all liens, encumbrances, lis-pendens, charges and hypothecation.

The Government of India vide letter dated September 21, 1977 had nominated our Company as the recipient of the assets transferred by CPMO under the 1977 Agreement.

For further details in relation to the 1962 Agreement and the 1977 Agreement, please refer to "***History and Certain Corporate Matters- Shareholders Agreements***" on page 105 of this Red Herring Prospectus.

Changes in the Registered Office

Our current Registered Office is situated at MOIL Bhavan, 1-A, Katol Road, Nagpur – 440 013, Maharashtra, India.

Our Registered Office, since the inception of our Company was situated at 3 Mount Road, Extension, PB NO 34, Nagpur - 1 and was changed to its current location on August 10, 2007. The change of registered office took place due to administrative reasons and the growing space requirements of our Company.

Major Events and Milestones

Year	Event
1962	• Incorporation of our Company; • Transfer of mining leases for manganese ore over the Nagpur, Dongri Buzurg and other areas, consumable stores and other fixed assets from CPMO pursuant to the 1962 Agreement
1977	• Transfer of entire stake by CPMO to Government of India and our Company became a 100% Government owned company; • Transfer of the Heavy Media Separation Plant located at the Belapur-Hamesha mine and other consumable stores and spares from CPMO pursuant to the 1977 Agreement
1991	Set up Electrolytic Manganese Dioxide Plant ("**EMD**") at Dongri Buzurg mine
1998	Set up High Carbon Ferro Manganese plant with capacity of 10,000 TPA at Balaghat mine
2001	Set up integrated Manganese Beneficiation Plant at Dongri Buzurg mine
2006	Wind farm with power generation capacity of 4.8MW commissioned
2006	Issue of Bonus Shares (shares issued on a pro rata basis based upon each of our shareholders' current holding)
2007	Achieved annual production of 1mn tonnes
2007	Company shifted to its present corporate office at 'MOIL Bhavan' at 1-A, Katol Road, Nagpur
2007	Set up integrated Manganese Beneficiation Plant at Balaghat mines with capacity of 0.5mn TPA
2008	Second wind farm with power generation capacity of 15.2 MW commissioned
2008	'Mini-Ratna – Category – I' status conferred

2008	Incorporated 50:50 Joint Venture company 'SAIL and MOIL Ferro Alloys Private Ltd' with SAIL to manufacture ferro alloys at Bhilai (C.G.)
2009	Equity Shares of our Company split from ₹ 100 per share to ₹ 10 per share.
2009	Issue of Bonus Shares in the ratio 1:5
2009	Achieved annual turnover of more than ₹ 1000mn
2009	Incorporated 50:50 Joint Venture company 'RINMOIL Ferro Alloys Private Ltd' with Rashtriya Ispat Nigam Limited (RINL) to manufacture ferro alloys at Vizag (AP)
2010	Change in the name of our Company to MOIL Limited

Our Company was conferred Mini Ratna Category I status in 2008. As a result, under the provisions of the DPE office memorandum No. 18(24)/2003-GM-GL. 65 dated 5th August, 2005, our Company is authorized to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval stands upto a ceiling of ₹ 500 crore or the net worth of our Company, whichever is less. Further, our Company may make equity investments to establish joint ventures and subsidiaries in India upto a limit of 15% of the networth of our Company per project subject to an overall limit of ₹ 500 crore. The overall ceiling on such investment in all projects put together is subject to a ceiling of 30% of our net worth.

Awards, Certifications and Recognition

We received the following awards and recognitions for achieving and maintaining high standards in various aspects of our business.

Year	Award/Recognition
2010	International Convention on Quality Concepts Circle– Parakh Manganese Ore (India) Limited INDIA Gold Award from ICQCC.
2010	International Convention on Quality Concepts Circle – Panchratna Manganese Ore (India) Limited INDIA Gold Award ICQCC-2010.
2010	ISO 9001:2008 certificate issued by International Certification Services Private Limited for our Company's quality management system. This certification is valid until March 16, 2013
2009	OHSAS 18001:2007 issued by Vexil Business Process Systems for Underground Mining and Sale of Manganese Ore at Balaghat Mine. This certification is valid until October 8, 2012
2009	OHSAS 18001:2007 issued by Vexil Business Process Systems for Opencast Mining and Sale of Manganese Ore at Dongri Buzurg Mine. This certification is valid until October 8, 2012
2009	Awarded MoU Excellence Award in the Mining and Metals sector for the year 2006-07 by the GoI, Department of Public Enterprises and the Ministry of Heavy Industries and Public Enterprises
2009	Awarded MoU 'Excellent' Rating for excellence in the achievement of MoU Targets for the year 2007-2008 by the GoI, Department of Public Enterprises and the Ministry of Heavy Industries and Public Enterprises
2009	Second prize in the National Energy Conservation Award in appreciation of achievements in the Mining sector awarded to our Company by the GoI, Ministry of Power
2009	National Quality Circle Award - Team Pancharatna QC from Dongri Buzurg Mine awarded Par Excellent Award and Parakh QC from Tirodi Mine awarded Excellent Award
2008	Ispat Rajbhasha Trophy for excellent works done in Hindi
2008	ISO 9001:2000 certificate issued by Vexil Business Process Systems for the Ferro Manganese Plant certified for the 'manufacture and supply of high carbon Ferro Manganese'. This certification is valid until September 27, 2011
2008	ISO 9001:2000 certificate issued by Vexil Business Process Systems for the Electrolytic Manganese Dioxide Plant certified for the 'manufacture and supply of Electrolytic Manganese Dioxide'. This certification is valid until September 26, 2011
2008	National Safety Award - Runners-up Trophy for Lowest Injury Frequency Rate at Dongri Buzurg Mine awarded by the Directorate General of Mines Safety, Ministry of Labour and Employment, GoI
2008	National Safety Award - Winner's Trophy for Longest Accident Free Period at Chikla Mine awarded by the Directorate General of Mines Safety, Ministry of Labour and Employment, GoI

Year	Award/Recognition
2007	Awarded MoU 'Excellent' Rating for the year 2005-06 by the GoI, Department of Public Enterprises and the Ministry of Heavy Industries and Public Enterprises
2007	Awarded MoU 'Excellent' Rating for the year 2004-05 by the GoI, Department of Public Enterprises and the Ministry of Heavy Industries and Public Enterprises
2007	National Safety Award - Runners-up Trophy for Lowest Injury Frequency Rate at Beldongri Mine awarded by the Directorate General of Mines Safety, Ministry of Labour and Employment, GoI
2007	National Safety Award - Winner's Trophy for Longest Accident Free Period at Dongri Buzurg Mine awarded by the Directorate General of Mines Safety, Ministry of Labour and Employment, GoI
2007	First prize - National Energy Conservation Award for the Mining Sector awarded to the Chikla Mine by the Government of India
2006	First prize – National Energy Conservation Award in the mining sector awarded to the Balaghat Mine by the Government of India
2006	First prize – National Energy Conservation Award in the chemical sector awarded to our Company's Electrolytic Manganese Dioxide Plant by the Government of India
2006	State level award for excellence in energy conservation and management awarded to our Company's Electrolytic Manganese Dioxide Plant awarded by the Maharashtra Energy Development Agency
2006	Awarded Merit Certificate for excellence in the achievement of MoU targets for the year 2003-2004 by the GoI, Ministry of Heavy Industries and Public Enterprises and Department of Public Enterprises
2006	State level award for excellence in energy conservation and management for the Chikla Mine awarded by the Maharashtra Energy Development Agency
2005	First prize – National Energy Conservation Award in the chemical sector awarded to our Company's Electrolytic Manganese Dioxide Plant at Dongri Buzurg Mine by the Government of India
2004	Awarded Merit Certificate for excellence in the achievement of MoU targets for the year 2002-03 by the GoI, Ministry of Heavy Industries and Public Enterprises and Department of Public Enterprises
2002	Awarded Merit Certificate for excellence in the achievement of MoU targets for the year 2000-01 by the GoI, Ministry of Heavy Industries and Public Enterprises and Department of Public Enterprises
2000	Awarded Merit Certificate for excellence in the achievement of MoU targets for the year 1998-99 by the GoI, Ministry of Heavy Industries and Public Enterprises and Department of Public Enterprises
1993	Awarded the Economic Times and the Harvard Business School Association of India awards for excellence in corporate performance

Our Company has also been awarded the Prime Minister's Merit Certificate for excellence in the achievement of MoU parameters for the 6 previous years and has received excellent ratings from the Government of India for MoU continuously since 1999.

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 "***Our Business***" on page 64 of this Red Herring Prospectus.

Objects of our Company

The objects as set forth in the Memorandum of Association of our Company *inter alia*, include:

1.

(a) To purchase, take on lease of in exchange or under amalgamation, license or concession, or otherwise acquire mines beneficiation and mineral dressing, concentration and refining plants, lands, buildings, workshops, power houses, plants and equipments 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 minerals field, 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 fulfill 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, beneficiations, mineral dressing, concentration and refining plants, quarries, barrages, dams, sluices, docks, embankments, moles, break-waters, docks quays, harbors, piers, wharves, canals, tanks, bridges, aqueducts, reservoirs, irrigations, reclamation, improvement, river-works of all kinds, railways ropeways, tramways, roads, sewage, drainage, sanitary, paving, water, gas, electric light, telephonic, telegraphic, wireless, telegraphic, hydro-electric, 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, telegraphs and telephone lines, wharves, piers, docks, canals, reservoirs, watercourses, ware-houses, sheds and other buildings and works calculated directly or indirectly to advance the interests of our Company and to pay or contribute to the expenses of constructing maintaining and improving any such works.

Changes in the Memorandum of Association

Since the incorporation of our Company, the following changes have been made to our Company's Memorandum of Association:

Date of Shareholders' Resolution	Details
May 24, 1986	The authorized share capital was increased from 6,00,000 Equity Shares of ₹100 each aggregating ₹ 6,00,00,000 to 17,00,000 Equity Shares of ₹100 each aggregating ₹ 17,00,00,000
September 26, 1990	The authorized share capital was increased from 17,00,000 Equity Shares of ₹100 each aggregating ₹ 17,00,00,000 to 30,00,000 Equity Shares of ₹ 100 each aggregating ₹ 30,00,00,000
July 30, 2007[1]	The authorized share capital was increased 30,00,000 Equity Shares of ₹ 100 each aggregating ₹ 30,00,00,000 to 100,00,000 Equity Shares of ₹ 100 each aggregating ₹ 100,00,00,000
August 28, 2009[2]	The authorized share capital increased from 100,00,000 Equity Shares of ₹ 100 each aggregating ₹ 100,00,00,000 to 25,00,00,000 Equity Shares of ₹10 each aggregating ₹ 250,00,00,000.
July 23, 2010	The name of our Company was changed from 'Manganese Ore (India) Limited' to 'MOIL Limited'

[1] *By way of a shareholders' resolution dated July 30, 2007, the authorised preference share capital consisting of 200,000 7½% cumulative preference shares of ₹100 each aggregating to ₹20,000,000 were converted into the authorised equity share capital of our Company.*

[2] *By way of a shareholders resolution dated August 28, 2009, the face value of Equity Shares of our Company was reduced from ₹100 per Equity Share to ₹10 per Equity Share. Cumulative number of Equity Shares increased from 2,800,000 Equity Shares of ₹100 each to 28,000,000 Equity Shares of ₹10 each.*

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

Our Company has not acquired any businesses/undertakings nor has it undertaken any merger, amalgamation or revaluation of its assets other than the acquisition of assets from CPMO in 1962 and 1977. For further details on the transfer of the business and assets of CPMO to our Company please see "***History and Certain Corporate Matters-Brief Corporate History of our Company***' on page 98 of this Red Herring Prospectus.

Subsidiaries

As on the date of filing this Red Herring Prospectus, our Company has no subsidiaries.

Holding Company

As on the date of filing this Red Herring Prospectus, we do not have a holding company.

Members

As on the date of filing this Red Herring Prospectus, we have 11 shareholders in our Company which includes 8 nominee shareholders holding Equity Shares on behalf of the President of India.

Joint Ventures

Our Company has two joint ventures, details of which are provided below. None of the joint venture companies have been declared a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against any of our joint venture companies in accordance with the provisions of the Companies Act.

*RIN MOIL Ferro Alloys (Private) Limited ("**RMFA**")*

Pursuant to a joint venture agreement dated May 7, 2009 (the "**RMFA Agreement**"), our Company and Rashtriya Ispat Nigam Limited ("**RINL**") have established RMFA as a joint venture company. RMFA was incorporated on July 29, 2009 for the manufacture, marketing, sale and supply of Ferro Manganese, Silico Manganese and other Ferro alloys required for the production of steel.

The registered office of RMFA is situated at Administrative Building, Visakhapatnam Steel Plant, Visakhapatnam, Andhra Pradesh 530 031.

The key terms of the RMFA Agreement are as follows:

Pursuant to the RMFA Agreement, RINL has represented and warranted that it shall provide coke, coal, dolomite and quartz as per requirements and shall make efforts to provide support services. Our Company has represented and warranted that it shall provide approximately 100 acres of land at Bobbili on long term lease for 33 years for a consideration equivalent to the cost of acquisition and lease rent of 1% thereon, and it shall provide the required quantity of manganese ore to RMFA at the agreed price.

- *Affirmative vote*: Neither RMFA, its board of directors nor a committee thereof (whether at a Board meeting or at a committee meeting or by a circular resolution or otherwise) nor its CEO, nor any other person purporting to act on behalf of RMFA shall take any action in respect of reserved matters except with the affirmative vote of the majority of RMFA's directors, which majority shall include at least one director appointed by both RINL and our Company. The reserved matters *inter alia* include the following:

    (a) Any reconstruction, re-organization, merger, amalgamation or consolidation of RMFA with another entity;
    (b) Sale of substantial assets of RMFA other than in the ordinary course of business;
    (c) Any amendment to the Memorandum of Association and/or Article of Association of RMFA;
    (d) Capital investment by RMFA beyond the value of ₹ 50 million in any scheme;
    (e) A material deviation or change in the objects or activities of RMFA and substantial expansion of its activities;
    (f) Approval or refusal to transfer shares or debentures except for transfers to an affiliate and/or subsidiary, as may be provided in the RMFA Agreement;

(g) Capital expenditure for the purchase, demolition, lease, sale, disposition or alteration of fixed assets or tooling where the expenditure or net book value exceeds ₹ 50 million;
(h) Any issue of share capital, or debentures, whether or not convertible, or alerting the share capital of RMFA;
(i) Any change in the corporate name of RMFA;
(j) Changing or re-locating the registered office or principal place of business of RMFA;
(k) Taking term loans for a term not exceeding 12 months for an amount exceeding ₹ 100 million or altering any material term or condition of any such loan;
(l) Declaration of dividend;
(m) Forming a subsidiary of RMFA or subscribing to the shares or debentures or investing the funds of RMFA in any other company;
(n) Creating any mortgage, charge or other encumbrance in respect of RMFA's properties and assets except with respect to loans from banks from current assets;
(o) Granting loans to third parties or guaranteeing the obligations of third parties expect giving advances to third parties in the ordinary course of business;
(p) Appointment or removal of RMFA's auditors or any other external agency appointed by RMFA for conducting audits as may be required;
(q) Granting to third parties licenses/ sub-licenses and rights with respect to patents, manufacturing technology, trademarks and other intellectual property for an amount exceeding ₹ 20 million per transaction; and
(r) Approving any matter concerning the winding-up of RMFA or the notification of its financial status to any statutory authority.

- *Transfer and encumbrance of shares*: The shareholding of both RINL and our Company shall be locked in for an initial period of five years from the date of acquisition of the shares in RMFA. Each of the parties shall have a right of first refusal for any transfer of shares by the other party subsequent to the initial lock-in period.

- *Termination*: The RMFA Agreement shall be terminated, inter alia, if at any time the shareholding of any party falls below 10% of the paid-up share capital of RMFA.

Shareholding Pattern

The equity shares of RMFA are not listed on any stock exchange. The shareholding pattern of RMFA as on March 31, 2010 was as follows:

Name of the Shareholder	No. of equity shares of ₹ 10 each	% shareholding
RINL	100,000	50
MOIL Limited	100,000	50
Total	**200,000**	**100**

There has been no change in the capital structure of RMFA in the last six months prior to March 31, 2010.

Board of Directors

The board of directors of RMFA currently comprises:

(a) Mr. M. A. V. Goutham;
(b) Mr. Pradip Kumar Bishnoi;
(c) Mr. Anup K. Mehra;
(d) Mr. Gururaj Pandurang Kundargi;
(e) Mr. Umesh Chandra; and
(f) Mr. Amrendra Prasad Choudhary.

*SAIL and MOIL Ferro Alloys (Private) Limited ("**SMFA**")*

Pursuant to a joint venture agreement dated February 11, 2008 (the "**SMFA Agreement**"), our Company and Steel Authority of India Limited ("**SAIL**") have established SMFA as a joint venture company. SMFA was incorporated on July 31, 2008 for the manufacture, marketing, sale and supply of Ferro Manganese, Silico Manganese and other Ferro alloys required for steel making.

The registered office of SMFA is situated at Room No. 3B, CEZ Garage Compound, Equipment Square, Bhilai Steel Plant, Bhilai, Durg District, Chhattisgarh 490 001.

The key terms of the SMFA Agreement are as follows:

Pursuant to the SMFA Agreement, SAIL has represented and warranted that it shall provide approximately 80 acres of land on a long term lease basis for a period of 33 years and it shall make its best efforts to provide support services. It shall also provide coke, coal, dolomite and quartz as per requirements. Our Company has represented and warranted that it shall provide the required quantity of manganese ore to SMFA at the agreed price.

- *Affirmative vote*: Neither SMFA, its board of directors nor a committee thereof (whether at a Board meeting or at a committee meeting or by a circular resolution or otherwise) nor its CEO, nor any other person purporting to act on behalf of SMFA shall take any action in respect of reserved matters except with the affirmative vote of the majority of SMFA's directors, which majority shall include at least one director appointed by both SAIL and our Company. The reserved matters *inter alia* include the following::

  (a) Any reconstruction, re-organization, merger, amalgamation or consolidation of SMFA with another entity;
  (b) Sale of substantial assets of SMFA other than in the ordinary course of business;
  (c) Any amendment to the Memorandum of Association and/or Article of Association of SMFA;
  (d) Capital investment by SMFA beyond the value of ₹ 50 million in any scheme;
  (e) A material deviation or change in the objects or activities of SMFA and substantial expansion of its activities;
  (f) Approval or refusal to transfer shares or debentures except for transfers to an affiliate and/or subsidiary, as may be provided in the SMFA Agreement;
  (g) Capital expenditure for the purchase, demolition, lease, sale, disposition or alteration of fixed assets or tooling where the expenditure or net book value exceeds ₹ 100 million;
  (h) Any issue of share capital, or debentures, whether or not convertible, or altering the share capital of SMFA;
  (i) Any change in the corporate name of SMFA;
  (j) Changing or re-locating the registered office or principal place of business of SMFA;
  (k) Taking term loans for a term not exceeding 12 months for an amount exceeding ₹ 200 million or altering any material term or condition of any such loan;
  (l) Declaration of dividend;
  (m) Forming a subsidiary of SMFA or subscribing to the shares or debentures or investing the funds of SMFA in any other company;
  (n) Creating any mortgage, charge or other encumbrance in respect of SMFA's properties and assets except with respect to loans from banks from current assets;
  (o) Granting loans to third parties or guaranteeing the obligations of third parties expect giving advances to third parties in the ordinary course of business;
  (p) Appointment or removal of SMFA's auditors or any other external agency appointed by SMFA for conducting audits as may be required;
  (q) Granting to third parties licenses/ sub-licenses and rights with respect to patents, manufacturing technology, trademarks and other intellectual property for an amount exceeding ₹ 20 million per transaction;
  (r) Approving any matter concerning the winding-up of SMFA or the notification of its financial status to any statutory authority; and

- *Transfer and encumbrance of shares*: The shareholding of both SAIL and our Company shall be locked in for an initial period of five years from the date of acquisition of the shares in SMFA. Each of the parties shall have a right of first refusal for any transfer of shares by the other party subsequent to the initial lock-in period.
- *Termination*: The RMFA Agreement shall be terminated, inter alia, if at any time the shareholding of any party falls below 10% of the paid-up share capital of RMFA.

Shareholding Pattern

The equity shares of SMFA are not listed on any stock exchange. The shareholding pattern of SMFA as on March 31, 2010 was as follows

Name of the Shareholder	No. of equity shares of ₹ 10 each	% shareholding
SAIL	100,000	50
MOIL Limited	100,000	50
Total	**200,000**	**100**

There has been no change in the capital structure of SMFA in the last six months prior to March 31, 2010.

Board of Directors

The board of directors of SMFA currently comprises:

(a) Mr. M. A. V. Goutham;
(b) Mr. Gurminder Singh Gill;
(c) Mr. Anup K. Mehra;
(d) Mr. Debidas Pal;
(e) Mr. Gururaj Pandurang Kundargi; and
(f) Mr. Sashi Sekhar Mohanty.

Shareholder Agreements

Agreement between the GoI and CPMO dated June 8, 1962

Our Company was set up pursuant to an agreement dated June 8, 1962 between the GoI and CPMO. Pursuant to the terms of this agreement, our Company was incorporated and certain assets of CPMO were transferred to us in return for 49% of Equity Shares of our Company. Our Company was incorporated with a view to *inter alia*, obtain and work mining leases for manganese ore over the Nagpur, Dongri Buzurg and other areas. The value of all the fixed assets of CPMO was to be calculated at by a Joint Valuation Committee consisting of representatives of both the Government of India and CPMO. The value of consumable stores was to be determined at cost price as on June 30, 1962. The transfer of all these assets, both movable and immovable was made free from any and all liens, encumbrances, lis-pendens, charges and hypothecation. The 1962 Agreement provided for the immediate transfer upon incorporation, the transfer of 49% of the issued capital of our Company aggregating to 56,000 Equity Shares as well as 28,000 cumulative preference shares bearing 7.5% interest against the transfer of the assets mentioned above. After the valuation of the assets had been completed, in case there was a deficit between the value of the assets and the value of the equity holding of CPMO in our company, such deficit would be removed by a fresh allotment of shares to CPMO, if necessary. On November 30, 1963, pursuant to the valuation of the assets transferred under the 1962 Agreement, CPMO was allotted 14380 Equity Shares as well as 7,190 cumulative preference shares bearing 7.5% interest.

Agreement between the GoI and CPMO dated September 21, 1977

In 1977, CPMO ceased its involvement with our Company following a sale of its entire shareholding certain other properties and assets associated with our operations to the Government of India, for an aggregate consideration of 15,067,758 pursuant to an agreement dated September 21, 1977. CPMO transferred to the Government of India, 70,380 Equity Shares for a consideration of ₹ 60 per Equity Share as well as 35,190 cumulative preference shares bearing 7.5% interest for a consideration of ₹ 75 per preference share. Further to the transfer of the cumulative preference shares, CPMO agreed to relinquish any right or interest to any dividend, whether declared or not. The 1977 Agreement also provided for the payment of interest on the total consideration for the transfer of the Equity Shares and the cumulative preference shares bearing aggregating to ₹ 6,862,050 to CPMO by the Government of India at the rate of 8% per annum until the date of payment. The assets transferred from CPMO to the Government of India or its nominees included all its remaining movable and immovable properties including the Heavy Media Separation Plant located at the Belapur-Hamesha mine. The consideration for the transfer of such assets was ₹ 400,000. CPMO also transferred all the consumable stores and parts held by it as on December 31, 1975 to the Government of India or its nominees, for a consideration of ₹ 943,658, subject to any adjustments made in respect of stores and spares serviceable and acceptable to the Government of India. The transfer of all these assets, both movable and immovable was made free from any and all liens, encumberances, lis-pendens, charges and hypothecation.

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

Memorandum of Settlement dated August 27, 2009 with the MOIL Kamgar Sangathan (INTUC)

Our Company has entered into a Memorandum of Settlement dated August 27, 2009 with the MOIL Kamgar Sangathan (INTUC). This wage agreement is effective for a period of 10 years from August 1, 2007 and applicable to all non-executive employees of our Company and governs the salaries, wages and benefits available to the non-executive employees of our Company.

Memorandum of Understanding dated March 15, 2010 between the Ministry of Steel and our Company

Our Company and the Government of India enter into a memorandum of understanding ("**MoU**") every year. For the year 2010-2011, such MoU was entered on March 8, 2010.

The MoU sets out certain performance targets to be achieved by our Company. Such performance targets *inter alia* include parameters like net profit, net worth, gross sales, gross margin, projects implementation, capital expenditure, production of manganese ore, exploration etc. to be achieved by our Company.

The MoU mentions five categories of ratings for performance evaluation. These are 'Excellent', 'Very Good', 'Good', 'Average' and 'Poor'. Against each of these categories, there are different performance targets to be achieved by our Company to fall under any of these categories.

Further as per the terms of the MoU, the GoI has the following obligations:

1. to assist our Company in the renewal of mining leases;
2. to assist our Company in obtaining railway wagons for dispatch of manganese ore whenever the need arises.

Further as per the Office Memorandum no. 2 (70)/08-DPE(WC) dated November 26, 2008, from the DPE, the performance related pay payable to the employees is directly linked to the performance of our Company under the MoU. For further details on the relation between the MoU and the performance related pay payable to the employees of our Company, please see ***"Our Management- Payment of benefit to officers of our Company"*** on page 124 of this Red Herring Prospectus.

Except as disclosed hereinabove, 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 Red Herring 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 ICDR Regulations.

Strategic Partners

Our Company has not entered into any arrangements with any strategic partners.

Financial Partners

Our Company does not have any other financial partners within the meaning of the SEBI ICDR Regulations.

OUR MANAGEMENT

As prescribed in our Company's Articles of Association, the number of Directors of our Company (unless otherwise determined by a General Meeting of our Company and subject to the applicable provisions of the Companies Act) shall not be less than three and not more than 16. The Chairman and Managing Director of our Company is appointed by the President of India and all other members of our Board of Directors are appointed by the President of India in consultation with the Chairman of our Company (no such consultation is necessary for the appointment of the Directors of our Company representing the Government of India).

Our Company currently has 12 Directors on its Board of which four are whole-time Directors, one is a nominee of the Government of India, one is the nominee of the Government of Maharashtra and six are Independent Directors. Our Company's Chairman and Managing Director is Mr. Kumar Jitendra Singh. He oversees 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 filing this Red Herring Prospectus:

Name, Designation, Age, DIN and Occupation	Residential Address	Other Directorships
Mr. Kumar Jitendra Singh Chairman and Managing Director Age: 58 DIN: 00626836 Occupation: Service	No. 1060, Sector IV-B, Bokaro Steel City- 827 004 Jharkhand, India	None
Dr. Dalip Singh Nominee Director Government of India *Non Executive and Non Independent* Age: 54 DIN: 02211894 Occupation: Service	745, Makhan Singh Block, Asiad Village, Khelgaon, New Delhi- 110047 India	• Rashtriya Ispat Nigam Limited • Hindustan Steelworks Construction Limited • MSTC Limited • Orissa Minerals Development Corp. Limited • Eastern Investment Limited • Bisra Stone Lime Co. Limited
Mr. Azeez M. Khan Nominee Director, Government of Maharashtra *Non Executive and Non Independent* Age: 57 DIN: 01999371 Occupation: Service	32, 5th Floor, Yashodhan, Dinshaw Waccha Road, Churchgate, Mumbai- 400 020 Maharashtra, India	• Maharashtra Ex-Servicemen Corporation Limited • Maharashtra Airport Development Company Limited • Mahanagar Gas Limited • Maharashtra Vikrikar Rokhe Pradhikaran Limited
Mr. M. A. V. Goutham Director (Finance) *Whole Time Director* Age: 58 DIN: 00101447 Occupation: Service	C- 3 Vishnu Kamal Apartment, Shivaji Nagar, Nagpur- 440 001 Maharashtra, India	• SAIL and MOIL Ferro Alloys Private Limited • RINMOIL Ferro Alloys Private Limited

Name, Designation, Age, DIN and Occupation	Residential Address	Other Directorships
Mr. Anup K. Mehra Director (Commercial) *Whole Time Director* Age: 55 DIN: 01503228 Occupation: Service	5th Floor, Mahima Kamlini Apartments, Palm Road, Civil Lines, Nagpur - 440 001 Maharashtra, India	• SAIL and MOIL Ferro Alloys Private Limited • RINMOIL Ferro Alloys Private Limited
Mr. Gururaj Pandurang Kundargi Director (Production and Planning) *Whole Time Director* Age: 54 DIN: 02256516 Occupation: Service	C-01, Pioneers Regency, Near Utkarsh Nagar, Gitti Khadan, Katol Road Nagpur- 440 013 Maharashtra, India	• SAIL and MOIL Ferro Alloys Private Limited • RINMOIL Ferro Alloys Private Limited
Mr. Vijay V. Kale *Independent Director* Age: 53 DIN: 03129738 Occupation: Practicing Chartered Accountant	R-865, New Rajinder Nagar, New Delhi- 110060 India	• M/s V.V. Kale & Co (Partner)
Dr. Madhu Vij *Independent Director* Age: 55 DIN: 00025006 Occupation: Professor, Faculty of Management Studies, New Delhi	18/8 Kalkaji, New Delhi- 110019 India	• M/s Marg Strategic Consultants Limited
Dr. Subir K. Bhattacharyya *Independent Director* Age: 64 DIN: 00026534 Occupation: Retired	34/2 Mahim Halder Street, Kolkata– 700026 West Bengal, India	• National Fertiliser Limited • Tayo Rolls Limited
Mr. Sanjeeva Narayan Independent Director Age: 50 DIN: 00038772	A-33, Pandara Road New Delhi- 110003 India	• M/s Ashwani and Associates (Partner) • D&M Components Limited • Hindon Mercantile Limited • Elegant Advisory Services Private Limited • Emjay Oversease Private Limited • Shanti Portfolios Private Limited

Name, Designation, Age, DIN and Occupation	Residential Address	Other Directorships
Occupation : Practicing Chartered Accountant		
Mr. Hem Chander Disodia Independent Director Age: 62 DIN: 03315444 Occupation : Retired	HNO 1681, Sector-21 Ward-29, Panchkula- 134112, Haryana, India,	None
Mr. Bal Kishan Gupta Independent Director Age: 61 DIN: 03105907 Occupation : Retired	11/VI, Nizam Palace, 234/4, A. J. C. Bose Road, Kolkata, 700020, West Bengal, India	None

Brief Profile of the Directors of our Company

Mr. Kumar Jitendra Singh

Mr. Kumar Jitendra Singh, 58 years, was appointed as the Chairman and Managing Director of our Company on March 16, 2009 and oversees the day to-day operations of our Company under the overall supervision, direction and control of the Board. Mr. Singh graduated with a bachelor's degree in engineering (mechanical) in First class with a Distinction from the Bihar College of Engineering and holds a law degree from the University of Ranchi. He began his professional career with the Tata Iron and Steel Company and has also worked in different capacities for companies such as MECON Limited, Bharat Refractories Limited and the Bird Group. Under Mr. Singh's leadership our Company has also been honored with a number of prestigious awards. Mr. Singh has approximately 34 years of experience in the metals industry.

Dr. Dalip Singh

Dr. Dalip Singh, 54 years, was appointed as a Non Executive Director of our Company on April 25, 2008 as the Nominee of Government of India. He is an Indian Administrative Services officer. He holds an M.Phil in psychology and a doctorate in management from the University of Delhi for his work on 'Indian Managers'. Dr. Singh has the rare distinction of being conferred the post doctoral degree of Doctor of Letters by Bundelkhand University, Jhansi, U.P. Dr. Singh was a teaching faculty at the Faculty of Management Studies, New Delhi. He is the recipient of the Prime Minister's National Award for excellent work in the field of woman's empowerment. He has authored a maiden book 'Emotional Intelligence at Work'. Dr. Singh has served on various state and central administrative positions in various departments including industry, irrigation, public health, social justice, food processing co-operation and the Ministry of Steel. He is currently the Joint Secretary, Ministry of Steel, Government of India, New Delhi. Dr. Singh has approximately 34 years of experience.

Mr. Azeez M. Khan

Mr. Azeez M Khan**,** 57 years, was appointed as a Non Executive Director of our Company on June 4, 2008 as a Nominee of the Government of Maharashtra. Mr. Khan is an Indian Administrative Services officer. He has completed a bachelor's degree in economics with sociology from the University of Bombay and a master's degree in rural development from the University of East Anglia, UK and a master's degree in economics from the University of London. Mr. Khan has served on various Central and State Government administrative positions in various Departments and Districts including as Development Commissioner (Industries) and Secretary of the Maharashtra Electricity Regulatory Commission. He has held various positions in the Ministry of Finance, and Ministry of Welfare in Government of India and as Secretary in the Maharashtra, Department of Medical Education and Drugs and Chief Executive Officer, Maharashtra Industrial Development Corporation. Currently he is the Principal

Secretary (Industries), Industries, Energy and Labour Department, Government of Maharashtra. Mr. Khan has approximately 32 years of experience.

Mr. M. A. V. Goutham

Mr. M. A. V. Goutham, 58 years, was appointed as Director (Finance) of our Company on August 23, 2004. Mr. Goutham is a graduate in science from Andhra University and an associate member of the Institute of Chartered Accountants of India (ICAI) and a qualified cost and works accountant with the Cost and Works Accountants of India (ICWAI). He joined our Company as General Manager (Finance) on December 28, 2001. Mr. Goutham started his career with A.P. State Financial Corporation and subsequently worked in Hindustan Shipyard, Visakhapatnam and Lubrozol India Limited, Mumbai. Mr. Goutham has approximately 34 years experience in the field of finance.

Mr. Anup K. Mehra

Mr. Anup K. Mehra, 55 years, was appointed as Director (Commercial) of our Company on May 1, 2007, having joined our Company as Assistant Mechanical Engineer on September 15, 1976. He holds a bachelor's degree in engineering (mechanical) from Visvesvaraya Regional College of Engineering, Nagpur (now VNIT), a law degree and an MBA from Nagpur University. He has also completed a graduate diploma in material management from Indian Institute of Material Management. Mr. Mehra has been declared an honorary citizen of Dickson and Pulaski, Tennessee, USA as well as being appointed Colonel Aide de camp of the Governor's staff in the state of Tennessee, USA. He has been awarded a number of prestigious awards such as the 'Best Chairman Award' all India in non-metro category and outstanding performance, 2004 by Indian Institute of Materials Management. He is a life member of the Administrative Staff College of India and the Indian Institute of Materials Management. Mr. Mehra has approximately 34 years of experience in the commercial field.

Mr. Gururaj Pandurang Kundargi

Mr. Gururaj Pandurang Kundargi, 54 years, was appointed as the Director (Production and Planning) on our Board on June 2, 2008. Mr. Kundargi holds a bachelor's degree in science and a post graduate degree in applied science in mineral processing from the Post Graduate Centre for Technical Studies, Karnataka University. He began his career as a lecturer with Karnataka University and has been working with our Company since February 15, 1982, when he joined the organization as a Deputy Mineral Dressing Engineer. As the Director (Production and Planning), he is in charge of production, planning, projects, personnel and the technical wing. Mr. Kundargi has approximately 28 years of experience in the mining and mineral processing field.

Mr. Vijay V. Kale

Mr. Vijay V. Kale, 53 years, was appointed as an independent director on our board on June 25, 2010. He is a fellow member of Institute of Chartered Accountants of India, a law graduate and an associate member of Institute of Internal Auditors, Florida (U.S.A.). Mr. Kale has been nominated as member of Professional Development Committee of Institute of Chartered Accountants of India and is also the chairman of Jagatik Marathi Chamber of Commerce and Industries in New Delhi. He is a founder of M/s V. V. Kale & Co., Chartered Accountants and has an experience of over 28 years in various statutory, internal, management and bank audits, company law, income tax and sales tax consultancy. His specialization is management consultancy and audits for Indian and foreign companies.

Dr. Madhu Vij

Dr. Madhu Vij, 55 years, was appointed as an independent director on our board on June 25, 2010. Dr Vij holds two post doctorate degrees and a masters' degree in commerce.She is a Professor at the Faculty of Management Studies, University of Delhi, where she teaches international and corporate finance. Her research, professional and teaching interests include the areas of banking, international financial management, management of financial services and behavioral finance. She is actively involved in teaching, research, consultancy and training for several leading public sector, private sector and international organizations. She has also participated and attended the global colloquium on 'Participant Centered Learning' at Harvard Business School, Boston, USA. She has published extensively in various journals in the field of banking and finance and has completed a number of books and projects in the areas of banking, international finance and corporate governance including a book on Corporate Finance for NIIT for MBA participants for ITT, USA. She is on the editorial board of several journals and was a Member of Task Force, Department of Public Enterprises, 2006, Ministry of Heavy Industries and Public Enterprises, Government of India. Ms. Vij has approximately 33 years of experience.

Dr. Subir K. Bhattacharyya

Dr. Subir K. Bhattacharyya, 64 years, was appointed as an independent director on our board on June 25, 2010. He graduated from BE College in Metallurgy and obtained a doctorate in science in Metallurgy from MIT, USA. He began his career as a research fellow in Carnegie Mellon University, USA. He has worked for Alloy Steels Plant and R&D Center for Iron & Steel, SAIL, of which he was Director. Dr. Bhattacharyya has been the on the board of directors of, SAIL, TAYO Rolls Limited and National Fertilizer Limited He has been the managing director of Durgapur Steel Plant, the chairman of IISCO and the chairman of the Expert Committee on Steel and Allied Industries, Government of West Bengal. He has prepared reports on behalf of the Indian Institute of Metals for the Ministry of Steel, has over 50 publications in national & international journals of repute and 5 Indian and foreign patents to his credit. He has been the national President of the Indian Institute of Metals. Dr. Bhattacharyya has over 35 years of experience in the field of research and technology, technical administration and managing large public sector undertakings.

Mr. Sanjeeva Narayan

Mr Sanjeeva Narayan, 50 years, was appointed as an independent director on our board on October 16, 2010. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Company Secretaries of India. He holds a bachelors' degree in commerce from the University of Delhi. He is a partner in M/s Ashwani and Associates, Chartered Accountants and specializes in the areas of Audit and Direct Taxes. Mr Narayan has contributed various articles in publications such as 'Taxman', 'Chartered Accountants Today' and the 'Chartered Accountant' on various taxation and accounting issues of a contemporary nature. Mr. Narayan has over 25 years of experience in the field of audit and direct taxes.

Mr Hem Chander Disodia

Mr. H.C. Disodia, 62 years, was appointed as an independent director on our board on November 9, 2010. He is a retired Indian Administrative Services officer and had joined the Indian Administrative Services in 1975. He holds a masters degree in political science from Delhi University. Mr. Disodia retired as the Financial Commissioner and Principal Secretary to the State Government of Haryana. As Financial Commissioner, he functioned as the apex authority to adjudicate matters relating to land administration. He has also served as a Principal Secretary /Secretary to Government of India where he handled various departments such as agriculture, food and supplies, forest and wild life preservation, environment, technical education, animal husbandary, fishries, & tourism. He has also served as Divisional Appellate Commissioner for the state of Haryana, Secretary to the Governor of Haryana, Joint Secretary in departments such as health & medical education, food & supplies, industries. He has also held the position of chairman in organizations such as Federation of Co-operative Consumer Stores, Land Development and Reclamation Corporation, Forest Development Corporation and the position of Managing Director at Warehousing Corporation, Scheduled Cast Development Corporation, Sugar Federation, Small Industries and Export Corporation, Seeds Development Corporation. He has approximately 33 years' experience.

Mr Bal Kishan Gupta

Mr. B.K. Gupta, 61 years, was appointed as an independent director on our board on November 9, 2010. He is a retired Indian Revenue Service officer. He holds bachelors degrees in law from Delhi University and science from Punjab University. At the time of his retirement, Mr. Gupta was Chief Commissioner, Income Tax, West Bengal, Kolkata. He has served in various capacities in the Indian Revenue Services such as Chief Commissioner, Income Tax, Shilong, Commissioner, Income Tax, Kolkata and Muzzafarpur. He has also held the positions of Member, Finance, Delhi Vidyut Board, Additional Commissioner, Income Tax, Jaipur and Assistant Commissioner, Delhi. He has approximately 34 years' experience.

Relationships between Directors

None of the Directors of our Company are related to each other.

Arrangements and understandings with major shareholders

Other than the Directors appointed or nominated by the Ministry of Steel, Government of India and the Government of Maharashtra, 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 provisions of our Company's Articles of Association, subject to Section 293 (1) (d) and other applicable provisions of the Companies Act and government guidelines issued from time to time, the Board may by means of a resolution passed at the meeting of the Board borrow or secure the payment of any sum or sums of the money for the purpose of our Company on such terms and conditions as may be approved by the Board. The Board may not, without the sanction of our Company in a General Meeting, borrow any sum of money which together with money borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of our Company and its free reserves.

Details of Appointment of the Directors

Name of Director	Office Orders issued by the MoS	Term	Date of expiration of term of office
Mr Bal Kishan Gupta	Order No. 1(6) 2009-RM-II dated November 9, 2010	Appointment as part-time non-official Director for a period of 3 years w.e.f the date of assumption of change of the posts or until further orders, which ever is earlier.	November 9, 2013
Mr Hem Chander Disodia	Order No. 1(6) 2009-RM-II dated November 9, 2010	Appointment as part-time non-official Director for a period of 3 years w.e.f the date of assumption of change of the posts or until further orders, which ever is earlier.	November 9, 2013
Mr Sanjeeva Narayan	Order No. 1(8)/2007-RM-II dated 23/09/2010	Appointment as part-time non-official Director for a period of 3 years w.e.f the date of assumption of change of the posts or until further orders, which ever is earlier.	September 31st, 2013
Mr. Kumar Jitendra Singh	Order No. 1(2) 2007-RM-II dated March 13, 2009	Appointed as Chairman cum Managing Director for a period of 5 years or till the date of superannuation whichever is earlier w.e.f. the date of assumption of the charge of the post.	October 31, 2012
Dr. Dalip Singh	Order No. 1(4) 2004-RM-II dated April 25, 2008	Appointed with immediate effect until further orders	Appointed until further order is made by the President of India
Mr. Azeez M. Khan	Order No 1(4)/2004-RM-II dated June 4, 2008	Appointed until further orders	Appointed until further order is made by the President of India
Mr. M. A. V. Goutham	Order no. 1(7)/2007-RM II dated February 5, 2010	Extended: F. No. 1(7)/2007-RM-II dated February 5, 2010 till July 31, 2012 i.e. date of his superannuation or till further orders, whichever is earlier	July 31, 2012
Mr. Anup K. Mehra	F.No. 1(2)/2008-RM-II dated May 28, 2010	Appointed for a period of 5 years or date of superannuation whichever is earlier w.e.f. May 1, 2007	April 30, 2012
Mr. Gururaj Pandurang Kundargi	Order.No. 1(10)/2006-RM-II dated May 28, 2008	Appointed for a period of 5 years or date of superannuation whichever is earlier w.e.f. June 2, 2008 or the date of assumption of the charge of the post	June 1, 2013
Mr. Vijay V. Kale	Order No. 1(8)2007/RM-II dated June 7, 2010	Appointed as part-time non-official Director for a period of 3 years w.e.f. the date of assumption of the charge of the post or until further orders, whichever is earlier.	June 24, 2013
Dr. Madhu Vij	Order No. 1(8)2007/RM-II dated June 7, 2010	Appointed as part-time non-official Director for a period of 3 years w.e.f. the date of assumption of the charge of the post or until further orders, whichever is	June 24, 2013

Name of Director	Office Orders issued by the MoS	Term	Date of expiration of term of office
		earlier.	
Dr. Subir K. Bhattacharyya	Order No. 1(8)2007/RM-II dated June 7, 2010	Appointed as part-time non-official Director for a period of 3 years w.e.f. the date of assumption of the charge of the post or until further orders, whichever is earlier.	June 24, 2013

Remuneration of our Directors

As per the AoA of our Company, the Directors shall be paid such salary and/or allowance as the President may, from time to time, determine. Subject to the provisions of Section 314 of the Companies 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 services rendered by him or them or otherwise.

Further, pursuant to memoranda issued by the DPE on November 26, 2008 and April 2, 2009 ("**Memorandum No. 1**"), and the Presidential directive bearing F. No: 32/11/2009- H.II dated April 30, 2009 ("**Presidential Directive**") the GoI has decided to revise the pay scales of board members and executive officers of central public sector enterprises ("**CPSE**"), including our Company, retrospectively from January 2007. However, the same is pending implementation by our Company. Accordingly, the remuneration set forth below for each of the Directors will be revised.

The following table sets forth the details of the gross remuneration for our whole-time directors for Fiscal 2010.

S. No.	Name	Basic Salary and Dearness Allowance ₹	House Rent Allowance/Lease ₹	Other benefits ₹	Provident Fund ₹	Gross Total ₹
1.	Mr. Kumar Jitender Singh[1]	1,054,565	0	154,798	126,547	1,335,910
2.	Mr. M. A. V. Goutham	1,453,007	137,842	449,659	204,710	2,245,218
3.	Mr. Anup K. Mehra	1,276,710	79,985	581,887	199,100	2,137,682
4.	Mr. Gururaj Pandurang Kundargi	1,287,078	53,560	425,242	175,486	1,941,366

[1] Mr. *Kumar Jitender Singh has been granted use of an official residence bungalow constructed for such purposes of the Chairman-cum-Managing Director*

The independent Directors of our Company are paid sitting fees of ₹ 7,500 per meeting, as is decided by our Board of Directors from time to time.

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/her employment with our Company.

Details of terms and conditions of employment of our Company's Whole Time Directors

As per the Articles of Association of our Company, all members of our Board of Directors shall be appointed by the President of India.

The appointment orders indicating the scale of pay and tenure of the Directors have been issued in respect of all the Directors by the President of India. Detailed terms and conditions of service with respect to each director are set out as follows:

Period: The period of appointment will be 5 years from the date of appointment, as the case may be, in the first instance or till the age of superannuation or until further orders, whichever event occurs earlier and in accordance with the provisions of the Companies Act. The appointment may, however, be terminated even during this period by either side on 3 months notice or on payment of three months salary in lieu thereof.

After the expiry of the first year from the date of appointment, the performance of the Directors will be reviewed to enable the Government to take a view regarding continuance or otherwise for the balance period of tenure.

Headquarters: Headquarters will be at Nagpur where the registered office/ headquarters of our Company are located. The Directors will be liable to serve in any part of the country at the discretion of the CPSE.

Further as per the letters setting out the detailed terms and conditions of appointment, in addition to the basic pay, the Directors would also be entitled to Dearness Allowance, residential accommodation/ payment of House Rent Allowance and recovery of rent for the accommodation provided, annual increments, conveyance and other benefits and perquisites in accordance with the rules of our Company.

Conduct, discipline and appeal rules:

The conduct, discipline and appeal rules framed by our Company in respect of their non-workmen category of staff would also mutatis mutandis apply to the Directors with the modification that the disciplinary authority in his case would be the President.

The Government also reserves the right not to accept their resignation if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has taken by the competent authority to issue a charge sheet to them.

Restriction on joining private commercial undertaking after retirement:

After retirement from the service of our Company, the Directors shall not accept any appointment or post, whether advisory or administrative, in any firm or company whether Indian or foreign, with which our Company has or had business relations, within one years from the date of his retirement, without prior approval of the Government.

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 other than as a nominee holding one share on behalf of the Government of India.

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 Red Herring 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 within two years of the date of filing of this Red Herring Prospectus or presently intended to be acquired by our Company as disclosed in this Red Herring 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

No.	Name of Director	Date of Appointment	Date of Cessation	Reason for Change
1.	Mr Bal Kishan Gupta	November 9, 2010	Continuing	Appointed pursuant to the order of the President of India acting through the MoS
2.	Mr Hem Chander Disodia	November 9, 2010	Continuing	Appointed pursuant to the order of the President of India acting through the MoS
3.	Mr Sanjeeva Narayan	October 16, 2010	Continuing	Appointed pursuant to the order of the President of India acting through the MoS

No.	Name of Director	Date of Appointment	Date of Cessation	Reason for Change
4.	Dr. Madhu Vij	June 25, 2010	Continuing	Appointed pursuant to the order of the President of India acting through the MoS
5.	Dr. Subir K. Bhattacharyya	June 25, 2010	Continuing	Appointed pursuant to the order of the President of India acting through the MoS
6.	Mr. Vijay V. Kale	June 25, 2010	Continuing	Appointed pursuant to the order of the President of India acting through the MoS
7.	Dr. M. Maharajan	June 25, 2006	June 25, 2010	Withdrawal pursuant to order of the President of India acting through the MoS
8.	Dr. D.D. Kaushik	June 25, 2007	June 25, 2010	Withdrawal pursuant to order of the President of India acting through the MoS
9.	Mr. A. Balraj	June 25, 2007	June 25, 2010	Withdrawal pursuant to order of the President of India acting through the MoS
10.	Mr. S.K. Banarjee	June 28, 2006	June 28, 2009	Withdrawal pursuant to order of the President of India acting through the MoS
11.	Mr. Kumar Jitendra Singh	March 16, 2009	Continuing	Appointed as Chairman cum Managing Director
12.	Mr. K.L. Mehrotra	July 1, 2005	October 31, 2008	Withdrawal pursuant to order of the President of India acting through the MoS
13.	Mr. Surya Kant Mishra	June 19, 2008	November 9, 2010	Withdrawal pursuant to order of the President of India acting through the MoS
14.	Mr. Azeez M. Khan	June 4, 2008	Continuing	Appointed pursuant to the order of the President of India acting through the MoS
15.	Mr. Gururaj Pandurang Kundargi	June 2, 2008	Continuing	Appointed pursuant to the order of the President of India acting through the MoS
16.	Mr. C.P.N. Pathak	September 1, 2005	May 31, 2008	Withdrawal pursuant to order of the President of India acting through the MoS
17.	Mr. Sewa Ram	July 13, 2007	May 15, 2008	Superannuation
18.	Dr. Dalip Singh	April 25, 2008	Continuing	Appointed pursuant to the order of the President of India acting through the MoS
19.	Mr. Elias George	December 11, 2007	April 25, 2008	Superannuation
20.	Mr. V.K. Jairath	February 10, 2005	March 31, 2008	Retired Voluntarily
21.	Mr. Ajoy Kumar	April 20, 2006	December 10, 2007	Withdrawal pursuant to order of the President of India acting through the MoS

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges and the SEBI ICDR Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the corporate governance requirements in accordance with Clause 49 of the Listing Agreement with regard to the composition of the Board of Directors as well as the formation of various committees as required under Clause 49 of the Listing Agreement.

Further our Company has a code of conduct in place which is complied with by the Board of Directors and the senior management of our Company.

In compliance with Clause 49 of the Listing Agreement, our Company has constituted the following committees:

Audit Committee

The Audit Committee of our Company was constituted by the Directors pursuant to a resolution passed at the meeting of the Board held on March 26, 1999 (the "**Audit Committee**"). The present audit committee has been reconstituted pursuant to the circular resolution dated August 30, 2010 and is comprised of the following Directors:

(i) Mr. Vijay V. Kale, Independent Director (Chairman);
(ii) Dr. Subir K. Bhattacharyya, Independent Director;
(iii) Dr. Madhu Vij, Independent Director; and

(iv) Mr. Gururaj Pandurang Kundargi, Whole Time Director.

Our Company Secretary of our Company acts as the secretary to the Audit Committee as laid down under the provisions of Clause 49 of the Listing Agreement.

Scope and terms of reference: The Audit Committee shall be responsible for:

(1) Overseeing our 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 appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;

(3) Approving 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 report of the Board in terms of clause (2AA) of Section 217 of the Companies Act;

  (b) Changes, if any, in accounting policies and practices along with 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 and monitoring, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(7) Reviewing, with the management, performance of statutory and 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) Discussing with the internal auditors any significant findings and follow up there on;

(10) Reviewing the findings of any internal investigations by the internal auditors 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) Discussing with the 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) Looking 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) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(14) Reviewing the functioning of the 'Whistle Blower mechanism', in case the same is existing; and

(15) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

Powers of Audit Committee

The Audit Committee's powers will include the following:

(a) To investigate any activity within its terms of reference;
(b) To seek information from any employee;
(c) To obtain outside legal or other professional advice; and
(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee will mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;
(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
(c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
(d) Internal audit reports relating to internal control weaknesses; and
(e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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. Upto one year prior to the filing of this Red Herring Prospectus, the Audit Committee met on December 29, 2009, March 11, 2009, May 21, 2010, September 10, 2010, September 23, 2010 and October 30, 2009. The attendance for each of these meetings is as follows:

Date of Meeting	No. of Directors attending
December 29, 2009	4
March 11, 2010	4
May 21, 2010	4
September 10, 2010	4
September 23, 2010	4
October 30, 2010	4

Shareholders/ Investor Grievance Committee

The Shareholders/ Investor Grievance Committee (the "**Investor Grievance Committee**") was constituted by the Board on September 10, 2010 and is comprised of the following Directors.

(i) Dr. Madhu Vij, Independent Director (Chairperson);
(ii) Mr. M. A. V. Goutham, Whole Time Director; and
(iii) Mr. Anup K. Mehra, Whole Time Director

Our Company Secretary of our Company acts as the secretary and compliance officer of the Investor Grievance Committee. The terms of reference for the Investor Grievance Committee are as follows:

a) Redressal of Investors' complaints;
b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
c) Issue of duplicate certificates and new certificates on split/ consolidation/ renewal, etc.;
d) Non-receipt of declared dividends, balance sheets of our Company, etc.; and
e) Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

As the Investor Greivance Committee was constituted on September 10, 2010, there have been no meetings of the Investor Greivance Committee as yet.

Remuneration Committee

The Remuneration Committee was originally constituted by the Board on April 30, 2009 (the "**Remuneration Committee**"). The Remuneration Committee has been reconstituted pursuant to the Board resolution dated September 10, 2010 and is comprised of the following Directors:

(i) Dr. Subir K. Bhattacharyya, Independent Director (Chairman); and
(ii) Mr. Vijay V. Kale, Independent Director;
(iii) Dr. Madhu Vij

The terms of reference for the Remuneration Committee include

a) deciding the annual bonus/ variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits; and
b) discharge such other responsibilities as may be applicable and prescribed, in Companies Act, DPE Guidelines and Listing Agreement and other Government Guidelines.

Upto one year prior to the filing of this Red Herring Prospectus, the Remuneration Committee met on May 21, 2010 and all three members were in attendance.

IPO Committee

The Board has constituted an IPO Committee by a Board resolution dated September 10, 2010 so as to expedite the decision making process in relation to the Offer. The composition of the IPO Committee is as follows:

(i) Kumar Jitender Singh, Chairman and Managing Director (Chairman);
(ii) Gururaj Pandurang Kundargi, Director (Production and Planning);
(iii) M. A. V. Goutham, Director (Finance); and
(iv) Anup K. Mehra, Director (Commercial).

The terms of reference for the IPO Committee include

a) Timing, recommendation for pricing of the offer to the Board/ Empowered Group of Ministers (EGoM) and terms and conditions of the offer of the shares, reservation for employees and including the price, and to accept any amendments, modifications, variations or alterations thereto;
b) Determine and recommend (as applicable) to the Board/ Empowered Group of Ministers (EGoM) the floor price/ price band for the Offer, any revision to the price band, Offer opening and closing Dates, Offer price, approve the basis of allocation and confirm allocation of equity shares to various categories of persons as disclosed in this Red Herring Prospectus, Red Herring Prospectus and Prospectus, in consultation with the BRLMs and the Selling Shareholders and do all such acts and things as may be necessary and expedient for and incidental and ancillary to, the offer;
c) Entering into arrangements with the book running lead managers, underwriters, syndicate members, brokers, escrow collection bankers, registrars, IPO grading agency, registrar, legal advisors and any other agencies or persons whose appointment is required in relation to the IPO;
d) Issuing advertisements in such newspapers as it may deem fit and proper about the company, its business and the proposed offer conforming to the guidelines and regulations issued by SEBI in this regard;
e) Opening separate accounts such as escrow accounts, refund accounts and public issue accounts with scheduled banks for receiving application monies along with the applications in respect of the IPO;

f) Making applications to the RBI, FIPB and such other authorities, as may be required, for the purpose of the offer of shares to non-resident investors, including NRIs and FIIs pursuant to the IPO;

g) Making applications for listing of the equity shares of our Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);

h) Do or authorize its officers to do all such deeds and acts as may be required to dematerialize the equity shares of our Company and to sign agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited and such other agencies, as may be required in this connection;

i) Finalizing the basis of allocation and transferring the equity shares to the successful bidders;

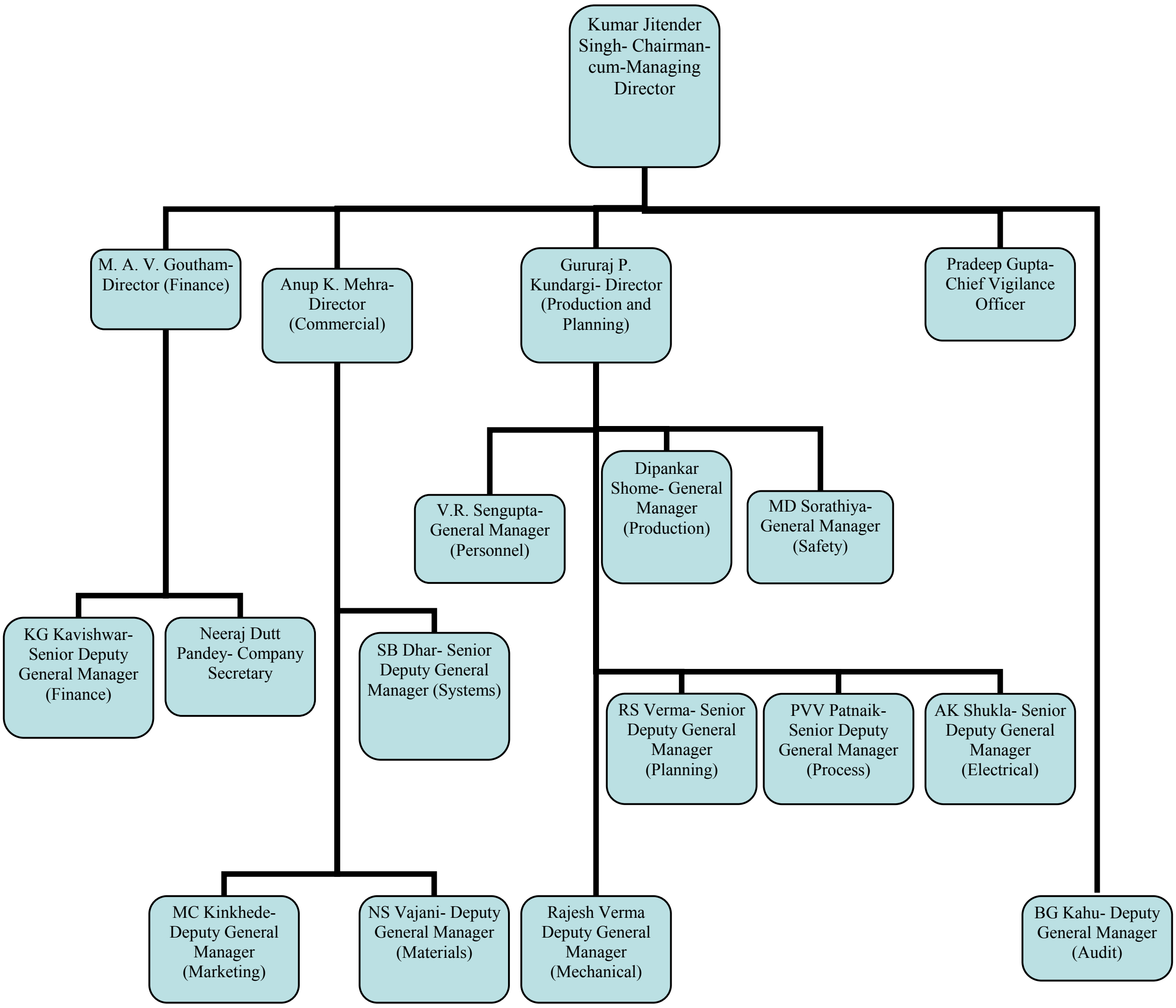
j) Settling all questions, difficulties or doubts that may arise in relation to the IPO as it may in its absolute discretion deem fit;

k) Submitting undertakings/certificates or providing clarifications to the SEBI and the relevant stock exchanges where the equity shares of our Company are to be listed; and

l) Authorizing/ delegate powers to the representatives of our Company to take necessary actions for the purposes of the IPO.

As the IPO Committee was constituted on September 10, 2010, there have been no meetings of the IPO Committee as yet.

MANAGEMENT ORGANISATION CHART



Key Management Personnel

The details of our Company's Key Management Personnel as on the date of filing this Red Herring Prospectus are as follows:

Mr. Pradeep Gupta, 40 years, was appointed as Chief Vigilance Officer of our Company on deputation from the Indian Police Service. He holds a bachelor's degree in technology from the Indian Institute of Technology, Delhi and an M. Phil from Jawaharlal Nehru University, Delhi. He joined our Company as Chief Vigilance Officer on March 18, 2010 having previously worked with the Indian Police Service for 13 years and his current role primarily involves detection of corruption and malpractices and suggests corrective steps for prevention of corrupt practices. Mr. Gupta is employed within the ₹ 37400-3%-67000 (CDA) pay pattern and his basic salary as on date is ₹ 41,690 plus grade pay of ₹ 8,700 per month. The remuneration paid to him for the year ended March 31, 2010 was ₹ 0.1 million.

Mr. V.R. Sengupta, 58 years, is the General Manager (Personnel) of our Company. He holds a master's degree in sociology and a diploma in industrial relations and personnel management both from the University of Nagpur. He joined our Company as an Assistant Personnel Officer on July 24, 1980 and has provided 30 years of service in our Company in various capacities such as Senior Manager (Personnel), Chief (Personnel), Deputy General Manager(Personnel). His current role primarily involves leading the 'Personnel and Industrial Relation Wing' of our Company. Mr. Sengupta is presently employed within the ₹ 43,200-3%-66,000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.2 million.

Mr. Dipankar Shome, 49 years, is the General Manager (Mines) for our Company, he was appointed to this position on August 29, 2008. He holds a bachelors's degree in science, a bachelors' degree in public administration and a master's degree in industrial relations and personnel management from Nagpur University. He is an associate member of the Institute of Engineers and holds a master's in engineering (mining) from Bengal Engineering College, (Kolkata University). He has approximately 20 years of experience in the field of mining operations with organizations such as the Orissa Minerals Development Corporation Limited. His current role primarily involves overseeing of production and quality control of activities in respect of all the mines of our Company. Mr. Shome is presently employed under ₹ 43,200-3%-66,000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 0.9 million.

Mr. M.D. Sorathiya, 56 years, is the General Manager (Safety) for our Company. He holds a diploma in mining engineering from Nagpur University and has also acquired a first class Mine Manager's Certificate of Competency (Unrestricted) from the Director General of Mines Safety. He joined our Company as a Mining Engineer on April 27, 1976. He has provided 34 years of service to our Company in various capacities such as Assistant Manager, Underground Manager, Mine Manager, Agent and Deputy General Manager (Mines), Deputy General Manager (Safety) and his current role primarily involves overseeing the 'Safety and Environment Wing' of our Company. Mr. Sorathiya is presently employed under the ₹ 43,200 -3%- 66,000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.3 million.

Mr. S.B. Dhar, 54 years, is the Senior Deputy General Manager (System) for our Company. He holds a bachelors' degree and a masters' degree in systems from Kolkata University and has also obtained a diploma in computer management and operation research and a master's degree in management studies from Pune University. He joined our Company as Senior Manager (System) on January 6, 1993. He has provided 17 years of service to our Company in various capacities such as Senior Manager (System), Deputy Chief (System), Chief (System) and Deputy General Manager (System) and his current role primarily involves overseeing the system department of our Company. He has a total of 28 years experience gained in the information technology field having also worked with organizations such as National Informatics Bureau and Hindustan Aeronautics Limited. Mr. Dhar is presently employed in the ₹ 36,600 -3%- 62,000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.4 million.

Mr. A.K. Shukla, 54 years, is the Senior Deputy General Manager (Electrical) for our Company. He holds a bachelors' degree in engineering (electrical) from Ravishankar University, Raipur. He joined our Company as an Electrical Engineer on June 18, 1980. He has provided 30 years of service to our Company in various capacities such as Senior Manager (Electrical), Chief (Electrical), Deputy General Manager (Electrical) and his current role primarily involves overseeing the electrical discipline of our Company and also as the chief executive officers of one of our Company's joint venture, SAILMOIL Ferro Alloys Private Limited. Mr. Shukla is presently employed under the ₹ 36,600 -3%- 62,000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.2 million.

Mr. K.G. Kavishwar, 58 years, is the Senior Deputy General Manager (Finance) for our Company. He holds a bachelor's degree in communications and a master's degree in communications from the University of Nagpur. He joined our Company as a non executive employee on June 21, 1973. He has provided 38 years of service to our Company in various capacities such as Assistant (Accounts), Accountant, Assistant Manager (Finance), Manager (Finance), Senior Manager (Finance), Chief (Finance) and Deputy General Manager (Finance) and his current role primarily involves overseeing the finance section of our Company. Mr. Kavishwar is presently employed under the ₹ 36,600-3%-62,000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.2 million.

Mr. R.S. Verma, 51 years, is a Senior Deputy General Manager (Mines) with our Company. He holds a bachelor's in engineering (mining) from Ravishankar University, Raipur and a first class Mine Manager's Certificate of Competency (Unrestricted) issued by the Director General of Mines Safety. He joined our Company as a Mining Engineer on September 7, 1982. He has provided 28 years of service in our Company in various capacities such as Senior Manager (Mines), Chief (Mines), Mine Manager, and Deputy General Manager (Mines) and his current role primarily involves overseeing the planning division of our Company. Mr. Verma is presently employed under the ₹ 36,600 -3%- 62,000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.5 million.

Mr. P.V.V. Patnaik, 47 years, is the Senior Deputy General Manager (Process) of our Company. He holds a masters' degree in science from Gulmarga University, Karnataka, a master's in technology from Mangalore University, Karnataka and a master's in business management from the Nagpur University. He joined our Company as a Manager (Process) on August 20, 1991. He has provided 20 years of service to our Company in various capacities such as Senior Manager, Chief and Deputy General Manager and his current role primarily involves acting as the Chief Executive Officer of our joint venture, RINMOIL Ferro Alloys Private Limited. He has a total of 23 years experience gained in the minerals processing field having also worked with organizations such as Hira Alloys Private Limited and Khandelwal Ferro Alloys. Mr. Patnaik is presently employed under the ₹ 36,600-3%-62,000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.2 million.

Mr. Neeraj Dutt Pandey, 34 years, is our Company Secretary of our Company. He holds a masters' degree in Commerce and is a law graduate from Indore University. He completed his Company Secretarial Course in 2002 from the Institute of Company Secretaries of India, New Delhi. He started his career in 2002 as a Company Secretary with Indo Thai Securities Limited. He has worked with companies such as D&H Secheron Electrodes Limited and Arihant Capital Market Limited. He joined our Company as Company Secretary on September 1, 2008 and his current role involves holding the charge of Company Secretary to our Company. He has a total experience of 8.5 years. Mr. Pandey is presently employed under the ₹ ₹ 20,600-3%-40,500 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 0.5 million.

Mr. Madhav C. Kinkhede, 54 years, is the Deputy General Manager (Marketing) of our Company. He holds a bachelors' degree in science, a masters' degree in sociology and bachelors' in journalism all from Nagpur University and a masters' degree in business administration from The University of Hull. He started his career as a manager with Nagpur Automobiles and joined our Company as Deputy Sales Officer on January 20, 1981. He has been an employee of our Company for 29 years in various capacities such as Manager, Senior Manager, Vigilance Officer, Deputy Chief, Chief and has a total experience of 34 years. His current role primarily involves overseeing the Marketing Department of our Company. Mr. Kinkhede is presently employed under the ₹ 32900-3%-58000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.2 million.

Mr. R. K. Verma, 43 Years, is the Deputy General Manager (Mechanical) of our Company. He holds a bachelors' in mechanical engineering from Government Engineering College, Rani Durgavati University, Jabalpur. He started his career as a Mechanical Engineer with our Company on October 1, 1989. He has been an employee of our Company for 21 years in various capacities such as Senior Manager, Deputy Chief, Chief and has been the Engineer In-charge of various opencast & underground mines including operation & maintenance of ore processing plants. He has 21 years of experience and his current role primarily involves overseeing the Mechanical Department of our Company. Mr. Verma is presently employed under the ₹ 32900-3%-58000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.1 million.

Mr B. G. Kahu, 58 years, is the Deputy General Manager (Finance & Internal Audit) of our Company. He holds a masters' degree in Commerce from Nagpur University. He joined our Company as an Assistant Accountant on December 16, 1974. He has been an employee of our Company for 36 years in various capacities such as Assistant Accountant, Accountant, Assistant Accounts Officer, Manager (Finance), Senior Manager (Finance), Deputy Chief (Finance) and Chief (Finance). His current role primarily involves as In-charge of Accounts & Internal Audit Department. Mr. Kahu is presently employed under the ₹ 32900-3%-58000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.1 million.

Mr N. S. Vanjani, 56 Years, is the Deputy General Manager (Materials) of our Company. He holds a bachelors' degree in commerce and a masters' degree in commerce from Nagpur University, a diploma in business management and a post graduate diploma in Materials Management from Bharatiya Vidhya Bhawan. He started his career in 1974 in Mineral Exploration Corporation Limited, Nagpur. He has joined our Company as an Assistant Materials Officer on September 22, 1982. He has been an employee of our Company for 28 years in various capacities such as Manager, Senior Manager, Deputy Chief and Chief. His current role primarily involves overseeing the Materials and Purchase Department of our Company. Mr. Verma is presently employed under the ₹ 32900-3%-58000 (IDA) pay pattern. The total remuneration paid to him for the year ended March 31, 2010 was ₹ 1.0 million.

All the Key Management Personnel are on the rolls of our Company and 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 herein below:

Sr. No.	Name	Date of Assumption of Charge	Date of expiry of term	Termination / Retirement benefits, if any
1.	Mr. Pradeep Gupta	March 16, 2010	July 31, 2031	Provident Fund, Insurance, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance
2.	Mr. V.R. Sengupta	July 24, 1980	December 31, 2012	Provident Fund, Insurance, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
3.	Mr. Dipankar Shome	August 28, 2008	May 31, 2021	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance
4.	Mr. M. D. Sorathiya	April 1, 1976	November 30, 2014	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance
5.	Mr. S. B. Dhar	November 2, 1992	March 31, 2016	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance
6.	Mr. A. K. Shukla	June 16, 1980	January 30, 2016	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance.
7.	Mr. K. G. Kavishwar	June 19, 1973	May 31, 2012	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance
8.	Mr. R. S. Verma	February 10, 1982	February 28, 2019	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, transportation Allowance, Settling Allowance
9.	Mr. P. V. V. Patnaik	October 14, 1982	August 31, 2023	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance
10.	Neeraj Dutt Pandey	September 1, 2008	November 30, 2036	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance

Sr. No.	Name	Date of Assumption of Charge	Date of expiry of term	Termination / Retirement benefits, if any
11.	M. C. Kinkhede	January 20, 1981	July 31, 2016	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance
12.	R. K. Verma	October 1, 1989	November 30, 2027	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance
13.	B. G. Kahu	December 16, 1974	April 30, 2012	Provident Fund, Gratuity, Leave Encashment, Post Retirement Medical Benefit, Transportation Allowance, Settling Allowance
14.	N.S. Vajani	September 22, 1982	February 28, 2015	Provident Fund, Gratuity, 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 Red Herring 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.

Following requisite approval by our Company's Board in its meeting dated September 24, 1997, all of our Company's non-executive staff and piece rated workers are entitled to the payment of a bonus/incentive under our Company's Memorandum of Understanding Linked Incentive Scheme, 1997. The incentive scheme is applicable to all non executive employees of our Company and came into force upon the approval of the Ministry of Steel on February 23, 1998. The Board has approved the payment of ₹ 72.3 million to the employees of our Company as annual performance incentive for the year 2008-2009.

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.

The executive employees of our Company are eligible for a Performance Related Pay as recommended under the Rao Commission Report and as provided in the Office Memorandum no. 2 (70)/08-DPE (WC) dated November 26, 2008, from the DPE. The Performance Related Pay is based on the physical and financial performance of our Company and is funded through the profits of our company. 60% of the Performance Pay is funded through the profits of our Company subject to a ceiling of 3% of the profit before tax of our Company and 40% of the Performance Pay is funded through 10% of the incremental profit of our Company. The total performance related pay will not exceed 5% of the profit before tax of our Company. The quantum of such performance related pay is also dependent upon the rating our Company receives under the Memorandum of Understanding Linked Incentive Scheme. For further information on the Memorandum of Understanding Linked Incentive Scheme, please see "***History and Certain Corporate Matters-Memorandum of Understanding between the Ministry of Steel and our Company***" on page 106 of this Red Herring Prospectus.

Shareholding of the Key Management Personnel

None of our Company's Key Management Personnel hold any Equity Shares in our Company.

Interest of Key Management Personnel

None of our Company's Key Management Personnel have any interest in our Company 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.

Changes in our Company's Key Management Personnel during the last three years

Sr. No.	Project/Department	Designation on the date of cessation	From	Date of cessation	Reason
1	Mr. H.R. Kalihari	Senior Deputy General Manager (Mines)	April 9, 1980	May 10, 2007	Voluntary Retirement
2	Mr. B. Chakravorty	Senior Deputy General Manager (Marketing)	April 1,1981	July 31, 2007	Voluntary Retirement

Bonus or profit sharing plan for the Key Management Personnel

Other than as specified above in "***Payment of benefit to officers of our Company***" on page 123 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 the date of filing this Red Herring Prospectus.

Sl. No.	Name of the employee	Loans outstanding (₹)
1	Mr. V.R.Sengupta, General Manager (Personnel)	43,768.68
2	Mr. A.K.Shukla, Senior Deputy General Manager (Electrical)	141,981.34
3	Mr. P.V.V.Patnaik, Senior Deputy General Manager (Process)	114,146.98
4	Mr. M.C.Kinkhede, Deputy General Manager (Marketing)	274,444.30
5	Mr. Rajesh Verma, Deputy General Manager (Mechanical)	267,570.09
6	Mr. B.G.Kahu, Deputy General Manager (Finance) - Internal Audit	85,555.69

Turnover/ Remuneration of our Key Management Personnel

The turnover/ remuneration of our Key Management Personnel are comparable to the mining sector.

OUR PROMOTER AND GROUP COMPANIES

Our Promoter is the President of India, acting through the MoS, Government of India, therefore disclosure of our 'group companies' as defined under Schedule VIII of the SEBI ICDR Regulations has not been provided. Our Promoter holds 81.6% of the present paid-up Equity Share capital and assuming the sale of all the Equity Shares in the Offer, our Promoter will hold 71.6% of the post-Offer paid-up Equity Share capital of our Company.

In addition to our Promoter, our Promoter Group includes such persons and entities constituting our promoter group pursuant to Regulation 2 (1) (zb)(d) of the SEBI ICDR Regulations namely the Governor of the state of Madhya Pradesh, acting through the Finance Department, Government of Madhya Pradesh and the Governor of the state of Maharashtra, acting through the Industries, Energy and Labour, Government of Maharashtra. For futher details, please see "***Capital Structure***" on page 25 of this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see "***Financial Statements-Related Party Transactions***" on page F-37 of this Red Herring Prospectus.

DIVIDEND POLICY

Our 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 our Company. The dividend shall be declared or paid by our 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 six months ended on September 30, 2010 and September 30, 2009 is presented below.

(₹ *in million except as mentioned otherwise*)

Particulars	**Six months ended**		**Year ended**				
	September 30, 2010	**September 30, 2009**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Equity Share Capital	1680.0	280.0	1680.0	280.0	280.0	280.0	153.3
Face Value (₹)	10	100	10	100	100	100	100
No. of Shares (Nos.)	168,000,000	2,800,000	168,000,000	2,800,000	2,800,000	2,800,000	1,532,514
Rate of Dividend (%)							
Interim %	**Nil**	**Nil**	22%	200%	130%	80%	80%
Final %	**Nil**	**Nil**	34%	275%	215%	20%	50%
Total Dividend Rate %							
Amount of Dividend							
Interim	**Nil**	**Nil**	₹ 369.6	₹ 560.0	₹ 364.0	₹ 224.0	₹122.6
Final	**Nil**	**Nil**	₹ 571.2	₹ 770.0	₹ 602.0	₹ 56.0	₹ 76.6
Total dividend	**Nil**	**Nil**	**₹ 940.8**	**₹ 1330.0**	**₹ 966.0**	**₹ 280.0**	**₹199.2**
Corporate Dividend Tax							
Interim	**Nil**	**Nil**	₹62.8	₹ 95.2	₹ 61.9	₹ 31.4	₹ 17.2
Final	**Nil**	**Nil**	₹ 94.9	₹130.8	₹102.3	₹ 9.5	₹ 10.7
Total	**Nil**	**Nil**	**₹ 157.7**	**₹ 226.0**	**₹ 164.2**	**₹ 40.9**	**₹ 27.9**

The amounts paid as dividend in the past are not indicative of our dividend policy in the future. Dividends are declared at the annual general meeting of the shareholders based on recommendations by the board. Our Company's board may recommend dividends, at its discretion, to be paid to our Company's shareholders. Our Company's board may also declare interim dividends. Our Company's board considers a number of factors in making a recommendation to pay a dividend, including but not limited to our Company's profits, capital expenditure programmes and overall financial conditions. No dividends are payable except in cash.

SECTION V – FINANCIAL INFORMATION

Auditor's Report on
Restated Standalone Financial Information in Relation to Red Herring Prospectus of
MOIL Limited, Nagpur.

To,
The Board of Directors,
MOIL Ltd.,
NAGPUR.

Dear Sirs,

(1) We have examined the attached standalone financial information of MOIL 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 Regulations"), and in terms of our engagement agreed upon with you in accordance with our engagement letter dated September 18, 2010 in connection with the proposed equity offering (Initial Public Offering) by the selling shareholders, viz., the President of India and The Governors of States of Maharashtra and Madhya Pradesh, in MOIL Limited (the "Company"). The preparation and the presentation of these financial information is the responsibility of the company's management. Our responsibility is to express an opinion on these financial information based on our audit.

(2) We have examined the attached Restated Standalone Statement of Assets and Liabilities of the Company as of March 31, 2010, 2009, 2008, 2007 and 2006 and as of September 30, 2010 and September 30, 2009 and Restated Standalone Statement of Profit or Loss and cash flow of the Company for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 and for the six months period ended September 30, 2010 and September 30, 2009 (together referred to as "Restated Summary Statements"). These Restated Summary Statements have been extracted by the Management from the Audited financial statements for the year ended March 31, 2010, 2009, 2008, 2007 and 2006 and six months ended on September 30, 2010 and September 30, 2009. Audit for the financial year ended March 31, 2006 and March 31, 2007 was conducted by previous auditors, M/s. Rodi Dabir & Co., Chartered Accountants, Nagpur. The financial information included for these financial years ended i.e., March 31, 2006 and March 31, 2007, 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) The restated summary statement for the above periods was examined in accordance with the Engagement Standards issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform our audit to obtain reasonable assurance, whether the restated financial summary under examination is free of material misstatement.

(4) 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.

(5) 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 Statements of Assets and Liabilities of the Company (Annexure-1) as on the date specified above, as setout in annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more particularly described in annexures referred under para 6 and 7.

(b) The standalone Restated Summary Statements of Profit or Loss of the Company (Annexure-2) for the above specified period, as setout in annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more particularly described in annexures referred under para 6 and 7.

(c) The standalone Restated Summary Statements of Cash Flow of the Company (Annexure-3) for the above specified period, as setout in annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more particularly described in annexures referred under para 6 and 7.

(6) The annexures referred to above are given subject to notes under various annexures, viz., “Summary Statement of adjustments made” (Annexure-4) “Notes on Adjustments made of Restated Financial Statements “(Annexure-5A), “Notes on Adjustments not made for Restated Financial Statements “(Annexure-5B), “Other Notes on Restated Financial Statements “(Annexure-5C), and “Significant Accounting Policies” (Annexure-6).

(7) Based on above and also as per the reliance placed on the reports submitted by the previous auditors M/s. Rodi, Dabir & Co., Chartered Accountants, Nagpur for financial years ended March 31, 2006 and March 31, 2007, 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, subject to the following, as also brought out in Annexure 5-B.

a Liability in respect of payment of gratuity and leave encashment has been reassessed in financial year 2007-08 on the basis of actuarial valuation as per revised accounting standard AS-15 on employee benefits. The liability was provided earlier on actuarial basis as per pre-revised AS-15. On adoption of the revised AS-15, additional liability of earlier years amounting to ₹ 156.03 million and ₹ 80.35 million has been charged to general reserve and deferred tax asset respectively in the year 2007-08. No restatement has been done for earlier years as the same requires prospective adjustment only. Similarly, there are practical problems in adoption of the revised AS-15 in earlier years for making the adjustments.

b The company has changed its policy on treatment of prepaid expenses in the year 2008-09. Earlier, the expenditure was bifurcated into revenue and prepaid expenses in all cases. However, from financial year 2008-09, the company has taken a decision to charge amount upto ₹ 0.10 million in the year of payment itself. The impact due to change in accounting policy is not material and, hence, not taken to respective years.

(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.

(8) We have also examined the following restated standalone and other financial information setout in annexures, prepared by the management and approved by the Board of Directors, relating to the Company in respect of the year ended March 31, 2010, 2009, 2008, 2007 and 2006 and the six months ended September 30, 2010 and September 30, 2009 proposed to be included in the offer document. These informations have been included based upon the reports submitted by the previous auditors M/s. Rodi, Dabir & Co., Chartered Accountants, Nagpur for financial years ended March 31, 2006 and March 31, 2007 and relied upon by us.

(a) Statement of share capital, as restated, as at the end of each of the five years and for the six months stated above (Annexure 7).

(b) Statement of reserves and surplus, as restated, as at the end of each of the five years and for the six months stated above (Annexure 8).

(c) Statement of secured and unsecured loans, as restated, as at the end of each of the five years and for the six months stated above (Annexure 9).

(d) Statement of capitalization, as restated, as at September 30, 2010 (Annexure 10).

(e) Statement of investments, as restated, as at the end of each of the five years and for the six months stated above (Annexure 11).

(f) Statement of inventories, as restated, as at the end of each of the five years and for the six months stated above (Annexure 12).

(g) Statement of sundry debtors, as restated, as at the end of each of the five years and for the six months stated above (Annexure 13).

(h) Statement of loans and advances, as restated, as at the end of each of the five years and for the six months stated above (Annexure 14).

(i) Details of current liabilities and provisions, as restated, as at the end of each of the five years and for the six months stated above (Annexure 15).

(j) Details of sales for each of the five years and for the six months stated above (Annexure 16).

(k) Details of other income for each of the five years and for the six months stated above (Annexure 17).

(l) Summary of contingent liabilities as at the end of each of the five years and for the six months stated above (Annexure 18).

(m) Statement of dividend paid and proposed for each of the five years and for the six months stated above (Annexure 19).

(n) Statement of accounting ratios, as restated, for each of the five years and for the six months stated above (Annexure 20).

(o) Statement of tax shelters, as restated, for each of the five years and for the six months stated above (Annexure 21).

(p) Statement of segment-wise report, as restated, for each of the five years and for the six months stated above (Annexure 22, 22A to 22D).

(q) Statement of related party transactions for each of the five years and for the six months stated above (Annexure 23).

In our opinion, the financial information contained in Annexure 7 to 23 of this report read along with the Significant Accounting Policies and Notes in Annexures 4 to 6 prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the SEBI Regulations.

(9) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the Proposed Equity Offering (Initial Public Offering) by the Selling Shareholders of the company. Our report should not be used for any other purpose except with our prior consent in writing.

For SHAH BAHETI CHANDAK & CO.,
CHARTERED ACCOUNTANTS
FRN NO.109513W

New Delhi, dated the
30th October, 2010

(ASHOK CHANDAK)
PARTNER
Membership No.**030828**

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 1**

Summary of statement of assets and liabilities, as restated

₹ in millions

		Particulars	As at		As at				
			30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A		**Fixed assets**							
	(a)	Gross block	3,802.20	3,523.42	3,570.27	3,420.00	3,024.76	1,833.07	1,471.97
	(b)	Less : Depreciation	1,737.96	1,486.42	1,604.86	1,363.63	1,135.97	988.36	860.30
	(c)	Net block	2,064.24	2,037.00	1,965.41	2,056.37	1,888.79	844.71	611.67
	(d)	Less : Revaluation reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(e)	Net block after revaluation reserve	2,064.24	2,037.00	1,965.41	2,056.37	1,888.79	844.71	611.67
	(f)	Capital work in progress	225.17	228.72	221.78	154.53	85.53	411.34	125.58
	(g)	Total fixed assets	2,289.41	2,265.72	2,187.19	2,210.90	1,974.32	1,256.05	737.25
B		**Investments**	22.13	2.13	2.13	1.13	0.13	0.13	0.15
C		**Current assets, loans and advances**							
	(a)	Inventories	454.22	389.84	463.82	570.74	235.17	312.65	593.42
	(b)	Sundry debtors	897.03	1,330.97	857.45	610.89	1,589.29	499.86	455.68
	(c)	Cash and bank balances	17,628.76	12,814.81	14,870.98	12,321.72	6,085.53	3,214.94	2,181.40
	(d)	Other current assets	543.87	478.64	597.77	541.39	215.11	114.32	62.42
	(e)	Loans and advances	368.04	233.30	631.30	406.68	254.29	171.49	195.50
	(f)	Total current assets, loans and advances	19,891.92	15,247.56	17,421.32	14,451.42	8,379.39	4,313.26	3,488.42
D		**Total assets (A + B + C)**	22,203.46	17,515.41	19,610.64	16,663.45	10,353.84	5,569.44	4,225.82
E		**Liabilities and provisions**							
	(a)	Current liabilities	1,540.33	1,735.90	1,458.65	1,831.50	1,332.84	823.95	556.46
	(b)	Provisions	473.23	417.39	1,256.50	1,437.50	990.78	116.95	109.82
	(c)	Total current liabilities and provisions	2,013.56	2,153.29	2,715.15	3,269.00	2,323.62	940.90	666.28
	(d)	Deferred tax liabilities	107.80	152.36	128.33	185.02	167.68	95.40	18.62
	(e)	Total liabilities	2,121.36	2,305.65	2,843.48	3,454.02	2,491.30	1,036.30	684.90
F		**Net worth (A + B + C - E)**	20,082.10	15,209.76	16,767.16	13,209.43	7,862.54	4,533.14	3,540.92
G		**Represented by :**							
	(a)	Share capital	1,680.00	280.00	1,680.00	280.00	280.00	280.00	153.25
	(b)	Reserves and surplus	18,402.10	14,929.76	15,087.16	12,929.43	7,582.54	4,253.14	3,387.67
	(c)	Less : Revaluation reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(d)	Reserves and surplus (Net of revaluation reserve)	18,402.10	14,929.76	15,087.16	12,929.43	7,582.54	4,253.14	3,387.67
	(e)	Total share capital *plus* reserves	20,082.10	15,209.76	16,767.16	13,209.43	7,862.54	4,533.14	3,540.92
	(f)	Less : Miscellaneous expenditure not written off	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(g)	**Net worth**	20,082.10	15,209.76	16,767.16	13,209.43	7,862.54	4,533.14	3,540.92

Note : The above statement should be read with notes on adjustments made to restated financial statements (Annexure 5-A), notes on adjustments not made to restated financial statements (Annexure 5-B), other notes to restated financial statements (Annexure 5-C) and significant accounting policies (Annexure 6)

For Shah Baheti Chandak & Co.,
Chartered Accountants,
FRN No. 109513W

CA Ashok Chandak
Partner (Membership No. 030828)
Place : New Delhi
Date : 30th October, 2010

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 2**

Summary of statement of profit and loss, as restated

₹ in millions

	Particulars	For six months ended		For the year ended				
		30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	**Income**							
(a)	Net sales (Manufactured goods)	6,350.50	4,300.69	9,693.95	12,933.44	9,775.38	4,173.23	3,313.24
(b)	Other income	613.67	642.83	1,299.80	1,117.06	466.42	283.91	206.26
(c)	Accretion/(-)decretion to stocks	(39.26)	(207.51)	(115.22)	343.59	(87.32)	(289.73)	117.87
(d)	Total	6,924.91	4,736.01	10,878.53	14,394.09	10,154.48	4,167.41	3,637.37
B	**Expediture**							
(a)	Ore raising and operating expenses	1,258.51	1,159.02	2,523.27	2,880.91	1,782.81	1,479.88	1,377.52
(b)	Manufacturing and electricity generation expenses	196.93	165.19	371.85	443.24	288.64	259.35	195.88
(c)	Administrative and selling expenses	369.52	252.70	615.23	721.74	475.96	224.22	196.78
(d)	Research and development expenses	11.89	13.66	28.77	16.72	27.94	20.80	12.81
(e)	Write offs and provisions	3.52	3.66	9.27	16.60	68.80	52.24	46.55
(f)	Expenses for diversion of forest land	3.69	0.00	9.22	0.66	0.50	11.57	1.90
(g)	Total operating expenses	1,844.06	1,594.23	3,557.61	4,079.87	2,644.65	2,048.06	1,831.44
C	**Profit before depreciation, interest and taxation**	5,080.85	3,141.78	7,320.92	10,314.22	7,509.83	2,119.35	1,805.93
D	Less : Depreciation	(133.10)	(122.79)	(252.99)	(246.66)	(160.77)	(140.80)	(114.72)
	Less : Interest and finance charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E	Add/(Less) : Prior period items	0.00	0.00	0.00	0.00	0.00	32.92	(1.15)
F	**Profit before tax**	4,947.75	3,018.99	7,067.93	10,067.56	7,349.06	2,011.47	1,690.06
G	**Provisions for taxation**							
(a)	Income tax for current year	1,661.07	1,040.92	2,446.04	3,409.98	2,364.49	608.72	581.31
(b)	Income tax for earlier years	0.00	0.00	16.14	(0.35)	3.35	(8.88)	(37.49)
(c)	Interest on income tax	0.00	0.00	0.00	0.00	41.04	1.02	3.16
(d)	Fringe benefits tax for current year	0.00	0.00	0.00	2.96	2.97	2.76	3.18
(e)	Fringe benefits tax for earlier years	0.00	0.00	(1.02)	(0.30)	(0.61)	(0.08)	0.00
(f)	Total	1,661.07	1,040.92	2,461.16	3,412.29	2,411.24	603.54	550.16
(g)	Deferred tax adjustment for the period	(20.54)	(32.66)	(56.69)	17.34	139.67	65.84	(5.27)
(h)	Total provisions for taxation	1,640.53	1,008.26	2,404.47	3,429.63	2,550.91	669.38	544.89
H	**Net profit after tax as per audited accounts**	3,307.22	2,010.73	4,663.46	6,637.93	4,798.15	1,342.09	1,145.17
I	**Extraordinary items (Net of tax)**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J	**Net profit after tax and extraordinary items**	3,307.22	2,010.73	4,663.46	6,637.93	4,798.15	1,342.09	1,145.17
K	**Adjustments on account of -**							
(a)	Changes in accounting policies	11.57	1.90	1.35	(21.14)	47.28	37.31	(3.43)
(b)	Prior period items						(32.92)	34.07
(c)	Other adjustments		(17.63)	(35.27)	449.34	(329.18)	(30.43)	(3.15)
	Tax impact							
(a)	Current year tax impact	(3.84)	5.35	11.53	(163.57)	109.26	16.40	(0.60)
(b)	Deferred tax liability/asset	0.00	0.00	0.00	0.00	(12.96)	(10.94)	(4.12)
(c)	Tax impact - other adjustments	0.00	0.00	15.13	0.36	3.04	(8.34)	(37.42)
	Total adjustments after tax impact	7.73	(10.38)	(7.26)	264.99	(182.56)	(28.92)	(14.65)
L	**Profit after tax, as restated**	3,314.95	2,000.35	4,656.20	6,902.92	4,615.59	1,313.17	1,130.52

Note : The above statement should be read with notes on adjustments made to restated financial statements (Annexure 5-A), notes on adjustments not made to restated financial statements (Annexure 5-B), other notes to restated financial statements (Annexure 5-C) and significant accounting policies (Annexure 6)

For Shah Baheti Chandak & Co.,
Chartered Accountants,
FRN No. 109513W

CA Ashok Chandak
Partner (Membership No. 030828)

Place : New Delhi
Date : 30th October, 2010

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 3**

Summary of statement of cash flow, as restated

₹ in millions

		Particulars	For six months ended		For the year ended				
			30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	**Cash flow from operating acivities :**								
	(a)	Profit before tax and extra-ordinary items	4,947.75	3,018.99	7,067.93	10,067.56	7,349.06	2,011.47	1,690.06
	(b)	Adjustments (see Annexure 4)	11.57	(15.73)	(33.92)	428.20	(281.90)	(26.04)	27.49
	(c)	**Restated profit before tax**	4,959.32	3,003.26	7,034.01	10,495.76	7,067.16	1,985.43	1,717.55
	Adjustments for :								
	(d)	Depreciation	133.10	122.79	252.99	246.66	160.77	140.80	114.72
	(e)	Discarded assets written off	0.00	0.00	1.23	1.76	1.44	2.09	0.36
	(f)	Interest on deposit with banks	(578.29)	(601.93)	(1,216.79)	(1,038.70)	(434.39)	(219.97)	(134.42)
	(g)	Interest - others	(11.90)	(16.08)	(25.25)	(3.45)	(11.68)	(30.13)	(50.71)
	(h)	Gratuity/leave encashments - additional implications of AS-15					(156.03)		
	(i)	Total adjustments	(457.09)	(495.22)	(987.82)	(793.73)	(439.89)	(107.21)	(70.05)
	(j)	Operating profit before working capital	4,502.23	2,508.04	6,046.19	9,702.03	6,627.27	1,878.22	1,647.50
	Adjustments for changes in working capital :								
	(k)	Inventories	9.60	180.90	106.91	(335.57)	77.48	280.77	(103.50)
	(l)	Receivables	(39.58)	(720.09)	(246.56)	978.41	(1,089.44)	(44.18)	198.06
	(m)	Loans & advances	263.26	173.37	(224.62)	(152.38)	(82.80)	24.01	(57.57)
	(n)	Current liabilities & provisions	(722.12)	(1,148.37)	(610.54)	962.71	1,455.01	351.40	(284.83)
	(o)	Other current assets	53.91	62.76	(56.36)	(326.29)	(100.79)	(51.92)	(21.13)
	(p)	Net changes in working capital	(434.93)	(1,451.43)	(1,031.17)	1,126.88	259.46	560.08	(268.97)
	(q)	**Cash generated from operations**	4,067.30	1,056.61	5,015.02	10,828.91	6,886.73	2,438.30	1,378.53
	(r)	Direct taxes	(1,644.38)	(1,002.91)	(2,377.82)	(3,592.84)	(2,451.56)	(672.26)	(587.01)
	(s)	**Net cash flow from operating activities (A)**	2,422.92	53.70	2,637.20	7,236.07	4,435.17	1,766.04	791.52
B	**Cash flow from investing acivities :**								
	(a)	Purchase of fixed assets	(231.94)	(103.43)	(163.25)	(416.00)	(1,206.29)	(375.93)	(181.97)
	(b)	Changes in capital work in progress	(3.39)	(74.19)	(67.25)	(69.00)	325.81	(285.77)	(112.99)
	(c)	Purchase/sale of investments	(20.00)	(1.00)	(1.00)	(1.00)	0.00	0.03	0.00
	(d)	Interest received on deposits with banks	578.29	601.93	1,216.79	1,038.70	434.39	219.97	134.42
	(e)	Interest received - others	11.90	16.08	25.25	3.45	11.68	30.13	50.71
	(g)	**Net cash flow from investing activities (B)**	334.86	439.39	1,010.54	556.15	(434.41)	(411.57)	(109.83)
C	**Cash flow from financing acivities :**								
	(a)	Payment of dividends	0.00	0.00	(940.80)	(1,330.00)	(966.00)	(280.00)	(199.23)
	(b)	Tax on dividends	0.00	0.00	(157.68)	(226.03)	(164.17)	(40.93)	(27.94)
	(c)	**Net cash flow from financing activities (C)**	0.00	0.00	(1,098.48)	(1,556.03)	(1,130.17)	(320.93)	(227.17)
	Net increase in cash and cash equivalents		2,757.78	493.09	2,549.26	6,236.19	2,870.59	1,033.54	454.52
	Cash and cash equivalents at the -								
	Beginning of the year		14,870.98	12,321.72	12,321.72	6,085.53	3,214.94	2,181.40	1,726.88
	End of the year		17,628.76	12,814.81	14,870.98	12,321.72	6,085.53	3,214.94	2,181.40
	Net increase in cash and cash equivalents		2,757.78	493.09	2,549.26	6,236.19	2,870.59	1,033.54	454.52
Note	Cash and cash equivalents at the end of year consist of the following								
	(a)	Cash in hand	0.89	1.60	0.61	0.75	0.76	0.92	0.86
	(b)	Balance with scheduled banks -							
		In fixed deposits	17,515.86	12,598.92	14,650.17	12,255.55	5,713.45	3,186.37	2,145.21
		In current accounts	112.01	214.29	220.20	65.42	371.32	27.65	35.33
			17,628.76	12,814.81	14,870.98	12,321.72	6,085.53	3,214.94	2,181.40

Note : The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India

For Shah Baheti Chandak & Co.,
Chartered Accountants,
FRN No. 109513W

CA Ashok Chandak
Partner (Membership No. 030828)

Place : New Delhi
Date : 30th October, 2010

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 4**

Statement of adjustments made to restated financial statements

₹ in millions

Particulars	For six months ended		For the year ended				
	30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
1 **Profit after tax as per audited statements**	3,307.22	2,010.73	4,663.46	6,637.93	4,798.15	1,342.09	1,145.17
2 **Adjustments on account of -**							
(a) **Changes in accounting policies**							
(i) Charging VRS expenses in full in the year of incurrence					38.50	32.50	6.71
(ii) Impact of valuation of inventory of slag	11.57	1.90	1.35	(21.14)	8.78	4.81	(10.14)
(b) **Prior period items**							
(i) Prior period depreciation							1.15
(ii) Prior period earnest money deposit forfeiture						(32.92)	32.92
(c) **Other adjustments due to shifting of income/ expenditure to respective years**							
(i) Pay revision provisions shifted to resp years		(17.63)	(35.27)	388.57	(326.03)	(27.28)	
(ii) Arbitration award compensation				60.77	(3.15)	(3.15)	(3.15)
Total adjustments	11.57	(15.73)	(33.92)	428.20	(281.90)	(26.04)	27.49
3 **Tax impact**							
(a) Normal tax impact of adjustments	(3.84)	5.35	26.66	(163.21)	112.30	8.06	(38.02)
(b) Deferred tax impact of adjustments	0.00	0.00	0.00	0.00	(12.96)	(10.94)	(4.12)
Total tax adjustments	(3.84)	5.35	26.66	(163.21)	99.34	(2.88)	(42.14)
Total adjustments and tax impact	7.73	(10.38)	(7.26)	264.99	(182.56)	(28.92)	(14.65)
4 **Net adjusted profits after tax**	3,314.95	2,000.35	4,656.20	6,902.92	4,615.59	1,313.17	1,130.52

NOTES ON RESTATED FINANCIAL STATEMENTS

ANNEXURE 5 - A

A NOTES TO RESTATED FINANCIAL STATEMENTS ON ADJUSTMENTS MADE TO STATEMENT OF PROFIT & LOSS

1 During the year 2007-08, the company has changes its accounting policy relating to expenditure on voluntary retirement scheme. The expenditure incurred during the year and unamortized balance has been charged off to profit and loss statement in full during the year 2007-08. Earlier, the company used to amortize the expenditure over a period of five years. The impact of change, to the extent it pertains to 2004-05 or earlier years, has been carried to general reserve of 2004-05 amounting to ₹ 77.70 million and profit for subsequent years has accordingly been restated. Further, statements for the periods covered by the report have also been restated by considering the amount chargeable to profit and loss statement as per new accounting policy.

2 During the year 2007-08, the company has also changed its accounting policy relating to treatment of captive consumption of power generated from wind turbine generators, which were commissioned during financial year 2006-07. Earlier, the expenditure on account of electricity of consuming units was grossed up and corresponding revenue was shown under other income for the value of electricity generated. As per opinion obtained from the Expert Advisory Committee of the Institute of Chartered Accountants of India, the practice of grossing up electricity charges has been discontinued and the expenses on electricity of consuming units have been reduced by the value of captive consumption. The statement for financial year 2006-07 has accordingly been restated.

3 During the first quarter of financial year 2010-11, the company has changed its accounting policy relating to valuation of stock of ferro manganese slag. The stock of ferro manganese slag, which has not been valued hitherto, has been valued at net realizable price of slag. The change has also an impact on cost of production of finished product, i.e., ferro manganese. Consequent to this change in policy, necessary restatement has been carried out in all the periods and the impact on closing stock valuation pertaining to financial year 2004-05 amounting to ₹ 4.78 million has been carried to general reserve. Further, statements for the periods covered by the report have also been restated by considering the amount chargeable to profit and loss statement as per new accounting policy. Similarly, revenue from sale of ferro manganese slag, which has hitherto been grouped as other income, has now been grouped as sales in all financial periods.

4 The following items of income/expenditure have been taken out from the year(s) of accounting to respective years to which they pertain for the purpose of restatement.

(a) Prior period depreciation amounting to ₹ 1.15 million has been taken to financial year 2004-05 and reduced from opening general reserve.

(b) Prior period income on account of forfeiture of earnest money deposit of customers amounting to ₹ 32.92 million has been taken to financial year 2005-06.

(c) Shortfall in salary/wages revision provisions made up in financial year 2008-09 pertaining to earlier years amounting to ₹ 388.57 million have been taken to respective years.

(d) Compensation for arbitration award provided in financial year 2008-09 and 2009-10 amounting to ₹ 51.30 million has been taken to financial year 2004-05 since it pertains to financial year 1989-90 to 1992-93.

5 Income tax, fringe benefits tax and deferred tax provisions for other periods have been taken to respective periods to which they pertain.

6 Restatement of figures has also been made on account of the above in income tax, fringe benefits tax and deferred tax.

B NOTES TO RESTATED FINANCIAL STATEMENTS ON ADJUSTMENTS NOT MADE TO STATEMENT OF PROFIT & LOSS

1 Liability in respect of payment of gratuity and leave encashment has been reassessed in financial year 2007-08 on the basis of actuarial valuation as per revised accounting standard AS-15 on employee benefits. The liability was provided earlier on actuarial basis as per pre-revised AS-15. On adoption of the revised AS-15, additional liability of earlier years amounting to ₹ 156.03 million and ₹ 80.35 million has been charged to general reserve and deferred tax asset respectively in the year 2007-08. No restatement has been done for earlier years as the same requires prospective adjustment only. Similarly, there are practical problems in adoption of the revised AS-15 in earlier years for making the adjustments.

2 The company has changed its policy on treatment of prepaid expenses in the year 2008-09. Earlier, the expenditure was bifurcated into revenue and prepaid expenses in all cases. However, from financial year 2008-09, the company has taken a decision to charge amount upto ₹ 0.10 million in the year of payment itself. The impact due to change in accounting policy is not material and, hence, not taken to respective years.

C OTHER NOTES TO RESTATED FINANCIAL STATEMENTS

1 Land measuring 761.60 Sq. Mtrs. belonging to the company is acquired by Nagpur Improvement Trust for its Integrated Road Development Plan. Writ petition filed by the company seeking compensation is admitted by the High Court, Nagpur. Pending writ petition, no adjustment is done in books for the compensation claimed from the Nagpur Improvement Trust.

2 Balances of creditors, debtors, claims recoverable and advances are subject to confirmation/ reconciliation. Reconciliations are carried out as an on-going process. Provisions, wherever considered necessary, have been made.

3 Joint ventures : Disclosures as per Accounting Standard 27 are as follows.

(a) Particulars about joint venture companies

Name of joint venture company	Incorporation details		Proportion of ownership	Subscription for capital ₹ in millions
	Country	Date		
SAIL & MOIL Ferro Alloys Pvt. Ltd.	India	31.07.2008	50%	* 21.00
RINMOIL Ferro Alloys Pvt. Ltd.	India	29.07.2009	50%	1.00

* This includes ₹ 20.00 million paid in April, 2010 for acquiring 2 million equity shares of ₹ 10 each. Pending allotment of the shares, the company has shown the amount as advance for investment under the head investments, whereas the joint venture company has shown the amount as current liability and clubbed under net current assets since their authorized share capital has not been increased so far.

(b) (i) Financial particulars (Financial details of our 50% stake in joint venture companies) ₹ in millions

Sr No	Particulars	Position as at			
		30.09.10 Unaudited	30.09.09 Unaudited	31.03.10 Audited	31.03.09 Audited
1	Company's share of contingent liabilities	Nil	Nil	Nil	Nil
2	Company's share of capital commitments	Nil	Nil	Nil	Nil
3	Guarantees given on behalf of the joint venture	Nil	Nil	Nil	Nil
4	Aggregate amount of company's interest (i.e., 50%) as per accounts of joint venture companies -				
	(a) SAIL & MOIL Ferro Alloys Pvt. Ltd.				
	Shareholders' funds	1.00	1.00	1.00	1.00
	Secured/unsecured loans	Nil	Nil	Nil	Nil
	Deferred tax liability (Net)	Nil	Nil	Nil	Nil
	Fixed assets and capital work in progress	63.85	1.11	62.94	1.11
	(i) Total current assets	8.66	1.06	0.45	1.06
	(ii) :Less : Total current liabilities	71.56	1.22	62.44	1.22
	Net current assets (i) – (ii)	-62.90	-0.16	-61.99	-0.16
	Debit balance in profit and loss account	0.05	0.05	0.05	0.05
	Misc. expenditure (not written off)	Nil	Nil	Nil	Nil
	Income	Nil	Nil	Nil	Nil
	Expenditure	Nil	Nil	Nil	0.05
	(b) RINMOIL Ferro Alloys Pvt. Ltd.				
	Shareholders' funds	1.00	1.00	1.00	N.A.
	Secured/unsecured loans	Nil	Nil	Nil	N.A.
	Deferred tax liability (Net)	Nil	Nil	Nil	N.A.
	Fixed assets and capital work in progress	5.31	Nil	3.04	N.A.
	(i) Total current assets	1.96	1.00	0.88	N.A.
	(ii) Less : Total current liabilities	6.30	0.00	2.95	N.A.
	Net current assets (i) – (ii)	-4.34	1.00	-2.07	N.A.
	Debit balance in profit and loss account	0.03	Nil	0.03	N.A.
	Misc. expenditure (not written off)	Nil	Nil	Nil	N.A.
	Income	Nil	Nil	Nil	N.A.
	Expenditure	Nil	Nil	0.03	N.A.

(ii) Summarised financial particulars of the joint venture companies ₹ in millions

Sr No	Particulars	Position as at			
		30.09.10 Unaudited	30.09.09 Unaudited	31.03.10 Audited	31.03.09 Audited
1	Contingent liabilities	Nil	Nil	Nil	Nil
2	Capital commitments	Nil	Nil	Nil	Nil
3	Financial particulars as per accounts of joint venture companies -				
	(a) SAIL & MOIL Ferro Alloys Pvt. Ltd.				
	Shareholders' funds	2.00	2.00	2.00	2.00
	Secured/unsecured loans	Nil	Nil	Nil	Nil
	Deferred tax liability (Net)	Nil	Nil	Nil	Nil
	Fixed assets and capital work in progress	127.70	2.22	125.88	2.22
	Total current asset	17.31	2.12	0.90	2.12
	Less : Total current liabilities	143.11	2.44	124.88	2.44
	Net current assets (i) – (ii)	# -125.80	-0.32	-123.98	-0.32
	Debit balance in profit and loss account	0.10	0.10	0.10	0.10
	Misc. expenditure (not written off)	Nil	Nil	Nil	Nil
	Income	Nil	Nil	Nil	Nil
	Expenditure	Nil	Nil	Nil	0.10
	(b) RINMOIL Ferro Alloys Pvt. Ltd.				
	Shareholders' funds	2.00	2.00	2.00	N.A.
	Secured/unsecured loans	Nil	Nil	Nil	N.A.
	Deferred tax liability (Net)	Nil	Nil	Nil	N.A.
	Fixed assets and capital work in progress	10.62	Nil	6.08	N.A.
	Total current asset	3.93	2.00	1.76	N.A.
	Less : Total current liabilities	12.61	0.00	5.90	N.A.
	Net current assets	-8.68	2.00	-4.14	N.A.
	Debit balance in profit and loss account	0.06	Nil	0.06	N.A.
	Misc. expenditure (not written off)	Nil	Nil	Nil	N.A.
	Income	Nil	Nil	Nil	N.A.
	Expenditure	Nil	Nil	0.06	N.A.

Note : SAIL & MOIL Ferro Alloys Private Limited (JVC) has reflected amount of ₹ 20 million paid as advance towards issue of shares in current liabilities in their unaudited financial statements as on 30th September, 2010 submitted to us, as their authorized capital has not been suitably increased. Out of this advance, the JVC has utilized a sum of ₹ 3.29 million towards fixed assets and capital work in progress and balance of ₹ 16.71 million is reflected in bank balances.

4 The company has made provision for superannuation benefits to employees based on Board approval for which Ministry's approval is awaited. Provision as on 30th September, 2010 amounts to ₹ 411.11 million.

5 Provision for post-retirement benefit plans like gratuity and leave encashment is made at the end of every period on the basis of actuarial valuation. Expenditure on other post-retirement benefit plans, being insignificant, is treated in the year in which it is incurred.

6 Figures have been reclassified/regrouped, wherever necessary, to conform to the classification adopted on 30th September, 2010.

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited]

ANNEXURE 6

SIGNIFICANT ACCOUNTING POLICIES

1 Accounting for fixed assets

(a) **Valuation of fixed assets**

Fixed assets are maintained at original cost.

(b) **Depreciation**

Company is charging 100% depreciation on fixed assets up to the value of ₹ 5000 as prescribed in Schedule XIV to Companies Act. Depreciation is calculated (i) on straight line method in case of Wind Turbine Generators and (ii) on written down value method on all other assets, at the rates prescribed by the Schedule XIV, as amended from time to time, on *pro-rata* basis. However, depreciation for full month is calculated when any asset is first put to use on any day during that month.

Cost of leasehold land, including net present value of diverted forest land, is amortised over the period of lease.

(c) **Write-off losses on assets**

All assets dismantled/discarded are written off assuming that scrap value for the same is Nil. If and when such discarded assets are disposed off partially or fully, the amounts realized during the period on account of sale are credited to profit and loss account of that period.

(d) **Expenditure during construction period**

All expenditure during construction period on specific projects, identifiable as relating to such projects, is debited to the said projects up to the date of completion and commissioning thereof.

(e) **Interest during construction period**

Interest on loans (including other related financing costs on loans) pertaining to specific assets incurred during construction period upto completion is capitalized.

2 Investments

Long term investments in shares are carried at cost. Diminution in value, if any, is provided for, if it is not of temporary nature.

3 Valuation of closing stock

Inventories are valued on following basis.

(a) **Finished goods**

(i) Manganese ore of all grades (except fines, hutch dust and HIMS rejects) :- At cost at mines including depreciation on mine assets or net realizable value, whichever is less.

(ii) Manganese ore fines, hutch dust and HIMS rejects :- At cost per tonne on jigging/processing, transportation, etc., allocated on technical estimates or net realizable value, whichever is less.

(iii) Manganese ore at port :- At landed cost at the port or net realizable value, whichever is less. Landed cost includes freight, unloading charges, sampling charges, etc.

Difference between physical and book stocks are not adjusted, so long as the overall position of stocks at mines is found to be excess when compared with overall book stocks. As and when ore is actually dispatched, excess or shortage after railing/shipment against each stack is ascertained and the same is accounted for in the books of the company in that period.

(iv) Electrolytic manganese di-oxide (including stock in process at Balance Sheet date at different stages of production, ascertained by technical estimation as to percentage of completed units of EMD) :- At current period's cost of production including EMD plant's depreciation or net realizable value, whichever is less.

(v) (a) Ferro manganese/silico manganese including stock in cake form on Balance Sheet date determined by technical assessment :- At current period's cost of production including ferro manganese plant's depreciation (less realizable value of slag) or net realizable price, whichever is less.

(b) Stock in process :- The quantity of ferro manganese/silico manganese in process cannot be weighed, seen or assessed and hence, no value is assigned.

(c) Stock of slag :- Slag is a molten mass of impurities generated during manufacture of ferro manganese, which is treated as scrap and, accordingly, valued at net realizable price.

(b) **Stores inventory** (Stores, spares, timber, explosives, fuel and lubricants and raw materials) :- At cost on weighted average method.

(i) Physical verification of all stores, spares, etc., is conducted at the end of each year. Difference between physical stock and book stock is investigated and necessary adjustments are carried out in the books of accounts.

(ii) In case of ferro manganese plant, stock of raw materials, except manganese ore at plant, is valued at cost on weighted average method. The stock of manganese ore at plant is valued at current period's cost of production or net realizable value, whichever is less, *plus* cost of transport and other charges, if any. Opening and closing stock of ore at the plant is grouped under the head "Stock of raw materials".

4 Sales

Sales invoices are raised and revenue is recognized in the books of accounts only after dispatch of goods based on railway receipt/lorry receipt/delivery challan.

(a) **Manganese ore sales**

(i) Supplementary invoice are raised for variation in quality and/or quantity on receipt of analysis report. These bills are raised in the period of receipt of analysis report and the adjustment is made in the same period.

(ii) Sales include royalty.

(b) **EMD/ferro manganese/silico manganese/slag sales**

Sales of EMD, ferro manganese and slag include excise duty and education cess applicable thereon.

(c) **Sale of electricity to M. P. Electricity Distribution Company Limited**

Revenue is recognized on the basis of energy injected into grid for sale, at tariff rate agreed in power purchase agreement.

5 Other income

(a) Interest income from sundry debtors is recognized in line with AS-9 of the Institute of Chartered Accountants of India as under –

(i) In as far as the realization is supported by letter of credit through bank from the debtors, where there is certainty of its realization, the recognition is made on accrual basis.

Interest billed to customers for credit terms beyond current financial period is recognized in the year to which it pertains.

(ii) In as far as the realization is not supported by letter of credit through bank and directly billed by the company where its realization is uncertain, based on management's experience, as and when actual realization made is recognized as income.

(b) Interest income on deposits and advances is recognized on accrual basis.

(c) Memorandum records have been kept in respect of replaced/worn-out parts/scrap capital items. When they are disposed off, proceeds are taken as miscellaneous receipt of that period.

6 Captive consumption

Manganese ore

Manganese ore, fines, HIMS rejects issued as raw material for production of EMD/ferro manganese is valued at current period's cost of production and fines/HIMS rejects are valued at per tonne rate, as adopted for valuation of stock. Consumption of the ore is accounted on average cost. Value of ore issued is reduced from ore raising/operating expenses and is considered as raw material consumption in "Manufacturing Expenses".

Electricity

Power generated at wind turbine generator units and consumed at mine/plant, are charged to respective units at the cost of generation.

7 Sales tax, income tax, etc.

(a) In respect of sales tax, income tax, etc., the amounts payable or receivable as per assessment order is accounted for in the period in which the said order is received and accepted by the company, irrespective of the period to which the order relates.

(b) Set off is claimed on sales tax on purchases. Difference between set off claimed and actual set off allowed is accounted for in the period in which the assessment order is received and accepted by the company.

8 Employee benefits:

(a) Short term employee benefits

Short term employee benefits are recognized as expense at the undiscounted amount in the profit and loss account in the period in which the related service is rendered.

(b) Post-employment benefits

(i) Defined benefit plans

Post-employment and other long term employee benefits are recognized as an expense in the profit and loss account for the period in which the employee has rendered services. The expenses are recognized at the present value of the amounts payable, determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the profit and loss account

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans, under which the company pays fixed contributions into separate entities (funds). The company's contribution to defined contribution plans is recognized in the profit and loss statement of the period to which it relates.

9 V.R.S. expenditure

The company charges full amount of the expenditure in profit and loss account in the period of incurrence.

10 Accounting for subsidies from Welfare Commissioner

(a) Labour quarters

The company has constructed/under construction some labour quarters, for which the company is receiving subsidy from the Welfare Commissioner. Since the land on which such quarters are constructed is surrendered to the Welfare Commissioner and the property (quarters constructed) vests with the Welfare Commissioner, the entire expenditure incurred by the company is charged to and the subsidy received is also credited to revenue in the period in which the expenditure is incurred/subsidy is received.

(b) Welfare assets

Entire expenditure for acquisition of assets like school bus, ambulance, water supply scheme, etc., under welfare schemes is debited to relevant asset account in the period in which expenditure is incurred. Amount of subsidy received is credited to the same asset head in the period of receipt and depreciation is then charged on such reduced value of the asset from that period.

11 Claims by the company

Amount of claims lodged with insurance company/railways are accounted for on the basis of amount claimed during the period on assessing reasonable certainty of their realisation and the difference, if any, is adjusted on settlement of the claims.

12 Prepaid expenses

Expenses are treated as prepaid only where the payments exceed ₹ 0.10 million in each case.

13 Provision for doubtful debts

Provision for bad and doubtful debts is made based on a case-to-case review of sundry debtors outstanding for more than two years. Debts outstanding from private parties for more than three years are invariably provided.

14 Research and development expenditure

Research and development expenditure is charged to profit and loss account in the period of incurrence. However, expenditure on fixed assets relating to research and development is treated in the same way as other fixed assets.

15 Mine closure expenditure

Financial implications towards final mine closure plans under relevant Acts and Rules are technically estimated, based on total available ore reserves. The same are provided in accounts, on period to period basis, after taking into consideration the production.

16 Net present value for diversion of forest land for non-forest purposes

The liability is recognized on receipt of necessary permission from the concerned authorities.

17 Prior period expenses

Corrections of fundamental errors of commission or omission in earlier period(s) are done by debiting/crediting prior period adjustments account.

18 Significant events occurring after balance sheet date

Impact of significant events after the date of balance sheet and approval thereof is given effect to either by moderation of the balance sheet and profit and loss account or by specific mention in the Directors' Report.

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 7**

Statement of share capital ₹ in millions

Particulars		As at		As at				
		30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A **Equity share capital**								
Authorised								
Equity shares :	Number	250,000,000	250,000,000	250,000,000	10,000,000	10,000,000	2,800,000	2,800,000
	Face value ₹	10	10	10	100	100	100	100
	Amount in ₹ millions	2,500.00	2,500.00	2,500.00	1,000.00	1,000.00	280.00	280.00
7.50 % Cumulative preference shares	Number	0	0	0	0	0	200000	200000
	Face value ₹	0	0	0	0	0	100	100
	Amount in ₹ millions	0.00	0.00	0.00	0.00	0.00	20.00	20.00
Total	Amount in ₹ millions	2,500.00	2,500.00	2,500.00	1,000.00	1,000.00	300.00	300.00
B **Issued, subscribed and paid-up**								
Equity shares :	Number	168,000,000	28,000,000	168,000,000	2,800,000	2,800,000	2,800,000	1,532,514
	Face value ₹	10	10	10	100	100	100	100
	Amount in ₹ millions	1,680.00	280.00	1,680.00	280.00	280.00	280.00	153.25

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 8**

Statement of reserves and surplus, as restated

₹ in millions

Particulars		As at		As at				
		30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A Capital reserve		0.00	0.66	0.00	0.66	0.66	0.66	0.66
B Research and development reserve		0.00	0.00	0.00	5.00	5.00	5.00	5.00
C Others								
(a)	General reserve, as restated	15,049.75	12,879.09	15,049.75	12,879.09	7,799.09	4,285.12	3,381.87
(b)	Balance in profit and loss account -							
	As per annual accounts	3,313.05	2,021.56	5.83	5.84	3.94	5.94	14.80
	Adjustment on account of restatement	39.30	28.45	31.58	38.84	(226.15)	(43.58)	(14.66)
	Balance, as restated #	3,352.35	2,050.01	37.41	44.68	(222.21)	(37.64)	0.14
(c)	Total (a) + (b)	18,402.10	14,929.10	15,087.16	12,923.77	7,576.88	4,247.48	3,382.01
Grand total		18,402.10	14,929.76	15,087.16	12,929.43	7,582.54	4,253.14	3,387.67

The negative balance in profit and loss account arises only due to adjustment on account of restatement

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 9**

Statement of secured and unsecured loans

₹ in millions

Particulars	As at		As at				
	30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A **Secured loans**	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B **Unsecured loans**	NIL	NIL	NIL	NIL	NIL	NIL	NIL

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 10**
Statement of capitalisation as on 30-09-2010, as restated

₹ in millions

		Particulars	Pre - Issue as at 30-09-2010	Post - Issue #
A	**Debt :**			
	(a)	Short term debt	0.00	0.00
	(b)	Long term debt	0.00	0.00
		Total debt	0.00	0.00
B	**Sharehoders' Funds :**			
	(a)	Share capital	1,680.00	1,680.00
	(b)	Reserves and surplus	18,402.10	18,402.10
	(c)	Miscellaneous expenditure not written off	0.00	0.00
		Total shareholders' funds	20,082.10	20,082.10
C	Debt / Equity ratio		--	--
D	Long term Debt / Equity		--	--

Post-offer capitalization statement is the same as pre-offer since this is an offer for sale

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 11**

Statement of investments, as restated

₹ in millions

	Particulars	As at		As at				
		30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	**Trade and unquoted (At cost)**							
	100,000 Equity shares of ₹ 10 each fully paid-up in SAIL-MOIL Ferro Alloys Pvt. Ltd.	1.00	1.00	1.00	1.00	0.00	0.00	0.00
	100,000 Equity shares of ₹ 10 each fully paid-up in RINMOIL Ferro Alloys Pvt. Ltd.	1.00	1.00	1.00	0.00	0.00	0.00	0.00
		2.00	2.00	2.00	1.00	0.00	0.00	0.00
B	**Non-trade and unquoted (At cost)**							
	Fully paid-up shares of Co-operative Stores/ Societies at mines							
	500 Shares of ₹ 5 each of Co-operative Stores	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	1612 Shares of ₹ 25 each of Co-operative Societies	0.04	0.04	0.04	0.04	0.04	0.04	0.04
	11056 Shares of ₹ 10 each of Co-operative Societies	0.00	0.00	0.00	0.00	0.00	0.00	0.11
	8556 Shares of ₹ 10 each of Co-operative Societies	0.09	0.09	0.09	0.09	0.09	0.09	0.00
		0.13	0.13	0.13	0.13	0.13	0.13	0.15
C	**Advance for investment**							
	2,000,000 Equity shares of ₹ 10 each in SAIL & MOIL Ferro Alloys Pvt. Ltd., pending allotment #	20.00	0.00	0.00	0.00	0.00	0.00	0.00
D	**Total (A + B + C)**	**22.13**	**2.13**	**2.13**	**1.13**	**0.13**	**0.13**	**0.15**

Advance for investment paid in April, 2010 has been shown by the joint venture company as current liability as their authorized share capital has not been increased suitably

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 12**
Statement of inventories, as restated

₹ in millions

Particulars	As at		As at				
	30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
1 Stock of raw materials	9.69	9.13	7.45	7.84	4.76	9.87	8.13
Stock of stores and spares	76.17	81.65	55.73	59.33	48.99	40.22	37.73
Stock in transit	1.32	0.00	0.60	0.20	0.18	2.34	0.00
Stock-in-trade	364.56	298.76	398.55	503.17	180.17	259.49	547.28
Work in process	2.90	0.72	1.91	0.62	1.52	1.23	0.67
	454.64	390.26	464.24	571.16	235.62	313.15	593.81
2 Provision for obsolete stores and spares	(0.42)	(0.42)	(0.42)	(0.42)	(0.45)	(0.50)	(0.39)
3 Net	454.22	389.84	463.82	570.74	235.17	312.65	593.42

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 13**

Statement of sundry debtors, as restated

₹ in millions

	Particulars		As at		As at				
			30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	Debts outstanding for a period exceeding six months								
	(a)	Unsecured :							
		Considered good	6.34	8.99	0.99	1.22	0.01	0.25	2.93
		Considered doubtful	4.20	4.78	4.20	4.78	5.36	6.07	7.06
	(b)	Secured :	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (A)		10.54	13.77	5.19	6.00	5.37	6.32	9.99
B	Other debt								
	(a)	Unsecured :							
		Considered good	890.69	1,321.98	856.46	609.67	1,589.28	499.61	452.75
		Considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	Secured :	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (B)		890.69	1,321.98	856.46	609.67	1,589.28	499.61	452.75
C	Total (A + B)		901.23	1,335.75	861.65	615.67	1,594.65	505.93	462.74
D	Provision for bad and doubtful debts		(4.20)	(4.78)	(4.20)	(4.78)	(5.36)	(6.07)	(7.06)
E	**Total (A + B + D)**		**897.03**	**1,330.97**	**857.45**	**610.89**	**1,589.29**	**499.86**	**455.68**
F	Sundry debtors including and related to directors / promoters / issuer		0.00	0.00	0.00	0.00	0.00	0.00	0.00

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 14**

Statement of loans and advances, as restated

₹ in millions

	Particulars		As at		As at				
			30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	Loans and advances								
	(a)	Directors, promotors or related parties	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	Employees	32.86	41.58	25.10	21.78	21.77	22.25	23.48
	(c)	Associate companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(d)	Others	39.82	27.80	31.83	26.33	36.57	34.53	40.12
		Provision for doubtful debts	(0.11)	(0.11)	(0.11)	(0.11)	(0.55)	(0.55)	(1.05)
	Total (A)		72.57	69.27	56.82	48.00	57.79	56.23	62.55
B	Advance income tax and fringe benefits tax (Net of provisions)		252.72	122.21	532.66	317.39	156.91	79.93	98.07
C	Deposits								
	(a)	Customs, port trust etc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	Others	42.75	41.82	41.82	41.29	39.59	35.33	34.88
	Total (C)		42.75	41.82	41.82	41.29	39.59	35.33	34.88
D	Total (A + B + C)		**368.04**	**233.30**	**631.30**	**406.68**	**254.29**	**171.49**	**195.50**
E	Particulars of loans & advances								
	(a)	Secured	13.75	12.53	15.15	14.64	15.06	15.47	15.67
	(b)	Unsecured - considered good	354.29	220.77	616.15	392.04	239.23	156.02	179.83
	(c)	Total	368.04	233.30	631.30	406.68	254.29	171.49	195.50
	(d)	Unsecured - considered doubtful & provided for	0.11	0.11	0.11	0.11	0.55	0.55	1.05
F	Loans and advances (Secured and unsecured) to :								
	(a)	Directors and entities related to directors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	Promoters and entities related to promoters	0.00	0.00	0.00	0.00	0.00	0.00	0.00

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 15**

Details of current liabilities and provisions, as restated

₹ in millions

Particulars/nature of income			For six months ended		For the year ended				
			30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
1	Current liabilities								
	(a)	Sundry creditors	248.98	258.65	227.81	200.58	227.07	197.56	98.96
	(b)	Advances from customers	87.59	125.45	119.39	127.96	50.93	47.35	61.55
	(c)	Security deposits from suppliers, customers, etc.	174.74	144.73	153.03	118.91	134.83	73.73	72.54
	(d)	Liabilities for expenses	894.34	1,029.71	910.64	1,356.11	789.00	366.45	304.76
	(e)	Other liabilities	134.68	177.36	47.78	27.94	131.01	138.86	18.65
			1,540.33	1,735.90	1,458.65	1,831.50	1,332.84	823.95	556.46
2	Provisions								
	(a)	Proposed dividend on equity shares	0.00	0.00	571.20	770.00	602.00	56.00	76.63
	(b)	Provision for tax on dividend	0.00	0.00	94.86	130.86	126.10	9.52	10.75
	(c)	Provision for unavailed leave	0.00	23.77	47.54	116.47	14.97	11.75	12.42
	(d)	Provision for gratuity	18.62	83.79	167.49	175.93	105.31	0.00	0.00
	(e)	Provision for pension fund	411.11	273.51	335.43	211.59	117.55	23.51	0.00
	(f)	Provision for final mine closure expenses	43.50	36.32	39.98	32.65	24.85	16.17	10.02
			473.23	417.39	1,256.50	1,437.50	990.78	116.95	109.82
3	Total (Current liabilities + provisions)		2,013.56	2,153.29	2,715.15	3,269.00	2,323.62	940.90	666.28

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 16**
Details of sales

₹ in millions

	Particulars/nature of income		For six months ended		For the year ended				
			30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
1	Gross sales(Manufactured goods)								
	(a)	Manganese ore	5,863.71	3,996.30	9,100.94	11,872.83	9,051.02	3,778.33	3,027.30
	(b)	Electrolytic manganese di-oxide	34.84	24.31	57.96	92.82	74.55	31.00	65.66
	(c)	Ferro manganese	345.67	187.62	402.69	800.30	603.96	366.97	248.04
	(d)	Ferro manganese slag	82.73	28.44	68.56	131.43	118.14	35.03	18.33
	(e)	Power to MPEDCL	58.73	75.87	93.12	82.46	4.05	0.00	0.00
			6,385.68	4,312.54	9,723.27	12,979.84	9,851.72	4,211.33	3,359.33
2	Excise duty								
	(a)	On sale of electrolytic manganese di-oxide	3.25	1.85	4.49	10.94	10.42	4.35	9.24
	(b)	On sale of ferro manganese	24.20	7.83	19.61	19.47	49.54	28.83	34.28
	(c)	On sale of ferro manganese slag	7.73	2.17	5.22	15.99	16.38	4.92	2.57
			35.18	11.85	29.32	46.40	76.34	38.10	46.09
3	Net sales								
	(a)	Manganese ore	5,863.71	3,996.30	9,100.94	11,872.83	9,051.02	3,778.33	3,027.30
	(b)	Electrolytic manganese di-oxide	31.59	22.46	53.47	81.88	64.13	26.65	56.42
	(c)	Ferro manganese	321.47	179.79	383.08	780.83	554.42	338.14	213.76
	(d)	Ferro manganese slag	75.00	26.27	63.34	115.44	101.76	30.11	15.76
	(e)	Power to MPEDCL	58.73	75.87	93.12	82.46	4.05	0.00	0.00
			6,350.50	4,300.69	9,693.95	12,933.44	9,775.38	4,173.23	3,313.24

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 17**

Details of other income

₹ in millions

Particulars/nature of income				For six months ended		For the year ended				
				30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	Interest									
	(a)	Interest on deposits with banks	Recurring	578.29	601.93	1,216.79	1,038.70	434.39	219.97	134.42
	(b)	Other interest	Recurring	11.90	16.07	25.25	3.45	11.68	30.13	50.70
	Total interest			590.19	618.00	1,242.04	1,042.15	446.07	250.10	185.12
B	Others									
	Recoveries from employees		Recurring	0.64	0.91	1.37	1.10	1.07	1.90	1.62
	Sale of scrap		Recurring	7.15	0.26	0.28	0.05	0.25	7.44	2.57
	Rent on buildings		Recurring	0.70	0.64	1.28	1.30	1.22	1.07	0.96
	Earnest money deposit forfeiture		Non-recurring	6.35	15.97	40.00	38.65	2.77	9.86	0.00
	Sales tax set off/refund		Non-recurring	5.89	5.25	10.12	11.38	10.46	7.29	11.20
	Miscellaneous		Non-recurring	2.75	1.82	4.13	21.39	3.25	4.76	3.71
	Provisions written back		Non-recurring	0.00	0.00	0.58	1.04	1.33	1.49	1.08
	Total other income			23.48	24.83	57.76	74.91	20.35	33.81	21.14
	Total			613.67	642.83	1,299.80	1,117.06	466.42	283.91	206.26

Note : The above income, other than interest, has arisen out of normal business activities.

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 18**

Summary of contingent liabilities

₹ in millions

Particulars	As at		As at				
	30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A Statutory claims against the company not acknowledged as debts *	0.55	0.00	0.00	0.00	11.42	0.00	0.00
B Claims against the company not acknowledged as debts **	139.00	28.76	44.69	16.48	51.16	53.81	51.98
C Estimated amount of contracts remaining to be executed on capital accounts	311.99	95.91	90.40	163.20	402.45	245.39	707.89
D Contingent liability on bills discounted under LCs/counter guarantee given for bank guarantees	18.56	18.12	18.17	17.09	16.64	15.69	13.75
Total	470.10	142.79	153.26	196.77	481.67	314.89	773.62

* These include claims under income tax, profession tax, entry 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 acknowledged as debts

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 19**
Statement of dividends paid/proposed

₹ in millions

Particulars				For six months ended		For the year ended				
				30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	**Equity share capital**									
	(a)	Face value	₹	10	100	10	100	100	100	100
	(b)	No.of shares		168,000,000	2,800,000	168,000,000	2,800,000	2,800,000	2,800,000	1,532,514
B	**Rate of dividend (%)**									
	(a)	Interim		0%	0%	22%	200%	130%	80%	80%
	(b)	Final		0%	0%	34%	275%	215%	20%	50%
	(c)	Total dividend rate		0%	0%	56%	475%	345%	100%	130%
C	**Amount of dividend**									
	(a)	Interim	₹	0.00	0.00	369.60	560.00	364.00	224.00	122.60
	(b)	Final	₹	0.00	0.00	571.20	770.00	602.00	56.00	76.63
	(c)	Total dividend	₹	0.00	0.00	940.80	1330.00	966.00	280.00	199.23
D	**Corporate dividend distribution tax**									
	(a)	Interim	₹	0.00	0.00	62.81	95.17	61.86	31.42	17.20
	(b)	Final	₹	0.00	0.00	94.87	130.86	102.31	9.51	10.74
	(c)	Total tax	₹	0.00	0.00	157.68	226.03	164.17	40.93	27.94

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 20**

Statement of accounting ratios, as restated

₹ in millions

Sr. No.	Particulars	For six months ended 30-09-2010	30-09-2009	For the year ended 31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	Profit after tax, as restated	3,314.95	2,000.35	4,656.20	6,902.92	4,615.59	1,313.17	1,130.52
B	Net worth, as restated	20,082.10	15,209.76	16,767.16	13,209.43	7,862.54	4,533.14	3,540.92
C	No.of equity shares outstanding at the end of the period	168,000,000	28,000,000	168,000,000	2,800,000	2,800,000	2,800,000	1,532,514
D	Adjustments for split/bonus issue							
	(a) 1,267,486 bonus shares issued in October, 2006							1,267,486
	Shares aftter the issue							2,800,000
	(b) Split of shares adjusted (Face value split from ₹ 100 to ₹ 10) in August, 2009				25,200,000	25,200,000	25,200,000	25,200,000
	Shares aftter the split		28,000,000		28,000,000	28,000,000	28,000,000	28,000,000
	(c) 140,000,000 bonus shares issued in December, 2009		140,000,000		140,000,000	140,000,000	140,000,000	140,000,000
	Shares aftter the issue	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000
E	Total No.of equity shares outstanding at the year end / period end (Post split and bonus issue)	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000
F	Earnings per share - Basic and Diluted (A ÷ E) # ₹	19.73	11.91	27.72	41.09	27.47	7.82	6.73
G	Return on net worth (A ÷ B) #	16.51%	13.15%	27.77%	52.26%	58.70%	28.97%	31.93%
H	Net asset value per share (B ÷ E) ₹	119.54	90.53	99.80	78.63	46.80	26.98	21.08

\# Earnings per share and return on net worth for six months ended 30th September, 2010 and 30th September, 2009 are not annualised.

Note :

1. 1,267,486 Shares of ₹ 100 each have been allotted as fully paid-up bonus shares in the ratio of 0.82706 : 1 during the year 2006-07 (October, 2006) as a result of which the total number of shares increased from 1,532,514 to 2,800,000
2. Face value of shares was split from ₹ 100 per shares to ₹ 10 per share during the year 2009-10 (August, 2009) as a result of which the total number of shares increased from 2,800,000 shares of ₹ 100 each to 28,000,000 shares of ₹ 10 each.
3. 140,000,000 Shares of ₹ 10 each have been allotted as fully paid-up bonus shares in the ratio of 5 : 1 during the year 2009-10 (December, 2009) as a result of which the total number of shares increased from 28,000,000 to 1,680,000,000
4. Earnings per share have been calculated in accordance with AS-20

Formula :

(a) Earnings per share (₹) = $\dfrac{\text{Profit after tax, as restated}}{\text{Number of equity shares outstanding during the year/period (post split and bonus issue)}}$

(b) Return on net worth (%) = $\dfrac{\text{Profit after tax, as restated}}{\text{Net worth, as restated}}$

(c) Net asset value per share (₹) = $\dfrac{\text{Net worth, as restated}}{\text{Number of equity shares outstanding during the year/period (post split and bonus issue)}}$

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 21**
Statement of tax shelters, as restated

₹ in millions

		Particulars	For six months ended on		For year ended on				
			30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	(a)	Profit before tax as per audited accounts	4,947.75	3,018.99	7,067.93	10,067.56	7,349.06	2,011.47	1,690.06
	(b)	Adjustments	11.57	(15.73)	(33.92)	428.20	(281.90)	(26.04)	27.49
	(c)	Profit before tax as restated (a+b)	4,959.32	3,003.26	7,034.01	10,495.76	7,067.16	1,985.43	1,717.55
	(d)	Tax rate	33.2175%	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%
	(e)	Tax at notional rate on profits	1,647.36	1,020.81	2,390.86	3,567.51	2,402.13	668.30	578.13
B	Add/(Less) : Permanent differences								
	(a)	Donations	0.00	(0.01)	(0.02)	(0.01)	(0.52)	(0.22)	(0.02)
	(b)	Repairs allowance on income from house property and others	0.21	0.19	(14.05)	0.39	0.37	0.34	0.31
C	Add/(Less) : Timing differences								
	(a)	Difference between tax & book depreciation	(41.00)	(33.79)	(64.84)	365.10	260.97	190.99	(13.49)
	(b)	Retirement benefits	0.00	0.00	0.00	0.00	210.75	0.00	0.00
	(c)	Disallowance u/s 43B	(15.73)	(80.89)	(128.25)	(328.28)	(4.48)	32.97	0.84
	(d)	Expenditure on feasibility studies	0.01	0.01	0.03	0.03	0.24	0.24	0.11
	(e)	VRS expenditure	3.67	7.12	14.24	7.86	(35.90)	1.38	0.00
	(f)	Provision for doubtful debts etc.	0.00	0.00	0.58	1.05	0.76	0.00	0.99
	(g)	Others - Arbitration award etc	0.00	63.92	63.92	(63.92)	0.00	0.00	0.00
D	Total (B+C)		(52.84)	(43.45)	(128.39)	(17.78)	432.19	225.70	(11.26)
E	Taxable income/(loss)	{A(c) - D}	5,012.16	3,046.71	7,162.40	10,513.54	6,634.97	1,759.73	1,728.81
F	Tax as per normal provisions		1,664.91	1,035.57	2,434.51	3,573.55	2,255.23	592.32	581.91

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 22**

Statement of segment reporting, as restated - All segments

₹ in millions

	Particulars	For six months ended		For the year ended				
		30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	**Revenue**							
	(a) External sales (Gross)	6,385.68	4,312.54	9,723.27	12,979.84	9,851.72	4,211.33	3,359.33
	(b) Inter-segment sales							
	Total Revenue	6,385.68	4,312.54	9,723.27	12,979.84	9,851.72	4,211.33	3,359.33
B	**Result**							
	(a) Segment results	4,334.08	2,376.16	5,768.71	8,951.54	6,883.98	1,737.24	1,484.87
	(b) Other income (excl.provisions written back)	613.67	642.83	1,299.22	1,116.02	465.08	274.22	205.18
	(d) Operating profit	4,947.75	3,018.99	7,067.93	10,067.56	7,349.06	2,011.46	1,690.05
	(e) Interest expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(g) Income taxes	1,640.53	1,008.26	2,404.47	3,429.63	2,550.90	669.38	544.88
C	Net profit	3,307.22	2,010.73	4,663.46	6,637.93	4,798.16	1,342.08	1,145.17
D	Adjustments for restatements	11.57	(15.73)	(33.92)	428.20	(281.90)	(26.04)	27.49
	Tax on adjustments	3.84	(5.35)	(26.66)	163.21	(99.34)	2.88	42.14
	Net effect of restatement	7.73	(10.38)	(7.26)	264.99	(182.56)	(28.92)	(14.65)
E	Restated results	3,314.95	2,000.35	4,656.20	6,902.92	4,615.60	1,313.16	1,130.52
F	Other Information							
	(a) Segment assets	3,463.57	3,909.32	3,432.35	3,236.37	4,177.58	1,945.54	1,678.74
	(b) Unallocated corporate assets	18,739.89	13,606.09	16,178.29	13,427.08	6,176.26	3,623.90	2,547.08
	(c) Segment liabilities	463.03	604.69	524.51	1,228.40	790.85	371.79	224.20
	(d) Unallocated corporate liabilities	1,658.33	1,700.96	2,318.97	2,225.62	1,700.45	664.51	460.70
	(e) Additions to assets during the year	200.50	160.91	206.19	464.44	692.42	654.28	289.48
	(f) Unallocated corporate capital expenditure	34.83	16.71	24.31	20.56	188.06	7.42	5.48
	(g) Depreciation and amortization expenses	133.10	122.79	252.99	246.66	160.77	140.80	114.72
	(h) Non-cash expenses other than depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 22 A**

Statement of segment reporting, as restated for manganese ore segment

₹ in millions

Particulars		For six months ended		For the year ended				
		30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A	**Revenue**							
(a)	External sales (Gross)	5,863.71	3,996.29	9,100.94	11,872.83	9,051.01	3,778.33	3,027.30
(b)	Inter-segment sales	44.74	37.89	77.57	59.67	41.57	38.18	23.04
	Total Revenue	5,908.45	4,034.18	9,178.51	11,932.50	9,092.58	3,816.51	3,050.34
B	**Result**							
(a)	Segment result	4,134.69	2,256.24	5,542.18	8,360.16	6,455.40	1,627.99	1,444.23
(b)	Other income (excl.provisions written back)	613.67	642.83	1,299.22	1,116.02	465.08	274.22	205.18
(d)	Operating profit	4,748.36	2,899.07	6,841.40	9,476.18	6,920.48	1,902.21	1,649.41
C	Net profit	4,748.36	2,899.07	6,841.40	9,476.18	6,920.48	1,902.21	1,649.41
D	Adjustments for restatements	0.00	(17.39)	(34.78)	441.24	(283.78)	(31.27)	37.64
E	Restated segment results	4,748.36	2,881.68	6,806.62	9,917.42	6,636.70	1,870.94	1,687.05
F	Other Information							
(a)	Segment assets	2,550.49	2,928.25	2,400.46	2,211.25	3,283.01	1,591.68	1,503.30
(b)	Segment liabilities	433.13	599.62	482.14	1,227.19	711.28	364.31	217.32
(c)	Additions to assets during the year	199.07	162.20	200.53	200.28	219.01	425.06	280.61
(e)	Depreciation and amortization expenses	79.35	69.37	145.41	144.65	134.80	112.54	107.50
(f)	Non-cash expenses other than depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 22 B**

Statement of segment reporting, as restated for electrolytic manganese di-oxide segment

₹ in millions

Particulars	For six months ended		For the year ended				
	30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A **Revenue**							
(a) External sales (Gross)	34.84	24.32	57.96	92.82	74.55	31.00	65.66
(b) Inter-segment sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	34.84	24.32	57.96	92.82	74.55	31.00	65.66
B **Result**							
(a) Segment result	0.40	4.73	7.80	2.25	(0.57)	4.04	12.22
(b) Operating profit	0.40	4.73	7.80	2.25	(0.57)	4.04	12.22
C Net profit	0.40	4.73	7.80	2.25	(0.57)	4.04	12.22
D Adjustments for restatements	0.00	(0.19)	(0.29)	4.95	(3.56)	(0.35)	0.00
E Restated segment results	0.40	4.54	7.51	7.20	(4.13)	3.69	12.22
F Other Information							
(a) Segment assets	68.64	66.42	71.19	49.85	53.90	75.81	39.85
(b) Segment liabilities	5.72	0.08	4.99	0.30	4.56	1.01	0.66
(c) Additions to assets during the year	1.16	2.55	4.13	8.36	0.07	7.22	7.22
(e) Depreciation and amortization expenses	1.99	2.07	4.74	3.70	4.34	6.21	3.86
(f) Non-cash expenses other than depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 22 C**

Statement of segment reporting, as restated for ferro manganese segment

₹ in millions

Particulars	For six months ended		For the year ended				
	30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A **Revenue**							
(a) External sales (Gross)	428.40	216.06	471.25	931.73	722.11	402.00	266.37
(b) Inter-segment sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	428.40	216.06	471.25	931.73	722.11	402.00	266.37
B **Result**							
(a) Segment result	170.62	60.79	185.28	556.97	416.16	94.92	28.42
(b) Operating profit	170.62	60.79	185.28	556.97	416.16	94.92	28.42
C Net profit	170.62	60.79	185.28	556.97	416.16	94.92	28.42
D Adjustments for restatements	11.57	1.85	1.15	(17.99)	5.44	5.58	(10.15)
E Restated segment results	160.47	66.37	190.72	538.98	417.31	96.77	39.99
F Other Information							
(a) Segment assets	152.71	113.88	219.69	115.69	187.82	77.16	135.59
(b) Segment liabilities	24.18	4.99	37.38	0.91	5.11	6.47	6.22
(c) Additions to assets during the year	0.27	(3.84)	1.53	5.37	0.52	0.00	1.65
(e) Depreciation and amortization expenses	1.42	1.01	2.17	2.41	2.52	2.94	3.36
(f) Non-cash expenses other than depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 22 D**

Statement of segment reporting, as restated for wind turbine generators segment

₹ in millions

Particulars	For six months ended		For the year ended				
	30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
A **Revenue**							
(a) External sales (Gross)	58.73	75.87	93.12	82.46	4.05	0.00	0.00
(b) Inter-segment sales	25.59	30.36	44.60	48.00	40.08	29.40	0.00
Total Revenue	84.32	106.23	137.72	130.46	44.13	29.40	0.00
B **Result**							
(a) Segment result	28.37	54.40	33.45	32.16	12.99	10.29	0.00
(b) Operating profit	28.37	54.40	33.45	32.16	12.99	10.29	0.00
C Net profit	28.37	54.40	33.45	32.16	12.99	10.29	0.00
D Adjustments for restatements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E Restated segment results	28.37	54.40	33.45	32.16	12.99	10.29	0.00
F Other Information							
(a) Segment assets	691.73	800.77	741.01	859.58	652.85	200.89	0.00
(b) Segment liabilities	0.00	0.00	0.00	0.00	69.90	0.00	0.00
(c) Additions to assets during the year	0.00	0.00	0.00	250.43	472.82	222.00	0.00
(e) Depreciation and amortization expenses	50.34	50.34	100.67	95.90	19.11	19.11	0.00
(f) Non-cash expenses other than depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00

MOIL LIMITED [Formerly known as Manganese Ore (India) Limited] **Annexure 23**

Statement of related party transactions

A List of related parties with whom transactions have taken place and their relationship :

I Joint venture companies :

Name of joint venture company	Incorporation Details		Proportion of ownership Interest
	Country	Date	
SAIL & MOIL Ferro Alloys Pvt.Ltd.	India	31.07.2008	50%
RINMOIL Ferro Alloys Pvt.Ltd.	India	29.07.2009	50%

II Key management personnel (C.M.D. and Directors) :

1	Shri P.M.Reddy (Up to 30.06.2005)	Chairman-cum-Managing Director
2	Shri K.L.Mehrotraa (From 01.07.2005 to 31.10.2008)	Chairman-cum-Managing Director
3	Shri K.J.Singh (From 16.03.2009)	Chairman-cum-Managing Director
4	Shri M.A.V.Goutham	Director (Finance)
5	Shri B.B.Chaudhari (Up to 30.04.2007)	Director (Commercial)
6	Shri S.M.Bothra (Up to 31.08.2005)	Director (Production & Planning)
7	Shri C.P.N.Pathak (From 01.09.2005 to 31.05.2008)	Director (Production & Planning)
8	Shri A.K.Mehra (From 01.05.2007)	Director (Commercial)
9	Shri G.P.Kundargi (From 01.06.2008)	Director (Production & Planning)

B Transactions during the period with related parties

₹ in millions

Particulars	For six months ended		For the year ended				
	30-09-2010	30-09-2009	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006
I Joint venture companies :							
(a) Subscription towards equity share capital in joint venture companies	0.00	1.00	1.00	1.00	0.00	0.00	0.00
(b) Advance for investment in equity shares #	20.00	0.00	0.00	0.00	0.00	0.00	0.00
II Key management personnel (C.M.D. and Directors) :							
(a) Managerial remuneration	3.80	1.83	11.02	3.97	3.42	3.17	4.38
(b) Reimbursement of travelling expenses	4.17	1.92	5.58	5.91	4.29	3.39	3.40

The advance has been classified by the joint venture company (SAIL & MOIL Ferro Alloys Private Limited) as current liability as their authorized share capital has not been increased suitably.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated audited financial statements for the six months ended September 30, 2010 and September 30, 2009 and each of the years ended March 31, 2010, 2009 and 2008, including the notes thereto and the reports thereon, which appear elsewhere in this Red Herring Prospectus. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and SEBI Regulations and restated as described in the report of our auditors dated October 30, 2010 which is included in this Red Herring Prospectus under "**Financial Statements**". Our Company's financial information in the following section is based on such restated financial statements as referred to above. The 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. We have not attempted to quantify the impact of IFRS or US GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and ICDR Regulations.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages xiii and xii, respectively. Our Fiscal Year ends on March 31 in each year; all references to a particular Fiscal Year are to the twelve-month period ended March 31 of that year.*

Overview

We were the largest producer of manganese ore by volume in India in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). We produced 1,364,575 tonnes, 1,175,318 tonnes, 1,093,363 tonnes and 516,749 tonnes of manganese ore in Fiscal 2008, 2009, 2010 and in the six months ended September 30, 2010, respectively. According to the JORC report prepared by IMC dated October 30, 2010, 55.0% of our proved and probable manganese ore reserves, as of October 1, 2010, have an average manganese content of 40.0% or higher. Further, 27.5% of our proved and probable manganese ore reserves as of October 1, 2010, have an average manganese content ranging from 36.0% to 39.9%. In addition, none of our mines produce low grade manganese (i.e., below 30.0% manganese content). For further details on our reserves and resources, see "***Manganese Ore Resources and Reserves***" on page 68 of this Red Herring Prospectus.

In addition to medium grade manganese ore, our products include manganese dioxide and chemical grade manganese ore. At our Balaghat and Dongri Buzurg mines, which are our largest mines, we have beneficiation plants to upgrade the quality of the manganese ore produced, which we sell commercially as well as use in the manufacturing of our value-added products such as HCFM and EMD. We also operate two wind farms with an aggregate capacity of 20.0 MW located at Nagda hills and Ratedi hills near Dewas in the State of Madhya Pradesh.

We sell all of the manganese ore we produce in the Indian market, primarily to ferro-alloy producers in the steel industry. Manganese ore sales (gross) represented 84.7%, 83.7%, 82.5% and 89.1% of our total income in the six months ended September 30, 2010 and Fiscal 2010, 2009 and 2008, respectively. Manganese ore is sold to our customers principally under quarterly sales contracts.

Our total income was ₹ 6,924.9 million, ₹ 10,878.5 million, ₹ 14,394.1 million and 10,154.5 million in the six months ended September 30, 2010 and Fiscal 2010, 2009 and 2008, respectively. Our profit after tax, as restated, was ₹ 3,315.0 million, ₹ 4,656.2 million, ₹ 6,902.9 million and ₹ 4,615.6 million in the six months ended September 30, 2010 and Fiscal 2010, 2009 and 2008, respectively, or 47.9%, 42.8%, 48.0% and 45.5% of our total income in such periods. As of September 30, 2010, our cash and bank balances were ₹ 17,628.8 million and we had no debt.

We recognize four business and operational segments: manganese ore, HCFM, EMD and wind power generation. Inter-segment transfers are recognized at cost, in case of manganese ore, while credit given by MPEB is reduced from electricity consumption of ore raising and operating expenses and manufacturing and generation expenses.

We have no subsidiaries, although we have interests in two joint ventures.

Factors Affecting Results of Operations and Financial Condition

Our results of operations and financial condition for the periods presented have been, and in the future are likely to continue to be, affected by a number of factors some of which may not be within our control and/or may not be indicative of future results of operations.

Demand from the Steel Industry

We accounted for approximately 50.0% of India's total production of manganese ore in Fiscal 2008 (Source: Indian Bureau of Mines, Indian Mineral Yearbook 2008). Manganese ore is primarily used to make ferro-alloys for steel production. We sell all of the manganese ore we produce in India, primarily to ferro-alloy producers in the steel making industry. The fluctuation in demand for manganese ore in the steel industry has an important impact on our sales prices and volumes. See "***The Manganese Ore Industry***" on page 51 of this Red Herring Prospectus.

Sales prices for our manganese ore may be affected by a number of factors, including, in particular, the global and Indian supply of, and demand for, manganese ore products and the performance of the Indian steel industry. Our sales contracts for manganese ore are structured as quarterly contracts. Sales prices are agreed prior to entering into the contract, although we are permitted to change the price during the contract. The sale is typically on a 'free on truck' or a 'free on rail' basis, such that transportation is arranged by the customer at its cost.

The following table sets forth the average sales realized per tonne of manganese ore for the periods indicated:

	Six Months Ended September 30,		Fiscal		
	2010	**2009**	**2010**	**2009**	**2008**
			(₹ per tonne)		
Average manganese ore sales realisation/tonne...	11,709.39	6695.00	7,743.97	11,600.38	6,501.29

The Indian steel industry is expected to continue to advance on a strong growth trajectory and the crude steel production capacity in India will be nearly 124 million tonnes by 2011-12 (Source: Ministry of Steel, Annual Report 2009-2010), which is expected to result in continued demand for manganese ore. In addition, we believe that the gradual trend towards the use of silico manganese in the steel industry will continue, providing an opportunity for improved market potential for low and medium grade ore.

Production Levels

Our ability to generate revenue is dependent on the amount of manganese ore produced by us, which in turns depends on the performance of our mining activities.

The following table sets forth our production, sales volume and sales turnover of manganese ore for the periods indicated:

	Six Months Ended September 30,		Fiscal		
	2010	**2009**	**2010**	**2009**	**2008**
			(millions of tonnes)		
Manganese ore produced (all grades)	0.52	0.49	1.09	1.18	1.36
Manganese ore sold (all grades)	0.50	0.60	1.18	1.02	1.39
Manganese ore sales revenue (all grades) (₹ million)	5,863.71	3,996.30	9,100.9	11,872.8	9,051.0

We intend to implement several projects to expand as well as to sustain our production capacity for manganese ore, as described under "***Management's Discussion and Analysis of Financial Condition and Results of Operations - Historical and Planned Capital Expenditure and other Investments***" on page 153 of this Red Herring Prospectus. We expect to incur significant capital expenditures in connection with such projects. In connection with these expansion projects, we have committed ₹ 839.8 million for Fiscal 2011 and ₹ 1,077.1 million for Fiscal 2012 in capital expenditure to such projects and have already spent ₹ 241.8 million as of October 31, 2010. In addition, we are focusing on increasing our participation in joint ventures and strategic initiatives with a view to establishing relationships that have the potential to positively impact our business and operations. For example, through our SAIL and RINL joint ventures, we intend to develop two ferro-alloy plants, with proposed installed capacities of 51,000 TPA and 112,500 TPA, respectively. Based on industry estimates, these ferro-alloy plants, if running at

100% capacity, are expected to require 0.33 million tonnes of manganese ore. We believe that participation in joint ventures for production of manganese ore products such as these will enable us to reduce our dependence on demand offtake from third parties in the future.

Global Economic Condition and Supply

The sales volume of our manganese ore and manganese products is dependent on the demand for our products in India, which is affected by competition, including from manganese ore imported to India, as well as general economic conditions in India. While the global economic downturn has shown signs of recovery, it adversely affected our business and operations in Fiscal 2009 and part of Fiscal 2010 and a continued lack of stability in global economic conditions may continue to affect our overall business and financial condition in the future. Prices and sales volumes for our manganese ore will continue to be subject to several factors in the future, including the ability of international competitors to enter the Indian market, including as a result of any development in manganese ore transportation or changes in the levels of tariffs and import duties.

Expenditures to Enhance Our Production Efficiency

We intend to implement increased mechanization at our mines by investing further in advanced technologies, in order to improve cost-efficiency through higher recovery rates and reduced production costs associated with labor. We are currently implementing progressive mechanization of our production systems and focusing on developing our mines with higher yields and higher productivity. We plan to introduce modern mine planning technologies for our underground mines, deeper opencast mines and mines with regular shape deposits. To improve productivity, we aim to continue to deploy advanced mining facilities and technologies, such as fully/semi-automated equipment and sophisticated mining methods. For example, we have installed SDL, load haul dumpers and Granby cars with battery-operated locomotives in our underground mines. We have also invested in high speed drills with faster rates of penetration as well as higher capacity excavators with loader attachments at our opencast mines. Implementation of mechanization and other new mining methods and equipment may increase our ore-raising expenditures initially, although we anticipate that such measures will in future lead to greater cost efficiency.

Employee Costs

We had 6,693, 6,734, 6,823 and 6,801 employees as of October 31, 2010, March 31, 2010, 2009 and 2008, respectively. Employee costs represent the most significant portion of our operating expenses. Our employee costs were ₹ 921.72 million, ₹ 1,931.3 million, ₹ 2,351.0 million and ₹ 1,148.0 million in the six months ended September 30, 2010 and in Fiscal 2010, 2009 and 2008, respectively, which constituted 50.0%, 54.3%, 57.6% and 43.4% of our total expenditure in these periods, respectively. As a percentage of total income, employee costs were 13.3%, 17.7%, 16.3% and 11.2% in the six months ended September 30, 2010 and in Fiscal 2010, 2009 and 2008, respectively. Post-employment and other long term employee benefits are recognized as an expense in the profit and loss account under ore-raising and operating expenses, manufacturing and electricity generating expenses or administrative and selling expenses, as applicable, depending on the segment to which the employee belongs, for the relevant fiscal period. The expenses are recognized at the present value of the amounts payable. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the profit and loss account under ore-raising and operating expenses, manufacturing and electricity generating expenses or administrative and selling expenses, as applicable.

Although we experienced increases in employee costs during Fiscal 2008 and Fiscal 2009, employee costs decreased in Fiscal 2010. The significant increase in employee costs we experienced in Fiscal 2009 was in large part due to provisions made for expected retroactive increases in employee costs, which is discussed below.

Salaries, wages and benefits for our non-executive employees are governed by a memorandum of settlement entered into on August 27, 2009 that is effective for a period of ten years from August 1, 2007. A prior wage agreement with non-executive unionized workers and staff had expired on July 31, 2007. In Fiscal 2008, we had recorded provisions towards liabilities for non-executive unionized workers and staff based on a memorandum of understanding signed in 2008 with the recognized union. As a result, Fiscal 2009 resulted in higher employee costs due to the combination of retroactive costs for adjustment for Fiscal 2008 in light of the signature of the memorandum of settlement in 2009, together with provisions recorded for Fiscal 2009.

As a public sector undertaking, salaries, wages and benefits of our executive employees are determined by the GoI and are fixed for a period of ten years. The current compensation level for our executive employees was settled in 2009 and is effective for a period of ten years from January 1, 2007. Pay revisions for executives were due from January 1, 2007. In Fiscal 2008, we recorded provisions towards liabilities with executives based on Department of Public Enterprises guidelines from 2008 for second pay revision of executives. As a result, Fiscal 2009 resulted in higher employee costs due to the combination of retroactive costs for adjustment for Fiscal 2008 in light of the settling of the revision of salaries in 2009, together with provisions recorded for Fiscal 2009.

Critical Accounting Policies

Our financial statements are prepared under the historical cost conventions in accordance with Indian GAAP and the relevant provisions of the Companies Act. We have restated our financial statements for the six months ended September 30, 2010 and September 30, 2009 and for each of the years ended March 31, 2010, 2009 and 2008 which are included elsewhere in this Red Herring Prospectus in accordance with SEBI Regulations. (See "***Financial Statements- Notes To Restated Financial Statements On Adjustments Made To Statement Of Profit & Loss***" on page F-9 of this Red Herring Prospectus.)

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 our management to make judgements, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenue and expenses. These judgements, assumptions and estimates are reflected in our accounting policies, in particular, in provisions for employee benefits and mine closure expenditures, as described below.

Certain key accounting policies relevant to our business and operations are described below. For a more detailed description of our significant accounting policies, see "***Financial Statements- Significant Accounting Policies***" on page F-13 of this Red Herring Prospectus.

Revenue Recognition

Sales of manganese ore

Revenue from sales of manganese ore is recognized at the date of dispatch based on the standard grade of ore at the relevant mine. Upon receipt of the report from the analysis collected at the point of delivery to the customer and analysed at our laboratory, a supplementary invoice is issued to the customer in the event of any variation in quality and/or quantity. Any resulting adjustment to revenues is made in the same period.

Sales of manganese ore include amounts paid by customers for royalties payable, the amount of which is decided by the Ministry of Mines and is currently at a level of 4.2% of the selling price, regardless of the grade.

Sales of HCFM, HCFM slag and EMD

Revenue from sales of HCFM and EMD is recognized at the date of dispatch.

Slag is a molten mass of impurities generated during the manufacture of ferro manganese. Prior to the accounts for the six months ended September 30, 2010, HCFM slag was treated as scrap and accounted for as other income in the year in which a sale took place. In light of the increasing amount of sales of HCFM slag, beginning with the accounts for the six months ended September 30, 2010, sales of HCFM slag are accounted for under sales revenues. However, our restated audited financial statements reflect sales of HCFM slag under sales revenues for all periods presented.

Sales of HCFM, HCFM slag and EMD include amounts paid by customers to MOIL related to the excise duty payable on goods manufactured in India and education cess, a levy on total tax payable for purposes of funding education.

Sale of electricity

Revenue from the sale of electricity relates to the sale to M.P. Electricity Distribution Company Limited of the production from the wind farm at the Balaghat mine that is not used for captive power production. This revenue is recognized on the basis of energy injected into the grid for sale, on the basis of the tariff rate agreed in the power purchase agreement.

Inventory

Inventories are valued on the following basis.

Manganese ore

Manganese ore of all grades, other than fines; is valued at cost at mines (calculated using an average cost across all mines) including depreciation on mine assets, or net realizable value, whichever is less.

Manganese ore fines are valued at cost per tonne upon jigging/processing (allocated using technical estimates) or net realizable value, whichever is less.

Differences between physical and book stocks are not adjusted, so long as the overall position of stocks at the mines is found to be excess when compared with overall book stocks. As and when ore is actually dispatched, the excess or shortage after railing/shipment against each stack is ascertained and the same is accounted for in our books in that year.

EMD

EMD inventory includes stock in process at the different stages of production at the end of the reporting period, as ascertained by technical estimation as to the percentage of completed units of EMD: EMD is valued at current year's cost of production, including EMD plant depreciation, or net realizable value, whichever is less.

HCFM

HCFM inventory includes stock in cake form at the end of the reporting period, as determined by technical assessment: The quantity of HCFM stock in process cannot be weighed, seen or assessed and hence no value is assigned. HCFM inventory is valued at current year's cost of production, including ferro manganese plant depreciation (less realizable value of slag), or net realizable value, whichever is less.

Stock of HCFM slag: Stock of HCFM slag is accounted for at net realizable value.

Stores

Stores include stores, spares, timber, explosives, fuel, lubricants and raw materials.

Stores inventory is valued at cost using the weighted average method. Physical verification of all stores, spares, etc., is conducted at the end of each year. The difference between physical stock and book stock is measured and necessary adjustments are carried out in the books of accounts.

For the ferro manganese plant, stock of raw materials (other than manganese ore at plant), is valued at cost using the weighted average method. The stock of manganese ore at plant is valued at the current year's cost of production or net realizable value, whichever is less, plus cost of transportation and other charges, if any. Opening and closing stock of ore at the plant is grouped under the heading ‘Stock of raw materials'.

Fixed Assets

Fixed assets are stated at historical cost.

Depreciation

We charge 100% depreciation on fixed assets up to a value of ₹ 5,000.0 as prescribed in Schedule XIV to the Companies Act. Depreciation is calculated (i) for wind turbine generators, using the straight line method and (ii) for all other assets, using the written down value method, in each case, on a pro-rata basis at the rates prescribed by Schedule XIV to the Companies Act, as amended from time to time. However, depreciation for a full month is recorded when any asset is first put to use on any day during that month.

The cost of leasehold land, including the net present value of diverted forest land, is amortized over the period of the lease.

Write-off of losses on assets

The value of all assets that are dismantled or discarded is written off, assuming that scrap value for the same is nil. If and when discarded assets are disposed of, whether partially or fully, any amounts realized during the period on account of the sale thereof are credited to the profit and loss account for such year.

Expenditure during construction period

All expenditures during the construction period for a specific project that are identifiable as relating to such project are debited to such project up to the date of completion and commissioning of the project.

Captive consumption

Manganese ore

Manganese ore issued as raw material for the production of EMD and HCFM is valued at current period's cost of production. Consumption of ore is accounted for on an average cost basis. The corresponding value of any such manganese ore issued is reduced from 'Ore raising and operating expenses' and recorded as raw material consumption expense under 'Manufacturing and Electricity Generating Expenses'.

Electricity

Power generated at wind turbine generator units that is consumed at our mines and/or plants is are charged to the respective segments ('Ore raising and operating expenses' for manganese ore production or 'Manufacturing and Electricity Generating Expenses' for the HCFM plant) at the cost of generation.

Employee benefits

Short term employee benefits

Short term employee benefits are recognized as expense at the undiscounted amount in the profit and loss account under 'Ore raising and operating expenses', 'Manufacturing and electricity generating Expenses' or 'Administrative and selling expenses', depending on the segment to which the employee belongs, in the period in which the related service is rendered.

Defined benefit plans

Post-employment and other long term employee benefits are recognized as an expense in the profit and loss account for the period in which the employee has rendered services. The expenses are recognized at the present value of the amounts payable, determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the profit and loss account for each period under 'Ore raising and operating expenses', 'Manufacturing and electricity generating expenses' or 'Administrative and selling expenses', depending on the segment to which the employee belongs.

Defined contribution plans

Defined contribution plans are post-employment benefit plans, under which we pay fixed contributions into separate entities (funds). Our contribution to defined contribution plans is recognized in the profit and loss statement of the period to which it relates under 'Ore raising and operating expenses', 'Manufacturing and electricity generating expenses' or 'Administrative and selling expenses', depending on the segment to which the employee belongs.

Accounting for subsidies from Welfare Commissioner

Expenditures for the acquisition pursuant to welfare schemes of assets such as school buses, ambulances and water supply materials are debited in full to the relevant asset accounts in the period in which such expenditures are incurred. The amount of subsidy received is credited to the same asset head in the year of receipt. Depreciation is then charged on the reduced value of the asset from that year.

Provision for doubtful debts

Provisions for bad and doubtful debts are made based on a case-by-case review of sundry debtors outstanding for more than two years. In the event of debts outstanding from private parties for more than three years, a provision is recorded.

Mine closure expenditure

Upon final mine closure, we will be required to carry out certain obligations pursuant to the relevant Acts and Rules, including filling the mines. We estimate the obligations for cash outflows that will be required at the time of closure of each mine based on the total available ore reserves at the mine. The same are provided for in the accounts under 'Provision for final mine closure expenses', on a period to period basis, after taking into consideration the current annual production rate. Consequently, changes in estimated total available ore reserves, or in the annual production rate, result in changes to the amounts provided for in the accounts, reflected under 'Write offs and provisions' in the profit and loss account.

Net present value for diversion of forest land for non-forest purposes

We are obliged to make one-time payments in relation to forested leasehold properties whenever leases are obtained or renewed. The related liability is recognized on receipt of necessary permission from the concerned authorities and amortized thereafter together with the leasehold land.

Research and development expenditure

Research and development expenditure is charged to the profit and loss account in the period of incurrence. However, expenditure on fixed assets relating to research and development is treated in the same way as other assets.

Description of Principal Profit and Loss Account Items

Set forth below is a description of the nature of the principal items in our profit and loss account.

Income

The table below sets forth our income for the periods indicated:

	Six Months Ended September 30,		Fiscal		
	2010	2009	2010	2009	2008
			(₹ million)		
Income:					
Gross Sales (manufactured goods)					
Manganese Ore	5,863.7	3,996.3	9,100.9	11,872.8	9,051.0
EMD	34.8	24.3	58.0	92.8	74.6
HCFM	345.67	187.6	402.7	800.3	604.0
HCFM slag	82.73	28.4	68.6	131.4	118.1
Power to MPEDCL (wind power)	58.73	75.9	93.1	82.5	4.0
Total Sales Revenue	**6,385.7**	**4,312.5**	**9,723.3**	**12,979.8**	**9,851.7**
Less Excise Duty					
On Sale of EMD	(3.3)	(1.8)	(4.5)	(10.9)	(10.4)
On Sale of HCFM	(24.2)	(7.8)	(19.6)	(19.5)	(49.5)
On Sale of HCFM slag	(7.7)	(2.2)	(5.2)	(16.0)	(16.4)
Net Sales (manufactured goods)	**6,350.5**	**4,300.7**	**9,693.9**	**12,933.4**	**9,775.4**
Other Income	613.7	642.8	1,299.8	1,117.1	466.4
Accretion/(Decretion) to Stocks	(39.3)	(207.5)	(115.2)	343.6	(87.3)
Total Income	**6,924.9**	**4,736.0**	**10,878.5**	**14,394.1**	**10,154.5**

Total income consists of gross sales (manufactured goods), less excise duty, including royalties, together with other income and accretion/(decretion) to stocks.

For the six months ended September 30, 2010 and 2009 and Fiscal 2010, 2009 and 2008, our income consisted primarily of gross sales from manganese ore. We generate a significant portion of our manganese ore revenues from certain key customers. In particular, Maharashtra Elektrosmelt Limited and Bhilai, which are both state entities that are a subsidiary and a division of SAIL, respectively and that together accounted for 22.1% of our manganese ore sales revenue in Fiscal 2010. Our top ten customers represented 51.5% of our sales of manganese ore for Fiscal 2010.

To a lesser extent, our total sales revenues also include sales revenue from HCFM, HCFM slag, wind power and EMD.

Other income relates primarily to interest earned from deposits with banks.

Accretion/(decretion) to stocks represents any increase/decrease of stock as compared to opening and closing of the period.

Operating Expenditures

The major components of our operating expenditures are ore raising and operating expenses (relating to the production of manganese ore and including costs of beneficiation); manufacturing and electricity generating expenses (related to our production of HCFM and EMD, as well as electricity generation at our wind power plant); and administrative and selling expenses. Our expenditures also include research and development expense, write-offs and provisions and expenses for diversion of forest land.

Our total operating expenditures (not including depreciation and amortization and taxation), as a percentage of our total income, were 26.6%, 32.7%, 28.3% and 26.0% for the six months ended September 30, 2010 and Fiscal 2010, 2009 and 2008 respectively. The following table sets forth our total expenditures for the periods indicated.

	Six Months Ended September 30,		Fiscal		
	2010	2009	2010	2009	2008
	(₹ million)				
Ore raising and operating expenses	1,258.5	1,159.0	2,523.3	2,880.9	1,782.8
Manufacturing and electricity generating expenses	196.9	165.2	371.8	443.2	288.6
Administrative and selling expenses	369.5	252.7	615.2	721.8	476.0
Research and development expenses	11.9	13.7	28.8	16.7	27.9
Write-offs and provisions	3.5	3.6	9.3	16.6	68.8
Expenses for diversion of forest land	3.7	---	9.2	0.7	0.5
Total operating expenditures	**1,844.0**	**1,594.2**	**3,557.6**	**4,079.9**	**2,644.6**

Ore Raising and Operating Expenses

Ore raising and operating expenses include those expenditures related to the production of manganese ore, including costs of beneficiation. The following table sets forth the components of ore raising and operating expenses for the periods indicated:

	Six Months Ended September 30,		Fiscal		
	2010	2009	2010	2009	2008
	(₹ million)				
Employee costs	828.8	829.6	1,749.8	2,130.2	1,052.3
Transport, rail and other	183.5	119.3	300.5	294.9	292.3
Consumption of stores and spares	142.0	119.9	281.7	285.5	269.4
Power and fuel	57.7	52.6	99.9	93.3	83.2
Repairs and maintenance	70.7	54.7	122.3	91.0	84.7
Other	20.5	20.8	46.6	45.7	42.5
Less: Cost of manganese ore transferred to HCFM and EMD plants	(44.7)	(37.9)	(77.5)	(59.7)	(41.6)
Total	**1,258.5**	**1,159.0**	**2,523.3**	**2,880.9**	**1,782.8**

Employee Costs

Employee costs represent payments and benefits to employees, such as salaries, allowances and incentives, gratuity and other welfare costs to employees in connection with the manganese ore production process (including beneficiation of manganese ore).

Transport, Rail and Other

Manganese ore is transported by lorry from our pit head to our loading plant stock pile for loading into railway wagons. Transport charges represent expenditures incurred on the transportation of the ore from the various storage sites and loading the ore into wagons. We use third party contractors to carry out such transportation.

Consumption of Stores and Spares

In connection with the production of manganese ore at mines, stores and spares include such materials as blasting packages and explosives, cement and fuel.

Power and Fuel

Power and fuel charges represent the costs incurred by us in connection with the purchase of electricity for the operation of the mines.

Repairs and Maintenance

Repairs and maintenance includes the costs incurred by us in connection with the repairs and ongoing maintenance of our mines, heavy earth moving equipment, plants, civil structures and vehicles, as well as the related salaries and wages and stores and spares.

Other

Other expenses include rates and taxes, insurance, travelling and conveyance and other miscellaneous expenses.

Manganese Ore Transferred to HCFM and EMD Plants

Manganese ore used internally for production of HCFM and EMD at our HCFM and EMD plants is deducted from ore raising and operating expenses on a cost basis.

Manufacturing and Electricity Generating Expenses

Manufacturing and electricity generating expenses include expenditures related to our production of HCFM and EMD, as well as electricity generation at our wind power plant. The following table sets forth the components of manufacturing and electricity generating expenses for the periods indicated:

	Six Months Ended September 30,		Fiscal		
	2010	**2009**	**2010**	**2009**	**2008**
			(₹ million)		
Employee costs	17.7	17.5	36.9	45.0	20.8
Consumption of raw materials	91.3	77.7	171.4	229.5	115.4
Power and fuel	69.2	56.4	130.9	135.3	132.0
Other	18.7	13.6	32.7	33.4	20.4
Total	**196.9**	**165.2**	**371.9**	**443.2**	**288.6**

The principal elements of manufacturing and electricity generating expenses are costs of raw materials used in the manufacturing process and costs of power and fuel used to maintain operation of the manufacturing plants.

Consumption of raw materials include primarily manganese ore and other minerals, such as coke, carbon paste, dolomite and iron ore in the case of HCFM and sulphuric acid and sodium carbonate in the case of EMD.

Power and fuel include primarily power purchased from the state electricity board.

Administrative and Selling Expenses

Administrative expenses include costs relating to the management and day-to-day operation of our business, mainly consisting of employee costs. Selling expenses primarily include payments to the Government of royalty and cess. The following table sets forth the components of administrative and selling expenses for the periods indicated:

	Six Months Ended September 30,		Fiscal		
	2010	2009	2010	2009	2008
			(₹ million)		
Employee costs	75.2	65.2	144.6	175.7	78.6
Other	46.4	37.6	102.5	112.3	90.9
Total administrative expenses	121.6	102.8	247.1	288.0	169.5
Royalty and cess	238.3	138.8	346.9	350.0	268.8
Other	9.6	11.1	21.2	83.7	37.5
Total selling expenses	247.9	149.9	368.1	433.7	306.3
Total	**369.5**	**252.7**	**615.2**	**721.7**	**476.0**

Employee costs represent payments and benefits to employees, such as salaries, allowances and incentives, gratuity and other welfare costs for employees at the corporate office.

Royalty on manganese ore is payable on production at the rates determined by the GoI. Royalty rates are subject to periodic revision. The last revision was made in August 2009 and currently the rate is 4.2% of the selling price. Royalty forms a part of the sale price applicable to our manganese ore sales.

Welfare cess of ₹ 4.00 per tonne is paid to the welfare cess commissioner and is recorded under selling expenses. Welfare cess does not form a part of the sale price applicable to our manganese ore sales, rather, it is paid directly by us to the welfare cess commissioner.

Research and Development Expenses

Research and development expenses include primarily expenditures related to exploratory drilling at existing mines to prove reserves and improving productivity through new technologies and mechanization.

Taxation

Provision for taxation 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).

Results of Operations

The table below sets forth the principal items of our profit and loss account for the periods indicated:

	Six Months Ended September 30,		Fiscal		
	2010	2009	2010	2009	2008
			(₹ million)		
Income:					
Gross Sales					
Manganese Ore	5,863.7	3,996.3	9,100.9	11,872.8	9,051.0
EMD	34.8	24.3	58.0	92.8	74.6
HCFM	345.7	187.6	402.7	800.3	604.0
HCFM slag	82.7	28.4	68.6	131.4	118.1
Wind Power	58.7	75.9	93.1	82.5	4.0
Total Sales Revenue	6,385.7	4,312.5	9,723.3	12,979.8	9,851.7
Less Excise Duty					
On Sale of EMD	3.3	1.8	(4.5)	(10.9)	(10.4)
On Sale of HCFM	24.2	7.8	(19.6)	(19.5)	(49.5)
On Sale of HCFM slag	7.7	2.2	(5.2)	(16.0)	(16.4)
Net Sales (manufactured goods)	**6,350.5**	**4,300.7**	**9,694.0**	**12,933.4**	**9,775.4**
Other Income	613.6	642.8	1,299.8,	1,117.1	466.4
Accretion/(Decretion) to Stocks	(39.3)	(207.5)	(115.3)	343.6	(87.3)
Total Income	**6,924.9**	**4,736.0**	**10,878.5**	**14,394.1**	**10,154.5**
Expenditure:					
Ore Raising and Operating Expenses	1,258.5	1,159.0	2,523.3	2,880.9	1,782.8
Manufacturing and Electricity Generating Expenses	196.9	165.2	371.8	443.2	288.7
Administrative and selling expenses	369.5	252.7	615.2	721.8	476.0
Research and development expenses	11.9	13.6	28.8	16.7	27.9
Write-offs and provisions	3.5	3.7	9.3	16.6	68.8
Expenses for diversion of forest land	3.7	-	9.2	0.7	0.5
Total Operating Expenses	**1,844.0**	**1,594.2**	**3,557.6**	**4,079.9**	**2,644.7**
Profit before depreciation, interest and taxation	**5,080.9**	**3,141.8**	**7,320.9**	**10,314.2**	**7,509.8**
Depreciation	(133.1)	(122.8)	(253.0)	(246.7)	(160.7)
Profit before tax	**4,947.8**	**3,019.0**	**7,067.9**	**10,067.6**	**7,349.1**
Provisions for tax	(1,640.5)	(1,008.3)	(2,404.4)	(3,429.6)	(2,550.9)
Net profit after tax as per audited accounts	**3,307.2**	**2,010.7**	**4,663.5**	**6,637.9**	**4,798.2**
Adjustments on account of:					
Changes in accounting policies	(11.6)	(1.9)	(1.4)	21.1	(47.3)
Prior period items	-	-	-	-	-
Other	-	17.6	35.3	449.3	329.2
Tax impact					
Current year tax impact	3.8	(5.4)	(11.5)	(163.5)	(109.3)
Deferred tax liability/asset	-	-	-	-	(13)
Tax impact - other adjustments	-	-	(15.1)	(0.3)	(3.0)
Total adjustments after tax impact	(7.8)	10.3	**7.3**	**(265.0)**	**(182.6)**
Profit after tax, as restated	**3,315.0**	**2,000.4**	**4,656.2**	**6,902.9**	**4,615.6**

Six Months Ended September 30, 2010 compared with the Six Months Ended September 30, 2009

Sales Revenue

Gross sales of manganese ore for the six months ended September 30, 2010 increased by 46.7%, reaching ₹ 5,863.7 million as compared to ₹ 3,996.3 million for the six months ended September 30, 2009. The increase was primarily attributable to an increase in prices.

Gross sales for HCFM increased significantly, reaching ₹ 345.7 million for the six months ended September 30, 2010 as compared to ₹ 187.6 million for the six months ended September 30, 2009 primarily as a result of increase in sales volumes.

Gross sales from HCFM slag increased significantly over the period, from ₹ 28.4 million for the six months ended September 30, 2009 to ₹ 82.7 million for the six months ended September 30, 2010, due to increases in both sale price and quantity.

Gross sales from EMD also increased by 43.2% from ₹ 24.3 million for the six months ended September 30, 2009 to ₹ 34.8 million for the six months ended September 30, 2010 due to an increase in sales quantity.

The wind mill power generation project generated ₹ 58.7 million in gross sales during the six months ended September 30, 2010, declining by 22.7% from ₹ 75.9 million for the six months ended September 30, 2009, due to lower generation of energy primarily resulting from weather conditions.

Other Income

Other income for the six months ended September 30, 2010 decreased by 4.5% to ₹ 613.6 million, compared to ₹ 642.8 million in the corresponding period of the prior year. This was due primarily to a 4.3% decrease in interest income on deposits, advances and outstanding, which dropped to ₹ 590.2 million for the six months ended September 30, 2010 compared to ₹ 616.9 million for the six months ended September 30, 2009, due to a reduction in the interest rate applicable to fixed-rate bank deposits, despite an increase in the balance on fixed deposit to ₹ 17,515.9 million at September 30, 2010 as compared to ₹ 12,598.9 million at September 30, 2009.

Expenditure

Our total expenditure increased by 15.7% to ₹ 1,844.0 million for the six months ended September 30, 2010 from ₹ 1,594.2 million for the six months ended September 30, 2009.

Ore Raising and Operating Expenses

Ore raising and operating expenses increased by 8.6% to ₹ 1,258.5 million for the six months ended September 30, 2010 compared to ₹ 1,159.0 million for the six months ended September 30, 2009. This increase reflected increased transport, rail and other costs to contractors and consumption of stores and spares due to the increase in production, as well as corresponding increased repairs and maintenance costs resulting from the increased production levels. These increases were offset in part by a decrease in employee costs due to the higher levels of adjustment provisions recorded in Fiscal 2009.

Manufacturing and Electricity Generating Expenses

Manufacturing and electricity generating expenses increased by 19.2% to ₹ 196.9 million for the six months ended September 30, 2010 from ₹ 165.2 million for the six months ended September 30, 2009. This was due primarily to higher consumption of raw materials related to the increase in production of HCFM, HCFM slag and EMD over the period. To a lesser extent, this was also due to an increase in power and fuel also related to increased production levels.

Administrative and Selling Expenses

Administrative expenses increased by 18.3% to ₹ 121.6 million for the six months ended September 30, 2010 from ₹ 102.8 million for the six months ended September 30, 2009, due primarily to higher expenditures on corporate social responsibility. To a lesser extent, such increase was also due to higher employee costs, which increased by 15.3% to ₹ 75.2 million for the six months ended September 30, 2010 from ₹ 65.2 million for the six months ended September 30, 2009, as a result of normal annual increments and dearness allowances.

Selling expenses increased by 65.4%, to ₹ 247.9 million for the six months ended September 30, 2010 as compared to ₹ 149.9 million for the six months ended September 30, 2009, primarily due to increased royalty and cess payments resulting from increased sales volumes and an increase in the royalty rate from 3.0% to 4.2% with effect from August 2009.

Profit before Tax

Our profit before tax increased by 63% to ₹ 4,947.8 million for the six months ended September 30, 2010, as compared to ₹ 3,019.0 million for the six months ended September 30, 2009, primarily as a result of the increase in sales revenue from manganese ore of ₹ 1,867.4 million, offset in part by an increase in expenditures.

Provisions for Taxation

Our provisions for taxation and deferred tax increased by 62.7% to ₹ 1,640.5 million for the six months ended September 30, 2010 compared to ₹ 1,008.3 million for the six months ended September 30, 2009, due to higher profits. The applicable tax rate for the six months ended September 30, 2010 was 33.2175% as compared to 33.99% for the six months ended September 30, 2009.

Net Profit after Tax As Per Audited Accounts

Our net profit after tax as per audited accounts increased by 64.5% to ₹ 3,307.2 million for the six months ended September 30, 2010 as compared to ₹ 2,010.7 million for the six months ended September 30, 2009. Net profit after tax as per audited accounts as a percentage of net sales was 52.1% for the six months ended September 30, 2010 as compared to 46.8% for the six months ended September 30, 2009.

Profit after Tax, as Restated

Our net profit after tax as restated increased by 65.7% to ₹ 3,315.0 million for the six months ended September 30, 2010 as compared to ₹ 2,000.4 million for the six months ended September 30, 2009.

Fiscal 2010 Compared with Fiscal 2009

Revenues

Our revenues from the sales of manganese ore for Fiscal 2010 decreased by 23.3% to ₹ 9,100.9 million from ₹ 11,872.8 million for Fiscal 2009. The decrease is primarily attributable to the onset of the global recession in the latter part of Fiscal 2008, which resulted in a decrease in sales revenue from manganese ore, due to a decrease in market prices for manganese ore, which was offset only in part by an increase in sales quantities beginning from the second quarter of 2009 (for an increase of 0.15 million tonnes or 14.8% over the period).

Revenues from sales of HCFM, HCFM slag and EMD also declined. Sales revenue for HCFM decreased by 49.7% from ₹ 800.3 million in Fiscal 2009 to ₹ 402.7 million in Fiscal 2010 as a result of decreases in market prices. Revenues from sales of HCFM slag also decreased by 47.8% to ₹ 68.6 million in Fiscal 2010 from ₹ 131.4 million for Fiscal 2009, as a result of decreased sales volumes. Sales revenue from EMD decreased by 37.6% from ₹ 92.8 million in Fiscal 2009 to ₹ 58.0 million in Fiscal 2010 due to decreases in sales volume as a result of competitive conditions. The wind mill power generation project generated ₹ 93.1 million in revenue during Fiscal 2010, an increase of 12.9% compared to ₹ 82.5 million in Fiscal 2009.

Other Income

Other income during Fiscal 2010 increased by 16.4% to ₹ 1,299.8 million, compared to ₹ 1,117.1 million in Fiscal 2009. This was due to increased interest income on bank deposits, which increased by 17.1% to ₹ 1,216.8 million in Fiscal 2010 compared to ₹ 1,038.7 million in Fiscal 2009, as a result of an increase in the balance on fixed deposit to ₹ 14,650.2 million as of March 31, 2010 compared to ₹ 12,255.6 million as of March 31, 2009.

Expenditure

Our total expenditure decreased by 12.8% to ₹ 3,557.6 million for Fiscal 2010 from ₹ 4,079.9 million for Fiscal 2009.

Ore Raising and Operating Expenses

Ore raising and operating expenses decreased to ₹ 2,523.3 million in Fiscal 2010 compared to ₹ 2,880.9 million in Fiscal 2009, due primarily to a decrease in employee costs. Employee costs were higher in Fiscal 2009 primarily on account of provisions made in Fiscal 2009 for the expected retroactive increases in employee costs. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations - Factors Affecting Results of Operations and Financial Condition – Employee Costs***" on page 132 of this Red Herring Prospectus. Other operating expenses, including transport, power and fuel and repairs and maintenance showed slight increases, reflecting due to normal inflation and increase in mining activities.

Manufacturing and Electricity Generating Expenses

Manufacturing and electricity generating expenses decreased by 16.1% to ₹ 371.8 million for Fiscal 2010 from ₹ 443.2 million for Fiscal 2009. This was due primarily to a decline in consumption of raw materials related to the decrease in production of HCFM and EMD over the period. To a lesser extent, this was also due to a decrease in employee costs as a result of the significant provisions recorded in Fiscal 2009.

__Administrative and Selling Expenses__

Administrative expenses decreased by 14.2% to ₹ 247.1 million for Fiscal 2010 from ₹ 288.0 million in Fiscal 2009, due primarily to reductions in employee costs, which decreased by 17.6% to ₹ 144.7 million in Fiscal 2010 from ₹ 175.7 million in Fiscal 2009, as a result of provisions recorded in Fiscal 2009. To a lesser extent, this was also due to decreased expenditure on corporate social responsibility in light of economic conditions.

Selling expenses also decreased by 15.1% to ₹ 368.1 million in Fiscal 2010 from ₹ 433.7 million in Fiscal 2009, primarily due to provision recorded in Fiscal 2009 in the amount of ₹ 63.9 million in relation to certain arbitral awards against us in connection with customer claims dating from Fiscal 1990 and Fiscal 1993, which we are disputing.

__Profit before Tax__

Our profit before tax decreased by 29.8%, to ₹ 7,067.9 million for Fiscal 2010, from ₹ 10,067.6 million for Fiscal 2009, primarily as a result of the decrease in sales revenue from manganese ore, offset in part by the decrease in expenditures.

__Provisions for Taxation__

Our provisions for taxation decreased by 29.9% to ₹ 2,404.5 million for Fiscal 2010, from ₹ 3,429.6 million for Fiscal 2009, due to lower profits. The applicable tax rate for Fiscal 2010 and 2009 was 33.99%.

__Net Profit after Tax As Per Audited Accounts__

Our net profit after tax as per audited accounts decreased by 29.7% to ₹ 4,663.5 million for Fiscal 2010, from ₹ 6,637.9 million for Fiscal 2009. Net profit after tax as per audited accounts as a percentage of net sales was 48.1% for Fiscal 2010 as compared to 51.3% for Fiscal 2009.

__Profit after Tax, as Restated__

Our profit after tax as restated also decreased, reaching ₹ 4,656.2 million for Fiscal 2010 as compared to ₹ 6,902.9 million for the six months ended Fiscal 2009.

Fiscal 2009 compared with Fiscal 2008

Revenues

Our sales revenues from the sale of manganese ore increased by 31.2% to ₹ 11,872.8 million for Fiscal 2009 from ₹ 9,051.0 million in Fiscal 2008, due to an increase in sales prices of manganese ore through October 2008, which resulted in an increase in revenues from manganese ore sales despite a decrease in sales volume of 0.4 million tonnes or 26.5%.

Revenues from sales of HCFM and EMD also increased, in each case due to increases in both sales volume and sale prices. Revenues from the sales of HCFM increased 32.5% to ₹ 800.3 million in Fiscal 2009. Sales revenue from EMD increased 24.5% to ₹ 92.8 million in Fiscal 2009.

Revenues from sales of HCFM slag increased by 11.3% to ₹ 131.4 million for Fiscal 2009 as compared to ₹ 118.1 million for Fiscal 2008, due to an increase in sales price.

Other Income

Other income during Fiscal 2009 more than doubled, increasing to ₹ 1,117.1 million, compared to ₹ 466.4 million in the previous year. This was due to increased interest income on fixed-rate bank deposits, which grew to ₹ 1,038.7 million in Fiscal 2009 compared to ₹ 434.4 million in Fiscal 2008, as a result of an increase in the balance on fixed deposit to ₹ 12,255.6 million as of March 31, 2009 compared to ₹ 5,713.5 million as of March 31, 2008.

Expenditure

Total expenditures increased by 54.3%, to ₹ 4,079.9 million for Fiscal 2009 from ₹ 2,644.6 million for Fiscal 2008. This increase was mainly due to employee costs.

Ore Raising and Operating Expenses

Ore raising and operating expenses increased to ₹ 2,880.9 million in Fiscal 2009 compared to ₹ 1,782.8 million in Fiscal 2008, due primarily to an increase in employee costs. Such employee costs increased primarily on account of provisions made for expected retroactive increases in employee costs. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations - Factors Affecting Results of Operations and Financial Condition – Employee Costs***" on page 132 of this Red Herring Prospectus. Power and fuel increased slightly due to required consumption under the relevant electricity contracts.

Manufacturing and Electricity Generating Expenses

Manufacturing and electricity generating expenses increased by 53.6% to ₹ 443.2 million for Fiscal 2009 from ₹ 288.6 million for Fiscal 2008. This was due primarily to increased production of HCFM and EMD requiring increased consumption of raw materials, as well as to price increases for such raw materials. To a lesser extent, this was also due to an increase in employee costs as a result of provisions made in Fiscal 2009 as discussed above.

Administrative and Selling Expenses

Administrative expenses increased by 69.9% to ₹ 288.0 million for Fiscal 2009 from ₹ 169.5 million in Fiscal 2008, due primarily to a significant increase in employee costs, as a result of the provisions described above. To a lesser extent, this was also due to increased expenditure on corporate social responsibility.

Selling expenses also increased by 41.6% in Fiscal 2009, to ₹ 433.7 million from ₹ 306.3 million in Fiscal 2008, primarily due to provision recorded in Fiscal 2009 in the amount of ₹ 63.9 million in relation to certain arbitral awards against us in connection with customer claims dating from Fiscal 1990 and Fiscal 1993, which we are disputing. To a lesser extent, such increase resulted from higher royalty and cess payments, as well as increased service charges on e-auctions.

Profit before Tax

Our profit before tax increased by 37.0% to ₹ 10,067.6 million for Fiscal 2009, from ₹ 7,349.1 million for Fiscal 2008, primarily as a result of increased sales revenues for manganese ore. Profit before tax as a percentage of net sales was 77.8% for Fiscal 2009 as compared to 75.2% for Fiscal 2008.

Provisions for Taxation

Our provisions for taxation increased by 34.5% to ₹ 3,429.6 million for Fiscal 2009, from ₹ 2,550.9 million for Fiscal 2008, due to higher profits. Our applicable tax rates for Fiscal 2009 and 2008 were 33.99% and 33.66%, respectively.

Net Profit after Tax As Per Audited Accounts

Our net profit after tax as per audited accounts increased by 38.3% and was ₹ 6,637.9 million for Fiscal 2009, compared to ₹ 4,798.2 million for Fiscal 2008. Net profit after tax as per audited accounts as a percentage of net sales was 51.3% for Fiscal 2009, as compared to 49.1% for Fiscal 2008.

Profit after Tax, as Restated

Our profit after tax as restated also increased to ₹ 6,902.9 million for Fiscal 2009 as compared to ₹ 4,615.6 million for Fiscal 2008.

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 our fixed assets as of September 30, 2010 and 2009 and as of March 31, 2010, 2009 and 2008:

	As at September 30,		As at March 31,		
	2010	2009	2010	2009	2008
			(₹ million)		
Fixed Assets:					
Gross Block	3,802.2	3,523.4	3,570.3	3,420.0	3,024.8
Less: Depreciation	1,738.0	1,486.4	1,604.9	1,363.6	1,136.0
Net Block	2,064.2	2,037.0	1,965.4	2,056.4	1,888.8
Capital Work in Progress	225.2	228.7	221.8	154.5	85.5
Total	**2,289.4**	**2,265.7**	**2,187.2**	**2,210.9**	**1,974.3**

Investments

As of September 30, 2010, investments consisted primarily of investments in joint ventures with SAIL and RINL.

The following table illustrates our investments as of September 30, 2010 and 2009 and as of March 31, 2010, 2009 and 2008:

	As at September 30,		As at March 31,		
	2010	2009	2010	2009	2008
			(₹ million)		
Non-Quoted Shares[1]	0.1	0.1	0.1	0.1	0.1
Joint Ventures[2]	22.0	2.0	2.0	1.0	0.0
Total	**22.1**	**2.1**	**2.1**	**1.1**	**0.1**

1. Investments in Co-operative stores and societies at our mines.
2. Includes advance for investment of ₹ 20 million during the first quarter of Fiscal 2011.

Current Assets, Loans and Advances

Current assets, loans and advances are comprised mainly of:

- inventory of stores and spares, finished goods and work in progress;

- sundry debtors, which primarily relates to debts owed to us with respect to the sale of manganese ore and wind-generated electricity;

- 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 our sundry debtors as of September 30, 2010 and 2009 and as of March 31, 2010, 2009 and 2008:

	As at September 30,		As at March 31,		
	2010	2009	2010	2009	2008
			(₹ million)		
Debts Considered Good					
Debts outstanding for a period exceeding six Months	6.3	9.0	1.0	1.2	0.0
Other debts	890.7	1,322.0	856.4	609.6	1,589.3
Debts Considered Doubtful	4.2	4.8	4.2	4.8	5.4
Less: Provision for Doubtful Debts	(4.2)	(4.8)	(4.2)	(4.8)	(5.4)
Total Debtors	**897.0**	**1,331.0**	**857.4**	**610.8**	**1,589.3**

Fluctuations in debtors primarily reflect changes in credit extended to customers resulting from evolutions in sales volumes and sales value.

The following table sets forth details of our cash and bank balances as of September 30, 2010 and 2009 and as of March 31, 2010, 2009 and 2008*:*

	As at September 30,		As at March 31,		
	2010	2009	2010	2009	2008
			(₹ million)		
Cash and Bank Balances					
Cash	0.9	1.6	0.6	0.7	0.7
Bank Balances with:					
Scheduled Banks - Fixed Deposit	17,515.9	12598.9	14,650.2	12,255.6	5,713.5
Scheduled Banks - Current Accounts	112.0	214.3	220.0	65.4	371.3
Total	**17,628.8**	**12,814.8**	**14,871.0**	**12,321.7**	**6,085.5**

The following table sets forth details of our loans and advances as of September 30, 2010 and 2009 and as of March 31, 2010, 2009 and 2008:

	As at September 30,		As at March 31,		
	2010	2009	2010	2009	2008
			(₹ million)		
Loans and Advances					
Employees	32.9	41.6	25.1	21.8	21.8
Purchase of Stores, Net:	12.8	6.7	10.9	5.4	15.2
Contractors	12.4	19.3	17.6	18.6	17.1
Pre-paid Expenses	14.5	1.7	3.2	2.2	3.7
Deposit with Utilities	42.7	41.8	41.8	41.3	39.6
Advance Payment of Taxes, Net	252.7	122.2	532.7	317.4	156.9
Total	**368.0**	**233.3**	**631.3**	**406.7**	**254.3**

Current Liabilities and Provisions

Current liabilities and provisions primarily consist of (a) proposed dividends and dividend distribution tax, (b) amounts payable to suppliers of equipment, stores and spares; (c) contractors for works executed; (d) royalty, electricity, sales tax and other indirect taxes; and (e) provision for employee benefits, as per Accounting Standard 15, such as gratuity and accrued leave salary. The following table sets forth details of our current liabilities and provisions as of September 30, 2010 and 2009 and as of March 31, 2010, 2009 and 2008:

	As at September 30,		As at March 31,		
	2010	2009	2010	2009	2008
			(₹ million)		
Current Liabilities and Provisions:					
Current Liabilities	1,540.3	1,735.9	1,458.7	1,831.5	1,332.8
Provisions	473.2	417.4	1,256.5	1,437.5	990.8
Total	**2,013.5**	**2,153.3**	**2,715.2**	**3,269.0**	**2,323.6**

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

We have not incurred any short term debt or long term debt.

Liquidity and Capital Resources

Historically, we have maintained a highly liquid profile and the ratio of current assets to current liabilities for the last three years has ranged from 3.6:1 for the year ended Fiscal 2008 to about 6.4:1 at year end Fiscal 2010. Therefore, the working capital requirements as well as capital expenditure have been met by internal resources generated each year and we have not typically resorted to any short term or long term borrowings from banks or other financial institutions. Deposits with banks were ₹ 17,628.8 million as of September 30, 2010.

Dividends

Our dividend payout and tax on dividend payout for Fiscal 2010, 2009 and 2008 was as follows:

	Fiscal		
	2010	2009	2008
Dividend Payout (₹ million)	940.8	1,330.0	966.0
Dividend Tax (₹ million)	157.7	226.0	164.2

No interim dividend has been paid in the six months ended September 30 2010 and no interim dividend has been declared during Fiscal 2011 to date.

Dividends are declared at the annual general meeting of the shareholders based on recommendations by the board. Our board may recommend dividends, at its discretion, to be paid to our shareholders. Our board may also declare interim dividends. Our board considers a number of factors in making a recommendation to pay a dividend, including but not limited to our profits, capital expenditure programmes and overall financial conditions. Pursuant to guidelines issued by the Ministry of Finance in September, 2004, the minimum amount of dividend required to be declared is the higher of 20% of equity or 20% of profits after tax. Our dividend payout ratio for Fiscal 2010, 2009 and 2008 was 20% of profit after tax for each year. The amounts paid as dividends in the past are not necessarily indicative of our dividend policy for the future. See "***Dividend Policy***" on page 128 of this Red Herring Prospectus.

Cash Flows

The table below summarises our cash flows for the six months ended September 30, 2010, and September 30, 2009, and Fiscal 2010, 2009 and 2008.

	Six Months Ended September 30		Fiscal		
	2010	2009	2010	2009	2008
			(₹ million)		
Net Cash from Operating Activities	2,422.9	53.7	2,637.2	7,236.1	4,435.2
Net Cash from Investing Activities	334.9	439.4	1,010.5	556.1	(434.4)
Net Cash used in Financing Activities	-	-	(1,098.5)	(1,556.0)	(1,130.2)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,757.8	493.1	2,549.2	6,236.2	2,870.6

Net cash from Operating Activities

Our main source of cash flows is funds from operations. Changes in our funds from operations are primarily determined by changes in the prices we have received for our principal products (manganese ore), and our production volumes.

Our net cash flows from operating activities increased to ₹ 2,422.9 million for the six months ended September 30, 2010, from ₹ 53.7 million for the six months ended September 30, 2009, primarily due to increased operating profit before working capital changes offset in part by the impact of an increase in receivables relating to sundry debtors.

Our net cash flows from operating activities decreased from ₹ 7,236.1 million for Fiscal 2009 to ₹ 2,637.2 million for Fiscal 2010, primarily due to decreased operating profit before working capital changes, as well as an increase in sundry debtors.

Our net cash flows from operating activities increased to ₹ 7,236.1 million for Fiscal 2009 from ₹ 4,435.2 million for Fiscal 2008. This is primarily due to increased operating profit before working capital changes. Fiscal 2009 reflected increased loans and advances, relating to a rise in net advance tax.

Net cash used in Investing Activities

Our net cash flows from investing activities decreased to ₹ 334.9 million for the six months ended September 30, 2010, from ₹ 439.4 million for the six months ended September 30, 2009, due primarily to decreased interest from deposits with banks and increased purchase of fixed assets.

Our net cash flow from investing activities increased to ₹ 1,010.5 million for Fiscal 2010 from ₹ 556.2 million for Fiscal 2009, due to decreased purchases of fixed assets and increased interest from deposits with banks.

Our net cash flows from investing activities represented a cash inflow of ₹ 556.2 million for Fiscal 2009, as compared to a cash outflow of ₹ 434.4 million for Fiscal 2008, due to greater amounts of interest from deposits with banks received in Fiscal 2009 and greater amounts of purchases of fixed assets recorded in Fiscal 2008.

Net cash used in Financing Activities

We recorded no net cash used in financing activities in either the six months ended September 30, 2010 or the six months ended September 30, 2009. No dividends were paid during the period.

Our net cash used in financing activities decreased to ₹ 1,098.5 million from ₹ 1,556.0 million for Fiscal 2009, following an increase from ₹ 1,130.2 million for Fiscal 2008. These amounts were utilized for payment of the final dividend of Fiscal 2009 and the first interim dividend for Fiscal 2010, in each case, together with dividend distribution tax. During Fiscal 2009, the final dividend for Fiscal 2008 was paid, along with the first and second interim dividends for Fiscal 2009, in each case, together with dividend distribution tax.

Indebtedness

We have no debt.

Historical and Planned Capital Expenditure and other Investments

Capital expenditures have historically primarily represented purchases of mining equipment and other assets.

- During the six months ended September 30, 2010, purchases of fixed assets amounted to ₹ 231.9 million and related primarily to capital expenditures on HEMM.

- In Fiscal 2010, investments in fixed assets amounted to ₹ 163.3 million and related primarily to HEMM and land payments.

- In Fiscal 2009, investments in fixed assets amounted to ₹ 416.0 million and related primarily to HEMM and additional wind turbine generators commissioned.

- In Fiscal 2008, investments in fixed assets amounted to ₹ 1,206.3 million and related primarily to wind turbines and investments in buildings.

We intend to implement the following projects in order to expand as well as to sustain our production capacity for manganese ore:

Projects	Estimated Capital Cost (in millions of ₹)	Actual/ Estimated Commencement Date	Estimated Completion Date	Potential Benefit of Project
Deepening of Production Shaft at Balaghat Mine	65.1	June 2007	December 2010	To increase ROM production from 340,000 T to 475,000 T
Deepening of Holm's Shaft at Balaghat Mine	190.0	March 2011	March 2015	
High speed shaft for mining at deeper levels at Balaghat Mine	3,000.0	Company has issued work order to Central Mines Planning & Design, a subsidiary of Coal India Limited, for preparation of techno-economic feasibility report	2016	
Sinking of vertical shaft at Gumgaon Mine	160.1	Company is appointing Central Mines Planning & Design, a subsidiary of Coal India Limited, for taking up the techno-economic feasibility study	April 2011	To increase ROM production from 60,000 T to 100,000 T
Sinking of vertical shaft at Munsar Mine	252.0	May 2010	April 2014	To increase ROM production from 30,000 T to 60,000 T
Sinking of vertical shaft at Ukwa Mine	181.1	Price bid yet to be opened	April 2014	To increase ROM production from 55,000 T to 100,000 T
Development of Dongri Buzurg opencast mine	1,800.0	March 2011	March 2014	To increase ROM production from 350,000 T to 560,000 T
Township at mines	2,030.0	Our Company has entered into two letters of intent in October 2010 accepting tenders for construction of residential buildings	2014-15	To build up infrastructure at mines

In connection with these expansion projects, we have committed ₹ 839.8 million for Fiscal 2011 and ₹ 1,077.1 million for Fiscal 2012 in capital expenditure to such projects and have already spent ₹ 241.8 million as of October 31, 2010.

Research and Development

The following table sets forth our research and development expenses for the periods indicated.

	Six Months Ended September 30		Fiscal		
	2010	2009	2010	2009	2008
	(₹ million)				
Research and development expenses	11.9	13.7	28.8	16.7	27.9
Total Research and Development expense as % of net sales	0.19	0.32	0.3	0.1	0.3

For more information, see "***Our Business – Research and Development***" on page 86 of this Red Herring Prospectus.

Principal Sources of Liquidity

As at September 30, 2010, our cash and cash equivalents amounted to ₹ 17,628.8 million. Our anticipated cash flow from operations, together with our existing cash balances, are anticipated to be sufficient to meet our operating and capital expenditure requirements for Fiscal 2011. We expect that our anticipated cash flows for the remaining part of the fiscal year will continue to be secured through renewal of our quarterly sales contracts with customers, and hence we do not expect variation.

Off-Balance Sheet Arrangements and Financial Instruments

We have no off balance sheet arrangements.

Contingent Liabilities and Capital Commitments

The following table sets forth the principal components of our contingent liabilities as of September 30, 2010 and 2009, and as of March 31, 2010, 2009 and 2008.

	As at September 30		As at March 31,		
	2010	2009	2010	2009	2008
	(₹ million)				
Statutory claims against us not acknowledged as debts[1]	0.5	-	-	-	11.4
Claims against us not acknowledged as debts[2]	139.0	28.8	44.7	16.5	51.2
Estimated amount of contracts remaining to be executed on capital account	312.0	95.9	90.4	163.2	402.5
Contingent liability on bills discounted under LCs/ counter guarantees given for bank guarantees	18.6	18.1	18.2	17.1	16.6
Total...	**470.1**	**142.8**	**153.3**	**196.8**	**481.7**

(1) These include claims under Income tax, profession tax, entry 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.

In addition, we are obliged to make capital contributions to the project companies in an amount of ₹ 1.5 million for our joint ventures with each of SAIL and RINL.

RELATED PARTY TRANSACTIONS

We have entered into and expect to enter into transactions with a number of related parties in the course of our business. For further information regarding our related party transactions, see "***Related Party Transactions***" on page 127 of this Red Herring Prospectus.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO DATE OF LATEST FINANCIALS

There have been no other events, to our knowledge, other than as described in this Red Herring Prospectus, which may be called 'unusual' or 'infrequent', subsequent to September 30, 2010.

TRANSITION TO IFRS

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, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition. See "***Risk Factors—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. Our failure to successfully adopt IFRS could have a material adverse effect on our stock price***" on page xxxi of this Red Herring Prospectus.

ANALYSIS OF CERTAIN CHANGES

Significant Economic Changes

To our knowledge, except as described in this Red Herring Prospectus, there are no known factors that will have a material adverse impact on the operations and finances of our Company.

Known Trends or Uncertainties

Our business has been impacted, and we expect it will continue to be impacted, by the trends identified above in ***"Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations and Financial Condition"*** and elsewhere in this Red Herring Prospectus. To the best of our knowledge, there are no known factors which we expect to have a material adverse impact on our revenues or income from continuing operations, except as described in this Red Herring Prospectus.

Seasonality of Business

Our results of operations are not significantly impacted by seasonality effects.

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 our significant accounting policies.

Increase in Company's Revenue

Other than our anticipated normal growth in the regular course of business, we believe 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 Financial Condition and Results of Operations"***, to the best of our knowledge, there is no future relationship between expenditure and revenues that will have a material adverse impact on the operations and the finances of our Company.

Significant Regulatory Changes

To the best of our knowledge, except as described in "***Regulations and Policies"*** on page 89 of this Red Herring Prospectus, and elsewhere in this Red Herring Prospectus, there have been no significant regulatory changes that could affect our revenue from continuing operations.

New Products or Business Segments

We intend to continue to explore new business prospects in the regular course of its business. Apart from the new products under development as mentioned in ***"Our Business"*** on page 64 of this Red Herring Prospectus, we have no current plans to establish any new business segments or develop any new products.

Competitive Conditions

We expect to face competitive conditions as described in "***Our Business***" and "***Risk Factors***" beginning on pages 85 and xiii, respectively, of this Red Herring Prospectus.

Any Significant Dependence on a Single or Few Suppliers or Customers

Our top ten customers represented approximately 51.5% of our sales of manganese ore for fiscal 2010. Our key customers include Maharashtra Elektrosmelt Limited and Bhilai, which are both state entities that are subsidiaries of SAIL and which together accounted for 22.1% of our manganese ore sales revenue in Fiscal 2010. There can be no assurance that any of the agreements with these customers will be renewed or that new agreements will be entered into on terms and conditions satisfactory to us. If we fail to renew the agreements or enter into new agreements on acceptable terms with any of our top ten customers, and in particular with our two key customers, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We purchase various materials and other supplies required for our operations, including diesel, explosives, cement, timber, coke, steel, sand and other safety materials. We incur significant expenditure on diesel fuel and explosives. We require bulk and cartridge explosives and accessories for blasting of overburden and manganese ore. Procurement is carried out through tenders. We source our explosives from vendors selected through an open tender from various vendors in India. We typically enter into contracts for the supply of bulk and cartridge explosives and accessories with vendors determined through the tender process for a period of one year. However, one of the major suppliers is M/s Indian Oil Corporation Ltd (IOC), a public sector undertaking, for diesel, which constitutes approximately 21% of total purchases in Fiscal 2010. In the event of any eventuality, our Company has other sources to procure the materials.

We require electricity for our mining operations for the operation of various equipment and facilities and for lighting of our facilities and offices. We source electricity primarily from the state distribution companies.

In addition, we engage third party contractors for all of our transportation of manganese ore from our mines to loading points, transportation of materials, loading of manganese ore on wagons and a range of activities ancillary to our mining and processing operations. The timing and quality of our projects depends on the availability and skill of these parties, as well as contingencies affecting them, including labour and raw material shortages and industrial actions such as strikes and lockouts. In Fiscal 2010, there has been no contractor which constituted more than 5%.

FINANCIAL INDEBTEDNESS

As of the date of this Red Herring Prospectus our Company has no outstanding secured or unsecured loans.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below (i) 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 and its Directors whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) 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, or arrears on cumulative preference shares 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 except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company or its Directors.

Unless stated to the contrary, the information provided below is as on the date of filing this Red Herring Prospectus.

Neither our Company nor 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 penalties imposed on them thereunder or pending against them, and adverse findings regarding compliance with securities laws.

I. Litigation involving our Company and contingent liabilities of our Company

A. Pending Litigation against our Company

1. Mining matters

There are four mining related litigation proceedings against our Company which are pending before various courts in India. The details of these matters are as set out below:

1. Sheikh Firoz filed a suit against our Company before the Court of the 6th Joint Civil Judge Senior Division, Nagpur (Sp. C.S. No. 1053/2008) on September 11, 2008 seeking that a mining lease in respect of Gat No. 94 admeasuring an area of 3.6 hectares situated at Mouza Parsoda, P.H No. 38, Tehsil Ramtek, District Nagpur as obtained by our Company is not binding upon him as no lease has been created either by plaintiffs or their vendors in title and as there is no lease in existence. Also, the said mining lease is allegedly contrary to the provisions of the MMDR Act. He has also sought an injunction against our Company to restrain representatives of our Company from entering the property alleged to be owned by him. Mr. Firoz has further claimed a money decree of ₹ 103,000. Our Company has submitted its written statement and reply to the suit and the submission of the rejoinder on behalf of the plaintiff is awaited. The matter is presently pending before the Court of the 6th Joint Civil Judge Senior Division, Nagpur.

2. Conveyor and Ropeway Services Private Limited had filed a special suit (No. 374 of 2006) on April 7, 2006 before the Civil Judge Senior Division, Nagpur for damages amounting to ₹ 3,100,000 against additional rehabilitation works done for upgrading the plant and for settlement of the works executed before the up-gradation work. Our Company has filed its reply and the matter is pending evidence before the 4th Joint Civil Judge Senior Division, Nagpur.

3. The GoMP, acting through the Madhya Pradesh Pollution Control Board, had filed a complaint (Cr No 339 of 2010) against our Company before the Chief Magistrate, Balaghat on February 25, 2010 claiming that our Company had not obtained environmental clearance for the operation of the Integrated Manganese Benefaction Plant. Our Company has filed a review petition under Section 397 of the Code of Criminal Procedure, 1973 before the Session Judge, Balaghat District and the matter is presently pending.

4. Ms Rekhalal Gujoba and others have filed an application (No 70 of 2005) before the Court of the Tehsildar, Balaghat on August 8, 2006 seeking compensation aggregating to ₹ 200,000 for land compulsorily acquired by our Company in relation to Balaghat mine. In the alternative, the applicants have also sought employment of their dependents from our Company. The matter is presently pending before the Court of the Tehsildar, Balaghat.

2. Arbitration Proceedings

Ram Bahadur Thakur Limited had commenced arbitration proceedings on May 8, 1990 against our Company for the supply of inferior grade manganese ore and claimed an amount aggregating to ₹ 28.20 million. The sole arbitrator appointed by Ram Bahadur Thakur Limited passed an interim award on August 21, 1995 (Award No. 36 of 1996) finding that our Company has committed a breach of the contract and is liable to pay damages. Thereafter, the arbitrator fixed a date for further hearing for quantification of damages. Therefore, our Company filed an arbitration petition on June 28, 1996 (Arbitration Petition No. 165/1996) before the Bombay High Court challenging the interim award of the arbitrator on various grounds including that the award was contrary to the provisions of the contract and there was no territorial jurisdiction at Bombay (the "**Arbitration Petition**"). However, the High Court by its order dated July 21, 1997 admitted the Arbitration Petition only as regards jurisdiction and partly rejected the petition on all other grounds. Against the part dismissal of the Arbitration Petition our Company filed an appeal (Appeal No. 1198 of 1997) petition before the Bombay High Court against the order of the Bombay High Court dated July 21, 1997. The Arbitration Petition was dismissed on February 4, 2002 against which our Company filed an appeal (No. 529 of 2002) on March 19, 2002. The appeal (529 of 2002) was placed alongwith the earlier appeal 1198 of 1997 and both appeals were dismissed on May 2, 2006. Against the dismissal of the appeal, our Company filed a review petition (Review Petition No. 16 of 2005) on June 18, 2006 before the Bombay High Court which, on June 26, 2006 was also dismissed. Thereafter, against the dismissal of the review petition, our Company filed a special leave petition (SLP No. 9526 of 2006) against the final judgment and order of the High Court of Bombay dated July 26, 2006 before the Supreme Court of India which was also dismissed. However, since that time, Ram Bahadur Thakur Limited has not taken any steps to execute the interim award, nor have the arbitration proceedings re-commenced.

3. Property Matters

There are three litigation proceedings filed against our Company relating to property matters. All of these cases relate to unauthorized encroachment of lands over which we have mining leases.

1. Mr. Prithviraj has filed a plaint (No 12 of 2005) on April 25, 2005 before the District Magistrate against the Estate Officer of our Company. In an order dated August 30, 2002 issued by the Estate Officer, Mr. Prithviraj was instructed to vacate the premises of his dwelling as it had been constructed on land over which our Company has a mining lease. The matter is pending before the District Magistrate, Balaghat.

2. Mr. Sunil Chandanlal has filed a plaint (No. 18A of 2007) on November 16, 2007 before the District Magistrate against the Estate Officer of our Company. In an order dated October 15, 2007 issued by the Estate Officer, Mr. Chandanlal was instructed to vacate the premises of his dwelling as it had been constructed on land over which our Company has a mining lease. The matter is pending before the District Magistrate, Balaghat.

3. Mr. Mangal Singh Ramteke has filed a plaint (No. 19A of 2007) on November 16, 2007 before the District Magistrate against the Estate Officer of our Company. In an order dated October 15, 2007 issued by the Estate Officer, Mr. Ramteke was instructed to vacate the premises of his dwelling as it had been constructed on land over which our Company has a mining lease. The matter is pending before the District Magistrate, Balaghat.

4. Tax Cases

Our Company has three tax proceedings initiated against it which are pending before various authorities in India as detailed below. Our Company has paid all the demands claimed by the Income Tax Department.

1. The Joint Commissioner of Income Tax passed a number of orders dated November 30, 2007 and December 3, 2007, pertaining to the Financial Years 2001-02 to 2005-06, taking a view that our Company was under an obligation to deduct income tax at source from salary on the value of perquisites in the form of accommodation provided to employees in view of retrospective amendment in Rule 3 of Income Tax Rules, 1962 from 1st April, 2001. Our Company paid the full amount of ₹ 17531795 as demanded by the Income Tax Department under protest and challenged the orders before the Commissioner of Income Tax (Appeals) on January 3, 2008. Such appeal was dismissed as per the orders of the Commissioner of Income Tax (Appeals) dated March 14, 2008. Appeal was filed against these orders with ITAT on May 22, 2008, which gave a verdict in favor of our Company vide orders

dated March 3, 2009. Consequently, the Department refunded the amount deposited along with interest. The Income Tax Department has also filed applications with the COD for permission to pursue all the appeals before the High Court, Nagpur. All its applications dated May 18, 2010 are under consideration of the COD.

2. Additional Commissioner of Income Tax passed assessment order on December 29, 2008 for the financial year 2005-06, holding that provision of ₹ 4,843,384 towards estimated liability at the time of final mine closure was not an allowable deduction under the IT Act. Our Company paid the full amount demanded by the Income Tax Department and preferred an appeal with Commissioner of Income Tax (Appeals) against the order on January 30, 2009. Vide order dated September 7, 2009, the Commissioner of Income Tax (Appeals) upheld the stand of our Company and deleted the addition. As such, the amount deposited with the department against the demand has been refunded. The Income Tax Department filed an appeal with ITAT on January 1, 2010. The Income Tax Department has filed an application with the COD for permitting it to pursue all the appeals before the ITAT. The application is under consideration of the COD.

3. The Municipal Council Khapa, Tehsil Savner has filed a complaint (Cr. Case No. 67/99) on January 16, 1999 before the Judicial Magistrate 1st class, Savner against our Company and another for the payment of Octroi with penalty aggregating to ₹ 800,000 for use of a loader in relation to Khapa mine. The matter is pending before the Judicial Magistrate, First Class, Savner.

5. Employee Matters

There are 56 cases filed against our Company by its employees, pending before various courts in India. Brief details of these cases are as follows:

(i) Litigation pending before Labour Courts, District Courts and Motor Accident Claims Tribunals at Nagpur:

1. Mr. Janba Bhadu and others filed a petition against our Company (IDA Case No. 62 of 1991) on April 16, 1991 under Section 33C (2) of the Industrial Disputes Act, 1947 before the Labour Court, Nagpur challenging the decision of the management to include cash value of grain for deciding the rate of minimum wages in relation to the Gumgaon mine. This matter is presently pending before the Labour Court, Nagpur.

2. Mr. Tirsingh Deepchand Pandhare filed a petition (IDA Case No. 1/96) against the Managing Director, our Company and another dated June 4, 1996 under Section 33C (2) of Industrial Disputes Act, 1947 before the Labour Court, Nagpur, demanding his full wages from the date of transfer from Chikla mine to Dongri Buzurg but was not provided work i.e., November 11, 1987 to the date of retirement i.e., June 30, 1994. The amount of the claim is ₹ 49,300 and the matter is presently pending before the Labour Court, Nagpur.

3. Mr. Dayaram Pardhi filed a petition (No. PWA – 17/01) on October 29, 2001 under the Payment of Wages Act, 1936 against our Company before the Labour Court, Nagpur, for the short payment of wages paid to him during service tenure in relation to Chikla Mine. The matter is presently pending before the Labour Court, Nagpur.

4. Mr. Shrikant Tekade filed an appeal (MJC No. 1/2008) on November 29, 2007 before the Civil Judge, Senior Division, Nagpur, against the decision of judgment and decree passed on March 1, 2007 by the Civil Judge, Nagpur. The matter pertains to the breach of a contract and bond to serve our Company for a minimum period of 5 years after the successful completion of 12 months training period entered into by the appellant with our Company at the time of appointment. The matter is pending before the Civil Judge, Senior Division, Nagpur.

5. Mr. Shriniwas Nuni and another filed a claim (C.P.No. 989/09) against United India Insurance Company Limited and another on August 31, 2009 before the Chairman of the Motor Accident Claim Tribunal, Nagpur, claiming accident compensation under the Motor Vehicles Act, 1988. The amount of compensation claimed is ₹ 175,000 with interest at the rate of 18% p.a. along with costs and the matter is pending before the Motor Accident Claim Tribunal, Nagpur.

6. Mr. Daliram Ramdas Gautam filed an application (Misc. (WCA) No. I - 04/10) on April 19, 2010 under the Workmen's Compensation Act, 1923 before the Workmen's Compensation Commissioner,

Labour Court in Nagpur, for condonation of delay in filing application for grant of compensation under the Workmen's Compensation Act, 1923. The matter is pending before the Labour Court, Nagpur.

7. Mr. Janardhan Gajbhiye filed an application (C.P.No. 247/10) against Manager, MOIL Limited and another on February 26, 2010 before the Chairman of the Motor Accident Claim Tribunal, Nagpur, claiming accident compensation for a Motor Accident at Mankapur Ring Road, Nagpur. In this matter, the insurance company has also been made a party. The amount of the compensation claimed is ₹ 400,000 with interest at the rate of 18% p.a. from the date of accident till the realization of the amount along with costs and the matter is pending before the Motor Accident Claim Tribunal, Nagpur.

8. Mr. Sanjay Fagnu has filed a petition (No. 04 of 2010) before the Labour Court, Balaghat on May 8, 2010 against Tirodi Mine of our Company, for the recovery of workmens' compensation deposited in his name by our Company before the Labour Court, Balaghat. The matter is pending before the Labour Court, Balaghat.

9. The Labour Enforcement Office, Balaghat has filed a petition (No. 4 of 2004) before the Labour Court, Balaghat on September 23, 2003 against Mr. R.S. Verma, Chief (Mines) for Tirodi Mine of our Company, against a number of irregularities and violations in the operation of the mine including non display of statutory notices under the Contract Labour (Regulation and Abolition) Act, 1970. The matter is pending before the Labour Court, Balaghat.

10. Ms. Santoshibai, the wife of the late Mr. Vasant Gotekar filed a petition (No. 14 of 2006) before the Judicial Magistrate, Balaghat on June 22, 2006 against our the Mine Manager, Balaghat for the recovery of statutory and wage dues amounting to ₹ 162,531, held in the name of her late husband Mr. Vasant Gotekar. The matter is pending before the Judicial Magistrate, Balaghat.

11. Ms Maltibai Mandalwar, the wife of the late Mr. Dhaniram Mehatar has filed a petition (No. 05 of 2010) before the Labour Court, Balaghat on May 13, 2010 against our Company for the recovery of workmens' compensation amounting to ₹ 743,416 against a fatal accident and deposited in the name of Mr. Dhaniram Mehatar by our Company before the Labour Court, Balaghat. The matter is pending before the Labour, Court Balaghat.

12. Mr Baisakhu Shioram Shahu had filed an application under Section 33 (c) (ii) of the Industrial Disputes Act, 1947 [IDA 56 of 2002] claiming relief against our Company for full back wages and issue directions for the promotion of the applicant along with other relief. Due to the non appearance of the applicant on the days of the hearing, the matter was dismissed by default vide order of the Second Labour Court at Nagpur on April 1, 2008. Mr Shahu had filed an application for condonation [Misc IDA 36 of 2010] of the delay on June 24, 2010 challenging the basis of the order dated April 1, 2008- that of non-appearance and further claiming a misconception that the matter was kept in abeyance before the Second Labour Court. The applicant also claimed hardship on account of his wife's illness. The matter is pending before the Second Labour Court, Nagpur.

13. Ms. Leelabai has filed a suit [C.S. 6 of 2010] dated August 31, 2010 before the 2nd Class Magistrate, Civil Court, Baihar seeking the declaration of the death of her husband, Jeevanlal who has been missing for more than seven years. Our Company has been impleaded in this matter as Jeevanlal was formerly an employee of our Company at the Ukwa mine. The matter is pending before the 2nd Class Magistrate, Civil Court, Baihar.

(ii) Litigation pending before the Central Government Industrial Tribunal

1) Employees in relation to our Company filed a petition (CGIT/LC[R]/33/84) on July 6, 1985 under the Industrial Deputes Act, 1947 before the CGIT-cum Labour Court, Jabalpur challenging the dismissal of a number of workers who were alleged to have left work without permission, instigated other workers to strike, contravened the provisions of the law, behaved in a state of drunkenness, fighting, riotous or disorderly or indecent behavior leading to a disruption in the mine. The matter is presently pending before the CGIT, Jabalpur.

2) Secretary, Sanyukta Khadan Mazdoor Sangh, Chikla Branch filed a petition in relation to Chikla Mine (NGP/79/03) against the Chairman-cum-Managing Director of our Company on September 19, 1991 under the Industrial Disputes Act, 1947 before the CGIT, Jabalpur upon the reference of the Ministry of Labour to CGIT under Industrial Disputes Act, 1947. The petitioner has set out a

demand for compensation for suspension period and reinstatement in service. He was terminated from service on medical ground due to defective vision. The matter is presently pending before the CGIT, Jabalpur.

3) Anna Tarachand filed a petition (CGIT/LC[R]106/96) against the General Manager of our Company and another on March 18, 1996 before CGIT, Jabalpur upon the reference of the Ministry of Labour to CGIT under Industrial Disputes Act, 1947. The claim is for reinstatement of services in our Company with full back wages with all the monetary benefits of permanent employee with retrospective effect. Our Company is the principal employer. The matter is presently pending before the CGIT, Jabalpur.

4) Sohan Lal Nilkant and nine others filed a petition (CGIT/LC[R]64/00) against the Management in relation to the Chairman-cum-Managing Director of our Company on June 6, 2000 before the CGIT, Jabalpur upon the reference of the Ministry of Labour to CGIT under Industrial Disputes Act, 1947. The petition was referred for claim of piece rated workers for appointment as fieldsman at Balaghat mine from the date their juniors have been entitled and be paid the difference of salary and arrears thereof. The matter is still pending before the CGIT, Jabalpur.

5) Moh. Yunsuddin Shaikh filed a petition (IDA Case No. 34 of 1999) on December 24, 1999 against our Company before CGIT, Jabalpur upon the reference of the Ministry of Labour to CGIT-cum Labour Court under Industrial Disputes Act, 1947. The matter is regarding termination from services on grounds of absenteeism. The matter is still pending before the CGIT, Nagpur.

6) Workmen, represented by General Secretary, Republican Mazdoor Sangathan, Manganese Mines filed a claim (CGIT/LC(R) 63/2000) against our Company on May 25, 2000 before the Presiding Officer, CGIT cum Labour Court, Jabalpur upon the reference of the Ministry of Labour to CGIT under the Industrial Disputes Act, 1947. This claim has been made for the reinstatement of workers as fieldsman and they are entitled to receive the pay scale and all other consequential benefits. The matter is still pending before the CGIT, Jabalpur.

7) Dashrath Tulsi filed a petition (CGIT/LC[R]/190/2000) against Balaghat Mine of our Company on December 29, 2000 before CGIT, Jabalpur upon the reference of the Ministry of Labour to CGIT under Industrial Disputes Act, 1947. The petition challenges the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before the CGIT, Jabalpur.

8) Pardeshi Bhagatram filed a petition (CGIT/LC/R/162/2000) against Balaghat Mine of our Company on September 11, 200 before CGIT, Jabalpur upon the reference of the Ministry of Labour to CGIT under Industrial Disputes Act, 1947. The petition challenges the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before the CGIT, Jabalpur.

9) Roshanlal Sukhlal filed a petition (CGIT/LC[R]/164/2000) against Balaghat Mine of our Company on December 29, 2000 before CGIT, Jabalpur upon the reference of the Ministry of Labour to CGIT under Industrial Disputes Act, 1947. The petition challenges the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before the CGIT, Jabalpur.

10) Kishan Bopche filed a petition (CGIT/LC[R]/189/2000) against Balaghat Mine of our Company on December 6, 2000 before CGIT, Jabalpur upon the reference of the Ministry of Labour to the CGIT, Jabalpur under Industrial Disputes Act, 1947. The petition challenges the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before the CGIT, Jabalpur.

11) General Secretary, B.M. Mazdoor Sangh filed a case (CGIT 1/40 of 1996) against our Company on January 6, 1997 before CGIT, Nagpur upon the reference of the Ministry of Labour to CGIT under Industrial Disputes Act, 1947. The case is regarding the employment of Amarkanth Tikaram at Ukwa mine on grounds of compassionate appointment as dependant of his deceased father. The matter is still pending before CGIT, Nagpur.

12) Mr. Deoraj Nagwanshi had filed a writ before the High Court at Madhya Pradesh (WP No. 4237/1993) challenging the worker's dismissal from our Company on the grounds of absenteeism

as unjustified. The worker had been asked to transfer from Ukwa mine to Chikla mine but did not report for duty. The High Court, upon the representation of the worker, passed an order that due to his ill health, our Company may be requested to cancel his transfer. The writ petition was thus disposed off. The worker filed a second writ petition (WP No. 1104 of 1994) which was also dismissed. The matter was taken up before the CGIT- cum Labour Court, Jabalpur (CGIT/ LC/ 81/2000) upon the reference of the Ministry of Labour to CGIT under Industrial Disputes Act, 1947 where the matter is presently pending.

13) The Rashtriya Manganese Mazdoor Sangh (INTUC) on behalf of Mr. V.S. Waikar has filed a petition (CGIT/NGP/14/2003) on January 5, 2005 challenging an order by our Company dismissing him from service on the grounds of accepting illegal gratification from candidates applying for employment in our Company. The applicant prays for the reinstatement of his employment with our Company along with continuity of service and all the back wages from the date of dismissal till the date of retirement. The matter is pending before the CGIT, Nagpur.

14) Ms. Sahajadi Sheikh Hanif has filed a petition (CGIT/LC/[R] 26/2004) on February 6, 2004 against the Chairman and Managing Director, MOIL and others, seeking compassionate and dependent employment from our Company upon the accidental demise of her son, who was employed with our Company at the time of employment in addition to retirement benefits for herself. The matter is pending before the CGIT, Nagpur.

15) Mr. Vijendra Mahajan has filed a petition before the CGIT, Jabalpur (CGIT/LC/R/49/2003) on July 16, 2002 against Tirodi Mine of our Company, challenging an order by our Company for the dismissal of his service on the grounds of misconduct, assault and battery against other Company personnel. The applicant seeks to be reinstated with full back wages and all consequential benefits. The matter is pending before the CGIT, Jabalpur.

16) Mr. Purandas Tandekar has filed a petition before the CGIT, Nagpur (CGIT/NGP/83/2006) against Beldongri Mine of our Company and others, on January 16, 2007 challenging an order by our Company for the dismissal of his service on the grounds of absenteeism following failure to report to duty after he was transferred from Nagpur District to Balaghat District. As a result, the applicant seeks the reinstatement of his services with our Company along with continuity of service and all consequential benefits. The matter is pending before the CGIT, Nagpur.

17) Ms. Geetabai Alku through the MOIL Kamgar Sangathan has filed a petition before the CGIT, Nagpur (CGIT/NGP/50/2007) on April 23, 2008 against the General Manager (Personnel), MOIL, seeking employment on compassionate and dependent grounds following the desertion of her husband who was an employee of our Company and has been absconding since November 29, 1995. On August 13, 2010, she was given employment at Ukwa mine. The matter is still pending before the CGIT, Nagpur.

18) Mr. Jiwanlal Ramteke through the MOIL Kamgar Sangathan has filed a petition before the CGIT, Jabalpur (CGIT/LC[R]/95/20-07) on September 11, 2007 against Ukwa Mine of our Company, seeking that the dependants of Mr. Jiwanlal Ramteke be employed on compassionate grounds following the desertion of Mr. Jiwanlal Ramteke since February 1, 1998. The matter is pending before the CGIT, Jabalpur.

19) The MOIL Kamghar Sangathan has filed a petition before the CGIT, Nagpur (CGIT/NGP/ 98/2007) on September 10, 2000 against our Company for taking into employment of 26 contractual workers along with consequential benefits arrears of salaries for such workers who had been working at Balaghat Mine on deputation from Bharat Gold Mines Limited for the past 10 years. The matter is presently pending before the CGIT, Nagpur.

20) Mr. Sukhdeo Gehru Sinha has filed a petition before the CGIT, Nagpur (CGIT/NGP/07/2008) against Chikla Mine of our Company, challenging an order by our Company for the dismissal of his service on the grounds of willful insubordination and disobedience. The matter is pending before the CGIT, Nagpur.

21) The MOIL Janshakti Mazdoor Sangh and the Bharatiya Manganese Mazdoor Sangh have filed a petition before the CGIT, Nagpur (CGIT/NGP/37/2009) against our Company, challenging the new wage agreement as entered into between our Company and the MOIL Kamgar Sanghatan as void and illegal and praying to direct our Company to invite all registered trade unions for

deliberations and seeking the implementation of a new wage structure. The matter is pending before the CGIT, Nagpur.

(iii) *Litigation pending before various High Courts*

1) D.N. Sen filed a petition (W.P.No. 2478/99) against our Company on September 17, 1999 before the High Court, Jabalpur challenging the order of the Disciplinary Authority, of his reversion to the lower post in relation to Ukwa mine. The petition seeks that the order of punishment be set aside and he be treated as having continued on the same post with all consequential benefits. The matter is pending before the High Court, Jabalpur.

2) Smt. Seema Mohd. Arif filed a petition (W.P. No. 755/04) on January 16, 2004 against our Company before the High Court, Nagpur for the compassionate appointment in lieu of her husband who had been absconding since November 20, 2000 from our Company's Nagpur mine without information. The petitioner is claiming compassionate appointment in lieu of her husband, payment of back wages and other benefits. The petitioner has also filed a civil application (C.A. No. 1609 of 2010 in W.P. No. 755/2004) dated June 16, 2010 praying for the disposal of the writ petition by allowing the same and granting relief to the petitioner in terms of the prayers that are made in the writ petition. The matter is pending before the High Court, Nagpur.

3) K. B.Kawadkar filed a petition (W.P.No. 1608/2000) on February 28, 2000 against our Company before the High Court of Bombay, Nagpur against his dismissal from Tirodi Mine vide a departmental enquiry by which he was dismissed for misconduct from the services of our Company. The Petitioner challenged the dismissal order and prayed *inter alia*, to set aside the same as illegal, arbitrary and malafide. Petitioner prayed to set aside such order. The matter is pending before the High Court, Nagpur.

4) Secretary General, RMMS, Nagpur filed a petition (W.P.No. 1028/05) against MOIL Kamgar Sangathan and others on April 29, 2005 to restrain them from the Union activities at the Mines located at Balaghat District of Madhya Pradesh and to direct the management of our Company to withdraw the check off facility of the union MOIL Kamgar Sanghathan. The matter is pending before the High Court, Jabalpur.

5) A.P.Tiwari, RMMS filed a petition (W.P.No. 997/05) against our Company and others on June 23, 2005 to issue appropriate orders and/or directions to our Company *inter alia*, against the derecognisation of the petitioner's union. The matter is pending before the High Court, Jabalpur.

6) A.P.Tiwari, RMMS filed a petition (W.P.No. 5823/05) against our Company and others on May 3, 2005 before the High Court, Jabalpur for direction from the court *inter alia*, to promote all piece rated workers as monthly rated-staff with all consequential benefits. The matter is pending before the High Court, Jabalpur.

7) Madhusudhan Bhaladhare filed a petition (W.P.No. 7483/05) against our Company on August 2, 2005 before the High Court, Jabalpur against an advertisement calling for the post of a trainee geologist for which the maximum age has been fixed at 28 years. However, for all other posts, the maximum age ranges from 30 to 35 years and there is reservation for the Schedule Caste as well. The petitioner had applied for the post of trainee geologist. Therefore, the petitioner has challenged this on the grounds of arbitrary and hostile discrimination. The matter is pending before the High Court, Jabalpur.

8) Anoop Singh Bais filed a petition (W.P.No. 1545/06) on January 20, 2006 against our Company before the High Court, Jabalpur seeking that our Company provide health checkups and medical assistance to the local villagers living in nearby areas suffering from the airborne effluents produced by the ferro manganese plant at Balaghat Mine. The matter is pending before the High Court, Jabalpur.

9) P. N. Choudhary filed a petition (W.P.No. 11548/06) against our Company and others on September 18, 2006 before the High Court, Jabalpur for the quashing of dismissal order for misconduct under our Company's service conduct rules after departmental enquiry in relation to Ukwa Mine. The matter is pending before the High Court, Jabalpur.

10) Ramkripal Lalu Khursel and another filed a petition (W.P.No. 6764/06) against our Company and others on June 2, 2006 before the High Court, Jabalpur to quash the order dated March 8, 2006 issued by our Company consequent to the settlement with the recognized union over the issue of Form– IV Wages payable to the piece rated workers of Balaghat Mine. The matter is pending before the High Court, Jabalpur.

11) Vijay Lilhare and another filed a petition (W.P.No. 15422/07) by way of a public interest litigation on October 29, 2007 before the High Court, Jabalpur against the State of Madhya Pradesh and our Company under Articles 21, 226 and 227 of the Constitution of India. Our Company, in consultation with the State of Madhya Pradesh had formulated a water supply scheme which involves the withdrawal of water from the river Wainganga. It is claimed by the petitioners that this would lead to the deprivation of local inhabitants of the area, who are dependent upon the supply of water from the river Wainganga, from their lives and livelihood. The petition seeks that the scheme of water supply plant from the river Wainganga at Balaghat Mine not be implemented. The matter is pending before the High Court, Jabalpur

12) Mahanand Shukla filed a petition (W.P.No. 7828/08) against our Company and others on July 25, 2008 before the High Court, Jabalpur for quashing the termination order issued by our Company due to performance not being satisfactory during his period of probation. The petitioner was appointed as Assistant Manager (Welfare) and has claimed reinstatement in the service with back wages. The matter is pending before the High Court, Jabalpur.

13) The RMMS and four others filed a petition (W.P.No. 4415/08) against the Union of India and others on April 1, 2008 before the High Court, Jabalpur praying to quash the order dated March 7, 2008 issued by the Ministry of Labour for verification of Union membership by physical checking and sampling method throughout the various locations of our Company. The High Court has granted interim relief that strength of union verification based on present mode/ system will remain subject to the decision of the petition. In connection with this matter, the MOIL Janshakti Mazdoor Sangh and others have also filed a separate writ petition (No. 9002 of 2010) against the Union of India and others on August 16, 2010 seeking the compliance of our Company with an order passed by the Ministry of Labour and Employment, GoI, dated May 8, 2010 for getting the consent of all trade unions and our Company to conduct secret ballot elections for the verification of membership of the unions. Both matters are pending before the High Court, Jabalpur.

14) The RMMS and five others filed a petition (W.P.No. 8842/08) against the Union of India and others on July 21, 2008 before the High Court, Jabalpur challenged the order dated June 2, 2008 by Ministry of Labour granting recognition to the recognized unions operating in our Company and also praying for conducting verification of membership afresh by giving opportunity to all the unions. The matter is pending before the High Court, Jabalpur.

15) MOIL Janshakti Mazdoor Sangh and another filed a petition (W.P.No. 13495/08) against the Union of India and others on November 3, 2008 before the High Court, Jabalpur to, *inter alia*, quash the order on the basis of which recognition has been granted to another union, MOIL Kamgar Sanghathan. The matter is pending before the High Court, Jabalpur.

16) Baisakhu Shivram filed a petition (W.P.No. 3374/08) against our Company on June 26, 2008 before the High Court, Nagpur for the grant of pension benefits under the Employees Pension Scheme 1995 from his date of retirement, i.e. July 1, 2006. The matter is pending before the High Court, Nagpur.

17) P.K. Jain filed a petition (W.P.No. 1780/09) against our Company and others on April 27, 2009 before the High Court, Nagpur in order to quash and set aside the order for his dismissal from the services of our Company. The petitioner was removed from the services of our Company for misconduct under MOIL Employees Disciplinary Rules after conducting departmental enquiry and has claimed reinstatement with full back wages and continuity in service. The matter is pending before the High Court, Nagpur.

18) MOIL Janshakti Mazdoor Sangh and others filed a petition (W.P.No. 1922/2009) on February 17, 2009 against our Company before the High Court, Jabalpur against an order of calculation of earned leave at the rate of 30 days instead of 26 days for a month. The matter is pending before the High Court, Jabalpur.

19) Ms. Naseem Ahmad filed a petition (CGIT/LC [R]/22/96) on February 9, 1996 against our Company, before the CGIT, Nagpur for the reinstatement of her services with our Company and seeking the setting aside of the orders of termination of her services with our Company. Upon the dismissal of the petition, the petitioner filed a writ petition before the Bombay High Court at Nagpur (WP No. 5603 of 2009) which allowed her claim partially by ordering her reinstatement only. Against this order of the High Court, the petitioner filed a Letters Patent appeal before the Bombay High Court at Nagpur (LPA No 325 of 2010) on June 7, 2010 seeking full back wages with continuity of service and all consequential benefits from the date of her termination till her reinstatement. The matter is presently pending before the High Court, Nagpur.

20) A number of workers of our Company filed an application before the Presiding Officer, Labour Court, Nagpur under Section 33C (2) of the Industrial Disputes Act, 1947 seeking monies due to them from CPMO, a company incorporated in the UK and having its office at Nagpur. CPMO, impleading our Company as a necessary party, filed a preliminary objection to this application which was rejected. Against the dismissal of its preliminary objection, CPMO filed a writ petition before the Bombay High Court at Nagpur (W.P. 2673 of 1996) which was dismissed vide order of the Single Judge, Bombay High Court, Nagpur, dated October 16, 1997. Against the dismissal order of the Single Judge, CPMO has filed a Letters Patent appeal (No 251 of 1998) before the Bombay High Court at Nagpur. The matter is pending for final arguments before the High Court.

21) Mr. Ramrao Umap and others have filed a writ petition against our Company before the Bombay High Court at Nagpur (W.P No. 381 of 2000) on December 10, 1999 against the State of Maharashtra and others seeking that our Company complies with the provisions of the Maharashtra Employees of Private Schools (Conditions of Service) Regulation Act, 1977. The petitioners are employed as teachers in schools run by our Company and claim that the salaries and vacation benefits available to such teachers are not in accordance with the provisions of the Maharashtra Employees of Private Schools (Conditions of Service) Regulation Act, 1977. Our Company has filed its reply in the matter, which is pending before the High Court.

(iv) Litigation pending before the Supreme Court of India

Shabbir Sheikh has filed a Special Leave petition (SLP No. 31864/2009) against Union of India and another on November 18, 2009 before the Supreme Court, New Delhi for grant of special leave to appeal against the judgment dated August 14, 2009 by the High Court of Judicature at Nagpur in W.P. No. 1644/2009 regarding age of the petitioner for retirement and change of date of birth and continuity of service at Chikla Mine. The matter is pending before the Supreme Court of India.

B. Contingent liabilities not provided for as on September 30, 2010

The contingent liabilities not provided for and outstanding guarantees as on September 30, 2010 (as disclosed in our Company's restated standalone financial statements) are as set out on page F-29 of this Red Herring Prospectus:

C. Pending Litigation by our Company

1. Mining Matters instituted by our Company

There is one mining related litigation instituted by our Company which is pending before the Civil Judge, Junior Division, Ramtek. The details of this matter are as follows:

1. Munsar Mine

Our Company had filed a civil suit (No. 77 of 1995) against Shyam Kunjilal and others on April 13, 2009 against the encroachment and adverse possession of certain mining lands related to Munsar Mine before Civil Judge, Junior Division, Ramtek. Our Company had originally filed two applications before the High Court at Nagpur (Civil Revision Application No 488 of 1995 and Civil Revision Application No 491 of 1995) both which were disposed off by the High Court at Nagpur on June 18, 2002. The matter is pending before the Civil Judge, Junior Division, Ramtek.

2. Tax Matters

Our Company has initiated eight tax proceedings which are pending before various authorities in India. Our Company has paid some of the demands claimed as detailed below. Other than what has been mentioned below, there are no additional tax proceedings initiated by our Company. The details of these are as follows:

1. Income Tax Officer (Systems) served an intimation on November 1, 2007, for the Financial Year 2005-06 on our Company demanding a sum of ₹ 186,500 on account of fringe benefits tax levied as per Section 115W of IT Act. The said sum was subsequently adjusted by the Income Tax Department against refund due to our Company in another case on November 1, 2007. The demand arose due to incorrect value of fringe benefits shown in Part C of the Income Tax Return for the said financial year, which was apparent from the records. Hence, as per provisions of Section 154 of IT Act, an application has been filed with Income Tax Department on July 19, 2010 for rectifying the mistake apparent from records. The case has not been taken up by the Department for hearing and disposal.

2. Additional Commissioner of Income Tax passed an order on December 29, 2009, for the Financial Year 2006-07, raising a demand of ₹ 8,302,675 mainly on account of disallowance of (a) provision made to meet liability on final mine closure of mines, (b) forest land diversion expenses, (c) provision for anticipated liability on account of pay revision of employees, etc. Our Company has paid the demand in full on January 30, 2010. First appeal against the said order has been filed by our Company with Commissioner of Income Tax (Appeals) on January 29, 2010. The case has not yet been taken up by the authority for hearing and disposal.

3. Income Tax Department served an intimation to our Company on March 19, 2010, for the Financial Year 2007-2008, demanding a sum of ₹ 1,318,362 as shortfall in tax payment including interest. The demand arose because the Department had not given full credit of ₹ 85,667,284 towards income tax deductions by customers and bankers on interest. Since short computation of income tax deductions at source by the Department was a mistake apparent from records, our Company has filed an application on June 21, 2010 for rectification of mistake under Section 154 of IT Act with Assistant Commissioner of Income Tax. The case has not yet been taken up by the authority for hearing and disposal.

4. Assistant Commissioner of Sales Tax (Maharashtra) has passed an order on 31st March, 2010 and raised a demand of ₹ 226,622 on completing assessment under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975. Our Company has paid 50% of the amount on June 03, 2010 and has filed an appeal with Deputy Commissioner of Sales Tax (Appeals) on May 11, 2010. The case has not yet come up for hearing and disposal.

5. Deputy Commissioner of Commercial Tax (Madhya Pradesh) has passed an order on April 22, 2010 demanding a sum of ₹ 434,172 towards entry tax on account of tax rate variations. Our Company has paid the amount in full and filed an appeal with Additional Commissioner of Commercial Tax on July 10, 2010 against the order. The case has not yet been taken up by the authority for hearing and disposal.

6. Our company has filed a claim amounting to ₹ 632,445 before the Commissioner of Customs (Export) Mumbai for the drawback of duty on re-export of damaged goods which had been previously imported by our Company. Vide its letter dated March 23, 2010, the Deputy Commissioner of Customs rejected the claim citing delay in filing the claim. Accordingly, our Company has made an application dated July 22, 2010 before the Commissioner of Customs (Exports) at Mumbai to condone the delay. The matter has not yet been taken up for hearing.

7. Our Company had received a letter dated April 24, 2010 issued by the Chief Engineer (Electrical Safety) and Chief Electrical Inspector, GoMP wherein a demand on 40% per unit of energy charges amounting to ₹ 93,149,824 has been made by the GoMP under the Madhya Pradesh Electricity Duty Act, 1949. Against this demand, our Company has filed a writ petition [No. 9017 of 2010] before the High Court of Madhya Pradesh at Jabalpur under Article 226 of the Constitution of India seeking to quash the demand of the GoMP. In an interim order dated September 22, 2010, the High Court directed that half the amount of ₹ 93,149,824 be deposited to the GoMP along with adequate security to be furnished to the GoMP within a period of one month from the date of the order. Against this interim order of the High Court, our Company filed a special leave petition before the Supreme Court [No. 30723 of 2010] on October 28, 2010. The Supreme Court dismissed the special leave petition vide an order dated October 28, 2010, directing that the High Court expeditiously hear and dispose of the matter preferably within three months from the date of the order. The matter is still pending before the High Court.

8. Our Company was served with an order issued by the Chief Conservator of Forests, Balaghat dated September 29, 2009 directed that ₹ 7 per tonne would be charged as a transport tax for the entire quantity of production from the Tirodi Mine retrospectively from the year 2001. The order also stated that if such payment was not made, the same would be exacted as land revenue if not paid within 15 days and that the proposal for forest clearance would be re-submitted thereby delaying and potentially stalling the process of renewing the mining lease in relation to that area. Against this order and naming the State Government of Madhya Pradesh as a party, our Company filed a writ petition under Articles 226 and 227 of the Constitution of India before the High Court of Madhya Pradesh having its Principal Bench at Jabalpur (W.P. No 12514 of 2009) seeking the quashing of the abovementioned order and interim relief of stay of the operation of the order along with cost of the entire litigation. The interim relief has been granted and our Company has filed its rejoinder in the proceedings.

3. Civil Suits

There are two civil cases filed by our Company, pending before various courts in India. Brief details of these cases are as follows:

1. Universal Ferro and Allied Chemicals Limited ("**UFACL**") commenced arbitration proceedings against our Company on April 5, 2004 alleging that the quality of manganese ore supplied was not as per the specifications agreed to by UFACL and our Company. The damages awarded by the arbitral tribunal to UFACL amounted to ₹ 64,178,053 vide order dated May 18, 2009. Our Company has filed an application (Arbitration Application No. 501 of 2009) on July 24, 2009 under Section 34 of the Arbitration and Conciliation Act, 1996 seeking that the award of the arbitral tribunal be set aside and seeking the appointment of an impartial and independent arbitrator for adjudication of this dispute. The matter is pending before the District Judge, Nagpur;

2. Our Company has filed a writ petition (No. 2742 of 2002) before the Bombay High Court against the State of Maharashtra and another on July 10, 2002 seeking compensation against the compulsory acquisition of land adjoining the corporate headquarters of our Company by the Nagpur Improvement Trust. The matter is still pending before the Bombay High Court.

4. Criminal Complaints

We have filed one criminal case, brief details of which are set out below:

1. M/s Nagpur Power and Industries Limited had provided our Company with a cheque amounting to ₹ 3,554,000 as security for the purchase of manganese ore. On presentment, the cheque was dishonored for the reason 'Stop Payment'. Our Company had issued a notice dated November 2, 2005 under Section 138 of the Negotiable Instruments Act, 1881 and further filed a Criminal Complaint (CC 9326 of 2005) before the Judicial Magistrate, First Class at Nagpur. By an order dated December 13, 2005, the Judicial Magistrate, First Class issued a process against Nagpur Power and Industries Limited. Synopses for final hearing are presently being submitted.

5. Employee Matters

Our Company has instituted 13 employee and personnel related litigation proceedings which are pending before various authorities in India. Details of these matters are as follows:

1. Upon a reference by the Ministry of Labour, GoI dated April 24, 2006, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT, Jabalpur (CGIT/LC/R/13/2006) against Mr. Parvej Khan. The matter concerns his dismissal from service on the grounds of misconduct, negligence and damage to our Company's property. The matter is pending before the CGIT, Jabalpur.

2. Upon a reference by the Ministry of Labour, GoI dated June 16, 1999, our Company has filed a written statement before the CGIT-cum-Labour Court, Nagpur (CGIT/LC/R/228/99). The matter concerns the dismissal of a workman named Prithviraj Kundlik Shende on the grounds that the workman was convicted of a criminal offence under Section 66 (i) (b) of the Bombay Prohibition Act, 1949 and was imprisoned for 10 days as a result of this conviction. The workman failed to mention this to our Company at the time of taking employment. The matter is pending before the CGIT-cum-Labour Court, Nagpur.

3. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT-cum-Labour Court, Nagpur (CGIT/LC[R]/79/96) on

November 27, 1998. The matter concerns the reinstatement of services of a workman by the name of Rajendra Mahipat in our Company with full back wages with all the monetary benefits of permanent employee with retrospective effect. Our Company is the Principal employer in relation to Beldongri Mine. The matter is presently pending before the CGIT, Jabalpur.

4. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT-cum-Labour Court, Nagpur (CGIT/LC[R]/80/96) on November 27, 1998. The matter concerns the reinstatement of services of a workman by the name of Kewal Ramji in our Company with full back wages with all the monetary benefits of permanent employee with retrospective effect. Our Company is the Principal employer in relation to Beldongri Mine. The matter is presently pending before the CGIT, Jabalpur.

5. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT-cum-Labour Court, Nagpur (CGIT/LC[R]/81/96) on November 27, 1998. The matter concerns the reinstatement of services of a workman by the name of Ramesh Ganpat in our Company with full back wages with all the monetary benefits of permanent employee with retrospective effect. Our Company is the Principal employer in relation to Beldongri Mine. The matter is presently pending before the CGIT, Jabalpur.

6. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT-cum-Labour Court, Nagpur (CGIT/LC[R]/105/96) on November 27, 1998. The matter concerns the reinstatement of services of a workman by the name of Nandkumar Govinda in our Company with full back wages with all the monetary benefits of permanent employee with retrospective effect. Our Company is the Principal employer in the matter. The matter is presently pending before the CGIT, Jabalpur

7. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT- cum Labour Court, Jabalpur (CGIT/LC[R]/68/2001) on March 30, 2001 against Fakan Bai, the wife of late Sukhramdas. The matter concerns the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before CGIT, Jabalpur.

8. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT- cum Labour Court, Jabalpur (CGIT/LC[R]/69/2001) on March 30, 2001 against Fagnoo Sahoo. The matter concerns the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before CGIT, Jabalpur.

9. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT- cum Labour Court, Jabalpur (CGIT/LC[R]/70/2001) on March 30, 2001 against Hiralal Soniya. The matter concerns the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before CGIT, Jabalpur.

10. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT- cum Labour Court, Jabalpur (CGIT/LC[R]/71/2001) on March 30, 2001 against Baba Jaipal. The matter concerns the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before CGIT, Jabalpur.

11. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT- cum Labour Court, Jabalpur (CGIT/LC[R]/72/2001) on March 30, 2001 against Bhaiyalal Hetram. The matter concerns the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before CGIT, Jabalpur.

12. Upon a reference by the Ministry of Labour, GoI, our Company has filed a written statement and has commenced *ex parte* proceedings before the CGIT- cum Labour Court, Jabalpur (CGIT/LC[R]/74/2001) on March 30, 2001 against Mangal Singh Siolal. The matter concerns the dismissal of a number of workers who were alleged to have instigated other workers leading to a disruption in the mine. The matter is still pending before CGIT, Jabalpur.

13. Our Company has filed a First Appeal (First Appeal No 61 of 2004) on November 10, 2004 against the Commissioner under the Workmen's Compensation Act, 1923 before the Bombay High Court at Nagpur challenging the order of the Judge, 3rd Labour Court, Nagpur dated December 26, 2003 in WCA Case No 62 of 1997. The order of the Judge, 3rd Labour Court, Nagpur directed our Company to pay compensation to Mr. Dashrath Zingar Paunikar aggregating to ₹ 117,983 as damages payable for an accident that had caused an injury to his eye while working at Munsar Mine. The matter is pending before the High Court.

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 August 2010, our Company has reported 2 applications out of which none have been rejected, both have been accepted and both are pending as on August 31, 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

There are no past penalties imposed on our Company by the authorities concerned.

IV. Potential Litigation against our Company

Our Company has the following 8 potential litigations that may be filed against it. 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.

1. The Deputy Commissioner of Income Tax passed an assessment order on February 28, 2007, for the Financial Year 2004-05, holding that provision of ₹ 5,177,998 towards estimated liability at the time of final mine closure was not an allowable deduction under the IT Act. Our Company paid the full amount demanded by the Income Tax Department and preferred an appeal with Commissioner of Income Tax (Appeals) against the order on March 26, 2007. Vide order dated November 14, 2007, the Commissioner of Income Tax (Appeals) upheld the stand of our Company and deleted the addition. As such, the amount deposited with the department against the demand has been refunded. The Income Tax Department has filed an appeal with ITAT on January 23, 2008. The Income Tax Department has also filed applications with the COD for permitting it to pursue all the appeals before the ITAT. The appeal has been dismissed by the Tribunal on April 28, 2009 due to non-availability of permission from the COD. However, the COD may open the matter at a later date.

2. A reference has been made by the Ministry of Labour to the CGIT-cum-Labour Court, Nagpur on January 27, 2010 regarding the dismissal of the services of Mr. Pradeep Harichand Mandale on the grounds of

absenteeism and misconduct. Mr Mandale has not filed his statement of claim yet, nor has our Company filed a written statement. The matter is pending before the CGIT-cum-Labour Court, Nagpur.

3. A reference has been made by the Ministry of Labour to the CGIT-cum-Labour Court, Nagpur on June 13, 2006 regarding the dismissal of the services of Mr. Hanslal Sumratlal Warade indiscipline and theft. Mr. Warade died on January 9, 2009. No statement of claim has been filed on behalf of Mr Warade yet, nor has our Company filed a written statement. The matter is pending before the CGIT-cum-Labour Court, Nagpur.

4. A reference has been made by the Ministry of Labour to the CGIT-cum-Labour Court, Nagpur on August 27, 2008 regarding the dismissal of the services of Mr. Ravindra Kamaldas. Prior to his dismissal, Mr Kamaldas had been previously given employment with our Company on the basis of allegedly being a contractual worker on deputation from Bharat Gold Mines Limited which later was found to be based on forged certificates. Mr Kamaldas has not filed his statement of claim yet, nor has our Company filed a written statement. The matter is pending before the CGIT-cum-Labour Court, Nagpur.

5. Mr Bhagwan Prasad Rangire had filed a Writ Appeal [W.A. No. 1229 of 2009] before the Madhya Pradesh High Court at Jabalpur on December 22, 2009 against the order of the single bench of the Madhya Pradesh High Court dated July 14, 2009 in a writ petition filed by Mr Rangire [W.P. No. 15920 of 2007] on October 12, 2007. The appellant claimed that the date of his birth as per the records of our Company is incorrect and has prayed that the same be rectified. The single bench of the Madhya Pradesh High Court dismissed the writ petition vide order dated July 14, 2009. The division bench of the Madhya Pradesh High Court has dismissed the order vide its order dated April 8, 2010 and remanded the matter back to the single bench to be considered on the basis of original documents. The matter is currently pending.

6. Ms. Ali Dhiri had filed a Writ Appeal [W.A. No. 866 of 2009] before the Madhya Pradesh High Court at Jabalpur on September 7, 2009 against the order of the single bench of the Madhya Pradesh High Court dated July 14, 2009 in a writ petition filed by Ms. Dhiri [W.P. No. 2255 of 2008] on June 27, 2008. The appellant claimed that the date of her birth as per the records of our Company is incorrect and has prayed that the same be rectified. The single bench of the Madhya Pradesh High Court dismissed the writ petition vide order dated July 14, 2009. The division bench of the Madhya Pradesh High Court has dismissed the order by its order dated April 8, 2010 and remanded the matter back to the single bench to be considered on the basis of original documents. The matter is currently pending.

7. Mr Prathvilal Sitaram Pawar had filed a Writ Appeal [W.A. No. 878 of 2009] before the Madhya Pradesh High Court at Jabalpur on August 10, 2009 against the order of the single bench of the Madhya Pradesh High Court dated July 14, 2009 in a writ petition filed by Mr Pawar [W.P. No. 9333 of 2008] on July 27, 2008. The appellant claimed that the date of his birth as per the records of our Company is incorrect and has prayed that the same be rectified. The single bench of the Madhya Pradesh High Court dismissed the writ petition vide order dated July 14, 2009. The division bench of the Madhya Pradesh High Court has dismissed the order vide its order dated April 8, 2010 and remanded the matter back to the single bench to be considered on the basis of original documents. The matter is currently pending.

8. Ms Tarabai Jaipal had filed a Writ Appeal [W.A. No. 867 of 2009] before the Madhya Pradesh High Court at Jabalpur on September 7, 2009 against the order of the single bench of the Madhya Pradesh High Court dated July 14, 2009 in a writ petition filed by Ms Jaipal [W.P. No. 4106 of 2007] on May 13, 2008. The appellant claimed that the date of her birth as per the records of our Company is incorrect and has prayed that the same be rectified. The single bench of the Madhya Pradesh High Court dismissed the writ petition vide order dated July 14, 2009. The division bench of the Madhya Pradesh High Court has dismissed the order vide order dated April 8, 2010 and remanded the matter back to the single bench to be considered on the basis of original documents. The matter is currently pending.

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 '***Risk Factors***', '***Our Business***' and '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' on pages xiii, 64 and 129 of this Red Herring Prospectus respectively, in the opinion of our Company's Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring 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 ₹ 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 herein below, 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. Kumar Jitender Singh

Nil

(ii) Mr. M. A. V. Goutham

Nil

(iii) Mr. Anup K. Mehra

Nil

(iv) Mr. Gururaj Pandurang Kundargi

Nil

(v) Dr. Dalip Singh

Nil

(vi) Mr. Azeez M. Khan

Nil

(vii) Mr. Vijay V. Kale

Nil

(viii) Dr. Madhu Vij

Nil

(ix) Dr. Subir K. Bhattacharyya

Nil

(x) Mr. Sanjeeva Narayana

Nil

(xi) Hem Chander Disodia

Nil

(xii) Bal Kishan Gupta

Nil

B. Outstanding Litigation and Material Developments/Proceedings filed by the Directors

Except as stated in this section, there are no pending litigation proceedings, 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.

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 Red Herring Prospectus. It must be distinctly understood that in granting these approvals, the relevant 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. 4 (11)/2008- RM II (Vol. II) dated September 20, 2010, from the Ministry of Steel, the Government of India has conveyed the approval granted by the GoI to the Offer.

2. As per the letter no. MOIL-1010/CR-625/IND-9 dated July 19, 2010, from Principal Secretary (Industries), the Government of Maharashtra has approved the disinvestment of a proportion of its shareholding in our Company by way of an offer for sale. Pursuant to this decision, the Government of Maharashtra has authorized the sale of Equity Shares of par value ₹ 10 each comprising 5% of the total paid-up Equity Share capital of our Company.

3. As per the letter no. 857/IV/B-7-DMC/2010 dated July 20, 2010, from the Director Budget and the Additional Secretary, Finance Department, the Government of Madhya Pradesh has approved the disinvestment of a proportion of its shareholding in our Company by way of an offer for sale. Pursuant to this decision, the Government of Madhya Pradesh has authorized the sale of Equity Shares of par value ₹ 10 each comprising 5% of the total paid-up Equity Share capital of our Company.

4. Our Company has taken note of the Offer and authorized relevant persons to execute documents on its behalf pursuant to the Board resolution dated September 10, 2010. Further, the Board has approved this Red Herring Prospectus, pursuant to the resolution of the Board at its meeting held on September 27, 2010.

5. Further, the MoS has through its letter dated September 23, 2010 has granted approval for the lock-in of 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.

6. Further the Governor of Madhya Pradesh, acting through the Department of Finance, Government of Madhya Pradesh, has pursuant to letter dated September 23, 2010 has agreed to comply with the one-year lock-in provision of the SEBI ICDR Regulations and shall not sell, transfer, charge, pledge or otherwise encumber any locked-in Equity Shares till such time that the lock-in remains effective, save and except as may be permitted under the SEBI ICDR Regulations.

7. Further the Governor of Maharashtra, acting through the Department of Industries, Energy and Labour, Government of Maharashtra has pursuant to letter dated September 23, 2010 has agreed to comply with the one-year lock-in provision of the SEBI ICDR Regulations and shall not sell, transfer, charge, pledge or otherwise encumber any locked-in Equity Shares till such time that the lock-in remains effective, save and except as may be permitted under the SEBI ICDR Regulations.

8. NSE pursuant to its letter dated October 19, 2010 has granted its in-principle approval in respect of this Offer.

9. BSE pursuant to its letter dated October 1, 2010 has granted its in-principle approval in respect of this Offer.

10. Approval pursuant to letter no FE. Co. FID. No. 7826/10.21.214/2010-2011 dated September 29, 2010 from the RBI for transfer of Equity Shares to non-resident Indians in the Offer.

B BUSINESS RELATED APPROVALS

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Certificate of Importer Exporter Code	0389023701	April 1, 1989	N.A	Foreign Trade Development Officer, Ministry of Commerce, Government of India	Company
2.	International Organization for Standardization (ISO) 9001:2008	RQ91/5913	March 17, 2010	March 16, 2013	International Certification Services Private Limited	Company
3.	International Organization for Standardization (ISO) 9001:2000	Q9106425	October 1, 2008	September 26, 2011	Vexil Business Process Systems	Electrolytic Manganese Dioxide Plant
4.	International Organization for Standardization (ISO) 9001:2000	Q9106439	October 1, 2008	September 27, 2011	Vexil Business Process Systems	Ferro Manganese Plant
5.	Occupational Health & Safety Advisory Services 18001:2007	H9108907.02	October 22, 2009	October 8, 2012	Vexil Business Process Systems	Balaghat Mine
6.	Occupational Health & Safety Advisory Services 18001:2007	H9108907.01	October 22, 2009	October 8, 2012	Vexil Business Process Systems	Dongri Buzurg Mine
7.	Certificate of registration for payment of service tax	Service Tax Code: AAACM8952AST001	March 4, 2008	N.A	Superintendent, Service Tax, Office of the Assistant Commissioner, Customs and Central Excise	Electrolytic Manganese Dioxide Plant
8.	Certificate of registration for payment of service tax	Service Tax Code: AAACM8952AST002	July 6, 2007	N.A	Superintendent, Service Tax-Division II, Office of the Deputy Commissioner, Customs and Central Excise Division II	Company
9.	Certificate of registration for the transport of goods by road	AAACM8952AST003	February 2, 2005	N.A	Deputy Commissioner, Customs and Central Excise, Bhandara	Ferro Manganese Plant
10.	Central Excise Registration Certificate	AAACM8952002	February 7, 2003	N.A	Superintendent, Central Excise Range, Tumsar	Ferro Manganese Plant

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
11.	Certificate of registration under the Central Sales Tax	Reg: (No. MH01 C 145649) TIN no. 27660000070C	April 1, 2006	N.A	Registration Officer, Sales Tax Department	Company
12.	Certificate of Maharashtra Value Added Tax Act, 2002	Reg: No. MH01V 534982 TIN no. 27660000070V	April 1, 2006	N.A	Registration Officer, Sales Tax Department	seven additional places of business
13.	Certificate of Maharashtra Value Added Tax Act, 2002	Reg: (No. MH01V 534983) TIN no. 27660000070V	April 1, 2006	N.A	Registration Officer, Sales Tax Department	Chikla Mine
14.	Certificate of Maharashtra Value Added Tax Act, 2002	Reg: (No. MH01V 534984) TIN no. 27660000070V	April 1, 2006	N.A	Registration Officer, Sales Tax Department	Dongri Buzurg Mine
15.	Certificate of Maharashtra Value Added Tax Act, 2002	Reg: (No. MH01V 534985) TIN no. 27660000070V	April 1, 2006	N.A	Registration Officer, Sales Tax Department	Gumgaon Mine
16.	Certificate of Maharashtra Value Added Tax Act, 2002	Reg: (No. MH01V 534986) TIN no. 27660000070V	April 1, 2006	N.A	Registration Officer, Sales Tax Department	Kandri Mine
17.	Certificate of Maharashtra Value Added Tax Act, 2002	Reg: (No. MH01V 534987) TIN no. 27660000070V	April 1, 2006	N.A	Registration Officer, Sales Tax Department	Mansar Mine
18.	Certificate of Maharashtra Value Added Tax Act, 2002	Reg: (No. MH01V 534988) TIN no. 27660000070V	April 1, 2006	N.A	Registration Officer, Sales Tax Department	Beldongri Mine
19.	Certificate of Maharashtra Value Added Tax Act, 2002	Reg: (No. MH01V 534989) TIN no. 27660000070V	April 1, 2006	N.A	Registration Officer, Sales Tax Department	Company's Corporate Office, Katol Road
20.	Certificate for contract labour	No. ALCN-I/46/R/02/2006/CL	February, 2006	N.A	ALC(C), Nagpur	Company
21.	Shop and Establishment Certificate	No. II-XI -65-248	February 18, 1969	N.A	Inspector, Bhosla Chamber, Civil Lines, Nagpur	Company
22.	Registration MOIL Kamgar Sanghathan	NGP/4543	September 24, 1999	N.A	Registrar of Trade Unions	MOIL Kamgar Sanghathan

C MINING LEASES AND APPROVALS

1. *Balaghat Mine*

(a) *Mining leases*

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land situated at Mouza Bharweli, Hirapur, Manegaon, Manjhara, Awaljhiri and Tawejhiri in Tehsil Balaghat, District Balaghat, Madhya Pradesh	182.3004	Memo No. 3-279/81/XII renewed by way of letter letter bearing no. F 3-35/03/12/2	July 1, 2002	June 30, 2022	Mineral Resources Department, Bhopal	Company	Valid[1]
2.	Land situated at Village Bharweli in Tehsil Balaghat, District Balaghat, Madhya Pradesh	0.7891	Memo No. 3-352/ 83/ XII renewed by way of letter no. F-3-36/09/12/2	July 1, 2002	June 30, 2022	Mineral Resources Department, GoMP	Company	Valid[2]

[1] Out of 182.3004 hectares, approval for renewal of 172.398 hectares has been given by the Government of Madhya Pradesh, Department of Mines vide letter bearing no. F 3-35/03/12/2 dated September 26, 2010. The approval for renewal of the remainder 9.9 hectares is still under process. The renewed lease is yet to be executed.
[2] The renewed lease is yet to be executed

(b) *Other Clearances*

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Authorisation under Hazardous Wastes Rules	645/HSMD/MPPCB/JB-02/2010	April 6, 2010 (with effect from December 6, 2009)	December 5, 2014	Madhya Pradesh Pollution Control Board	Company
2.	Environmental clearance for expansion of annual production capacity from 0.3 MT to 0.5 MT of manganese ore by underground semi-mechanized method and for setting up a beneficiation plant with a capacity of 0.5 million TPA involving a total lease area of 182.3004 ha	J-11015/475/2006-IA.II(M)	March 23, 2009	N.A	GoI, Ministry of Environment and Forests	Company
3.	License under Contract Labour Act and Central Rules, 1971 for deepening of shaft	CHA-36(13)/07	June 25, 2010	June 24, 2011	GoI, Ministry of Labour and Employment	M/s Ambika Enterprises

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
4.	Clearance for diversion of 29 ha of forest land	8C/10/2003-FCW/3317	June 12, 2007	N.A	GoI, Ministry of Environment and Forests	Company
5.	License for possession and use of explosives	E/HQ/MP/22/101 (E-909)	June 21, 2007	March 31, 2014	Joint Chief Controller of Explosives	Company
6.	License for possession and use of explosives	E/HQ/MP/22/2 (E-495)	March 31, 2009	March 31, 2013	Joint Chief Controller of Explosives	Company
7.	License for Road Van for the carriage of explosives	E/WC/MH/25/159 (E 14098)	February 25, 2010	March 31, 2015	Joint Chief Controller of Explosives	Company
8.	Registration under the Contract Labour Act	CHA-35 (2)/95	December 18, 1995	N.A.	ALC (C) Chhindwara	Company
9.	Renewal of consent under Section 21 of the Air Act. The consent is for mining to a maximum quantity of 300,000 MT per annum	9136 /MPPCB/TS /Mine- Bal/2010	September 29, 2010	March 31, 2011	Madhya Pradesh Pollution Control Board	Company
10.	Renewal of consent under Section 25/26 of the Air Act. The consent is for mining to a maximum quantity of 300,000 MT per annum	9134 /MPPCB/TS /Mine- Bal/2010	September 29, 2010	March 31, 2010	Madhya Pradesh Pollution Control Board	Company

2. Beldongri Mine

(a) Mining Leases

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land admeasuring situated at Village Beldongri in Pargana Parseoni, District Nagpur, Maharashtra	26.66	Order No. MMN-2220/ C.R. 41/Ind- 9	July 1, 2002	June 30, 2022	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid
2.	Land situated at Village Beldongri in Pargana Parseoni, District Nagpur, Maharashtra	12.99	Order No. MMN-2292/ C.R. 6239/ Ind- 9	January 4, 1993	January 3, 2013	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
3.	Land situated at Village Satak in Pargana Parseoni, District Nagpur, Maharashtra	8.68	Order No. MMN-1005/ C.R.804/ Ind- 9	July 1, 2002	June 30, 2022	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid
4.	Land situated at Village Satak in Pargana Parseoni, District Nagpur, Maharashtra	16.84	Order No. MMN-1005/ C.R.805/ Ind- 9	October 10, 2000	October 9, 2020	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid

(b) Other Clearances

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Environmental clearance for renewal of mine and enhancement of manganese ore production from 1,500 TPM to 5,000 TPM involving total lease area of 85.2 ha	J-11015/407/2007-IA.II(M)	September 12, 2007	N.A	GoI, Ministry of Environment and Forests	Company
2.	Consent to operate under Section 26 of the Water Act and under Section 21 of the Air Act, and Authorisation/Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management and Handling) Rules 1989 and Amendment Rules 2003. The consent is for mining to a maximum quantity of 5,000 MT/ month	BO/RO PCI-II/EIC No. NG-2648-09/CC-521	October 5, 2009	July 31, 2012	Maharashtra Pollution Control Board	Company
3.	License for possession and use of explosives from magazine	E/HQ/MP/22/484 (E 33528)	July 21, 2009	March 31, 2014	Chief Controller of Explosives	Company
4.	Registration under the Contract Labour Act	ALCN/46(R)/4/87-III	February 23, 1987	N.A.	ALC (Cent), Nagpur	Company

Chikla Mine

(a) Mining Leases

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land situated at Village Chikla, Sitasaongi and Yedurbuchi in Pargana Tumsar, District Bhandara, Maharashtra	150.64	Order No. MMN-1004/ C.R. 665/ Ind- 9	July 1, 2002	June 30, 2022	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid

(b) Other Clearances

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Consent to operate under Section 26 of the Water Act and under Section 21 of the Air Act and Authorisation/Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management and Handling) Rules 1989 and Amendment Rules 2003. The consent is for mining to a maximum quantity of 15,000 MT/ month	BO/ROPCI-II/NG-1917-09/R/CC-270	July 14, 2009	February 28, 2012 (or the validity of mine lease period whichever is earlier)	Maharashtra Pollution Control Board	Company
2.	Environmental clearance for enhancement of manganese ore production from 6,000 TPM to 15,000 TPM involving total lease area of 150.7 ha	J-11015/84/2007-IA.II(M)	August 21, 2007	N.A	GoI, Ministry of Environment and Forests	Company
3.	Clearance for the diversion of 70.1 ha of forest land	8-51/99-FC	October 24, 2000	N.A	GoI, Ministry of Environment and Forests	Company
4.	License for possession and use of explosives from magazine	E/HQ/MP/22/472 (E 33513)	July 30, 2009	March 31, 2014	Chief Controller of Explosives	Company
5.	Registration under the Contract Labour Act	N/46(R)/ 5/87/III	February 23, 1987	N.A.	ALC (Cent), Nagpur	Company
6.	License for road van for the carriage of explosives	E/WC/MH/25/57 (E 13825)	July 29, 2009	March 31, 2014	Chief Controller of Explosives	Company

Dongri Buzurg Mine

(a) Mining Leases

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land situated at Village Balapur Hamesha in Pargana Tumsar, District Bhandara, Maharashtra	46.25	Order No. MMN-2299/ C.R. 7718/ Ind- 9,	March 4, 1998	March 3, 2018	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid
2.	Land situated at Village Dongri Buzurg in Pargana Tumsar, District Bhandara, Maharashtra	53.98	Order No. MMN-1004/ C.R. 686/ Ind- 9	July 1, 2002	June 30, 2022	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid
3.	Land situated at Village Dongri Buzurg in Taluka Tumsar, District Bhandara, Maharashtra	70.50	Order No. MMN-2279/ 64396/ (2138) /Ind-9 renewed by letter bearing no. MMN-2201/C.R. 129/Ind-9 dated October 06, 2010	February 18, 2000	February 17, 2020	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid[1]

[1] *Out of 70.50 hectares, approval for renewal of 67.62 hectares has been given by the Government of Maharashtra, Department of Industries, Energy and Labour vide letter bearing no. MMN-2201/C.R. 129/Ind-9 dated October 06, 2010. The approval for renewal of the remainder 2.88 hectares is under process. The renewed lease is yet to be executed.*

(b) Other Clearances

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Consent to operate under Section 26 of the Water Act and under Section 21 of the Air Act and Authorisation/Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management and Handling) Rules 1989 and Amendment Rules 2003. The consent is for mining to a maximum quantity of 35,000 MT per annum	BO/ROPCI-II/NG-1551-08/R/CC-757	December 23, 2008	February 28, 2011 (or the validity of mine lease period whichever is earlier)	Maharashtra Pollution Control Board	Company

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
2.	Environmental clearance for renewal and expansion of open cast mechanized mining of manganese ore from current capacity of 15,000 TPM to 35,000 TPM and expansion of Electrolytic Manganese Di-oxide (EMD) plant from current capacity of 768 TPA to 1500 TPA	J-11015/232/2007-IA.II(M)	July 20, 2007	N.A	GoI, Ministry of Environment and Forests	Company
3.	In-principle clearance for the diversion of 6.8 ha of forest land	8C/2/2001-FCW 1242	June 28, 2004	N.A	GoI, Ministry of Environment and Forests	Company
4.	Clearance for the diversion of 34.4 ha of forest land	8-9/200-FC	May 20, 2002	N.A	GoI, Ministry of Environment and Forests	Company
5.	Clearance for the diversion of 59.2 ha of forest land	3-39/99-FC	January 8, 2003	N.A	GoI, Ministry of Environment and Forests	Company
6.	Approval for High Tension installation under Rule 65 of Indian Electricity Rules, 1956	WZ/E/MOIL/DB/9-03/105 (I)/1791	November 10, 2003	N.A	Director of Mine Safety (Elect), Nagpur	Company
7.	Approval for High Tension installation under Rule 65 of Indian Electricity Rules, 1956	WZ/E/MOIL/DB/9-03104 (I)/324	February 25, 2004	N.A	Director of Mine Safety (Elect), Nagpur	Company
8.	License for possession and use of explosives	E/HQ/MP/22/449 (E 33441)	July 16, 2009	March 31, 2014	Chief Controller of Explosives	Company
9.	License for possession and use of explosives from magazine	E/HQ/MP/22/ 401 (E 32960)	July 30, 2009	March 31, 2014	Joint Chief Controller of Explosives	Company
10.	Permit to manufacture Ammonium Nitrate- Fuel Oil	E/WC/MH/38/31 (E32695)	May 5, 2010	March 31, 2015	Chief Controller of Explosives	Company
11.	License for Road Van for the carriage of explosives	E/CC/MP/25/431(E 14771)	June 16, 2009	March 31, 2014	Joint Chief Controller of Explosives	Company
12.	Registration under the Contract Labour Act	R/10/78/III	December 7, 1978	N.A.	ALC (Cent), Nagpur	Company

Gumgaon Mine

(a) Mining Leases

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land situated at Village Gumgaon and Khapapeth in Tehsil Saoner, District Nagpur, Maharashtra	1.33	Order No. MMN-1005/ C.R.780/ Ind- 9	February 24, 1999	February 23, 2014	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid
2.	Land situated at Village Gumgaon and Khapapeth in Tehsil Saoner, District Nagpur, Maharashtra	35.97	Order No. MMN-2280/ 127045 (2785)/ Ind-9	June 30, 2000	June 29, 2020	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid
3.	Land situated at Village Gumgaon, Khapapeth, Tigai and Rajna in Pargana Saoner, District Nagpur, Maharashtra	48.596	Order No. MMN-1005/ C.R. 777/ Ind- 9	July 1, 2002	June 30, 2022	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid

(b) Other Clearances

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Environmental clearance for expansion in lease area from 49.9 ha to 85.9 ha and for expansion in production of manganese ore from 0.5 LTPA to 0.9 LTPA for the tenth year of production, under the provisions of the Environmental Impact Assessment Notification, 1994	J-11015/77/2003-IA II(M)	December 6, 2004	N.A	GoI, Ministry of Environment and Forests	Company
2.	Consent to operate under Section 26 of the Water Act and under Section 21 of the Air Act and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003. The consent is for mining to a maximum quantity of 5,000 MT/ month	BO/RONG/Nagpur/721-06/R/CC-305	May 11, 2006	June 30, 2011	Maharashtra Pollution Control Board	Company

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
3.	Clearance for the diversion of 0.6 ha of forest land	8C/5/605/98-FCW/1616	July 16, 2003	N.A	GoI, Ministry of Environment and Forests	Company
4.	Clearance for the diversion of 15.6 ha of forest land	8C/5/451/97-FCW/1873	October 12, 1998	N.A	GoI, Ministry of Environment and Forests	Company
5.	Registration under the Contract Labour Act	ALCN-II/46 (R)/3/1987-CL	April 25, 2008	N.A.	ALC (Cent), Nagpur	Company
6.	License for the possession and use of explosives	E/HQ/MP/22/843 (E 33527)	July 21, 2009	March 31, 2014	Chief Controller of Explosives	Company

Kandri Mine

(a) Mining Leases

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land situated at Village Kandri in Pargana Ramtek, District Nagpur, Maharashtra	83.06	Order No. MMN-1004/ C.R.666/Ind-9	July 1, 2002	June 30, 2022	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid

(b) Other Clearances

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Environmental clearance for enhancement of manganese ore production from 4,000 TMP to 5,250 TPM involving total lease area of 83.1 ha	J-11015/408/2607-IA.II(M)	September 12, 2007	N.A	GoI, Ministry of Environment and Forests	Company
2.	Consent to operate under Section 26 of the Water Act and under Section 21 of the Air Act and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003. The consent is for mining to a	BO/PCI-II/RO/NG/ EIC No. NG-0586-06/R/CC-25	July 5, 2006	June 30, 2011	Maharashtra Pollution Control Board	Company

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
	maximum quantity of 4,100 MT/ month					
3.	In-principle clearance for the diversion of 37.8 ha of forest land	8-23/99 – FC	July 20, 1999	N.A	GoI, Ministry of Environment and Forests	Company
4.	Registration under the Contract Labour Act	ALCN-II/46 (R)/ 3/ 1987- III	April 10, 2008	N.A.	ALC (Cent), Nagpur	Company

Munsar Mine

(a) Mining Leases

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land situated at Village Munsar, Chargaon, Khairi, Parsoda and Kandri in Tehsil Ramtak, District Nagpur, Maharashtra	108.63	Order No. MMN- 1005/ C.R.772/Ind-9	July 1, 2002	June 30, 2022	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid
2.	Land situated at Village Chargao in Tehsil Ramtek, District Nagpur, Maharashtra	0.97	Order No. MMN- 2292/ 2455/ 6089/ Ind- 9	July 26, 2009	July 25, 2029	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid[1]
3.	Land situated at Village Munsar in Pargana Ramtek, District Nagpur, Maharashtra	5.74	Order No. MMN- 2291/ C.R. 6039/ Ind- 9	October 18, 1992	October 17, 2012	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid

4.	Land situated at Village Chargao in Taluka Ramtek, District Nagpur, Maharashtra	25.15	Order No. MMN- 1005/ C.R. 763/ Ind- 9	May 14, 2002	May 13, 2022	Governor of Maharashtra and Industries, Energy and Labour Department, Government of Maharashtra	Company	Valid

[1] *Renewed vide notification dated February 25, 2002. However, the renewed lease is yet to be executed*

(b) Other Clearances

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Environmental clearance for renewal of mining lease and for enhancement of manganese ore production from 3,000 TPM to 4,166 TPM involving total lease area of 149.1 ha	J-11015/413/2007-IA.II(M)	December 26, 2007	N.A	GoI, Ministry of Environment and Forests	Company
2.	Approval of mining plan	NAG/ MN/ MPLN-964/ NGP	June 14, 2007	N.A.	Regional Controller of Mines, Indian Bureau of Mines, Nagpur Regional Office	Company
3.	Consent to operate under Section 26 of the Water Act and under Section 21 of the Air Act and Authorization/Renewal of Authorization under Rule 5 of the Hazardous Wastes Rules. The consent is for mining to a maximum quantity of 4,166 MT/ month	BO/RO PCI-II/EIC No. NG-2635-09/CC-522	October 5, 2009	June 30, 2012	Maharashtra Pollution Control Board	Company
4.	In-principle approval for the diversion of 12.2 ha of forest land	8C/5/604/98-FCW/2171	October 18, 2000	N.A	GoI, Ministry of Environment and Forests	Company
5.	In-principle approval for the diversion of 3.4 ha of forest land	8C/5/594/98-FCW/2138	October 16, 2000	N.A	GoI, Ministry of Environment and Forests	Company
6.	In-principle approval for the diversion of 5.7 ha of forest land	8C/3/2001/FCW/2352	December 27, 2004	N.A	GoI, Ministry of Environment and Forests	Company

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
7.	In-principle approval for the diversion of 1 ha of forest land	8C/46/200-FCW/354	November 28, 2001	N.A	GoI, Ministry of Environment and Forests	Company
8.	License for import and storage of petroleum in installations	P/HQ/MH/15/2179 (P15969)	August 26, 2010	December 31, 2010	Chief Controller of Explosives	Company
9.	Registration under the Contract Labour Act	ALCN/45/ (R)/ 6/ 1987 –III	February 23, 1987	N.A.	ALC (Cent), Nagpur	Company

Sitapatore Mine/ Sukli Mine

(a) Mining Leases

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land situated at Mouza Sitapatore in Patwari Circle No 3, District Balaghat, Madhya Pradesh	4.7347	Memo No. 3- 148/81/XII	July 1, 1982	June 30, 2002	Governor of Madhya Pradesh and Mineral Resources Department, Bhopal	Company	Application for renewal filed vide letter dated April 10, 2001
2.	Land situated at Mouza Sitapatore in Patwari Circle No 3, District Balaghat, Madhya Pradesh	43.3533	Memo No. 3- 187/81/ XII	July 1, 2002	June 30, 2022	Governor of Madhya Pradesh and Mineral Resources Department, Bhopal	Company	Valid[1]
3.	Land situated at Mouza Sukli in Pargana Balaghat, District Balaghat, Madhya Pradesh	79.55[2]	Memo No. 3- 306/73/XII	September 27, 1974	September 26, 1994	Governor of Madhya Pradesh and Mineral Resources Department, Bhopal	Company	Application for renewal filed vide letter dated September 14, 1993, revised vide letter dated July 14, 1999

[1]*An approval for renewal of this mining lease has been given by the Government of Madhya Pradesh, Department of Mines vide letter bearing no. F 3-24/10/12/2 dated September 27, 2010. However, the mining lease is yet to be executed.*
[2] *Out of 79.55 ha., 9.19 ha. is revenue land, 10.48 ha is private land & 59.88 ha is forest land.*

(b) Other Clearances

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Renewal of consent under Section 21 of the Air Act. The consent is for mining to a maximum quantity of 3,600 MT per annum	7759/TS/MPPCB/Mine/2009	August 1, 2009	July 31, 2011	Madhya Pradesh Pollution Control Board	Company
2.	Renewal of consent under Section 25/26 of the Water Act. The consent is for mining to a maximum quantity of 3,600 MT per annum	7757/TS/MPPCB/Mine/2009	January 1, 2009	December 31, 2010	Madhya Pradesh Pollution Control Board	Company
3.	Environmental clearance for an annual production capacity of 17,000 tonnes (7,000 tonnes from the dump and 10,000 tonnes from the bed mining) of manganese ore by opencast semi-mechanized method involving total lease area of 43.4 ha	J-11015/474/2006-IA.II(M)	January 16, 2009	N.A	GoI, Ministry of Environment and Forests	Company
4.	Environmental clearance for an annual production capacity of 15,000 tonnes of manganese ore by opencast semi-mechanised method involving total mine lease area of 79.6 ha	J-11015/9/2009/IA.II(M)	February 3, 2009	N.A	GoI, Ministry of Environment and Forests	Company
5.	In-principle clearance for diversion of 4.7 ha of forest land	8-81/2004-FC	March 22, 2006	N.A	GoI, Ministry of Environment and Forests	Company
6.	Clearance for the diversion of 43.4 ha of forest land	8-81/2004-FC	October 23, 2008	N.A	GoI, Ministry of Environment and Forests	Company
7.	Registration under the Contract Labour Act	CHA35(3)/86	May 5, 1986	N.A.	ALC (Cent), Chhindwara	Company

Tirodi Mine

(a) Mining Leases

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land situated at Village Tirodi, Jamrapani and Paonia in Tehsil Waraseoni, District Balaghat, Madhya Pradesh	478.04	Memo No 3-283/82/XII renewed by way of letter bearing no. F 3-6/04/12/2	July 1, 2002	June 30, 2022	Governor of Madhya Pradesh and Mineral Resources Department, Bhopal	Company	Valid[1]
2.	Land situated at Mouza Tirodi, Tehsil Waraseri, District Balaghat, Madhya Pradesh	37.09	Memo No. 3/27/ 73/XII renewed by way of letter no. F-3-38/03/12/2	September 15, 1993	September 14, 2013	Governor of Madhya Pradesh and Mineral Resources Department, Bhopal	Company	Valid[2]
3.	Land situated at Village Tirodi in Pargana Katahsi, District Balaghat, Madhya Pradesh	4.419	Memo No. 3- 150/ 92/ XII/ 3	September 26, 1996	September 25, 2016	Governor of Madhya Pradesh and Mineral Resources Department, Bhopal	Company	Valid

[1] *Out of 478.04 hectares, approval for renewal of 254.593 hectares has been given by the Government of Madhya Pradesh, Department of Mines vide letter bearing no. F 3-6/04/12/2 dated September 26, 2010. The approval for renewal of the remainder 223.4 hectares is still under process. Renewed lease is yet to be executed.*
[2] *Renewed lease is yet to be executed*

(b) Other Clearances

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Authorization under Hazardous Wastes Rules	765/HSMD/MPPCB/JB-03/2010	April 19, 2010 (with effect from December 23, 2008)	December 22, 2013	Madhya Pradesh Pollution Control Board	Company
2.	Environmental clearance for an annual production capacity of 109,000 tonnes of manganese ore by opencast mechanised method involving lease area of 478.0 ha	J-11015/476/2007-IA.II(M)	December 22, 2008	N.A	GoI, Ministry of Environment and Forests	Company

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
3.	Environmental clearance for an annual production capacity of 3,700 tonnes of manganese ore from the old rejects dump (sub grade ore dump) involving lease area of 37.1 ha	J-11015/477/2008-IA.II(M)	December 23, 2008	N.A	GoI, Ministry of Environment and Forests	Company
4.	In-principle clearance for diversion of 115.5 ha of forest land	8-29/2005-FC (file no.)	September 7, 2005	N.A	GoI, Ministry of Environment and Forests	Company
5.	License for possession and use of explosives	E/HQ/MP/22/139 (E 1029)	June 19, 2007	March 31, 2014	Chief Controller of Explosives	Company
6.	License for possession and use of explosives	E/HQ/MP/22/229 (E 35094)	June 19, 2007	March 31, 2014	Chief Controller of Explosives	Company
7.	License for road van for the carriage of explosives	E/WC/MH/25/49 (E 13809)	July 29, 2009	March 31, 2014	Joint Chief Controller of Explosives	Company
8.	License for road van for the carriage of explosives	E/CC/MP/25/393(E52207)	February 22, 2010	March 31, 2011	Joint Chief Controller of Explosives	Company
9.	License for storage of petroleum in tanks for fuelling motor conveyances	PCC/MP/14/287 (P 42157)	February 2, 2010	December 31, 2012	Deputy Chief Controller of Explosives	Company
10.	Registration under the Contract Labour Act	20/CHA-35(8)/71-3	December 22, 1971	N.A.	ALC (Cent), Chhindwara	Company
11.	Renewal of consent under Section 21 of the Air Act. The consent is for mining to a maximum quantity of 125,000 MT per annum	9140 /MPPCB/TS /Mine- Bal/2010	September 29, 2010	March 31, 2011	Madhya Pradesh Pollution Control Board	Company
12.	Renewal of consent under Section 25/26 of the Water Act. The consent is for mining to a maximum quantity of 125,000 MT per annum	9138 /MPPCB/TS /Mine- Bal/2010	September 29, 2010	March 31, 2011	Madhya Pradesh Pollution Control Board	Company

Ukwa Mine

(a) Mining Leases

No.	Description	Area in Hectares	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted	Status of lease
1.	Land situated at Village Ukwa, Gudma, Lugma and Samnapur in Pargana Baihar, District Balaghat, Madhya Pradesh	199.0673	Memo No: 3-14/2003/12/2	July 1, 2002	June 30, 2022	Governor of Madhya Pradesh and Mineral Resources Department, Bhopal	Company	Valid
2.	Land situated at Village Ukwa, and Lugma in Pargana Baihar, District Balaghat, Madhya Pradesh	73.567	Memo No. 3- 120/ 85/ XII/ 3	September 15, 2005	September 14, 2025	Governor of Madhya Pradesh and Mineral Resources Department, Bhopal	Company	Valid[1]

[1] Out of 73.567 hectares, approval for renewal of 69.581 hectares has been given by the Government of Madhya Pradesh, Department of Mines vide letter bearing no. F 3-25/10/12/2 dated September 27, 2010. The approval for renewal of the remainder 3.986 hectares is under process. Renewed lease is yet to be executed.

(b) Other Clearances

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Authorization under Hazardous Wastes Rules	612/HSMD/MPPCB/JB-04/2010	April 3, 2010 (with effect from July 28, 2009)	July 27, 2014	Madhya Pradesh Pollution Control Board	Company
2.	Environmental clearance for an annual production capacity of 10,000 tonnes of manganese ore by underground semi-mechanised method involving lease area of 73.6 ha	J-11015/437/2008-IA.II(M)	December 22, 2008	N.A	GoI, Ministry of Environment and Forests	Company
3.	Environmental clearance for an annual production capacity of 114,000 tonnes of manganese ore using an underground semi-mechanised method involving lease area of 199.1 ha	J-11015/85/2007-IA.II(M)	December 23, 2008	N.A	GoI, Ministry of Environment and Forests	Company
4.	License to possess explosives for use	E/HQ/MP/22/7 (E-512)	January 21, 2009	March 31, 2013	Deputy Chief Controller of Explosives	Company

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
5.	License for road van for the carriage of explosives	E/WC/M/25/676 (E-32457)	August 12, 2009	March 31, 2014	Deputy Chief Controller of Explosives	Company
6.	License for storage of petroleum in tanks for fuelling motor conveyances	PCC/MP/14/1459 (P 177816)	February 5, 2010	December 31, 2012	Deputy Chief Controller of Explosives	Company
7.	License for import and storage of petroleum in installation	P/HQ/MP/15-94 (P13084)	February 5, 2010	December 31, 2012	Deputy Chief Controller of Explosives	Company
8.	Registration under the Contract Labour Act	48/CHA-35(3)/78	August 24, 1978	N.A.	ALC (Cent), Chhindwara	Company
9.	Renewal of consent under Section 21 of the Air Act. The consent is for mining to a maximum quantity of 125,000 MT per annum	9132 /MPPCB/TS /Mine- Bal/2010	September 29, 2010	March 31, 2011	Madhya Pradesh Pollution Control Board	Company
10.	Renewal of consent under Section 25/26 of the Water Act. The consent is for mining to a maximum quantity of 125,000 MT per annum	9130 /MPPCB/TS /Mine- Bal/2010	September 29, 2010	March 31, 2011	Madhya Pradesh Pollution Control Board	Company

MATERIAL PROVISIONS OF MINING LEASES

For material provisions of the above mentioned mining leases, refer to "***Regulations and Policies- Laws Relating to the Mining Industry***" on page 89 of this Red Herring Prospectus.

APPROVALS FROM THE DIRECTOR GENERAL MINES AND SAFETY ('DGMS')

To operate a mine, several approvals are required from DGMS under the Metalliferous Mines Regulations, 1961 (the "**MM Regulations**"). Depending upon the circumstances of a mine, DGMS issues approvals or relaxation from obtaining approvals under different provisions of the MM Regulations. These approvals or relaxations are required for stoping, opencast working, haulage roadways provisions, blasting, and shelter during blasting, deployment of machinery, appointment of assistant managers and surveyors, etc. Our Company has obtained the following approvals for the operations of our mines from the DGMS:

No.	Mine	Description	Ref./License No.	Issue date	Expiry date
1.	Tirodi	Authorisation under Regulation 106 (2) (b) of the MM Regulations for extraction by mechanized open cast method	M III/3080/0	September 10, 1970	N.A
2.	Tirodi	Exemption under Regulation 106 (2) (b) of the MM Regulations for extraction by mechanized open cast method.	7009	October 31, 1995	N.A.

No.	Mine	Description	Ref./License No.	Issue date	Expiry date
3.	Chikla	Permission under Regulation 107 (3) of the MM Regulations for stoping of ore body for the area between (-) 270’ level and (-) 170’ level	NR-II/380062/NC/ perm/B/6/2004/ 1619	July 21, 2004	N.A
4.	Chikla	Permission under Regulation 107 (3) of the MM Regulations for carrying out extraction of pillars/ blocks of ore for the area between (-) 270’ level and (-) 170’ level	NR-II/380062/Perm 107(3)NC/B/01/2008	July 15, 2008	N.A
5.	Balaghat	Permission under Regulation 107 (3) of the MM Regulations for carrying out stoping operations by mechanized method using ‘side discharge loader’ in conjunction with hydraulic sand stowing, for the area between the 11th and 10th levels	NR-I/380050/ perm/NC/A/- /2009/2163	November 17, 2009	November 16, 2014
6.	Dongri Buzurg	Permission under Regulation 106 (2) (b) of the MM Regulations for extraction of ore from old dumps with HEMM	NR/380115/II(f)/1978	April 31, 1997	N.A
7.	Dongri Buzurg	Permission under Regulation 164 (1-B) (b) of the MM Regulations to conduct deep hole blasting within 300 meters and beyond 200 meters of dwellings/ houses and surface structures	NR/380115/11(f)/1135	May 19, 2000	N.A
8.	Kandri	Permission under Regulations 106(2) (b) of the MM Regulations for extraction of manganese ore for a depth upto 285 meters by mechanized open cast method	NR-I/380060/ perm/NC/951 modified by NR-I/380060/ perm/NC/6/10/1283	July 20, 2010	July 10, 2012
9.	Kandri	Permission under Regulation 107 (3) of the MM Regulations for conducting stoping operations between -250 level and -150 level	NR-1/380067/Perm/ NC/A16/2003/115	January 30, 2004	N.A.
10.	Beldongri	Permission under Regulations 106(2) (b) of the MM Regulations to carry out stoping operations	NR-1/A/Perm/NC/08/2005/472	June 30, 2006	June 29, 2011
11.	Beldongri	Permission under Regulations 106(2) (b) of the MM Regulations to carry out stoping operations	NR-1/380085/N/C/A/2010/461	March 11, 2008	N.A
12.	Beldongri	Permission under Regulations 107 (3) of the MM Regulations to carry out stoping operations with hydraulic sand stowing between 193 meters and 234 meters level	NR-1/Perm/NC/A/13/2003 /923	August 4, 2003	N.A
13.	Gumgaon	Permission under Regulation 107 (3) of the MM Regulations between (-) 200 feet and (-) 300 feet levels	NR-1/380066/Perm/NC/ A/2004/2646	November 28, 2004	N.A
14.	Gumgaon	Permission under Regulation 164 (1A) and (1B) of the MM Regulations	NR-1/380066/Perm/NC/ A/11/2003/880	July 25, 2003	N.A.
15.	Gumgaon	Permission under Regulation 106 (2) (b) of the MM Regulations	Letter No. 483 of 2002	March 27, 2002	N.A.
16.	Ukwa	Permission under Regulation 107 (3) of the MM Regulations to carry out stoping operations with hydraulic sand stowing between 1890 feet and 1950 feet levels	NR-1/380060/Perm/NC/ C/4/2009	July 29, 2009	December 31, 2012

No.	Mine	Description	Ref./License No.	Issue date	Expiry date
17.	Sitapatore/ Sukli	Permission under Regulation 106 (2) (b) of the MM Regulations	NR-1/ PERM/ NC/ 421/ 02/ 409	August 21, 2009	N.A
18.	Munsar	Exemption under Regulation 106 (2) (b) of the MM Regulations for extraction by mechanized open cast method.	NR-1/380068/Perm/NC/ A-1/10/2003/498	April 4, 2004	N.A
19.	Munsar	Permission under Regulation 164 (1A) (c) and (1B) (a) of the MM Regulations	Letter No. 4810 of 1993	August 6, 2003	N.A
20.	Munsar	Permission under Regulation 107 (3) of the MM Regulations for stoping of pillars of ore between 70 feet and 170 feet levels	NR/ 380068/II (f)/ 2906	September 30, 1999	N.A

D APPROVALS FOR RATEDI WIND POWER PROJECT

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Approval for the transfer of lease from Enercon India Limited to MOIL for 1.7 ha	F. No. 8-24/2006-FC	October 21, 2008	N.A	GoI, Ministry of Environment and Forests	Principal Secretary (Forests), GoMP
2.	Approval for diversion of 65.2 ha of forest land for wind farm project	F. No. 8-24/2006-FC	April 13, 2006	N.A	GoI, Ministry of Environment and Forests	Principal Secretary (Forests), GoMP
3.	Approval for diversion of 65.2 ha of forest land for wind farm project	No-F 5/12/2004/10-3	June 20, 2006	N.A	GoMP, Forest Department	CCF (Land Management) Satpura Bhavan

E APPROVALS FOR FERRO MANGANESE PLANT

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Renewal of consent under Sections 25 and 26 of the Water Act.	7096/TS/MPPCB/2009	July 27, 2009	With effect from October 1, 2008 to September 30, 2011	Madhya Pradesh Pollution Control Board	Company
2.	Renewal of consent under Section 21 of the Air Act	7098/TS/MPPCB/2009	July 27, 2009	With effect from October 1, 2008 to September 30, 2011	Madhya Pradesh Pollution Control Board	Company

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
3.	Certificate for the use of a boiler under the Indian Boiler Act, 1923	2701/DKL	June 17, 2010	June 16, 2011	Director of Steam Boilers, Nagpur	Company
4.	Approval for H.T Installations under Rule 63 of I.E Rules, 1956	WZ/E/1108	July 29, 1998	N.A	Director General of Mines Safety	Company
5.	Central Excise Registration certificate under Rule 9 of the Central Excise Rules, 2002	AAACM8952AXM001	February 7, 2003	N.A	Assistant Commissioner of Central Excise	Company
6.	Certificate of registration under Section 69 of the Finance Act, 1994 for transport services undertaken by the FM Plant	C.Ex/Seoni/Ser.Tax/ Transport of Goods by Road/ 18/2004	February 2, 2005	N.A	Superintendent Service Tax, Office of the Assistant Commissioner, Customs and Central Excise	Company

F APPROVALS FOR ELECTROLYTIC MANGANESE DIOXIDE PLANT

No.	Description	Ref./License No.	Issue date	Expiry date	Authority granting approval	Entity to whom approval has been granted
1.	Certificate for the use of a boiler for Electrolytic Manganese Di-oxide (EMD) plant	MR/12087	June 18, 2010	June 16, 2011	Joint/ Deputy Director of Steam Boilers, Bombay Boiler Inspection Department	Company
2.	Central Excise Registration Certificate- allotment of new excise control code number	AAACM8952AXM002	February 29, 2000	N.A.	Assistant Director, Directorate General of Inspection, Custom and Central Excise	Company
3.	Certificate of registration under Section 69 of the Finance Act, 1994 for transport services undertaken by the EMD Plant	AAACM8952AST001	March 4, 2008	N.A.	Superintendent Service Tax, Office of the Assistant Commissioner, Customs and Central Excise	Company
4.	Central Excise Registration Certificate under rule 9 of the Central Excise Rules, 2002	AAACM8952AXM003	January 29, 2003	N.A.	Deputy Commissioner, Customs and Central Excise	Company

F APPROVALS APPLIED FOR BUT NOT YET RECEIVED

Balaghat Mine

Sr. No.	Application	Approving/ Licensing Authority	Description
1.	Renewal of the License to possess explosives for use	Deputy Chief Controller of Explosives	By way of letter dated June 14 2007 our Company has applied for the renewal of this license
2.	Application for renewal of license (E/CC/MP/25/281 (E 8049)) for Road Van for the carriage of explosives	Joint Chief Controller of Explosives	By way of letter dated February 2, 2010, our Company has applied for the renewal of this license
3.	Application for renewal of license (E/HQ/MP/22/169 (E1092)) for storage of explosives	Joint Chief Controller of Explosives	By way of letter dated February 2, 2010, our Company has applied for the renewal of this license
4.	Application for renewal of license (E/HQ/MP/22/161 (E1072)) for storage of explosives	Joint Chief Controller of Explosives	By way of letter dated February 2, 2010, our Company has applied for the renewal of this license

Dongri Buzurg Mine

Sr. No.	Application	Approving/ Licensing Authority	Description
1.	Application for consent to operate Electrolytic Manganese Dioxide Plant for one year.	Maharashtra Pollution Control Board	By way of letter dated March 10, 2010, our Company has applied for this consent.

Electrolytic Manganese Dioxide Plant

Sr. No.	Application	Approving/ Licensing Authority	Description
1.	Renewal of consent to operate under Section 26 of the Water Act and under Section 21 of the Air Act and Authorisation/Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management and Handling) Rules 1989 and Amendment Rules 2003	Maharashtra Pollution Control Board	By way of letter dated March 10, 2010 our Company has applied for the renewal of its consents to operate

Munsar Mine

Sr. No.	Application	Approving/ Licensing Authority	Description
1.	Renewal of license for the possession and use of explosives	Joint Chief Controller of Explosives	By way of letter dated July 1, 2009 our Company has applied for the renewal of its license (no. E/HQ/MP/22/471 (E 33511)) for the possession and use of explosives at Munsar mine until March 31, 2014

Sitapatore Mine/ Sukli Mine

Sr. No.	Application	Approving/ Licensing Authority	Description
1.	Consent to operate (for 79.6 ha) under Section 21 of the Air Act	Madhya Pradesh Pollution Control Board	By way of letter dated June 22, 2009 our Company has applied for the consent to operate for mining and beneficiation of 15,000 TPA for three years

Sr. No.	Application	Approving/ Licensing Authority	Description
2.	Consent to operate (for 79.6 ha) under Section 25 or Section 26 of the Water Act	Madhya Pradesh Pollution Control Board	By way of letter dated June 22, 2009 our Company has applied for the consent to operate for mining and beneficiation of 15,000 TPA for three years

Tirodi Mine

Sr. No.	Application	Approving/ Licensing Authority	Description
1.	Consent to operate (for 37.1 ha) under Section 25 or Section 26 of the Water Act	Madhya Pradesh Pollution Control Board	By way of letter dated March 30, 2009 our Company has applied for consent to operate for mining and beneficiation of 500 TPA manganese ore (cleaned) for five years
2.	Consent to operate (for 37.1 ha) under Section 21 of the Air Act	Madhya Pradesh Pollution Control Board	By way of letter dated March 30, 2009 our Company has applied for consent to operate for mining and beneficiation of 500 TPA manganese ore (cleaned) for five years

G APPLICATIONS PENDING FOR RENEWAL OF THE MINING LEASES AND OTHER RELATED CLEARANCES.

1. ***Dongri Buzurg Mine***

By way of letter dated December 20, 1999 to the Mining Officer, Bhandara, our Company has applied for the renewal of its mining lease for an area of 70.50 hectares in the village of Dongri Buzurg, Bhandara for a further period of 20 years from February 18, 2001 in relation to Dongri Buzurg mine. By way of a letter bearing no. MMN-2201/C.R. 129/Ind-9 dated October 6, 2010, the Government of Maharashtra, Department of Industries, Energy and Labour has granted the approval for renewal of 67.6 hectares out of 70.5 hectares. The approval for renewal of the remainder 2.88 hectares is under process.

2. ***Balaghat Mine***

By way of letter dated April 10, 2001 to the Mining Officer, Balaghat, our Company has applied for the renewal of its mining lease for an area of 182.3004 hectares in the villages of Bharweli, Awalazari, Tawezari, Manjhara, Hirapur and Manegaon and Tahsil, Balaghat for a further period of 20 years from July 1, 2002 in relation to Balaghat mine. Out of 182.3004 hectares, approval for renewal of 172.398 hectares has been given by the Government of Maharashtra, Department of Mines vide letter bearing no. F 3-35/03/12/2 dated September 26, 2010. The approval for renewal of the remainder 9.9 hectares is still under process.

3. ***Tirodi Mine***

By way of letter dated May 31, 2001 to the Mining Officer, Balaghat, our Company has applied for the renewal of its mining lease for an area of 478.04 hectares in the villages of Tirodi, Jamrapani and Paonia and Tahsil, Balaghat for a further period of 20 years from July 1, 2002 in relation to Tirodi mine. Out of 478.04 hectares, approval for renewal of 254.593 hectares has been given by the Government of Maharashtra, Department of Mines vide letter bearing no. F 3-6/04/12/2 dated September 26, 2010. The approval for renewal of the remainder 223.4 hectares is still under process.

4. ***Sitapatore Mine/ Sukli Mine***

By way of letter dated April 10, 2001 to the Mining Officer, Balaghat, our Company has applied for the renewal of its mining lease for an area of 4.7347 hectares in the villages of Sitapore, Tahsil and Katangi, Balaghat for a further period of 20 years from July 1, 2002 in relation to Sitapatore mine.

By way of letter dated September 14, 1993 to the Mining Officer, Balaghat, our Company has applied for the renewal of its mining lease for an area of 79.55 hectares in the village of Sukli, Balaghat for a further period of 20 years from September 27, 1994 in relation to Sukli mine.

5. **Ukwa Mine**

By way of letter dated July 22, 2004 to the Mining Officer, Balaghat, our Company has applied for the renewal of its mining lease for an area of 73.567 hectares in the villages of Ukwa, and Lugma in Pargana Baihar, District Balaghat, Madhya Pradesh for a further period of 20 years from September 15, 2005 in relation to Ukwa mine. Out of 73.567 hectares, approval for renewal of 69.581 hectares has been given by the Government of Madhya Pradesh, Department of Mines vide letter bearing no. F 3-25/10/12/2 dated September 27, 2010. The approval for renewal of the remainder 3.986 hectares is under process.

H APPLICATIONS PENDING FOR MANGANESE ORE PROSPECTING LICENCES

No.	Name of area	Date of submission of application	Area (in ha)	Status
1.	Kurmuda and Balapur Hamesha, Bhandara	April 19, 2010	17.1	Pending
2.	Lanjhera, Bhandara	April 19, 2010	24.4	Pending
3.	Sitasaongi, Bhandara	April 19, 2010	14.4	Pending
4.	Gargabhonga, Bhandara	April 19, 2010	84.3	Pending
5.	Sakardara, Bhandara	April 19, 2010	40.1	Pending
6.	Asalpani, Bhandara	April 19, 2010	61.3	Pending
7.	Chikla, Bhandara	April 19, 2010	99.4	Pending
8.	Gumgaon, Nagpur	May 4, 2010	130.09	Pending
9.	Chargaon and Kandri, Nagpur	May 4, 2010	39.2	Pending
10.	Munsar and Kandri, Nagpur	May 4, 2010	84.7	Pending
11.	Satak, Nagpur	May 4, 2010	82.1	Pending
12.	Satak, Nagpur	May 4, 2010	5.6	Pending
13.	Nagardhan, Nagpur	May 4, 2010	50.5	Pending
14.	Nandapuri, Nagpur	May 7, 2010	53.9	Pending

I INTELLECTUAL PROPERTY RIGHTS

By an application dated September 22, 2009, our Company has applied for the registration of trademarks (Application No. 2026949) in class 37 relating to our logo and name as appearing on the front page of this Red Herring Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Approvals from the Selling Shareholders

The MoS through its letter no. 4 (11) 2008 – RM II (Vol. II) dated September 20, 2010 to our Company has approved the sale of a proportion of its shareholding in our Company by way of an 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 16,800,000 Equity Shares of par value ₹ 10 each, comprising 10 % of the total paid-up equity share capital of our Company.

The Government of Maharashtra through its letter no. MOIL-1010/CR-625/IND-9 dated July 19, 2010, has approved the disinvestment of a proportion of its shareholding in our Company by way of an offer for sale. Pursuant to this decision, the Governor of Maharashtra acting on behalf of the Government of Maharashtra has been authorized to offer for sale 8,400,000 Equity Shares of par value ₹ 10 each, comprising 5% of the total paid-up equity share capital of our Company.

The Government of Madhya Pradesh through its letter no. 857/IV/B-7-DMC/2010 dated July 20, 2010, has approved the disinvestment of a proportion of its shareholding in our Company by way an offer for sale. Pursuant to this decision, the Governor of Madhya Pradesh acting on behalf of the Government of Madhya Pradesh has been authorized to offer for sale 8,400,000 Equity Shares of par value ₹ 10 each, comprising 5% of the total paid-up equity share capital of our Company.

Corporate Approvals

Our Company has taken note of the Offer and authorized relevant persons to execute documents on its behalf pursuant to the Board resolution dated September 10, 2010.

Approval for Lock-in

The Promoter through its letter dated September 23, 2010 granted approval for the lock-in of its pre-Offer shareholding, less shares offered for sale for a period of three years and one year as required under SEBI ICDR Regulations. The Promoter has agreed to lock-in 33,600,000 shares representing 20% of the post offer Equity Capital of our Company for three years and the balance shares for one year or such other time as required under the SEBI ICDR Regulations.

Further the Governor of Madhya Pradesh, acting through the Department of Finance has pursuant to letter dated September 23, 2010 has agreed to comply with the one-year lock-in provision of the SEBI ICDR Regulations and shall not sell, transfer, charge, pledge or otherwise encumber any locked-in Equity Shares till such time that the lock-in remains effective, save and except as may be permitted under the SEBI ICDR Regulations.

Further the Governor of Maharashtra, acting through the Department of Industries, Energy and Labour has pursuant to letter dated September 23, 2010 has agreed to comply with the one-year lock-in provision of the SEBI ICDR Regulations and shall not sell, transfer, charge, pledge or otherwise encumber any locked-in Equity Shares till such time that the lock-in remains effective, save and except as may be permitted under the SEBI ICDR Regulations.

Approval from the RBI

The Selling Shareholders acting through the Department of Disinvestment, Ministry of Finance, Government of India had, vide letter dated September 21, 2010 sought the approval of the RBI for compliance with the applicable foreign exchange control norms for the transfer of Equity Shares in the Offer.

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 no FE. Co. FID. No. 7826/10.21.214/2010-2011 dated September 29, 2010 approved the transfer of the Equity 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 bearing no. NSE/LIST/149526-8 dated October 19, 2010 granted its in-principle approval.

The BSE has pursuant to its letter bearing no. DCS/IPO/SI/IPO-IP/1100/2010-11 dated October 1, 2010 granted its in-principle approval.

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 "***Regulations and Policies- Restrictions on Foreign Investment***" and "***Offer Procedure***" on pages 95 and 216 of this Red Herring 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 named as willful 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 ICDR Regulations:

(a) Our Company, our Directors, our Promoter, the persons in control of our Company, and the companies with which our Directors, 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 NSE and BSE have granted their in principal approval for the listing of the Equity Shares vide letters dated October 19, 2010 and October 1, 2010 respectively. The Designated Stock Exchange for the purpose of this Offer is NSE;

(c) Our Company has entered into agreements dated May 13, 2004 with NSDL and May 12, 2004 with CDSL for dematerialization of the 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 Red Herring Prospectus.

Our Company is an unlisted company and does not comply with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations. Our Company has net tangible assets of which more than 50% are held in monetary assets. Further, our Company has not made any firm commitment to utilize such excess monetary assets in its business or projects. Hence our Company is not in compliance with Regulation 26(1) (a) of the SEBI ICDR Regulations. Since we are not in compliance with Regulation 26(1) of the SEBI ICDR Regulations, we are required to meet both the conditions detailed in Regulation 26(2) (a) and Regulation 26(2) (b) of the SEBI ICDR Regulations which are as follows:

Regulation 26(2) of the SEBI ICDR Regulations states as follows:

"*An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*

(a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ;

OR

(ii) at least fifteen per cent of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than 10 per cent shall come from the appraisers and the issuer undertakes to allot at least 10 per cent of the net offer to public to qualified institutional

buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(b) (i) the minimum post-issue face value capital of the issuer is 10 crore rupees;

OR

(ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:

(A) *the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed 10 per cent.;*

(B) *the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent of the proposed issue*."

Accordingly, in compliance with Regulation 26(2) of the SEBI ICDR Regulations, this Offer is being made through the Book Building Process, with not less than 50% of the Net Offer being proposed to be Allotted to QIBs. In case we do not receive subscriptions of at least 50% of the Net Offer from QIBs, we shall refund the subscription monies forthwith.

The post Offer equity share capital of our Company at face value shall be more than the minimum requirement of ₹ 100 million. Hence, we are eligible under Regulation 26(2) (b) (i) of the SEBI ICDR Regulations.

In addition, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, we shall ensure that the number of Allottees, i.e. persons to whom the Equity Shares will be Allotted under the Offer, shall be not less than 1,000; otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days after the Selling Shareholders becomes liable to repay it (i.e., from the date of refusal or within 12 Working Days from the date of Bid/ Offer Closing Date, whichever is earlier), then the Selling Shareholders shall, on and from expiry of eight days, 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.

In terms of Rule 19 (2) (c) of the Securities Contracts Regulation (Rules), 1957, this is an Offer for less than 25% of the post Offer equity share capital but more than 10% of the post Offer equity share capital.

Not less than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider allocating up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portion less the Mutual Funds 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 [•] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net 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 2 % of the Offer, or 672,000 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 (except in the QIB Portion), 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 Shareholders in consultation with the BRLMs.

Disclaimers

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, EDELWEISS CAPITAL LIMITED, IDBI CAPITAL MARKET SERVICES LIMITED AND J.P. MORGAN INDIA PRIVATE 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. THE 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 IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, EDELWEISS CAPITAL LIMITED, IDBI CAPITAL MARKET SERVICES LIMITED AND JP MORGAN INDIA PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2010 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992 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 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 GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THE 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 AS THIS AN OFFER FOR SALE**

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 PERMISSION IS OBTAINED FROM ALL STOCK EXCHANGES 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 FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY 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 DRHP.

All legal requirements pertaining to this Offer will 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 60 and 60B of the Companies Act.

Disclaimer from our Company, the Selling Shareholders, the Directors and the BRLMs

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring 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.moil.nic.in would be doing so at his or her own risk. The Selling Shareholders accept no responsibility for any statements made other than those made in relation to the Equity Shares offered through the Offer.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the BRLMs, the Selling Shareholders and our Company dated September 23, 2010 and the Underwriting Agreement to be entered into among the Underwriters, the Registrar to the Offer, the Selling Shareholders and us.

All information shall be made available by us, the Selling Shareholders 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 Centers, etc.

Our Company, the Directors, the Selling Shareholders 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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 Shareholders, 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, our Company 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 our Company 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 ₹ 250 million and pension funds with a minimum corpus of ₹ 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 Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase the Equity 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 Red Herring 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 this Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring 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 Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and, unless so registered, 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 ("Regulation S"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring 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 this Red Herring Prospectus as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

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/149526-8 dated October 19, 2010 permission to the Issuer to use the Exchange's name in this offer document as one of the stock exchange on which this Issuer'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 this Issuer. 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 Issuer'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 Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desired to apply for or otherwise acquire any securities of this Issuer 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 BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the Bombay Stock Exchange Limited. The Bombay Stock Exchange Limited ("the Exchange") has given vide its letter dated March 11, 2010 permission to this 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 this offer document for its limited internal purpose of deciding on the matter of granting aforesaid permission to our Company. The Exchange 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 this Company's securities will be listed or 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 enquiry, 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 or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been 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 to be filed, along with the other documents required to be filed under Section 60B of the Companies Act, will be 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.

Registrar of Companies, Maharashtra, Mumbai
Everest, 5th Floor,
100 Marine Drive
Mumbai
400 002

Listing

In connection with the Offer and in accordance with Regulation 7 (b) (ii) of the SEBI ICDR Regulations, our Company has obtained in principle approval from the NSE and BSE for listing of the Equity Shares vide letters dated October 19, 2010 and October 1, 2010 respectively. NSE is the Designated Stock Exchange with which the Basis of Allottment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, the Selling Shareholders shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after the Selling Shareholders become liable to repay it (i.e., from the date of refusal or within 12 Working Days from the date of Bid/ Offer Closing Date, whichever is earlier), then the Selling Shareholders shall, on and from expiry of eight days, 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.

Our Company and the Selling Shareholders shall each ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/ Offer Closing Date.

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 Shareholders, the Directors, our Company Secretary and Compliance Officer, the Auditors, the legal advisors, the Bankers to our Company; and (b) the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Banks, the Bankers to the Offer, the Registrar to the Offer, the IPO Grading Agency and IMC-SRG Consulting (P) Limited acting as experts 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 the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI ICDR Regulations, Shah Baheti Chandak and Co., Chartered Accountants, have provided their written consent to the inclusion of the Auditors' Report and the report relating to the probable general and special tax benefits, as applicable, accruing to our Company and its shareholders, included in this Red Herring Prospectus in the form and context in which they appear in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

Expert Opinion

Except for the report of CARE in respect of the IPO Grading of the Offer (a copy of which is annexed to this Red Herring Prospectus as Annexure III), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange, the report provided by Shah Baheti Chandak and Co. dated October 30, 2010, the Auditors Report of our Auditors on the audited financial information and the JORC Report and the UNFC Report provided by IMC dated October 30, 2010 (a copy of which has been annexed to this Red Herring Prospectus as Annexure I and Annexure II respectively) and except for such persons or entities deemed to be experts under the Companies Act, 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.

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

S. No.	Activity Expense	Amount (₹ million)	Percentage of Total Estimated Offer Expenditure	Percentage of Offer Size
1.	Fees of the Book Running Lead Managers	[•]	[•]	[•]
2.	Underwriting and selling commission (including commission to SCSBs for ASBA Applications)	[•]	[•]	[•]
3.	Fees to Registrar to the Offer	[•]	[•]	[•]
4.	Fees to the Legal Advisors	[•]	[•]	[•]
5.	Fees to the Bankers to the Offer	[•]	[•]	[•]
6.	Expenses for advertisement and marketing	[•]	[•]	[•]
7.	Other Expenses (Printing and stationery, distribution, fees to auditors, depositaries and postage etc.)	[•]	[•]	[•]
	Total Estimated Offer Expenses	[•]	[•]	[•]

All expenses with respect to and in connection with the Offer would be paid by the Selling Shareholders through the Department of Disinvestment, Ministry of Finance, Government of India. No offer related expenses are being borne by the Company

Fees Payable to the BRLMs and Syndicate Members

The fees payable to the BRLMs and Syndicate Members (including underwriting and selling commissions), will be as stated in the engagement letter with the BRLMs dated August 5, 2010, issued by the Selling Shareholders, a copy of which is available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer by the Selling Shareholders including fees for processing of applications will be in accordance with the Registrar's Agreement dated September 23, 2010 entered into among our Company, the Selling Shareholders and the Registrar, a copy of which is available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date.

IPO Grading

This Offer has been graded by CARE and has been assigned a grade of CARE IPO Grade 5 indicating strong fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. A copy of the report provided by CARE, furnishing the rationale for its grading will be made available for inspection at our Registered Office 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.

Previous issues of Equity Shares otherwise than for cash

Except as mentioned in '***Capital Structure'*** on page 25 of this Red Herring Prospectus our Company has not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage paid on Previous Issues of our Equity Shares

Since this is the initial public issue of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares since our incorporation.

Companies under the Same Management

As on the date of filing this Red Herring Prospectus, there are no companies under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act.

Promise vs. Performance – Last Three Issues

There has not been any previous public offer of our Equity Shares.

Stock Market Data of our Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and thus there is no stock market data available.

Particulars regarding Public or Rights Issues during the last five years

Our Company has not 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 filing this Red Herring Prospectus.

Partly Paid-Up Shares

There are no partly paid-up Equity Shares of our Company.

Investor Grievances and Redressal System

The agreement between the Registrar to the Offer, the Selling Shareholders and us, provides 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 letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid-cum-Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us, the Selling Shareholders or the Registrar to the Offer for the redressal of routine investor grievances shall be 10 days from the date of receipt of the complaint. 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.

Our Company has constituted a Shareholders/Investor Grievance Committee to deal with and monitor the redressal of complaints from shareholders, prior to the filing of the Red Herring Prospectus. For details see '***Our Management- Shareholders/ Investors Greivance Committee'*** on page 117 of this Red Herring Prospectus.

Our Company has appointed Mr. Neeraj Dutt Pandey, Company Secretary 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:

Mr. Neeraj Dutt Pandey
Company Secretary
MOIL Limited
MOIL Bhavan,
1-A, Katol Road, Nagpur – 440 013,
Maharashtra, India
Telephone: +91 71 2280 6100/216
Facsimile: +91 71 2259 1661
E-Mail: ipo@moil.nic.in
Website: www.moil.nic.in

Listed Subsidiaries or Joint Ventures

None of our Joint Ventures are listed on any stock exchange. Our Company has no subsidiaries.

Changes in Auditors in the past three years

The Auditors of our Company are appointed/re-appointed by the Office of the Comptroller and Auditor General of India every Fiscal.

For the Fiscal 2007, 2008 and 2009, Shah Baheti Chandak and Co., Chartered Accountants, was the statutory auditors of our Company. Pursuant to letter dated August 13, 2010 from the Office of the Comptroller and Auditor General of India, New Delhi, Shah Baheti Chandak and Co., Chartered Accountants, was appointed as the statutory Auditor for Fiscal 2010.

Capitalization of reserves or profits

Except as disclosed in '***Capital Structure***' on page 25, 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.

Tax Implications

Investors that are Allotted Equity Shares in the offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, see '***Statement of Possible Tax Benefits Available to our Company and its Shareholders***' on page 46 of this Red Herring Prospectus.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI ICDR Regulations, FEMA, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, Prospectus, Bid cum Application Form, the Revision Form, the Allotment Advice, the ASBA Form, the ASBA Revision Form and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other relevant authorities, as in force on the date of the Offer and to the extent applicable.

Ranking of Equity Shares

The Offer Shares shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with all other Equity Shares of our Company, including in respect of the rights to receive dividend. The Allottees in receipt of Allotment of Equity Shares under the Offer will be entitled to voting rights, dividends or any other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see '***Main Provisions of the Article of Association'*** on page 247 of this Red Herring Prospectus.

Cost for the Offer

The cost for the Offer shall be borne by the Selling Shareholder, as the proceeds of the Offer shall be received by the Selling Shareholder.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per the dividend policy of our Company subject to the provisions of the Companies Act. For more information on the dividend policy of our Company, please see '***Main Provisions of the Articles of Association'*** on page 247 of this Red Herring Prospectus.

Face Value, Offer Price and Price Band

The face value of the Equity Shares is ₹ 10. The Floor Price per Equity Shares is ₹ [•] and the Cap Price per Equity Shares is ₹ [•]. The Offer Price will be determined by the Selling Shareholders and our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI ICDR Regulations

We shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, all the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, terms of the listing agreements with the Stock Exchanges(s) and the Memorandum and Articles of Association.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., please see '***Main Provisions of the Articles of Association***' beginning on page 247 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. In terms of the SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allotment and allocation of Equity Shares through the Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of [•] Equity Shares to the successful Bidders.

The Price Band and the minimum bid lot will be decided by the Selling Shareholders and our Company in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price, which shall be published in English and Hindi national newspapers and one Marathi newspaper, each with wide circulation, being the newspapers in which the pre-Offer advertisements will also be published, at least two Working Days prior to the Bid/ Offer Opening Date.

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 the benefits of the survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of 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 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 to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the Allotment in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Application by eligible NRIs, FIIs registered with SEBI and FVCI registered with SEBI

It is to be distinctly understood that there is no reservation for NRIs and FIIs registered with SEBI or FVCI registered with SEBI. As per extant regulations, OCBs cannot participate in the Offer.

Bidding Period

Bidders, except for QIB Bidders may submit their bid only in the Bidding Period. The Bid/ Offer Opening Date is Friday, November 26, 2010 and the Bid/ Offer Closing Date is Wednesday, December 1, 2010. QIB Bidders will submit their Bid upto one day prior to the Bid/ Offer Closing Date. Provided that the Anchor Investors may submit their Bid on Anchor Investor Bid Date.

Arrangements for disposal of odd lots

Since the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restrictions, if any on Transfer and Transmission of Equity Shares

For a detailed description in respect of restrictions, if any, on the Allotment of shares and on their consolidation/ splitting, please refer to "***Main Provisions of the Articles of Association***" on page 247 of this Red Herring Prospectus.

Option to receive Equity Shares in Dematerialized Form

Investors should note that the Allotment of Offer Shares to all successful Bidders will only be in dematerialized form. Bidders will not have the option of getting the Allotment of Offer Shares in physical form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in New Delhi, India.

Minimum Subscription

Subject to 50% of the Offer being Allotted to QIBs, the requirement of minimum subscription is not applicable to the Offer.

In addition, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, we shall ensure that the number of Allottees, i.e. persons to whom the Equity Shares will be Allotted under the Offer, shall be not less than 1,000; otherwise, the entire application money will be refunded forthwith.

OFFER STRUCTURE

This is a public offer of 33,600,000 Equity Shares of ₹ 10 each, at a price of ₹ **[•]** per share for cash aggregating to ₹ **[•]** million is being made through the Book Building Process. The Offer comprises a Net Offer of 32,928,000 Equity Shares to the public and a reservation of 672,000 Equity Shares for the Eligible Employees at the Offer Price. The Offer and Net Offer constitutes 20% and 19.6% respectively of the paid up Equity Share capital of our Company.

	Eligible Employees	**QIBs[2]**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares	Reservation of 672,000 Equity Shares. The Employee Reservation Portion is 0.4 % of the post-Offer paid up capital of our Company.	At least 16,464,000 Equity Shares or the Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than 4,939,200 Equity Shares available for allocation or Net Offer less allocation to QIBs and Retail Individual Bidders.	Not less than 11,524,800 Equity Shares or the Net Offer less allocation to QIBs and Non-Institutional Bidders.
Percentage of Offer size available for Allotment/allocation	Reservation of up to 2% of the Offer.	At least 50% of the Net Offer shall be Alloted to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available to QIBs in the Net QIB Portion.	Not less than 15% of the Net Offer or the Net Offer less allocation to QIBs and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed[1]	Proportionate	In the Anchor Investor Portion, if any, up to [●] Equity Shares shall be available for allocation to Anchor Investors out of which one-third shall be available for allocation to domestic Mutual Funds only. In the Net QIB Portion, proportionate as follows: (a) [●] Equity Shares shall be allocated on a	Proportionate.	Proportionate.

	Eligible Employees	QIBs[2]	Non-Institutional Bidders	Retail Individual Bidders
		proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allocated on a proportionate basis to all QIBs (including Mutual Funds) receiving allocation as per (a) above.		
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.	Such number of Equity Shares not exceeding the size of this Net Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of this Net Offer, subject to applicable investment limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Share thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.
Allotment Lot	[●] Equity Shares and in multiple of one Equity Share thereafter.	[●] Equity Shares and in multiple of one Equity Share thereafter.	[●] Equity Shares and in multiple of one Equity Share thereafter.	[●] Equity Shares and in multiple of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply[3]	Eligible Employees	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and their sub-accounts registered with SEBI, other than a sub-account which are foreign corporates or foreign individuals, scheduled commercial banks, Mutual Funds, VCFs, state industrial development corporations, FVCIs, multilateral and bilateral development financial institutions,	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals (including HUFs in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000 in value.

	Eligible Employees	QIBs[2]	Non-Institutional Bidders	Retail Individual Bidders
		insurance companies registered with the Insurance Regulatory and Development Authority, National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million in accordance with applicable law and insurance funds set up and managed by army, navy or air force of Union of India.		
Terms of Payment	The entire bid Amount shall be payable at the time of submission of the Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the entire Bid Amount as specified in the ASBA Form.	The entire Bid Amount shall be payable at the time of submission of the Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the entire Bid Amount as specified in the ASBA Form.	The entire bid Amount shall be payable at the time of submission of the Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the entire Bid Amount as specified in the ASBA Form.	The entire Bid Amount shall be payable at the time of submission of the Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the entire Bid Amount as specified in the ASBA Form.

1 *Subject to valid Bids being received at or above the Offer Price. This Offer is being made through the Book Building Process wherein at least 50% of the Net Offer shall be Allotted to QIBs. In case we do not receive subscriptions of at least 50% of the Net Offer from QIBs, we shall refund the subscription monies forthwith.*

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Offer Price.

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 at or above the Offer Price. Further, 672,000 Equity Shares shall be available for allocation to Eligible Employees, subject to valid bids being received at or above the Offer Price. Under subscription, if any, in the Employee Reservation Portion, shall be added to the Net Offer. In the event of under subscription in the Net Offer, spill over to the extent of under subscription shall be allowed to the Employee Reservation Portion. Under subscription in any category (except in the QIB Portion), 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 Shareholders and our Company in consultation with the BRLMs and the Designated Stock Exchange.

2 *The Selling Shareholders and our Company, may, in consultation with the BRLMs, consider allocating up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. Allocation to Anchor Investors shall be subject to minimum number of two Anchor Investors.*

*An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 million. Anchor Investors are not allowed to submit Bids under the ASBA process. For further details, see "**Offer Procedure**" on page 216 of this Red Herring Prospectus.*

[3] *In case the Bid cum Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Form, as the case may be.*

Withdrawal of the Offer

In accordance with the SEBI ICDR Regulations, the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer at anytime including after the Bid/ Offer Opening Date, without assigning the reasons thereof. Provided, if the Selling Shareholders and our Company withdraw the Offer after the Bid/ Offer Closing Date, the Selling Shareholders will give the reason thereof within two days of the Bid/ Offer Closing Date by way of a public notice in the same newspapers where the pre-Offer advertisement had appeared. The Stock Exchanges shall also be informed promptly and the Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the date of receipt of such notification.

In the event the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/ Offer Closing Date, a fresh offer document will be filed with the RoC/ SEBI in the event we subsequently decide to proceed with the public offering.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus.

In terms of the SEBI ICDR Regulations, QIBs are not allowed to withdraw their Bids after the Bid/ Offer Closing Date. Since, the Bidding Period for QIBs will close one day prior to the Bid/ Offer Closing Date, QIBs will not be able to withdraw their Bids after Tuesday, November 30, 2010 i.e., one day prior to the Bid/ Offer Closing Date.

Letters of Allotment or Refund Orders or instructions to SCSBs

Our Company and Selling Shareholders shall facilitate and shall give credit to the beneficiary account with depository participants within 12 Working Days of the date of the Bid/ Offer Closing Date.

Our Company, on behalf of the Selling Shareholders, shall dispatch refund orders, if any, of value up to ₹ 1,500, by 'Under Certificate of Posting', and will dispatch refund orders above ₹ 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 10 days of the Bid/ Offer Closing Date. Please note that only Bidders having a bank account at any of the 68 centers where the clearing houses for the ECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds.

In case of ASBA Bidders, the Registrar to the Offer shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Form for withdrawn (except in case of a QIB Bidding through an ASBA Form), rejected or unsuccessful or partially successful ASBAs within 12 Working Days of the Bid/ Offer Closing Date.

Interest in case of delay in dispatch of Allotment Advice/ Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, the Selling Shareholding further undertakes that:

i. Allotment of Equity Shares will be made only in dematerialized form within 12 Working Days from the Bid/ Offer Closing Date;

ii. Dispatch of refund orders will be done within 12 Working Days from the Bid/ Offer Closing Date or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions will be given to the clearing system; and

iii. The Selling Shareholders shall pay interest at 15% per annum (for any delay beyond the 12 Working Days from the Bid/ Offer Closing Date), if allotment is not made, refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, through Direct Credit, NEFT, RTGS or

NECS 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 12 Working Days from the Bid/ Offer Closing Date.

iv. Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn, rejected or for unsuccessful Bids shall be made within 12 Working Days of the Bid/ Offer Closing Date.

Our Selling Shareholders shall pay interest at 15% per annum, 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 15 days from the Bid/ Offer Closing Date. If such money is not repaid within 15 days from the Bid/ Offer Closing Date, our Company and every Director of our Company who is an officer in default shall be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of Section 73 of the Companies Act.

The Selling Shareholders will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Offer.

Refunds will be made through any of the modes as described in the Red Herring Prospectus and 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 SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Offer.

Offer Program

OFFER PROGRAMME	
FOR ALL BIDDERS	**OFFER OPENS ON FRIDAY,** NOVEMBER 26, 2010[1]
FOR QIBs	**OFFER CLOSES ON TUESDAY,** NOVEMBER 30, 2010
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**OFFER CLOSES ON WEDNESDAY, DECEMBER 1, 2010**

[1] *Anchor Investors, if any, shall submit their Bid on the Anchor Investor Bidding Date*

Bids by Anchor Investors may be submitted to the BRLMs. The number of Equity Shares allocated to each Anchor Investor and Anchor Investor Price shall be made available in the public domain by the BRLMs, before the Bid/ Offer Opening Date. Anchor Investors are not allowed to submit Bids under the ASBA process.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10 a.m. and 5.00 p.m**. (Indian Standard Time) during the Bid/ Offer Period as mentioned above at the Bidding Centers mentioned on the Bid cum Application Form or in case of Bids submitted through ASBA Form, to the Syndicate Members and the Designated Branches **except that on the Bid/ Offer Closing Date** (which for the QIBs Bidding under the Net QIB Portion will be a day prior to that of the other non Anchor Investor Bidders)**, the Bids shall be accepted only between 10 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded till (i) 4.00 p.m. in case of Bids by QIBs in the Net QIB Portion. On the Bid/ Offer Closing Date for Retail Individual Bidders, Eligible Employees, and Non-Institutional Bidders 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 Non-Institutional Bidders and (ii) until 5.00 p.m in case of Bids by Retail Individual Bidders and Eligible Employees, which may be extended 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 Book Running Lead Managers 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, non QIB Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Bid/ Offer Closing Date. Non QIB Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will only be accepted on Working Days.

In order that the data captured by the brokers in the electronic book is accurate, the members of the Syndicate, the SCSBs may be permitted one additional day, post the Bid/ Offer Closing Date, to amend some of the data fields entered by them in the electronic bidding system.

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

The Selling Shareholders and our Company, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed and advertised at least two Working Days before the Bid/ Offer Opening Date.

In case of revision in the Price Band, the Bid/ Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be published in a widely read English, Hindi and a Marathi newspaper, (i.e., all edition of Indian Express, Financial Express & Jansatta, and Nagpur edition of Loksatta), each with wide circulation and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate.

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 Bidders 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 at the time of Bidding shall be refunded within 12 Working Days from the date of Bid/Offer Closing to the Retail Individual Bidders and Eligible Employees.

OFFER PROCEDURE

This section applies to all Bidders. Please note that all Bidders may participate in the Offer through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount along with the Bid cum Application Form or ASBA Form, as the case may be.

Book Building Procedure

This Offer is being made through the Book Building Process, wherein not less than 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis. In case we do not receive subscriptions of at least 50% of the Net Offer from QIBs, we shall refund the subscription monies forthwith.

The Selling Shareholders and our Company may, in consultation with the BRLMs, consider allocating up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price out of which at least one-third will be available for allocation to Mutual Funds only. Allocation to Anchor Investors shall be subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 million. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than [●] 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 QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Offer Price.

Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders 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 at or above the Offer Price. Further, 672,000 Equity Shares shall be available for allocation to Eligible Employees, subject to valid bids being received at or above the Offer Price. Under subscription, if any, in the Employee Reservation Portion, shall be added to the Net Offer. In the event of under subscription in the Net Offer, spill over to the extent of under subscription shall be allowed to the Employee Reservation Portion. Under subscription in any category, except in the QIB Portion, 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 Shareholders and our Company in consultation with the BRLMs and the Designated Stock Exchange.

Bidders are required to submit their Bids through the Syndicate or their affiliates. ASBA Bidders are required to submit their Bids to SCSBs. In case of QIBs, the Selling Shareholders and our Company may, in consultation with BRLMs, reject their Bids at the time of acceptance of the Bid cum Application Form, provided that the reasons for such rejection shall be disclosed to such QIB in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the right to reject the Bids shall only be on technical grounds.

Investors should note that the Allotment will only be in dematerialised form. The Bid cum Application Forms or ASBA Forms, as the case may be, 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 being Allotted Equity Shares in physical form and such Bids are liable to be rejected. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form and ASBA Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate, unless they are using the ASBA process. Bidders shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Prices) in the Bid cum Application Form and such options shall not be considered as multiple Bids. The Bid cum Application Form shall be serially numbered.

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 Shareholders 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. Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form.

Bidders can also submit their Bids through the ASBA by submitting ASBA Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained. An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making a Bid. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch or to a Syndicate Member. In case of application in electronic form, the ASBA Bidder shall submit the ASBA 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. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus and the ASBA Form, 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 Bid cum Application Form and ASBA Form for various categories of Bidders is as follows:

Category	Color of Bid cum Application Form/ ASBA Form
Resident Indians including resident QIBs, Non-Institutional Bidders and Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), FVCIs and multilateral and bilateral financial institutions and other Non-Residents applying on a repatriation basis	Blue
Eligible Employees in the Employee Reservation Portion	Pink
Anchor Investors	White*
ASBA Bidders bidding through a physical form	White

* *Bid cum Application Forms for Anchor Investors shall be available at our Registered and Corporate Office and also at the offices of the Book Running Lead Managers. Anchor Investors are not allowed to submit Bids under the ASBA process.*

Who can Bid?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- Indian nationals resident in India who are not minors 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/ ASBA 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;
- Mutual funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-

operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);

- FIIs and Sub-Accounts, other than a Sub-Account which is a foreign corporate or foreign individual;
- Venture capital funds registered with SEBI;
- Foreign Venture Capital Funds registered with SEBI;
- Multilateral and bilateral development financial institutions;
- 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;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance companies registered with IRDA;
- Subject to the applicable laws, provident funds with minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Subject to the applicable laws, pension funds with minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Funds;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Eligible Employees; and
- Limited Liability Partnerships

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Offer.

Participation by associates and affiliates of the Book Running Lead Managers and Syndicate Members

The Book Running Lead Managers and the Syndicate Members shall not be allowed to subscribe to this Offer in any manner, except towards fulfilling their underwriting obligations, as stated in the Prospectus. However, associates and affiliates of the Book Running Lead Managers and the Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the Net QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis. Further, affiliates and associates of the Underwriters, including the BRLMs that are FIIs or their Sub-Accounts may issue off-shore derivate instruments against Equity Shares allocated to them in this Offer.

The Book Running Lead Managers and any person related to the Book Running Lead Managers cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

At least one third of the Anchor Investor Portion will be available for allocation to Mutual Funds and 5% of the Net QIB Portion is available to be allocated to Mutual Funds on a proportionate basis, subject to receipt of valid Bids.

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than [●] 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 QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are 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.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single 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.

Bids by Eligible NRIs

1. Bid cum Application Forms/ ASBA Forms have been made available for Eligible NRIs at the Registered Office and with the members of the Syndicate.

2. Eligible NRI applicants may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians (White in colour).

Bids by FIIs

Under the extant law, the issue of Equity Shares to a single FII cannot exceed 10% of our post-Offer paid-up equity share capital. In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued equity share capital or 5% of our total issued equity share capital in case such Sub-Account is a foreign corporate or an individual permitted to make investments. 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. 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 FII Regulations, an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the 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, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the FII Regulations. Associates and affiliates of the Underwriters, including the Book Running Lead Managers that are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in, our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000, *inter alia* prescribe the investment restrictions on VCFs and FVCIs.

Accordingly, the holding by any individual VCFs in one company should not exceed 25% of the corpus of the said VCF. Further, VCFs and FVCIs can invest only up to 33.3% of the investible funds by way of subscription to an initial public offer of a venture capital undertaking.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof.

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 attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by Eligible Employees

Bids under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- The sole/ First Bidder shall be an Eligible Employee.
- Bid shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour Form).
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.
- Eligible Employees may Bid in any of the bidding options at Cut-Off Price.
- The maximum Bid amount by any Eligible Employee cannot exceed ₹ 200,000.
- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- Bid by an Eligible Employee can be made also 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 672,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. Under-subscription (except in the QIB Portion), if any, in any category shall be met with spill-over from other categories, at the sole discretion of the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers. In case of under- subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. The Employee Reservation Portion is 0.4% of the post-issue paid up capital of our Company.
- If the aggregate demand in this category is greater than 672,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate Basis of Allotment, see the "***Basis of Allotment***" on page 240 of this Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The bidding at Cut-off Price is an option given to the Retail Individual Bidders, indicating their agreement to be Allotted Equity Shares at a price equivalent to the Offer Price less the Retail and Employee Discount.

(b) **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 ₹ 200,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Offer size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **A QIB cannot withdraw its Bid after the Bid/ Offer Closing Date.** The identity of QIBs bidding in the Offer under the Net QIB Portion shall not be made public during the Bid/ Offer Period.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 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'.

(c) **For Employee Reservation Portion:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount by the Eligible Employees does not exceed ₹ 200,000. Bidders in the Employee Reservation Portion may bid at Cut-Off Price. The Allotment in the Employee Reservation Portion will be on a proportionate basis in case of over-subscription in this category. Further, the value of Allotment to any Eligible Employee shall not exceed ₹ 200,000. Bidders in the Employee Reservation Portion have the option to bid at the Cut-off Price indicating their agreement to be Allotted Equity Shares at a price equivalent to the Offer Price less Retail and Employee Discount.

(d) **For Bidders in the Anchor Investor Portion:** The Bid by an Anchor Investor must be for a minimum of such number of Equity Shares such that the Bid Amount is equal to or more than ₹ 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. Under the Anchor Investor Portion, a Bid cannot be submitted for more than 30% of the QIB Portion. Anchor Investors are not allowed to submit Bids under the ASBA process. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.**

The maximum and minimum bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for Bidders:

1. Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid/ Offer Opening Date.

2. The BRLMs shall dispatch the Red Herring Prospectus and other Offer material including ASBA Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Offer, investors' associations and SCSBs in advance.

3. Subject to Section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on this Red Herring Prospectus from the SEBI, publish a pre-Offer advertisement, in two national newspapers (one each in English and Hindi) and a Marathi newspaper, each with wide circulation. In the

pre-Offer advertisement, we shall declare the Offer Opening Date and the Offer Closing Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

4. The Bid/ Offer Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bid/ Offer Period shall be extended, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. The revised Price Band and Bid/ Offer Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in two national newspapers (one each in English and Hindi) and one Marathi newspaper, each with wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

5. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors and copies of the Red Herring Prospectus shall be provided at the request of potential investors. Any potential investor who would like to obtain copies of the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office or from any member of the Syndicate.

6. Eligible Bidders who are interested in subscribing in the Offer should approach any of the BRLMs or 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 (other than the ASBA Bid cum Application Forms submitted to SCSBs) should bear the stamp of the members of the Syndicate, otherwise they will be rejected.

Bidders may note that in case the details of DP ID, Client ID and PAN mentioned in the ASBA Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members do not match with the details of DP ID, Client ID and PAN available in the Depository database, the ASBA Form, is liable to be rejected.

Information specific to ASBA Bidders

1. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches or from the Syndicate Members. ASBA Bidders can also obtain a copy of this Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

2. The Bids should be submitted to the SCSBs on the prescribed ASBA Form. 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 ASBA Account.

3. The SCSBs shall accept Bids only during the Bid/ Offer Period and only from the ASBA Bidders.

4. The Book Running Lead Managers shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Offer through the ASBA process. Additionally, the Book Running Lead Managers shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Forms and that the same are made available on the websites of the SCSBs.

5. The ASBA Form submitted to Designated Branches or SCSBs shall bear the stamp of the SCSBs and/or the Designated Branch, if not, the same shall be rejected and the SCSBs shall be responsible for ensuring such rejection.

Method and Process of Bidding

1. The Selling Shareholders and our Company in consultation with the Book Running Lead Managers shall decide the Price Band and the number of Equity Shares constituting a minimum Bid lot for the Offer and the same shall be advertised in one English and a Hindi national newspapers, and one Marathi newspaper, each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date. The SCSBs shall accept Bids from the Bidders during the Bid/ Offer Period.

2. The Bid/ Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working

Days. In the event of a revision of the Price Band, the Bid/ Offer Period shall be extended by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be published in English and Hindi national newspapers, and one Marathi newspaper, each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.

3. During the Bid/ Offer Period, Bidders who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid. The members of the Syndicate accepting Bids from all other Bidders and have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process shall approach the Designated Branches to register their Bids.

   The Book Running Lead Manager shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Day. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids. Anchor Investors are not allowed to submit Bids under the ASBA process.

4. Each Bid cum Application Form and/ or the ASBA Form will give the Bidder the choice to bid for up to three optional prices (for details see section "***Bids at Different Price Levels***" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form and/ or the ASBA 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/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

5. The Bidder cannot bid on another Bid cum Application Form or ASBA Form after Bids on one Bid cum Application Form or ASBA Form have been submitted to the SCSBs, as the case may be. Submission of a second Bid cum Application Form or ASBA Form to the Book Running Lead Manager, Syndicate Member or SCSB 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 approval of the Basis of Allotment. However, an Eligible Employee Bidding under the Employee Reservation Portion may also Bid in the Net Offer and such Bids will not be treated as multiple Bids. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section "***Build up of the Book and Revision of Bids***" on page 226 of this Red Herring Prospectus.

6. Except in relation to Bids received from the Anchor Investors, the Book Running Lead Manager/ the SCSBs, as the case may be, will enter each Bid option 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 or ASBA Form.

7. Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in section "***Escrow Mechanism - Terms of payment and payment into the Escrow Accounts***" on page 224.

8. Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges.

9. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

10. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

11. The Bid Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Offer shall send an appropriate request to the

Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining the Equity Shares to be Allotted to the successful ASBA Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

Bids at Different Price Levels and Revision of Bids

1. In accordance with SEBI ICDR Regulations, the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers and without prior intimation to or approval from the Bidders, reserve the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price, disclosed at least two days prior to the Bid/ Offer Opening Date and the Cap Price will be revised accordingly.

2. The Selling Shareholders and our Company, in consultation with the Book Running Lead Managers, shall finalise the Anchor Investor Price and the price for allocation of Equity Shares to Anchor Investor, in the event Anchor Investors participate in this Offer, within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

3. The Selling Shareholders and our Company, in consultation with the BRLMs, will finalise the Offer Price within the Price Band, without the prior approval of or intimation to the Bidders.

3. The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion may bid at the Cut-off Price. However, bidding at Cut-off Price is not permitted for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected. Employee Discount will be applicable to all Eligible Employees bidding in the Employee Reservation Portion.

4. Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at a price equivalent to the Offer Price less Retail and Employee Discount. Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). The Selling Shareholders, in consultation with the BRLMS shall offer a discount of 5 % to the Offer Price determined pursuant to the completion of the Book Building Process to the Eligible Employees and Retail Individual Bidders.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see the sub section "***Payment Instructions***" on page 233 of this Red Herring Prospectus.

Electronic Registration of Bids

1. The members of the Syndicate and SCSBs 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. The members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account. The members of the Syndicate and the SCSBs shall be responsible for any error in the Bid details uploaded by them.

2. The members of the Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/ Offer Closing Date.

3. In case of apparent data entry error by either the members of the Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules and other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be

recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the member of the Syndicate or collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.

4. The Stock Exchanges will offer an electronic facility for registering Bids for the Offer. This facility will be available with members of the Syndicate and their authorised agents and the SCSBs during the Bid/ Offer Period. The members of the Syndicate and the Designated Branches 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 Process on a regular basis. On the Bid/ Offer Closing Date, the members of the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bid/ Offer Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

5. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price would be made available at the Bidding Centres during the Bid/ Offer Period.

   At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidders in the on-line system:

   - PAN (of First Bidder, in case of more than one Bidder).
   - Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
   - First Bidder’s PAN
   - DP ID;
   - Beneficiary account number;
   - Number of Equity Shares Bid for;
   - Price per Equity Share;
   - Cheque amount; and
   - Cheque number.

   With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder into the on-line system:

   - ASBA Form Number.
   - PAN (of First Bidder, in case of more than one Bidder);
   - Investor category and sub category;
   - DP ID;
   - Beneficiary account number;
   - Number of Equity Shares Bid for;
   - Price per Equity Share; and
   - Bank account number;

6. 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 or the Designated Branches. The registration of the Bid by the members of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotted by our Company.

7. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

8. In case of QIBs, the Book Running Lead Managers have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except only on the technical grounds listed on page 236. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

9. 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 Shareholders 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 Shareholders (one of whom is also our Promoter), the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or 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/ Allotment. The members of the Syndicate shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate will be given up to one Working Day after the Bid/ Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Bid/ Offer Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. In case of any discrepancy of data between the Stock Exchanges and the members of the Syndicate or the Designated Branches, the decision of our Company and the Selling Shareholders in consultation with the Book Running Lead Managers and the Registrar shall be final and binding on all concerned.

11. It is to be noted that Syndicate Members shall be responsible for any error in the Bid details uploaded by them. In case of apparent data entry error by either Syndicate Member or collecting bank in entering the application number in their respective schedules other things remaining unchanged, the Bid may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the application number by either the Syndicate Member or collecting bank leading to rejection of Bid, the Registrar may identify based on the Bid form, the entity responsible for the error. Valid records in electronic file will be those for which money is received.

12. Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

1. Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the member of the Syndicate on a regular basis at the end of the Bid/ Offer Period.

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 or the ASBA Revision Form, as the case may be.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form or the ASBA Revision Form, as the case may be. Apart from mentioning the revised options in the Revision Form or the ASBA Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, ASBA Form or earlier Revision Form/ASBA Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ ASBA Form and such Bidder is changing only one of the options in the Revision Form/ASBA Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form or the ASBA Revision Form, as the case may be. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Form/ ASBA Revision Form.

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 member of the Syndicate or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form/ASBA Revision Form and the revised Bid must be made only in such Revision Form/ASBA Revision Form or copies thereof.

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount

plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this 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 of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at 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.

8. The Selling Shareholders and our Company shall, in consultation with the Book Running Lead Managers, decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.

9. 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. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

10. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the members of the Syndicate or the SCSB, as applicable. 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.

Price Discovery and Allocation

1. Based on the demand generated at various price levels and the book built, the Selling Shareholders and our Company in consultation with the Book Running Lead Managers shall finalise the Offer Price. The Selling Shareholders, in consultation with the Book Running Lead Managers shall finalise the Retail and Employee Discount.

2. Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. Under-subscription, if any, in any category, except in the QIB Portion, shall be met with spill-over from other categories, at the sole discretion of the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers. In case of under- subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to the Employee Reservation Portion. The Employee Reservation Portion is 0.4% of the post-issue paid up capital of our Company

3. Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4. QIBs shall not be allowed to withdraw their Bid after the Bid/ Offer Closing Date.

5. The Basis of Allotment shall be put on the website of the Registrar to the Offer.

Signing of the Underwriting Agreement and the RoC Filing

1. Our Company, the Selling Shareholders, the Underwriters and the Registrar to the Offer shall enter into an underwriting agreement on or immediately after the finalisation of the Offer Price.

2. After signing the underwriting agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Offer size, underwriting arrangements and would be complete in all material respects.

Pre-Offer Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi newspaper, each with wide circulation. In the pre-Offer advertisement, we shall declare the Offer Opening Date and the Offer Closing Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Advertisement regarding Offer Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, among others shall indicate the Offer Price and the Anchor Investor Price, if any, in the event Anchor Investors participate in this Offer. 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 Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, our Company shall issue instructions for demat credit of Equity Shares to all successful Bidders in this Offer on or after the date of Allotment. For Anchor Investors, see the sub section "***Notice to Anchor Investors: Allotment Reconciliation and Intimation***" below.

2. The BRLMs, the members of the Syndicate or the Registrar to the Offer, as the case may be, will send an Allotment Advice to Bidders who have been or are to be Allotted Equity Shares, pursuant to the approval of the Basis of Allotment.

3. The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares Allotted to such Bidder.

Notice to Anchor Investors: Allotment Reconciliation and Intimation

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received for the Anchor Investor Portion. Based on the physical book and at the discretion of our Company, the Selling Shareholders and the BRLMs, select Anchor Investors shall be sent a CAN within two Working Days of the Anchor Investor Bidding Day, indicating the number of Equity Shares that are allocated to them. The CAN shall constitute the valid, binding and irrevocable contract for the Anchor Investor to pay the entire Anchor Investor Price for all the Equity Shares allocated to such Anchor Investor. This CAN and the final allocation will be subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Offer and (b) Allotment by the Board of Directors. In the event the Offer Price is fixed higher than the price at which the Anchor Investors are allocated Equity Shares under the CAN, a written intimation shall be sent to Anchor Investors to pay such additional amounts being the excess of the Offer Price over the such price, for the Equity Shares allocated to the Anchor Investors on or before such date as specified in the intimation which shall in no event be later than two days after the Bid/ Offer Closing Date. In the event, the Offer Price is fixed lower than such price, the amount in excess of the Offer Price paid by Anchor Investors shall not be refunded to them.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment shall be made and corporate action shall be initiated to credit such Equity Shares to the successful Bidder's depositary accounts which will be completed within 12 Working Days of the Bid/ Offer Closing Date.

(b) In accordance with the SEBI ICDR Regulations, Equity Shares will be offered and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do's:

(a). Check if you are eligible to apply;

(b). Ensure that you have Bid within the Price Band;

(c). Read all the instructions carefully and complete the Bid cum Application Form;

(d). Ensure that the details about the PAN, Depository Participant and the Beneficiary Account are correct as Allotment will be in the dematerialised form only;

(e). Ensure that the Bid cum Application Forms submitted at the Bidding Centres bear the stamp of the members of the Syndicate;

(f). Ensure that you have been given a TRS for all your Bid options;

(g). Submit revised Bids to the members of the Syndicate and obtain a revised TRS;

(h). Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court and by the residents of Sikkim, all Bidders should mention their PAN allotted under the IT Act;

(i). Ensure that the Demographic Details are updated, true and correct in all respects;

(j). Ensure that the names given in the Bid cum Application Form is exactly the same as the names available in the depository database. 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; and

(k). Ensure that the Depository Participant identification number, client identification number of your demat account and PAN mentioned in the Bid cum Application Form or the ASBA Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate match with the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN available in the Depository database

Don'ts:

(a). Do not Bid for lower than the minimum Bid size;

(b). Do not Bid/ revise Bid Price to less than the Floor Price or higher than the Cap Price;

(c). Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d). Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e). Do not send Bid cum Application Forms by post; instead submit the same to the members of the Syndicate only;

(f). Do not bid at Cut-off Price (for QIBs and Non-Institutional Bidders,);

(g). Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

(h). Do not fill up the Bid cum Application Form such that the Equity Shares Bid for 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;

(i). Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j). Do not Bid for allotment of Equity Shares in physical form.

(k). Do not submit Bids without the full Bid Amount.

INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Ensure that you use the ASBA Form specified for the purposes of ASBA.

2. Read all the instructions carefully and complete the ASBA Form.

3. Ensure that your ASBA Form is submitted only at a Designated Branch where the ASBA Account is maintained.

4. Ensure that the ASBA Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.

5. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

7. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

8. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.

9. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA 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 ASBA Form.

Don'ts:

1. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.

2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA.

3. Do not send your physical ASBA Form by post. Instead submit the same to a Designated Branch.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM AND ASBA FORMS

1. Bid cum Application Forms, ASBA Forms or Revision Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Red Herring Prospectus. Incomplete Bid cum Application Forms, ASBA Forms or Revision Forms or ASBA Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms, ASBA Forms, Revision Forms or ASBA Revision Forms.

2. 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. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Bidders should correctly mention their name, DP ID and Client ID in the Bid cum Application Form, or the ASBA Form, as the case may be. For the purpose of evaluating the validity of Bids, the Demographic

Details of Bidders shall be derived from the DP ID and Client ID mentioned in the Bid cum Application Form, or the ASBA Form, as the case may be.

4. Information provided by the Bidders will be uploaded in the online IPO system by the Book Running Lead Managers and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

5. Bids through ASBA must be:

   a. Made only in the prescribed ASBA Form or ASBA Revision Forms (if submitted in physical mode) or the electronic mode.

   b. Made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository).

   c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Red Herring Prospectus and in the ASBA Form.

6. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.

7. For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs on the prescribed ASBA Form. 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 ASBA Account.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of DP ID and Client ID provided by them in the Bid cum Application Form or ASBA Form, as the case may be, the Registrar to the Offer will obtain from the Depository the Demographic Details of the Bidders, including their bank account details. These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS). 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 members of the Syndicate or the Registrar to the Offer or the Escrow Collection Banks or the SCSBs nor our Company or the Selling Shareholders 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 or the ASBA Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DP ID AND CLIENT ID IN THE BID CUM APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM OR ASBA FORM ARE EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE WITH THE DEPOSITORY PARTICIPANT. IN CASE THE BID CUM APPLICATION FORM OR ASBA 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 OR ASBA FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/ Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form or ASBA Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid cum Application Form or ASBA 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/ Allotment Advice /CANs would be mailed to 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 (other than ASBA Bidders) 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 such Bidders sole risk and neither our Company, the Selling Shareholders, Escrow Collection Banks, Registrar to the Offer nor the members of the Syndicate 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 no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary‘s identity, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, FIIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form, ASBA 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 registered with their Depositary Participant).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Offer.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

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 submitted along with the Bid cum Application Form. Failing this, our Company or the Selling Shareholders reserves the right to reject any Bid, without assigning any reason thereof.

By FIIs, FVCIs, VCFs and 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 submitted along with the Bid cum Application Form or ASBA Form. Failing this, our Company or the Selling Shareholders reserve the right to reject any Bid, without assigning any reason.

Our Company or the Selling Shareholders at their absolute discretion reserve the right to relax the above conditions of simultaneous lodging of the powers of attorney, subject to the terms and conditions that the Selling Shareholders and our Company in consultation with the Book Running Lead Managers deem fit.

ASBA Bidders

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right to reject such Bids.

Our Company and the Selling Shareholders, in their absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Bid cum Application Form or the ASBA Form, as the case may be, subject to such terms and conditions that our Company, the Selling Shareholders and the Book

Running Lead Managers may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company, the Selling Shareholders and the Book Running Lead Managers shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Equity Shares from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account and the SCSBs will also transfer the funds represented by Allotment of Equity Shares from the respective ASBA Accounts to the Public Offer Account. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement, this Red Herring Prospectus and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Book Running Lead Managers, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders. Under the terms of the escrow mechanism for this Offer, the Escrow Collection Banks would transfer to the Selling Shareholder, any benefits accruing on each day deposit in the Escrow Accounts calculated on day-to-day basis with reference to overnight MIBOR. The procedures relating to the creation of such deposits and payment of interest monies, if any, thereon have been set forth in the Escrow Agreement. The Bidders expressly agree that they shall not be entitled for any interest monies, if any, from such deposits and agree that these may be transferred to the Selling Shareholders as may be agreed by them with the Escrow Collection Banks and provided under the escrow arrangement.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA 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 the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Offer shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid/ Offer Closing Date. The Bid Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment in the Offer and consequent transfer of the Bid Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

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. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - In case of resident QIBs: “Escrow Account– MOIL– QIB – R”

- In case of Non-Resident QIBs: "Escrow Account– MOIL – QIB – NR"
- In case of resident Retail and Non-Institutional Bidders: "Escrow Account– MOIL – R"
- In case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account– MOIL –NR"
- In case of Eligible Employees: "Escrow Account– MOIL –Eligible Employees".

4. In the event of Offer Price being higher than the Anchor Investor Price, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the Anchor Investor Price and the Offer Price within two days of the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Price, the amount in excess of the Offer Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of Resident Anchor Investors: "Escrow Account– MOIL – Anchor Investor – R"
   - In case of Non-Resident Anchor Investors: "Escrow Account– MOIL – Anchor Investor – NR"

6. In case of Bids by Eligible 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.

7. In case of Bids by Eligible NRIs applying on non-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 or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis.

8. In case of Bids by FIIs, the payment should be made out of funds held in a 'Special Rupee Account' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the 'Special Rupee Account'.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

10. 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.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Offer.

Submission of Bid cum Application Form and ASBA Forms

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. With respect to the ASBA Bidders, the ASBA Form or the ASBA Revision Form shall be submitted to the Designated Branches.

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.

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 (and not more than one) for the total number of Equity Shares required. In this regard, all Bids will be checked for common PAN **as per Depository records** and all such bids will be treated as multiple bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund 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 QIBs under the Anchor Investor Portion and the Net QIB Portion will not be considered as multiple Bids.

Our Company and the Selling Shareholders reserve the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts and by the residents of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form or ASBA Form without the PAN is 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**.

However, 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.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Bid/ Offer Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Bid/ Offer Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Offer. The Registrar to the Offer shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

In case of QIBs, our Company and the Selling Shareholders in consultation with the Book Running Lead Managers may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company and the Selling Shareholders have a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's ASBA Account.

Further, in case any DP ID, Client ID or PAN as entered into the Stock Exchange system does not match with one available in the Depository's database, such Bid shall be rejected by the Registrar to the Offer. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company and the Selling Shareholders would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Bid submitted without payment of the entire Bid Amount or if the amount paid does not tally with the Bid Amount;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnership firm can apply in its own name;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form or ASBA Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Submission of more than five ASBA Forms per ASBA Account;
- Bids at Cut-off Price by Non-Institutional and QIBs;
- Bids by persons who are not Eligible Employees and have submitted their Bids under the Employee Reservation Portion;
- Bids for number of Equity Shares which are not in multiples of [•];
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- ASBA Forms not being signed by the account holders, if the account holder is different from the Bidder;
- Bid cum Application Forms and ASBA Forms does not have the stamp of the members of the Syndicate or the SCSB and/or the Designated Branch, as the case may be;
- Bid cum Application Forms and ASBA Forms do not have Bidder's depository account details;
- Bid cum Application Forms and ASBA Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms and ASBA Forms, Bid/ Offer Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms and ASBA Forms;
- 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‘s account number;

- With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Authorisation for blocking funds in the ASBA Account not ticked or provided;
- Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account.
- Bids at Cut-off Price by Non-Institutional Bidders, QIBs bidding in excess of ₹ 200,000;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids from within the United States or by U.S. persons (as defined in Regulation S) other than entities that are both U.S. QIBs and QPs;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids in QIB and Non Institutional Bidders uploaded after 4 PM on the Bid/ Offer Closing Date.

BIDS BY PERSONS PROHIBITED FROM BUYING, SELLING OR DEALING IN THE SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment 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 their current Share Transfer Agent:

- Agreement dated May 13, 2004 with NSDL, our Company and their current Share Transfer Agent.
- Agreement dated May 12, 2004 with CDSL, our Company and their current Share Transfer Agent.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her Client ID are liable to be rejected.

(a) A Bidder applying for Equity Shares must have a Client ID with a Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the DP ID and Client ID) appearing in the Bid cum Application Form, ASBA Form, Revision Form or ASBA Revision Form.

(c) Equity Shares Allotted to a successful Bidder will be credited in electronic form directly to his or her Client ID.

(d) Names mentioned 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.

(e) If incomplete or incorrect details are given under the heading ‘Bidders Depository Account Details’ in the

Bid cum Application Form, ASBA Form or Revision Form, it is liable to be rejected.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares 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 or ASBA Form number, Bidders' Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form or ASBA Form, name and address of the member of the Syndicate or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders 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 Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the DP ID and Client ID provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code. Hence, where necessary, 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 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 Shareholders, the Registrar to the Offer, Escrow Collection Bank(s), Bankers to the Offer nor the members of the Syndicate 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.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in any one of the following mode:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability and receipt of complete bank account details including the MICR code, from the Depositories.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as per Demographic Details received from the Depositories, 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. RTGS – Applicants whose refund amount exceeds ₹ 1 million, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to 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 numbers. 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. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. 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.

5. For all other Bidders, the refund orders will be despatched under certificate of posting for value upto ₹ 1,500 and through Speed Post/ Registered Post for refund orders of ₹ 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 centres will be payable by the Bidders.

Mode of unblocking funds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/ Offer Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company and the Selling Shareholders 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 after the Allotment.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the concerned Refund Bank's clearing system within 12 Working Days from the Bid/ Offer Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Working 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.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days from the Bid/ Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days of the Bid/ Offer Closing Date; and

- With respect to Bidders other than ASBA Bidders, 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 12 Working Days of the Bid/ Offer Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within eight days from the Bid/ Offer Closing Date.

Our Selling Shareholders shall pay interest at 15% per annum, 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 12 Working Days from the Bid/ Offer Closing Date. If such money is not repaid within 12 Working Days from the Bid/ Offer Closing Date, our Company and every Director of our Company who is an officer in default shall be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of Section 73 of the Companies Act.

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:*

(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.*"**

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 Offer size less Allotment to Non-Institutional and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Offer Price.

- If the aggregate demand in this category is less than or equal to 11,524,800 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 demand in this category is greater than 11,524,800 Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis subject to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

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.

- The Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.

- If the aggregate demand in this category is less than or equal to 49,39,200 Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 49,39,200 Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis subject to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIBs bidding in the Net QIB Portion at or above the Offer Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Offer Price.

- The Net 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 up to 5% of the Net QIB Portion shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price;

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

(b) In the second stage Allotment to all QIBs shall be determined as follows:

    (i) In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Offer Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion;

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs;

    (iii) Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs bidding in the Net QIB Portion shall not be less than [●] Equity Shares.

D. For Employee Reservation Portion

- The allotment in the Employee Reservation Portion will be on a proportionate basis.

- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

- Bids received from the Eligible Employees at or above the Offer Price shall be grouped together to determine the total demand under this category.

- If the aggregate demand in this category is less than or equal to 672,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand. The maximum bid under Employees Reservation Portion by an Eligible Employee cannot exceed ₹ 200,000.

- If the aggregate demand in this category is greater than 672,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiple of [•] Equity Share thereafter. For the method of proportionate Basis of Allotment, refer below.

- Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

E. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors, if any, at the Anchor Investor Price will be at the discretion of the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers, subject to compliance with the following requirements:

    (a). not more than 30% of the QIB Portion will be allocated to Anchor Investors;
    (b). one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
    (c). allocation to Anchor Investors shall be subject to a minimum number of two Anchor Investors for allocation upto ₹ 250 million and minimum number of five Anchor Investors for allocation more than ₹ 250 million.

- The number of Equity Shares Allotted to Anchor Investors, if any and the Anchor Investor Price shall be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Offer

In the event of the Offer being over-subscribed, our Company and the Selling Shareholders shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The Designated Stock Exchange along with the Book Running Lead Managers and the Registrar to the Offer shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI ICDR Regulations.

Except in relation to Anchor Investor Portion, the allocation shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

- 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 Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] 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. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of the Selling Shareholders and our Company, in consultation with the Book Running Lead Managers.

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 Portion	2 million equity shares
3.	Net Offer Size	200 million equity shares
4.	Portion available to QIBs (50%)	100 million equity shares
	Of which:	
	a. Allocation 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 QIBs #	No. of shares bid for (in millions)
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: (QIBs other than MFs), MF1-MF5 (QIBs which are Mutual Funds)

C. Details of Allotment to QIBs / Applicants

(Number of equity shares in millions)

Type of QIBs	Shares bid for	Allocation of 5 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
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**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in "***Offer Structure***" beginning on page 210.

2. Out of 100 million equity shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 million equity 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 million equity shares (including five MF applicants who applied for 200 million equity shares).

4. The figures in the fourth column entitled 'Allocation of balance 95 million equity shares to QIBs proportionately' in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5) = No. of equity shares bid for (i.e. in column II) X 95 / 495

   - For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e. in column II of the table above) less equity shares Allotted (i.e., column III of the table above)] X 95 / 495

   - The numerator and denominator for arriving at allocation of 95 million equity shares to the 10 QIBs are reduced by 5 million equity shares, which have already been Allotted to

Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Offer shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days of the Bid/ Offer Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company and the Selling Shareholders shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500, by 'Under Certificate of Posting', and shall dispatch refund orders above ₹ 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Bid/ Offer Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/ Offer Closing Date. In case of ASBA Bidders, the Registrar to the Offer shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/ Offer Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ Instruction to SCSB by the Registrar to the Offer

Our Company agrees that: (i) Allotment shall be completed within 12 Working Days of the Bid/ Offer Closing Date; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/ Offer Closing Date.

The Selling Shareholders agree that they shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched 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 in the disclosed manner.

The Selling Shareholders 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 a bank appointed by our Company and the Selling Shareholders as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be undertaken within the timelines specified by law;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/ Offer Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangement shall be made to collect all ASBA Forms and to consider them similar to non-

ASBA applications while finalising the Basis of Allotment.

UNDERTAKINGS BY THE SELLING SHAREHOLDERS

- That the Equity Shares being sold pursuant to the Offer are free and clear of all liens or encumbrances and shall be transferred to the successful Bidders within the specified time;

- That the transfer of Equity Shares and refunds relating to the Offer shall be made within 12 Working Days of the Bid/ Offer Closing Date and the refund orders shall be dispatched with 12 Working Days of the Bid/ Offer Closing Date, as far as possible, and that the Selling Shareholders 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 Shareholders 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 Shareholders withdraws the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh draft offer document with the Securities and Exchange Board of India;

- That there would be no further transfer of Equity Shares during the period commencing from submission of the Red Herring Prospectus with the SEBI until the Equity Shares Allotted/ to be Allotted pursuant to the Offer have been listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc. and;

- That they shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Utilisation of Offer proceeds

The Selling Shareholders along with our Company 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 Shareholders shall not have recourse to the Offer proceeds until Allotment of the Equity Shares in the Offer and receipt of listing and trading approvals from the Stock Exchanges.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

There is no reservation for Eligible NRIs and FIIs registered with SEBI. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and, unless so registered, 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 ("Regulation S"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring 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 this Red Herring Prospectus as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity 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.

SECTION VIII- MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Our Company has by a shareholders' resolution dated July 23, 2010, adopted a new set of Articles of Association. The new Articles of Association of our Company *inter alia* provide for the following:

Share Capital

The Authorized Share Capital of our Company shall be such amount and be divided into such shares category as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of our Company for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights including as to voting, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.

Our Company may from time to time by Ordinary Resolution increase its authorized share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.

Increase, Reduction and Alteration of Capital

1. Our Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company and with a right of voting at General Meeting of our Company in conformity with Section 87 and other applicable provisions of the Act. Whenever the capital of our Company has been increased under the provisions of this Article the Board shall comply with the provisions of Section 97of the Act.

2. Our Company may by passing a Special Resolution reduce

   (a) the share capital;
   (b) any capital redemption reserve account; or
   (c) any security premium account.
   in any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power our Company would have, if it were omitted.

Further Issue of shares

1. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct in the following manner:

   (a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of our Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;

   (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

   (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favor of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

   (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as may be directed by the Board in that behalf.

(2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) If a Special Resolution to that effect is passed by our Company in General Meeting; or
(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favor of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, an application made by the Board of Directors in this behalf, that the proposal is most beneficial to our Company.

(3) Nothing in sub-clause (c) of sub-clause (1) hereof shall be deemed;

(a) to extend the time within which the offer should be accepted; or

(b) to authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favor the renunciation was first made has declined to take the Shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of our Company caused by the exercise of an option attached to the debentures issued by our Company:

(i) to convert such debentures or loans into Shares in our Company; or
(ii) to subscribe for Shares in our Company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and

(b) In the case of debentures or loans other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by our Company in the General Meeting before the issue of the loans.

Allotment of Shares

The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in the applicable provisions of the Act, and shall cause to be made the returns as to allotment provided for in of the Act.

Forfeiture and Lien

1. Our Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) 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/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of our Company's lien if any, on such Shares/Debentures. The Board may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.

2. Our Company may sell, in such manner as it deems fit, any Shares on which our Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:-

(a) Unless a sum in respect of which the lien exists is presently payable; or

(b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the 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 thereto by reason of his death or insolvency.

For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such Members

(c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.

3. The net proceeds of any such sale shall be received by our Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and

The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

4. If a member fails to pay any call, or installment 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 installment remains unpaid, together with any interest which may have accrued.

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 that day so named, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied 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.
A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

At any time before a sale or disposal as aforesaid the Board may cancel the forfeiture on such terms as it thinks fit

5. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

6. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against our Company exclusively.

7. The Board may retain any dividends on which our Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Transfer and transmission of shares

1. Nothing contained in Section 108 of the Act or Articles of the Articles of Association relating to transfer of security, 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.

2. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

3. An application for the registration of a transfer of the shares or other interest of a member in the company may be made either by the transferor or by the transferee.
Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

For the purposes of sub-clause (2), notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

4. Subject to other applicable provisions of the Act, the instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the company along with the certificate relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures.

The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

The Form of Transfer shall be in such form as may be prescribed in the Act.

5. Restriction on acquisition of certain shares:

Subject to Section 108A and other applicable provisions, if any, of the Act, where any individual, firm, group, constituent of a group, body corporate or bodies corporate under the same management (hereafter referred to as the acquirer), is prohibited, by sub-clause (1) above, from acquiring or agreeing to acquire any share of the company except with the previous approval of the Central Government, our Company shall not transfer or agree to transfer any share to such acquirer unless such acquirer has obtained the previous approval of the Central Government for the acquisition, or agreement for the acquisition, of such share.

6. Subject to the provisions of the Act and these Articles, the Board shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration

Dematerialization of Securities

1. Notwithstanding anything contained in these articles, our Company shall be entitled to dematerialize its existing securities, rematerialize its securities held in the depositories and/or offer its fresh securities in dematerialized form pursuant to the provisions of the Depositories Act, 1996 and the rules framed thereunder, if any.

2. Every person subscribing to or holding securities of our Company shall have the option to receive security’s certificates or to hold the securities with the depository. Such person who is a beneficial owner of the securities can at any time opt out of the depository, if permitted by law, in respect of any security in the manner and within the time prescribed. If a person opts to hold his securities with depository, our Company shall intimate such depository, the details of allotment of the security and in receipt of the information, the depository shall enter in its record the name of the allottees as the beneficial owner of the securities.

3. All securities in depository shall be dematerialized and be in fungible form. Nothing contained in section(s) 153, 372A and such other provisions of the Act as may be applicable, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners. In such event, the right(s) and obligation(s) of the shareholder(s)/ debenture holder(s) and the matters connected therewith or incidental thereto, shall be governed by the provisions o the Depositories Act, 1996 or any statutory modification thereto or re-enactment thereof.

4. 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 Owners.

5. Save as otherwise provided in (4) above, the Depository as the registered owner of the Security(ies) shall not have any voting right(s) or any other right(s) in respect of the security(ies) held by it.

6. The Beneficial Owner of securities shall be entitled to all the right(s) and benefit(s) and be subject to all the liabilities in respect of security (ies), which are held by a Depository.

7. Notwithstanding anything to the contrary contained in the Act or Articles, where security (ies) are held in a Depository, the records of the beneficial Ownership may be served by such Depository on our Company by means of electronic mode by delivery of floppies or discs.

8. Nothing contained in Section 108 of the Act or Articles of the Articles of Association relating to transfer of security, 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.

9. Where securities are to be dealt with by the Depository, our Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

10. Notwithstanding anything to the contrary contained in the Articles, applicable provisions of the Act shall not apply to the Shares held with a Depository;

11. Notwithstanding anything contained in these Articles, our Company shall have the right to issue Securities in a public offer in dematerialized form as required by applicable laws and subject to the provisions of applicable law, trading in the Securities of our Company post-listing shall be in the demat segment of the relevant Stock Exchange(s) where the securities issued by our Company are listed for trading, in accordance with the directions of SEBI, the Stock Exchanges and in terms of the listing agreements to be entered into with the said Stock Exchange(s).

Directors

1. (a) The Chairman / Managing Director / Chairman-cum-Managing Director shall be appointed by the President. All other members of Board of Directors including Vice-Chairman, if any, shall be appointed by the President in consultation with the Chairman of our Company. No such consultation will be necessary in case of appointment of Directors representing the Government.

   Subject to approval, as may be required, Nominee Director or Corporation Director of any Financial Institution / Bank, Special Director in connection with any collaboration or agreement, Debenture Director, Professional Director, Technical Director may also be appointed in our Company, on such terms and conditions as may be prescribed.

   (b) The Chairman and all other directors shall be paid such salary and/or allowances as the President may, from time to time determine. 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 services rendered by him or them or otherwise.

2. The Chairman and all other directors will be appointed subject to such terms and conditions, if any, as may be determined by the President.

3. Two-third (any fraction to be rounded off to the next number) Directors of our Company shall be persons whose period of office shall be liable to determination by rotation and save as otherwise expressly provided in the Act, be appointed by our Company in General Meeting.

   At every Annual General Meeting of our Company, one-third of such Directors for the time being liable to retire by rotation or if their number is not three or a multiple of three, than the number nearest to one-third, shall retire from office.

   Directors to retire by rotation at every Annual General Meeting shall be those (other than the Chairman cum Managing Director of our Company and such other non-retiring Directors, if any) who have been longest in Office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, unless otherwise agreed among themselves, by determined by lot.

   A retiring Director shall be eligible for re-election. Our Company at the Annual General Meeting in which Director retires, may fill-up the vacated office by appointing the retiring Directors or some other person thereto.

If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, at the same time and place, and if at the adjourned meeting also the place of retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless :

(a) At that meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the meeting and lost.

(b) The retiring Director has by a notice in writing addressed to our Company or its Board of Directors, expressed his unwillingness to be so re-appointed.

(c) He is not qualified or is disqualified for appointed.

(d) A resolution, whether special or ordinary, is required for his appointment by virtue of any provisions of the Act.

(e) The proviso to sub-section (2) of Section 263 is applicable to the case.

(f) A Director representing the Government Department shall retire on his ceasing to be an official of that Department.

(g) The President may, from time to time or any time removes any part time Director, from office at his absolute discretion. Chairman and whole-time Directors may be removed from office in accordance with the terms of appointment or if no such terms are specified, on the expiry of ₹3 months' notice issued in writing by the President with immediate effect on payment of the pay in lieu of the notice period.

4. A Director representing a Ministry of the Government of India or any Department thereof, shall retire on his ceasing to be an official of that Ministry or Department.

5. Unless otherwise required in the Act, the Chairman-cum-Managing Director or managing Director, Government's Directors, Debenture Directors, Nominee Directors, Corporation Directors, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.

6. President shall have the right to fill any vacancy of the office of the Directors including Chairman and Managing Director appointed by him, caused by removal, resignation, death or otherwise and to substitute any Director, including Chairman, in place of existing Director.

Powers of the Board

1. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of our Company and they shall do so only by means of resolutions passed at the meeting of the Board;

(a) the power to make calls, on shareholders in respect of money unpaid on their Shares,
(b) the power to issue Debentures,
(c) the power to borrow moneys otherwise than on Debentures,
(d) the power to invest the funds of our Company, and
(e) the power to make loans

2. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:

(a) To pay the cost, charges and expenses during the course business of our Company.

(b) To pay and charge to the capital account of our Company any commission or interest lawfully payable thereon under the applicable provisions of the Act.

(c) Subject to applicable provisions of the Act, to purchase or otherwise acquire for our Company any property, right or privileges which our Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(d) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to our Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of our 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 bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of our Company and its uncalled capital or not so charged.

(e) To secure the fulfillment of any contracts or engagement entered into by our Company by mortgage or charge of all or any of the property of our Company and its uncalled capital for the time being or in such manner as they may think fit.

(f) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.

(g) To appoint any person to accept and hold in trust for our Company any property belonging to our Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.

(h) To institute, conduct, defend, compound or abandon any legal proceedings by or against our Company or its officers or otherwise concerning the affairs of our Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against our Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.

(i) To act on behalf of our Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.

(j) To make and give receipts, releases and other discharges for moneys payable to our Company and for the claims and demands of our Company.

(k) To invest and deal with any moneys of our Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realize such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in our Company's own name.

(l) To execute in the name and on behalf of our Company in favor of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of our Company, such mortgages of our Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

(m) To open bank account and to determine from time to time who shall be entitled to sign, on our Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.

(n) To distribute by way of bonus amongst the employees of our Company a Share or Shares in the profits of our Company and to give to any, Director, officer or other person employed by our Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of our Company.

(o) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of our Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by our Company, either by reason of locality of operation, or of the public and general utility or otherwise.

(p) Before recommending any dividend, to set aside out of the profits of our Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of our Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of our Company, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of our Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of our Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of our Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of our Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of our Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

(q) To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, 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 or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of our Company in any specified locality in India or elsewhere in such manner as they think fit

(r) To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.

(s) From time to time and at any time to establish any local Board for managing any of the affairs of our Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.

(t) To delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorize 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 delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Central Government may at any time remove any person so appointed, and may annul or vary any such delegation.

(u) At any time and from time to time by Power of Attorney under the Seal of our Company, to appoint any person or person to be the Attorney or Attorneys of our Company, for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may be made in favor of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favor of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.

(v) 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 our Company as they may consider expedient.

(w) From time to time to make, vary and repeal bye-laws for the regulations of the business of our Company, its officers and servants.

(x) To purchase or otherwise acquire any land, buildings, machinery, premises, here determents, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which our Company is authorized to carry on in any part of India.

(y) To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(z) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of our Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by our Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

(aa) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.

(bb) To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to our Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.

(cc) From time to time to extend the business and undertaking of our Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of our Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.

(dd) To undertake on behalf of our Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by our Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of our Company for the time being held under lease or for an estate less than freehold estate.

(ee) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of our Company or in which our Company is interested.

(ff) To let, sell or otherwise dispose of any property of our Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.

(gg) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.

(hh) To comply with the requirements of any local law which in their opinion it shall in the interest of our Company is necessary or expedient to comply with.

(ii) To create such posts, other than those to which appointment is made by the Government of India, as they may consider necessary for the efficient conduct of our Company's affairs and to determine the scale of pay and other terms thereof excepting of the General Managers of constituent units for whom the scale of pay will be decided by the Government of India;

(jj) To lend moneys to subsidiaries and associated organizations, on such terms and conditions as they may consider desirable.

(kk) To invest in the Reserve Bank of India or in such securities as may be approved by the President and deal with any of the moneys of the company upon such investment authorized by the Memorandum of Association of our Company (not being shares in this Company) and in such manner as they think fit and, from time to time, to vary and realize such investments;

Dividends

1. Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in our Company, dividends may be declared and paid according to the amounts of the Shares.

   No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

2. Our Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and our Company shall comply with the provisions of the Act, but no dividends shall exceed the amount recommended by the Board. However, our Company may declare a smaller dividend than that recommended by the Board in General Meeting.

3. No dividend shall be payable except out of profits of our Company arrived at the manner provided for in the Act.

4. The Board may from time to time pay to the Members such interim dividends as in their judgment the position of our Company justifies.

5. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

6. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

7. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. Our Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

8. The Board may, before recommending or declaring any dividend set aside out of the profits of our Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of our Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of our Company or be invested in such investments (other than Shares of our Company) as the Directors may from time to time think fit.

9. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of our Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of our Company.

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 this Red Herring 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 will be available for inspection at our Registered Office at MOIL Bhavan, 1-A, Katol Road, Nagpur - 440 013, 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 in relation to the Offer

1. Engagement Letter dated August 5, 2010 for the appointment of Edelweiss Capital Limited, IDBI Capital Market Services Limited and J.P. Morgan India Private Limited.

2. Offer Agreement dated September 23, 2010 among our Company, the Selling Shareholders and the BRLMs.

3. Agreement dated September 23, 2010 among our Company, the Selling Shareholders and the Registrar to the Offer.

4. Escrow Agreement dated November 15, 2010 among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, Escrow Collection Banks and the Registrar to the Offer.

5. Syndicate Agreement dated November 15, 2010 among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Syndicate Members.

6. Underwriting Agreement dated [●], 2010 among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and Syndicate Members.

7. Agreement dated May 13, 2004 amongst NSDL, our Company and Registrar to the Offer;

8. Agreement dated May 12, 2004 amongst CDSL, our Company and Registrar to the Offer;

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.

2. Our fresh certificate of incorporation consequent upon change of name dated August 17, 2010.

3. Letter no. 4 (11)/2008- RM II (Vol. II) dated September 20, 2010 from the MoS conveying the approval granted by the GoI to the Offer.

4. Letter dated September 23, 2010 from the MoS granting approval for the lock-in of 20% of the post-Offer capital of our Company, i.e. 33,600,000 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(a) of the SEBI ICDR Regulations.

5. Letter dated September 23, 2010 from the MoS granting approval for the lock-in of its entire post-Offer shareholding for a period of one year 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 ICDR Regulations.

6. Letter dated September 23, 2010 from the GoMP, Department of Finance granting approval for the lock-in of its entire post-Offer shareholding for a period of one year from the date of Transfer in the Offer or for such other time as may be required in terms of Regulation 37 of the SEBI ICDR Regulations.

7. Letter dated September 23, 2010 from the GoM, Department of Industries, Energy and Labour granting approval for the lock-in of its entire post-Offer shareholding for a period of one year from the date of

Transfer in the Offer or for such other time as may be required in terms of Regulation 37 of the SEBI ICDR Regulations.

8. Letter no. 4(11)/2008-RM II (Vol.II) dated September 24, 2010 from the MoS to our Company authorizing Mr Dalip Singh, Joint Secretary, MoS and Ms A. Dhanalakshmi, Deputy 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 MoS.

9. Letter no. 1023/ DMC/10-11 dated September 22, 2010 from the GoMP to our Company authorizing Mr S.K. Mishra, Secretary, Mining Department, GoMP and Mr Amit Rathore, Additional Secretary, Finance Department, GoMP 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 MoS.

10. Letter no. MOIL- 1010/CR 625 LB/ Ind-9 dated September 18, 2010 from the GoM to our Company authorizing Mr A. M. Khan, Principal Secretary, (Industries) Industries, Energy and Labour, GoM and Mr K. B. Kadam, Deputy Secretary, Industries, Energy and Labour, GoM 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 MoS.

11. Resolutions passed by our Board dated September 10, 2010 and September 23, 2010 in relation to this Offer

12. Copies of letters by the MoS for the appointment and remuneration of our Executive Directors.

13. Joint Venture Agreement dated May 7, 2009 between our Company and RINL.

14. Joint Venture Agreement dated February 11, 2008 between our Company and SAIL.

15. The Auditors Report prepared by the Auditors, Shah Baheti Chandak and Co., Chartered Accountants, dated October 30, 2010 and mentioned in "***Financial Statements***" on page 129 of this Red Herring Prospectus.

16. The Statement of Tax Benefits prepared by the Auditors, Shah Baheti Chandak and Co., Chartered Accountants, dated September 23, 2010 as mentioned in "***Statement of Tax Benefits***" on page 46 of this Red Herring Prospectus.

17. Copies of our annual reports for the past five Fiscals.

18. Consent of the Auditors, Shah Baheti Chandak and 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 Red Herring Prospectus.

19. Consents of the Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Offer, Bankers to the Offer, Legal Counsels, Directors of our Company, Company Secretary and Compliance Officer, the IPO Grading Agency, IMC-SRG Consulting (P) Limited, as referred to in their respective capacities.

20. NSE letter NSE/LIST/149526-8 dated October 19, 2010, granting approval to use its name in the Red Herring Prospectus and the Prospectus.

21. BSE letter DCS/IPO/SI/IPO-IP/1100/2010-11 dated October 1, 2010 granting approval to use its name in the Red Herring Prospectus and the Prospectus.

22. Due diligence certificate to SEBI from the BRLMs dated September 27, 2010.

23. Letter no. No.4(1)/2009-DoD dated September 21, 2010 through which approval of the RBI has been sought by our Company in compliance with the applicable foreign exchange control norms for the transfer of Equity Shares in the Offer.

24. SEBI observation letter no. CFD/DIL/ISSUES/SP/RG/OW/26378/2010 dated November 11, 2010;

25. Report on the Indian Manganese Ore Industry by CARE Research dated October 2010.

26. Consent of CARE Research, for the inclusion of their report on the Indian Manganese Ore Industry dated October 2010 in the form and context in which it appears in this Red Herring Prospectus.

27. Letter dated November 15, 2010 from the Company Secretary & Compliance Officer regarding status of filing of Annual Return / Balance Sheet of other companies in which our Directors have directorships.

Shareholders' and Other Agreements

1. Agreements dated June 8, 1962 and September 21, 1977 between the Government of India and CPMO

Key Contracts in relation to the business of our Company

1. Memorandum of Settlement dated August 27, 2009 with the MOIL Kamgar Sangathan (INTUC)

2. Memorandum of Understanding dated March 15, 2010 between the Ministry of Steel and our Company

Any of the contracts or documents mentioned in this 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.

In accordance with Section 61 of the Companies Act, in the event any of the material contracts mentioned in this section are required to be modified or amended, post the filing of the Prospectus with the RoC, reference shall be made to the shareholders of our Company for the same.

DECLARATION

We, the undersigned, certify that all the relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India or the Securities and Exchange Board of India as applicable, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules or regulations issued there under, as the case may be and that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all statements in this Red Herring Prospectus are true and correct.

1. **Signed by all Directors**

Mr. Kumar Jitendra Singh Chairman and Managing Director	**Dr. Dalip Singh** Nominee Director, Government of India
Mr. Azeez M. Khan Nominee Director, Government of Maharashtra	**Mr. Gururaj P. Kundargi** Director (Production and Planning)
Mr. M. A. V. Goutham Director (Finance)	**Mr. Anup K. Mehra** Director (Commercial)
Mr Sanjeeva Narayan Independent Director	**Mr. Vijay V. Kale** Independent Director
Dr. Madhu Vij Independent Director	**Dr. Subir K. Bhattacharyya** Independent Director
Mr Hem Chander Disodia Independent Director	**Mr Bal Kishan Gupta** Independent Director

2. **Signed by the Director (Finance)**

Mr M. A. V. Goutham Director (Finance)	

3. **Signed by the Selling Shareholders**

For the President of India, acting through the Ministry of Steel, Government of India **Dr. Dalip Singh** Joint Secretary, Ministry of Steel, Government of India	
For the Governor of Madhya Pradesh, acting through the Finance Department, Government of Madhya Pradesh **Mr. Surya Kant Mishra** Secretary, Mining Department, Government of Madhya Pradesh	
For the Governor of Maharashtra, acting through the Industries, Energy and Labour, Government of Maharashtra **Mr. Azeez M. Khan** Principal Secretary, Industries, Energy and Labour Department, Government of Maharashtra	

Dated: 15th November 2010
Place: Delhi

ANNEXURE I
JORC REPORT

IMC –SRG CONSULTING (P) LIMITED

135, Jodhpur Park
Kolkata - 700068
West Bengal
India

Tel: +91 33 24149826
Fax +91 33 24148761

Email: imcindia@imcgcl.com
www.imcgcl.com

30th October 2010

The Directors and Management Board
MOIL Limited
(A Government of India Enterprise)
Registered Office: MOIL Bhawan, 1-A Katol Road,
Nagpur – 440 013
Maharashtra, India

Dear Sirs,

JORC EQUIVALENT MINERAL RESOURCE AND ORE RESERVE STATEMENT FOR MOIL LIMITED, INDIA

Purpose of Report

This report has been prepared by IMC–SRG Consulting (P) Ltd ("IMC-SRG") for use by MOIL Limited ("MOIL" or the "Company") in connection with the validation and audit of the resource and reserves stated by the Company.

IMC-SRG was instructed by the Directors of the Company to prepare an audit report for the manganese assets of the Company. This report summarises the findings of IMC-SRG's review.

IMC-SRG has reviewed the practice and estimation methods undertaken by MOIL for reporting resources and reserves and has reviewed the resources and reserves statements compiled by MOIL in accordance with the criteria for internationally recognised reserve and resource categories of the "Australasian Code for Reporting Mineral Resources and Ore Reserves" (2004) published by the Joint Ore Reserves Committee ("JORC") of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia (the "JORC Code").

In this report, all reserves and resources estimates, initially prepared by MOIL have been substantiated by evidence obtained from IMC-SRG's review and are supported by details of drilling results, analyses and other evidence and takes into account of all relevant information supplied by the management of the Company.

These mines are being worked for more than 100 years. It has been observed that the resources proved by surface exploration (trenching, pitting, surface boreholes etc.) and underground openings and underground explorations have changed the different category of resources to higher category through exploration and exploitation in course of time. This is an ongoing process.

Capability and Independence

This report was prepared by IMC-SRG, the signatory to this letter. Details of the qualifications and experience of the consultants who carried out the work are given at the end of this report. IMC-SRG operates as an independent technical consultant providing resource evaluation, mining engineering and mine valuation services to clients. IMC-SRG has received, and will receive, professional fees for its preparation of this report. However, neither IMC-SRG nor any of its directors, staff or sub consultants who contributed to this report has any interest in:

- The Company or MOIL; or
- The mining assets reviewed; or
- The outcome of any potential financing initiative, including a share offering.

Drafts of this report were provided to MOIL, but only for the purpose of confirming both the accuracy of factual material and the reasonableness of assumptions relied upon in the report.

Scope of Work / Materiality / Limitations and Exclusions

IMC-SRG reviewed the assets in accordance with the scope of work and exclusions and limitations and on the basis of the materiality criteria set out in the agreed scope of works.

IMC-SRG has independently assessed the manganese assets of MOIL by reviewing pertinent data, including resources, reserves, and plans relating to productivity, production, operating costs, capital expenditures and revenues.

All opinions, findings and conclusions expressed in this report are those of IMC-SRG and its sub consultants.

Inherent Mining Risk

Surface and underground mining is carried out in an environment where not all events are predictable.

Whilst an effective management team can, firstly, identify the known risks, and secondly, take measures to manage and mitigate these risks, there is still the possibility for unexpected and unpredictable events to occur. It is therefore not totally possible to remove all risks or state with certainty that an event that may have a material impact on the operation of a mine, will not occur.

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1 GENERAL INTRODUCTION

IMC-SRG Consulting (P) Limited ("IMC-SRG" or "the Consultant") was invited by MOIL Limited ("MOIL" or "the Client" or "the Company" formerly known as Manganese Ore India Ltd), a mining and exploration company, to convert their manganese reserve and resource estimates obtained from ten mining locations in India from the United Nations Framework Classification (UNFC) to the Australasian Code for Reporting Mineral Resources and Ore Reserves classification (JORC code).

The operating mines are located to the north of the city of Nagpur in India and are namely, Ukwa, Balaghat, Tirodi, Sitapatore, Chikla, Dongri Buzurg, Munsar, Kandri, Beldongri and Gumgaon. Documentation on the deposits of all ten areas was reviewed with the objective of understanding the geology and the mining aspects of the operating mines and future development projects. IMC-SRG conducted an audit of the resource and reserve figures provided by the Client, and has restated the resources and reserves according to the JORC code.

1.1 Location and Accessibility of the Mining Areas

The Central Indian Manganese Belt straddles the border between two provinces in India, Madhya Pradesh to the north and Maharashtra to the south. The area is characterised by flat alluvial covered terrain with occasional hills and ridges of quartzite. The climate is tropical and with a maximum temperature of 45ºC during summer and minimum of 8ºC in winter. Rainfall is seasonal and falls during a summer monsoon season at an average of 1000 mm per year. The area is well served by with infrastructure including roads, railways and power. Figure 1-1 shows a map of the area.

1.1.1 Ukwa Mine

The Ukwa mine is located approximately 40 km from Balaghat. The mine is approached by the Balaghat–Baiyar road. The nearest railway station is Balaghat which is approximately 40 km away from the mining area. The deposit falls on Survey of India toposheet No 64 C/5. Kanha National Park is nearby at a distance of about 80 km to the north-east.

1.1.2 Balaghat Mine

Balaghat mine is located 217 km north of Nagpur. The mine is approached by the Tumsar-Balaghat state highway. The nearest railway station is Balaghat which is approximately at a distance of 5 km. The mine falls on Survey of India toposheet No 64 C/1.

1.1.3 Chikla Mine

Chikla mine is located in Bhandara District. The mine is approached from Nagpur by State Highway No.88.

1.1.4 Tirodi Mine

Tirodi mine is located on toposheet No 55 C/10. It is 140 km north of Nagpur and can be approached by the Tumsar-Balaghat State Highway. The Tirodi area is largely an undulating plane with elevation varying between 314-355 MSL (meters above sea level). In south section Tirodi Hill having elevation 401 MSL constitutes a prominent topographical feature.

1.1.5 Sitapatore Mine

Sitapatore is situated approximately 15 km south-west of Tirodi mine. Sukli Mine is adjacent to the property.

1.1.6 Dongri Buzurg Mine

Dongri Buzurg is situated approximately 120 km north-east of Nagpur. It is approached by the State Highway No.86. The mine falls on Survey of India toposheet No.55 O/10.

1.1.7 Beldongri Mine

Beldongri consists of three mines, namely, Beldongri mine, New Satuk mine and Old Satuk mine. The area is approached by National Highway No.7 from Nagpur to Dumri and thereafter by all weathered road to these mines. All these areas fall on Suvey of India toposheet No.55 O/7.

1.1.8 Munsar Mine

Munsar is located 46 km north of Nagpur. The mine is approached by National Highway No.7 to Munsar (40 km) and thereafter by State Highway leading to Tumsar. The mine falls on Survey of India Toposheet No.55 O/7. The nearest railway station is Ramtek, which is about 4 km from the mine.

1.1.9 Kandri Mine

Kandri mine is situated in Ramtek Tehsil of Nagpur District in Maharashtra, on National Highway No.7, 2 km north of Munsar and 42 km north-east of Nagpur. It falls on toposheet No.55 O/7. The nearest Railway station is Ramtek, which is around 10 km from the area.

1.1.10 Gumgaon Mine

Gumgaon mine is situated at the bank of Kanhan River, 38 km north of Nagpur. Gumgaon falls on Survey of India toposheet No.55 K/15. It lies in Saoner Tehsil in Nagpur District in Maharashtra State. The mine is approached by State Highway 35 km north of Nagpur, diverting at Patansaongi on the Nagpur-Chhindwara road.

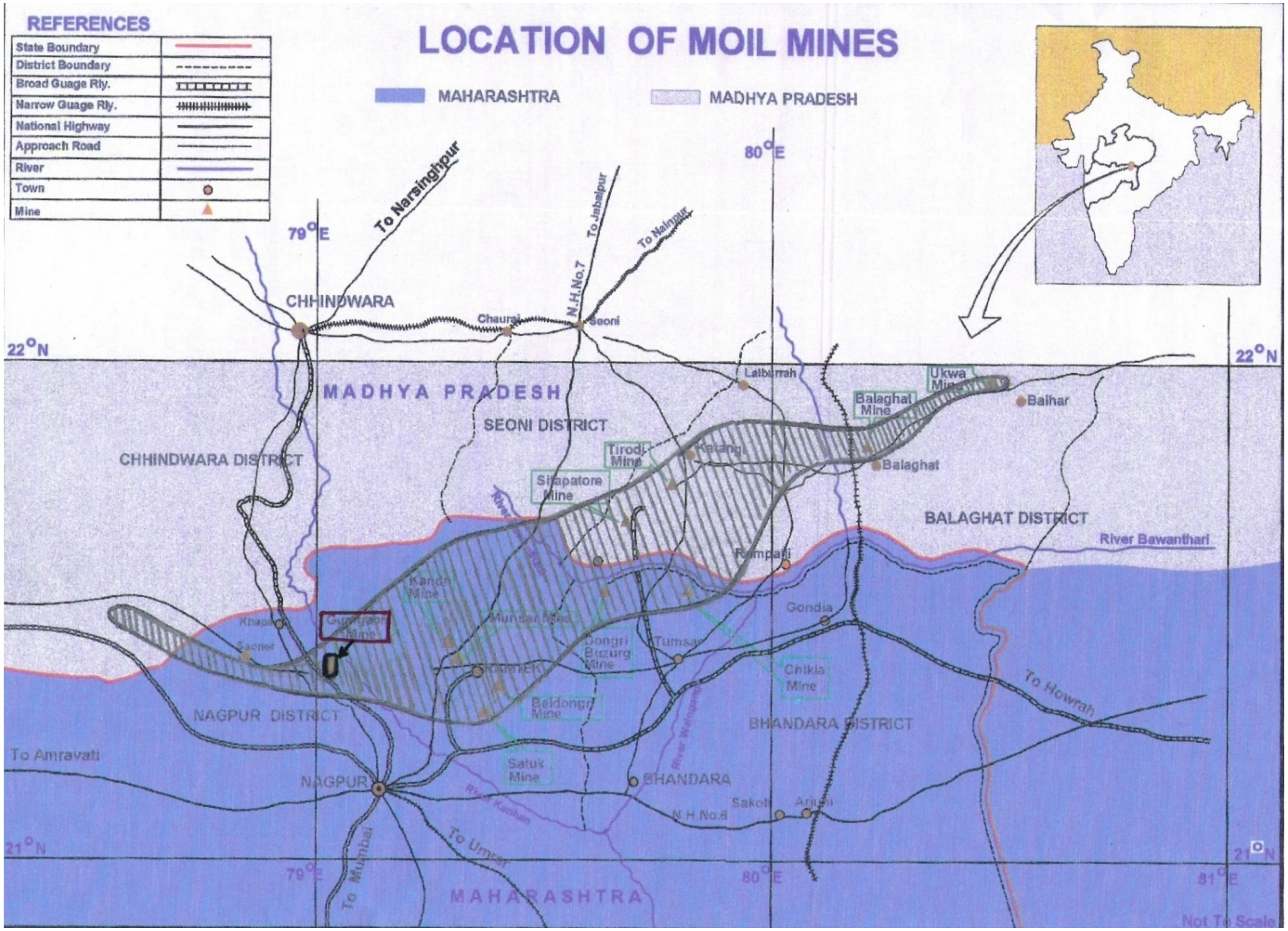


Figure 1-1 Location Map of MOIL Mines

2 STATUTORY AUTHORISATIONS

Table 2-1 lists relevant mining licences for the areas under consideration. Some of the licences have significant forested areas which require special permission before they can be cleared to make way for mining or surface infrastructure.

In some cases licences have lapsed but MOIL has stated that they are following the process for renewing these licence areas.

Table 2-1 License Details

Name of lease	Start Date	Expiry Date	Area Ha
Balaghat District			
Balaghat	1.7.2002	30.06.2022	182.300
Balaghat	1.7.2002	30.06.2022	0.790
Ukwa	1.7.2002	30.06.2022	199.067
Ukwa	15.9.2005	14.09.2025	73.567
Tirodi	1.7.2002	30.06.2022	478.043
Tirodi	15.09.1993	14.09.2013	37.100
Tirodi	26.09.1996	25.09.2016	4.419
Sitapatore	1.7.2002	30.06.2022	43.353
Sitapatore	1.7.1982	30.06.2002	4.734
Sukli	27.09.1974	26.09.1994	79.567
Bhandara District			
Chikla	1.7.2002	30.06.2022	150.650
Dongri Buzurg	04.03.1998	03.03.2018	46.250
Dongri Buzurg	1.07.2002	30.06.2022	53.980
Dongri Buzurg	18.02.2001	17.02.2021	70.500
Nagpur District			
Kandri	1.7.2002	30.06.2022	83.060
Munsar	1.7.2002	30.06.2022	108.630
Munsar	14.05.2002	13.05.2022	25.150
Munsar	18.10.1992	17.10.2012	5.740
Munsar	26.07.1989	25.07.2009	0.970
Beldongri	1.07.2002	30.06.2022	26.660
Beldongri	04.01.1993	03.01.2013	12.990
Beldongri	10.10.2000	9.10.2020	16.840
Beldongri	1.7.2002	30.06.2022	8.680
Gumgaon	1.7.2002	30.06.2022	48.596
Gumgaon	30.6.2000	29.6.2020	35.970
Gumgaon	24.02.1999	23.02.2014	1.330

3 GEOLOGICAL CHARACTERISTICS OF THE DEPOSITS

3.1 General Stratigraphy of the Area.

Manganese deposits are associated with an arcuate belt of meta sedimentary rocks belonging to the Sausar Group, known as the Central Indian Manganese Belt. The belt extends east to west for about 210 km and is up to 30 km wide from Balaghat to Chhindwara. The belt crosses from Madhya Pradesh and passes through Maharashtra before turning back to Madhya Pradesh.

The Sausar Group consists of about 4.5 km thick succession of hornblende granulites, manganiferous marbles, gondites, calciphyres, quartzites and quartz schists. The rocks of the group are largely of sedimentary origin and were subsequently metamorphosed and invaded by acid and basic plutonic rocks.

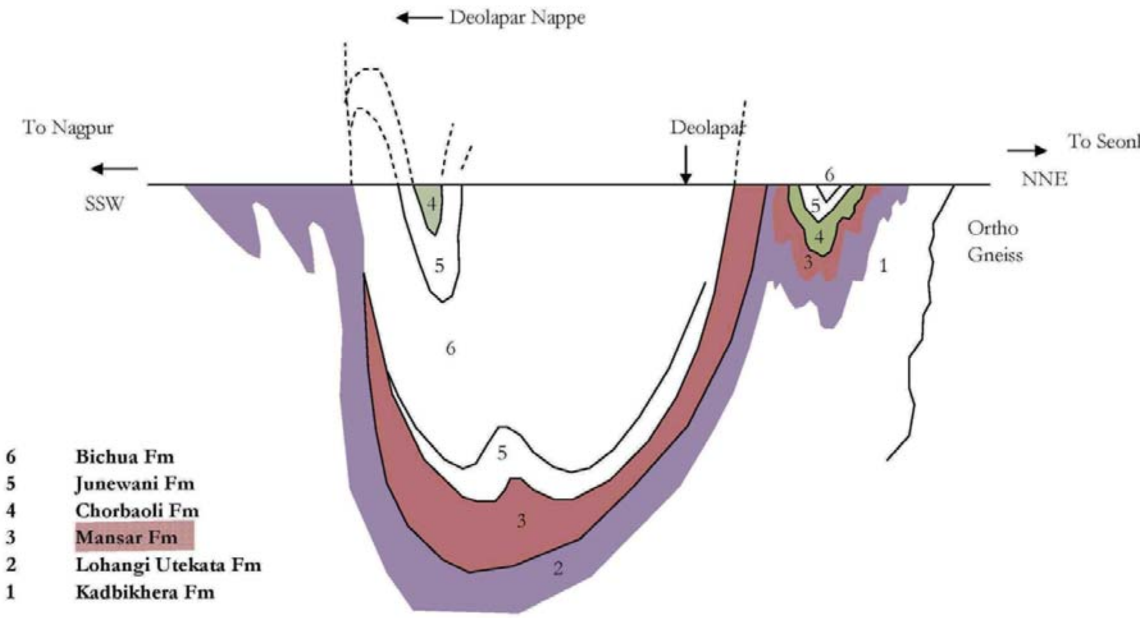
The Sausar Group has been divided into eight units, as shown in Table 3-1. The rock types of the group show variable characters in different areas attributable to metamorphic facies variations.

Table 3-1 Classification of Sausar Group (after Straezek et at. 1956)

Formations	Dominant Lithology
Bichua Formation	Dolomitic marbles and calc-silicates
Junewani Formation	Muscovite-biotite schists and granulites
Chorbaoli Formation	Quartzites and schists
Mansar Formation	Muscovite schists, muscovite-biotite schists with **Mn-ore zones**
Lohangi Formation	Dolomitic marbles and calc-silicates
Kadibikhera Formation	Quartz biotite granulites
Sitasaongi Formation	Feldspathic schists and quartzites
Tirodi Biotite Gneiss	Biotite gneiss, amphibolites and quartz-biotite granulites

The Mansar Formation contains some of the richest manganese deposits of India. The Mn-horizons occur at the bottom (Lohangi Zone), middle (Middle zone) and top (Chorbaoli zone) of the Mansar Formation.

The rocks of the Sausar Group have been intensely deformed giving rise to a southern belt of overturned isoclinal folds and a northern belt of recumbent folds and nappes, see Figure 3-1. The central part of the belt consists of gneissic rocks with linear outcrops of infolded schists. Potassium-Argon age dating of muscovite and biotite from the schists suggest that the regional metamorphism and granitisation had closed during the period 844-996 million years ago.



Geological cross section across the Deolapar Nappe (based on West, 1935)

Figure 3-1 Typical Cross-section through the Central Indian Manganese Belt

3.2 Ukwa Mine

The Ukwa ore zone is divided in four sections, namely, Gudma Section, Ukwa Section, Flat Section and Samnapur Section.

3.2.1 Tectonic Structure

Ukwa has a strike length of about 6 km. The average orebody thickness is 2.5 m and varies from 1.5 m to 6 m.

3.2.2 Mineralisation

Braunite is the principal manganese ore mineral, associated with ribbons of dioxide ore. The ore zone has a chloritic grade of metamorphism. Original sedimentary features like rhythmic banding, ribbons and patches of higher oxide minerals are present in ore zone. The ore contains 35% to 50% Mn and has a phosphate content of 0.2% to 0.6%.

3.2.3 Exploration History

This mine was discovered in 1884. Originally the mine was worked by opencast method starting from 1904 and extracted the ore outcropping on the hill top. Then the mine was converted into underground mine and worked via inclines. Exploration work here has been carried out by drilling 73 boreholes covering 9019 m of total drilling. This exploration covers the entire strike length and to the deepest level in the mine.

3.3 Balaghat Mine

3.3.1 Tectonic Structure

The deposit is structurally undisturbed and displays a relatively low metamorphic grade. The strike length is approximately 3 km in NNE-SSW orientation and dips west at moderate to high angle. Mica schist forms the hangingwall and quartz-mica schist forms the footwall of the deposit.

3.3.2 Mineralisation

The average true thickness of the orebody is 10 m. Braunite is the principal mineral association with ribbons of higher oxides. Braunite is associated with Hollandite and Bixbeite as accessory minerals.

3.3.3 Exploration History

Mining was started in 1903. Exploration at Balaghat commenced in 1950. To date 64 boreholes have been drilled up to 21 level within lease hold area. The first phase was from 1950-51 when 5 boreholes drilled from surface. The second phase was from 1977-1983 explored from underground. The ore zone was established up to 12 level (present shaft depth) during third phase. In present phase, which was commenced in 1990, the depth persistency has been proved down to 21 level. Exploration to identify additional ore continues.

3.4 Chikla Mine

Chikla is divided into three sections, namely, Chikla Main, Chikla A and Chikla B.

3.4.1 Tectonic Structure

The ore zone strikes east-west and dips due south at high angles. Repetition of the ore zone due to folding is commonly observed at this mine. The ore zone geometry is controlled by folds which plunge at 45º to 25º east.

At Chikla Main the orebody forms a syncline. Both the limbs dip south with 65° to 70°. The plunging syncline forms a trough with thickness of 40-45 m at its central part. Both the limbs of syncline are separated by mica schist of 1.5-3 m thickness. A fault zone occurs which displaces the orebody by up to 30 m. Both the limbs have been exploited in trough area at levels above 40’ level. Exploitation in trough is being continued for lower levels. After crossing the fault zone the southern limb develops in gonditic rock and hence has not been mined on 70’ level and below. However the north limb does not show such variation. In the trough area the ore zone is high in Mn, whereas in limbs it is more siliceous.

Chikla A deposit continues uninterrupted towards east, except with lateral folding at places. It thins to the west to a thickness of 1.5-2 m in the extension area.

The southern limb of syncline turns towards south, ultimately to form deposit of Chikla B district. At Chikla B the deposit is displayed in a number of parallel bands, this is due to isoclinal folding. Fold strikes in east-west direction and dip with high angle towards south. Similar to Chikla Main syncline, the fold system of Chikla B is also controlled by plunge, varying from 35-25° due east. A number of parallel bands have been identified as -1, 0, 1, 2 and 3 deposits from south to north.

The contact of schist and ore throughout the mine is incompetent and prone to roof collapses.

3.4.2 Mineralisation

Ore is generally hard and siliceous in nature and braunite is the main ore mineral.

The area between Chikla Main and Chikla B is intermittently mineralized, mainly with Gondite and no recoverable ore is found in this area.

At Chikla B ore of high Mn content with medium phosphate is being recovered from this deposit. Both massive and granular varities are present, however the relationship between Mn and phosphate is not yet established.

Zero deposit displays boudin structure. Phosphate here varies from 0.025-0.04%. The deposit is thin and attains a maximum thickness of 3 m at the centre of lens.

The true thickness of "1" deposit is l0 m. This deposit offers better competency to mining.

The “-1” deposit is thin and has been exposed along the south slope of Chikla B hillock. At present it is being worked by open cast methods.

3.4.3 Exploration History

This mine was discovered in 1894 and a mining lease was granted in 1904. Since then mining operation was being carried out and sporadic exploration. Currently, exploration work by 9 boreholes has been suggested mainly to establish the mineralization along strike and depth down to -470’ level.

3.5 Tirodi mines

3.5.1 Tectonic Structure

The deposit strikes approximately in north-south direction with medium to high angle of dip towards west.

Since the deposit is part of the central crystallized zone, it has been subjected to many cycles of deformation, resulting in development of many lensoid shaped bands of variable dimensions. The geological structure of Tirodi is complicated because of folding and overturning of strata, which has been faulted with various angle faults. The rocks of this area have undergone intense pressure due to folding.

3.5.2 Mineralisation

Manganese, mainly as braunite, is associated with sillimanite grade metamorphism. Tirodi biotite gneiss and mica schist are the country rocks commonly displayed in this area. Footwall comprises of coarse grained mica schist that grade into fine grained quartzite mica schist. The hangwall consists of biotite-muscovite schist.

3.5.3 Exploration History

This mine was discovered in 1895 and mining started in 1902. Since then mining operations have been carried out. Exploration has been conducted sporadically with pitting, trenching and boreholes.

3.6 Sitapatore

3.6.1 Tectonic Structure

Since the deposit is part of the central crystallized zone, it has been subjected to many cycles of deformation, resulting in development of many lensoid shaped bands of variable dimensions. The rocks of this area have undergone intense pressure due to folding. Many stages of folding consisting of isoclinal folds with axial plane trending almost in north-south direction are of doubly plunging nature. The pockets of ore due to eroded structural depressions are seen in this area.

3.6.2 Mineralisation

The ore constitute of braunite, which is associated with spessertite (garnet), manganese silicates and pyroxenes. Gondite is the predominant rock available here.

3.6.3 Exploration History

The area has been explored in the early stage with pitting and trenching. Later on boreholes have been drilled to delineate the different ore zones. To date 9 boreholes have been drilled with total meterage of 1565 m down to a depth of about 280 level which is approximately 60 m below ground level.

3.7 Dongri Buzurg

3.7.1 Tectonic Structure

The Dongri Buzurg mine area is representing an overturned southern limb of a syncline with older formation like Torodi Gneiss and Sitasaongi formation forming the hanging wall of the manganese ore zone. Mica horizons and the mica schist form the footwall as well as core of the syncline. The strike length of the ore body is about 2150 m in east-west trend, and dips at 60°-70° due south. The thickness of the ore body ranges from 2 m to 30m. It is thickest in the central part and gradually tapers down up to 2 m at both ends.

The manganese ore horizon occurs as a continuous bed at the stratigraphic contact of overlying Sitasaongi formation and underlying Munsar formation, on the reversed limb of a regional anticline.

3.7.2 Mineralisation

The manganese ore is associated with gondites, a regionally metamorphosed manganiferous and non calcareous rocks, characterised by spessartite and quartz with or without manganese silicates, showing a bedded character and enclosed in peletic to psammitic metasediments.

The ore zone is metasedimentry converted to higher oxides due to prolonged action of agents of weathering. The remnants of these original sediments, as gondite, rhodonite, Mn quartzite and manganese ore are scattered at various depths and intersections. Pyrolusite, psilomelane and hollandite are the common minerals associated with ore zone.

3.7.3 Exploration History

This mine was discovered in 1895 and mining started in 1902. Since then mining operations have been carried out. Exploration has been conducted sporadically with pitting, trenching and boreholes.

3.8 Beldongri Mines

3.8.1 Tectonic Structure

The ore zones are lensoid in nature. Manganese zones of Beldongri, New Satak and Old Satak trend almost in east-west direction and dip at moderate to high angle due south. Since the entire zone is under the influence of silliminite grade of metamorphism, the high magnitude of deformation has resulted in disposition of mineral belt in lensoid form.

3.8.2 Mineralization

In these areas the ore is associated with sillimanite grade of metamorphism. The Beldongri ore is associated at the contact of biotite gneiss, quartz mica schist and Munsar Formation. The mineralogy of the ore consists of braunite, haussmanite, rhodonite along with gondite rock.

3.8.3 Exploration History

The area has been explored through 30 boreholes. However, only 24 intersections have been encountered in these boreholes. The maximum depth through these boreholes is to a depth of approximately 150 m below ground level. The total meterage covered in these boreholes is 2264 m.

3.9 Munsar Mines

3.9.1 Tectonic Structure

The Munsar deposit forms an arc shaped band of 2.7 km and dips with moderate to high angle due north-east. The ore zone is subjected to tectonic activities resulting in development of boudinage structures, represented by lensoid pattern over the entire strike length. These lenses are separated by shear fractures. Locally fractures have been exploited by pegmatite intrusion and/or by weathering.

3.9.2 Mineralisation

The deposit is associated with sillimanite grade of metamorphism. Braunite is the principal ore mineral associated with other oxides and silicates of manganese.

3.9.3 Exploration History

The area has been explored through 65 boreholes and have been intersected in 46 locations thereby proving the mineralization to a depth of 243 level or 120 m below ground level. Total meterage drilled is 4685 m.

3.10 Kandri Mines

3.10.1 Tectonic Structure

Tectonic activities have developed an “S” shape ore zone at Kandri. The property is divided into North Limb, South Limb and South Limb Extension sections. Ore zone plunges due south-east with an angle 25º-45º. All the limbs dip at 65º-70º. Variation in direction of dip indicates the presence of fold system. The fold system regionally develops as a part of a synclinorium.

A syncline is developed in between north and south limb and an anticline is developed between south and south limb extension. The North Limb and South Limb Extensions outcrop as thin beds. Both the limbs thicken at depth. The South Limb thickness is 7-25 m, which has gradual reduction both in thickness and trend with depth.

3.10.2 Mineralisation

Braunite is the main ore mineral with occasional spessartite developed.

3.10.3 Exploration History

The production of manganese ore started since 1898 and the first shipment was made in 1900. The mining operations are currently by underground methods but open pitting has been used in the past. However it has been proposed to exploit manganese ore of south limb extension above 50 level by opencast mining.

3.11 Gumgaon mines

3.11.1 Tectonic Structure

The ore zone is displayed in anticlinal fold form with a strike east-west and dip due south with moderate to high angle. This fold also plunges due west with low angle. The deposit is faulted with a vertical fault trending in NE-SW direction, dislocating the eastern block to south. The average true thickness available for mining ranges from 2 m to 15 m.

The southern limb appears to be overturned, has been displayed in boudinage form both vertically and laterally.

3.11.2 Mineralisation

Gumgaon deposit displays sillimanite grade of metamorphism. Braunite is the principal mineral association with minerals of oxide and dioxide origin.

3.11.3 Exploration History

This mine was started in 1900. It was worked as opencast till 1962 and then was converted to underground. This deposit has been proved to the depth of -400’ level with 49 boreholes. However, considerable strike length remains for exploration. At present further exploration has been suggested with 18 boreholes mainly to prove the depth continuity at deeper level down to -600’ level and also along strike.

4 MINERAL RESOURCES AND ORE RESERVES

4.1 Principles of Resource and Reserve Classification

MOIL mineral resources and ore reserves have been estimated by the Company using the UNFC system. IMC-SRG has converted the UNFC classified resources and reserves to the JORC Code.

4.1.1 Principles of the UNFC Code

UNFC is a three dimensional system, the three axes being economic, feasibility and geological factors. The categories of resource estimation are denoted by digital codes shown in Figure 4-1.

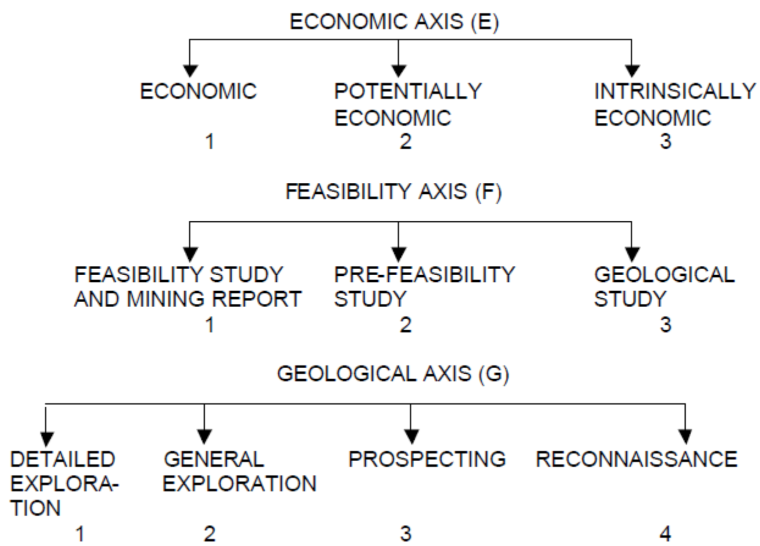


Figure 4-1 UNFC Coding System

The codes of categories vary from the highest (111) to the lowest (334). The standard terms along with their codes are shown in Figure 4-2. The UNFC system, by using numerical codes, is independent of language and hence, globally understandable.

Terms and Codes in UNFC

1.	Total Mineral Resource (Intrinsic economic interest, reasonable prospect for eventual economic extraction)	Measured Indicated Inferred	(331) (332) (333)
2.	Mineral reserve (economically mineable part of measured/indicated mineral resource)	Proved Probable	(111) (121 & 122)
3.	Reconnaissance Resource		(334)
4.	Pre-feasibility Mineral Resources		(221, 222)
5.	Feasibility Mineral Resource		(211)

Figure 4-2 Definitions used in UNFC System

4.1.2 Principles of the JORC Code

The JORC code is widely used as a reporting system internationally. The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves was established in 1971 by the Joint Ore Reserves Committee (JORC).

One of the main factors in the JORC code reporting is that a 'competent person' executes the reporting. A competent person must have a minimum of five years experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which that person is undertaking.

The JORC code uses the following terms and definitions which are explained schematically in Figure 4-3.

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 three categories:

- Inferred Mineral Resource; is 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 from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.
- Indicated Mineral Resource; is 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.
- Measured Mineral Resource; is 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.

An Ore Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowance for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time reporting that extraction could reasonably be justified. Ore reserves are sub-divided in order of increasing confidence into two categories:

- Probable Ore Reserve; is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource.
- Proved Ore Reserve; is the economically mineable part of a Measured Mineral Resource.

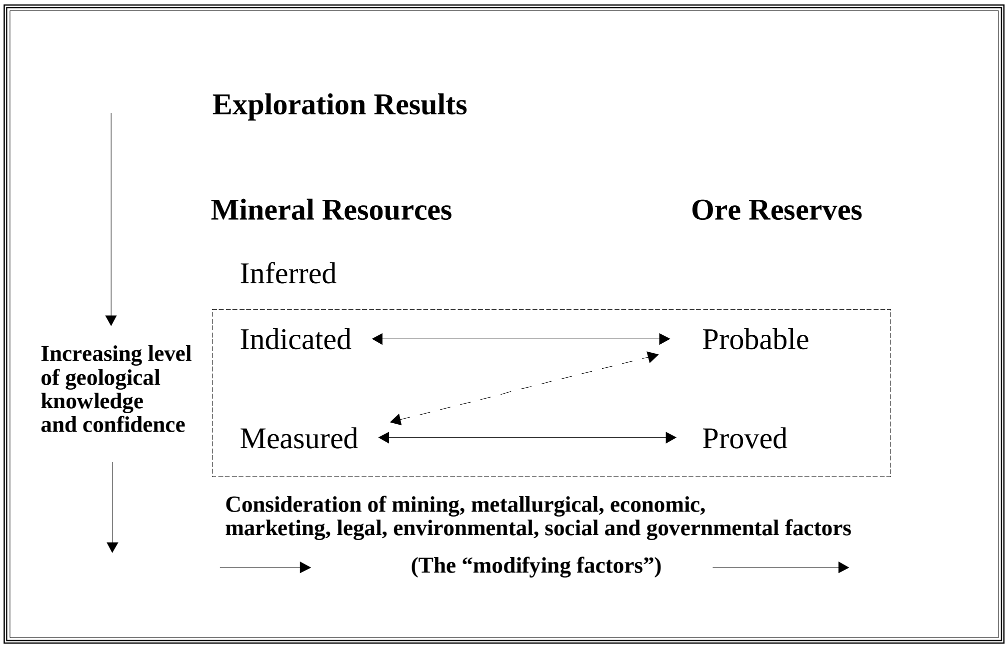


Figure 4-3 Principles behind the JORC Code

4.2 Nature of Evidence

4.2.1 Drilling Data

Diamond drilling to explore and delineate orebodies has been undertaken in all the mines. A summary of drilling at the mines is shown in Table 4-1. Boreholes have usually been located at 60-100 m intervals along strike for the shallow horizons and 150-200 m along strike for the deeper horizons at depths of 100-150 m below surface. The section lines through these boreholes have been designed to intersect the mineralization across strike. However, drilling section lines have been drawn perpendicular to the ore body to allow for the curvature of the ore body where it is folded. Borehole data is plotted on plans and section considering the geological parameters and information.

Drilling is undertaken using in-house Company owned drill rigs. Generally holes are drilled producing EX or BX size core. Drilling is on-going at the MOIL mines.

4.2.2 Sampling and Assay Procedure

Core samples from diamond drilling are logged by the geologist who examines the core and makes detailed notes on lithology, structure and mineralogy. Samples are taken routinely at one meter intervals. Depending on the quality and quantity of core, samples are taken either by splitting the core or taking core chips. Sludge samples from drilling are also taken and these may replace core samples through zones of poor core recovery. Samples are analysed for manganese, phosphorus, iron and silica.

Chip samples are taken from the development headings, usually crosscuts, at surveyed points and analysed for manganese, phosphorus, iron and silica. This information is plotted on level assay plans.

Grab sampling is mainly done for ore production control. It is done from the run-of-mine (ROM) at the shaft head. The analysis of these samples is done for the same elements as mentioned above. The resulted sample is processed for crushing, grinding, coning and quartering and then sent to laboratory for analysis.

The sampling preparation facility consists of a three phase jaw crushing system reducing the sample down to approximately -3 mm grain size. In every stage the material is cone and quartered to reduce the quantity for ultimately to get the final sample of 100 g only. The cone and quartering plate is cleaned after every cone and quartering. The 100 g sample is pulverised down to -100 mesh. This sample is then bagged for analysis.

The centralized laboratory placed at MOIL's head office at Nagpur caters for all the samples received from different mines. Analysis is carried out by XRF method. Analysis is done for manganese, phosphorus, iron and silica.

The saleable product is sampled by a third party sampler/assayer from the stock piles that are prepared for despatch either by rail or road to different buyers.

Table 4-1 Summary Drilling Data

Mine	No. of Boreholes	No. of Intersections	Max Depth Proved (m)	Total Exploration (m)
Ukwa	78	72	250	9091
Balaghat	71	56	585	26951
Chikla	65	41	160	9050
Tirodi	144	61	50	4826
Sitapatore	9	5	60	1565
Dongri Buzurg	46	41	250	5580
Beldongri	32	24	150	3264
Munsar	65	46	120	4685
Kandri	55	46	200	10364
Gumgaon	64	57	350	11749
Total	629	449		87125

4.2.3 Location of Data Points

All boreholes collar positions have been surveyed by mine surveyors to a high level of accuracy. Down hole surveys are not conducted. The sample points in cross cuts are also surveyed for proper plotting on plans.

4.3 Resource Estimation Methods

The deposits have been established through pitting, trenching, surface borehole and then opened as opencast or underground mines. Considering the direct exposure of mineralization both in opencast and underground mines, and indirect exposure in boreholes, the geological axis of the UNFC system can be applied. The other parameters such as feasibility and economics of the deposits are also considered. The different categories of resource/reserve mine wise are given below.

As per UNFC classification, all the MOIL deposit are categorised as stratiform or stratabound tabular deposit of regular habit.

MOIL uses traditional sectional methods for estimating resources. Cross-sectional data is compiled and combined with area measurements to estimate the mineral content at each section position. Sections are then interpolated across the deposit to determine overall tonnage and mineral content for each block. The conversion from volumes to tonnage uses a specific gravity of 3.5, which has always been historically used by MOIL.

A cut-off grade of 25% Mn is used to define the minimum quality or content of mineral for orebody definition.

4.3.1 Ukwa Mine

4.3.1.1 Proved Mineral Reserves (111)

The underground exploitation is limited between chainage position (Ch) 3200 and Ch 14900 down to 1850 level. The activities of exploitation are being carried out as per approved Mining Plan. The ferro grade ore being produced is sold to various parties. With present market scenario the exploitation is economical. Hence the area is placed as 111 along three axes.

4.3.1.2 Probable Resources (121)

The pillars like rib pillars, sill pillars, crown pillars and barrier pillars have been grouped under this category.

4.3.1.3 Pre-feasibility Mineral Resources (221)

The area to the south of Ch 3200 and below 1850 level to Ch. 14900 is classified as 221. The exploration is sufficient to know the quality and thickness of the ore zone. The area falls under high phosphate zone for which, presently, there is no market. The exploitation can be viable with change in the present techno-economic conditions.

4.3.1.4 Inferred Resources (333)

Areas outlined by surface boreholes at depth have been categorized under this section.

4.3.2 Balaghat Mines

4.3.2.1 Proved Mineral Reserves (111)

These categories of reserves have been considered for blocks between Ch 11 and Ch 60 as blocks under exploitation or development between 9-12 levels.

The present Holmes Shaft is sunk down to 12' level. The ongoing exploitation activities have generated sufficient geological information for the blocks between 12-15 levels, which are under development. Market conditions are favorable and the forecast is strong and hence future exploitation on these levels will be feasible. The shaft will be sunk to 15' level to facilitate production.

4.3.2.2 Proved Mineral Resources (221)

This category is considered for blocks north of Ch 11 and between Ch 60 and Ch 74.

Geologically it is established that the phosphate content increases on either side of main central zone. The deposit also thins at the margins and the wall rocks become weaker. Under the circumstances the data on quality of rock mass must be established. Exploitation requires modification of mining methods, as well as a rise in demand for high phosphate ore. Sufficient geological data from boreholes and adjacent mining activities have been generated to place the zone under feasible category. North of Ch 11 the ore is under forest land and an application under FCA 1980 has been submitted for clearance.

Out of the balance area below 15’ level, the area covered by detailed exploration is categorized under 211. This area is explored by a number of boreholes. The data generated on quality and quantity of ore is feasible for economic extraction. The present technology of exploitation may need changing because of increased stress at depth.

4.3.2.3 Pre-feasibility Mineral Resources (222)

Geological information for these zones has been extrapolated from 111 to 211 categories. These zones need additional boreholes to generate data on ore quality and recovery factors before feasibility can be ascertained. Moreover the area beyond Ch. 74 to the south is under environmental constraints as there are dwellings at surface. Previous opencast history suggests that the ore here is high in phosphate.

4.3.2.4 Indicated Mineral Resources (332)

Mineral resources below 19.5' level down to 25.5' level have been considered in this category. They have been extended from upper levels on the basis of previous geological information and boreholes.

4.3.3 Chikla Mines

4.3.3.1 Proved Mineral Reserves (111)

For the Zero deposit at Chikla B the quality of deposit has been established between 60’-160’ levels. Ore above 160’ level is almost exhausted with mainly barrier pillars remaining. Above 60’ level it has been developed up to crosscut No.14. Stoping is completed leaving a barrier pillar against the upper 160’ level. The data on geological axis has been generated from geological mapping of these developed levels. The deposit is lenticular in shape, having 3 m maximum thickness as it central part. The ore is ferro grade with high phosphate. Lateral extension, thickness and quality is established. The deposit has been developed on 70’ level up to crosscut No.5. Since the deposit is known in three dimensions, the segment up to crosscut No.5 at 70’ level is placed under this category.

For Chikla Main the quality and behaviour of ore is established by few boreholes drilled by Geological Survey of India (GSI). High Mn ore with moderate phosphate is available in this section. Ore is hard, massive and offers better competency to mining operations. This deposit was extensively worked at between 100’-170’ levels and is being developed at -270’ level. The shaft has been sunk to -270’ level. The ore is brought to surface through this shaft, and then transported to crushing and screening plant for further grading.

For Chikla A the deposit has been proved by boreholes drilled by GSI down to 470’ level. Based on exploration data and development at -70’ level the ore zone at -170’ level has been delineated. The stoping operation has commenced and the ore produced is ferro-grade with moderate phosphorus. Exploitation is feasible under present techno-economic condition. Ore exploited is brought to surface through vertical shaft. Ore is siliceous, hard and offers better competency to stoping. The ore between -170’ and -70’ levels to Ch 2750E and between 170’ level and -270’ level to Ch 2800E is considered under this category.

4.3.3.2 Probable Mineral Reserves (121)

At deposit Chikla B No.1 about 250 m strike length deposit has been proved to the depth of -270' level. Two boreholes have been drilled which encountered ore on -270’ level. This zone has been developed and extensively worked at -70’ level, -170’ level and is being developed at -270’ level. As ascertained from borehole data and correlation with underground development, the quality and behaviour of ore is similar at -270’ level. The ore produced in this section is high in Mn, both massive and granular varieties. Phosphate varies from 0.15-0.25%. Ore offers better competency to mining operation. Though the deposit is geologically known, exploitation depends on market conditions. Cut-and-fill mining will be used and ore hoisting facilities are to be developed, mode of entry for this level is to be finalized. At present the ore is hoisted to upper level winzes then transported to incline bottom, from where it is hoisted to surface by haulage. Though the present method of exploitation with pre-mining support is feasible, the deposit is placed under this category, in absence of proper hoisting system and mode of entry to this level.

At Chikla Main the ore zone is a plunging syncline. Both the limbs of syncline dip due south with high angle. This fold plunges to east with high to moderate angle. The trough of syncline has been delineated up to -470’ level. Ore is high in Mn with moderate phosphate. Underground infrastructure facilities have been developed. Ore is hoisted to surface through vertical shaft. Deposit in this section has extensively worked at 100’ level, 40’ level and -170’ level and is being worked at -270’ level. Ore below -270’ level down to the trough as shown in long section is considered with this category. Present exploitation at -270’ level is feasible and economical. Since similar quality and behaviour persists below -270’ level, as indicated by boreholes, the exploitation would be feasible under present techno-economic conditions.

4.3.3.3 Prefeasibility Mineral Resources (221)

At Chikla A the lower segment of ore zone between grid 2200E and 2700E that has been intersected by boreholes is considered with this category. The quality as shown by boreholes for lower levels is higher in silica but will continue to produce the ferro grade, hence the exploitation with present technology will be feasible. The shaft needs to be deepened down to -270’ level, to exploit the ore from the lower levels. Therefore in absence of proper infrastructure facilities and mode of entry, the segment is placed in this category.

Similarly the segment between 2750E and 3200E on -170’ level, -70’ level and above -70’ level is placed with this category. In the past the ore was exploited to shallow depth. It is a siliceous ore, that has been confirmed by boreholes drilled by GSI and the data from early opencast mining, feasibility of exploitation depends on market for this grade.

4.3.3.4 Prefeasibility Mineral Resources (222)

The Chikla A segment of ore between grid 2600E and lease boundary to east for lower levels as shown in long section is placed with this category. Boreholes drilled in area have intersected ore zone at upper levels. The data is extrapolated to lower levels. It is siliceous zone with narrow thickness (2-3 m). However exploitation has been proposed considering the favorable market in future. Exploitation is envisaged as economical, however in absence of proper exploration and uncertain market for such grade, the feasibility has not been considered at this stage.

4.3.3.5 Indicated Mineral Resources (332)

Chikla B No.1 deposit extends downdip below -270’ level but in absence of mode of entry, it is placed under 332 category. The quality and behaviour of ore has been extrapolated from data on -270’ level.

Chikla B Zero deposit is known for high phosphate ore. It is extensively worked at 160’ level and 60’ level. At 60’ level the drives could not further be driven due to strata problem. The display of this zone is in three separate lenses. Each zone is separated by quartzite band. Ore is hard siliceous and inferior in nature. Moreover it is high in phosphate content. Exploitation of such ore may not be economical at this stage. Therefore the deposit is categorised as 332.

4.3.3.6 Inferred Mineral Resources (333)

Chikla B Zero deposit is only considered under this category. As shown in long section the ore zone below 60’ level needs be established. So far the mining has been done without considering the exploration data. The behaviour at depth is unknown. Mode of entry is limited to -170’ level only. Exploitation with present market conditions may not be economical and hence the deposit is placed under 333 category.

4.3.4 Tirodi Mines

4.3.4.1 Proved Mineral Reserves (111)

In South Section opencast activities are limited between Ch.21 to Ch.32. At present the exploitation of ore is from 250’ level where the segment has been proved by boreholes to delineate the plunge of ore zone at depth. Accordingly, the plunge has been delineated from 250’ level to 245’ level. Since the deposit has been exploited economically with present method, it will continue up to plunge limit to 245’ level. Ferro-grade inclusive of high Mn ore with moderate phosphate is available. Therefore the method is feasible under present techno-economic conditions.

4.3.4.2 Probable Mineral Reserves (122)

The area between Ch.13 to Ch.18 in South Section, was worked by underground method to the 275’ level. Few stopes were developed for exploitation; however the stopes were not completed due to low recovery percentage. Presently this segment is being explored to know the possibilities of exploitations by opencast. To justify the opencast development ore zone quality will be ascertained. Since underground infrastructure has been developed at 275’ level, the possibilities of opencast will be considered up to 275’ level. Accordingly a proposal of opencast development has been submitted along with this scheme.

In the North Section area although boreholes have been drilled the delineation of ore zone is not very clear. This may be due to complexity of structure. Depressions and culminations have generated multiple ore pockets. It is very difficult to locate such sub surface pockets with exploration. However present mining in area indicates the presence of medium to high quality ore. Phosphate is on higher side, but saleable in present market in blended form. The feasibility and economy of exploitation depends on the ore distribution. Therefore this segment is in class 2 with respect to the feasibility and geology axes.

4.3.4.3 Pre-Feasibility Mineral Resources (222)

The Jamrapani Section Pit No.9 has been grouped under this category. There are small pockets exposed while working the pits which have been grouped under this category. These pockets are not extractable at the moment along with the pit operation.

4.3.4.4 Indicated Mineral Resources (322)

The ore zone of Paonia area is siliceous in nature and high in phosphate. This is revealed from earlier mining in a few scattered pits worked to shallow depth. No positive exploration has been done. The ore zone is extrapolated from the exploration of North Tirodi Section. Market for this grade needs to be established. Since the overall picture is uncertain, feasibility depends on the behaviour and quality of ore available in situ. The Paonia area is placed with 322 category.

4.3.4.5 Pre-feasibility Mineral Resources (333)

The North Tirodi rest house areas have been included under this category.

4.3.5 Sitapatore

4.3.5.1 Pre-feasibility Mineral Resources (222)

The pit number 6 and the pit number 8 have been grouped under this category.

4.3.5.2 Inferred Resources (333)

There are minor pockets which are not being worked at the moment but have been estimated and grouped under this category.

4.3.6 Dongri Buzurg

4.3.6.1 Proved Mineral Reserves (111)

The category has been considered for the main open pit between Ch.12 and Ch.14 down to 214’ level. This segment ore zone has been exploited since the commencement of mining operations by way of opencast. Dioxide ore has been recovered, initially by manual workings and later on by mechanization.

The segment of ore zone has been proved and established by 20 boreholes, intersecting the zone at different levels. All boreholes have intersected dioxide ore with suitable quality for the present market.

The hangwall of ore zone is quartz mica schist with emplacement of granitic rock available in area and the footwall is mica schist. Exploitation of ore is by opencast. It is proposed to develop the deposit to 240' level by open pit.

4.3.6.2 Pre-Feasibility Mineral Resources (221)

The main bulk of production is obtained between Ch. 12 to Ch. 40. The ore zone here is 30 m thick. The deposit tends to thin on either side of main pit. On east of pit, the deposit has been worked by underground and the ore zone here is 6-8 m thickness. However these stopes could not be exploited to their full potential due incompetent rock condition of the ore. Boreholes have been placed below this underground area and have proved the dip persistency of dioxide zone.

Segment between Ch.40 and Ch.52 from 333’ level to 304’ level is placed in 221 category. At 334’ level the ore zone has been exposed by opencast and underground workings. Winzing from 334’ level has also established the depth persistency of dioxide ore. This has been supplemented by boreholes placed in this area. Since the nature and behaviour of deposit in this segment can be drawn the deposit is placed 1 under geology. The other parameter pertaining to economy and feasibility have been considered as 2. At present the operations are not viable and therefore the extraction under these techno-economic conditions is not economical.

Similarly the segment of ore zone to the west between Ch.1200 and Ch.00 from surface to 304’ level is also considered under this category. Borehole density in area is sufficient, so as to give knowledge of geology and behaviour of ore zone. However owing to the gondite nature of the deposit, exploitation is not currently viable.

4.3.6.3 Pre-Feasibility Mineral Resources (222)

The area up to +94’ level, as indicated on long section is considered under this category. Boreholes indicate persistency of ore zone up to 94’ level. Additional drilling is required to know the geology of deposits in this segment. Mining commenced with open cast in central thick part. Over a period of 100 years the open cast activities now have reached to the depth of 280’ level. During present scheme this opencast will be extended to the depth of 240’ level and possibly down to 214’ level. Downward from this level the depletion in dioxide nature is revealed by borehole data. To extend the pit down to 214’ level may demand additional area on surface. This may disturb the surface infrastructure and may result in high cost of mining.

Considering the present and future market scenario, it is necessary to establish the deposits for proper planning and systematic workings. A comprehensive scheme has been drawn, that includes 30 boreholes to prove the deposits at various levels. The scheme is drawn with the aim to prove additional resources and to change the resources to reserves for future planning.

At deeper levels, the extraction by open cast may not be feasible. Technical soundness of underground is to be justified. Since the deposit cannot be evaluated under present techno-economical conditions it is placed in pre-feasibility mineral resource category.

4.3.7 Beldongri Mines

4.3.7.1 Proved Mineral Resources (111)

Resources available in Beldongri Mine from 193’ level to 48’ level in the pit have been grouped under this category. In the New Satuk area in the opencast the readily available blocks up to a depth of 265’ level have also been grouped under this category.

4.3.7.2 Probable Mineral Resources (121)

Barrier pillars have been left and are considered under this category.

4.3.7.3 Feasibility Mineral Resources (211)

In the New Satuk area the ore available on 260’ level and 281’ level has been grouped in this category.

4.3.7.4 Pre-feasibility Mineral Resources (222)

The resource extrapolated below the exposed level at 148’ level down to a depth of 130’ level has been grouped under this category. In the Old Satuk area, in the open pit, some resource has been grouped under this category.

4.3.8 Munsar Mines

4.3.8.1 Proved Mineral Resources (111)

In Munsar Mine the main hill pit section (underground) blocks developed through the underground development above + 70’ level have been grouped under this category.

4.3.8.2 Probable Mineral Resources (121)

The mineral resources grouped under this category in Durga pit extends up to 70’ level. The blocks in the main pit area up to +70’ level from surface are grouped under this category. The barrier pillar left in the main hill section of Munsar mine has been categorized under this and extends from surface to + 70’ level.

4.3.8.3 Pre feasibility Resources (221)

The blocks extended below the 121 category for one level to -30’ level have been grouped under this category.

4.3.8.4 Pre feasibility Resources (222)

In the Durga pit section blocks delineated up to -230’ level has been grouped under this category. The blocks in the Main Hill pit section in the underground termed under 222 category have been extended to -230’ level and grouped under this category. In the Bunglow pit and KL pit and Parsoda area the blocks of 222 have been extended to -230’ level under this category.

4.3.9 Kandri Mines

The ore reserves estimations are made on the basis of exploration data generated from surface drilling. Ore reserves of the mine are categorized on the basis of intensity of exploration data and mine development.

4.3.9.1 Proved Mineral Reserves (111)

North Limb and South Limb are considered under this category. Both limbs have been worked extensively and exhausted up to 250' level. Barrier pillar of 3 m thickness are left against the upper level. Mining with cut and fill method with pre-mining support is being carried in both the sections at -350' level. Two slices of 2.2 m each are left for operation in North Limb, however South Limb at this level has reasonable tonnages. Both the limbs at -350' level are well developed. Tonnage and quality is known. The mining method is feasible with present technology. Mining operations follow the mining plan. The ore produced is saleable in present market and is expected to do so in coming years. Therefore reserves under south limb extension are categorized under this group.

4.3.9.2 Probable Mineral Reserves (121)

All the pillars and barrier pillars in North and South sections, which are left during mining operations, have been considered under this category. The quantity of ore blocked and quality is known. This quality is saleable in present market conditions. However, mining of these pillars needs modification in method. It may not be possible to recover these pillars at this stage of mining.

4.3.9.3 Pre-feasibility Mineral Resource (221)

The South Limb Extension Section has been worked by opencast and underground. Due to unstable strata conditions, mining in this section has been discontinued. Present method of mining is not suitable and requires modifications. With present method lump recovery is low. The deposit can be economical, if technology is upgraded. Since it is developed down to -350' level, the tonnages and quality is established. This quality is saleable in present and forecast market conditions.

The East Hill Pit Section was earlier worked by opencast. At present the pit is water logged but is being dewatered. The quality of the ore zone will be delineated after exposure. The estimation will be done accordingly. However considering the trend of foot wall exposure and borehole data the tentative estimation has been made. The reserves have been considered under this category.

4.3.9.4 Pre-feasibility Mineral Resource (222)

South Limb Extension is a plunging syncline with an axis trending approximately east-west and plunging due east at 20-25°. The trough has yet to be established and requires drilling or horizontal development. The present drives of South Limb Extension have been proposed to be extended through this area to reveal the nature of the trough, true thickness and tonnages available for mining. The present mining method is not applicable and requires technological upgrade. The grade of ore is saleable in present market.

4.3.10 Gumgaon Mines

4.3.10.1 Proved Mineral Reserves (111)

The area between Ch.38 and Ch.43 between -100' level and -200' level has been considered under this category. The ore zone of this block is economically feasible for exploitation. Boreholes have been drilled to ascertain the quality and quantity of ore zone. Considering the feasibility of deposit, a shaft is being sunk to the depth of -200' level. The present and forecast market conditions are favourable and under the circumstances the exploitation with present approved method is economically feasible.

The ore zone of this block is up to 60 m thick. Two ore zones contribute to the thickness, distinguished as North zone and South zone. The South zone is governed by an anticlinal fold, which strikes E-W and dips due south with moderate to steep dip. Schist bands occur intercalated with the ore zone. This zone has a content of 42% Mn and 0.2% phosphate. The North zone is thick with a few clay bands intersecting across the dip. The zone has a content of 46% Mn and 0.15% phosphate. It is controlled by pegmatite and a fault to west. The high tonnage profile of this block is mainly due to the North zone.

The geology of the Gumgaon area is well established by surface geological mapping, exploration to upper levels and extrapolation of surface data to lower levels. The fold has been worked at 88 level and 13 level leaving barriers against the upper sandy soil zone and workings. At -100' level the stopes are currently being worked. The remnant ore is saleable present market scenario. The tonnages are known and it is feasible to recover this quantity under present techno-economic conditions. At -200' level the deposit is being developed for cut and fill mining. The deposit has been explored to the depth of -300' level and the ore zone quality appears to be similar to the upper levels. Hence the segment between Ch38 and Ch22 down to -300' level is considered under this category.

4.3.10.2 Probable Mineral Reserves (121 & 122)

The levels below -200' level down to -400' level have been considered under this category. Boreholes drilled in the area show the persistency of ore zone to the depth of -400' level. A reasonable level of knowledge regarding quality and quantity is known and hence this part of the deposit is placed under economic category 1. Since there is no deviation in quality, in present market scenario exploitation is possible.

Though the similar geological set up continues with depth, which has been proved by boreholes, its characteristics, nature and competency is not very clear at depth below -300' level. So far the mining activities are restricted to -200' level. The other parameters are extrapolated to depth. It is assumed that the present method of mining will be feasible at that depth. Therefore the segment between -300' level and -400' level is considered under category 2 for geology and feasibility. Mining with present technology is feasible and market conditions are favourable. Therefore the area between Ch38 and Ch22 between -300' level and -400' level is considered under this category.

4.3.10.3 Pre-Feasibility Mineral Resources (222)

The ore zone at Gumgaon plunges due west by 8-10°. The zone below -400' level up to plunge limitation has been considered under this category. This zone has not been proved, but extrapolated down dip from borehole data. Since Gumgaon ore zone does not show much variation in quality, behaviour and nature of deposition, similar set up has been extrapolated to this zone. However this needs confirmation with boreholes. The present method of mining is feasible. It will be confirmed after opening the deposit at -300' level. Ore is saleable in present market and continues to do so in future also. Hence the exploitation at deeper levels also will be economical.

4.3.10.4 Inferred Mineral Resources (333)

The zone beyond Ch22 to the east, which is controlled by plunge, has not been sufficiently proved by boreholes. Few intersections have been obtained, but the data is not sufficient to delineate the ore zone. Moreover, the ore zone in this segment has been faulted by two parallel faults. Additional borehole data is desired to ascertain the behaviour of this fault. Since geological data is inadequate, no confirmation regarding feasibility can be stated. Therefore this segment is considered as 333 in UNFC classification.

4.3.11 Dumps

In addition to the in-situ resources and reserves at the mines there are a number of dumps scattered throughout the properties. The dumps are comprised of reject material from the sorting process. Re-processing of the material is considered by MOIL to be worthwhile. The dump tonnage estimates are based on Indian Bureau of Mines approved mining plans derived from surveys of the dumps.

4.4 Statement of JORC Mineral Resources

A summary of the JORC mineral resources for MOIL is shown in Table 4-3. The resources have been converted from the UNFC format resources and reserves data provided by the Company as of 1st October 2010.

4.5 Basis for Resource to Reserve Conversion

All the mines that are being operated by MOIL have a long history of mining. The mineral resources in these mines, depending on the level of confidence and with due regard to the feasibility studies and plans for extraction are transferred to the different category of ore reserves as per the JORC code.

Modifying factors for ore loss have been applied and are based on historical performance at each mine. Reserves excludes discount for Ore losses that blocked in pillars & dilutions as given in table below. The Ore losses in pillars possibly can be won when it is techno-economically feasible.

Table 4-2 Modifying factors for ore loss mine wise, method wise

RECOVERY FACTOR FOR DIFFERENT MINES		
Mines	**Recovery %**	**Method of Mining**
Ukwa	60%	Underground
Balaghat	67%	Underground
Chikla	70%	Underground
Tirodi	80%	Open Cast
Dongri Buzurg	90%	Open Cast
Beldongri	67%	Underground
	90%	Open Cast
Munsar	70%	Underground
Kandri	67%	Underground

4.6 Statement of Ore Reserves

A summary of the JORC ore reserves for MOIL is shown in Table 4-4. The reserves have been converted from resources and are based on the UNFC format resource and reserve data provided by the Company as of 1st October 2010.

Table 4-3 Summary of JORC Mineral Resources

RESOURCE SUMMARY FOR MOIL LIMITED as on 01.10.2010				
MINES	**MEASURED**	**INDICATED**	**MEASURED+INDICATED**	**INFERRED**
UKWA	4,386,071	1,386,885	5,772,956	3,036,676
BALAGHAT	12,706,529	7,136,631	19,843,160	1,488,218
CHIKLA	1,214,197	2,398,809	3,613,006	624,750
TIRODI	1,168,851	33,863	1,202,714	497,081
SITAPATORE	0	203,438	203,438	50,000
SUKLI	29,258	0	29,258	130,000
DONGRI BUZURG	3,307,092	7,479,033	10,786,125	227,500
BELDONGRI	355,688	125,565	481,253	0
MUNSAR	702,118	2,498,915	3,201,033	1,469,125
KANDRI	570,203	2,648,965	3,219,167	0
GUMGAON	2,600,205	615,125	3,215,330	717,500
DUMP	9,736,665	0	9,736,665	0
TOTAL	**36,776,875**	**24,527,228**	**61,304,103**	**8,240,850**

Table 4-4 Summary of JORC Ore Reserves

RESERVE SUMMARY FOR MOIL LIMITED as on 01.10.2010			
MINES	**PROVED**	**PROBABLE**	**TOTAL**
UKWA	1,370,464	1,458,381	2,828,845
BALAGHAT	6,916,517	2,073,343	8,989,861
CHIKLA	532,716	615,465	1,148,180
TIRODI	136,696	798,385	935,081
SITAPATORE	0	0	0
DONGRI BUZURG	2,976,383	0	2,976,383
BELDONGRI	216,256	7,151	223,406
MUNSAR	73,206	1,172,019	1,245,225
KANDRI	382,036	0	382,036
GUMGAON	1,627,902	0	1,627,902
DUMP	1,388,383	0	1,388,383
TOTAL	**15,620,558**	**6,124,744**	**21,745,302**

* includes discount for ore loss & dilution. Reserves=Resources – Ore Loss + Dilution

Mines at MOIL have been producing a consistent quality over years and is expected to remain same. Details are shown in the table below.

Table 4-5 Quality Mine Wise

Mine	Ore Type	Mn%	Phos%	Sio_2%	Fe%
Chikla	Oxide	36	0.20	25	7
Dongri Buzurg	Dioxide	42	0.20	15	7
Tirodi	Oxide	32	0.25	22	7
Sukli	Oxide	30	0.25	25	7
Sitapatore	Oxide	32	0.25	25	7
Balaghat	Oxide	40	0.15	15	6
Ukwa	Oxide	38	0.15	18	7
Kandri	Oxide	38	0.20	18	7
Munsar	Oxide	32	0.25	26	7
Gumgaon	Oxide	36	0.25	18	7
Beldongri	Oxide	30	0.25	18	7
Old Satuk	Oxide	30	0.25	18	7
New Satuk	Oxide	30	0.25	18	7

5 MINING

5.1 Ukwa Mines

At the beginning, this mine was worked by opencast method, and extracted the ore out-cropped on the hilltop. Then the mine was converted into underground mine and worked by putting the inclines. At present this mine is worked by Flat Back Cut and Fill method of mining and voids created by extraction of ore are being filled by waste rock and sand.

Ukwa mine is divided into three sections namely Ukwa section – Southern extremity, Flat section and Samnapur section.

First level (1950' L) and second level (1850' L) are connected by underground incline at an interval ranging between 200' to 600' on strike direction. As the dip of orebody is 20^0 to 30^0, the mining activities are carried by cut and fill method with driving the sublevels between two levels.

Considering the favourable market condition and economy, it is proposed to start opencast mining in between 600MRL to 580MRL in Chitawar section and in Gudma section in between 600 MRL to 590 MRL on a small scale during the period 2007-08 to 2011-12. The underground workings will continue in other sections namely Ukwa, Flat and Samnapur section. The overall slope of pit will be 35^0 and proposed brief parameters of benches and blast design are shown in Table 5-1.

Table 5-1 Mining Parameters at Ukwa

Parameter	Specification
Bench height	Overburden 6.0 m / ore 6.0 m
Drill diameter	Overburden 110 mm / ore 110 mm
Drill depth	Overburden 6.6 m / ore 6.6 m
Burden	Overburden 2.1 m / ore 2.1 m
Spacing	Overburden 3.0 m / ore 3.0 m
Stemming	2.5 m
Type of explosive	slurry
initiation	Bottom
delay	25 ms
Firing sequence	series
Max charge/delay	60.49 kg
No of rows/blast	2
Max holes/blast	20
Pattern of hole	triangular

5.2 Balaghat Mines

At Balaghat, the exploitation activities commenced with pitting-trenching and later on by way of opencast. In 1938-40 the activities were switched over to underground by way of aditing at 3rd level; later on underground is developed by sinking shafts to approach 3rd level and below. At present Holme's shaft has been sunk to 12th level and production shaft to 10th level.

The mine is worked by Overhand Cut and Fill method of underground mining with sand stowing. With the injection of innovations as are developed through R&D, company has switched over from conventional method of timber support to steel supports like rock-bolts and cable bolts and it will be continued in future also.

The ore between Ch 11 and 60 can be exploited with present Techno-economic conditions. The ore zone beyond Ch 60 to south is high in 'P' content. The thickness reduced to 3-4.5m. Wall rock conditions are weak under the circumstances their need to change in methodology, the demand for high 'P' should be raised. Study for rock mass quality is essential. Though the deposit sounds economic with present market, its technical appraisal is important. In addition to above there may be environmental blockage, as the surface to the south of the road is occupied by dwellings. To the North beyond Ch 11 the ore body tapers to negligible thickness.

At present Home’s shaft has been sunken upto 12th level and production shaft upto 10th level. These two shafts are sufficient to hoist about 5 Lakh tonnes of ROM per annum, planned as the peak production capacity of this mine. The production shaft will be further deepened to 12th level and the Holme’s shaft will be deepened to 15th level alternately, by 3 levels at a time, according to the future requirements of mine development.

Presently back filling is being done by hydraulic stowing system and the same practice will be continued in future also.

To enrich the grade of ore and investigation the beneficiation operation is carried out in the Balaghat mine. There is a crushing and screening plant and scrubber for crushing, sizing and washing the underground ROM ore. The crushed lumpy ore -75mm to +25mm size is transported to the manual sorting plant. This ore is beneficiated manually. The sized and screened material into fraction of -25 mm to +10 mm and -10 mm to +6 mm is transported to Jigging shed for jigging. The balance -6 mm material is stacked separately and screened manually +1 mm size jig feed subsequently. The -1 mm dust is stacked on the surface.

5.3 Chikla Mines

At present deposit of Chikla main and Chikla “A” is being worked by cut and fill method with pre-mining support at -170’ L and -270’ L. The cavity formed after extraction is now filled by sand stowing. Both the levels are being developed towards East to form additional stopes. These levels are connected to vertical shaft, sunk to -270’L.

At Chikla B 1 deposit of -70’L is now exhausted. The stoping is being carried out between -170’L and -270’L. The ore extracted in stopes, is drawn to the surface via an incline sunk from the surface. Ore drawn to surface through vertical shaft is sent to crush and screen plant for beneficiation.

In early past the mining operations of “0” deposit at 160’L and 60’L were suspended due to poor quality of ore. Considering the present market and conservation of mineral, this deposit now has been decided to open by opencast method. It has been proposed to develop the deposit upto 290MRL in 1st phase. However considering its economy and related safety factors, this opencast will be extended to 270MRL (i.e. to 60’L in 2nd phase).

The opencast working is proposed to start at 320’L (Chikla Main) and 220’L (Chikla B) section. The development of the benches will be done by shovel dumper combination.

The bench parameters and features of opencast development are as follows:

- Height of the bench 7.5m
- Width of the bench not less than 7.5m
- Slope of the bench about 70^{0}
- A ramp will be provided on the highwall side.
- Overall slope angle of the pit will be 32^{0}

The present mining is followed as per the approved mining plan. This plan has been prepared, considering all the aspects, such as availability of quality ore, depth persistency, feasible and economical method of exploitation, present market status, and other factors such as forest and environment. As such there is no legal litigation. No environment or forest constraints are in active mining area.

5.4 Tirodi Mines

The Tirodi deposit has been subdivided in to number of sections as Jamrapani, South Tirodi, North Tirodi and Paonia section. Out of these presently the operations are conducted in North and South Tirodi area.

5.4.1 Jamrapani Section

Ore bed at Jamrapani occurs in lens form. They strike NNE-SSW with dip towards WSW with low angle. The thickness varies from 1.5-3 m. The ore zone is Gonditic with oxides and silicates of Mn mineral. This zone, the thickness reduces with depth the mining at this pit was suspended due to thinning of ore zone and depletion of Mn quality. At present the pits are water logged.

5.4.2 South Tirodi

In this section the ore zone extends over 1500 m. This is the biggest working section of Tirodi, having an underground operation for about 180 m. The width of ore zone varies from 3 m to 10 m.

Working in South section is mainly by opencast limited to ch.21 and 32. The section between ch.12 to 18 was worked by underground in past. However this section could not be worked with economy. The exploration with 3-4 boreholes is being conducted to justify opencast working in this section. The main bed of South Tirodi between ch.21 to ch.32 will be worked to the depth 252 MRL by opencast. The opencast development will be feasible, considering the present market condition and the infrastructure already developed in support of opencast mining. The section of South Bed between ch.12 to ch.18 is being considered for opencast up to the RL of 275m.

5.4.3 North Tirodi

There are small open pits scattered over the area as a result of past mining activities. The opencast activities are limited between ch.49 and 62. The development is being done by deploying machinery similar to the south section.

The development of pit No. 4 in the north section is being done by opencast using shovel dumper combination.

5.4.4 Paonia Section

Two parallel beds/lenses are present in area. The exposures strike NE-SW direction. Because of staggered locations and poor quality of ore, the area was paid less attention. Presently all the pits are water logged. No boreholes have been drilled to establish the quality and ore behaviour of Paonia section. So far the exploration data of north section has been extrapolated to ascertain the viability for mining.

5.5 Sitapatore Mines

Sitapatore – Sukli are adjacent to each other. They occupy approximately 15 km SW of Tirodi Mine. Sitapatore is exploited with pit no 7 where as Sukli is exploited with pit no 8. Since both the areas are under forest cover, no mining activities were conducted after implementation of forest conservation act 1980. The Ministry of Environment and Forestry has consented for forest environment clearance for Sitapatore Mine. This Mine is now poised for production.

5.6 Dongri Buzurg Mines

Currently opencast mining in this lease is being carried out in the central portion. Regular benches are formed with height not more than 10m, width not less than 10m and slope angle of 60^0 bench slope. This will permit the ultimate pit slope to be 32^0. Shovel dumper combination and deep hole blasting is used for bench formation and ore burden removal. On the footwall side a 15 m wide berm will be provided after every third bench for the ease of shovel operation. This provision is however not possible on the hangingwall side, due to space constraints. However, ramp has been provided on the hangingwall side for transportation of the dumpers. The existing ramp with change in gradient has been considered in present proposal. The overall gradient will be 1:15. At present the mining operation is continuing at a stripping ratio of 1:7. The bench parameters and features of opencast development are as follows:

- Height of the bench not more than 10m
- Width of the bench not less than 10m
- Slope of the bench face about 60^0
- On F/W side after every third bench, berm bench will be prepared with width not be less than 15m.
- Overall slope angle of the pit is 32^0
- Overall stripping ratio will be 1:7

At the mine, drilling is done by hydraulic top hammer drill and pneumatic drilling machines of 110 mm dia. After controlled blasting, the overburden is excavated by hydraulic excavators of capacity 3.5 m^3 and 4 m^3 and material is transported by 35 tonner dumpers.

5.7 Beldongri Mines

Under Beldongri, the mine operates three properties namely, Beldongri, New Satuk and Old Satuk Mine.

The mining in Beldongri Mine commenced with opencast in the year 1903. After attaining economic limits to about 60-65 m depth, the mining was switched over to underground levels. A vertical shaft has been sunk from the bottom of the pit to 148 MRL, thus connecting two levels namely 193MRL and 148 MRL. The working of 193 MRL is exhausted. The other level is under development. Stoping shall commence after complete development of the level. Owing to lensoid form of limited dimension, the ore body is developed with 4/5 stopes per level. This may exhaust in few years time.

New Satuk is opencast mine. The pit bottom has reached to 277 MRL. The deposit persist upto 260-250 MRL. This may exhaust with 3-4 years time.

Old Satuk was also an opencast mine. Mining activities were curtailed due to poor quality of recoverable ore. Now with the change in market, it has been proposed to open the deposit.

5.8 Munsar Mines

The ore zone in area of 5.74 ha. has been exploited by open pit mining to shallow depth (approx. 30-35 m). There are two pits approximately 40 m apart. The configuration of both the pits is in accordance with shape and size of boudin structure. Low to medium quality of ore was reported to be recovered in past.

As the 5.72 ha. area is governed by forest act 1980, all the mining and related to mining activity were closed.

The ore zone of 5.74 ha area, has been explored to the depth of 60 m from general ground level, which corresponds to 273MRL (-30'L). A winze has been sunk from the pit bottom of Durga pit I, to depth of 15 m, for delineation, of ore behaviour and quality. The structure delineated is in accordance with general behaviour of Munsar ore zone. The ore reserves computed are of high accuracy and confidence.

Since the area falls under forest act, conservator of forest has communicated in principal approval for underground working stacking of mineral, waste dump and roadways. The extension of opencast activities is prohibited. The ore beneath will be exploited by underground activities of mining. As it is practice at Munsar and other underground mines at MOIL, the ore will be extracted by cut and fill method by developing blocks of 30 m width of ore body. This practice is feasible under present economy and market conditions. Though Munsar deposit is considered to be of low grade, but in present market the low grade up to 25% Mn is also saleable, which is suitable for silico manganese industries.

5.9 Kandri Mines

Nestling in the hillocks of low line altitude, Kandri Mine is situated 2 km north of Munsar town. Mine can be approached by National Highway no 7 from Nagpur.

This mine is being worked since 1898, the first shipment was done in the year 1900. Presently the ore is transported to various ferro industries by road and rail.

Initially the south limb was worked to the depth of 70 m by opencast. After attending economic limit, the activities were shifted over to underground method of mining. Flat back cut and fill method of mining being largely followed in this mine. In early phase of mining timber was used as support system and rock generated elsewhere in the development was used as fill material. With change in technology, in present days the stopes are filled with sand. Pre-mining support as cable bolts and rock bolts are largely being adopted. However south limb extension is exception, where both pre-mining and post-mining supports are being adopted, due to incompetency of ore zone.

North limb has been worked extensively to the depth of -250'L. last two lifts are being exploited between -350'L and -250'L. At Kandri the shaft has been sunk to the depth of -350'L. Further deepening is related to the availability of quantum of ore from both north and south limb. As stated above the north limb is being converted to Gondite therefore it may not sustain potentiality to offer for hoisting. The South limb has shown reduction trend, both in thickness and strike length. At -350'L only 30 m length with 10 m thickness is available for mining. With this trend, if continued downward, it is expected to close the deposit few meters below -350'L.

Major thrust of mining will have to be shouldered by south limb extremity. It will cater the need of future, provided mining with up gradation of technology is introduced. The present technology is inadequate for exploitation of this ore. Earlier development for exploitation was done on -50'L, -150'L and -250'L. Because of incompetent nature only partial extraction was possible, resulting in abandoned of levels. Presently the working at -250'L has been restarted with pre and post mining supports. The results of such combination will be experienced in due course of time. Meanwhile the limb is being developed at -350'L. It is also proposed to develop at -450'L. Whatsoever the development, up gradation of technology for exploitation is essential.

Considering the nature and behaviour of the south limb extension, it may not be possible to exploit the deposit with present method. Since the past exploration had established the upper limit of south limb extension at approximately 315 MRL, it was decided to open this deposit by opencast method of mining between 315 MRL to 285 MRL. The exploitation will be over a strike length of 150 m. Both hangwall and footwall will be developed by heavy earth moving machinery. It will be worked with 1:10 ratio at the initial stage and overall operation will be with 1:11 ratio. It is clear from above ratio the project will be feasible under present techno-economic conditions.

Deposit of Kandri was initially worked by opencast mining. The north limb and south limb extension were outcropping as traces or thin layer at the ground level. The only available rich and thick exposure at the surface was south limb only. The limb was approx 25-30 m thick and was exploited by opencast to the depth of 68 m (280 MRL). A barrier of 15 m thick was left against the opencast for the protection of underground activities. Since the data revealed after the exploration of south limb extension it was decided to exploit the extension by open pit mining from 315 MRL to 285 MRL. Because of large volume of this pit, it will possible to accommodate the waste quantity from development activities of south limb extension. It is proposed to reclaim the south pit up to 309 MRL during this mining scheme period. Approximately 350,000 m^3 quantities generated from opencast. Development of south limb extremity will be dumped in this area.

5.10 Gumgaon Mines

Gumgaon Manganese mine comprised of three leases which are contiguous. This mine was initially operated by opencast method of mining. After reaching to its economic limit, the mine was worked by overhand cut and fill underground methods, thus developing Adit and incline at various levels. In order to enhance the production it is proposed to sink a vertical shaft at Gumgaon mine. This shaft will be sunk up to -400’L.

The proposed development was considered including the development at 13’L and -100’L. The targets of development for -200’L was 1307 m, this includes the development of ore drive, haulage road, crosscuts and winzes. Against this target the achievement was to develop 6 no of stopes.

ROM from -100’L, -200’L, -300’L & -400’L will be will be hoisted and beneficiated in the existing manual sorting plant of the main lease area. Considering the present and future market of manganese, jigging will do the up-gradation of smaller size ore.

The sites for dumping has been so selected that various kind of dumps do not mix and can be retrieved when require, occupy minimum virgin area, do not disturb ecology, or not on the mineralised zone and away from the working site. The waste generated from underground development containing waste rock will be dumped at south eastern part of old excavated pit for reclamation and waste generated from shaft development and dump development will be dumped over waste dump at eastern part of the lease no III.

6 COST DATA

6.1 Operating Costs

Operating cost data for the MOIL mines for the year 2009-2010 is shown in Table 6-1. The following data shows that the cost of mining per tonne vary from ₹1,188 to ₹3,940 with an average of ₹2,058 per tonne. When head office costs and other overheads are added the average cost per tonne increases to ₹2,749. The average realisation price on sales of manganese concentrate is ₹7,453 per tonne.

Table 6-1 2009-10 Opex Data for MOIL

Mine	Production (tonnes)	Mine Cost/Tonne (₹)	Sales quantity (tonnes)	Sales Value (₹/Crores)	Sales Realization (₹/tonnes)
Balaghat	300,000	2,355.28	293,583	244.75	8,336.65
Beldongri	32,598	2,509.20	36,691	21.17	5,769.81
Chikla	150,047	1,973.93	162,487	98.87	6,084.79
Dongri Buzurg	282,758	1,188.03	327,553	272.09	8,306.75
Gumgaon	41,001	3,077.16	42,816	33.92	7,922.27
Kandri	65,619	2,575.96	71,406	55.21	7,731.84
Munsar	60,760	1,759.51	64,619	35.17	5,442.67
Sitapatore	3,065	2,151.05	3,359	1.70	5,061.03
Tirodi	106,764	2,072.70	120,046	77.14	6,425.87
Ukwa	50,751	3,939.58	52,670	35.87	6,810.33
Total	1,093,363	2,058.25	1,175,230	875.89	7,452.92
H.O. Expenses		424.34			
Depreciation		123.69			
Bonus		0.15			
Gratuity		142.66			
Total Cost/tonne		**2,749.09**			

6.2 Capital Costs

A list of capital projects for MOIL is shown in Table 6-2. Shaft sinking, as new shafts and deepening existing shafts, is underway at Balaghat, Gumgaon and Munsar. Deepening of the Holms Shaft at Balaghat is due to start in 2011 as well as the sinking of a new high speed vertical shaft. A new shaft at Ukwa is also scheduled. Development of a new open pit is planned to start in 2011 at Dongri Buzurg.

MOIL has experience in deepening existing shafts and has a system for linking and equipping the old and new shaft sections with a minimum of disturbance to production.

All of these projects will add significantly to the production capacity at the mines and open up new resource areas and levels for exploitation.

The project to upgrade the township infrastructure at the mines will improve the living conditions and facilities at the mines and indirectly improve productivity.

Table 6-2 MOIL Capital Projects

Projects	Capital Cost (₹ Crores)	Start Date	End Date	Benefit Of Project
Deepening of Production Shaft at Balaghat Mine	6.51	June, 2007	Oct, 2010	ROM production will increase from 340,000 T to 475,000 T
Deepening of Holm's Shaft at Balaghat Mine	19.00	March, 2011	March, 2015	
High speed shaft for mining at deeper levels at Balaghat mine.	300.00	Yet to commence	2016	
Sinking of vertical shaft at Gumgaon Mine	16.01	July,2007	April, 2011	ROM production will increase from 60,000 T to 100,000 T
Sinking of vertical shaft at Mansar Mine	25.20	May,2010	April, 2014	ROM production will increase from 30,000 T to 60,000 T
Sinking of vertical shaft at Ukwa Mine	18.11	Price bid yet to be opened	April, 2014	ROM production will increase from 55,000 T to 100,000 T
Development of Dongri Buzurg opencast mine	180.00	March, 2011	March, 2014	ROM production will increase from 350,000 T to 560,000 T
Township at mines	203.00	Yet to commence	2014-15	To build up infrastructure at mines

Yours Faithfully,

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The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Simon Richard Pepper, who is a Member of the Institute of Materials, Minerals and Mining in the United Kingdom. Simon Richard Pepper is employed by IMC Group Consulting Limited and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Simon Richard Pepper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ANNEXURE – A

Resources of MOIL Mine-Wise

MOIL Mineral Resource Summary (as at 01.10.2010)								
Mines	**Measured**	**Indicated**	**Measured + Indicated**	**Inferred**	**Mn%**	**Phos%**	**SiO_2%**	**Fe%**
UKWA	4,386,071	1,386,885	5,772,956	3,036,676	38	0.15	18	7
BALAGHAT	12,706,529	7,136,631	19,843,160	1,488,218	40	0.15	15	6
CHIKLA	1,214,197	2,398,809	3,613,006	624,750	36	0.20	25	7
TIRODI	1,168,851	33,863	1,202,714	497,081	32	0.25	22	7
SITAPATORE	0	203,438	203,438	50,000	30	0.25	25	7
SUTLI	29,258	0	29,258	130,000				
DONGRI BUZURG	3,307,092	7,479,033	10,786,125	227,500	42	0.20	15	7
BELDONGRI	355,688	125,565	481,253	0	30	0.25	18	7
MUNSAR	702,118	2,498,915	3,201,033	1,469,125	32	0.25	26	7
KANDRI	570,203	2,648,965	3,219,167	0	38	0.20	18	7
GUMGAON	2,600,205	615,125	3,215,330	717,500	36	0.25	18	7
DUMP	9,736,665	0	9,736,665	0				
TOTAL	**36,776,875**	**24,527,228**	**61,304,103**	**8,240,850**				

TABLE 1: Resource Summary for MOIL as on 01.10.2010

Resources Summary of UKWA Mine of MOIL as on 01.10.2010									
SECTION	LEVEL	MEASURED	INDICATED	MEASURED + INDICATED	INFERRED	Mn %	Phos %	SiO_2 %	Fe %
UKWA	850	0	0	0	735,324	38	0.15	18	7
UKWA	950	0	0	0	607,320				
UKWA	1050	0	0	0	318,927				
UKWA	1150	0	0	0	279,181				
UKWA	1250	0	0	0	250,488				
UKWA	1350	0	41,522	41,522	32,813				
UKWA	1450	0	84,181	84,181	37,279				
UKWA	1550 I	40,165	0	40,165	0				
UKWA	1550 II	0	175,278	175,278	0				
UKWA	1650 I	320,606	0	320,606	0				
UKWA	1650 II	0	521,233	521,233	0				
UKWA	1750 I	796,710	0	796,710	0				
UKWA	1750 II	0	527,903	527,903	0				
UKWA	1850	1,153,513	0	1,153,513	0				
UKWA	1950	179,382	0	179,382	0				
TOTAL		**2,490,376**	**1,350,117**	**3,840,493**	**2,261,332**				
FLAT	850	0	0	0	330,750				
FLAT	950	0	0	0	180,075				
FLAT	1050	0	0	0	60,953				
FLAT	1150	0	0	0	91,403				
FLAT	1250	0	0	0	95,130				
FLAT	1350	0	0	0	17,035				
FLAT	1650 II	0	22,714	22,714	0				
FLAT	1750 I	176,240	0	176,240	0				
FLAT	1750 II	0	14,055	14,055	0				
FLAT	1850	176,700	0	176,700	0				
FLAT	1950	132,170	0	132,170	0				
TOTAL		**485,109**	**36,768**	**521,878**	**775,345**				
SAMNAPUR	1750 I	788	0	788	0				
SAMNAPUR	1850	298,634	0	298,634	0				
SAMNAPUR	1950	1,021,235	0	1,021,235	0				
SAMNAPUR	2130	89,929	0	89,929	0				
TOTAL		**1,410,585**	**0**	**1,410,585**	**0**				
GRAND TOTAL		**4,386,071**	**1,386,885**	**5,772,956**	**3,036,676**				

TABLE 2: Resources Summary of UKWA Mine of MOIL as on 01.10.2010

Resources Summary of BALAGHAT Mine of MOIL as on 01.10.2010

LEVEL	MEASURED	INDICATED	MEASURED + INDICATED	INFERRED	Mn%	Phos%	SiO_2%	Fe%
5	551,145	0	551,145	123,795				
6	450,450	37,328	487,778	118,248				
7	590,153	85,286	675,439	67,629				
8	622,450	113,558	736,007	9,030				
9	636,668	95,366	732,034	0				
10	872,944	67,568	940,511	0				
11	1,628,821	58,485	1,687,306	0				
12	1,910,822	20,283	1,931,104	0				
13.5	2,823,783	1,575	2,825,358	0	40	0.15	15	6
15	2,619,295	0	2,619,295	0				
16.5	0	2,615,095	2,615,095	0				
18	0	2,369,220	2,369,220	0				
19.5	0	1,672,869	1,672,869	0				
21	0	0	0	747,154				
22.5	0	0	0	318,290				
24	0	0	0	99,820				
25	0	0	0	4,253				
TOTAL	**12,706,529**	**7,136,631**	**19,843,160**	**1,488,218**				

TABLE 3: Resources Summary of BALAGHAT Mine of MOIL as on 01.10.2010

Resources Summary of Chikla Mine of MOIL as on 01.10.2010										
PIT	**DEPOSIT**	**LEVEL**	**MEASURED**	**INDICATED**	**MEASURED + INDICATED**	**INFERRED**	**Mn%**	**Phos%**	**Sio$_2$%**	**Fe%**
CHIKLA A EXT		-70	83,825	0	83,825	84,000				
		-170	103,425	74,550	177,975	73,500				
		-270	352,100	36,050	388,150	73,500				
		-370	0	459,375	459,375	0				
		-470	0	342,860	342,860	0				
		-570	0	0	0	105,000				
TOTAL			**539,350**	**912,835**	**1,452,185**	**336,000**				
CHIKLA MAIN		+100	41,475	0	41,475	0				
		+40	104,143	0	104,143	0				
		-70	76,592	0	76,592	0				
		-170	50,400	0	50,400	0				
		-270	199,045	0	199,045	0				
		-370	0	591,185	591,185	0				
		-470	0	468,580	468,580	0	36	0.20	25	7
TOTAL			**471,655**	**1,059,765**	**1,531,420**	**0**				
CHIKLA B	-1	+160	40,688	0	40,688	0				
	0	+160	16,625	0	16,625	0				
	0	+60	86,730	0	86,730	0				
	0	-70	29,750	128,100	157,850	0				
	0	-170	0	93,359	93,359	0				
	0	-270	0	0	0	76,125				
	1	-70	14,700	0	14,700	0				
	1	-170	14,700	0	14,700	0				
	1	-270	0	204,750	204,750	0				
	1	-370	0	0	0	115,500				
	1	-470	0	0	0	97,125				
TOTAL			**203,193**	**426,209**	**629,402**	**288,750**				
Grand Total			**1,214,197**	**2,398,809**	**3,613,006**	**624,750**				

TABLE 4: Resources Summary of Chikla Mine of MOIL as on 01.10.2010

Resources Summary of TIRODI Mine of MOIL as on 01.10.2010									
Mines	LEVEL	MEASURED	INDICATED	MEASURED + INDICATED	INFERRED	Mn %	Phos %	Sio_2 %	Fe %
South Tirodi		170,870	0	170,870	0	32	0.25	22	7
Jamrapani-Pit No 9		0	33,863	33,863	0				
Paunia		0	0	0	42,000				
NORTH TIRODI REST HOUSE AREA		0	0	0	56,000				
North Tirodi Pit No 4		10,500	0	10,500	0				
North Tirodi Pit No 6	300-240	0	0	0	104,081				
North Tirodi Pit No 6	320-290	987,481		987,481	295,000				
TOTAL		**1,168,851**	**33,863**	**1,202,714**	**497,081**				

TABLE 5: Resources Summary of TIRODI Mine of MOIL as on 01.10.2010

Resources Summary of SITAPATORE & SUKLI Mine of MOIL as on 01.10.2010								
PIT	MEASURED	INDICATED	MEASURED + INDICATED	INFERRED	Mn%	Phos%	Sio_2%	Fe%
PIT NO. 6	0	140,438	140,438	25,000	30	0.25	25	7
PIT NO. 8	0	63,000	63,000	25,000				
Sukli	29,258	0	29,258	130,000				
TOTAL	**29,258**	**203,438**	**232,696**	**180,000**				

TABLE 6: Resources Summary of SITAPATORE & SUKLI Mine of MOIL as on 01.10.2010

Resources Summary of DONGRI BUZURG Mine of MOIL as on 01.10.2010								
LEVEL	MEASURED	INDICATED	MEASURED + INDICATED	INFERRED	Mn%	Phos%	Sio_2%	Fe%
304	3,307,092	2,024,050	5,331,142	0	42	0.20	15	7
284	0	325,733	325,733	0				
274	0	1,065,750	1,065,750	70,000				
214	0	636,300	636,300	0				
196-165	0	3,269,700	3,269,700	0				
154	0	157,500	157,500	0				
94	0	0	0	126,000				
94-64	0	0	0	31,500				
TOTAL	**3,307,092**	**7,479,033**	**10,786,125**	**227,500**				

TABLE 7: Resources Summary of DONGRI BUZURG Mine of MOIL as on 01.10.2010

Resources Summary of BELDONGRI Mine of MOIL as on 01.10.2010									
PIT	**LEVEL**	**MEASURED**	**INDICATED**	**MEASURED + INDICATED**	**INFERRED**	**Mn%**	**Phos%**	**SiO_2%**	**Fe%**
BELDONGRI	193	47,250	0	47,250	0	30	0.25	18	7
	148	277,095	0	277,095	0				
	130	0	54,960	54,960	0				
TOTAL		**324,345**	**54,960**	**379,305**	**0**				
NEW SATUK	265	0	2,695	2,695	0				
	268	2,240	980	3,220	0				
	271	4,690	2,240	6,930	0				
	274	7,770	3,080	10,850	0				
	277	15,943	910	16,853	0				
	281	700	700	1,400	0				
TOTAL		**31,343**	**10,605**	**41,948**	**0**				
OLD SATUK	305	0	60,000	60,000	0				
GRAND TOTAL		**355,688**	**125,565**	**481,253**	**0**				

TABLE 8: Resources Summary of BELDONGRI Mine of MOIL as on 01.10.2010

Resources Summary of MUNSAR Mine of MOIL as on 01.10.2010									
PIT	**LEVEL**	**MEASURED**	**INDICATED**	**MEASURED + INDICATED**	**INFERRED**	**Mn%**	**Phos%**	**Sio_2%**	**Fe %**
Durga Pit I	70	49,875	0	49,875	0	32	0.25	26	7
	-30	0	28,000	28,000	0				
	-130	0	50,750	50,750	0				
	-230	0	0	0	17,500				
Total		**49,875**	**78,750**	**128,625**	**17,500**				
Durga Pit II	70	0	14,000	14,000	0				
	-30	0	56,000	56,000	0				
	-130	0	98,000	98,000	0				
	-230	0	0	0	56,000				
Total		**0**	**168,000**	**168,000**	**56,000**				
Main Pit	70	83,300	0	83,300	0				
	-30	0	140,000	140,000	0				
	-130	0	0	0	100,000				
	-230	0	0	0	170,000				
Total		**83,300**	**140,000**	**223,300**	**270,000**				
Main Hill Pit	270	65,625	0	65,625	0				
	170	140,000	0	140,000	0				
	-70	146,580	0	146,580	0				
	-30	0	504,000	504,000	0				
	-130	0	0	0	352,800				
	-230	0	0	0	151,200				
Total		**352,205**	**504,000**	**856,205**	**504,000**				
Bunglow Pit	70	122,763	0	122,763	0				
	-30	0	234,500	234,500	0				
	-130	0	133,000	133,000	0				
	-230	0	0	0	200,000				
Total		**122,763**	**367,500**	**490,263**	**200,000**				
KL Pit	70	93,975	0	93,975	0				
	-30	0	407,488	407,488	0				
	-130	0	272,738	272,738	0				
	-230	0	0	0	300,000				
Total		**93,975**	**680,225**	**774,200**	**300,000**				
Parsoda Pit	-30	0	155,225	155,225	0				
	-130	0	102,025	102,025	0				
	-230	0	0	0	121,625				
Total		**0**	**257,250**	**257,250**	**121,625**				
New Parsoda	-30	0	303,190	303,190	0				
Total		**0**	**303,190**	**303,190**	**0**				
Grand Total		**702,118**	**2,498,915**	**3,201,033**	**1,469,125**				

TABLE 9: Resources Summary of MUNSAR Mine of MOIL as on 01.10.2010

Resources Summary of KANDRI Mine of MOIL as on 01.10.2010									
SECTION	**LEVEL**	**MEASURED**	**INDICATED**	**MEASURED + INDICATED**	**INFERRED**	**Mn %**	**Phos %**	**Sio_2 %**	**Fe %**
East Hill Pit	+50	0	51,319	51,319	0				
North Limb	-450	0	74,060	74,060	0				
South Limb Extension	+50	81,393	0	81,393	0				
	-50	247,170	0	247,170	0				
	-150	133,140	0	133,140	0				
	-250	108,500	0	108,500	0				
	-350	0	360,936	360,936	0				
Total		**570,203**	**360,936**	**931,139**	**0**	38	0.20	18	7
South Limb Extn. Trough Zone	-150	0	103,250	103,250	0				
	-250	0	364,875	364,875	0				
	-350	0	431,025	431,025	0				
	-450	0	812,875	812,875	0				
	-550	0	450,625	450,625	0				
Total		**0**	**2,162,650**	**2,162,650**	**0**				
Grand Total		**570,203**	**2,648,965**	**3,219,167**	**0**				

TABLE 10: Resources Summary of KANDRI Mine of MOIL as on 01.10.2010

Resources Summary of GUMGAON Mine of MOIL as on 01.10.2010									
PIT	**LEVEL**	**MEASURED**	**INDICATED**	**MEASURED + INDICATED**	**INFERRED**	**Mn%**	**Phos%**	**Sio_2%**	**Fe%**
GUMAGAON west	-600	0	0	0	38,500				
	-700	0	0	0	162,750				
	-800	0	0	0	245,000				
	-900	0	0	0	192,500				
	-1000	0	0	0	78,750				
TOTAL		**0**	**0**	**0**	**717,500**				
GUMAGAON	13	70,500	0	70,500	0	36	0.25	18	7
	-100	200,000	0	200,000	0				
	-200	914,485	0	914,485	0				
	-300	603,315	0	603,315	0				
	-400	811,905	0	811,905	0				
	-500	0	615,125	615,125	0				
TOTAL		**2,600,205**	**615,125**	**3,215,330**	**0**				
GRAND TOTAL		**2,600,205**	**615,125**	**3,215,330**	**717,500**				

TABLE 11: Resources Summary of GUMGAON Mine of MOIL as on 01.10.2010

ANNEXURE – B

Reserves of MOIL Mine-Wise

Reserve Summary for MOIL on 01.10.2010							
MINES	**PROVED**	**PROBABLE**	**TOTAL**	**Mn%**	**Phos%**	**Sio_2%**	**Fe%**
UKWA	1,370,464	1,458,381	2,828,845	38	0.15	18	7
BALAGHAT	6,916,517	2,073,343	8,989,861	40	0.15	15	6
CHIKLA	532,716	615,465	1,148,180	36	0.20	25	7
TIRODI	136,696	798,385	935,081	32	0.25	22	7
SITAPATORE & SUTLI	0	0	0	32	0.25	25	7
DONGRI BUZURG	2,976,383	0	2,976,383	42	0.20	15	7
BELDONGRI	216,256	7,151	223,406	30	0.25	18	7
MUNSAR	73,206	1,172,019	1,245,225	32	0.25	26	7
KANDRI	382,036	0	382,036	38	0.20	18	7
GUMGAON	1,627,902	0	1,627,902	36	0.25	18	7
DUMP	1,388,383	0	1,388,383				
TOTAL	**15,620,558**	**6,124,744**	**21,745,302**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 1: Reserve Summary for MOIL on 01.10.2010

Reserves Summary of UKWA Mine of MOIL as on 01.10.2010								
SECTION	**LEVEL**	**PROVED**	**PROBABLE**	**TOTAL**	**Mn%**	**Phos%**	**Sio_2%**	**Fe%**
UKWA	1550 I	24,099	0	24,099	38	0.15	18	7
UKWA	1650 I	192,364	0	192,364				
UKWA	1650 II	0	312,740	312,740				
UKWA	1750 I	478,026	0	478,026				
UKWA	1750 II	0	316,742	316,742				
UKWA	1850	323,956	237,947	561,903				
TOTAL		**1,018,445**	**867,429**	**1,885,873**				
FLAT	1650 II	0	13,628	13,628				
FLAT	1750 I	105,744	0	105,744				
FLAT	1750 II	0	8,433	8,433				
FLAT	1850	29,140	0	29,140				
TOTAL		**134,884**	**22,061**	**156,945**				
SAMNAPUR	1750 I	473	0	473				
SAMNAPUR	1850	179,180	0	179,180				
SAMNAPUR	1950	0	552,417	552,417				
SAMNAPUR	2130	37,483	16,475	53,957				
TOTAL		**217,136**	**568,892**	**786,027**				
GRAND TOTAL		**1,370,464**	**1,458,381**	**2,828,845**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 2: Reserves Summary of UKWA MINE of MOIL as on 01.10.2010

Reserves Summary of BALAGHAT Mine of MOIL as on 01.10.2010							
LEVEL	**PROVED**	**PROBABLE**	**TOTAL**	**Mn%**	**Phos%**	**Sio_2%**	**Fe%**
5	86,531	0	86,531	40	0.15	15	6
6	75,345	25,009	100,354				
7	71,757	57,142	128,899				
8	67,771	76,084	143,855				
9	260,295	63,895	324,190				
10	391,533	45,270	436,803				
11	1,036,173	39,185	1,075,358				
12	1,280,250	13,589	1,293,840				
13.5	1,891,934	1,055	1,892,990				
15	1,754,928	0	1,754,928				
16.5	0	1,752,114	1,752,114				
TOTAL	**6,916,517**	**2,073,343**	**8,989,861**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 3: Reserves Summary of BALAGHAT Mine of MOIL as on 01.10.2010

Reserves Summary of CHIKLA Mine of MOIL as on 01.10.2010									
PIT	DEPOSIT	LEVEL	PROVED	PROBABLE	TOTAL	Mn %	Phos %	SiO_2 %	Fe %
CHIKLA A EXT		-170	49,245	52,185	101,430	36	0.20	25	7
		-270	246,470	6,125	252,595				
TOTAL			**295,715**	**58,310**	**354,025**				
CHIKLA MAIN		-270	139,332	0	139,332				
		-370	0	413,830	413,830				
TOTAL			**139,332**	**413,830**	**553,161**				
CHIKLA B	-1	+160	28,481	0	28,481				
	0	+60	48,363	0	48,363				
	0	-70	20,825	0	20,825				
	1	-270	0	143,325	143,325				
TOTAL			**97,669**	**143,325**	**240,994**				
Grand Total			**532,716**	**615,465**	**1,148,180**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 4: Reserves Summary of CHIKLA Mine of MOIL as on 01.10.2010

Reserves Summary of TIRODI Mine of MOIL as on 01.10.2010								
Mines	LEVEL	PROVED	PROBABLE	TOTAL	Mn %	Phos %	SiO_2 %	Fe %
South Tirodi		136,696	0	136,696	32	0.25	22	7
North Tirodi Pit No 4		0	8,400	8,400				
North Tirodi Pit No 6	320-290	0	789,985	789,985				
TOTAL		**136,696**	**798,385**	**935,081**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 5: Reserves Summary of TIRODI Mine of MOIL as on 01.10.2010

Reserves Summary of DONGRI BUZURG Mine of MOIL as on 01.10.2010							
LEVEL	PROVED	PROBABLE	TOTAL	Mn %	Phos %	SiO_2 %	Fe %
214	2,976,383	0	2,976,383	42	0.20	15	7
TOTAL	**2,976,383**	**0**	**2,976,383**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 6: Reserves Summary of DONGRI BUZURG Mine of MOIL as on 01.10.2010

Reserves Summary of BELDONGRI Mine of MOIL as on 01.10.2010								
PIT	**LEVEL**	**PROVED**	**PROBABLE**	**TOTAL**	**Mn%**	**Phos%**	**SiO_2%**	**Fe%**
BELDONGRI	148	185,654	0	185,654	30	0.25	18	7
TOTAL		**185,654**	**0**	**185,654**				
NEW SATUK	265	0	2,426	2,426				
	268	2,016	882	2,898				
	271	4,221	2,016	6,237				
	274	9,387	378	9,765				
	277	14,348	819	15,167				
	281	630	630	1,260				
TOTAL		**30,602**	**7,151**	**37,753**				
GRAND TOTAL		**216,256**	**7,151**	**223,406**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 7: Reserves Summary of BELDONGRI Mine of MOIL as on 01.10.2010

Reserves Summary of MUNSAR Mine of MOIL as on 01.10.2010								
PIT	**LEVEL**	**PROVED**	**PROBABLE**	**TOTAL**	**Mn%**	**Phos%**	**SiO_2%**	**Fe%**
Durga Pit I	70	0	34,913	34,913	32	0.25	26	7
Total		**0**	**34,913**	**34,913**				
Main Pit	-30	0	98,000	98,000				
Total		**0**	**98,000**	**98,000**				
Main Hill Pit	-70	73,206	0	73,206				
	-30	0	352,800	352,800				
Total		**73,206**	**352,800**	**426,006**				
Bunglow Pit	70	0	56,840	56,840				
	-30	0	164,150	164,150				
Total		**0**	**220,990**	**220,990**				
KL Pit	-30	0	285,241	285,241				
Total		**0**	**285,241**	**285,241**				
Parsoda Pit	-30	0	108,658	108,658				
	-130	0	71,418	71,418				
Total		**0**	**180,075**	**180,075**				
Grand Total		**73,206**	**1,172,019**	**1,245,225**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 8: Reserves Summary of MUNSAR Mine of MOIL as on 01.10.2010

Reserves Summary of KANDRI Mine of MOIL as on 01.10.2010								
SECTION	**LEVEL**	**PROVED**	**PROBABLE**	**TOTAL**	**Mn %**	**Phos %**	**Sio_2 %**	**Fe %**
South Limb Extension	+50	54,533	0	54,533	38	0.20	18	7
	-50	165,604	0	165,604				
	-150	89,204	0	89,204				
	-250	72,695	0	72,695				
	-350	0	0	0				
Total		**382,036**	**0**	**382,036**				
Grand Total		**382,036**	**0**	**382,036**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 9: Reserves Summary of KANDRI Mine of MOIL as on 01.10.2010

Reserves Summary of GUMGAON Mine of MOIL as on 01.10.2010								
PIT	**LEVEL**	**PROVED**	**PROBABLE**	**TOTAL**	**Mn%**	**Phos%**	**Sio_2%**	**Fe%**
GUMAGAON	-100	67,000	0	67,000	36	0.25	18	7
	-200	612,705	0	612,705				
	-300	404,221	0	404,221				
	-400	543,976	0	543,976				
TOTAL		**1,627,902**	**0**	**1,627,902**				
GRAND TOTAL		**1,627,902**	**0**	**1,627,902**				

* Includes discounts for ore loss and dilution. Reserves = Resources - Ore Loss + Dilution

TABLE 10: Reserves Summary of GUMGAON Mine of MOIL as on 01.10.2010

ANNEXURE C

PRODUCTION FOR THE YEAR 2005-06 TO 2008-09 WITH QUALITY

MOIL LIMITED
NAGPUR

STATEMENT SHOWING PRODUCTION & WEIGHETED AVERAGE.
FOR THE YEAR 2005-06 to 2008-09

FERRO GRADE

MINE NAME	2005 ..06		2006 ..07		2007 ..08		2008 ..09		Weigheted Avg.	Total Prod.	Type of Ore
	Prod.	Mn.	Prod.	Mn.	Prod.	Mn.	Prod.	Mn.			
BALAGHAT	157657	48.63	168690	48.77	179255	48.7	186495	47.4	48.35		Oxide
BELDONGRI	24393	44.05	19576	43.87	21583	41.34	19418	41.92	42.83		Oxide+Silicate of Manganese
CHIKLA	74476	39.05	89440	37.24	101603	36.83	94515	37.08	37.46		Oxide+Silicate of Manganese
DONGRI BUZ	102369	44	54630	42.77	75402	42.45	74427	42.41	43.01		Oxide + Hydroxide
GUMGAON	20421	42.93	25926	40.21	35638	38.45	30825	39.93	40.07		Oxide+Silicate of Manganese
KANDRI	35190	43.78	35816	43.45	41384	42.54	45893	44.03	43.45		Oxide
MUNSAR	11465	38.4	11755	36.11	15188	36.67	12936	37.47	37.13		Oxide+Silicate of Manganese
SITAPATORE	1634	45.23	1710	45.58	493	41.85	4	0	44.90		Oxide+Silicate of Manganese
TIRODI	65013	43.06	75467	43.54	64074	43.59	53922	42.96	43.31		Oxide+Silicate of Manganese
UKWA	39497	45.34	38029	43.47	31506	43.23	33652	43.99	44.06		Oxide
Grand Total	532115	44.49	521039	43.75	566126	43.15	552087	43.2	**43.64**	**2171367**	

L.G.H.S.

	2005 ..06		2006 ..07		2007 ..08		2008 ..09		Weigheted	Total
MINE NAME	Prod.	Mn.	Prod.	Mn.	Prod.	Mn.	Prod.	Mn.	Avg.	Prod.
BALAGHAT	13332	31.48	21	0	9851	26.43	30238	24.75	26.73	
BELDONGRI	68627	30.47	15634	29.61	18042	30.09	18522	29.82	30.20	
CHIKLA	33871	29.88	55776	29.83	75827	28	62266	28.09	28.75	
DONGRI BUZ	6802	33.6	31346	30.09	50088	29.85	45192	28.89	29.77	
GUMGAON	10010	28.99	2540	30.85	2050	25.45	3290	29.1	28.87	
KANDRI	22755	30.54	12754	29.62	14181	28.57	11398	30.3	29.85	
MUNSAR	1785	33.9	22867	30.96	33738	30.52	36331	29.77	30.40	
SITAPATORE	43550	30.21	959	34.75	1267	26.44	1836	26.89	30.07	
TIRODI	2540	30.26	47116	30.87	57227	29.55	53547	28.63	29.64	
UKWA			1917	27.85	8311	25.61	10329	25.81	25.92	
Grand Total	203272	30.45	190930	30.25	270582	29	272949	28.31	**29.37**	**937733**

FINES

MINE NAME	2005 ..06		2006 ..07		2007 ..08		2008 ..09		Weigheted Avg.	Total Prod.
	Prod.	Mn.	Prod.	Mn.	Prod.	Mn.	Prod.	Mn.		
BALAGHAT	30737	36.63	39345	34.12	24207	34.58	8280	33.12	34.90	
BELDONGRI	6456	35.39	10456	34.65	11614	34.59	41256	28.78	31.24	
CHIKLA			67863	30.63	123356	29.82	100072	28.46	29.54	
DONGRI BUZ	19643	34.66	50792	30.2	130571	31.64	8290	32.19	31.60	
GUMGAON	5119	40.06	8076	37.01	9313	33.26	3255	34.65	35.96	
KANDRI	453	31.88	5950	31.93	3534	34.36	16080	30.38	31.30	
MUNSAR			2418	36.7	16489	34.44	2411	34.34	34.69	
SITAPATORE			3973	37.12	19840	31.56			32.49	
TIRODI			8386	34.04	4163	33.75	13368	33.99	33.97	
UKWA										
Grand Total	62408	36.13	197259	32.08	343087	31.52	193012	31.99	**32.13**	**795766**

Weighted Average	**37.87**

ANNEXURE II
UNFC REPORT

MOIL LIMITED
(A Govt. of India Undertaking)
MOIL BHAWAN, 1A, KATOL ROAD,
NAGPUR-440 013

MOIL Limited is pleased to provide the following statement of mineral resources and mineral reserves representing estimates of mineral resources and mineral reserves as on 01/10/2010.

General statement on mineral resource and 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 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 Economic Feasibility
Feasibility Axis (F) represents the project status	1) Feasibility study and Mining Report (Committed Project) 2) Pre-feasibility study (Contingent Project) 3) Geological study (Prospecting Project)
Geological Axis (G) represents the level of geological exploration.	1) Detailed Exploration (reasonably assured geology in place.) 2) General Exploration (identified geological condition 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 the reserves tabulated are all held within existing, fully permitted mining tenements. The company's mineral leased 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 approval remain outstanding, but where, based on the technical investigations we carry out as part of our planning process, and out 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 by competent persons. All competent persons have been duly appointed and made aware of their responsibility to unbiased mineral resources and or ore reserve estimation on an operational or project level according to the company's mineral resource and ore reserve reporting policy. All competent persons have sufficient relevant experience in the style of mineralization, 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 resources 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 reserves figures presented are reported as on 30-09-2010 . 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 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 Exploration Results Minerals Resources and Ore Reserves, December-2004 (the JORC Code).

Summary

Note: The following classes are defined under UNFC:

1. Minerals Reserves:
   - Proved Mineral Reserves: code 111
   - Probable Mineral Reserves: code 121 + 122
2. Minerals Resources (Additional ore Remaining Resources) including:
   - Feasibility Mineral Resources: code 211
   - Pre-feasibility Mineral Resources: code 221+ 222
   - Measured Mineral Resources: code 331
   - Indicated Mineral Resources: code 332
   - Inferred Mineral Resources: code 333
   - Reconnaissance Mineral Resources: code 334

UNFC	Term	Definition
111	Proved Mineral Reserves	Demonstrated to be economically mineable by a Feasibility study ore actual activity usually undertaken in areas of detailed exploration
121, 122	Probable Mineral Reserves	Demonstrated to be economically mineable by a Pre-feasibility study usually carried out in areas of Detailed Exploration and General Exploration.
211	Feasibility Mineral Resources	Demonstrated to be potentially economic by a feasibility study or prior mining activity usually carried out in areas of Detailed Exploration.
221, 222	Pre-feasibility Mineral Resources	Demonstrated to be potentially economic by a Pre-feasibility study usually carried out in areas of Detailed Exploration and General Exploration.
331	Measured Mineral Resources	Estimated to be of intrinsic economic interest based on Detailed Exploration establishing all relevant characteristics of a deposit with a high degree of accuracy.
332	Indicated Mineral Resources	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 Resources	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 Resources	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 consideration)
41 categories for resource/reserve classification (10 generally used)	5 possible categories for resource/reserve classification.
Use of Government and regulatory reporting	Used for market reporting
Competent person required	Qualification of competent person required

Competent / Qualified Persons Statement

The information in this report is based on information compiled by Mr. R.S. Verma, Sr.Dy.G.M.(Planning), Mr. I. Siddique, Dy.G.M. (Geology) and Mr. R.M. Gupte, Chief (Geology) all three of whom as at the time of compiling the information for inclusion in this report were all full time employees of MOIL Limited Mr. R.S. Verma, Sr.Dy.G.M.(Planning), Mr. I. Siddique, Dy.G.M. (Geology) and Mr. R.M. Gupte, Chief (Geology) all have sufficient experience which is relevant to the style of mineralization 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.

This report may hereby be reproduced in the offering document for MOIL's Initial Public Offering

Dy. General Manager (Geo.)
(on behalf of MOIL Limited)
Date.: 30|10|2010

MOIL LIMITED

Mineral Reserves + Resources as on 01/10/2010

Mine	Reserves	Resources		Total	Mn%	Phos%	Sio2%	Fe%
		A	B					
Chikla	1217316	2427194	635250	4279760	36	0.2	25	7
Dongri Bz.	3481363	7906150	0	11387513	42	0.2	15	7
Tirodi	1256455	328850	202082	1787387	32	0.25	22	7
Sukli	29258	0	130000	159258	30	0.25	25	7
Sitapatore	83758	203438	50000	337196	32	0.25	25	7
Balaghat	13079274	7121196	1502078	21702548	40	0.15	15	6
Ukwa	4561303	1315355	3105377	8982035	38	0.15	18	7
Kandri	1097826	2178610	0	3276436	38	0.2	18	7
Munsar	846035	2446625	1449485	4742145	32	0.25	26	7
Gumgaon	2705862	615125	717500	4038487	36	0.25	18	7
Beldongri	326430	54960	0	381390	30	0.25	18	7
Old Satuk	0	60000	0	60000	0	0	18	7
New Satuk	30365	12600	0	42965	30	0.25	18	7
Total	**28715245**	**24670103**	**7791772**	**61177120**				

Say : 61.18 million tonnes

Dy.G.M. (Geology)

MOIL LIMITED

Mineral Reserves as on 01/10/2010

Mine	Ore Type	Proved Ore Reserves(111)					Probable Ore Reserves(121+122)					Total Ore Reserves					Reserve Life (Years)	Companies Interest
		Tonnes	Mn%	Phos%	Sio2%	Fe%	Tonnes	Mn%	Phos%	Sio2%	Fe%	Tonnes	Mn%	Phos%	Sio2%	Fe%		
Chikla	Oxide Gondite	836024	36	0.2	25	7	381292	36	0.2	25	7	1217316	36	0.2	25	7	8	100%
Dongri Bz.	Dioxide Hydroxide	3481363	42	0.2	15	7	0	42	0.2	15	7	3481363	42	0.2	15	7	12	100%
Tirodi	Oxide Gondite	258470	32	0.25	22	7	997985	32	0.25	22	7	1256455	32	0.25	22	7	8	100%
Sukli	Oxide Gondite	29258	30	0.25	25	7	0	30	0.25	25	7	29258	30	0.25	25	7		100%
Sitapatore	Oxide	83758	32	0.25	25	7	0	32	0.25	25	7	83758	32	0.25	25	7	5	100%
Balaghat	Oxide Dioxide	10573370	40	0.15	15	6	2505904	40	0.15	15	6	13079274	40	0.15	15	6	40	100%
Ukwa	Oxide Dioxide	2462014	38	0.15	18	7	2099289	38	0.15	18	7	4561303	38	0.15	18	7	40	100%
Kandri	Oxide	1017826	38	0.2	18	7	80000	38	0.2	18	7	1097826	38	0.2	18	7	15	100%
Munsar	Oxide Gondite	218485	32	0.25	26	7	627550	32	0.25	26	7	846035	32	0.25	26	7	14	100%
Gumgaon	Oxide	2535362	36	0.25	18	7	170500	36	0.25	18	7	2705862	36	0.25	18	7	24	100%
Beldongri	Oxide	279180	30	0.25	18	7	47250	30	0.25	18	7	326430	30	0.25	18	7	8	100%
Old Satuk	Oxide	0	0	0	18	7	0	0	0	18	7	0	0	0	18	7		100%
New Satuk	Oxide	30365	30	0.25	18	7	0	30	0.25	18	7	30365	30	0.25	18	7	5	100%
Total		**21805475**					**6909770**					**28715245**						

Dy.G.M. (Geology)

MOIL LIMITED

Mineral Resources as on 01/10/2010

Mine	Ore Type	Feasibility Ore Resources (211)					Pre-feasibility Ore Resources (221+222)					Total Ore Resources(A)					Companies
		Tonnes	Mn%	Phos%	Sio2%	Fe%	Tonnes	Mn%	Phos%	Sio2%	Fe%	Tonnes	Mn%	Phos%	Sio2%	Fe%	Interest
Chikla	Oxide Gondite	0	36	0.2	25	7	2427194	36	0.2	25	7	2427194	36	0.2	25	7	100%
Dongri Bz.	Dioxide Hydroxide	0	42	0.2	15	7	7906150	42	0.2	15	7	7906150	42	0.2	15	7	100%
Tirodi	Oxide Gondite	0	32	0.25	22	7	328850	32	0.25	22	7	328850	32	0.25	22	7	100%
Sukli	Oxide Gondite	0	30	0.25	25	7	0	30	0.25	25	7	0	30	0.25	25	7	100%
Sitapatore	Oxide	0	32	0.25	25	7	203438	32	0.25	25	7	203438	32	0.25	25	7	100%
Balaghat	Oxide Dioxide	2615095	40	0.15	15	6	4506101	40	0.15	15	6	7121196	40	0.15	15	6	100%
Ukwa	Oxide Dioxide	0	38	0.15	18	7	1315355	38	0.15	18	7	1315355	38	0.15	18	7	100%
Kandri	Oxide	0	38	0.2	18	7	2178610	38	0.2	18	7	2178610	38	0.2	18	7	100%
Munsar	Oxide Gondite	0	32	0.25	26	7	2446625	32	0.25	26	7	2446625	32	0.25	26	7	100%
Gumgaon	Oxide	0	36	0.25	18	7	615125	36	0.25	18	7	615125	36	0.25	18	7	100%
Beldongri	Oxide	0	30	0.25	18	7	54960	30	0.25	18	7	54960	30	0.25	18	7	100%
Old Satuk	Oxide	0	0	0	18	7	60000	0	0	18	7	60000	0	0	18	7	100%
New Satuk	Oxide	12600	30	0.25	18	7	0	30	0.25	18	7	12600	30	0.25	18	7	100%
Total		**2627695**					**22042408**					**24670103**					

Dy.G.M. (Geology)

MOIL LIMITED

Mineral Resources as on 01/10/2010

Mine	Ore Type	Measured Ore Resources(331)					Indicated Ore Resources(332)					Inferred Ore Resources (333)					Total Ore Resources (B)					Companies Interest
		Tonnes	Mn%	Phos%	Sio2%	Fe%	Tonnes	Mn%	Phos%	Sio2%	Fe%	Tonnes	Mn%	Phos%	Sio2%	Fe%	Tonnes	Mn%	Phos%	Sio2%	Fe%	
Chikla	Oxide Gondite	0	36	0.2	25	7	304500	36	0.2	25	7	330750	36	0.2	25	7	635250	36	0.2	25	7	100%
Dongri Bz.	Dioxide Hydroxide	0	42	0.2	15	7	0	42	0.2	15	7	0	42	0.2	15	7	0	42	0.2	15	7	100%
Tirodi	Oxide Gondite	0	32	0.25	22	7	146082	32	0.25	22	7	56000	32	0.25	22	7	202082	32	0.25	22	7	100%
Sukli	Oxide Gondite	0	30	0.25	25	7	0	30	0.25	25	7	130000	30	0.25	25	7	130000	30	0.25	25	7	100%
Sitapatore	Oxide	0	32	0.25	25	7	0	32	0.25	25	7	50000	32	0.25	25	7	50000	32	0.25	25	7	100%
Balaghat	Oxide Dioxide	0	40	0.15	15	6	1502078	40	0.15	15	6	0	40	0.15	15	6	1502078	40	0.15	15	6	100%
Ukwa	Oxide Dioxide	0	38	0.15	18	7	0	38	0.15	18	7	3105377	38	0.15	18	7	3105377	38	0.15	18	7	100%
Kandri	Oxide	0	38	0.2	18	7	0	38	0.2	18	7	0	38	0.2	18	7	0	38	0.2	18	7	100%
Munsar	Oxide Gondite	0	32	0.25	26	7	0	32	0.25	26	7	1449485	32	0.25	26	7	1449485	32	0.25	26	7	100%
Gumgaon	Oxide	0	36	0.25	18	7	0	36	0.25	18	7	717500	36	0.25	18	7	717500	36	0.25	18	7	100%
Beldongri	Oxide	0	30	0.25	18	7	0	30	0.25	18	7	0	30	0.25	18	7	0	30	0.25	18	7	100%
Old Satuk	Oxide	0	0	0	18	7	0	0	0	18	7	0	0	0	18	7	0	0	0	18	7	100%
New Satuk	Oxide	0	30	0.25	18	7	0	30	0.25	18	7	0	30	0.25	18	7	0	30	0.25	18	7	100%
Total		**0**					**1952660**					**5839112**					**7791772**					

Dy.G.M. (Geology)

ANNEXURE III
IPO GRADING REPORT

CARE Ratings

CREDIT ANALYSIS &
RESEARCH LTD.
4[TH] Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai - 400 022, INDIA.
☎ : 67543456 Fax : (022) 67543457
E-mail : care@careratings.com
www.careratings.com

Mr. M.A.V. Goutham
Director Finance
MOIL Limited
MOIL Bhawan, 1A, Katol Road,
Nagpur – 440 013

October 14, 2010

Confidential

Dear Sir,

IPO Grading

Please refer to your request for grading of the Initial Public Offering (IPO) MOIL Limited (MOIL) for 336 lakh equity shares of face value of Rs.10 each.

2. CARE has assigned a **'CARE IPO Grade 5' [Grade Five]** to the proposed IPO issue of MOIL. **CARE IPO Grade 5** indicates **strong fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.

3. Please note that wherever **'CARE IPO Grade 5' [Grade Five]** appears, it should invariably be followed by the definition 'CARE IPO Grade 5 [Grade Five] indicates 'strong fundamentals'.

4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in **Annexure 1**. The rationale for this grading will be communicated to you separately.

5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within two months from the date of this letter.

6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.

7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings. As such, in the absence of any request for review of grading within a week of this letter, CARE will disclose this IPO grading to the public.

8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.

9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,

[Rushabh Doshi]
Deputy Manager

[Puneet Bhatia]
Senior Manager

Encl : As above

DISCLAIMER:
CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

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Annexure 1

CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

RD

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CARE Ratings

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Mr. M.A.V. Goutham
Director Finance
MOIL Limited
MOIL Bhawan, 1A, Katol Road,
Nagpur – 440 013

October 15, 2010

Dear Sir,

IPO Grading

Please refer to our letter dated October 14, 2010 on the above subject.

2. The rationale for the grading is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our quarterly journal, 'CAREVIEW'.

3. A write-up on the above grading is proposed to be issued to the press shortly. A draft of the press release is enclosed for your perusal as **Annexure - II**.

4. We request you to peruse the Rationale and Press Release and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by October 20, 2010 we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

[Sanjay Kumar Agarwal]
General Manager

Encl: As above

Annexure I

Grading Rationale

MOIL Limited

Grading Assigned

Particulars	Number of equity shares	Grading[1]	Remarks
IPO Grade	33,600,000 equity shares of face value of Rs. 10 each	**'CARE IPO Grade 5' [Five]**	Assigned

CARE has assigned a **'CARE IPO Grade 5'** to the proposed IPO of MOIL Limited (MOIL). **'CARE IPO Grade 5'** indicates **Strong Fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.

MOIL proposes an initial public offering of 33,600,000 equity shares of face value of Rs.10 each through 100% book building process, representing 20% of the existing issued and paid-up equity share capital of the company.

Grading Rationale

The assigned grading reflects MOIL's dominant position in the Indian manganese ore industry with over four decades of experience in manganese mining and its significant reserves of measured mineral resources of manganese ore. MOIL is currently a market leader in domestic manganese ore market commanding around 50% of the domestic market share. MOIL's strong parentage, with a 'mini-ratna' public sector company status which provides it with functional autonomy, the company's healthy operational performance backed by high profit margins, a strong financial position with cash balances of about Rs.1,500 crore, and a zero debt status are factors which add further strength to the grading. The company's current

[1] *Complete definition of the grading assigned is available at www.careratings.com and other publications of CARE*

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operational and financial position provides MOIL with flexibility to fund its on-going and planned expansion projects.

CARE Research foresees demand for the domestic manganese ore industry to be mainly driven by the augmentation in requirements from the steel companies. With increasing domestic steel capacities, the demand for manganese ore is expected to be strong.

However, being a mining company, MOIL's operations are affected to some extent by socio-environmental concerns. Changes in pricing regulations, delays in obtaining clearances and regulatory approvals continue to pose a threat to the company's operations. Renewal of the mining leases in a timely manner, volatility in the revenues and profitability and inherent risk associated to the underground mining are some of the major operational risks the company is exposed to. Despite these factors, the company possess strong fundamentals, given its significant experience in the industry and its healthy operating and financial profile.

Background

Incorporated in 1962, MOIL was formed as a result of an agreement between the Government of India (GOI) and the Central Provinces Manganese Ore Company Ltd. (CPMO) pursuant to which GOI took over assets of CPMO. At that time, 51% of capital was held between GOI and the State Governments of Maharashtra and Madhya Pradesh and the balance 49% by CPMO. Later in 1977, the balance 49% shareholding was acquired from CPMO and MOIL became a 100% GOI undertaking under the administrative control of the Ministry of Steel.

At present, MOIL operates 10 mines, six of which are located in the Nagpur and Bhandara districts of Maharashtra while the remaining four are located in the Balaghat district of Madhya Pradesh. MOIL's production of manganese ore increased from 864,890 tonnes in FY06 to 1,093,363 tonnes in FY10. As of September 30, 2010, MOIL has access to approximately 22.0 million tonnes of proven and probable reserves and 37.2 million tonnes of measured mineral resources of manganese ore. MOIL accounts for about 50% of the total requirement of manganese ore in India, with an annual production of around 1,093,363 tonnes.

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MOIL has set up an electrolytic manganese dioxide (EMD) plant (1,000 tonnes per year) in the year 1991 and ferro manganese plant (10,000 tonnes per year) in the year 1998 as per its forward integration plan for value addition to manganese ore. MOIL has also set up a captive power plant in the year 2006 and 2008, and is further considering expanding the capacity of ferro manganese plant and setting up a new silico manganese plant by means of joint ventures with Rashtriya Ispat Nigam Limited (RINL) and Steel Authority of India Limited (SAIL).

Management

MOIL has a strong management team having significant experience in the mining industry. Its key management personnel have an average experience of over 20 years. Over the years, the management of the company has developed strong expertise in exploration and mining, which is demonstrated by MOIL's operational efficiencies and prudent financial management. In addition to the top management, MOIL has qualified personnel at various functional level of operations with relevant industry experience. With the improvement in operational and financial performance over the years, MOIL was granted "Mini Ratna" status in 2008, providing it with greater functional autonomy.

Corporate Governance

Currently, the Board consists of 10 directors, where the chairman of the Board is a non-independent and executive director. In all, there are 4 whole-time directors, 3 nominee directors and 3 independent directors. Additionally, appointments for 4 independent directors have been approved in order to comply with the listing agreement pursuant to which the independent directors should form 50% of the board of directors. MOIL has constituted prescribed committees such as Audit Committee, the Remuneration and the Shareholders / Investors Grievance Committee.

Litigations

There are various outstanding litigations involving MOIL before different courts / authorities. The probable financial liability / losses in many of such litigations are not quantifiable. In the cases where the amount is quantified, the same does not prima-facie seem significant in relation to the size (net worth) of the company.

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IPO Details

Size of the Issue

The Offer comprises an offer for sale of 33,600,000 Equity Shares of the face value of Rs. 10 each by the President of India, acting through the Ministry of Steel (MOS), GOI, Government of Maharashtra (GOMH) and Government of Madhya Pradesh (GOMP). The Government of India & state governments are planning to divest 20 percent of its equity through the public issue of shares.

Terms of the issue

The offer comprises an offer to public of 33,600,000 equity shares of Rs.10/- each for cash. Of this, 672,000 (2% of total shares on offer) equity shares will be reserved for allocation to eligible employees. The offer shall constitute 20% of the post offer paid-up equity share capital of MOIL.

Purpose of the issue

- Offer for sale by the President of India acting through the Ministry of Steel, Government of India (10%), the State Government of Madhya Pradesh acting through the Governor of Madhya Pradesh (5%) and the State Government of Maharashtra acting through the Governor of Maharashtra (5%).
- The objects of the Offer are to carry out the divestment of 33,600,000 equity Shares by the Selling Shareholders (GOI, GOMH & GOMP) and to achieve the benefits of listing the equity Shares on the Stock Exchanges.
- The Company will not receive any proceeds from the Offer and all proceeds shall go to the Selling Shareholders.

Shareholding Pattern Pre-issue and Post-issue:

	Pre-Issue (%)	Post-Issue (%)
President of India acting through MOS	81.60	71.60
Non-Promoter (Institution)	18.40	8.40
Others/ Retail	-	20.00

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Financial Analysis

MOIL generates more than 80% of its revenues from its manganese ore business the end user industry for which is steel. Hence, demand from the steel industry has significant impact on sale prices as well as volumes of MOIL. Revenues at MOIL have been volatile in nature in the past due to cyclicality in the steel industry and volatility witnessed in global manganese prices. Nevertheless, on account of low operating cost, MOIL has consistently posted robust operating margins of over 65% and PAT margin of over 40% in the past three years upto FY10. The company's current ratio was comfortable at 6.2x as at end of FY10 mainly due to cash held in the form of unencumbered fixed deposits. With debt free capital structure and strong cash reserves, the company's financial position is very sound.

Industry Review

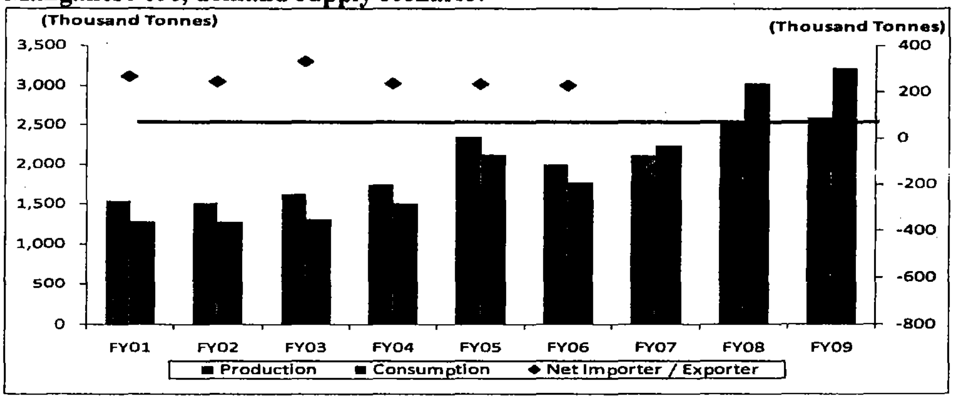
Over 90% of the world's production of manganese is utilized in the desulphurization and strengthening of steel. Hence manganese is directly exposed to the volatility and cyclicality of the global steel industry. Typically each tonne of steel manufactured translates into approximately 30 kg of manganese ore requirement. The performance of the manganese alloy & steel industry is the key determinant of the manganese ore demand.

In line with the movements in the steel production cycle, manganese ore and alloy demand remained subdued in the first half of the CY09. However, demand for manganese ore and ferro alloys has increased recently due to the increase in the production of steel.

S-11

Slower pace in the development of new mines as against the robust demand from the steel industry has already pushed India in becoming a net importer of manganese ore. Going forward also, there is likely to be a huge demand gap between the availability and requirement of manganese ore & ferro manganese products.

Manganese ore, demand supply scenario:



Source: IBM (Indian Bureau of Mines), CARE Research

The global demand for steel is expected to increase at a CAGR of about 5.3% by FY12 with China accounting for 50% of global demand as well as the production of the metal. At the same time, the domestic steel demand is expected to grow at a CAGR of about 9.2% from 59.4 million tonnes in FY10 to about 92 million tonnes by FY15. With the expectations of robust growth in the domestic steel production, CARE Research expects the demand for manganese ore to grow at a CAGR of about 9% during the next 2-3 years to 4.1 million tpa by FY12.

CARE Ratings

Financials

(Rs. Crore)

For the period ended / as at Mar.31,	2008	2009	2010
	(12 m, A)	*(12 m, A)*	*(12 m, A)*
Income from Operations	1,015.48	1,439.41	1,087.85
PBILDT	750.98	1,031.42	732.09
Interest	0.00	0.00	0.00
Depreciation	16.08	24.67	25.30
PBT	734.91	1,006.76	706.79
PAT (After def. Tax)	461.56	690.29	465.62
Gross Cash Accruals	509.86	690.19	485.98
Financial Position			
Equity Share capital	28.00	28.00	168.00
Net Worth	786.25	1,320.94	1,676.72
Key Ratios			
Profitability (%)			
PBILDT / Total Income	73.95	71.66	67.30
PAT / Total Income	45.45	47.96	42.80
ROCE	118.57	95.55	47.16
RONW	74.47	65.52	31.07
EPS (Rs.)	164.84	246.53	27.72
Solvency			
Long Term			
Debt Equity Ratio	-	-	-
Overall Gearing	-	-	-
Interest coverage (times)	-	-	-
Term Debt/GCA	-	-	-
Liquidity			
Current ratio	3.61	4.42	6.42
Quick ratio	3.50	4.25	6.25
Avg. Collection Period (days)	38	31	27
Average Inventory (days)	41	44	58
Average Creditors (days)	83	112	135
Operating cycle (days)	(4)	(37)	(49)

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Annexure II

PRESS RELEASE

CARE ASSIGNS 'CARE IPO GRADE 5' GRADING TO THE IPO OF MOIL LIMITED

Grading Assigned

Particulars	Number of equity shares	Grading[2]	Remarks
IPO Grade	33,600,000 equity shares of face value of Rs. 10 each	**'CARE IPO Grade 5' [Five]**	Assigned

Grading Rationale

The assigned grading reflects MOIL's dominant position in the Indian manganese ore industry with over four decades of experience in manganese mining and its significant reserves of measured mineral resources of manganese ore. MOIL is currently a market leader in domestic manganese ore market commanding around 50% of the domestic market share. MOIL's strong parentage, with a 'mini-ratna' public sector company status which provides it with functional autonomy, the company's healthy operational performance backed by high profit margins, a strong financial position with cash balances of about Rs.1,500 crore, and a zero debt status are factors which add further strength to the grading. The company's current operational and financial position provides MOIL with flexibility to fund its on-going and planned expansion projects.

CARE Research foresees demand for the domestic manganese ore industry to be mainly driven by the augmentation in requirements from the steel companies. With increasing domestic steel capacities, the demand for manganese ore is expected to be strong.

However, being a mining company, MOIL's operations are affected to some extent by socio-environmental concerns. Changes in pricing regulations, delays in obtaining clearances and regulatory approvals continue to pose a threat to the company's operations. Renewal of the mining leases in a timely manner, volatility in the revenues and profitability and inherent risk associated to the underground mining are some of the major operational risks the company is

[1] *Complete definition of the grading assigned is available at www.careratings.com and other publications of CARE*

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exposed to. Despite these factors, the company possess strong fundamentals, given its significant experience in the industry and its healthy operating and financial profile.

Company Profile

MOIL is a wholly Government of India (GOI) owned company and enjoys 'Mini ratna' status. MOIL is currently a market leader in domestic manganese ore market with around 50% of the domestic market share. MOIL has a strong experienced management team having significant experience in the mining industry. Its key management personnel have developed strong expertise in exploration and mining, which is demonstrated by MOIL's operational efficiencies and prudent financial management. As of October 1, 2010, MOIL has access to approximately 22.0 million tonnes of proven and probable reserves and 37.2 million tonnes of measured mineral resources of manganese ore.

MOIL reported a PAT of Rs.466 crore on total income of Rs.1,088 crore in FY10. MOIL is a debt free company and healthy profit margins. However, the prices of manganese, being a commodity, are volatile in nature. Hence the profit margins too are volatile for the company. Nevertheless, on account of low operating cost and strong cash reserves, the financial soundness of the company is excellent.

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